

2001-03 Omnibus Operating Budget
House of Representatives
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	376.0	52,826	52,871
2001-03 Maintenance Level	376.0	56,795	56,840
Policy Changes:			
1. Developmental Disabilities Counsel	<u>0.0</u>	<u>15</u>	<u>15</u>
Total Policy Changes	0.0	15	15
Total 2001-03 Biennium	376.0	56,810	56,855
Difference from 1999-01	0.0	3,984	3,984
% Change from 1999-01	0.0%	7.5%	7.5%

Comments:

1. Developmental Disabilities Counsel - One-time funding is provided, for fiscal year 2002, for the Legislature to continue the services of expert counsel on legal and policy issues relating to services for persons with developmental disabilities.

The appropriations to the House of Representatives include \$84,000 in FY 2002 and \$84,000 in FY 2003 for the independent operations of the Legislative Ethics Board. Expenditure decisions of the board, including employment of staff, shall be independent of the House of Representatives and the Senate.

2001-03 Omnibus Operating Budget**Senate**

(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	308.1	42,928	42,973
2001-03 Maintenance Level	309.6	45,170	45,215
Policy Changes:			
1. Senate Transportation Committee	0.0	1,677	1,677
2. Developmental Disabilities Counsel	0.0	15	15
Total Policy Changes	0.0	1,692	1,692
Total 2001-03 Biennium	309.6	46,862	46,907
Difference from 1999-01	1.5	3,934	3,934
% Change from 1999-01	0.6%	9.2%	9.2%

Comments:

1. Senate Transportation Committee - Funding for the Senate Transportation Committee is shifted from the Motor Vehicle Fund to the General Fund--State. This funding is offset by a reduction in the transportation budget.

2. Developmental Disabilities Counsel - Funding is provided for the Legislature to continue the services of expert counsel on legal and policy issues relating to services for persons with developmental disabilities.

The appropriations to the Senate include \$84,000 in FY 2000 and \$84,000 in FY 2001 for the independent operations of the Legislative Ethics Board. Expenditure decisions of the board, including employment of staff, shall be independent of the Senate and House of Representatives.

2001-03 Omnibus Operating Budget
Jt Leg Audit & Review Committee
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	18.0	3,497	3,497
2001-03 Maintenance Level	18.0	3,321	3,321
Policy Changes:			
1. Special Education Study	0.0	100	100
2. Audit Follow-Up Activities	0.0	100	100
3. General Inflation	0.0	-12	-12
4. Field Services Caseload Studies	0.0	375	375
5. Corrections Study	0.0	40	40
6. Developmental Disabilities Study	0.0	225	225
7. School for the Deaf Study	0.0	50	50
8. Water Conservancy Boards Study	0.0	35	35
9. Children's Mental Health Study	0.0	140	140
Total Policy Changes	0.0	1,053	1,053
Total 2001-03 Biennium	18.0	4,374	4,374
Difference from 1999-01	0.0	877	877
% Change from 1999-01	0.0%	25.1%	25.1%

Comments:

1. Special Education Study - The Special Education Study mandated and funded in the 2000 Supplemental Budget will carry over into the 2001-2003 Biennium.

2. Audit Follow-Up Activities - Increased resources are provided for expanded audit follow-up activities to verify and evaluate implementation of performance audit recommendations, particularly the performance measurement system developed in the recently completed Mental Health audit.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Field Services Caseload Studies - One-time funding is provided for studies of the field services caseloads in the Division of Developmental Disabilities and the Child Protective Services and Child Welfare Services caseloads in the Children's Administration of the Department of Social and Health Services. A report will be submitted to the fiscal committees of the Legislature and to the Office of Financial Management by July 30, 2002.

5. Corrections Study - One-time funding is provided for follow-up activities on the Department of Corrections' performance audit.

6. Developmental Disabilities Study - The Committee will conduct an evaluation of the client outcomes of the High School Transition Program operated by the DSHS Division of Developmental Disabilities. The study shall identify the different approaches that have been used in providing transition services and whether some approaches are more or less successful in helping young adults with developmental disabilities achieve greater levels of independence. The study shall evaluate how transition programs reduce the level of support provided to clients as they achieve greater levels of independence.

7. School for the Deaf Study - The Committee will conduct a capacity planning study of the capital facilities of the state School for the Deaf. The committee's study will be carried out in conjunction with the study of educational service delivery models conducted by the Washington State Institute for Public Policy. The study shall be submitted to the fiscal committees of the legislature by September 30, 2002.

8. Water Conservancy Boards Study - Funding is provided solely for the Committee to conduct a review of water conservancy boards, to be completed by January 1, 2002

**2001-03 Omnibus Operating Budget
Jt Leg Audit & Review Committee**

- 9. Children's Mental Health Study** - JLARC will perform a study of the effectiveness of children's mental health services.

2001-03 Omnibus Operating Budget**LEAP Committee**

(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	13.5	2,532	2,937
2001-03 Maintenance Level	13.5	2,741	2,944
Policy Changes:			
1. Additional Staff Resources	0.5	50	50
Total Policy Changes	0.5	50	50
Total 2001-03 Biennium	14.0	2,791	2,994
Difference from 1999-01	0.5	259	57
% Change from 1999-01	0.0%	10.2%	1.9%

Comments:

1. Additional Staff Resources - Additional staff resources are proposed to: manage the increased volume of state and local government information LEAP maintains; support the increased number of fiscal staff using LEAP systems and data; respond to the increasing number of requests for specialized access to fiscal data; and to support the analysis of the impact of changes to funding sources and uses. These resources will also broaden access to fiscal information via the Internet; will improve the utility of the information by adding useful formats for decision making and communication; and improve understanding of fiscal information by adding context. (General Fund-State, Motor Vehicle Account-State).

2001-03 Omnibus Operating Budget
Office of the State Actuary
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	9.5	0	2,025
2001-03 Maintenance Level	10.5	0	1,929
Policy Changes:			
1. General Inflation	0.0	0	-6
Total Policy Changes	0.0	0	-6
Total 2001-03 Biennium	10.5	0	1,923
Difference from 1999-01	1.0	0	-102
% Change from 1999-01	0.0%	0.0%	-5.0%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Retirement Systems Expense Account)

2001-03 Omnibus Operating Budget
Joint Legislative Systems Comm
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	48.0	12,000	14,181
2001-03 Maintenance Level	48.0	13,218	15,054
Policy Changes:			
1. General Inflation	0.0	0	-130
2. Additional Staffing	1.5	246	246
Total Policy Changes	1.5	246	116
Total 2001-03 Biennium	49.5	13,464	15,170
Difference from 1999-01	1.5	1,464	989
% Change from 1999-01	4.2%	12.2%	7.0%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Additional Staffing - Funding is provided for the addition of an information technology position in the applications support group to meet application development demands. One-time funding is provided for a geographic information system analyst position, for fiscal year 2002, to support the Redistricting Commission, as well as to evaluate the potential applications using the demographic and geographic information derived from the Redistricting effort.

2001-03 Omnibus Operating Budget
Statute Law Committee
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	54.0	7,523	10,012
2001-03 Maintenance Level	54.0	7,947	10,186
Total 2001-03 Biennium	54.0	7,947	10,186
Difference from 1999-01	0.0	424	174
% Change from 1999-01	0.0%	5.6%	1.7%

Comments:

2001-03 Omnibus Operating Budget
Redistricting Commission
 (Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	2.7	520	520
2001-03 Maintenance Level	6.3	876	876
Total 2001-03 Biennium	6.3	876	876
Difference from 1999-01	3.6	356	356
% Change from 1999-01	100.0%	68.5%	68.5%

Comments:

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	64.3	10,437	10,437
2001-03 Maintenance Level	64.3	10,916	10,916
Policy Changes:			
1. General Inflation	0.0	-28	-28
2. Historic Furnishings Survey	0.0	11	11
3. Reclass for Reporter's Office	0.0	24	24
4. Feasibility Study of Court Reports	0.0	10	10
Total Policy Changes	0.0	17	17
Total 2001-03 Biennium	64.3	10,933	10,933
Difference from 1999-01	0.0	496	496
% Change from 1999-01	0.0%	4.8%	4.8%

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Historic Furnishings Survey** - Funding is provided for a survey to review and catalog all historic furnishings in the Justices' chambers, private staff offices and conference rooms located in the Temple of Justice. This survey will produce a catalog of historic furnishings by type and provide a room-by-room listing of historic furnishings including a condition assessment of each piece.
- 3. Reclass for Reporter's Office** - Funding is provided for costs associated with a reclassification of positions in the Court Reporter's Office to reflect the increased skills and knowledge required to perform the job.
- 4. Feasibility Study of Court Reports** - An eleven member committee will be created to study and develop recommendations on the publication of the court reports for public access in electronic format.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	15.0	3,764	3,764
2001-03 Maintenance Level	15.0	3,970	3,970
Policy Changes:			
1. General Inflation	0.0	-41	-41
2. Reclassification	0.0	36	36
Total Policy Changes	0.0	-5	-5
Total 2001-03 Biennium	15.0	3,965	3,965
Difference from 1999-01	0.0	201	201
% Change from 1999-01	0.0%	5.3%	5.3%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Reclassification - Funding is provided for the reclassification of State Law Library technician positions. The increases are related to recent adjustments made in executive branch library technician salary levels.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	147.1	23,517	23,517
2001-03 Maintenance Level	149.1	25,249	25,249
Policy Changes:			
1. General Inflation	0.0	-111	-111
2. ADA Compliance/Court Security	0.0	159	159
3. Salary Adjustment Pool	0.0	327	327
Total Policy Changes	0.0	375	375
Total 2001-03 Biennium	149.1	25,624	25,624
Difference from 1999-01	2.0	2,107	2,107
% Change from 1999-01	1.4%	9.0%	9.0%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. ADA Compliance/Court Security - Funding is provided for costs associated with remodeling a bathroom in the Division III facility. Additionally, court security will be enhanced by the addition of monitoring equipment and personnel.

3. Salary Adjustment Pool - Funding is provided to make compensation adjustments for Court of Appeals' staff based on recruitment and retention difficulties, new duties or responsibilities assigned, or salary inversion or compression. The Court of Appeals will determine the specific positions that will receive compensation adjustments based on this criteria.

2001-03 Omnibus Operating Budget
Commission on Judicial Conduct
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	8.6	1,809	1,809
2001-03 Maintenance Level	8.6	1,766	1,766
Policy Changes:			
1. General Inflation	0.0	-6	-6
2. Increased Workload	1.0	131	131
3. Internet Information System	0.0	33	33
Total Policy Changes	1.0	158	158
Total 2001-03 Biennium	9.6	1,924	1,924
Difference from 1999-01	1.0	115	115
% Change from 1999-01	11.1%	6.4%	6.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Increased Workload - Funding is provided for a new staff investigator position to address additional workload due to an increase in the number of investigations and public proceedings.

3. Internet Information System - Funding is provided for the Commission to develop document imaging capabilities for the storage and processing of their complaints. Additionally, the Commission plans to begin integrating this system to their Internet-based applications to allow greater access to Commission members and the public.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	342.5	27,974	73,026
2001-03 Maintenance Level	344.5	28,711	66,355
Policy Changes:			
1. General Inflation	0.0	-78	-730
2. Local Court Backlog Assistance	0.0	0	138
3. Judicial Information Enhancements	12.0	0	17,894
4. Judicial Enhancement Pool	2.0	0	750
5. Juror Fee Increase	0.0	0	1,618
Total Policy Changes	14.0	-78	19,670
Total 2001-03 Biennium	358.5	28,633	86,025
Difference from 1999-01	16.0	659	12,999
% Change from 1999-01	4.7%	2.4%	17.8%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Public Safety and Education Account, Judicial Information Systems Account)

2. Local Court Backlog Assistance - Funding is provided to pay for pro-tem, travel, and per diem costs for judges who travel outside of their jurisdictions to assist other courts in reducing temporary backlogs. (Public Safety and Education Account)

3. Judicial Information Enhancements - Funding is provided for the Office of the Administrator for the Courts to make various enhancements and upgrades to the judicial information technology systems maintained by their agency. The approach adopted in the budget is to provide the maximum amount of appropriation authority from the Judicial Information Systems (JIS) Account based on updated revenue projections in one lump sum rather than earmarked for particular projects. Additionally, increased spending authority is provided from JIS and Public Safety and Education Account based on the assumption that the judiciary will increase the JIS assessment from \$10 to \$12. (Public Safety and Education Account, Judicial Information Systems Account)

4. Judicial Enhancement Pool - \$750,000 is provided for enhancements to certain judicial programs as determined by the Office of the Administrator for the Courts in consultation with the Supreme Court. (Public Safety and Education Account)

5. Juror Fee Increase - Beginning July 1, 2002, funding is provided to increase the rate of juror compensation from \$10 per day to \$25 per day, beginning on the second day of juror service. It is assumed that counties and cities will still pay \$10 for each day of service, and the state will pay the remainder for the second day forward. By December 1, 2003, the Office of the Administrator for the Courts shall prepare a report on the impact of the rate increase on juror response rates and overall judicial operations. (Public Safety and Education Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	5.5	500	13,025
2001-03 Maintenance Level	5.5	0	12,262
Policy Changes:			
1. General Inflation	0.0	0	-104
2. Attorney Fee Vendor Rate Increase	0.0	0	233
3. Dependency and Termination	0.0	600	600
4. Capital Defense Center	0.0	0	235
Total Policy Changes	0.0	600	964
Total 2001-03 Biennium	5.5	600	13,226
Difference from 1999-01	0.0	100	201
% Change from 1999-01	0.0%	20.0%	1.5%

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Safety and Education Account)
- 2. Attorney Fee Vendor Rate Increase** - Funding is provided for a vendor rate increase for attorneys that handle indigent appellate cases. Rates will be increased by 2.1 percent on July 1, 2001 and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)
- 3. Dependency and Termination** - Funding is provided to continue a pilot program through June 30, 2002, to improve defense services provided for parents involved in dependency and termination hearings. A final evaluation of this pilot project will be submitted to the governor and to the fiscal committees of the legislature by October 1, 2002.
- 4. Capital Defense Center** - Funding is provided for the Office of Public Defense to contract with an existing public defender association to establish a Capital Defense Assistance Center (CDAC). The CDAC will provide training and assistance to defense attorneys involved in capital offense cases. (Public Safety and Education Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	70.0	11,827	12,772
2001-03 Maintenance Level	70.0	12,065	12,988
Policy Changes:			
1. Data Management Coordinator	0.0	200	200
2. Puget Sound Action Team Funding	0.0	-3,204	0
Total Policy Changes	0.0	-3,004	200
Total 2001-03 Biennium	70.0	9,061	13,188
Difference from 1999-01	0.0	-2,766	416
% Change from 1999-01	0.0%	-23.4%	3.3%

Comments:

1. Data Management Coordinator - The Governor's Joint Natural Resource Cabinet (JNRC) has established the Salmon and Watershed Information Management (SWIM) project to coordinate salmon recovery data information. The project coordinator will advise the JNRC on policy and strategic issues related to information management on a watershed scale as well as facilitate progress on information access, process and procedures, and appropriate data documentation. Additionally, the SWIM coordinator will oversee the Natural Resources Data Pool.

2. Puget Sound Action Team Funding - Funding for the Puget Sound Action Team is provided from the Water Quality Account.

2001-03 Omnibus Operating Budget
Office of the Lieutenant Governor
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	5.0	708	868
2001-03 Maintenance Level	5.0	747	747
Policy Changes:			
1. General Inflation	0.0	-3	-3
2. Salary Administration Fund	0.0	34	34
3. Technical Support	0.0	18	18
4. Director of Agency Affairs Position	1.0	104	104
Total Policy Changes	1.0	153	153
Total 2001-03 Biennium	6.0	900	900
Difference from 1999-01	1.0	192	32
% Change from 1999-01	20.0%	27.1%	3.7%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Salary Administration Fund - The Personnel Board does not administer exempt salary ranges for the staff of statewide elected officials. Instead, requests for compensation changes must be requested in the agency's budget proposal each biennium. In order to allow the Lieutenant Governor to grant compensation increases to staff to reflect professional development and advancement the current compensation funding level is increased. This increase will make it easier for the agency to recruit qualified new staff if vacancies occur and at the same time will serve as a retention incentive for current staff.

3. Technical Support - The Lieutenant Governor travels frequently to make public appearances. The current level of funding for travel, however, does not allow for consistent on-site technical and administrative support. Funding is increased for staff travel in order to provide needed on-site logistical support for these public appearances.

4. Director of Agency Affairs Position - Funding is provided to establish the position of Director of Agency Affairs.

2001-03 Omnibus Operating Budget
Public Disclosure Commission
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	23.3	4,042	4,042
2001-03 Maintenance Level	25.7	3,819	3,819
Policy Changes:			
1. General Inflation	0.0	-6	-6
Total Policy Changes	0.0	-6	-6
Total 2001-03 Biennium	25.7	3,813	3,813
Difference from 1999-01	2.4	-229	-229
% Change from 1999-01	13.0%	-5.7%	-5.7%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	180.0	22,869	35,994
2001-03 Maintenance Level	172.5	19,353	32,204
Policy Changes:			
1. General Inflation	0.0	-133	-223
2. Eastern Regional Archives Move *	3.0	0	1,824
3. Archives Records Center Space	1.1	0	641
4. Southwest Regional Archives Rent *	0.0	0	115
Total Policy Changes	4.1	-133	2,357
Total 2001-03 Biennium	176.5	19,220	34,561
Difference from 1999-01	-3.5	-3,649	-1,433
% Change from 1999-01	-2.2%	-16.0%	-4.0%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, other funds)

2. Eastern Regional Archives Move * - One-time and on-going funding and staff are provided to move into, then operate, the new Eastern Washington Regional Archives building, which is included in the Governor's 2001-03 capital budget. Once completed, the building will include the State Electronic Data Archives, a facility designed to store official public records that originate as digital records and which, by statute or regulation, must be stored for longer than six years. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

3. Archives Records Center Space - The State Records Center, which provides low-cost temporary storage of records which are still in the custody of state agencies, is nearly filled to capacity. In addition, the Department of Corrections has requested that the Secretary of State meet special requirements for the storage and retrieval of inmate records, requirements that cannot be accommodated in the limited space available. This item provides one-time funding for temporary staff and costs associated with a capital budget item expanding the State Records Center, as well as on-going funding and staff for operating the expanded facility. (Archives and Records Management Account-State)

4. Southwest Regional Archives Rent * - The Southwest Regional Archives space is filled to capacity and requires increased, climate-controlled space in the Capitol Campus archives building. The Microfilm Bureau will move out of its portion of the building, allowing the Southwest Region to expand into the vacated space. This item provides on-going funding for increased rent expense. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	4.0	542	542
2001-03 Maintenance Level	4.0	553	553
Policy Changes:			
1. General Inflation	0.0	-2	-2
Total Policy Changes	0.0	-2	-2
Total 2001-03 Biennium	4.0	551	551
Difference from 1999-01	0.0	9	9
% Change from 1999-01	0.0%	1.7%	1.7%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Asian-Pacific-American Affrs
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	3.0	450	450
2001-03 Maintenance Level	3.0	469	469
Policy Changes:			
1. General Inflation	0.0	-3	-3
Total Policy Changes	0.0	-3	-3
Total 2001-03 Biennium	3.0	466	466
Difference from 1999-01	0.0	16	16
% Change from 1999-01	0.0%	3.6%	3.6%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Office of the State Treasurer
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	73.8	0	14,715
2001-03 Maintenance Level	74.5	0	12,918
Policy Changes:			
1. General Inflation	0.0	0	-48
Total Policy Changes	0.0	0	-48
Total 2001-03 Biennium	74.5	0	12,870
Difference from 1999-01	0.7	0	-1,845
% Change from 1999-01	0.0%	0.0%	-12.5%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State Treasurer's Service Account)

2001-03 Omnibus Operating Budget
Office of the State Auditor
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	317.6	2,230	43,629
2001-03 Maintenance Level	319.7	2,229	45,608
Policy Changes:			
1. General Inflation	0.0	-17	-358
2. Local Government Finance Project	0.0	0	100
3. Demonstration Performance Audits	0.0	600	600
4. Remove funding for 3rd runway audit	0.0	-410	-410
Total Policy Changes	0.0	173	-68
Total 2001-03 Biennium	319.7	2,402	45,540
Difference from 1999-01	2.1	172	1,911
% Change from 1999-01	0.6%	7.7%	4.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Municipal Revolving Account-Nonappropriated, Auditing Services Revolving Account)

2. Local Government Finance Project - Funding is provided for ongoing maintenance of the Local Government Finance Project. (Municipal Revolving Account-Nonappropriated)

3. Demonstration Performance Audits - Funding is provided to conduct three performance audits as demonstration audits for state and local governmental agencies. Each audit shall include a financial history and shall identify and review performance measures, benchmarks, quality management practices, and efficiencies achieved. State auditor shall report findings from these audits to legislative committees by December 1, 2002.

4. Remove funding for 3rd runway audit - Funding is removed for a performance and financial audit of the Port of Seattle's third runway project, and the requirement that an audit be conducted is also eliminated.

2001-03 Omnibus Operating Budget
Comm Salaries for Elected Officials
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.9	202	202
2001-03 Maintenance Level	0.9	235	235
Policy Changes:			
1. General Inflation	0.0	-3	-3
Total Policy Changes	0.0	-3	-3
Total 2001-03 Biennium	0.9	232	232
Difference from 1999-01	0.0	30	30
% Change from 1999-01	0.0%	14.9%	14.9%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1,035.4	12,391	146,601
2001-03 Maintenance Level	1,059.9	9,643	157,545
Policy Changes:			
1. General Inflation	0.0	-26	-634
2. Labor & Industries Support Staff	6.0	0	672
3. Water Resources	1.4	0	318
4. New Retirement System	0.4	0	79
5. Sexually Violent Predators	4.7	0	1,253
6. Medicaid Fraud	4.0	0	480
7. Criminal Litigation Capability	1.9	0	334
8. Children's Services Litigation	3.8	0	672
9. Endangered Species Act	1.7	0	147
10. Nuclear Waste	1.9	0	382
11. Network Equipment	0.0	0	276
12. Office/Windows 2000 Upgrade	2.0	0	662
13. Tobacco Litigation	1.0	0	277
14. Indeterminate Sentence Review Board	0.5	0	83
15. Industrial Insurance Appeals Judges	7.8	0	1,372
16. Labor & Industries Cases	3.9	0	888
Total Policy Changes	41.0	-26	7,261
Total 2001-03 Biennium	1,100.9	9,617	164,806
Difference from 1999-01	65.5	-2,774	18,205
% Change from 1999-01	6.4%	-22.4%	12.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, other funds)

2. Labor & Industries Support Staff - Restores the ratio of assistant attorneys general to support staff in the Labor and Industries Division. (Legal Services Revolving Account)

3. Water Resources - Additional legal services will be provided to the Department of Ecology in support of the water allocation issues. (Legal Services Revolving Account)

4. New Retirement System - Additional legal services will be provided to the Department of Retirement Systems to support the new Public Employee Retirement System 3. (Legal Services Revolving Account)

5. Sexually Violent Predators - The addition of two assistant attorneys general and support staff will enable the Sexually Violent Predator Unit in the Office of the Attorney General to decrease the wait time for cases and the number of cases awaiting initial commitment trial, and assume cases currently being handled by the Snohomish County Prosecutors Office. (Legal Services Revolving Account)

6. Medicaid Fraud - The Office of the Attorney General's Medicaid Fraud Control Unit will increase the number of fraud and resident abuse investigations by 20 percent and will examine a larger portion of the Medicaid budget. (General Fund-Federal, Public Safety and Education Account)

7. Criminal Litigation Capability - Additional investigative and prosecutorial assistance will be provided to local governments when a conflict of interest occurs or in complex criminal cases where additional expertise is needed. (Public Safety and Education Account)

2001-03 Omnibus Operating Budget Office of the Attorney General

8. Children's Services Litigation - Implementation of the federal Child Abuse Prevention and Treatment Act (CAPTA) by the Department of Social and Health Services has increased legal hearings. Under CAPTA, anyone who has been found to have committed an act of child abuse or neglect through a Child Protective Services investigation has the right to an administrative fair hearing. Assistant attorneys general represent the state in these proceedings. (Legal Services Revolving Account)

9. Endangered Species Act - Additional legal services will be provided to the Department of Fish and Wildlife to address issues regarding the listing of salmon and other fish species under the Endangered Species Act. (Legal Services Revolving Account)

10. Nuclear Waste - Legal services will be provided to the Department of Ecology to assist with regulation of the United States Department of Energy cleanup activities at Hanford. (Legal Services Revolving Account)

11. Network Equipment - Funding is provided to replace network equipment on a three-year lease purchase cycle. (Legal Services Revolving Account)

12. Office/Windows 2000 Upgrade - Funding is provided to upgrade Microsoft software, train staff to use software, and replace desktop computers. (Legal Service Revolving Account)

13. Tobacco Litigation - The Office of the Attorney General will enforce a statute which requires manufacturers not participating in the Tobacco Master Settlement Agreement to deposit funds in an escrow account based on cigarette product sales in Washington State. If costs are recovered from tobacco manufacturers, funds will be returned to the Tobacco Prevention and Control Account. (Tobacco Prevention and Control Account)

14. Indeterminate Sentence Review Board - Cases heard by the Indeterminate Sentence Review Board have become more complex and involve offenders who have committed serious offenses, creating a need for additional legal services from the Office of the Attorney General. (Legal Services Revolving Account)

15. Industrial Insurance Appeals Judges - Additional legal services will be provided to the Board of Industrial Insurance Appeals to address the increased workload associated with the addition of Hearing and Mediation Judges. (Legal Services Revolving Account)

16. Labor & Industries Cases - One-time funding is provided for the increased cost of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits. This decision significantly increases the complexity of calculating benefits and therefore the administrative and legal costs of the workers' compensation program. The department of Labor and Industries is directed to develop and report to the Legislature alternatives for simplifying the calculation of benefits by October 1, 2001. The report shall also identify anticipated costs in Fiscal Year 2003.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	5.6	946	946
2001-03 Maintenance Level	6.0	1,083	1,083
Policy Changes:			
1. General Inflation	0.0	-3	-3
2. Employee Compensation	1.0	170	170
Total Policy Changes	1.0	167	167
Total 2001-03 Biennium	7.0	1,250	1,250
Difference from 1999-01	1.4	304	304
% Change from 1999-01	16.7%	32.1%	32.1%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Employee Compensation - Increase for one new full time FTEs. To take on the responsibility for forecasting the 14 MAA caseloads and to improve the analytical ability to explain deviations from the forecasts.

2001-03 Omnibus Operating Budget
Dept of Financial Institutions
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	133.8	0	20,606
2001-03 Maintenance Level	132.8	0	21,472
Policy Changes:			
1. General Inflation	0.0	0	-90
2. Application Development	0.0	0	495
3. Broker-Dealer Field Examinations	1.0	0	245
4. Internet Fraud Program	1.0	0	159
5. Senior Examiner, Credit Unions	0.5	0	90
6. Office Assistant, Human Resources	1.0	0	85
7. Consumer Complaints & Enforcements	3.0	0	450
8. Electronic Banking Exams	0.0	0	212
9. Internet & Intranet Development	1.0	0	462
10. Financial Literacy	1.0	0	196
Total Policy Changes	8.5	0	2,304
Total 2001-03 Biennium	141.3	0	23,776
Difference from 1999-01	7.5	0	3,170
% Change from 1999-01	5.2%	0.0%	15.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

2. Application Development - Funding is provided for Phase II of the Department's Database Of Licensed Financial Institutions system, (DOLFIN). Phase II will develop a comprehensive regulatory database for the storage, retrieval, analysis, and tracking of regulatory information. Phase I was implemented in the 1999-2001 biennium. (Banking Examination Account-Nonappropriated, Securities Regulation Account)

3. Broker-Dealer Field Examinations - Funding is provided for the addition of one field examiner and the development of a database module to help target high risk broker-dealer offices. The cycle for examination of securities broker-dealer offices will be reduced from ten years to nine years by the end of the biennium and the examination cycle of high-risk securities offices will be increased. (Securities Regulation Account)

4. Internet Fraud Program - Funding is provided for the Securities Division to create an Internet Fraud Program staffed by a technology specialist to respond to the increasing number of complaints of investment fraud on the Internet. The Division will implement the program in fiscal year 2002. (Securities Regulation Account)

5. Senior Examiner, Credit Unions - Funding is provided to increase a part-time senior examiner position to full-time. The Division of Credit Unions (DCU) implemented a stronger off-site monitoring program in fiscal year 1999 to detect negative financial trends and to undertake earlier review of the status of the DCU required corrective actions of regulated credit unions. The senior examiner will also assist with credit union field examinations and consumer complaint resolution. (Credit Unions Examination Account-Nonappropriated)

6. Office Assistant, Human Resources - Funding is provided for an Office Assistant in the Department's Human Resources Office to provide services that directly support new strategic plan objectives. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

2001-03 Omnibus Operating Budget Dept of Financial Institutions

7. Consumer Complaints & Enforcements - Funding is provided to employ three new positions, two new Financial Examiner positions and a Securities Examiner position. The new Financial Examiners will conduct examinations and audits of consumer loan companies, check cashiers and sellers (some with "payday lender" small loan endorsements), and escrow agents, allowing the Division of Consumer Services to maintain a reasonable examination schedule and visit all new licensees within the first six months of operation. The Securities Examiner position will provide legal expertise in the conduct of complaint investigations, enforcement actions and in the development of interpretive letters for the Department. (Banking Examination Account-Nonappropriated)

8. Electronic Banking Exams - Funding is provided to allow the Division of Credit Unions (DCU) to enter into a personal service contract to conduct Information Systems and Electronic-banking examinations of credit unions. The DCU cannot rely on its federal counterpart, the National Credit Union Administration (NCUA), to examine E-banking activities by Washington State credit unions as NCUA has no clear implementation date for an effective E-banking examination. (Credit Unions Examination Account-Nonappropriated)

9. Internet & Intranet Development - Funding is provided for one Web Programmer/Analyst position and for personal services contract(s) to support DFI's Intranet efforts and the different Divisions' Internet information delivery requirements to their stakeholders and clients. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

10. Financial Literacy - Funding is provided for the temporary financial literacy position to be promoted to a permanent position. This staff position ensures the continuation of the financial literacy assistance program. The Department helps Washington consumers avoid scams and fraud and provides advice to consumers on how to protect themselves in a broad range of financial transactions. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	333.6	146,669	361,927
2001-03 Maintenance Level	331.0	142,743	354,698
Policy Changes:			
1. Vendor Rate Increase	0.0	1,681	1,681
2. General Inflation	0.0	-223	-311
3. Housing Initiative	0.0	0	680
4. Transfer SIRTI Funding	0.0	-3,496	-3,496
5. Protect Archaeological Sites	1.0	266	266
6. Growth Management Updates	1.0	3,000	3,000
7. WMS Rural & Environmental Expansion	0.0	200	200
8. Emergency Food Assistance Program	0.0	1,000	1,000
9. Energy Facilities Siting Council	0.0	0	996
10. Displaced Worker Assistance	0.0	200	200
11. Rural Development Council	0.0	-34	-34
12. Archaeology Grant Funding	0.0	0	1,400
13. QuickSites Initiative	0.5	150	150
14. King County Public Health	0.0	-2,347	-2,347
15. Reemployment Support Center	0.0	-12	-12
16. Developmental Disabilities Endowmnt	0.0	460	573
17. WSU Technical Services Agreement	0.0	-36	-36
18. Technology Improvements	0.0	200	200
19. Reduce Washington Technology Center	0.0	-394	-394
20. SIRTI Reduction	0.0	-223	-223
21. Visitors Information Centers	0.0	-126	-126
22. Sexual Assault Legal Advocate	0.0	0	880
23. Senior Games	0.0	45	45
24. Youth Shelters	0.0	240	240
25. Business Retention and Expansion	0.0	100	100
26. Rural Opportunity Fund	0.0	-360	-360
27. Mortgage & Rental Assistance	-0.8	-1,221	-1,221
28. Washington State Film Office	0.0	144	144
Total Policy Changes	1.7	-786	3,195
Total 2001-03 Biennium	332.7	141,957	357,893
Difference from 1999-01	-0.9	-4,712	-4,034
% Change from 1999-01	-0.3%	-3.2%	-1.1%

Comments:

1. Vendor Rate Increase - Funding is provided to increase vendor payments by 2.1% in fiscal year 2002 and 2.3% in fiscal year 2003.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Housing Initiative - Funds are provided for low-income housing technical assistance, neighborhood mediation and the development of an affordable housing guidebook. (Housing Assistance Account)

4. Transfer SIRTI Funding - The Office of Community Development (OCD) passes state funds through to the Spokane Intercollegiate Research Technical Institute (SIRTI) for its operation. Funds for SIRTI will be appropriated directly to the Institute.

2001-03 Omnibus Operating Budget

Dept Community, Trade, Econ Dev

- 5. Protect Archaeological Sites** - Additional funds are provided to the Office of Archaeology and Historic Preservation to investigate claims of vandalization or damage to archaeological sites and to monitor activities relating to archaeological permits.
- 6. Growth Management Updates** - Local governments planning under the Growth Management Act are required to review and/or update their comprehensive plans including critical areas ordinances. Funds are provided as grants to local governments to help pay for the costs to update local critical areas ordinances.
- 7. WMS Rural & Environmental Expansion** - Washington Manufacturing Services (WMS) works with Washington based manufacturers to enhance their competitiveness in the global market place. Additional funding will enable WMS to establish a rural manufacturers assistance effort in collaboration with the Economic Development Councils (EDCs) to promote rural economic development in Washington.
- 8. Emergency Food Assistance Program** - Funding is provided for infrastructure improvements, such as cold storage, in order to increase the capacity of food distribution centers to transport and store food, especially perishable items.
- 9. Energy Facilities Siting Council** - Expenditure authority is provided for fees collected pursuant to EHB 2247 (energy bill).
- 10. Displaced Worker Assistance** - Funding is provided for distribution to community agencies that assist industrial workers who have been displaced by energy-related plant closures for the purpose of meeting the displaced workers' basic needs including, but not limited to, emergency medical and dental services, family and mental health counseling, food, energy costs, mortgage and rental costs.
- 11. Rural Development Council** - The remaining general fund resources for the rural development council are eliminated. The council will continue to receive federal and local funds which make up the bulk of the current funding.
- 12. Archaeology Grant Funding** - The Office of Archaeology and Historic Preservation has received additional federal funds which will be used to increase the grants awarded to local governments. Required matching funds will be from local participation and existing state appropriations. (General Fund-Federal)
- 13. QuickSites Initiative** - QuickSites is an economic development program which will enable communities to offer prospective business investors ready industrial sites. The long term plan is that zoning, planning, permitting, and in some cases land preparation, will be taken care of in advance of prospective business investment. QuickSites is intended to provide local communities the ability to pre-determine a targeted sector and/or industries for identified sites that are ready for development. Funding is provided to establish a database and industry site profiles.
- 14. King County Public Health** - In order to consolidate all replacement of local public health funding associated with Initiative 695, funding for King County Public Health is transferred from the Department of Community, Trade, and Economic Development's budget to Special Appropriations to the Governor.
- 15. Reemployment Support Center** - Reemployment Support Centers provide counseling and referral services to persons displaced in the timber and salmon industry. General Fund-State funding is eliminated for this program. Funding through an interagency agreement with the Employment Security Department will continue. (\$417,000 Federal Funds)
- 16. Developmental Disabilities Endowment** - Funds are provided for the support of the governing board and for program startup costs. Startup costs are assumed to be a loan from the state general fund and will be repaid from program administrative fees. The governing board may use state appropriations to implement a sliding scale fee waiver for families earning below 150% of the state median family income. The director of CTED may implement fees to support the program as provided under RCW 43.330.152.
- 17. WSU Technical Services Agreement** - This item reduces the service contract between the Energy Policy Division and Washington State University (WSU) for technical assistance and support on a number of energy related issues.
- 18. Technology Improvements** - Information technology improvements are provided to improve agency service delivery. One-time expenditures equal \$173,000.
- 19. Reduce Washington Technology Center** - The Washington Technology Center at the University of Washington is reduced. The reduction leaves \$6.17 million in general fund support for the center through CTED.
- 20. SIRTl Reduction** - Funding for the Spokane Intercollegiate Research and Technology Institute is reduced. \$3.496 million of the state General Fund will be appropriated directly to SIRTl in 2001-03 for support of technology research.

2001-03 Omnibus Operating Budget Dept Community, Trade, Econ Dev

- 21. Visitors Information Centers** - The state operates several highway information stops for information and maps. Funding is eliminated for the information centers in the second fiscal year of the biennium.
- 22. Sexual Assault Legal Advocate** - Funds are provided for community based legal advocates to assist sexual assault victims with both civil and criminal justice issues. Provision of these funds are contingent upon the passage of SB 5309.
- 23. Senior Games** - Funding for the Washington Senior games is continued for 2002 and 2003. It is anticipated that in future biennia alternative sources of funding will be found to replace state aid.
- 24. Youth Shelters** - Funding for licensed youth shelters is continued for 2002 and 2003. It is anticipated that in future biennia alternative sources of funding will be found to replace state aid.
- 25. Business Retention and Expansion** - Additional funds are provided for business retention and expansion efforts in rural areas.
- 26. Rural Opportunity Fund** - Resources in the rural opportunity fund are redirected for other targeted, economic development expenditures.
- 27. Mortgage & Rental Assistance** - The Mortgage and Rental Assistance Program currently provides money to displaced timber and fishing workers in four counties. This program sunsets on June 30, 2001.
- 28. Washington State Film Office** - Ongoing state general funds are provided to replace emergency funds utilized by the program in the 1999-01 biennium.

2001-03 Omnibus Operating Budget
Economic & Revenue Forecast Council
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	5.2	986	986
2001-03 Maintenance Level	5.2	1,033	1,033
Policy Changes:			
1. General Inflation	0.0	-7	-7
Total Policy Changes	0.0	-7	-7
Total 2001-03 Biennium	5.2	1,026	1,026
Difference from 1999-01	0.0	40	40
% Change from 1999-01	0.0%	4.1%	4.1%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	207.8	27,018	65,632
2001-03 Maintenance Level	205.3	24,698	59,648
Policy Changes:			
1. Transfer to Health Care Authority	-2.0	-208	-208
2. Financial Information Systems Pool	24.3	0	9,287
3. Reduction of Expenditures	0.0	-504	-504
4. Statewide Jail Booking System	0.0	0	229
5. AmeriCorps Funds	0.0	198	798
6. Fiscal Analyst Recruitment	0.0	296	296
7. Head Start Collaboration Project	-2.0	0	-345
8. Audit of Whistleblower Program	0.0	0	25
Total Policy Changes	20.3	-218	9,578
Total 2001-03 Biennium	225.6	24,480	69,226
Difference from 1999-01	17.8	-2,538	3,594
% Change from 1999-01	8.7%	-9.4%	5.5%

Comments:

1. Transfer to Health Care Authority - Funding is shifted from the Office of Financial Management to the Health Care Authority for two new positions to staff the Health Care Policy Subcabinet.

2. Financial Information Systems Pool - Funding is provided for enhancements to selected financial information systems and technology upgrades as determined by the Office of Financial Management. (Data Processing Revolving Account)

3. Reduction of Expenditures - The Office of Financial Management will reduce General Fund operating expenditures by approximately two percent.

4. Statewide Jail Booking System - Funding is provided for the Office of Financial Management to contract with the Washington Association of Sheriffs and Police Chiefs for the maintenance and operation of the statewide jail booking and reporting system. (Violence Reduction and Drug Enforcement Account)

5. AmeriCorps Funds - Funding is provided for the Governor's Youth Safety Initiative. The increased federal grant award requires state matching funds. AmeriCorp members in schools in Seattle and Yakima will initiate recreation projects for at-risk youth, provide tutoring assistance, and oversee homework clubs. (General Fund-State, General Fund-Federal)

6. Fiscal Analyst Recruitment - Funding is provided to the Office of Financial Management to implement a fiscal analyst recruitment program to increase the pool of people with financial management knowledge, skills and experience available for middle to upper-level management positions in Washington state government.

7. Head Start Collaboration Project - The Head Start Collaboration Project is transferred to the Department of Social and Health Services. (General Fund-Federal)

8. Audit of Whistleblower Program - Funding is provided for OFM to contract for one performance audit of the Washington State Employee Whistleblower Program pursuant to RCW 42.40.110. (Auditing Services Revolving Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	139.7	0	21,496
2001-03 Maintenance Level	139.7	0	22,027
Policy Changes:			
1. General Inflation	0.0	0	-95
2. Purchase Personal Computers	0.0	0	56
Total Policy Changes	0.0	0	-39
Total 2001-03 Biennium	139.7	0	21,988
Difference from 1999-01	0.0	0	492
% Change from 1999-01	0.0%	0.0%	2.3%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Administrative Hearings Revolving Account)

2. Purchase Personal Computers - Funding is provided to convert personal computer replacement to a three year replacement cycle using a leasing arrangement with the State Treasurer's office. (Administrative Hearings Revolving Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	217.6	0	34,867
2001-03 Maintenance Level	217.6	0	33,402
Policy Changes:			
1. General Inflation	0.0	0	-270
2. Human Resources Systems Project	2.5	0	561
Total Policy Changes	2.5	0	291
Total 2001-03 Biennium	220.1	0	33,693
Difference from 1999-01	2.5	0	-1,174
% Change from 1999-01	0.9%	0.0%	-3.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Personnel Service Account)

2. Human Resources Systems Project - Funding is provided for DOP to prepare a Human Resources Business Process, Payroll and Personnel Systems Detail Requirements and Feasibility study. Funding will be used to hire information technology and office support staff, and to hire a consultant to assist in analyzing business requirements and to prepare a request for proposals for a new payroll system. (Data Processing Revolving Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	151.0	0	797,058
2001-03 Maintenance Level	151.0	0	763,445
Policy Changes:			
1. General Inflation	0.0	0	-283
Total Policy Changes	0.0	0	-283
Total 2001-03 Biennium	151.0	0	763,162
Difference from 1999-01	0.0	0	-33,896
% Change from 1999-01	0.0%	0.0%	-4.3%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Washington State Gambling Comm
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	188.3	0	27,492
2001-03 Maintenance Level	198.7	0	29,536
Policy Changes:			
1. General Inflation	0.0	0	-207
2. Web-Based Services	1.0	0	234
3. Efficiency through Technology	0.0	0	180
4. Renton Field Office	0.0	0	60
Total Policy Changes	1.0	0	267
Total 2001-03 Biennium	199.7	0	29,803
Difference from 1999-01	11.4	0	2,311
% Change from 1999-01	6.4%	0.0%	8.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Gambling Revolving Account-Nonappropriated)

2. Web-Based Services - Funding is provided for expansion of the agency's web site to provide easy access to a wide variety of information on gambling regulation. Application and licensee reporting forms will be migrated to web-based electronic processes, and electronic fund transfer capability for amounts due the agency will be established. Paper forms for those without web access will be redesigned so they are machine-readable for electronic processing. (Gambling Revolving Account-Nonappropriated))

3. Efficiency through Technology - One-time funding is provided to obtain software to implement a central case reporting system and on-going funds are provided for an annual maintenance contract. One-time funds are also provided for setup costs to develop a digital photo identification system. (Gambling Revolving Account-Nonappropriated)

4. Renton Field Office - Funding is provided for the establishment of a field office in Renton for agents responsible for overseeing licensees located in south King County. This will increase the amount of time available for on-site inspection and investigation activities by reducing time spent commuting from the current office in Lynnwood. (Gambling Revolving Account-Nonappropriated)

2001-03 Omnibus Operating Budget
WA State Comm on Hispanic Affairs
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	3.3	461	461
2001-03 Maintenance Level	3.3	464	464
Policy Changes:			
1. General Inflation	0.0	-4	-4
Total Policy Changes	0.0	-4	-4
Total 2001-03 Biennium	3.3	460	460
Difference from 1999-01	0.0	-1	-1
% Change from 1999-01	0.0%	-0.2%	-0.2%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
African-American Affairs Comm
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	3.0	398	398
2001-03 Maintenance Level	3.0	422	422
Policy Changes:			
1. General Inflation	0.0	-2	-2
Total Policy Changes	0.0	-2	-2
Total 2001-03 Biennium	3.0	420	420
Difference from 1999-01	0.0	22	22
% Change from 1999-01	0.0%	5.5%	5.5%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Personnel Appeals Board
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	11.0	0	1,673
2001-03 Maintenance Level	11.0	0	1,687
Policy Changes:			
1. General Inflation	0.0	0	-8
Total Policy Changes	0.0	0	-8
Total 2001-03 Biennium	11.0	0	1,679
Difference from 1999-01	0.0	0	6
% Change from 1999-01	0.0%	0.0%	0.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Personnel Service Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	276.4	0	51,472
2001-03 Maintenance Level	292.2	0	52,301
Policy Changes:			
1. General Inflation	0.0	0	-178
2. Locating Entitled Inactive Members	0.0	0	120
3. Modify Retiree Return-to-Work Rules	0.0	0	117
4. Implement WSPRS Plan 2	2.6	0	440
5. LEOFF 1 Survivor Benefits	0.4	0	101
6. Public Pension Systems	0.0	0	100
7. LEOFF 1 Restructuring	0.0	0	744
8. TRS & PERS Retire/Rehire	0.0	0	17
Total Policy Changes	3.0	0	1,461
Total 2001-03 Biennium	295.2	0	53,762
Difference from 1999-01	18.8	0	2,290
% Change from 1999-01	6.9%	0.0%	4.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Retirement Systems Expense Account)

2. Locating Entitled Inactive Members - Funding is provided to the Department of Retirement Systems (DRS) to identify and centralize inactive accounts of former retirement system members who have left funds in their accounts. DRS will take administrative steps to attempt to notify the former members of their account balances, in compliance with IRS requirements that members begin receiving distributions no later than after they reach age 70 and one-half. (Department of Retirement Systems Expense Account)

3. Modify Retiree Return-to-Work Rules - Funding is provided for DRS to make information system changes to implement the provisions of ESSB 5937 (changing postretirement employment restrictions) that change the current limits on post-retirement employment for TRS Plan 1, PERS Plans 1 and 2, SERS Plans 2 and 3, and TRS Plans 2 and 3. (Department of Retirement Systems Expense Account)

4. Implement WSPRS Plan 2 - Funding is provided for the implementation of the Washington State Patrol Retirement System Plan 2, created by ESB 5143 (modifying the Washington state patrol retirement system retirement and survivor benefits), including modifications to computer systems and program information. (Department of Retirement Systems Expense Account)

5. LEOFF 1 Survivor Benefits - Funding is provided to the Department of Retirement Systems to implement SB 5144 (LEOFF Plan 1) regarding survivor benefits for spouses of post-retirement marriages to LEOFF Plan 1 retirees. (Department of Retirement Systems Expense Account)

6. Public Pension Systems - Funding is provided for the Department of Retirement Systems to assist the Pension Funding Council with acquiring actuarial advice as provided by ESSB 6167 or HB 2236 (Public Pension Systems). (Department of Retirement Systems Expense Account)

7. LEOFF 1 Restructuring - Funding is provided for the Department of Retirement Systems to implement 2ndESSB 6166 (LEOFF 1 restructuring) including development of a comprehensive communications plan to inform all LEOFF 1 active members, retirees and surviving spouses of the changes to the plan. Funding is also provided for an application process and for temporary staff to perform service credit audits related to implementation of the bill. (Department of Retirement Systems Account)

2001-03 Omnibus Operating Budget
Department of Retirement Systems

8. TRS & PERS Retire/Rehire - One-time funding is provided to the Department of Retirement Systems to adopt rules related to post-retirement employment as provided by ESSB 5937 (changing postretirement employment restrictions). \$117,000 for the corresponding information system modifications is provided in the Modify Retiree Return-to-Work Rules item. (Department of Retirement Systems Expense Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	53.1	0	11,469
2001-03 Maintenance Level	59.6	0	12,486
Policy Changes:			
1. General Inflation	0.0	0	-24
2. New Leased Facility	0.0	0	97
3. Private Equity Transaction Mgmt	2.0	0	317
Total Policy Changes	2.0	0	390
Total 2001-03 Biennium	61.6	0	12,876
Difference from 1999-01	8.5	0	1,407
% Change from 1999-01	17.0%	0.0%	12.3%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State Investment Board Expense Account)

2. New Leased Facility - One-time funding is provided for the State Investment Board (SIB) to contract with the Department of General Administration to review lease options. Funding for proposed lease rate increases, space increases, and moving and equipment costs will be reviewed in the 2002 supplemental budget process when costs and options are better identified. (State Investment Board Expense Account)

3. Private Equity Transaction Mgmt - Funding is provided for the State Investment Board to hire two additional staff to perform private equity investment related duties, which will include daily accounting and reporting, legal review, and financial statement review. The two staff will work with a new private equity consultant. The new staff and consultant replace a prior consulting contract, at a savings of \$1.7 million. (State Investment Board Expense Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	991.7	144,739	154,796
2001-03 Maintenance Level	972.6	144,197	154,494
Policy Changes:			
1. General Inflation	0.0	-429	-435
2. Efficiency Savings	-6.1	-609	-609
3. Tax Collections - DOL/Customs	0.0	300	300
4. Tax Collections - Contract Auditors	0.0	1,430	1,430
5. Tax Structure Study	1.8	318	318
Total Policy Changes	-4.3	1,010	1,004
Total 2001-03 Biennium	968.3	145,207	155,498
Difference from 1999-01	-23.4	468	702
% Change from 1999-01	-2.4%	0.3%	0.5%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (GF-S, Other funds)

2. Efficiency Savings - The Department of Revenue has achieved efficiencies through implementation of information technology projects and process improvements. Staff positions have been eliminated as a result of the document imaging project for excise tax returns and process improvements within the Miscellaneous Tax Section. Further planned efficiencies include the revision of the Local Tax Distribution System and quality review of the Audit Standard and Procedures work processes. The Aberdeen Field Office will be closed and alternate service delivery methods will be employed to assist customers. (GF-S)

3. Tax Collections - DOL/Customs - Funding is provided for the Department of Revenue plan to better utilize the Department of Licensing vehicle licensing system and its own automated collection system to improve collections of taxes due on recreational vehicles and vessels. Funding is also provided to increase enforcement of use tax collections through U.S. Customs. And funding is provided to shift audit effort to put a higher emphasis on tax discovery and high dollar accounts. These tax compliance efforts are expected to generate an additional \$15 million GF during the biennium and an additional \$2.2 million for local governments. (GF-S)

4. Tax Collections - Contract Auditors - Additional out-of-state independent contractors will be hired to perform audits of businesses that conduct operations in Washington but are located out-of-state. This will generate an additional \$12.8 million in GF revenue for the biennium and an additional \$1.9 million for local governments. (GF-S)

5. Tax Structure Study - Funding is provided for the costs of conducting the Tax Structure Study. DOR is directed to create a committee on taxation to study the elasticity, equity, and adequacy of the state's tax system. The committee is to determine how well the current tax system functions and how it might be changed to better serve the citizens of the state in the twenty-first century. The committee must develop multiple alternatives to the existing tax system designed to increase the harmony between the tax system of this state and the surrounding states, encourage commerce and business creation, and encourage home ownership. (GF-S)

2001-03 Omnibus Operating Budget
Board of Tax Appeals
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	10.4	1,944	1,944
2001-03 Maintenance Level	10.9	2,138	2,138
Policy Changes:			
1. General Inflation	0.0	-5	-5
2. Tax Referee Funding	0.1	60	60
3. Seattle Hearing Room Relocation	0.0	38	38
Total Policy Changes	0.1	93	93
Total 2001-03 Biennium	11.0	2,231	2,231
Difference from 1999-01	0.6	287	287
% Change from 1999-01	10.0%	14.8%	14.8%

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Tax Referee Funding** - Funding is provided for a part-time tax referee position to be increased to full-time. This staff person will provide assistance on cases involving complex legal issues.
- 3. Seattle Hearing Room Relocation** - The Board of Tax Appeals' Seattle hearing room does not provide the facilities to effectively conduct tax appeal hearings. The Board will relocate its Seattle hearing room to a more convenient location with parking for its customers. The Board also requires information technology improvements to provide communication access between the Seattle hearing room and the Board's office in Olympia.

2001-03 Omnibus Operating Budget
Municipal Research Council
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	1,766	4,146
2001-03 Maintenance Level	0.0	0	4,264
Policy Changes:			
1. Compensation Adjustments	0.0	0	317
2. Agency Relocation	0.0	0	130
3. General Inflation	0.0	0	-136
Total Policy Changes	0.0	0	311
Total 2001-03 Biennium	0.0	0	4,575
Difference from 1999-01	0.0	-1,766	429
% Change from 1999-01	0.0%	-100.0%	10.3%

Comments:

- 1. Compensation Adjustments** - Funds are provided for compensation adjustments for contractual staff to for cost of living adjustments and recruitment and retention issues. (County Research Services Account, City and Town Research Services Account)
- 2. Agency Relocation** - The current lease agreement expires July 31, 2002 and new space is being solicited. Funds are provided for increased lease rates and one-time moving costs. (County Research Services Account, City and Town Research Services Account)
- 3. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (County Research Services Account, City and Town Research Services Account)

2001-03 Omnibus Operating Budget
Minority & Women's Business Enterp
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	20.0	0	2,663
2001-03 Maintenance Level	20.0	0	2,412
Policy Changes:			
1. Management & Tracking System	0.0	0	204
Total Policy Changes	0.0	0	204
Total 2001-03 Biennium	20.0	0	2,616
Difference from 1999-01	0.0	0	-47
% Change from 1999-01	0.0%	0.0%	-1.8%

Comments:

1. Management & Tracking System - Funding is provided for a Contract Management and Tracking System that will provide comprehensive data on the state's contracting and procurement activities. (Minority and Women's Business Enterprises Account)

2001-03 Omnibus Operating Budget
Dept of General Administration
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	609.7	916	128,227
2001-03 Maintenance Level	618.8	1,181	131,332
Policy Changes:			
1. General Inflation	0.0	-2	-989
2. Capitol Facilities Maintenance	1.0	0	344
3. Transfer of Property Management #	-4.0	0	-1,372
4. Claims Database Management	0.0	0	60
5. The Ultimate Purchasing System	3.0	0	3,411
6. Consolidate Energy Programs #	1.3	0	243
Total Policy Changes	1.3	-2	1,697
Total 2001-03 Biennium	620.1	1,179	133,029
Difference from 1999-01	10.4	263	4,802
% Change from 1999-01	1.6%	28.7%	3.7%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State General Fund and General Administration Services Account)

2. Capitol Facilities Maintenance - Additional funds are provided to meet the increasing demands of on-going capital maintenance related to aging facilities. A Fire/Safety and Insulation Specialist will perform preventative maintenance on fire suppression systems and asbestos abatement. A Capitol Campus Building Exterior Maintenance program will be initiated to maintain all brick, cement and sandstone building exteriors. (General Administration Services Account)

3. Transfer of Property Management # - Property management of the Washington State Training and Conference Center is transferred from the Department of General Administration to the Criminal Justice Training Commission per Senate Bill 5181. (General Administration Services Account-Nonappropriated)

4. Claims Database Management - Additional funds are provided to link the State Attorney General's Office and the State Office of Risk Management for tort claims administration and claims payments. (General Administration Services Account)

5. The Ultimate Purchasing System - Funds are provided to implement The Ultimate Purchasing System (TUPS). This internet based system is intended to expedite purchasing and payment for contracted goods and services. The Department of General Administration and the Department of Corrections will initiate service in October 2000. Implementation by other state agencies will occur in phases throughout the next biennium. (General Administration Services Account-Nonappropriated)

6. Consolidate Energy Programs # - As provided in Senate Bill 5474, the Energy Efficiency Services Account is eliminated and all funding is consolidated within the General Administration Services Account in order to simplify financial management and reporting. Revenues are provided through reimbursement of life cycle cost analysis. (General Administration Services Account-Nonappropriated, Energy Efficiency Services Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	428.6	0	215,905
2001-03 Maintenance Level	428.6	0	209,188
Policy Changes:			
1. General Inflation	0.0	0	-649
2. K-20 Network Private Colleges	0.0	0	804
3. K-20 Network Private K-12 Schools	0.0	0	145
Total Policy Changes	0.0	0	300
Total 2001-03 Biennium	428.6	0	209,488
Difference from 1999-01	0.0	0	-6,417
% Change from 1999-01	0.0%	0.0%	-3.0%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Data Processing Revolving Account)

2. K-20 Network Private Colleges - The 15 independent private, non-profit colleges, located in Washington State, have requested connection to the K-20 Educational Telecommunications Network in order to partner with the state's four year and two year colleges. Connections will provide the private institutions with the bandwidth to communicate and share educational materials and research with all public educational sectors. These K-20 connections will be provided to the private schools on a full cost reimbursement basis, net of the value of services and information provided by the private institutions based on criteria approved by the K-20 Board. (Education Technology Revolving Account-Nonappropriated)

3. K-20 Network Private K-12 Schools - Some private K-12 schools have requested limited "pilot connections" to the K-20 Network to test the technical and economic feasibility of one or more connection models. These K-20 connections will be provided to the private K-12 schools on a full cost reimbursement basis, net of the value of services and information provided by the private K-12 schools based on criteria approved by the K-20 Board. (Education Technology Revolving Account-Nonappropriated)

2001-03 Omnibus Operating Budget
Office of Insurance Commissioner
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	173.1	0	26,827
2001-03 Maintenance Level	171.1	0	26,695
Policy Changes:			
1. General Inflation	0.0	0	-104
2. Consumer Advocacy Workload	1.0	0	132
3. Monitor Auxiliary Lines Companies	5.0	0	821
4. Third-Party Administrators	0.0	0	45
5. Holding Companies	0.0	0	164
6. Access to Insurance Information	3.0	0	409
7. Insurance e-Commerce Regulation	1.0	0	184
8. Insurance Examiner Salaries	0.0	0	412
9. Consolidation and Co-location Costs	0.0	0	693
10. HelpLine Volunteer Network	0.0	0	224
Total Policy Changes	10.0	0	2,980
Total 2001-03 Biennium	181.1	0	29,675
Difference from 1999-01	8.0	0	2,848
% Change from 1999-01	4.6%	0.0%	10.6%

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Consumer Advocacy Workload** - An increase in insurance inquiries and complaints from the public have increased the workload in the Consumer Advocacy Division. Funding is provided for one staff position to be added to the Consumer Advocacy Division. (Commissioner's Regulatory Account)
- 3. Monitor Auxiliary Lines Companies** - Funding is provided for examination and financial analysis of auxiliary line companies. (Commissioner's Regulatory Account)
- 4. Third-Party Administrators** - Funding is provided for a study of the use and possible regulation of third-party administrators. (Commissioner's Regulatory Account)
- 5. Holding Companies** - Funding is provided to implement Substitute House Bill 1792, which creates a holding company act for health care service contractors and health maintenance organizations. (Commissioner's Regulatory Account)
- 6. Access to Insurance Information** - Funding is provided to facilitate direct access to a variety of insurance information including ratings, complaint data and company profiles via the Internet. Funding will also be used to address increased internal agency demands for information service support functions. (Commissioner's Regulatory Account)
- 7. Insurance e-Commerce Regulation** - Funding is provided to allow the Office of Insurance Commissioner to work with industry representatives, the National Association of Insurance Commissioners, and stakeholders to recommend changes to the insurance code that would allow the industry to use the Internet to conduct business, address electronic commerce issues, and maintain consumer protection. (Commissioner's Regulatory Account)
- 8. Insurance Examiner Salaries** - Funding is provided for salary reclassifications for insurance examiners. (Commissioner's Regulatory Account)

2001-03 Omnibus Operating Budget
Office of Insurance Commissioner

9. Consolidation and Co-location Costs - Funds are provided to consolidate and renovate facilities for the co-location of Olympia-area staff of the Office of Insurance Commissioner. The actual expenditure level, within this appropriation, shall be determined jointly with the Department of General Administration. (Insurance Commissioner's Regulatory Account)

10. HelpLine Volunteer Network - State Health Insurance Benefits Advisors (SHIBA) HelpLine volunteers serve consumers statewide. Additional funding is provided for 25 sponsoring organizations to continue coordination and administration of the SHIBA volunteer and community networks. (Commissioner's Regulatory Account)

2001-03 Omnibus Operating Budget
State Board of Accountancy
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	7.5	0	1,304
2001-03 Maintenance Level	8.0	0	1,371
Policy Changes:			
1. General Inflation	0.0	0	-10
2. Revise Public Accountancy Act	1.0	0	355
Total Policy Changes	1.0	0	345
Total 2001-03 Biennium	9.0	0	1,716
Difference from 1999-01	1.5	0	412
% Change from 1999-01	12.5%	0.0%	31.6%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Certified Public Accountants' Account)

2. Revise Public Accountancy Act - Funding is provided for the Board of Accountancy to conduct rulemakings, set license fees and distribute consumer alert/public protection information in accordance with E2SSB 5593. (Certified Public Accountants' Account)

2001-03 Omnibus Operating Budget
Forensic Investigations Council
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	0	272
2001-03 Maintenance Level	0.0	0	276
Total 2001-03 Biennium	0.0	0	276
Difference from 1999-01	0.0	0	4
% Change from 1999-01	0.0%	0.0%	1.5%

Comments:

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	29.4	0	4,733
2001-03 Maintenance Level	29.4	0	4,518
Policy Changes:			
1. General Inflation	0.0	0	-14
Total Policy Changes	0.0	0	-14
Total 2001-03 Biennium	29.4	0	4,504
Difference from 1999-01	0.0	0	-229
% Change from 1999-01	0.0%	0.0%	-4.8%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Horse Racing Commission Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	976.6	2,657	145,302
2001-03 Maintenance Level	950.3	2,975	146,786
Policy Changes:			
1. General Inflation	0.0	-8	-279
2. Merchandising Business System	0.0	0	4,803
3. Regional Wholesale Center	0.0	0	260
4. Transition Training	0.0	0	108
5. Aged Vehicle Replacement	0.0	0	556
6. Provide Quality Enforcement	0.0	0	67
7. Agency Commission Increase	0.0	0	928
Total Policy Changes	0.0	-8	6,443
Total 2001-03 Biennium	950.3	2,967	153,229
Difference from 1999-01	-26.3	310	7,927
% Change from 1999-01	-2.8%	11.7%	5.5%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Liquor Revolving Account)

2. Merchandising Business System - Funding is provided for a new merchandising business system (MBS) and data marts that will link merchandising, distribution center activities, and financial activities into a fully automated retail system. (Liquor Revolving Account-Appropriated)

3. Regional Wholesale Center - Funding is provided for the establishment of a regional wholesale center in Seattle's Store 101. Retail operations and sales will continue at Store 101, but the Store Development Program will be relocated to free up space for the establishment of a wholesale center. (Liquor Revolving Account-Appropriated)

4. Transition Training - One-time funding is provided for employees within the board's Information Technology Services Division to receive training in client/server and web based technology platforms. The board is transitioning from a mainframe to a client-server platform with web-enabled applications for e-commerce purposes using current technologies. (Liquor Revolving Account-Appropriated)

5. Aged Vehicle Replacement - One-time funding is provided for the replacement of thirty-two vehicles when they reach five years and/or 100,000 miles of service. (Liquor Revolving Account)

6. Provide Quality Enforcement - One-time funding is provided for all enforcement staff to undergo two-day community policing training tailored to liquor enforcement. Eight enforcement officers will receive an additional one day community policing training session designed to prepare them to serve as instructors. (Liquor Revolving Account)

7. Agency Commission Increase - Funding is provided for increased commissions, paid to agency liquor vendor stores, to reflect a rate increase of six percent. Retail sale of liquor is managed through 157 state-run agency stores and 157 independently owned agencies that contract to sell liquor. Agency store owners are paid a commission, a portion of which is based upon liquor sales. Currently, sales up to \$10,500 generate 20.914 percent commissions; sales from \$10,500 to \$21,000 generate 7.315 percent commissions; and sales over \$21,000 generate 5.683 percent commissions for agency liquor vendor store owners. The agency liquor vendor store commission rate has not been increased since 1996. (Liquor Revolving Account-Appropriated)

2001-03 Omnibus Operating Budget
Utilities and Transportation Comm
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	163.8	0	28,361
2001-03 Maintenance Level	160.1	0	28,786
Policy Changes:			
1. Cost Accounting System	0.0	0	170
2. Transportation Process Study	1.0	0	134
3. Pipeline Safety Program *	8.0	0	1,962
4. General Inflation	0.0	0	-111
5. Pipeline Safety Program Review	0.0	0	294
Total Policy Changes	9.0	0	2,449
Total 2001-03 Biennium	169.1	0	31,235
Difference from 1999-01	5.3	0	2,874
% Change from 1999-01	3.0%	0.0%	10.1%

Comments:

1. Cost Accounting System - Funding is provided for a consultant to study the agency's requirements for regulatory and financial information. The study would include recommendations for integration with existing statewide applications, and development of a new application. The new cost accounting system will be implemented following completion of the study. (Public Service Revolving Account)

2. Transportation Process Study - Funding is provided for an additional staff person to perform a study of the business processes in the transportation programs and to support development of a new application in the second year of the biennium. (Public Service Revolving Account)

3. Pipeline Safety Program * - Funding is provided to the commission for pipeline safety in Washington. With passage of the Washington Pipeline Safety Act 2000, the commission has taken on additional responsibilities, including interstate pipeline inspection. In July 2000, the commission signed an agreement with the federal office of pipeline safety authorizing state inspectors to inspect interstate natural gas and hazardous liquid pipelines. The 2000 Legislature provided funding to implement interstate pipeline safety activities and directed the commission to develop a proposal to collect a fee from the regulated industries to cover the costs of interstate pipeline safety regulation in the future. This program is supported by the fees that are deposited into the pipeline safety account as directed by Substitute Senate Bill No. 5182 (pipeline safety). (Pipeline Safety Account-State, Pipeline Safety Account-Federal)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Service Revolving Account)

5. Pipeline Safety Program Review - One-time funding is provided for an interagency agreement with the Joint Legislative Audit and Review Committee for a review of staff use, inspection activity, fee methodology, and costs of the hazardous liquid and gas pipeline safety programs. (Pipeline Safety Account--State)

2001-03 Omnibus Operating Budget
Board for Volunteer Firefighters
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	3.0	0	587
2001-03 Maintenance Level	3.0	0	568
Policy Changes:			
1. General Inflation	0.0	0	-2
2. Internet Website	0.0	0	3
Total Policy Changes	0.0	0	1
Total 2001-03 Biennium	3.0	0	569
Difference from 1999-01	0.0	0	-18
% Change from 1999-01	0.0%	0.0%	-3.1%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Volunteer Firefighters' and Reserve Officers' Administrative Account)

2. Internet Website - Funding is provided for the agency to develop an Internet web site that allows volunteer firefighters and fire departments better access to information, report forms, and e-mail. (Volunteer Firefighters' and Reserve Officers' Administrative Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	224.4	22,912	122,522
2001-03 Maintenance Level	214.4	17,993	61,808
Policy Changes:			
1. General Inflation	0.0	-115	-294
2. Information Technology Staff	1.0	183	183
3. Yakima Armory Support	1.0	128	128
4. Caretaker Support	0.0	125	125
5. Reduce Emergency Mgmt Training	0.0	-36	-54
6. Reduce Maintenance of Armories	-2.4	-230	-230
7. Reduction in Maintenance and Repair	-1.0	-24	-98
8. Earthquake Response & Recovery	0.0	0	195,679
9. Emergency Management Compact #	0.5	120	120
Total Policy Changes	-0.9	151	195,559
Total 2001-03 Biennium	213.5	18,144	257,367
Difference from 1999-01	-10.9	-4,768	134,845
% Change from 1999-01	-4.5%	-20.8%	110.1%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)

2. Information Technology Staff - Funding is provided for the Military Department to hire an additional information technology staff person to improve the coordination and integration of their information technology activities. The Department currently has three distinct, federally funded information technology networks that are responsible for the Army National Guard, the Air National Guard, and the Emergency Management Network for state emergencies.

3. Yakima Armory Support - Funding is provided for maintenance and operating costs of the new Army National Guard Readiness Center in Yakima, which is planned to open in August 2001.

4. Caretaker Support - Currently, the Army National Guard armories are cleaned once each month by Army National Guard soldiers. Funding is provided for contracted janitorial services at thirty armories across the state.

5. Reduce Emergency Mgmt Training - The Emergency Management Division of the Military Department will reduce travel reimbursements to approximately 250 students of general emergency management and search and rescue training.

6. Reduce Maintenance of Armories - Maintenance and operations expenditures of armories is reduced.

7. Reduction in Maintenance and Repair - The Air National Guard of the Military Department will reduce maintenance and repair staff by one position. (General Fund-State, General Fund-Federal)

8. Earthquake Response & Recovery - Funding is provided from the Nisqually Earthquake Account for costs associated with the response and recovery activities as a result of the February 28, 2001 earthquake. Of the Nisqually Earthquake Account-State amount, \$898,000 is provided as the hazard mitigation state matching share for state agencies, \$449,000 is provided for one half of the hazard mitigation local matching share for local entities, \$20.8 million is provided as the public assistance state matching share for state agencies, and \$14.4 million is provided as one half of the public assistance local matching share for local entities. (Nisqually Earthquake Account - State, Nisqually Earthquake Account - Federal)

**2001-03 Omnibus Operating Budget
Military Department**

9. Emergency Management Compact # - SB 5256 (emergency management assistance compact) authorizes the Military Department to enter into interstate compacts for mutual aid during disasters or emergencies. One-time funding is provided for a staff position to assist with the development of these agreements.

2001-03 Omnibus Operating Budget
Public Employment Relations Comm
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	24.7	4,251	4,251
2001-03 Maintenance Level	24.7	4,299	4,299
Policy Changes:			
1. General Inflation	0.0	-13	-13
2. Office Space Increase	0.0	32	32
Total Policy Changes	0.0	19	19
Total 2001-03 Biennium	24.7	4,318	4,318
Difference from 1999-01	0.0	67	67
% Change from 1999-01	0.0%	1.6%	1.6%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Office Space Increase - Funding is provided for an increase in square footage in the Olympia office.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	12.0	2,899	2,899
2001-03 Maintenance Level	12.0	3,014	3,014
Policy Changes:			
1. General Inflation	0.0	-11	-11
Total Policy Changes	0.0	-11	-11
Total 2001-03 Biennium	12.0	3,003	3,003
Difference from 1999-01	0.0	104	104
% Change from 1999-01	0.0%	3.6%	3.6%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	144.0	0	32,313
2001-03 Maintenance Level	155.0	0	67,734
Total 2001-03 Biennium	155.0	0	67,734
Difference from 1999-01	11.0	0	35,421
% Change from 1999-01	7.6%	0.0%	109.6%

Comments:

2001-03 Omnibus Operating Budget
WA State Health Care Authority
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	291.5	13,165	604,751
2001-03 Maintenance Level	289.4	13,323	712,734
Policy Changes:			
1. Insurance System Upgrade	0.0	0	3,635
2. PEBB Administration	3.0	0	250
3. Basic Health Alternative Contracts	1.0	0	2,553
4. UMP Pharmacy Benefit Management	0.0	0	170
5. Basic Health Co-Pay and Subsidy	0.0	0	-2,622
6. Administrative Efficiencies	-2.8	-6	-1,091
7. General Inflation	0.0	-8	-195
8. Basic Health Plan Adjustment	0.0	0	-32,547
Total Policy Changes	1.3	-14	-29,847
Total 2001-03 Biennium	290.6	13,309	682,887
Difference from 1999-01	-0.9	144	78,136
% Change from 1999-01	-0.3%	1.1%	12.9%

Comments:

1. Insurance System Upgrade - The budget provides funding to enable the Health Care Authority (HCA) to contract for a new insurance eligibility and member management information system for the Basic Health and the Public Employees Benefit health plans, in part to address the new requirements of the Health Insurance Portability and Accountability Act. (Health Care Authority Administrative Account-State, Health Services Account-State)

2. PEBB Administration - The Public Employees Benefit Board (PEBB) program enrollment for retirees and self pay enrollees has increased over twenty percent since 1996. The Health Care Authority (HCA) workload for these groups, including enrollment and account maintenance services, is much higher than for state employees. The budget funds a medical program specialist position to develop tools and processes, in conjunction with a new information system, to improve customer service. The budget also funds two FTEs (four positions) to assist with customer inquiries and plan changes during open enrollment periods. The HCA is also directed to review whether the portion of retiree premiums assessed for administrative costs is adequate to fund the expenses incurred in providing services to retirees. (Health Care Authority Administrative Account-State)

3. Basic Health Alternative Contracts - Funding is provided for the Basic Health Plan (BHP) to develop and implement alternative purchasing strategies in areas of the state where managed care contractors might otherwise not be available for BHP enrollees. As authorized during the 2000 legislative session, this may include strategies such as differential geographic rating of bids; and direct negotiation with plans and provider networks in areas where there are not sufficient competitive bids. (Health Services Account-State)

4. UMP Pharmacy Benefit Management - The Uniform Medical Plan (UMP) pharmacy claims costs have increased 28 percent from 1998 to 1999, as compared to 17 to 20 percent pharmacy increase nationwide. In order to better manage pharmacy costs, the budget provides funding for the UMP to contract with a pharmacy consultant to develop a pharmaceutical use policy and utilization review system and provide ongoing data analysis and recommendations for pharmacy benefit design and utilization management. (Uniform Medical Plan Benefits Administration Account-Nonappropriated)

5. Basic Health Co-Pay and Subsidy - Enrollee co-pays are to be increased to \$3 (from \$1) for vitamins and antibiotics, and to \$7 (from \$5) for generic drugs and contraceptives. Basic Health Plan subsidy levels are not reduced from their current level. (Health Services Account-State, Basic Health Plan Trust Account - non-appropriated)

6. Administrative Efficiencies - The Health Care Authority's central administration is reduced by 2 percent, as proposed by the Governor. Additionally, funding for research and planning is reduced to reflect actual 1999-01 spending levels. (General Fund-State, General Fund-Federal, Health Care Authority Administrative Account-State, Health Services Account-State)

2001-03 Omnibus Operating Budget WA State Health Care Authority

7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Health Services Account-State, Health Care Authority Administrative Account-State)

8. Basic Health Plan Adjustment - Beginning in January 2002, an average of 125,000 people are to be enrolled in the subsidized Basic Health Plan, rather than an average of 133,200 as originally budgeted. The lower enrollment level is to be achieved through a policy of admitting only two new enrollees from the waiting list for every three persons who leave the program, until the targeted enrollment level is reached. (Health Services Account-State; Basic Health Plan Trust Account - non-appropriated)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	52.4	5,346	6,976
2001-03 Maintenance Level	52.4	5,418	7,062
Policy Changes:			
1. General Inflation	0.0	-30	-30
Total Policy Changes	0.0	-30	-30
Total 2001-03 Biennium	52.4	5,388	7,032
Difference from 1999-01	0.0	42	56
% Change from 1999-01	0.0%	0.8%	0.8%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	142.7	0	23,940
2001-03 Maintenance Level	143.3	0	25,395
Policy Changes:			
1. General Inflation	0.0	0	-146
2. Upgrade Information Technology	0.0	0	1,013
3. Increase in Appeals Workload	12.0	0	2,066
4. Temp Costs for Cockle Decision	6.5	0	1,078
Total Policy Changes	18.5	0	4,011
Total 2001-03 Biennium	161.8	0	29,406
Difference from 1999-01	19.1	0	5,466
% Change from 1999-01	13.3%	0.0%	22.8%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Accident Account, Medical Aid Account)

2. Upgrade Information Technology - Technology infrastructure enhancements are funded to improve business processes. The implementation of a continuous replacement cycle of information technology items will enable upgrades to cables, networks, web servers and wide area network. (Accident Account, Medical Aid Account)

3. Increase in Appeals Workload - The number of appeals heard by the Board of Industrial Insurance Appeals is increasing. Funding is provided for six additional judges and six support staff to help the agency provide services to workers, employers, and other parties who dispute the Department of Labor and Industries' workers' compensation decisions before the board. (Accident Account, Medical Aid Account)

4. Temp Costs for Cockle Decision - One-time funding is provided for the increased cost of implementing a recent Supreme Court ruling regarding the calculation of workers' compensation benefits. This decision significantly increases the complexity of calculating benefits and therefore the administrative and legal costs of the workers' compensation program. The department of Labor and Industries is directed to develop and report to the legislature alternatives for simplifying the calculation of benefits by October 1, 2001. (Accident Account, Medical Aid Account)

2001-03 Omnibus Operating Budget
Criminal Justice Training Comm
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	38.0	0	18,162
2001-03 Maintenance Level	35.0	0	17,923
Policy Changes:			
1. Vendor Rate Increase - WASPC	0.0	0	31
2. General Inflation	0.0	0	-311
3. Certification/Decertification #	1.9	0	374
4. Facility Responsibilities #	5.0	0	0
5. School Mapping	0.0	0	450
6. Vendor Rate Increase - Food Service	0.0	0	22
7. Methamphetamine Initiative	0.0	0	233
8. School Safety Training	0.0	0	65
9. WASPC - Increased Training	0.0	0	124
10. Prosecutors - Increased Training	0.0	0	136
Total Policy Changes	6.9	0	1,124
Total 2001-03 Biennium	41.9	0	19,047
Difference from 1999-01	3.9	0	885
% Change from 1999-01	10.5%	0.0%	4.9%

Comments:

1. Vendor Rate Increase - WASPC - Funding is provided to increase the salaries of Washington Association of Sheriffs and Police Chiefs (WASPC) staff who are funded through the Commission but who are not Commission employees. Rates will be increased by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Safety and Education Account)

3. Certification/Decertification # - Funding is provided for the implementation of HB 1062 (certification of peace officers), which establishes a certification and decertification process for peace officers. (Public Safety and Education Account)

4. Facility Responsibilities # - The Criminal Justice Training Commission (CJTC) has assumed responsibility for the operation and maintenance responsibilities associated with the Criminal and Justice Training Conference Center from the Department of General Administration. While CJTC does not expect any increased cost associated with the transfer, an adjustment is needed to their authorized staffing levels to account for the change.

5. School Mapping - Funding is provided for the Washington Association of Sheriffs and Police Chiefs to implement school mapping, or electronic pre-incident plans, for K-12 schools. (Public Safety and Education Account)

6. Vendor Rate Increase - Food Service - The Commission's food service provider will have their rates increased by 2.1 percent on July 1, 2001 and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)

7. Methamphetamine Initiative - As part of a statewide methamphetamine initiative, funding is provided for the establishment of a training program designed to enhance the ability of local governments to respond to methamphetamine issues. (Public Safety and Education Account)

8. School Safety Training - Funding is provided to establish regionalized training programs for school district and local law enforcement officials on school safety issues. (Public Safety and Education Account)

2001-03 Omnibus Operating Budget Criminal Justice Training Comm

9. WASPC - Increased Training - The Washington Association of Sheriffs and Police Chiefs (WASPC) will increase the technical and training support provided to the local criminal justice agencies. This support will enhance the accuracy of the data submitted to the new Washington Incident-Based Reporting System and the National Incident-Based Reporting System. (Public Safety and Education Account)

10. Prosecutors - Increased Training - The Washington Association of Prosecuting Attorneys (WAPA) will increase training provided to the criminal justice community including prosecutors, law enforcement, judges, fish and wildlife officers, corrections staff, school personnel, and Department of Social and Health Services employees. (Public Safety and Education Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	2,731.9	15,061	437,035
2001-03 Maintenance Level	2,722.1	15,510	444,892
Policy Changes:			
1. Consumer Protection/Contractors *	2.0	268	268
2. Improving Claims Collection	4.0	0	2,690
3. Internet Filing of Claims	2.0	0	1,520
4. Internet Payment of Premiums	2.5	0	1,394
5. Faster Pension Benefits	4.0	0	2,352
6. Critical Safety and Health Data	3.0	0	2,942
7. Internet Registration and Licensing	0.0	0	445
8. General Inflation	0.0	-38	-2,101
9. Expanding Apprenticeship	2.0	0	1,250
10. Sexually Violent Predator Victims	0.0	0	53
11. Replace Incompatible Computers	0.0	0	3,868
12. Program Reductions	-3.5	-320	-320
13. Increase for Crime Victims Comp	0.0	0	3,014
14. Temp Cost for Cockle Decision	11.4	0	2,876
15. Cut Occupational Safety Grants	0.0	0	-10,000
Total Policy Changes	27.4	-90	10,251
Total 2001-03 Biennium	2,749.5	15,420	455,143
Difference from 1999-01	17.6	359	18,108
% Change from 1999-01	0.7%	2.4%	4.1%

Comments:

1. Consumer Protection/Contractors * - Consumer protection to customers of residential contractors will be enhanced by designating 50 percent of a contractor's bond for residential customers. Contractor bond and insurance requirements, business competency testing and continuing education requirements are also increased.

2. Improving Claims Collection - The replacement of inefficient and cumbersome systems will increase the accuracy, timeliness, documentation and the efficiency of collections. The accounts receivable system is used to collect \$8.5 million in yearly overpayments of workers' compensation claims and to recover \$17 million yearly in workers' compensation costs from third parties. In addition the agency will be able to more easily charge and collect interest on outstanding claims. The system will increase post-implementation revenues by \$1,092,000 per year and pay for itself within 3 years. (Accident Account, Medical Aid Account)

3. Internet Filing of Claims - Funding is provided for a study to assess the feasibility of using electronic commerce to exchange information, which may include claim-related reports, forms and bills and department information. Based on the results of the feasibility study, one or more components of the recommended solution would be piloted. (Accident Account, Medical Aid Account)

4. Internet Payment of Premiums - Funding is provided to develop systems that allow employers to file and pay workers' compensation premiums via the Internet. Features to be included are the development of an interface with automatic-error checking, a secure encrypted environment, online help, and automated electronic payment methods. (Accident Account, Medical Aid Account)

5. Faster Pension Benefits - Under the workers' compensation program, pensions are provided to 17,500 permanently disabled workers and surviving beneficiaries. Funding is provided to develop a new pension payment system to replace a manual system that is being used to calculate and process pensions. (Accident Account, Medical Aid Account)

2001-03 Omnibus Operating Budget

Department of Labor and Industries

- 6. Critical Safety and Health Data** - Establishes a computer data system that will be used to track workplace safety and health activities, manage resources and identify the most hazardous industries. The system would also provide data to other L&I information systems. This new system is necessary because the U.S. Occupational Safety and Health Administration is replacing its computer system with a system that is incompatible with L&I systems. (Accident Account, Medical Aid Account)
- 7. Internet Registration and Licensing** - This computer system will allow customers to apply for electrical licenses using the Internet. The number of electrical licenses that the Department issues is projected to almost double by the end of the 2001-03 Biennium. This automated process will help minimize the need to increase staffing levels by eliminating the need to handle as much paper. It will result in faster, more convenient and accurate service to customers giving them 24 hour access on the Internet. (Electrical License Account)
- 8. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, Other Funds)
- 9. Expanding Apprenticeship** - Continuous growth in construction and new and emerging technologies has increased the state's demand for highly skilled workers. This growth has resulted in a shortage of highly skilled and qualified workers. A grant program is established to encourage new apprenticeship and pre-apprenticeship programs. The result will help meet the state's growing demand for highly skilled and qualified workers. In addition, new apprenticeship programs will be developed for non-traditional areas such as telecommunications, child care services and public services. (General Fund-Federal)
- 10. Sexually Violent Predator Victims** - Funding is provided to implement HB 1271 (modifying requirements for certain victims of sexually violent predators to be eligible for victims' compensation) which allows victims involved in the civil commitment process of sexually violent predators to access benefits under the Crime Victims Compensation Act. (Public Safety and Education Account-State)
- 11. Replace Incompatible Computers** - Funding is provided to lease 1,400 new personal computers, to update 1,400 other computers, and to support migration to Windows 2000. In the 1999-01 biennium, Labor and Industries received an appropriation to begin implementation of a continuous three-year replacement cycle for computers and this item provides funding to continue that replacement cycle. (Accident Account, Medical Aid Account)
- 12. Program Reductions** - Factory Assembled Structures (FAS) inspection activities and Contractor Registration hotline staff will be reduced. FAS inspections ensure that factory built structures meet all safety codes. The Contractor Registration toll-free hotline will only take calls from consumers and no longer take calls from contractors, attorneys, bonding and insurance companies.
- 13. Increase for Crime Victims Comp** - Funding is increased for victims of violent crime. This amount covers expected inflation, growth in claim costs for medical, time loss and pensions, and no policy changes for attendant care services. (Public Safety & Education Account-State, Public Safety & Education Account-Federal)
- 14. Temp Cost for Cackle Decision** - One-time funding is provided for the increased cost of implementing a recent Supreme Court ruling regarding the calculation of workers' compensation benefits. This decision significantly increases the complexity of calculating benefits and therefore the administrative and legal costs of the workers' compensation program. The department of Labor and Industries is directed to develop and report to the legislature alternatives for simplifying the calculation of benefits by October 1, 2001. This report shall also identify any second year costs expected from the Cackle decision. (Accident Account, Medical Aid Account)
- 15. Cut Occupational Safety Grants** - Funding for occupational health and safety grants in the carry forward level budget is eliminated. (Medical Aid Account)

2001-03 Omnibus Operating Budget
Indeterminate Sentence Review Board
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	9.2	1,923	1,923
2001-03 Maintenance Level	8.2	2,004	2,004
Policy Changes:			
1. General Inflation	0.0	-6	-6
Total Policy Changes	0.0	-6	-6
Total 2001-03 Biennium	8.2	1,998	1,998
Difference from 1999-01	-1.0	75	75
% Change from 1999-01	-11.1%	3.9%	3.9%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1,186.7	130,159	572,910
2001-03 Maintenance Level	1,187.4	133,088	612,634
Policy Changes:			
1. WIC Program Efficiencies	0.0	-418	-418
2. Reduce Teen Pregnancy Grants	0.0	-1,116	-1,116
3. Community Wellness and Prevention	-0.3	-68	-68
4. Reduce EMS Coordination Activities	0.0	-214	-214
5. Reduce State Trauma Administration	-5.2	-714	-714
6. Federal Revenue	0.0	0	1,173
7. Technology for Newborn Screen	0.0	0	660
8. Consolidate Water Lab Testing	-1.6	-307	-307
9. Safe Drinking Water Fed Compliance	4.3	2,876	2,876
10. Delay Shellfish Database	0.0	-60	-60
11. American Legacy Foundation Grant	0.0	0	1,443
12. Regulating Meth Precursor Drug #	0.0	13	13
13. Reduce Acute Care Education	0.0	-162	-162
14. Eliminate Rural Health Data Book	0.0	-38	-38
15. Medicare Designation Start-Up	0.0	-177	-177
16. Child Health Enhancements	1.2	166	10,610
17. AIDS Prescription Drug Increase	0.0	1,031	1,839
18. DSHS/DASA Appropriation Transfer	0.0	340	340
19. General Inflation	0.0	-517	-999
20. Administrative Reductions	-1.7	-840	-840
21. Create Child Development Office	-6.3	-882	-882
22. Infant & Children Product Safety	0.5	150	150
23. Workplace Breastfeeding Policy	0.4	83	83
24. Health Professions Acct Legislation	0.0	0	248
25. Dental Sealants	0.3	0	72
26. Tobacco Control Plan	0.0	0	5,000
27. DNA Task Force	0.0	15	15
Total Policy Changes	-8.5	-839	18,527
Total 2001-03 Biennium	1,179.0	132,249	631,161
Difference from 1999-01	-7.7	2,090	58,251
% Change from 1999-01	-0.7%	1.6%	10.2%

Comments:

1. WIC Program Efficiencies - During the summer of 2000, the Department of Health began providing "help desk" support for Womens, Infants and Children (WIC) clinics with state employees, rather than contracting for the service. The change has resulted in the identified efficiency savings, with no reduction reported in the level of support provided to clinics. (General Fund-State)

2. Reduce Teen Pregnancy Grants - Direct grant support from the Department of Health for nine of the ten teen pregnancy prevention projects in urban and rural communities is discontinued. Similar efforts are to be supported with TANF block grant funding from the Department of Social and Health Services. Department of Health teen pregnancy prevention efforts will be refocused on statewide activities such as information development and dissemination, web page communications, parenting education, some family planning services, and a reduced program evaluation effort.

3. Community Wellness and Prevention - Assessment, evaluation and surveillance for Community Wellness and Prevention Programs are discontinued.

2001-03 Omnibus Operating Budget Department of Health

4. Reduce EMS Coordination Activities - State general funds will no longer be provided to the Regional Emergency Medical Services and Trauma Care Councils to promote emergency medical dispatch training; to participate in local and regional disaster preparedness training; or to support quality improvement initiatives.

5. Reduce State Trauma Administration - Funding for state-level oversight, coordination, and state-office assistance to the regional trauma networks is reduced by 20%. Such a reduction in state-level activity is warranted, since the start-up work necessary to establish a well-functioning statewide trauma system has been largely accomplished. Standards, protocols, and training curricula have been developed; data systems established; and trauma providers certified in all regions.

6. Federal Revenue - Federal grants have been awarded to the Department of Health for: Early Hearing Detection and Intervention, State-Based Birth Defects Surveillance Program, Improving Data Quality in Pesticide Illness, and Federal Domestic Violence for Pregnant Women. (General Fund-Federal)

7. Technology for Newborn Screen - The Department of Health will begin using non-radioactive tests to screen for certain conditions among newborns, in order to eliminate the need to dispose of radioactive wastes. The new test is more expensive than the old, radioactive technology. As a result, the fee for newborn screening is expected to increase to \$38.20 from the current level of \$33.80. (General Fund-Private/Local)

8. Consolidate Water Lab Testing - The Department of Health (DoH) operates a program which certifies drinking water testing laboratories, and maintains its own drinking water laboratory to support the certification program. During the first year of the biennium, the separate DoH certification program and laboratory will be closed, and merged with the other environmental laboratory certification programs operated by the Department of Ecology. Savings will result from the greater economies of scale possible under the larger, merged program.

9. Safe Drinking Water Fed Compliance - Under state law and agreement with the federal government, the Department of Health is responsible for enforcing federal Safe Drinking Water Act provisions, which apply to the approximately 5 million citizens of the state who rely upon water systems which serve 15 or more connections. The number of contaminants subject to federal regulation is scheduled to increase by 20% between 1996 and 2002, and new rules regarding groundwater safety must be fully implemented in 2001-03. This item provides funding for contracted technical support to assist local water systems implement the new requirements; additional state staff to monitor compliance; and \$1.6 million of new state funding to assist local jurisdictions continue and improve their role in assuring the safety of small water systems, which serve approximately 100,000 of the state's residents.

10. Delay Shellfish Database - The Department of Health Shellfish Program is developing an integrated database for water quality and other program elements, including biotoxins and licensing of commercial shellfish growers. The water quality portion of the database has been completed. The development of the remaining portions of the database will be extended over a longer period.

11. American Legacy Foundation Grant - The American Legacy Foundation has awarded the state a three-year grant totaling \$2.25 million under the Statewide Youth Movement Against Tobacco Use Initiative. The department, through its subcontract with the University of Washington, will foster a statewide youth empowerment initiative by creating regional teams to develop media efforts to reduce youth tobacco use. Partner organizations will include school districts, voluntary community organizations, voluntary health organizations and universities. (General Fund-Private/Local)

12. Regulating Meth Precursor Drug # - Substitute Senate Bill 5017 restricts the purchase in large quantities of certain over-the-counter medications which are sometimes used in the manufacture of methamphetamine (meth). Funding is provided for the Department of Health to develop regulations implementing the new law.

13. Reduce Acute Care Education - The Regional Trauma Care Councils will no longer receive designated funding for training of acute care and rehabilitation facility personnel. Trauma and rehabilitation facilities can use other state funds which they receive from trauma participation grants for this training.

14. Eliminate Rural Health Data Book - The Rural Health Data Book contains information on health status and systems, and has been produced every two years. Funding for this publication is eliminated.

15. Medicare Designation Start-Up - This item eliminates the state share of the start-up funding which was provided at the beginning of the 1999-01 biennium to assist small rural hospitals prepare for the "critical access hospital" designation which would enable them to qualify for higher federal Medicare payments. Approximately \$450,000 per year of federal funding subsequently became available for the same purpose in 1999-01.

2001-03 Omnibus Operating Budget Department of Health

16. Child Health Enhancements - Under the "universal distribution" policy first adopted by Washington in the 1991 budget, the state makes medically-recommended childhood vaccines available free of charge for all children through age five in the state. Inclusion of a vaccine on the universal distribution list means that all doses used in the state may be purchased at the federal discount rate, which is substantially lower than if they were purchased privately, and frees health care providers from the administrative burden of separately accounting for the income and insurance status of immunized children. Funding is provided in this item to add the new pneumococcal conjugate vaccine to the list of state-funded vaccines. This vaccine has been determined by the federal Centers for Disease Control to be cost-effective in the prevention of meningitis, middle ear, blood stream, and sinus infections among children under age two. The vaccine is quite expensive, however: the required 4 doses for this vaccine alone are expected to cost almost half as much as the 7 other vaccines already covered under the universal distribution policy. (General Fund-State, Health Services Account-State)

17. AIDS Prescription Drug Increase - The AIDS Prescription Drug Program (APDP) uses state and federal funds to pay for prescription medications, laboratory services, and outpatient medical care for persons with HIV infection and incomes below 370% of the federal poverty level. Enrollment in the program is increasing by about 14% per year, and is expected to reach 2,600 by the end of the 2001-03 biennium. Expenditures per enrollee are expected to increase by only about 3% per year, primarily because a larger share of enrollees are expected to receive insurance coverage through the high-risk pool. (General Fund-State, General Fund-Federal, General Fund-Local)

18. DSHS/DASA Appropriation Transfer - Funding is transferred from Department of Social and Health Services Division of Alcohol and Substance Abuse (DSHS/DASA) to the Department of Health (DOH), for screening by providers aimed at reducing perinatal substance abuse.

19. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, General Fund-Local, Health Professions Account)

20. Administrative Reductions - Administrative reductions will occur throughout the Department and at the State Board of Health. Examples of these reductions may include, but are not limited to changing business practices, reducing levels of policy support, limiting the use of consulting services, and implementing efficiency measures for mailings and publications.

21. Create Child Development Office - Child care and early learning programs from the Department of Social and Health Services (DSHS), the Department of Health, and the Office of Financial Management are consolidated into a new division within the DSHS Economic Services Program. This division will coordinate and increase the focus of child care and early learning programs on quality and availability of care.

22. Infant & Children Product Safety - Funds are provided for the Department of Health to establish and maintain a safety education campaign pursuant to the criteria established in Substitute House Bill 1365 (infant and child products). The campaign will promote awareness of products designed to be used by infants and children that have been determined to be unsafe by the consumer products safety commission. (General Fund-State)

23. Workplace Breastfeeding Policy - Funds are provided for the Department of Health to develop and implement infant-friendly designations for state and local governments and businesses who support a workplace breastfeeding policy as established in Second Substitute House Bill 1590 (breastfeeding). (General Fund-State)

24. Health Professions Acct Legislation - Funding is provided to implement the provisions of the following bills: HB 1309 (hemodialysis technicians); SHB 1759 (sale of hypodermic syringes); SSB 5565 (controlled substance orders); SHB 5621 (animal therapy); and ESSB 5877 (social workers & counselors). (Health Professions Account-State)

25. Dental Sealants - Substitute Senate Bill 6020 authorizes registered dental hygienists to administer dental sealants and fluoride varnishes without a dentist's supervision in schools with a significant percentage of low-income students. Funding is provided for the Department of Health to develop a training and certification program for newly-licensed hygienists and dental assistants who wish to perform this service. This cost is to be covered with applicant fees. (Health Professions Account-State)

26. Tobacco Control Plan - Expenditures on the state's efforts to reduce and prevent tobacco use are increased to \$17.5 million per year. Funding for this purpose comes from the \$100 million of national tobacco settlement revenues, which the 1999 Legislature directed be deposited into a special interest-bearing account dedicated to the prevention and reduction of tobacco use. (Tobacco Prevention and Control Account-State)

27. DNA Task Force - The state Board of Health is to convene a task force on policy issues associated with human deoxyribonucleic acid (DNA) information. The task force is to research and recommend policies for consideration by the Legislature regarding how to safeguard individuals from discrimination and invasion of privacy based on individual genetic information, while continuing to support uses of the information which promote public health and safety. Funding is provided to support task force travel and other operating costs.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	499.7	20,745	62,097
2001-03 Maintenance Level	508.2	20,238	62,825
Policy Changes:			
1. Vendor Rate Increase	0.0	98	98
2. Bed Conversion	18.7	-616	1,748
3. PTSD Counseling	0.0	0	74
4. Homeless Veterans Grant	0.0	0	155
5. Statewide Outreach	0.0	36	36
6. Eastern Washington Veterans Home	92.9	0	11,041
Total Policy Changes	111.6	-482	13,152
Total 2001-03 Biennium	619.8	19,756	75,977
Difference from 1999-01	120.1	-989	13,880
% Change from 1999-01	24.0%	-4.8%	22.4%

Comments:

1. Vendor Rate Increase - The budget provides funding for a 2.1 percent inflationary increase effective July 2001, and a second 2.3 percent increase effective July 2002, for organizations which contract with the Department of Veterans Affairs to provide support services for homeless veterans; post traumatic stress counseling; and assistance with applications for federal benefits.

2. Bed Conversion - The Department of Veterans Affairs will reconfigure 65 beds at the state veterans' homes to provide a higher level of nursing care. The additional cost of providing the higher level of care can be offset by additional federal revenues, and by higher resident pension benefits, resulting in a net savings to the state general fund. A lower level of savings is anticipated than proposed by the agency, in order to allow more time for the development of appropriate alternative placements for current residents who do not qualify for, or who choose not to receive, the higher level of care. (General Fund-State, General Fund-Federal, General Fund Private/Local)

3. PTSD Counseling - The agency has received a contract from King County to provide additional post-traumatic stress disorder (PTSD) treatment services in the county. (General Fund-Private/Local)

4. Homeless Veterans Grant - Federal grant funds have been obtained to provide additional services for homeless veterans. (General Fund-Federal)

5. Statewide Outreach - Funding is provided to recruit and train additional volunteers who will assist veterans in under-served areas obtain federal benefits for which they are eligible.

6. Eastern Washington Veterans Home - Funding is provided for acquisition and operation of a new state facility which will serve the veterans of eastern Washington. The department will acquire an existing nursing facility in the Spokane area through a lease-purchase arrangement, and operate it with a combination of federal funding, resident charges, and state and federal Medicaid payments. Because additional federal support is available for operation of state veterans' homes, the home will eventually be less expensive for state taxpayers than if the residents were served in private nursing facilities, while at the same time honoring the contributions of men and women from eastern Washington who have served in the nation's armed forces. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	7,317.8	951,426	1,018,101
2001-03 Maintenance Level	7,684.4	1,048,907	1,086,642
Policy Changes:			
1. Vendor Rate Increase	0.0	1,774	1,774
2. General Inflation	0.0	-5,974	-6,124
3. Tracking System Replacement Phase 2	6.0	9,246	12,500
4. Efficiency and Quality Initiatives	-11.1	-3,186	-3,186
5. Equipment Savings	0.0	-1,858	-1,858
6. Cost of Incarceration Funds	0.0	-5,568	-5,568
7. Medical Payments	0.0	-831	-831
8. Offender Legal Services	-8.8	-1,192	-1,192
9. Correctional Industries	-17.0	-1,888	-1,888
10. Interstate Supervision Compact #	0.0	60	60
11. Sex Offender Sentencing #	0.2	98	98
Total Policy Changes	-30.7	-9,319	-6,215
Total 2001-03 Biennium	7,653.7	1,039,588	1,080,427
Difference from 1999-01	335.9	88,162	62,326
% Change from 1999-01	4.6%	9.3%	6.1%

Comments:

1. Vendor Rate Increase - Funding is provided to increase the rates paid to vendors such as education and chemical dependency providers and work release operators by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)

3. Tracking System Replacement Phase 2 - Beginning in the 1999-01 biennium, the Department of Corrections initiated a multi-phased project designed to replace its Offender Based Tracking System (OBTS). Funding is provided for the second phase of a project to replace OBTS with the new Offender Management Network Information (OMNI) system, which is expected to improve the Department's reporting capabilities, reduce data entry efforts and redirect staff time towards offender supervision. The full cost of the OMNI project is estimated to be \$44 million. (General Fund-State, Violence Reduction and Drug Enforcement Account-State)

4. Efficiency and Quality Initiatives - Savings are achieved by transferring female youthful offenders to a Juvenile Rehabilitation Administration facility, reducing goods and services, and reducing facility maintenance activities. Additionally, \$1.1 million in new small maintenance projects will be funded in the capital budget rather than the operating budget.

5. Equipment Savings - Savings are achieved by using a 5-year lease purchase option for equipment replacement that have exceeded their life expectancy as well as for facility start-up equipment.

6. Cost of Incarceration Funds - The Department's Correctional Industries (CI) program will increase use of the Cost of Incarceration funds. The funds are available due to the settlement of legal issues around the constitutionality of certain kinds of deductions from monies received by inmates from outside sources. (General Fund-State, Correctional Industries Revolving Fund Non-Appropriated)

7. Medical Payments - The Department currently provides up to 100 percent reimbursement to inpatient hospitals for treatment of offenders. The Department will reimburse the hospitals using the diagnosis-related group reimbursement schedule utilized and maintained by the Department of Social and Health Services.

2001-03 Omnibus Operating Budget Department of Corrections

8. Offender Legal Services - The Department of Corrections contracts with private attorneys and law firms to provide legal counsel to offenders. Also, offenders are currently provided access to staffed law libraries at all institutions with the exception of pre-release and work release facilities. Funding for law libraries is eliminated. The Department will continue to provide access to contracted legal services for offenders who are illiterate or do not speak English.

9. Correctional Industries - The majority of the costs associated with the Correctional Industries (CI) operations is funded through revenues generated from product sales. Based on updated revenue and sales projections, the budget assumes that the Department will utilize the non-appropriated, non-budgeted Correctional Industries Revolving Fund to support the maintaining and expanding offender employment rather than General Fund-State. (General Fund-State, Correctional Industries Revolving Fund Non-Appropriated)

10. Interstate Supervision Compact # - Funding is provided for the implementation of SSB 5118 (interstate offender supervision compact), which enacts a new reciprocal agreement between the states for the supervision of offenders.

11. Sex Offender Sentencing # - Funding is provided for the implementation of E2SSB 6151 (high-risk sex offenders), which modifies the way certain sex offenders are sentenced in the future.

2001-03 Omnibus Operating Budget
Dept of Services for the Blind
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	71.9	3,078	16,340
2001-03 Maintenance Level	71.9	3,011	16,024
Policy Changes:			
1. Efficiency Reduction	0.0	-60	-60
2. Assistive Technology Program	0.0	270	270
3. Deaf-Blind Service Center	0.0	100	100
Total Policy Changes	0.0	310	310
Total 2001-03 Biennium	71.9	3,321	16,334
Difference from 1999-01	0.0	243	-6
% Change from 1999-01	0.0%	7.9%	0.0%

Comments:

- 1. Efficiency Reduction** - The Department will make general staffing reductions in the field programs.
- 2. Assistive Technology Program** - State funds are provided so that additional persons may benefit from assistive technology devices such as document readers and speech synthesizers. Such devices can significantly improve employment opportunities for people with visual and other disabilities, but are expensive, averaging about \$8,000 per recipient.
- 3. Deaf-Blind Service Center** - Funding is provided to increase by 25% state assistance for job training, interpreter services, independent living instruction, adaptive technology, and other support services for persons who are both deaf and blind.

2001-03 Omnibus Operating Budget
Sentencing Guidelines Commission
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	12.8	1,747	1,747
2001-03 Maintenance Level	12.3	1,801	1,801
Policy Changes:			
1. General Inflation	0.0	-8	-8
Total Policy Changes	0.0	-8	-8
Total 2001-03 Biennium	12.3	1,793	1,793
Difference from 1999-01	-0.5	46	46
% Change from 1999-01	-7.7%	2.6%	2.6%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	2,191.9	2,614	449,462
2001-03 Maintenance Level	2,172.1	2,638	426,368
Policy Changes:			
1. General Inflation	0.0	-25	-5,321
2. Improve Web-Based Security System	0.0	0	165
3. Reemployment Services	1.8	0	600
4. Integrate Labor Market Information	1.0	0	396
5. Unemployment Insurance Program	0.0	0	3,159
6. Overpayment Identification	0.0	0	972
7. Fund GF-S With Other Funds	0.0	-2,613	0
Total Policy Changes	2.8	-2,638	-29
Total 2001-03 Biennium	2,174.8	0	426,339
Difference from 1999-01	-17.1	-2,614	-23,123
% Change from 1999-01	-0.8%	-100.0%	-5.1%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, Other Funds)

2. Improve Web-Based Security System - Employment Security will purchase and install security hardware and software for internet based systems. This security is designed to allow people to file initial unemployment claims over the Internet while protecting the Department's confidential information. (Administrative Contingency Account-State)

3. Reemployment Services - The electronic model that is used to select and refer unemployment insurance claimants to reemployment services will be enhanced. The changes will identify the services that are most likely to lead to reemployment and reduce the amount of time individuals spend unemployed. (Employment Services Administrative Account-State)

4. Integrate Labor Market Information - The Department currently has labor market information on CD-ROM and the Internet. This initiative will make available several key labor market products including local wage rates, employment projections, job skills, employer listings, economic indicators, and news articles through one internet website. (Administrative Contingency Account-State)

5. Unemployment Insurance Program - The agency has received federal funds for one-time unemployment insurance administrative expenses. These funds will be used to improve the effectiveness of the unemployment insurance claims telecenters, make corrections to its benefit and tax systems, improve other agency technology, and pay off the telecenter debt. (Unemployment Compensation Administrative Account-Federal)

6. Overpayment Identification - The United States Department of Labor requires all states to use information from employers that is reported to the Department of Social and Health Services when a new employee is hired. This proposal will link the employer information to the fraud management system, which will allow earlier detection of overpayments. This also includes enhancements to the system that will improve identification of overpayments of unemployment insurance and balance staff workload. These enhancements will be paid out of the Overpayment Interest Fund portion of the Administrative Contingency Account. (Administrative Contingency Account-State)

**2001-03 Omnibus Operating Budget
Department of Employment Security**

7. Fund GF-S With Other Funds - The agency request proposed additional spending from the Administrative Contingency Fund. Some of those increases were not included in the Governor's request. This leaves additional funds available in the account to finance activities previously funded with General Fund State. If revenues into the Administrative Contingency Account fall short of the agencies projections, reductions in the use of the fund for administrative purposes shall be made prior to reductions to direct client services or the current production of labor market information. The department shall maintain its current level of labor market information, including requests for data and analysis from the legislature, governor's office, the office of financial management, and the economic and revenue forecast council. (General Fund-State, Administrative Contingency Account-State)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	2,334.1	420,015	783,128
2001-03 Maintenance Level	2,351.8	455,803	861,807
Policy Changes:			
1. Vendor Rate Increases	0.0	11,938	15,342
2. General Inflation	0.0	-740	-981
3. Payment Review Program	0.0	-68	-137
4. Eliminate Unused Bed Capacity	0.0	-3,385	-3,385
5. Reduce Caseworker Ratio	80.9	6,609	12,213
6. Division of Licensed Resources	4.1	464	618
7. Methamphetamine Treatment	0.0	0	50
8. Risk Assessment Model	0.0	254	339
9. Fire Marshal Inspections	0.0	106	106
10. Native American Child Welfare	0.0	412	412
11. Child Placing Agency Rate Increase	0.0	2,150	2,905
12. Quality Assurance Improvements	7.8	966	1,288
13. Foster Care Basic Rate Increase	0.0	2,303	3,838
14. Regional Foster Care Recruitment	0.0	400	400
15. Passport Program Expansion	0.0	583	1,458
16. Child Care and Early Learning	-125.2	-15,682	-58,590
17. Respite Care	0.0	2,000	2,127
18. Private Rooms for Aggressive Youth	0.0	0	2,064
19. Expand Child Placing Agencies	0.0	2,078	2,808
20. Foster Parent Retention	0.0	250	250
21. Centennial Building Lease Savings	0.0	-132	-176
22. Reduce Family Policy Council Funds	0.0	-2,235	-2,235
23. Expand Relative Placements	0.0	0	1,050
24. Expand Responsible Living Beds	0.0	728	728
Total Policy Changes	-32.5	8,999	-17,508
Total 2001-03 Biennium	2,319.3	464,802	844,299
Difference from 1999-01	-14.8	44,787	61,171
% Change from 1999-01	-0.6%	10.7%	7.8%

Comments:

1. Vendor Rate Increases - Funding is provided to increase overall vendor payments in children's services by 2.1% in FY 02 and 2.3% in FY 03. The department shall seek to control rate increases and reimbursement decisions for foster care and adoption support cases such that the cost per case for family foster care, group care, receiving homes and adoption support does not exceed the amounts assumed in the projected expenditures plus the amounts provided for vendor rate increases and increases to the basic rate for foster care. (General Fund-State, General Fund-Federal)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, General Fund--Federal)

3. Payment Review Program - Savings are anticipated from recovering amounts incorrectly paid to service providers, and from revising payment procedures to prevent future errors. Expected savings, agency wide, are \$2.7 million less than originally proposed by the department, because the department has agreed to substantially increase the minimum billing error allowed before repayment is pursued. This change is expected to reduce by 60 percent the number of providers who are contacted about apparent billing errors. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services

- 4. Eliminate Unused Bed Capacity** - The unused funding for Staff Secure Group Homes is eliminated, and funds are reduced for Secure Crisis Residential Centers (SCRCs). Reductions in SCRCs shall seek to maintain availability across the state, while reducing bed capacity in facilities with the lowest rate of actual placements to potential placements. (General Fund--State)
- 5. Reduce Caseworker Ratio** - By June of 2001, the average number of active cases for each caseworker in Washington will be 29. This proposal will reduce the number of active cases for each caseworker to 24 by the end of the 2001-03 Biennium. This is achieved through increased funding and by redeploying in FY 03 approximately 5% of staff resources from administrative areas of the program to case carrying staff and the supervisors and clerical staff that support them. (General Fund-State, General Fund-Federal)
- 6. Division of Licensed Resources** - In July of 2000, there were 6,627 foster and group homes and 65 licensors. This equates to an average of 102 cases per licensor. The number of cases is expected to grow by ten percent in the next two years. This proposal will maintain the current workload ratio for the licensors. (General Fund-State, General Fund-Federal)
- 7. Methamphetamine Treatment** - As part of a state-wide methamphetamine initiative, funding is provided for training all Child Protective Services social workers on responding to children found at methamphetamine labs or sites. (Public Safety and Education Account-State)
- 8. Risk Assessment Model** - The risk assessment model allows the caseworker to provide a comprehensive assessment of the risk of abuse and neglect to children reported to the Department. This assessment focuses on prevention, allows for flexible response to reports of abuse and neglect, and matches the level of intrusiveness with the level of risk. The enhancements to the risk assessment model will allow for the re-assessment of risk throughout the life of the case. This model includes a special assessment tool if reunification is being considered for a child in out-of-home placement. (General Fund-State, General Fund-Federal)
- 9. Fire Marshal Inspections** - Childcare centers and group care facilities must have a fire safety inspection and certification prior to full licensing by the Children's Administration. The Washington State Patrol Fire Marshal performs these safety inspections. Additional funds are needed to perform timely inspections and to meet the expected growth in the program.
- 10. Native American Child Welfare** - For several biennia, the Children's Administration has contracted with the state's federally recognized Native American Tribes, off-reservation Native American Organizations, and the Small Tribes of Western Washington (STOWW) to provide child welfare services to Native American families. With the addition of three new tribes (the Samish Nation, the Snoqualmie Tribe, and the Cowlitz Tribe) and new tribes to STOWW, additional funding is needed.
- 11. Child Placing Agency Rate Increase** - Funding is provided to increase the rate paid to child placing agencies by 35 percent to \$400 per month at the beginning of the 2001-03 biennium. Child placing agencies provide foster and adoption services including placement and monitoring of children that reside in family foster care. This rate increase is in addition to a state-wide vendor rate increase. (General Fund-State, General Fund-Federal)
- 12. Quality Assurance Improvements** - Federal regulations require that case records be accurately maintained and a statewide data system be used to report specific information to the federal government on a quarterly basis. The national accreditation standard requires that ten percent of the records be reviewed each year. In Washington State that would equal 6,000 case files. Ten quality assurance staff will be added to conduct comprehensive program reviews of case records to move closer to the national standard. These positions will be phased in over the biennium. (General Fund-State, General Fund-Federal)
- 13. Foster Care Basic Rate Increase** - The basic rate for family foster care is increased from an average of \$405 per month to \$420 on July 1, 2001 and \$440 on July 1, 2002. (General Fund-State, General Fund-Federal)
- 14. Regional Foster Care Recruitment** - Funding is provided for tribal foster parent recruitment, foster parent mentors, foster parent support hotlines, and recognition of foster parent achievement.
- 15. Passport Program Expansion** - A Passport is a concise record of each child's current medical, dental, behavioral, psychological, and educational status. It also includes the child's care providers and a record of vaccinations, allergies, current medication and doses, and upcoming appointments. In 1997, the Legislature added \$4.4 million to implement this program for all children that have been in foster care for over 90 days. With these funds, the Department has been only able to create Passports for approximately 60 percent of these children that have been in foster care for over 90 days. Additional funds are provided to reduce the backlog. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services

16. Child Care and Early Learning - The child care and early learning programs from the Department of Social and Health Services (DSHS), the Department of Health, and the Office of Financial Management are consolidated into a new division within DSHS Economic Services. This division will focus on child care and early learning programs with an emphasis on quality and availability of care. (General Fund-State, General Fund-Federal)

17. Respite Care - Funding is increased for respite care for foster parents. The department shall provide respite care for foster parents so as to best improve child placement stability in the foster care system. Payments for the services will be made to the respite provider. (General Fund-State, General Fund-Federal)

18. Private Rooms for Aggressive Youth - There are currently 115 sexually aggressive youth in the group foster care system. Thirty of these youth are in single rooms. The other youths share a bedroom with another sexually aggressive youth. Funding is provided for improved security measures including an increase in the number of private rooms and other ways to increase safety involving sexually aggressive youth. (General Fund-State, General Fund-Federal)

19. Expand Child Placing Agencies - Funding is provided to increase the capacity of Child Placing Agencies by 15 percent in fiscal year 2002 and 30 percent in fiscal year 2003. Child Placing Agencies provide adoption support and foster care services including placement and monitoring services for children who reside in family foster care. (General Fund-State, General Fund-Federal)

20. Foster Parent Retention - Funding is provided for continuation of a foster parent retention program directed at foster parents caring for children who act out sexually.

21. Centennial Building Lease Savings - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma. (General Fund-State, General Fund-Federal)

22. Reduce Family Policy Council Funds - Funding for the Family Policy Council and community public health and safety networks is reduced by 25 percent. Reductions to community public health and safety network grants shall seek to maintain programs for which data and/or research indicate positive outcomes and for networks that have a history of substantial contract compliance. (General Fund-State, Violence Reduction and Drug Enforcement Account)

23. Expand Relative Placements - Funding is provided to increase kinship care placements for children who otherwise would likely be placed in foster care. These funds are for extraordinary costs incurred by relatives at the time of placement, or for extraordinary costs incurred by relatives after placement if such costs would likely cause a disruption in the kinship care placement. \$50,000 of the funds provided shall be contracted to the Washington Institute for Public Policy to conduct a study of kinship care placements. The study shall examine the prevalence and needs of families who are raising related children, and shall compare services and policies of Washington state with other states that have a higher rate of kinship care placements in lieu of foster care placements. The study shall identify possible changes in services and policies that are likely to increase appropriate kinship care placements. (General Fund-Federal)

24. Expand Responsible Living Beds - Funding is provided for additional Responsible Living Skills Program (RSLP) beds. Eight beds shall be added by October, 2001 and an additional seven beds shall be added by July 2002. The total number of RSLP beds in FY 03 shall be 44.

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Juvenile Rehabilitation
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1,313.6	177,688	245,045
2001-03 Maintenance Level	1,298.4	174,252	243,626
Policy Changes:			
1. Vendor Rate Increases	0.0	1,471	2,532
2. General Inflation	0.0	-535	-535
3. Centennial Building Lease Savings	0.0	-20	-20
4. Efficiencies in Regional Services	-3.0	-1,574	-1,574
5. Mental Health Services	10.6	1,118	1,118
6. Basic Training Camp	0.2	38	46
7. Administrative Efficiencies	-1.0	-120	-180
8. Chemical Dependency Alternative #	-1.3	-57	-60
9. Delay Green Hill Expansion	-6.0	-812	-812
Total Policy Changes	-0.5	-491	515
Total 2001-03 Biennium	1,297.9	173,761	244,141
Difference from 1999-01	-15.7	-3,927	-904
% Change from 1999-01	-1.2%	-2.2%	-0.4%

Comments:

1. Vendor Rate Increases - Department vendors will have their rates increased by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002. (General Fund-State, Public Safety and Education Account, Violence Reduction and Drug Enforcement Account, General Fund-Federal, General Fund-Local)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Centennial Building Lease Savings - Reduced lease costs are achieved by purchasing the Centennial buildings in Tacoma.

4. Efficiencies in Regional Services - Savings are achieved by the Juvenile Rehabilitation Administration implementing efficiencies in the administration of regional services programs in the community. Regional services includes parole services, community facilities, drug and alcohol services, learning and life skills centers, regional support staff, regional administration, and diagnostics.

5. Mental Health Services - Due to recent assessments of the of number youth with mental health issues in Juvenile Rehabilitation Administration's facilities, funding is provided for: (1) increased counselor assistant positions at Maple Lane School; and (2) increased medication management resources to address workload associated with increased usage of psychotropic drug medications.

6. Basic Training Camp - Funding is provided to implement HB 1070 (juvenile offender basic training camp), which modifies provisions related to the Basic Training Camp (BTC) program. Specifically, the legislation allows the Juvenile Rehabilitation Administration to: (1) extend the current 120 days BTC program for an additional 40 days for residents who need additional time to meet the BTC requirements; and (2) order sanctions for parole violations by returning BTC graduates to institutions for the remainder of the their sentence. (General Fund-State, General Fund-Federal)

7. Administrative Efficiencies - The Office of Juvenile Justice (OJJ), and staff to the Governor's Juvenile Justice Advisory Committee (GJJAC) operate independently of the Juvenile Rehabilitation Administration (JRA). This item consolidates the OJJ and GJJAC staff into the administrative operations of JRA. Cost savings will result from the elimination of duplicative administrative operations and from aligning OJJ contract monitoring responsibilities with the monitoring expectations of JRA central office staff. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Juvenile Rehabilitation

8. Chemical Dependency Alternative # - Savings result from the implementation of SB 5468 (chemical dependency disposition alternative), which modifies the eligibility criteria for the alternative. As a result of the changes, it is expected that an additional six individuals will complete the CDDA requirements.

9. Delay Green Hill Expansion - The opening of a recently constructed unit at Green Hill School is delayed until the second year of the biennium.

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Mental Health
 (Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	3,047.9	531,003	1,032,468
2001-03 Maintenance Level	3,081.0	594,042	1,109,666
Policy Changes:			
1. Vendor Rate Increases	0.0	71	5,074
2. General Inflation	0.0	-951	-1,100
3. Special Commitment Center/Community	36.3	5,760	5,760
4. LRA Mitigation Funding	0.0	2,000	2,000
5. Special Commitment Center/Program	18.1	2,452	2,452
6. Special Commitment Center/Facility	0.3	26	26
7. Special Commitment Center/Legal	4.7	1,253	1,253
8. Prevalence Study	0.0	250	500
9. Performance Measurement System	0.0	411	822
10. Forensic Unit Lawsuit	33.0	3,496	3,900
11. Children's Inpatient Vendor Rates	0.0	546	1,102
12. Non-Medicaid Comm Inpatient Funding	0.0	-1,389	-1,389
13. RSN Program Data Collection	4.0	0	606
14. Reduce Community Inpatient Pool	0.0	-1,800	-1,800
15. Medicare/Medicaid Crossovers	0.0	-1,514	-3,053
16. Allen Settlement Work Plan 3	8.0	3,268	3,268
17. Longitudinal Study	0.0	38	76
18. Expand Community Services	-80.1	-3,449	-2,498
Total Policy Changes	24.3	10,468	16,999
Total 2001-03 Biennium	3,105.2	604,510	1,126,665
Difference from 1999-01	57.3	73,507	94,197
% Change from 1999-01	1.9%	13.8%	9.1%

Comments:

1. Vendor Rate Increases - Agencies which contract with the state to provide interpreter services at the state psychiatric hospitals, and a variety of support services at the Special Commitment Center, will receive a 2.1 percent inflationary increase in July 2001, and a 2.3 percent increase in July 2002. Additionally, federal matching funds are provided so that the three Regional Support Networks whose allocations under the new formula authorized in the conference budget would otherwise not increase by at least 2.1 percent in Fiscal Year 2002, and by an additional 2.3 percent in July 2002, may receive such rate increases. The non-federal share of that increase is to be provided by the Regional Support Network from accumulated fund balances or other local fund sources. (General Fund-State, General Fund-Federal, General Fund-Local)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

3. Special Commitment Center/Community - Funding is provided to establish an additional community transition program for residents of the Special Commitment Center (SCC). In a less restrictive alternate (LRA) environment, the program will focus on learning transitional skills and putting previous skills into practical application. Residents in the LRA facility will also receive additional treatment as needed. Estimates are based on an opening date of October 2001.

4. LRA Mitigation Funding - Mitigation funding is provided for jurisdictions affected by the placement of less restrictive alternative facilities for persons conditionally released from the Special Commitment Center at McNeil Island.

2001-03 Omnibus Operating Budget Dept of Social and Health Services Mental Health

5. Special Commitment Center/Program - The Special Commitment Center (SCC) adopted a plan to satisfy the United States District Court's rulings. The plan includes an enhancement to the current SCC program, including: (1) the establishment of a vocational program; (2) the adoption of a preventative health program; (3) the establishment of another Assistant Resident Manager position to help cover evening hours; and (4) the development of a tracking system to collect resident information, treatment progress, and other activities designed to assist residents in achieving successful treatment.

6. Special Commitment Center/Facility - The new 258-bed special commitment facility is scheduled to open July of 2003. Three positions in facility operations are provided to plan for and coordinate occupancy.

7. Special Commitment Center/Legal - Funding is provided for two assistant attorney generals and support staff needed to decrease wait times and the number of cases awaiting initial commitment trials to the Special Commitment Center at McNeil Island. Funding will also allow the Attorney General's office to support cases currently being handled by the Snohomish County Prosecutor's office.

8. Prevalence Study - Funding is provided for the Department of Social and Health Services to study the prevalence of mental illness among the state Regional Support Networks' service areas. The Joint Legislative Audit and Review Committee (JLARC) is to monitor the study, within its existing funds. (General Fund-State, General Fund-Federal)

9. Performance Measurement System - In accordance with the provisions of Substitute House Bill 1650, funds are provided for the Mental Health Division to contract for the development of an outcome-based performance measurement system for the public mental health system. (General Fund-State, General Fund-Federal)

10. Forensic Unit Lawsuit - Funds are provided for the Department of Social and Health Services to settle a lawsuit by the Washington Protection and Advocacy System alleging insufficient and inappropriate treatment of persons committed to the legal offender (forensic) unit at Western State Hospital. (General Fund-State, General Fund-Federal)

11. Children's Inpatient Vendor Rates - Funding is provided for a 10% rate increase for the four facilities from which the state purchases 24-hour residential treatment for severely troubled children. The increase is needed for the facilities to address significant recruitment and retention problems, and the rising cost of medical insurance and utilities. (General Fund-State, General Fund-Federal)

12. Non-Medicaid Comm Inpatient Funding - The Regional Support Networks (RSN's) are responsible for the utilization and cost of community psychiatric hospitalization services for Medicaid recipients, and also for other persons who qualify for "state-only" medical assistance, such as the medically indigent, and recipients of general assistance for the unemployed (GAU). The department has historically deducted the actual cost of hospitalization for these "state-only" groups from the RSNs' capitation payments. However, because half of those payments are federal funding which cannot be used for non-Medicaid recipients, the department has covered the balance of the cost with state funds which were available in the department's base budget. Under the new formula for allocating state and federal funds among the RSN's, RSN's will be allocated state funds for the "state-only" groups at 100% of the payment rate the RSN would receive for a comparable Medicaid enrollee. Consistent with the phase-in of the new allocation formula, the department will charge 25% of the state-only costs not covered by the previous capitation rates against RSN allocations in fiscal year 2002, and 50% in fiscal year 2003. This permits a reduction in the department's base funding level. There is no reduction in the total amount of funding available to the RSN's.

13. RSN Program Data Collection - Additional staffing is authorized for the Mental Health Division to improve collection, monitoring, and analysis of community mental health fiscal, client characteristics, and outcomes data. Additional federal funding is available to offset this cost. (General Fund-Federal)

14. Reduce Community Inpatient Pool - Funding for the community inpatient pool, established in FY 01 to assist communities maintain the capacity to provide short-term psychiatric hospitalizations locally, is reduced to \$1.45 million per year.

15. Medicare/Medicaid Crossovers - For persons who are dually eligible for both Medicare and Medicaid, the state Medicaid program is responsible for the share of community mental health costs which under Medicare are the patient's financial responsibility. Such Medicaid co-insurance costs were included in the original expenditure base which was used to calculate the Regional Support Network (RSN) capitation rates, but in 1996 the Mental Health Division began paying the co-insurance costs directly, out of a separate appropriation, without a corresponding reduction in the RSN capitation rates. This item eliminates that separate appropriation, and requires the RSN's to cover the Medicare co-insurance costs out of their current Medicaid funding levels. (General Fund-State, General Fund-Federal)

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Dept of Social and Health Services
Mental Health

16. Allen Settlement Work Plan 3 - Funding is provided for the state hospitals to provide additional specialized care, combining both habilitation and mental health treatment components, for persons with developmental disabilities who require the level and intensity of psychiatric care best provided by the state hospitals. These funds are in addition to the \$2.2 million per year for such additional specialized care which was first provided in the 2000 supplemental appropriation, and fulfills the state's commitments under the *Allen vs. DSHS* settlement agreement. The lawsuit contended that the state was not providing adequate care for persons with developmental disabilities in the state psychiatric hospitals. (General Fund-State, General Fund-Federal).

17. Longitudinal Study - In accordance with Chapter 334, Laws of 2001 (Mental Health Performance Audit), funding is provided for the Washington State Institute for Public Policy to design and begin implementation of a 10-year longitudinal study on the impact of public mental health services on recipients' future employment, housing stability, criminal justice system involvement, and requirement for additional services. (General Fund-State, General Fund-Federal)

18. Expand Community Services - A total of \$5.7 million is provided for development of community residential and support services for persons who would otherwise be served in the state psychiatric hospitals. This is expected to permit closure of four state hospital wards over the course of the 2001-03 biennium, resulting in a net reduction in total public expenditures.

Most of the new community funding available through this initiative will be used to provide community residential, mental health, and other services for long-term state hospital residents who can be better cared for in the community. No long-term resident is to move from the hospitals until a team of community professionals who will work with them on an ongoing basis has gotten to know the person; assessed their strengths, preferences, and needs; assured there's a safe and stable place for them to live; and made sure that other needed medical, behavioral, and social services are in place. In addition to the state and federal funding which is provided for ongoing service delivery after the resident's movement from the hospital, the department is expected to use federal block grant funding for up-front development, training, and operation of the community support teams.

Primary responsibility and accountability for community support for persons who would otherwise require long-term state hospital care shall reside with the Mental Health Division and the Regional Support Networks, with partnership and support from other DSHS programs such as Substance Abuse and Aging. The department is expected to negotiate performance-based incentive contracts with those RSN's which have the most viable plans for providing community services for a significant number of long-term hospital residents, rather than distributing the new funding among all RSN's according to the standard allocation formula.

Some of the new state and federal block grant funding provided as part of this initiative is also to be used to support strategies which will reduce the unnecessary and excessive use of state and local hospitals for short-term crisis stabilization services. Such strategies may include training and technical assistance to community long-term care and substance abuse providers; the development of diversion beds and stabilization support teams; and the development of new contractual standards to assure that the statutory requirement that 85% of short-term detentions be managed locally is being fulfilled. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Developmental Disabilities
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	3,529.2	539,302	1,042,696
2001-03 Maintenance Level	3,490.3	582,932	1,120,382
Policy Changes:			
1. Olmstead Plan Implementation	1.0	4,274	8,330
2. Vendor Rate Increases	0.0	13,248	24,285
3. Long-Term Care Worker Wages	0.0	5,783	11,152
4. General Inflation	0.0	-707	-1,397
5. Payment Review Program	0.0	-339	-692
6. Caseload Ratio Improvement	83.5	3,267	5,855
7. RHC Cottage Consolidation	-87.3	-3,639	-7,332
8. DDD- Improve Public Safety	1.0	4,481	8,792
9. Administrative Reduction	0.0	-304	-478
10. High School Transition Funding	0.0	2,000	2,000
11. Increase \$ for Autism Pilot Project	0.0	200	200
12. Deaf & Hard of Hearing Svc Cntr	0.0	100	100
13. Expand Respite Care	5.0	250	500
14. Limit Residential Vacancy Payments	0.0	-708	-1,416
15. Voluntary Placement Program Costs	0.0	9,706	17,434
Total Policy Changes	3.2	37,612	67,333
Total 2001-03 Biennium	3,493.5	620,544	1,187,715
Difference from 1999-01	-35.7	81,242	145,019
% Change from 1999-01	-1.0%	15.1%	13.9%

Comments:

1. Olmstead Plan Implementation - In keeping with the Department's overall planning to meet the intent of the United States Supreme Court decision in the L.C. vs Olmstead case, the funds are provided for up to 80 individuals to move into community placement settings from state residential habilitation centers (RHC) or from community institutions for the mentally retarded. (General Fund-State, General Fund-Federal)

2. Vendor Rate Increases - Funding is provided to increase overall vendor payments by an average of 2.1% in FY 02 and 2.3% in FY 03. (General Fund-State, General Fund-Federal)

3. Long-Term Care Worker Wages - Funding is provided for a 50 cents per hour pay increase for low-wage workers who provide direct care for elderly and disabled persons in their own homes, in nursing homes, and in community residential programs. When combined with the vendor rate increases funded above, hourly wages will increase an average of 50 cents effective July 1, 2001 for home-care workers, nurses aides, and residential care staff currently earning less than \$10 per hour. (General Fund-State, General Fund-Federal)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund--State, General Fund--Federal)

5. Payment Review Program - Savings are anticipated from recovering amounts incorrectly paid to service providers, and from revising payment procedures to prevent future errors. Expected savings, agency wide, are \$2.7 million less than originally proposed by the department, because the department has agreed to substantially increase the minimum billing error allowed before repayment is pursued. This change is expected to reduce by 60 percent the number of providers who are contacted about apparent billing errors. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Developmental Disabilities

6. Caseload Ratio Improvement - Funding is provided to decrease the average caseload ratio for clients enrolled in the DD Home and Community Based Waiver from 1:108 to 1:75. These additional staff resources shall be deployed to ensure better monitoring of health and safety for clients on the waiver. (General Fund-State, General Fund-Federal)

7. RHC Cottage Consolidation - Savings will be achieved when vacancies from the consolidation of cottages at the Residential Habilitation Centers (RHCs) and anticipated vacancies that will accrue as a result of the Olmstead Plan as clients move to community settings. Savings include staff costs and goods and services. (General Fund-State, General Fund-Federal)

8. DDD- Improve Public Safety - Two client groups will be served by funding that includes residential housing support for individuals with community protection issues. 1) The Division will provide intensive supervision for 26 individuals with developmental disabilities that the Department of Corrections plans to release during the 2001-03 Biennium. These individuals are incarcerated for sexual offenses and violent crimes. Besides supervision, the Division will provide residential and employment services. 2) The Department will also provide residential support for 30 individuals in crisis who are utilizing statewide diversion beds but lack funding for permanent placement. Outplacement will be provided for 18 individuals from state psychiatric hospitals. This element represents part of phase 2 of the Mental Health/Developmental Disabilities Collaborative in response to the Allen lawsuit settlement agreement. (General Fund-State, General Fund-Federal)

9. Administrative Reduction - Training, planning and other activities at Residential Habilitation Centers (RHCs) will be reduced. (General Fund-State, General Fund-Federal).

10. High School Transition Funding - Funding is provided for employment and training services for young adults with developmental disabilities who need assistance after high school graduation. These services are intended to assist with the transition to work and more independent living. Funding shall be used to the greatest extent possible for vocational rehabilitation services matched with federal funding. In recent years, the state fund budget for employment and day programs has been underspent. These surpluses, built into the carry forward level budget, shall be redeployed for high school transition services.

11. Increase \$ for Autism Pilot Project - Funding is increased for the Autism Pilot Project started in 1999. The added funding will bring the total 2001-03 budget for the project to 738,000.

12. Deaf & Hard of Hearing Svc Cntr - Funding is increased for the the Southeast Washington Deaf and Hard of Hearing Service Center due to increased workload.

13. Expand Respite Care - Funding is provided to expand respite care at Yakima Valley School by six beds over the biennium depending on the number of vacancies that occur. In addition to the expanded respite beds, funding is provided to improve the continuity of care from a respite stay back to the person's home. Nursing or other appropriate clinical staff will assist the family or other care givers with new ways to support the person in order to improve the stability of the living arrangement. (General Fund--State, General Fund--Federal)

14. Limit Residential Vacancy Payments - When a vacancy occurs in a contracted residential setting for a Division of Development Disabilities client, the division continues to pay providers to ensure capacity is maintained. This proposal limits such payments to three months. (General Fund-State, General Fund-Federal)

15. Voluntary Placement Program Costs - Funding is increased for clients in the Voluntary Placement Program and for clients aging out of the program. (General Fund-State, General Fund-Federal).

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Long-Term Care
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1,020.1	924,724	1,912,356
2001-03 Maintenance Level	1,045.6	1,010,373	2,050,141
Policy Changes:			
1. Dementia Exceptional Care Rates	0.0	728	1,468
2. Freeze Chore Services Enrollments	0.0	-1,468	-1,468
3. Nursing Services for In-Home Client	0.0	452	910
4. COPES for Medically Needy #	6.5	-507	-1,033
5. Vendor Rate Increases	0.0	17,624	34,533
6. Long-Term Care Worker Wages	0.0	13,760	27,593
7. General Inflation	0.0	-258	-529
8. Payment Review Program	0.0	-867	-1,770
9. Centennial Building Lease Savings	0.0	-36	-71
10. Nursing Home Rates	0.0	19,315	38,928
11. Nursing Home Evaluation	0.0	75	150
12. Guardianship	0.0	-96	-193
13. Estate Recovery	3.5	-2,277	-4,577
Total Policy Changes	10.0	46,445	93,941
Total 2001-03 Biennium	1,055.5	1,056,818	2,144,082
Difference from 1999-01	35.4	132,094	231,726
% Change from 1999-01	3.5%	14.3%	12.1%

Comments:

1. Dementia Exceptional Care Rates - Funding is provided for exceptional care rates so that an average of at least sixty persons with Alzheimer's disease or related dementias who might otherwise require nursing home care can instead reside in community boarding facilities designed and equipped to provide specialized care for such conditions. (General Fund-State, General Fund-Federal)

2. Freeze Chore Services Enrollments - The Chore Services program provides assistance with daily living activities to approximately 400 elderly and disabled persons whose incomes exceed the roughly \$6,500 per year which would enable them to qualify for Medicaid, but whose needs are not yet substantial enough to qualify for the Medicaid waiver program, which allows an income of about \$19,000 per year for a single individual. As an alternative to the proposed elimination of the program, there will be a freeze on all new admissions to the program, except for those needed for Adult Protective Services cases. This will speed the phase-out of the program which has been underway since 1994.

3. Nursing Services for In-Home Client - Funding is provided to triple the number of community care recipients receiving in-home skilled nursing visits, and to double the average number of nursing visits per recipient and the hourly payment rate for such services. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Long-Term Care

4. COPEs for Medically Needy # - Persons with annual incomes over \$19,000 for an individual, or about twice that amount for a couple, are currently able to receive Medicaid-funded assistance with the cost of nursing home care, but not with the cost of care in their own home, an adult family home, or an assisted living facility. As authorized in Chapter 269, Laws of 2001, the Department of Social and Health Services is expected to obtain two new federal waivers which will permit such individuals to receive Medicaid-funded services in their own homes or in community residential facilities. This will enable 375 of the 1,500 "medically needy" persons who currently receive Medicaid-funded nursing home care, but whose incomes exceed the current eligibility standard for community-based care, to instead be served in community-based settings at a lower public cost. Those savings will be partially offset by the cost of Medicaid-funded medical and long-term care services for up to 725 additional persons who are not presently eligible for publicly-funded services because their incomes exceed the current eligibility limit. The agency is directed to limit total enrollment in the two waivers to 650 persons by June of 2002, and to 1,100 persons by June of 2003; and to transfer funds from the Aging and Adult Services to the Medical Assistance program to cover the medical costs which will result from making these additional persons eligible for state medical assistance. (General Fund-State, General Fund-Federal)

5. Vendor Rate Increases - Agencies with contract with the state to provide case management, home-care, community residential care, and other long-term care services will receive inflationary increases of 2.1 percent on July 1, 2001 and 2.3 percent on July 1, 2002. (General Fund-State, General Fund-Federal)

6. Long-Term Care Worker Wages - Funding is provided to increase pay for low-wage workers who provide direct care for elderly and disabled persons in their own homes, in nursing homes, and in community residential programs. When combined with the vendor rate increases funded above, funding is sufficient to increase hourly wages an average of 50 cents effective July 1, 2001 for home-care workers, nurses aides, and residential care staff currently earning less than \$10 per hour. (General Fund-State, General Fund-Federal)

7. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

8. Payment Review Program - Savings are anticipated from recovering amounts incorrectly paid to service providers, and from revising payment procedures to prevent future errors. The budget anticipates \$2.7 million less in savings than originally proposed by the department, because the department has agreed to substantially increase the minimum billing error allowed before repayment is pursued. This change is expected to reduce by 60 percent the number of providers who are contacted about apparent billing errors. (General Fund-State, General Fund-Federal)

9. Centennial Building Lease Savings - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma. (General Fund-State, General Fund-Federal)

10. Nursing Home Rates - Funding is provided to implement the provisions of ESHB 2242. When combined with the nursing home component of the long-term care worker wage increase above, the weighted average nursing home payment rate is expected to be \$128.79 per patient day in FY 02, and \$134.45 per patient day in FY 03, a 4.4% average annual increase over the FY 01 level. (General Fund-State, General Fund-Federal)

11. Nursing Home Evaluation - In accordance with ESHB 2242, funding is provided for the department to contract for a two-year evaluation of Washington's system of nursing home care and payment. Study plans are to be approved by and evaluation results reported to the Joint Legislative Task Force on Nursing Homes. (General Fund-State, General Fund-Federal)

12. Guardianship - New rules are to be adopted regarding guardianships for persons receiving publicly-funded long-term care. The rules will increase the amount of client income available for payment toward their cost of care. (General Fund-State, General Fund-Federal)

13. Estate Recovery - State law provides that the publicly-funded cost of their care is to be recovered from the estates of long-term care recipients following their death and that of any surviving dependents. The Department of Social and Health Services anticipates that it can increase such recoveries by 25% if 3.5 additional staff are employed for this purpose. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Economic Services Administration
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	4,886.8	849,592	2,126,701
2001-03 Maintenance Level	4,810.7	865,565	2,186,086
Policy Changes:			
1. Vendor Rate Increases	0.0	2,329	3,790
2. General Inflation	0.0	-2,511	-5,736
3. Child Care and Early Learning	133.5	16,564	59,817
4. Administrative Cost Containment	0.0	-4,000	-5,100
5. Staffing Efficiencies	-24.0	-800	-2,400
6. Reduce Welfare to Work Match	0.0	-7,076	-7,076
7. Child Support Documents	0.0	-32	-96
8. Streamline Eligibility	-142.5	-2,000	-3,000
9. Centennial Building Lease Savings	0.0	-215	-422
10. Child Care & WorkFirst Enhancements	0.0	0	29,000
11. Cut SSI State Suppl Admin Costs	0.0	-6,562	-6,562
12. Filipino Veterans	0.0	48	48
13. Teen Pregnancy Prevention	0.0	0	1,100
Total Policy Changes	-33.0	-4,255	63,363
Total 2001-03 Biennium	4,777.7	861,310	2,249,449
Difference from 1999-01	-109.1	11,718	122,748
% Change from 1999-01	-2.2%	1.4%	5.8%

Comments:

1. Vendor Rate Increases - Funding is provided to increase overall vendor payments by an average of 2.1% in FY 02 and 2.3% in FY 03. (General Fund-State, General Fund-Federal)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Child Care and Early Learning - The child care and early learning programs from the Department of Social and Health Services (DSHS), the Department of Health, and the Office of Financial Management are consolidated into a new division within the DSHS Economic Services Program. This division will focus on child care and early learning programs with an emphasis on quality and availability of care. (General Fund-State, General Fund-Federal)

4. Administrative Cost Containment - Funding for travel and goods and services are reduced. Unused capacity in state funded programs is also eliminated. (General Fund-State, General Fund-Federal)

5. Staffing Efficiencies - The Division of Child Support continues to apply technology and quality improvements to its operations. These and other improvements will result in staff efficiencies. Twenty-four full time equivalent staff positions are eliminated from the Division of Child Support. (General-Fund State, General Fund-Federal)

6. Reduce Welfare to Work Match - The state funds to match the federal Welfare to Work Grant are only needed for a portion of the 2001-03 Biennium. The state matching funds for the grant are reduced to the level needed for the biennium.

7. Child Support Documents - The Division of Child Support will propose departmental request legislation that will allow them to serve documents by parcel delivery. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Economic Services Administration

8. Streamline Eligibility - Determining and reviewing client eligibility will be centralized into telephone centers. This will allow the agency to streamline the eligibility activities for food stamps, medical assistance, child care, general assistance, and Temporary Assistance to Needy Families. The process for determining whether an individual qualifies for grant assistance will also be simplified. There will be 275 full time equivalent (FTE) staff positions eliminated by the end of the biennium. Simplifying the eligibility process and centralizing the eligibility activities are expected to eliminate over 400 FTE staff positions by the end of the 2003-05 Biennium. (General Fund-State, General Fund-Federal)

9. Centennial Building Lease Savings - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma. (General Fund-State, General Fund-Federal)

10. Child Care & WorkFirst Enhancements - Additional funding is provided for the anticipated increase in subsidized child care for low income working families, and for other WorkFirst services including carrying forward investments in civil legal assistance for low income families. (General Fund-Federal)

11. Cut SSI State Suppl Admin Costs - Currently, the state pays the federal government \$10 million per year for administrative costs to add \$28.6 million per year to federal supplemental security income benefits (SSI). In many cases the administrative costs are greater than the amount added to the benefit check. Under federal law, the state must maintain its current overall amount for state supplemental benefits (\$28.6M). However, by simplifying the state supplemental payments and by DSHS distributing those payments directly, it is estimated that \$8-9 million per year can be saved once fully implemented. This item provides \$1 million in FY 02 and \$.5 million in FY 03 for transition planning for an implementation date of 7/1/02 for state administered payments. State administered SSI supplements shall be made to clients receiving federal SSI payments, therefore, there will be no eligibility determination required by DSHS. SSI recipients at the time of conversion who receive state-only benefits, above a certain amount, per month may be "grandfathered". The department shall submit an implementation plan for by December 1, 2001. The plan shall identify any necessary legislation required to implement the conversion to state administered payments.

12. Filipino Veterans - One-time funding is provided to veterans of World War II if they were members of the Commonwealth of the Philippines military forces and were in the service of the United States on July 26, 1941, or thereafter, and who move to the Philippines to establish and maintain a residence.

13. Teen Pregnancy Prevention - Funding is provided for continuation of a teen pregnancy prevention program managed by the Department of Health. The department will provide these funds from the Temporary Assistance for Needy Families (TANF) block grant to the Department of Health through an interagency agreement. (General Fund--Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Alcohol & Substance Abuse
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	104.2	44,010	219,888
2001-03 Maintenance Level	104.0	43,989	220,243
Policy Changes:			
1. SSI Client Treatment	1.5	0	2,944
2. Vendor Rate Increases	0.0	4,615	7,195
3. General Inflation	0.0	-42	-42
4. Transfer Drug Screening	0.0	-340	-340
5. Involuntary Treatment Beds	0.0	3,232	3,232
6. Vocational Program Eliminated	0.0	-1,806	-1,806
7. Expand Treatment Capacity	0.0	0	2,800
8. Additional Drug Courts	0.0	0	1,083
9. Shift DASA programs to GF-S	0.0	27,000	0
10. P-CAP Funding	0.0	337	337
Total Policy Changes	1.5	32,996	15,403
Total 2001-03 Biennium	105.5	76,985	235,646
Difference from 1999-01	1.3	32,975	15,758
% Change from 1999-01	1.9%	74.9%	7.2%

Comments:

1. SSI Client Treatment - Funding is provided for drug and alcohol treatment for Supplemental Security Income (SSI) clients. The increased cost for treatment is offset by savings in the Medical Assistance program due to consolidated treatment services and increased service effectiveness. Funding is also included for on-going research and post-program evaluation to further determine the post-treatment utilization of medical services and the service effectiveness of consolidation. (Public Safety and Education Account-State)

2. Vendor Rate Increases - Funding is provided to increase overall vendor payments by an average of 2.1% in FY 02 and 2.3% in FY 03. (General Fund-State, Other Funds)

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Transfer Drug Screening - The 1999 Legislature authorized the Division of Alcohol and Substance Abuse (DASA) to develop and implement comprehensive programs for women who are abusing alcohol and drugs and provide help for their young children. The comprehensive programs include increased drug screening by providers aimed at reducing perinatal substance abuse. These activities are carried out by the Department of Health (DOH). This proposal transfers the funding from DASA to DOH effective July 1, 2001.

5. Involuntary Treatment Beds - The state of Washington currently has one chemical dependency involuntary treatment (CDIT) facility, located in western Washington. This CDIT facility treats individuals whose intoxication or withdrawal-related behaviors make them a danger to themselves or others. This one facility continuously operates at full capacity, forcing the diversion of individuals to emergency rooms, jails, detoxification centers and state psychiatric hospitals. The Division of Alcohol and Substance Abuse will establish a 35-bed CDIT facility in eastern Washington increasing the availability and accessibility to chemical dependency involuntary treatment services throughout the state. Patients meeting the commitment criteria of RCW 70.96A.140 but who voluntarily agree to treatment in lieu of commitment shall also be eligible for treatment in the new facility. The department shall apply specific placement criteria to ensure that this new treatment capacity is prioritized for persons incapacitated as a result of chemical dependency and who are also high utilizers of hospital services.

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Alcohol & Substance Abuse

6. Vocational Program Eliminated - The Vocational Opportunities Training and Education (VOTE) program is eliminated. The VOTE program assists the recovering population in becoming employed, as part of an aftercare recovery plan.

7. Expand Treatment Capacity - Funds are provided to expand capacity for substance abuse treatment for persons gravely disabled from drug and alcohol addiction, including those who are addicted to methamphetamines. These gravely disabled persons are often high utilizers of hospital services and involved with the criminal justice system due to their addiction. (Public Safety and Education Account-State)

8. Additional Drug Courts - Funding is provided for adult and youth drug courts in Thurston, Cowlitz, Skagit, Kitsap and Clallam counties. Research indicates that drug courts provide savings for state and local governments because program participants are less likely to re-offend, resulting in reduced jail, court, and treatment costs. These drug courts will receive state assistance equal to one-half of their net federal funding loss. The balance in drug court funding will come from savings at the local level. (Public Safety and Education Account-State)

9. Shift DASA programs to GF-S - Funding for drug and alcohol treatment is shifted from the Violence Reduction and Drug Enforcement Account (VRDE) to the general fund (GF-S). (General Fund-State, Violence Reduction and Drug Enforcement Account)

10. P-CAP Funding - Funding for the Parent-Child Assistance Program is increased. This will allow for expand capacity in Pierce County in connection with a clean and sober housing project that will prioritize services for mothers and children involved with meth labs. Funding is also provided to expand capacity in the Region 1 program.

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Medical Assistance Payments
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	853.9	1,580,705	4,881,096
2001-03 Maintenance Level	882.8	2,234,578	6,027,574
Policy Changes:			
1. Medicare Pharmacy	0.0	-16,874	-34,000
2. SSI Client Treatment	0.0	-5,615	-11,324
3. Vendor Rate Increases	0.0	33,643	70,597
4. General Inflation	0.0	-345	-1,309
5. Utilization and Cost Containment	75.5	-50,119	-82,556
6. Health Center Prospective Payment	0.0	-110	-398
7. Rural Hospital Reimbursement	0.0	1,274	2,004
8. Emergency Room Co-Pays	0.0	-184	-372
9. TANF Transitional Medical Premiums	0.0	-2,460	-4,954
10. Medicaid Buy-In Program #	0.0	0	4,000
11. Expand Proshare and DSH Programs	0.0	-33,490	1,146,536
12. Disease Case Management	2.8	-297	-602
13. Dental Sealants	0.0	61	123
14. Breast & Cervical Cancer	0.0	0	2,578
15. CHIP Enrollment	0.0	0	8,610
16. Estate Recovery	0.0	-273	-550
Total Policy Changes	78.3	-74,789	1,098,383
Total 2001-03 Biennium	961.1	2,159,789	7,125,957
Difference from 1999-01	107.2	579,084	2,244,861
% Change from 1999-01	12.5%	36.6%	46.0%

Comments:

1. Medicare Pharmacy - Congress is expected to enact legislation adding outpatient prescription drugs to the federal Medicare benefits package. This is expected to result in a considerable savings for the state Medicaid program during the second year of the biennium, since many seniors who must now rely upon Medicaid for assistance with their drug costs will instead be able to obtain them through Medicare. (General Fund-State, General Fund-Federal)

2. SSI Client Treatment - Savings are achieved as a result of increased funding for drug and alcohol treatment for Supplemental Security Income (SSI) recipients. Progress reports from an earlier pilot indicate that the increased cost of treatment is offset by savings from reduced hospitalizations, physician visits, and prescription drug expenditures for persons receiving treatment. (General Fund - State, General Fund - Federal)

3. Vendor Rate Increases - Funding is provided to increase the rates paid to hospitals, physicians, dentists, home health agencies, family planning clinics, and other organizations and individuals which contract with the state to provide medical assistance services. Rates are to be increased by 2.1 percent on July 1, 2001, and by an additional 2.3 percent on July 1, 2002. (General Fund-State, Health Services Account, General Fund-Federal)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget

Dept of Social and Health Services

Medical Assistance Payments

5. Utilization and Cost Containment - Approximately \$4 million per year of additional staffing is provided for the department to improve and expand its efforts to understand, manage, and control medical assistance expenditure growth. These efforts may include, but are not limited to: improved utilization review and prior authorization of high-cost and fast-growing expenditure areas; improved monitoring of transportation and interpreter services; resolution and recovery of disputed rebates owed the state by drug manufacturers; identification and recovery of costs on behalf of recipients who have other medical coverage or who are owed medical settlements; and implementation of primary care case management to reduce fee-for-service expenditures for recipients for whom Healthy Options coverage is not available at a competitive price. The department is directed to establish quarterly savings targets in each of these areas, and to report every six months to the Legislature on the extent to which those targets are being achieved. (General Fund-State, General Fund-Federal)

6. Health Center Prospective Payment - The medical assistance program will implement a new prospective payment system for federally-qualified urban and rural health centers effective January 1, 2002. Consistent with new federal legislation, the new system will limit increases in medicaid payment rates to a national index of medical inflation. Washington's previous practice, as required by federal law prior to 1997, has been to provide full cost reimbursement to these centers. Implementing this change will avoid a projected \$5 million of state expenditure growth which would otherwise occur during 2001-03. Even with the change, the federally-qualified centers will continue to be paid about twice the amount which would be paid other community providers for the same service. (General Fund-State, Health Services Account, General Fund-Federal)

7. Rural Hospital Reimbursement - Funds are provided for enhanced reimbursement to small rural hospitals, in accordance with House Bill 1162. (General Fund-State, General Fund-Federal)

8. Emergency Room Co-Pays - Co-payments will be imposed for non-emergency services provided in a hospital emergency room effective January 1, 2002. (General Fund-State, General Fund-Federal)

9. TANF Transitional Medical Premiums - During the second six months after leaving income assistance (TANF), adults will be required to pay premiums toward the cost of the medical and dental coverage which they receive through Medical Assistance. Premiums are expected to average approximately \$15 per adult per month, in accordance with an income-adjusted schedule similar to the one used for the Basic Health Plan (BHP). As under the BHP, coverage will be terminated for persons who, except for good cause shown, fall more than two months in arrears on premium payments. (General Fund-State, General Fund-Federal)

10. Medicaid Buy-In Program # - Washington will participate in the new Medicaid "Ticket to Work" program under which persons with substantial disabilities who go to work are able to obtain Medicaid coverage. To be eligible for the program, individuals will need to be working; to meet Social Security disability standards; and to have an income of less than about 450% of poverty (about \$39,000 per year for a single individual). All participants will be required to pay monthly premiums for their coverage, and a monthly deductible equal to 50% of any unearned income in excess of about \$560 per month. Premiums are to equal 5% of unearned income, plus approximately 2.5% of earned income. The department is also directed to establish point-of-service cost-sharing requirements for drugs, office visits, and personal care services. If actual enrollment and costs exceed budgeted levels, the department is directed to modify income eligibility and/or cost-sharing standards sufficiently to operate the program within budgeted levels. (General Fund-State, General Fund-Federal)

11. Expand Proshare and DSH Programs - New federal legislation enacted in December 2000 enables the state to collect additional Medicaid matching funds. Some of these additional revenues are used to offset part of the growth in state expenditures on medical assistance programs. \$7 million are provided to public hospital districts to assist them in provision of uncompensated care. The balance of the new revenues are deposited into the state's Health Services Account, in order to assure sufficient funding in that account for the Basic Health Plan, and for Medicaid coverage for children with incomes below 200% of poverty. (General Fund-State, Health Services Account-State, General Fund-Federal)

12. Disease Case Management - The Medical Assistance program will research and implement at least three pilot projects to assist individuals with targeted diseases improve their health. The projects will involve two key components: (1) identifying persons who are likely to become seriously ill due to a combination of medical, social, and functional problems; and (2) working with them and their primary care provider to improve adherence to state-of-the-art treatment regimens. Based upon successful models in other states, initial diseases to be targeted are likely include diabetes, asthma, heart failure, renal disease, or cancer. Expenditures on program design, and fees for disease case management providers, are expected to be offset by 5-10% reductions in the medical costs which program participants would otherwise incur, resulting in a net savings. (General Fund-State, General Fund-Federal)

13. Dental Sealants - Substitute Senate Bill 6020 authorizes registered dental hygienists to administer dental sealants and fluoride varnishes in schools without a dentist's supervision. This is expected to result in an approximately 1% increase in the number of children for whom such treatments are reimbursed by Medicaid. In future biennia, these costs are expected to be fully offset by reductions in treatment costs. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Medical Assistance Payments

14. Breast & Cervical Cancer - In accordance with Second Substitute House Bill 5820, the Medical Assistance program will provide full-scope Medicaid benefits for low-income uninsured women who have been diagnosed with breast or cervical cancer through the federal screening program administered by the Department of Health. Federal Medicaid matching funds will cover approximately 65% of the cost. The Susan G. Komen Foundation has committed \$400,000 of private funds to cover approximately 45% of the remaining state share of program costs. (Health Services Account, General Fund-Federal, General Fund-Private/Local)

15. CHIP Enrollment - Funds are provided so that the Children's Health Insurance Program (CHIP) can operate without a waiting list. A monthly average of 5,500 children are expected to be enrolled in the program during FY 02, and an average of 8,200 during FY 03. The program provides medical, dental, and mental health coverage for children whose families have incomes between 200-250% of the federal poverty level. (Health Services Account-State, General Fund-Federal)

16. Estate Recovery - Under current policy, the Department of Social and Health Services attempts to recover the cost of publicly-funded care from the estate after the deaths of a recipient of state-funded long-term care, and of his or her surviving dependents. The department is proposing to begin recovering all medical assistance costs in such cases, rather than limiting collections to just long-term care, hospitalization, and prescription drug costs as was previously the case. The recoveries from this change will not be as large as anticipated by the Administration, since only costs incurred subsequent to the necessary regulatory change can be subject to recovery. To cover the difference, the budget anticipates that the department will also initiate recoveries in the case of persons who have not received long-term care, but who have incurred substantial hospitalization or other medical assistance costs prior to death. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Vocational Rehabilitation
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	339.7	19,542	103,204
2001-03 Maintenance Level	333.4	20,642	101,582
Policy Changes:			
1. Vendor Rate Increases	0.0	21	21
2. General Inflation	0.0	-314	-314
3. ESS Phase-Down	0.0	-189	-189
4. Centennial Building Lease Savings	0.0	-25	-25
5. Serve Additional Persons	3.7	954	4,112
Total Policy Changes	3.7	447	3,605
Total 2001-03 Biennium	337.1	21,089	105,187
Difference from 1999-01	-2.6	1,547	1,983
% Change from 1999-01	-0.9%	7.9%	1.9%

Comments:

1. Vendor Rate Increases - Funding is provided for a 2.1 percent increase in the rates paid to providers of extended supported employment services effective July 1, 2001, and for an additional 2.3 percent rate increase on July 1, 2002.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. ESS Phase-Down - This item adjusts funding to the level projected to be needed to continue extended job support services for all persons currently enrolled in the program. Because the program no longer reflects current approaches to employment for persons with disabilities, new admissions to the program have been frozen for a number of years in order to allow a gradual phase-out.

4. Centennial Building Lease Savings - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma.

5. Serve Additional Persons - State matching funds are provided to assure that Washington is able to collect all the funds which are expected to be available to it under the federal vocational rehabilitation formula grant. (General Fund-State, General Fund-Federal, General Fund-Local)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Administration/Support Svcs
 (Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	708.9	56,090	105,678
2001-03 Maintenance Level	701.8	57,702	107,102
Policy Changes:			
1. General Inflation	0.0	-265	-378
2. Payment Review Program	0.0	648	2,024
3. Centennial Building Lease Savings	0.0	-3	-4
4. State Hospital Billing System	2.0	164	235
5. Financial Rpt'g Improvement Project	0.0	1,365	1,920
6. Foster Care Trust Fund System	0.0	202	286
Total Policy Changes	2.0	2,111	4,083
Total 2001-03 Biennium	703.8	59,813	111,185
Difference from 1999-01	-5.1	3,723	5,507
% Change from 1999-01	-0.7%	6.6%	5.2%

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Payment Review Program** - Funding is provided for the Payment Review Program. This funding will cover three items: 1) the contract amount that exceeded the original estimate for the fraud and abuse detection system vendor; 2) an algorithm specialist who will respond to provider inquiries and relate them to data analysis and detailed algorithm results and findings; and 3) enhancements to the travel and training budget. (General Fund-State, General Fund-Federal)
- 3. Centennial Building Lease Savings** - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma.
- 4. State Hospital Billing System** - Funding is provided for a Fiscal Technician and an Accountant 2 to achieve billing compliance and reduce the backlog of payment lines. The Health Care Financing Administration (HCFA) has directed the Mental Health Division to improve billing compliance with federal regulations. HCFA requires no less than 95% compliance with charges submitted but the Finance Division has only achieved a 70% compliance level. (General Fund-State, General Fund-Federal)
- 5. Financial Rpt'g Improvement Project** - One-time funding is provided for a joint effort between the Department of Social and Health Services (DSHS) Finance Division and the Office of Financial Management (OFM) for the development and maintenance of a new financial reporting system. The new system will bring DSHS in line with other state agencies that use the Agency Financial Reporting System (AFRS), and will move the responsibility of the cost allocation system to OFM. (General Fund-State, General Fund-Federal)
- 6. Foster Care Trust Fund System** - One-time funding is provided to develop a comprehensive management and accounting system for the Children's Administration Case and Management Information System (CAMIS). The current accounting system for foster care trust funds could result in audit findings and disallowance of federal funds. A new system will automate the distribution of funds and provide immediate updates of financial information to social workers. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Payments to Other Agencies
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	62,415	84,347
2001-03 Maintenance Level	0.0	86,106	112,771
Total 2001-03 Biennium	0.0	86,106	112,771
Difference from 1999-01	0.0	23,691	28,424
% Change from 1999-01	0.0%	38.0%	33.7%

Comments:

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	167.4	0	0
2001-03 Maintenance Level	165.2	0	0
Total 2001-03 Biennium	165.2	0	0
Difference from 1999-01	-2.2	0	0
% Change from 1999-01	-1.2%	0.0%	0.0%

Comments:

2001-03 Omnibus Operating Budget
Columbia River Gorge Commission
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	9.8	730	1,406
2001-03 Maintenance Level	9.8	711	1,383
Policy Changes:			
1. Match Oregon Current Service Level	0.0	5	9
2. Agency Legal Services	0.0	73	146
Total Policy Changes	0.0	78	155
Total 2001-03 Biennium	9.8	789	1,538
Difference from 1999-01	0.0	59	132
% Change from 1999-01	0.0%	8.1%	9.4%

Comments:

1. Match Oregon Current Service Level - Funding is provided to match the Oregon program. The Columbia River Gorge National Scenic Area Act requires that the Oregon and Washington joint program is funded at the same level. (General Fund-State, General Fund-Local)

2. Agency Legal Services - Funding is provided for increased Attorneys General costs for the Columbia River Gorge Commission. (General Fund-State, General Fund-Local)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1,426.3	82,332	288,679
2001-03 Maintenance Level	1,430.5	86,104	289,997
Policy Changes:			
1. Methamphetamine Lab Cleanup	8.0	0	1,939
2. Inflation Rate Exception	0.0	0	128
3. Eliminate Air Emission Hot-Lines	-2.0	-230	-230
4. Reduction to Match Revenue	0.0	0	-141
5. Preventing Oil Spills	0.0	1,700	1,980
6. Access Waste Information	2.0	0	431
7. Eliminate Air Permit Help to Locals	-1.0	-226	-226
8. Network Infrastructure	0.0	0	323
9. Bioaccumulative Toxics Strategy	2.3	0	800
10. Assess Hazardous Waste Liability	1.5	0	500
11. Area Wide Contamination	0.0	0	1,200
12. Reduce Toxics Studies	-1.0	-148	-148
13. Consolidating Lab Accreditation	1.2	202	202
14. The Clean Sites Initiative	0.0	0	9,365
15. Aquatic Weeds Grants	0.0	0	450
16. Waste Reduction Efforts	0.0	0	200
17. Reduce Lab Accreditation Activities	-0.4	-54	-54
18. Water Law Compliance	0.0	1,148	1,148
19. Reducing Hazardous Waste Generation	1.0	0	200
20. Superfund Cleanup Match	0.0	0	2,000
21. Pine Hollow EIS	0.0	0	325
22. General Inflation	0.0	-1,450	-2,797
23. Enhanced Stream Flow Monitoring	2.0	500	1,613
24. Sharing Costs to Manage Stormwater	1.0	0	1,000
25. Reforming Water Law	0.0	250	250
26. Water Right Change Decisions	27.0	3,000	6,000
27. Drought Response	7.0	0	5,000
28. Water Rights Data	2.0	0	847
29. Salmon Recovery Account Adjustment	0.0	0	-1,148
30. Instream Flows	0.0	0	600
31. Environmental Excellence Program	0.0	0	484
32. Support Local Watershed Planning	3.5	0	3,114
33. Water Resources Attorney Support	0.0	318	318
34. Nuclear Waste Attorney Support	0.0	0	382
35. Support Watershed Cooperatives	0.0	0	200
36. Latah Creek Flood Control	0.0	0	84
Total Policy Changes	54.1	5,010	36,339
Total 2001-03 Biennium	1,484.6	91,114	326,336
Difference from 1999-01	58.3	8,782	37,657
% Change from 1999-01	4.1%	10.7%	13.0%

Comments:

1. Methamphetamine Lab Cleanup - Funding is provided for six additional staff to address methamphetamine lab cleanups. (Public Safety Education Account, State Toxics Control Account)

2001-03 Omnibus Operating Budget

Department of Ecology

2. Inflation Rate Exception - Funding is provided for increased costs for janitorial, landscaping and security contracts for agency facilities to maintain current levels of service while minimizing the reduction to other core environmental functions. (State Toxics Control Account, various other funds)

3. Eliminate Air Emission Hot-Lines - Funding is reduced for the statewide Vehicle Emission Check Information Line. The information line will be replaced with local toll-free information lines operated out of regional offices.

4. Reduction to Match Revenue - Appropriation authority is reduced for the Air Operating Permit Account to a level that can be supported by estimated revenue for the 2001-2003 biennium. This account funds the permitting and oversight of air emissions within the state. (Air Operating Permit Account)

5. Preventing Oil Spills - Funding is provided for the Department to establish charter safety tug services. Safety tug services may be dispatched by the Department at the request of the the United States Coast Guard captain of the port for Puget Sound to the areas or incidents that the department or the captain of the port deem to be of highest concern and will include the placement of a dedicated tug at Neah Bay for not less than 200 days. Funding is also provided for a feasibility study for a tracking system using transponders and advanced radar technologies. The Marine Information System will be updated (\$180,000 one time funding) to access vessel incident reporting information from the federal government. This information is used to target inspections and field work. (Oil Spill Prevention Account)

6. Access Waste Information - Funding is provided for Internet technology and support to enhance public access to environmental data via the Internet. Additional solid and hazardous waste related information will be placed on the Internet, and reporting and mapping options will be developed, including the delivery of information on a geographic basis. (State Toxics Control Account)

7. Eliminate Air Permit Help to Locals - Funding is eliminated for pre-application permit assistance to other state and local air permitting agencies. Air Quality Program staff will continue to provide assistance in situations where DOE has direct permitting responsibility.

8. Network Infrastructure - Funding is provided to increase agency-wide telecommunication line capacity and to upgrade the northwest regional office computer system cabling to allow for more efficient communication. (State Toxics Control Account, various other funds)

9. Bioaccumulative Toxics Strategy - Funding is provided to implement a strategy to eliminate releases and reduce the existence of persistent, bioaccumulative toxic chemicals (PBTs). Baseline monitoring will be conducted and chemical specific action plans will be developed to reduce PBTs in the environment. One time funding of \$54,000 is included for the Department of Health for their participation in developing this strategy. (State Toxics Control Account)

10. Assess Hazardous Waste Liability - One-time funding is provided to assess the limits of current statutes and regulations governing hazardous waste facilities, including financial assurances to ensure that bankruptcy or other unexpected site closures do not leave an unmet cleanup liability. (State Toxics Control Account)

11. Area Wide Contamination - One time funding is provided to develop a strategy to address emergent area-wide soil contamination problems arising from arsenic and other toxic chemicals. The strategy will include a public involvement process, an assessment of the geographical locations of contamination and hot spots and initiation of pilot clean-up projects. (State Toxics Control Account)

12. Reduce Toxics Studies - Funding is reduced for toxic chemical studies currently conducted to assist in addressing contamination problems, identifying regulatory strategies, and developing water cleanup plans. The number of toxics studies completed by the Department of Ecology is reduced from 20 to 17 per year.

13. Consolidating Lab Accreditation - The Department of Ecology, in cooperation with the Department of Health (DOH) and client laboratories, has determined the DOH Drinking Water Laboratory Certification program should be combined with the DOE Environmental Laboratory Accreditation Program. This will provide a one-stop validation agency for client labs, and will reduce costs as a result of more efficient operations. Increased costs to the Department of Ecology will be offset by corresponding reductions in the DOH budget.

14. The Clean Sites Initiative - One time funding is provided to clean up sites contaminated by toxic chemicals that present a serious threat to human health and the environment . Any funds recovered from parties responsible for contamination will be reimbursed into the State Toxics Control Account. (State Toxics Control Account)

2001-03 Omnibus Operating Budget Department of Ecology

- 15. Aquatic Weeds Grants** - Funding is provided to support previous grant awards and to maximize the amount of new grants that can be awarded to local governments in the 2001-03 biennium. (Freshwater Aquatic Weeds Account)
- 16. Waste Reduction Efforts** - One-time funding is provided for an assessment of the current toxic pollution prevention and dangerous waste programs. The Department of Ecology will work with stakeholder focus groups to evaluate the performance of existing programs and assess waste generating activities to identify improvements in waste reduction. (State Toxics Control Account)
- 17. Reduce Lab Accreditation Activities** - Funding is reduced for the Department of Ecology's Environmental Assessment Program, reducing the number of audits conducted for accredited laboratories.
- 18. Water Law Compliance** - Ongoing funding is provided for water law compliance, originally funded in the 1999-01 biennium from the Salmon Recovery Account. Funding supports technical assistance and enforcement efforts for water quantity and non-point water quality.
- 19. Reducing Hazardous Waste Generation** - One-time funding is provided for additional hazardous waste management technical assistance and pollution prevention activities including assisting 60 businesses in developing pollution prevention plans, implementing pollution prevention measures, and integrating best management practices into business operations. (Hazardous Waste Assistance Account)
- 20. Superfund Cleanup Match** - One time funding is provided for the state match for federal Superfund cleanup costs. The federal Superfund law requires states to pay ten percent of all remedial action costs and all operation and maintenance costs at federally funded cleanup sites. Existing match obligations to the Environmental Protection Agency total almost \$8 million. (State Toxics Control Account)
- 21. Pine Hollow EIS** - Funding is provided to complete the Pine Hollow Environmental Impact Statement initiated in the 1999-01 biennium (State Drought Preparedness Account)
- 22. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)
- 23. Enhanced Stream Flow Monitoring** - Funding is provided for enhanced stream flow gauging and monitoring in five critical basins. Of this amount, \$500,000 is provided for local governments to hire stream gauging staff, \$700,000 to purchase the equipment, and \$400,000 in technical assistance to develop gauging plans, install and maintain gauges, and provide data management services including real-time data transmission and web base data access. (General Fund State, Emergency Water Reserve Account State)
- 24. Sharing Costs to Manage Stormwater** - Funding is provided for the Department to update stormwater manuals, write new stormwater permits, and provide technical assistance to local governments to implement new stormwater requirements under the Environmental Protection Agency Phase II Stormwater requirements. (State Toxics Control Account)
- 25. Reforming Water Law** - Funding is provided for fiscal year 2002 to continue the strategy to update water law. Since the last major update of the code in 1971, competing demands for the state's finite water supply have sharply increased and ESA listings have complicated water management.
- 26. Water Right Change Decisions** - Funding is provided to implement Substitute House Bill 1832 (Water Resources Management) and process applications for changes or transfers of existing water rights. (Water Quality Account)
- 27. Drought Response** - Funding is provided to purchase or lease water in response to low stream flows due to the drought. Of the total amount of funding, \$564,000 is provided for staff to implement a drought response strategy and operate a drought emergency center. Staff will process drought related water rights changes in 15 days. (State Drought Preparedness Account, Emergency Water Reserve Account State)
- 28. Water Rights Data** - Funding is provided to replace the water rights information system with a system designed to provide geographic information accessible via the Internet.
- 29. Salmon Recovery Account Adjustment** - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)

2001-03 Omnibus Operating Budget Department of Ecology

30. Instream Flows - Funding is provided for the department to set instream flows in six critical basins currently not planning under the Watershed Planning Act.

31. Environmental Excellence Program - Funding is provided for the department to implement projects with sponsors participating in the Environmental Excellence Program. (Environmental Excellence Account)

32. Support Local Watershed Planning - Funding is provided to implement SHB 1832 (water resources management). Of the total funding, \$2.1 million is provided for grants for targeted watershed assessments in seven basins to provide information to local planning units. In addition, funding is provided to develop a State Environmental Policy Act template to streamline environmental review and plan implementation. The departments of Ecology and Fish and Wildlife will also provide technical assistance in hydrogeology, fish biology, streamflows, and water rights. Finally, a panel will be created to develop long term options to fund watershed plan implementation. (Water Quality Account)

33. Water Resources Attorney Support - Funding is provided for additional support from the Attorney General's office associated with water resources litigation.

34. Nuclear Waste Attorney Support - Funding is provided for additional attorney support to enforce the Hanford Tri-Party Agreement among the state, the Environmental Protection Agency and the U.S. Department of Energy. (State Toxics Control Account)

35. Support Watershed Cooperatives - Funding is provided for a statewide coordinator position for cooperative watershed groups not planning under Chapter 90.82 RCW.

36. Latah Creek Flood Control - Funding provided for the Latah Creek feeder bank stabilization project. (Flood Control Assistance Account)

2001-03 Omnibus Operating Budget
WA Pollution Liab Insurance Program
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	9.1	0	2,138
2001-03 Maintenance Level	9.1	0	2,167
Policy Changes:			
1. General Inflation	0.0	0	-17
Total Policy Changes	0.0	0	-17
Total 2001-03 Biennium	9.1	0	2,150
Difference from 1999-01	0.0	0	12
% Change from 1999-01	0.0%	0.0%	0.6%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Pollution Liability Insurance Program Trust Account, Heating Oil Pollution Liability Trust Account)

2001-03 Omnibus Operating Budget
State Parks and Recreation Comm
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	604.8	57,954	92,391
2001-03 Maintenance Level	638.9	59,720	93,228
Policy Changes:			
1. General Inflation	0.0	-273	-448
2. Maintenance Backlog	7.5	4,000	4,000
3. Lewis and Clark Interpretive Center	3.8	325	325
4. Parks Management	4.0	700	700
5. Ranger & Visitor Safety	5.0	1,000	1,000
6. Forest Road Inventory	0.0	200	200
7. Internet Materials and Permits	1.1	0	166
8. Native American Artifacts	0.3	100	100
9. Silver Lake Visitor Center	3.9	0	432
10. Winter Recreation - Snowmobile	0.0	0	1,000
11. Water Trails Enhancements	0.0	0	10
12. Boating Safety & Education	0.0	0	534
13. Cama Beach Operating Reduction	-4.0	-440	-440
14. Assistance/Planning Reductions	-1.5	-168	-168
Total Policy Changes	20.1	5,444	7,411
Total 2001-03 Biennium	659.0	65,164	100,639
Difference from 1999-01	54.2	7,210	8,248
% Change from 1999-01	8.9%	12.4%	8.9%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)

2. Maintenance Backlog - Funding is provided to preserve and maintain the state park system. State Parks shall prioritize projects to address critical maintenance projects that protect public health and safety.

3. Lewis and Clark Interpretive Center - Funding is provided to staff the Lewis and Clark Interpretive Center, at Fort Canby in anticipation of the bicentennial celebration of the Lewis and Clark expedition.

4. Parks Management - Funding is provided for parks management activities including protection of resource damage, an interpretive assistant, additional weed control, and operation of the Hyak Lodge Environmental Learning Center.

Funding is also provided for staff and maintenance costs associated with operating the sewage treatment plant at Sequest State Park. The U.S. Forest Service is proposing closure of its Mt. St. Helen's Visitor Center at Silver Lake/Sequest State Park. Co-located with the Center and operated by the Forest Service is a sewage treatment facility that processes wastes from Sequest State Park. The Washington State Parks & Recreation Commission has entered into an agreement with the Forest Service to take over the operation and maintenance of Mt. St. Helen's Visitor Center for one year to see if the visitor center is economically viable.

5. Ranger & Visitor Safety - Funding is provided for additional rangers to reduce single-ranger patrols and for response agreements with local law enforcement and emergency 911 dispatch centers.

6. Forest Road Inventory - Funding is provided to evaluate, survey and map all forest roads on state parks lands to determine future actions needed to protect salmon and water quality.

7. Internet Materials and Permits - Funding is provided to develop a system to make permits and other materials available to citizens over the Internet. (Parks Renewal and Stewardship Account, Winter Recreation Program Account, Snowmobile Account)

2001-03 Omnibus Operating Budget State Parks and Recreation Comm

8. Native American Artifacts - Pursuant to federal law, State Parks began work to inventory and catalogue its collection of Native American artifacts and human remains in the 1999-01 Biennium. Additional funding is provided to conduct consultations with Native American tribal representatives and to construct appropriate storage for artifacts and remains.

9. Silver Lake Visitor Center - Funding is provided for staffing and operation of the Mt. St. Helens Visitor Center at Silver Lake/Seaquest State Park. (Parks Renewal and Stewardship Account)

10. Winter Recreation - Snowmobile - Funding is provided to open new snow parks, increase the parking lot size of snow parks, increase grooming of trails, and fund additional parking lot snow removal. Funds for services are derived from snowmobile registrations and a portion of the gasoline tax. (Snowmobile Account - State)

11. Water Trails Enhancements - Funding is provided to improvements to facilities maintained by the Water Trails program. (Water Trails Program Account-State)

12. Boating Safety & Education - Additional federal funding will be used for grants focused toward law enforcement training and equipment, and to increase the frequency of boater education messages. (General Fund-Federal)

13. Cama Beach Operating Reduction - Funding is reduced for implementation of historic building maintenance and park management services at the new Cama Beach State Park. This park is expected to open in September 2002. Four staff positions will not be hired until the 2003-05 biennium.

14. Assistance/Planning Reductions - Funding is eliminated for a position coordinating requests to use state parks facilities by special recreation groups and a part time position for park construction and planning.

2001-03 Omnibus Operating Budget
Interagency Comm for Outdoor Rec
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	20.6	275	6,792
2001-03 Maintenance Level	20.6	291	3,553
Policy Changes:			
1. General Inflation	0.0	-3	-15
2. Programmatic Adjustments	0.0	0	-6
3. Outdoor Recreation Resource Plan	1.0	0	445
4. Maury Is. Conservation Initiative	0.0	0	200
5. Statewide Monitoring Strategy	0.0	500	1,500
6. Salmon Technical Panel	0.0	0	200
7. Forests and Fish Agreement Rules	0.0	0	8,000
8. SRFB Administration	1.8	0	358
Total Policy Changes	2.8	497	10,682
Total 2001-03 Biennium	23.4	788	14,235
Difference from 1999-01	2.8	513	7,443
% Change from 1999-01	9.5%	186.5%	109.6%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)

2. Programmatic Adjustments - Funding is reduced for operating expenses for the Firearms Range Account and Nonhighway and Off-Road Vehicle Activities Program Account. This reduction aligns available revenue and operating expenses with the statutory requirements for these two accounts. (Firearms Range Account-State, Nonhighway and Off-Road Vehicle Activities Program Account-State)

3. Outdoor Recreation Resource Plan - One-time funds are provided to update the Statewide Comprehensive Outdoor Recreation Plan and to meet federal requirements. The current statewide plan expires December 2001 and the Interagency Committee for Outdoor Recreation is required develop a statewide strategic plan for the acquisition, renovation, and development of recreational resources and the conservation of open space. (Recreation Resources Account-State, Recreation Resources Account-Federal)

4. Maury Is. Conservation Initiative - Funding is provided for the IAC to make a grant to the Cascade Land Conservancy (CLC) to develop and implement a conservation initiative for Maury Island. The CLC will provide appraisal services, develop a plan of finance for public/private land acquisition and conduct negotiations among purchasers and willing sellers.

5. Statewide Monitoring Strategy - Funding is provided for the IAC and Salmon Recovery Funding Board to lead other state agencies in developing a statewide approach to salmon recovery adaptive management and monitoring. A coordinated and comprehensive statewide adaptive management and monitoring strategy is needed to meet the needs of the Statewide Strategy to Recover Salmon. (General Fund-State, Water Quality Account, State Toxics Control Account)

6. Salmon Technical Panel - Funding is provided for the Salmon Recovery Funding Board Salmon technical panel to assist lead entities with project identification, evaluation and prioritization. (Water Quality Account-State)

7. Forests and Fish Agreement Rules - Funding is provided for the Salmon Recovery Funding Board to pass through to the Department of Natural Resources and the Department of Fish and Wildlife to implement the Forest and Fish Agreement. Specific work will include completion of databases for streams and lakes, wetlands and forest roads, a new forest practices application system, and adaptive management activities. (General Fund-Federal)

8. SRFB Administration - Funding is provided for administrative support for the Salmon Recovery Funding Board. (General Fund-Federal)

2001-03 Omnibus Operating Budget
Environmental Hearings Office
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	8.0	1,708	1,708
2001-03 Maintenance Level	8.0	1,703	1,703
Policy Changes:			
1. General Inflation	0.0	-10	-10
Total Policy Changes	0.0	-10	-10
Total 2001-03 Biennium	8.0	1,693	1,693
Difference from 1999-01	0.0	-15	-15
% Change from 1999-01	0.0%	-0.9%	-0.9%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
State Conservation Commission
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	14.5	5,302	9,398
2001-03 Maintenance Level	14.5	4,301	8,194
Policy Changes:			
1. Conservation District Manual	0.0	20	29
2. Statewide Habitat Limiting Factors	0.0	0	1,601
3. Administrative Manager	1.0	82	158
4. Engineering Grants	0.0	0	900
5. Audit Costs	0.0	0	128
6. Salmon Recovery Account Adjustment	0.0	0	-3,368
7. AFW Negotiations	0.0	0	500
Total Policy Changes	1.0	102	-52
Total 2001-03 Biennium	15.5	4,403	8,142
Difference from 1999-01	1.0	-899	-1,256
% Change from 1999-01	14.3%	-17.0%	-13.4%

Comments:

1. Conservation District Manual - One-time funding is provided to update the Conservation District Procedure Manual. The manual is used by conservation districts and contains at least 20 sections that will be revised based on changes in policies and regulations, changes in state or federal law, and changes in the structure of agencies and organizations. (General Fund-State, Water Quality Account-State)

2. Statewide Habitat Limiting Factors - Funding is provided to continue identifying limiting factors for salmon and trout.

3. Administrative Manager - Funding is provided for an administrative position for the Commission to prepare and manage its operating and capital budgets and provide financial planning assistance to its grants program. (General Fund-State, Water Quality Account-State)

4. Engineering Grants - Funding is provided for conservation district grants to hire engineers to design salmon recovery and other projects that benefit salmon. (Water Quality Account)

5. Audit Costs - Funding for audits of conservation districts is moved from the capital budget to the operating budget. (Water Quality Account-State)

6. Salmon Recovery Account Adjustment - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)

7. AFW Negotiations - Funding is provided for grants to various stakeholder groups to participate in the Agriculture, Fish, and Water (AFW) negotiations to develop best management practices that will protect and recover salmon.

2001-03 Omnibus Operating Budget
Dept of Fish and Wildlife
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1,573.5	91,249	285,767
2001-03 Maintenance Level	1,582.0	94,602	282,403
Policy Changes:			
1. General Inflation	0.0	-764	-2,083
2. Wildlife Conservation and Education	4.0	0	1,000
3. Salmonid Stock Inventory	0.0	400	400
4. Smolt Production Monitoring	0.0	1,100	1,100
5. Implement Forest and Fish Agreement	0.0	776	776
6. Forest Roads Management Plan	2.3	265	265
7. Hydropower Relicensing	2.8	389	389
8. Lead Entity Core Operations	0.0	3,250	3,250
9. Local Technical Assistance	0.0	1,200	1,200
10. Hatchery ESA Strategy	0.0	500	500
11. Pacific Salmon Treaty State Match	0.0	1,300	6,300
12. Hatchery Operations	0.0	0	7,050
13. Nongame Wildlife Program	0.0	0	360
14. Recreational Site Enhancements	0.0	0	124
15. Salmon Recovery Account Adjustment	0.0	0	-7,219
16. Fish Screen Compliance	0.0	600	600
17. Regional Salmon Recovery Planning	0.0	0	1,000
18. Federal Funding Adjustment	0.0	0	-2,050
19. Information Systems Strategic Plan	4.0	0	851
20. Geographic Information System	2.0	0	373
21. Wildlife Area Operations	0.3	0	48
22. Recover Endangered Wildlife Species	1.4	0	204
23. Problem Bear and Cougar Management	1.0	0	250
24. Vehicle and Vessel Replacement	0.0	0	125
25. Resident and Marine Fish Management	0.0	450	900
26. Youth Sport Fishing Program	1.0	0	156
27. Enhance Web-Based Communication	0.0	0	75
28. Point-of-Sale Data Analysis	0.0	0	80
29. Core Salmon Recovery Activities	0.0	1,000	1,150
30. Fence Maintenance	1.7	0	206
31. Coastal Crab Pot Tags	0.2	0	160
32. Attorney Support for ESA Compliance	0.0	88	147
33. Oyster Reserve Lands	0.0	-60	75
34. WildWatchCam	0.0	0	25
35. Lake Management District Assessment	0.0	15	15
36. Lower Skykomish HCP	0.0	250	250
37. Samish Hatchery Restoration	0.0	636	636
38. Business Services Reductions	-7.4	-1,114	-1,114
39. Technical Assistance Reductions	-4.3	-568	-568
40. Fish, Hatchery and Land Stewardship	-4.5	-1,318	-1,318
41. Program Services Reductions	-4.0	-635	-635
42. Programmatic Adjustments	0.0	0	-819
Total Policy Changes	0.5	7,760	14,234
Total 2001-03 Biennium	1,582.5	102,362	296,637
Difference from 1999-01	9.0	11,113	10,870

2001-03 Omnibus Operating Budget
Dept of Fish and Wildlife
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
% Change from 1999-01	0.5%	12.2%	3.8%

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)
- 2. Wildlife Conservation and Education** - Funding is provided to enhance wildlife conservation and education programs. The types of work to be undertaken include species inventorying, priority habitat and species mapping, expansion of watchable wildlife programs and public education. (General Fund-Federal)
- 3. Salmonid Stock Inventory** - Funding is provided to continue the Salmonid Stock Inventory (SaSI) to identify and monitor the status of Washington's salmonid fish stocks.
- 4. Smolt Production Monitoring** - Ongoing funding is provided to conduct smolt monitoring to continue assessing the productivity of juvenile salmonids as a measure of the health of stream systems and to measure the success of salmon recovery efforts.
- 5. Implement Forest and Fish Agreement** - Ongoing funding is provided for five biologists to continue statewide coordination and implementation of the forest and fish rules; integration of portions of the Hydraulic Code into the forest practices rules to provide permit streamlining; and sharing the responsibility of developing and implementing the required Forests and Fish Agreement monitoring and adaptive management program.
- 6. Forest Roads Management Plan** - Funding is provided for a statewide road plan and a Geographic Information Systems database for forest roads on departmental lands. The Department of Fish and Wildlife has over 725 miles of forest roads on state wildlife areas. Under the forest and fish agreement, a road management plan must be completed within five years for all timberlands to address issues such as fish passage, sedimentation, and erosion.
- 7. Hydropower Relicensing** - Funding is provided for staff to represent the state's fish and wildlife interests in the hydro project relicensing process by the Federal Energy Regulatory Commission.
- 8. Lead Entity Core Operations** - Funding is provided for local lead entities. The groups solicit habitat improvement and restoration projects, develop habitat project lists and recommend development and maintenance of habitat work schedules. The Department will continue to provide basic grants to the estimated 26 lead entities that will operate in the 2001-03 Biennium.
- 9. Local Technical Assistance** - Ongoing funding is provided for the Department of Fish and Wildlife's Watershed Steward Team to provide technical assistance for engineering and design, and fish and habitat science to project sponsors, lead entities, landowners, local governments, regional fisheries enhancement groups, and others involved in local salmon recovery projects.
- 10. Hatchery ESA Strategy** - Funding is provided to continue implementation of a hatchery Endangered Species Act program.
- 11. Pacific Salmon Treaty State Match** - Funding is provided to match federal funds to implement license buyback provisions of the United States - Canada salmon treaty. (General Fund State, General Fund Federal)
- 12. Hatchery Operations** - Funding is provided to support hatchery operations at facilities supported by agreements with public utility districts. (General Fund Private Local)
- 13. Nongame Wildlife Program** - Funding is provided for administrative costs of the nongame wildlife program at the department. Revenues from personalized license plate sales will be used to support both program and administrative costs of the nongame program. (Wildlife Fund State)
- 14. Recreational Site Enhancements** - Funding is provided to improve sanitation and maintenance of public recreation access sites statewide. (Wildlife Fund State)

2001-03 Omnibus Operating Budget

Dept of Fish and Wildlife

15. Salmon Recovery Account Adjustment - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)

16. Fish Screen Compliance - Funding is provided to implement four cooperative fish screen compliance programs, two in Western Washington and two in Eastern Washington. The cooperative compliance program will conduct fish screen, fish way, and fish passage barrier assessments and correction plans for landowners seeking cooperative compliance agreements with the Department.

17. Regional Salmon Recovery Planning - Funding is provided for grants to lead entities or watershed planning units that agree to coordinate the development of comprehensive local and regional salmon recovery plans. Annual grants may be up to \$125,000. (Water Quality Account-State)

18. Federal Funding Adjustment - Federal funding is decreased due to declining federal funding from Dingell-Johnson funds.

19. Information Systems Strategic Plan - Funding is provided to continue implementation of the Information Systems Strategic plan including a personal computer leasing program, migration to office suite software, modernizing agency file server and network infrastructure, and standardizing data administration. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (State Wildlife Account-State)

20. Geographic Information System - Funding is provided for updating the department's Geographic Information System (GIS) data to more current software. The department must ensure that the new data management system is consistent with other state natural resource systems and develop protocols for sharing data. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (General Fund-State, State Wildlife Account-State)

21. Wildlife Area Operations - Funding is provided operating impacts associated with habitat acquisitions authorized by the legislature during the 1999-01 biennium. (State Wildlife Account-State)

22. Recover Endangered Wildlife Species - Funding is provided for scientific review, collection, and analysis of data to determine the status of wildlife species for wildlife and game species management. The department will complete additional research, develop recovery plans and initiate recovery actions for endangered and threatened wildlife species, including western pond turtles, pigmy rabbits, caribou and Columbia white-tailed deer. (State Wildlife Account-State)

23. Problem Bear and Cougar Management - Funding is provided for a biologist and veterinarian services to address problem bear and cougar management. Enforcement staff were funded in the 2000 supplemental budget. (Wildlife Fund State)

24. Vehicle and Vessel Replacement - Funding is provided for the department to replace vehicles and vessels that have exceeded replacement schedule requirements. (State Wildlife Account-State)

25. Resident and Marine Fish Management - Funding is provided to backfill a decrease in federal funding for many core marine and resident fish management and stock assessment activities. The State General Fund will be used to support fish management activities including biological sampling, fishery monitoring, and stock status. (General Fund-State, General Fund-Federal)

26. Youth Sport Fishing Program - Funding is provided for a youth fishing coordinator to develop partnerships with local communities, and to identify, develop, fund and promote youth fishing events and opportunities. Event coordination and promotion services will be contracted to a private consultant. (State Wildlife Account-State)

27. Enhance Web-Based Communication - Funding is provided for a contract to enhance web-based communication to improve internal services and productivity by increasing access to recreational opportunity information, regulatory changes, scientific data, document libraries, and technical assistance for agency employees. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (State Wildlife Account-State)

28. Point-of-Sale Data Analysis - Funding is provided for a private contractor to develop reports from data gathered using the new automated point-of-sale system. These reports will provide information to manage recreational opportunities and license sale revenues. (State Wildlife Account-State)

29. Core Salmon Recovery Activities - Funding is provided to replace decreases in federal funding levels for core salmonid recovery activities including monitoring and biological sampling, smolt trapping, and fishery planning. (General Fund-Federal)

2001-03 Omnibus Operating Budget Dept of Fish and Wildlife

- 30. Fence Maintenance** - Funding for fence maintenance operations is transferred from the capital budget to the operating budget. (State Wildlife Fund-State)
- 31. Coastal Crab Pot Tags** - Funding is provided to implement SSB 6110 (Puget Sound crab pot buoy). The department shall purchase buoy tags to ensure that coastal crab pot limits are followed. (Coastal Crab Account-Nonappropriated)
- 32. Attorney Support for ESA Compliance** - Funding is provided for increased legal assistance from the Attorney General's Office for compliance with the requirements of the Endangered Species Act. (General Fund-State, Wildlife Fund-State)
- 33. Oyster Reserve Lands** - Funding is provided to implement SHB 1658 (state oyster reserve lands). The oyster reserve land account will fund the Department's management of the oyster reserve lands in Puget Sound and Willapa Bay and the shellfish-on-site sewage grant program administered by the Puget Sound Action Team. (General Fund-State, Oyster Reserve Land Account--State)
- 34. WildWatchCam** - Funding is provided for the WildWatchCam program to provide internet transmission of live views of wildlife in their habitats, including seals, bats and bald eagles. (Wildlife Account-State)
- 35. Lake Management District Assessment** - Funding is provided for increased assessments of Department-managed property within lake management districts.
- 36. Lower Skykomish HCP** - Funding is provided for the Department's participation in the planning, scientific assessment and development of a salmon habitat conservation plan as proposed by the Lower Skykomish River Habitat Conservation Group.
- 37. Samish Hatchery Restoration** - Funding is provided for operation of the Samish hatchery facility.
- 38. Business Services Reductions** - Funding is reduced within the business services program by eliminating 6.4 staff positions from the Licenses and Financial Services Divisions, Director's Office and Public Affairs office. Additional savings will result from the elimination of Automated Financial Reporting System reports through the implementation of an automated license system and a reduction to the goods, services and travel budget of the Fish and Wildlife Commission. A contract with the United States Department of Agriculture-Wildlife Services that provides assistance to landowners in alleviating livestock, crop and property damage from wildlife disturbances will also be reduced. The elimination of the Poaching Hotline contract with the Washington State Patrol will save money and improve service levels by routing all calls directly to the enforcement program during regular business hours. The State Patrol will continue to handle poaching complaints after hours.
- 39. Technical Assistance Reductions** - Funding is reduced for the Wetlands Technical Assistance program reducing participation in the Corps of Engineers Nationwide Permit Program, the Corps of Engineers Regional Permit Program and the State Mitigation Banking Rule Technical Committee. One-half of a staff position from the Priority Habitats and Species and Growth Management Act programs will be eliminated resulting in fewer and more limited review of land use decisions affecting fish and wildlife resources in Benton, Kittitas, Franklin and Yakima counties. One and one-half staff positions providing technical assistance to the Department of Ecology and the Environmental Protection Agency for Superfund and Toxic Control Act site cleanup will be eliminated. One-half of a staff position providing technical assistance to the rural landowner program will be eliminated resulting in delays for rural landowners to obtain assistance in converting marginal farmland to more productive recreational and wildlife habitat.
- 40. Fish, Hatchery and Land Stewardship** - Funding is reduced due to the elimination of salmon production at the Fox Island Net Pens and reductions at the Wallace River Hatchery. Administrative support is also reduced for hatchery programs. A reduction to the Lake Washington sockeye salmon fishery monitoring and research program will eliminate diet and abundance estimates used for pre-season run predictions. A reduction in oyster reserve management funding will result in less oyster seed being available for private shellfish growers. Lake management use of rotenone will be reduced 52 percent resulting in three fewer lakes in Eastern Washington being managed for high quality trout. The Washington Conservation Corps will reduce two full-time crews to two half-time crews, reducing stewardship and maintenance activities at statewide wildlife areas and public recreational access sites.
- 41. Program Services Reductions** - Retirement vacancies expected at the beginning of the 2001-2003 biennium will remain unfilled resulting in reductions to non-field enforcement program positions. Additional savings for the enforcement program will result in reducing equipment and goods and services. Two administrative positions will be eliminated from the fish program, resulting in reduced secretarial, customer service, visitor service, and employee support to each program.

**2001-03 Omnibus Operating Budget
Dept of Fish and Wildlife**

42. Programmatic Adjustments - Funding is reduced to adjust appropriation authority with estimated revenues for the Recreational Fisheries Enhancement Account, Eastern Washington Pheasant Enhancement Account, Regional Fisheries Enhancement Account and the Off Road Vehicle Account. (Recreational Fisheries Enhancement Account-State, Eastern Washington Pheasant Enhancement Account-State, Regional Fisheries Enhancement Account-Nonappropriated, Off Road Vehicle Account-State)

2001-03 Omnibus Operating Budget**Department of Natural Resources**

(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1,635.6	56,506	258,856
2001-03 Maintenance Level	1,489.9	58,029	258,294
Policy Changes:			
1. General Inflation	0.0	-99	-557
2. Attorney General Support	0.0	130	540
3. Forest Nursery Investments	0.0	0	350
4. Stabilize Fire Protection Funding	0.0	4,400	0
5. Stabilize Fire Protection - Fees *	0.5	0	641
6. Public Use	0.0	375	750
7. Salmon Recovery Account Adjustment	0.0	0	-3,459
8. Trust Land Management Activities	35.0	0	4,223
9. Mgmt Funding for Ag Trust Lands	0.0	1,790	1,790
10. Trust Land Forest Road Improvements	20.2	0	3,800
11. Forest and Fish Implementation	11.1	2,500	6,025
12. Surface Mine Reclamation Program	4.0	0	828
13. Dredged Material Management	0.0	0	266
14. Aquatic Lands Asset Management	5.0	0	1,000
15. Cherry Point Ecological Evaluation	0.0	0	300
16. Implementing Legislative Fire Study	24.0	5,400	5,400
17. Continued Control of Spruce Budworm	0.3	0	246
18. Sustain Natural Areas Stewardship	0.0	550	1,100
19. Forest Legacy Support	2.0	300	300
20. Outdoor Burning Program Reduction	0.0	0	-157
21. Program/Administration Efficiencies	0.0	-400	-400
22. Off Road Vehicle Program Reduction	0.0	0	-164
23. Management of Marine Reserves	0.5	0	100
24. Lake Whatcom Roads Decommissioning	0.0	0	2,000
Total Policy Changes	102.6	14,946	24,922
Total 2001-03 Biennium	1,592.5	72,975	283,216
Difference from 1999-01	-43.1	16,469	24,360
% Change from 1999-01	-2.7%	29.1%	9.4%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)

2. Attorney General Support - Funding is provided to support increased legal services from the Office of the Attorney General relating to upland and aquatic property issues including trespass, rights of way applications, real property transactions, implementing the incidental take permit and assistance with pending forest practice litigation. (General Fund-State, various other funds)

3. Forest Nursery Investments - One-time funding is provided for forest nursery investments to maintain the reforestation information management system, construct an additional greenhouse to culture nursery stock, and to convert water cooled compressors to air cooled compressors. (State Forest Nursery Revolving Account)

4. Stabilize Fire Protection Funding - Funding is provided to offset insufficient revenues to the Forest Fire Protection Assessment Account to cover on-going fire prevention activities in the 2001-03 biennium. The General Fund State account will be used to help offset the shortfall. (General Fund-State, Forest Fire Protection Assessment Account-Nonappropriated)

2001-03 Omnibus Operating Budget

Department of Natural Resources

- 5. Stabilize Fire Protection - Fees *** - Funding is provided to implement SHB 2104 (forest fire protection). Landowners are currently assessed a fee to pay for fire protection from the Department of Natural Resources, and the bill increases assessments from .22 cents to .25 cents per acre. Funding is provided to develop and administer a data base with which the Department will calculate the assessments for owners of multiple parcels thereby reducing refunds. Additional expenditures for the fire protection assessment of trust land are authorized. (Forest Fire Protection Assessment Account-Nonappropriated, Forest Development Account, Resource Management Cost Account)
- 6. Public Use** - Funding is provided for maintenance of state lands open to public use. (Aquatic Lands Enhancement Account)
- 7. Salmon Recovery Account Adjustment** - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)
- 8. Trust Land Management Activities** - Funding is provided for enhanced silviculture activities, improvements to the product sales system and additional timber sales staff. (Forest Development Account, Resource Management Cost Account.)
- 9. Mgmt Funding for Ag Trust Lands** - Funding is provided for management expenses for agricultural trust lands. General Fund-State funds are appropriated to the Agricultural College Trust Management fund to manage approximately 70,700 acres of Washington State University's Agricultural College Trust Lands.
- 10. Trust Land Forest Road Improvements** - Funding is provided to inventory state forest roads within five years and upgrade road systems in fifteen years to meet the requirements of the new forest and fish agreement. The work will include the evaluation, survey, and mapping of forest roads as well as improvements or abandonment of these roads. (Access Road Revolving Account, Forest Development Account)
- 11. Forest and Fish Implementation** - Funding is provided to DNR to continue implementation of the Forests and Fish Agreement. Specific work will include forest practices rule enforcement, completion of a ten county small forest landowner data system, a road maintenance and abandonment plan and desired future condition data systems, and cultural resources protection. (General Fund State, Salmon Recovery Account, Water Quality Account)
- 12. Surface Mine Reclamation Program** - Funding is provided to implement SHB 1845 (surface mine reclamation fees). Increased funding will be used to provide technical assistance to surface mine operators. (Surface Mine Reclamation Account)
- 13. Dredged Material Management** - Funding is provided for managing dredged material disposal sites on state owned aquatic lands. The department plans to increase disposal monitoring to address the construction of a new shipping terminal in Pierce County and new requirements under the federal Endangered Species Act. (Aquatic Lands Dredged Material Disposal Site)
- 14. Aquatic Lands Asset Management** - Funding is provided to improve management of state owned aquatic lands (SOAL). The Department will streamline the use authorization process for businesses operating on SOAL and issue decisions on 325 pending lease applications by June 30, 2002. The Department, in consultation with the Attorney General, shall develop a strategic program to resolve claims related to contaminated sediments on SOAL. (Resource Management Cost Account, Aquatic Lands Enhancement Account)
- 15. Cherry Point Ecological Evaluation** - Funding is provided to evaluate the Cherry Point herring stock and marine ecosystem. Results of these evaluations will provide the scientific basis to make management decisions concerning aquatic use requests. (Resource Management Cost Account)
- 16. Implementing Legislative Fire Study** - Funding is provided to implement provisions of a 1997 review of the Department of Natural Resources' fire program. Additional staff and equipment are provided to fully support 113 firefighter engines.
- 17. Continued Control of Spruce Budworm** - Funding is provided to control the Spruce budworm on federally granted trust lands. (Resource Management Cost Account)
- 18. Sustain Natural Areas Stewardship** - Funding is provided to continue an enhancement in the 1999-01 biennium for operating and maintenance of state natural areas. Funding will continue education programs at Lake Louise, Chehalis River Surge Plain, Mima Mounds, Mount Si, and Tiger Mountain natural areas, regional volunteer programs, and regional weed teams. (Aquatic Lands Enhancement Account)

2001-03 Omnibus Operating Budget Department of Natural Resources

19. Forest Legacy Support - Funding is provided to support administrative costs of the Forest Legacy Program. New federal requirements will no longer allow federal funds to be used to support the cost of program administration.

20. Outdoor Burning Program Reduction - Funding is decreased for the Outdoor Burning Program due to a projected revenue decrease and reallocation of administration costs. The Department will make the following changes to the program: 1) increase the minimum size fire that requires smoke management approval from 100 tons to 500 tons of fuel; and 2) increase the minimum fire size that requires a permit from 10' x 10' to 20' x 20'. (Air Pollution Control Account)

21. Program/Administration Efficiencies - Funding is reduced for General Fund-State supported programs and administration. In implementing this reduction, the Department shall not reduce expenditures authorized in the 2001-03 Biennium for fire protection, fire suppression, natural areas management or forest practices activities.

22. Off Road Vehicle Program Reduction - Due to a projected revenue decrease and increased operating costs, the department anticipates closing approximately 11 campground sites where off road vehicle use occurs. (Off Road Vehicle Account)

23. Management of Marine Reserves - Funding is provided to development and initial implementation of a statewide management plan for marine reserves. (Aquatic Lands Enhancement Account)

24. Lake Whatcom Roads Decommissioning - Funding is provided to decommission, maintain and repair roads in the Lake Whatcom watershed. (Forest Development Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	711.2	15,932	82,109
2001-03 Maintenance Level	711.2	15,443	84,091
Policy Changes:			
1. General Inflation	0.0	-104	-373
2. Salmon Recovery Pesticide Strategy	4.5	0	1,130
3. Agricultural Marketing	0.0	700	1,400
4. Abandoned Orchards	0.0	0	900
5. Information Technology Coordinator	0.7	0	134
6. Spartina Eradication	0.0	0	1,480
7. Small Farm Direct Marketing	1.5	150	300
Total Policy Changes	6.7	746	4,971
Total 2001-03 Biennium	717.9	16,189	89,062
Difference from 1999-01	6.7	257	6,953
% Change from 1999-01	1.0%	1.6%	8.5%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, various other funds)

2. Salmon Recovery Pesticide Strategy - Funding is provided to establish a program to monitor pesticides in surface water, evaluate pesticide exposure on Endangered Species Act-listed salmon, and implement actions needed to protect salmon. This analysis and implementation will support the state and EPA's inclusion in future ESA 4(d) rule exceptions related to pesticide use and application practices. (Agriculture Local Nonappropriated Account, State Toxics Control Account)

3. Agricultural Marketing - Funding is provided to implement SHB 1891 (marketing of agriculture). State funds will be matched with agriculture industry funds to promote Washington agricultural products and address trade barriers. (General Fund -State, Private Fund Local)

4. Abandoned Orchards - Funding is provided to the department to reimburse county horticultural pest and disease boards for the cost of pest control activities, including tree removal, on abandoned orchards. (State Toxics Control Account)

5. Information Technology Coordinator - Funding is provided for the agency's digital government efforts including coordination of on-line information and web-based services. (Agricultural Local Account-Nonappropriated)

6. Spartina Eradication - Funding is provided to initiate a four year plan to eradicate infestations of spartina in Puget Sound, Hood Canal and Grays Harbor and begins the reduction in Spartina infestations in Willapa Bay, eradicating 25 percent of the 4,000-plus acres of spartina in Willapa Bay in the first two years. (Aquatic Lands Enhancement Account-State)

7. Small Farm Direct Marketing - A small farm and direct marketing program is established to support small farms in complying with federal, state, and local regulations, facilitating access to food processing centers and assisting with grant funding requests. (General Fund-State, General Fund-Federal)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	505.1	44,340	80,323
2001-03 Maintenance Level	523.5	45,075	80,188
Policy Changes:			
1. General Inflation	0.0	-385	-632
2. Fund GF-S with other funds	0.0	-2,100	0
3. Regional Methamphetamine Program	5.0	0	1,419
4. Crime Intelligence Index	0.0	0	328
5. Transfer Activities to Transpo	-17.8	-12,634	-12,634
6. DNA Testing #	0.0	0	100
7. Spokane Toxicology Lab Services	1.5	0	553
8. Offender Information System Support	2.0	0	607
Total Policy Changes	-9.3	-15,119	-10,259
Total 2001-03 Biennium	514.2	29,956	69,929
Difference from 1999-01	9.1	-14,384	-10,394
% Change from 1999-01	1.8%	-32.4%	-12.9%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)

2. Fund GF-S with other funds - Funding is provided from the Public Safety and Education Account in place of General Fund-State. The Public Safety and Education Account has sufficient funds available to finance some of the State Patrol's activities that were previously funded with General Fund-State. (General Fund-State, Public Safety and Education Account-State)

3. Regional Methamphetamine Program - As part of a statewide methamphetamine initiative, funding is provided for following activities designed to enhance the ability of local governments to respond to methamphetamine issues: (1) the establishment of Regional Methamphetamine Enforcement, Training and Education Program; (2) additional members for the State Patrol's Pro-Active Methamphetamine Team; and (3) and the addition of two forensic scientists with the necessary equipment to perform lab analysis in Crime Laboratory Division. (Public Safety and Education Account)

4. Crime Intelligence Index - In order to better facilitate the sharing of criminal intelligence, the Patrol will implement a criminal intelligence index. This system will utilize the existing nation-wide Regional Information Sharing System Network providing 24 hour a day access to intelligence information to all Washington State criminal justice agencies. (Public Safety and Education Account)

5. Transfer Activities to Transpo - In the 1998 session, certain activities and portions of programs within Washington State Patrol were transferred to the omnibus operating budget from the transportation budget. Beginning in FY 2003, these activities are transferred back to the transportation budget.

6. DNA Testing # - Funding is provided for the implementation of SSB 5896 (DNA testing of evidence), which allows any convicted felon, currently incarcerated, to request post-conviction DNA testing. If the request is approved by the local prosecutor or the Attorney General's office, the State Patrol crime labs would conduct the DNA testing and analysis. (Public Safety and Education Account)

7. Spokane Toxicology Lab Services - Funding is provided for two forensic scientist positions and associated scientific equipment to enhance toxicology services to Eastern Washington. A significant proportion of toxicology casework and court testimony (about 25 percent) originates in Eastern Washington. The current plan calls for the State Patrol to house the additional forensic scientists in the Seattle Crime lab before a new Spokane Crime and Toxicology Laboratory facility is constructed in the 2003-05 biennium. (Death Investigations Account)

**2001-03 Omnibus Operating Budget
Washington State Patrol**

8. Offender Information System Support - Funding is providing for on-going staff support for the Washington State Identification System, the Washington Crime Information Center and the Sex Offender Registry systems, which have been integrated into a single system known as "W2" that allows criminal justice and other users to get information concerning an offender from one place at any time. (Public Safety and Education Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	261.6	10,933	34,481
2001-03 Maintenance Level	241.8	10,561	33,810
Policy Changes:			
1. Expanded Internet Services	1.5	0	130
2. Equipment Replacement	0.0	0	13
3. Internet Payment Option	1.5	0	621
4. General Inflation	0.0	-27	-68
5. Private Investigator Exam	0.6	125	125
6. Security Guard Adjudicative Process	0.8	107	107
7. Adjust Real Estate Account	0.0	0	-333
8. Implement Technology Strategies	0.4	0	124
9. Technology Security Enhancements	0.0	0	36
Total Policy Changes	4.8	205	755
Total 2001-03 Biennium	246.6	10,766	34,565
Difference from 1999-01	-15.0	-167	84
% Change from 1999-01	-5.7%	-1.5%	0.2%

Comments:

1. Expanded Internet Services - Funding is provided for the Business and Professions Division (BPD) to offer additional services over the Internet. BPD will use funding to provide electronic license renewals for engineers, cosmetologists, geologists, and plant nurseries. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Professional Engineers Account, Master License Account, Geologists' Account, Data Processing Revolving Account)

2. Equipment Replacement - A regular three-year information technology equipment replacement program is established for the agency's Management and Support Services and Business and Professions Divisions. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Architects' License Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account)

3. Internet Payment Option - Ongoing operational costs and full time equivalent staff positions are provided so that the Department of Licensing (DOL) can continue to offer Master License Service business license renewals over the Internet. DOL customers will be able to make their payments using a credit card. (Master License Account)

4. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)

5. Private Investigator Exam - Funding is provided for costs associated with a half-time management analyst position and contracted psychometrician services to allow the Private Investigator (PI) Program to review and revise tests to meet statutory requirements. Tests are to be conducted to determine minimum knowledge required to open a private investigator company or to act as a certified trainer for investigation companies.

6. Security Guard Adjudicative Process - Funding is provided for the costs associated with conducting adjudicative proceedings in the Security Guard licensing program. Additionally, funding is also provided for training to Security Guard companies on preventive measures to mitigate the number of applications that require adjudicative proceedings.

7. Adjust Real Estate Account - Appropriation authority is reduced to match adjusted expenditures and revenues for the Real Estate Education Account. (Real Estate Education Account - State)

2001-03 Omnibus Operating Budget Department of Licensing

8. Implement Technology Strategies - Funding is provided to convert existing legacy computer applications (circa 1970) to newer, server-based technology. Training and additional staff to facilitate the conversion and software tools are also funded. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Architects' License Account, Cemetery Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Uniform Commercial Code Account, Funeral Director and Embalmers' Account)

9. Technology Security Enhancements - DOL will retain an outside consulting firm to perform an agency-wide information technology risk assessment and vulnerability analysis. This assessment will become the foundation for the agency's on-going security program and business resumption plans. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Architects' License Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Uniform Commercial Code Account, Funeral Directors and Embalmers Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	262.6	85,345	170,292
2001-03 Maintenance Level	264.2	59,210	173,667
Policy Changes:			
1. Information Tech Workforce Training	0.0	-3,600	-3,600
2. State Office Admin Reductions	-4.2	-680	-680
3. Alternative Certification Routes #	0.3	2,000	2,000
4. Anti-Bullying/Harrassment Training	0.0	500	500
5. Advanced Placement Opportunities	0.0	0	860
6. LASER Science Program	0.0	1,729	1,729
7. OSPI Information Systems	0.0	700	700
8. School Safety Allocation	0.0	6,147	6,147
9. School Safety Office	1.5	200	200
10. Federal Funds Update	0.0	0	112,808
11. Geographic Alliance	0.0	-100	-100
12. Magnet Schools	0.0	-1,600	-1,600
13. Federal Reading Excellence Grant	3.5	0	9,900
14. Statewide Programs Reduction	0.0	-3,818	-3,818
15. Certificate of Mastery Development	0.0	100	100
16. Non-Violence Leadership Training	0.0	300	300
17. School Safety Training	0.0	216	216
Total Policy Changes	1.1	2,094	125,662
Total 2001-03 Biennium	265.3	61,304	299,329
Difference from 1999-01	2.7	-24,041	129,037
% Change from 1999-01	0.8%	-28.2%	75.8%

Comments:

1. Information Tech Workforce Training - Funding is eliminated for information tech workforce training grants. This program was started by the 1999 legislature to prepare students to achieve information technology skill certifications. School districts receiving the grants used them to acquire computer software and hardware, to improve internet access and for staff training.

2. State Office Admin Reductions - The administration budget of the Office of the Superintendent of Public Instruction is reduced by three percent.

3. Alternative Certification Routes # - Funds are provided to implement SB 5695 (Alternative Teacher Certification). This bill creates two grant programs, one providing stipends for alternative teacher candidates and teacher mentors, and the other conditional scholarships which provide forgivable loans to alternative teacher candidates if they teach in Washington public schools. It is estimated this appropriation will support 137 alternative teacher candidates.

4. Anti-Bullying/Harrassment Training - Funds are provided to anti-bullying/harrassment training. The Office of the Superintendent of Public Instruction is to create a model policy that school districts can use as a guide for training programs.

5. Advanced Placement Opportunities - Additional federal funding for the Advanced Placement Fee Program will increase enrollment of low-income individuals in advanced placement (AP) courses and increase the availability of these courses in schools serving high poverty areas. In addition, the expanded grant will focus on removing obstacles to AP participation at three pilot sites serving remote schools or high poverty areas. (General Fund-Federal)

2001-03 Omnibus Operating Budget

Public Schools

OSPI & Statewide Programs

6. LASER Science Program - Funds are provided for the Laser Science Program. Under the program, the Superintendent of Public Instruction will contract with the Pacific Science Center for a statewide program coordinator and the initial purchase of science kits for districts that participate in the LASER program. Districts participating in the LASER program write a five-year strategic plan for implementing a science education program for grades K-8 and provide professional development for teachers and administrators.

7. OSPI Information Systems - Funding is provided for information systems in the the Office of the Superintendent of Public Instruction. Priority will be given to upgrading the general apportionment system and continuing work on the student information system.

8. School Safety Allocation - Funds are provided for an allocation to school districts of \$6.36 per full-time equivalent student per year for school safety purposes. The funds must be expended in accordance with the provisions of either House Bill 1818 or Senate Bill 5543 (student safety). If neither bill is enacted, school districts are encouraged to use the funds for school based comprehensive safe school plans and to implement the components of the plans, including early prevention and intervention programs, school security monitors, training for staff, equipment and other purposes identified in the safe school plans.

9. School Safety Office - Funds are provided to create a school safety center located in the Office of the Superintendent of Public Instruction. The main functions of the safety office are to disseminate successful models of school safety plans and to provide assistance to schools to establish a comprehensive safe school plan.

10. Federal Funds Update - Expected expenditures from federal funds are updated based on revised estimates provided by the Office of the Superintendent of Public instruction in March 2001. (General Fund-Federal)

11. Geographic Alliance - State funding for the geographic alliance is eliminated. The purpose of the program was to train K-12 teachers to improve the teaching of geography in schools.

12. Magnet Schools - Funding for the magnet school program is eliminated. The purpose of this program was to provide funds to certain school districts with large minority populations to establish magnet programs to encourage racial integration of schools through voluntary student transfers.

13. Federal Reading Excellence Grant - In 2000, Washington was awarded a Reading Excellence grant through the United States Department of Education. The grant initiated the Washington Reads project, which uses scientifically based reading research to enhance high quality reading instruction and school programs. The program is established in 30 demonstration schools. (General Fund-Federal)

14. Statewide Programs Reduction - The allocation for statewide programs is reduced by \$3.8 million. Statewide programs includes a number of health and safety, technology and grant and allocation programs totalling \$40.5 million.

15. Certificate of Mastery Development - Funds are provided to the State Board of Education for a study of the certificate of mastery based on other state's experience with similar requirements.

16. Non-Violence Leadership Training - Funds are provided for a non-violence leadership training program provided by the Institute for Community Leadership headquartered in Seattle. The program consists of school based workshops using the literary process of reading, writing, listening and public speaking skills to expand one's character and ability to impact change in society. The funds are expected to provide up to 80 percent funding for workshops serving 12 school districts and 36 schools.

17. School Safety Training - Funds are provided to implement school safety training program for school administrators and school safety personnel provided by the Criminal Justice Training Commission.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	6,987,997	6,987,997
2001-03 Maintenance Level	0.0	7,547,634	7,547,634
Policy Changes:			
1. Pension Changes	0.0	-116,913	-116,913
2. Audit Team Savings	0.0	-1,000	-1,000
3. K-4 Class Size/Extended Learning	0.0	82,455	82,455
Total Policy Changes	0.0	-35,458	-35,458
Total 2001-03 Biennium	0.0	7,512,176	7,512,176
Difference from 1999-01	0.0	524,179	524,179
% Change from 1999-01	0.0%	7.5%	7.5%

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB6167. A detailed explanation of this item is provided under agency 713 of this document.

2. Audit Team Savings - The budget continues funding for nine auditors in the State Auditor's office to conduct special K-12 audits. These auditors are expected to generate \$1.0 million in savings in this program over the biennium.

3. K-4 Class Size/Extended Learning - Funds are provided to continue the Better Schools class-size and extended learning component. The program is continued through the apportionment program and this transfer consolidates multiple funding sources for grade K-4 staffing allocations into one program. This component provides an additional 2.2 certificated instructional staff per 1000 full-time equivalent students for class size reduction and extended learning purposes in grades K-4. The additional staff are not considered part of the state's basic education allocation.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	362,265	362,265
2001-03 Maintenance Level	0.0	390,071	390,071
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-2,580</u>	<u>-2,580</u>
Total Policy Changes	0.0	-2,580	-2,580
Total 2001-03 Biennium	0.0	387,491	387,491
Difference from 1999-01	0.0	25,226	25,226
% Change from 1999-01	0.0%	7.0%	7.0%

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB6167. A detailed explanation of this item is provided under agency 713 of this document.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	6,200	297,961
2001-03 Maintenance Level	0.0	6,200	289,387
Policy Changes:			
1. Federal Funds Update	<u>0.0</u>	<u>0</u>	<u>7,000</u>
Total Policy Changes	0.0	0	7,000
Total 2001-03 Biennium	0.0	6,200	296,387
Difference from 1999-01	0.0	0	-1,574
% Change from 1999-01	0.0%	0.0%	-0.5%

Comments:

1. Federal Funds Update - Expenditures from federal funds for school breakfast and lunch programs are updated. (General Fund-Federal)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1.5	772,493	944,160
2001-03 Maintenance Level	1.5	851,111	1,029,796
Policy Changes:			
1. Federal Funds Update	0.0	0	77,407
2. Pension Changes	0.0	-12,859	-12,859
3. Audit Team Savings	0.0	-1,000	-1,000
4. Special Ed Enrollment Maximum	0.0	2,656	2,656
Total Policy Changes	0.0	-11,203	66,204
Total 2001-03 Biennium	1.5	839,908	1,096,000
Difference from 1999-01	0.0	67,415	151,840
% Change from 1999-01	0.0%	8.7%	16.1%

Comments:

1. Federal Funds Update - Expected expenditures from federal funds are updated based on revised estimates provided by the Office of the Superintendent of Public instruction in March 2001. (General Fund-Federal)

2. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB 6167. A detailed explanation of this item is provided under agency 713 of this document.

3. Audit Team Savings - Funding is continued for nine auditors in the State Auditor's office to conduct special K-12 audits. These auditors are expected to generate \$1.0 million in savings in this program.

4. Special Ed Enrollment Maximum - Beginning with the 2002-03 school year, \$4.1 million is provided to increase the percentage of a school district's full time equivalent enrollment funded as special education from the current maximum of 12.7 percent to 13.0 percent. The general fund-state safety net is adjusted downward by \$1.4 million since school districts with special education enrollments in excess of 12.7 percent will not need as much safety net funding as a result of the maximum percent increase.

Language is placed in the budget concerning the definition of special education excess costs requiring the superintendent of public instruction to change the personnel reporting system to reflect that: special education students are basic education students first and as a class are entitled to the full basic education allocation; and that they are basic education students for the entire school day.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	15,509	15,509
2001-03 Maintenance Level	0.0	14,266	14,266
Policy Changes:			
1. Traffic Safety Ed. Allocation	<u>0.0</u>	<u>-8,083</u>	<u>-8,083</u>
Total Policy Changes	0.0	-8,083	-8,083
Total 2001-03 Biennium	0.0	6,183	6,183
Difference from 1999-01	0.0	-9,326	-9,326
% Change from 1999-01	0.0%	-60.1%	-60.1%

Comments:

1. Traffic Safety Ed. Allocation - The state subsidy of \$137 per student for the driver education program is eliminated beginning with the 2001-02 school year. The subsidy of \$203.97 is continued for driver education students eligible for free and reduced price lunch.

2001-03 Omnibus Operating Budget
Public Schools
Educational Service Districts
 (Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	9,067	9,067
2001-03 Maintenance Level	0.0	9,682	9,682
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-146</u>	<u>-146</u>
Total Policy Changes	0.0	-146	-146
Total 2001-03 Biennium	0.0	9,536	9,536
Difference from 1999-01	0.0	469	469
% Change from 1999-01	0.0%	5.2%	5.2%

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB 6167. A detailed explanation of this item is provided under agency 713 of this document.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	224,677	224,677
2001-03 Maintenance Level	0.0	284,644	284,644
Total 2001-03 Biennium	0.0	284,644	284,644
Difference from 1999-01	0.0	59,967	59,967
% Change from 1999-01	0.0%	26.7%	26.7%

Comments:

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	0	285,193
2001-03 Maintenance Level	0.0	0	283,182
Policy Changes:			
1. Federal Funds Update	<u>0.0</u>	<u>0</u>	<u>4,984</u>
Total Policy Changes	0.0	0	4,984
Total 2001-03 Biennium	0.0	0	288,166
Difference from 1999-01	0.0	0	2,973
% Change from 1999-01	0.0%	0.0%	1.0%

Comments:

1. Federal Funds Update - Expected expenditures from federal funds are updated based on revised estimates provided by the Office of the Superintendent of Public instruction in March 2001. (General Fund-Federal)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	38,765	47,313
2001-03 Maintenance Level	0.0	38,888	47,436
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-640</u>	<u>-640</u>
Total Policy Changes	0.0	-640	-640
Total 2001-03 Biennium	0.0	38,248	46,796
Difference from 1999-01	0.0	-517	-517
% Change from 1999-01	0.0%	-1.3%	-1.1%

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB 6167. A detailed explanation of this item is provided under agency 713 of this document.

2001-03 Omnibus Operating Budget
Public Schools
Ed of Highly Capable Students
 (Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	12,269	12,269
2001-03 Maintenance Level	0.0	13,030	13,030
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-190</u>	<u>-190</u>
Total Policy Changes	0.0	-190	-190
Total 2001-03 Biennium	0.0	12,840	12,840
Difference from 1999-01	0.0	571	571
% Change from 1999-01	0.0%	4.7%	4.7%

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB 6167. A detailed explanation of this item is provided under agency 713 of this document.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	0	0
2001-03 Maintenance Level	0.0	0	0
Policy Changes:			
1. Increasing Student Achievement	<u>0.0</u>	<u>0</u>	<u>393,300</u>
Total Policy Changes	0.0	0	393,300
Total 2001-03 Biennium	0.0	0	393,300
Difference from 1999-01	0.0	0	393,300
% Change from 1999-01	0.0%	0.0%	0.0%

Comments:

1. Increasing Student Achievement - Initiative 728 requires the lottery revenues, a portion of state property taxes with established dollar per student amounts, and any funds accumulated in the state's Emergency Reserve Fund in excess of five percent of annual General Fund revenues to be deposited into the newly created Student Achievement Fund and the Education Construction Account.

This budget appropriates \$393.3 million of student achievement fund moneys to be distributed to school districts at a rate of \$193.92 per full time equivalent (FTE) student for the 2001-02 school year and \$220.59 per FTE student for the 2002-03 school year. The permissible uses of this money are as follows: smaller classes in grades K-4; smaller classes for certain grade 5-12 classes; extended learning opportunities in grades K-12; professional development for educators; early childhood programs; and building improvements or additions to support class size reductions or extended learning programs. (Student Achievement Fund)

In addition, \$76.7 million of education construction account moneys are appropriated in the capital budget for common school construction.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	35.4	69,534	69,767
2001-03 Maintenance Level	35.6	62,090	62,323
Policy Changes:			
1. Scoring of 10th Grade Writing WASL	0.0	209	209
2. Change Assessment Timeline #	0.0	-2,301	-2,301
3. Reading Corps	0.0	7,759	7,759
4. Recognizing Successful Schools	0.0	100	100
5. Expand Math Helping Corps	0.0	1,656	1,656
6. Focused Assistance to Schools	2.0	2,800	2,800
7. Principal Leadership Development	0.0	1,000	1,000
8. Mentor/Beginning Teacher Asst.	0.0	2,500	2,500
9. State Leadership for Sch Improvemen	3.3	768	768
10. Performance Improvement Goals	0.0	100	100
11. Web-Based Instructional Network	1.3	260	260
12. Return Writing WASL#	0.0	93	93
13. National Teacher Certif Bonus	0.0	241	241
14. Discontinue CISL	-5.8	-1,260	-1,260
15. WASL Adjustments	0.0	-4,000	-1,000
16. Transfer CISL Staff	1.3	230	230
Total Policy Changes	2.1	10,155	13,155
Total 2001-03 Biennium	37.7	72,245	75,478
Difference from 1999-01	2.3	2,711	5,711
% Change from 1999-01	8.6%	3.9%	8.2%

Comments:

1. Scoring of 10th Grade Writing WASL - Funds are provided to perform double scoring on all the tenth grade writing tests for the Washington Assessment of Student Learning (WASL) to increase the accuracy and validity of individual student test scores. In the past, only a sample percentage of the writing tests were double-scored.

2. Change Assessment Timeline # - Senate Bill 5686 delays the timelines for development of the Washington Assessment of Student Learning (WASL) tests for social studies, arts, and health and fitness by two years. The delay reduces the amount necessary for WASL test development in the 2001-03 biennium.

3. Reading Corps - Funds are provided for Reading Corps grants for schools in which significant numbers of students in grades K-6 do not perform well on reading assessments. The reading programs may be provided before, during or after the school day, and on Saturdays, summer, intercessions or other vacation periods. The grants are to be used for proven, research-based programs provided by mentors or tutors and must include pre- and post- testing to determine the effectiveness of the programs.

4. Recognizing Successful Schools - Funding is provided to purchase plaques to recognize schools that successfully met the fourth grade reading improvement goal established by each local school board.

5. Expand Math Helping Corps - Funding are provided to expand the Math Helping Corps from \$2 million to \$3.7 million. Preliminary evidence shows a dramatic improvement in the number of students meeting math standards in the initial 13 schools provided with assistance through the Math Helping Corps in the 1999-00 school year. Under the program, exemplary teachers are assigned to help schools identify barriers to student learning and develop and implement an action plan for improving learning. The funding level provided will allow about 32 schools to be provided with expert math teachers each year.

2001-03 Omnibus Operating Budget

Public Schools

Education Reform

6. Focused Assistance to Schools - Funding is provided for a focused assistance program for the second year of the biennium, contingent on passage of legislation regarding focused assistance. If a bill is not enacted by June 30, 2002 the funds lapse.

7. Principal Leadership Development - Funding is provided to expand the Principal Leadership Development Program. Principals participating in the program will establish a growth plan in coordination with an assigned mentor who will monitor and assist the principal in achieving the desired professional growth.

8. Mentor/Beginning Teacher Asst. - Funding for the teacher assistance program is increased from \$3.4 million per year to \$4.7 million per year. Of the amounts provided, \$200,000 each year may be used for a mentor teacher academy. The funds are allocated for eligible peer mentor programs in school districts based on the number of beginning teachers in each district.

9. State Leadership for Sch Improvemen - Funding and staff previously allocated to the Center for the Improvement of Student Learning are redirected for the Superintendent to assist schools in implementing high academic standards, aligning curriculum with these standards, and training teachers to use assessments to improve student learning. Funds may also be used to increase community and parental awareness of education reform.

10. Performance Improvement Goals - Funding is provided for grants to school districts to adopt or revise district-wide and school-level plans to achieve performance improvement goals and to post a summary of the plans on district websites using a common format provided by the Office of the Superintendent of Public Instruction.

11. Web-Based Instructional Network - Funding is provided for the development and posting of web-based instructional tools, assessment data, and other information that assists schools and teachers in implementing higher academic standards.

12. Return Writing WASL# - Funding is provided to make the scored writing portion of the Washington Assessment of Student Learning available to schools, students, and parents. Each school will also make available information on the criteria used to determine writing scores.

13. National Teacher Certif Bonus - Funds are provided to lengthen the national teacher certification bonus from the current two years to three years.

14. Discontinue CISL - Funding is eliminated for The Center for the Improvement of Student Learning (CISL) located in the Office of the Superintendent of Public Instruction. The purpose of the center was to serve as a clearinghouse for information regarding educational improvement and parental involvement programs.

15. WASL Adjustments - Various adjustments are made in the budget for the Washington assessments of student learning (WASLs) based on the following savings of : \$285,000 from reduction in the number of advisory committee members used to develop the WASLs; \$300,000 from separating the question and answer booklets which reduces scoring costs; \$415,000 in efficiency savings and other adjustments; and availability and utilization of at least \$1.0 million of federal funds in fiscal year 2002 and at least \$2.0 million in fiscal year 2003. Including state and federal funds, the change in assessment timelines and double scoring, this budget increases WASL funding from \$19.9 million to \$25.1 million for the 2001-03 biennium.

16. Transfer CISL Staff - This budget transfers 1.3 FTE staff and \$230,000 previously allocated to the Center For The Improvement Of Student Learning (CISL) to WASL development.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	73,481	73,481
2001-03 Maintenance Level	0.0	89,839	89,839
Policy Changes:			
1. Bilingual Tracking (HB 2025)	0.0	70	70
2. Pension Changes	0.0	-1,694	-1,694
Total Policy Changes	0.0	-1,624	-1,624
Total 2001-03 Biennium	0.0	88,215	88,215
Difference from 1999-01	0.0	14,734	14,734
% Change from 1999-01	0.0%	20.1%	20.1%

Comments:

1. Bilingual Tracking (HB 2025) - Additional funding is provided to the Office of the Superintendent of Public Instruction (OSPI) to contract for tracking the English and academic proficiency of students who are or were in the transitional bilingual program. The purpose of the evaluation and tracking system is to provide information on the effectiveness of transitional bilingual programs in teaching English and other content areas, such as mathematics and writing. In addition, OSPI may withhold up to \$563,000 of the biennial transitional bilingual allocation to school districts by adjusting the per pupil funding rate in order to pay for centralized purchasing and scoring of bilingual assessments. Currently, each school district purchases and pays for the administration and scoring of these assessments.

2. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB 6167. A detailed explanation of this item is provided under agency 713 of this document.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	138,406	138,406
2001-03 Maintenance Level	0.0	141,235	141,235
Policy Changes:			
1. Pension Changes	<u>0.0</u>	<u>-1,825</u>	<u>-1,825</u>
Total Policy Changes	0.0	-1,825	-1,825
Total 2001-03 Biennium	0.0	139,410	139,410
Difference from 1999-01	0.0	1,004	1,004
% Change from 1999-01	0.0%	0.7%	0.7%

Comments:

1. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with SB 6167. A detailed explanation of this item is provided under agency 713 of this document.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	60,296	60,296
2001-03 Maintenance Level	0.0	54,666	54,666
Policy Changes:			
1. Block Grant Reduction	<u>0.0</u>	<u>-17,635</u>	<u>-17,635</u>
Total Policy Changes	0.0	-17,635	-17,635
Total 2001-03 Biennium	0.0	37,031	37,031
Difference from 1999-01	0.0	-23,265	-23,265
% Change from 1999-01	0.0%	-38.6%	-38.6%

Comments:

1. Block Grant Reduction - The allocation in the Block Grant Program is reduced from \$28.81 per K-12 student to \$18.48 per student. Block grant funds are discretionary funds that can be used by school districts for any educational purpose.

2001-03 Omnibus Operating Budget
Public Schools
Better Schools Program
 (Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	57,500	57,500
2001-03 Maintenance Level	0.0	131,629	131,629
Policy Changes:			
1. Redirect Better Schools Program	0.0	-82,455	-82,455
2. Better Schools Staff Development	0.0	-40,178	-40,178
Total Policy Changes	0.0	-122,633	-122,633
Total 2001-03 Biennium	0.0	8,996	8,996
Difference from 1999-01	0.0	-48,504	-48,504
% Change from 1999-01	0.0%	-84.4%	-84.4%

Comments:

1. Redirect Better Schools Program - The class size reduction portion of the Better Schools Program is transferred to the Apportionment Program.

2. Better Schools Staff Development - Funding for the Better Schools Program staff development portion created by the 2000 legislature is not continued.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	530,327	530,327
2001-03 Maintenance Level	0.0	324,819	324,819
Policy Changes:			
1. Health Benefit Adj	0.0	80,635	80,635
2. Redirect Better Schools Program	0.0	-3,280	-3,280
3. Pension Changes	0.0	-7,017	-7,017
4. K-4 Class Size/Extended Learning	0.0	3,283	3,283
5. Special Ed Enrollment Maximum	0.0	219	219
Total Policy Changes	0.0	73,840	73,840
Total 2001-03 Biennium	0.0	398,659	398,659
Difference from 1999-01	0.0	-131,668	-131,668
% Change from 1999-01	0.0%	-24.8%	-24.8%

Comments:

1. Health Benefit Adj - Funds are provided to increase the monthly health benefit allocation per K-12 state-funded full-time equivalent employee from \$425.89 to \$455.27 in the 2001-02 school year and \$493.59 in the 2002-03 school year. This change in rates is consistent with increases provided to state employees.

2. Redirect Better Schools Program - The Better Schools Program class size reduction component is transferred to the Apportionment Program. As a consequence, salary increase funds are not needed in the Better Schools Program. The salary increase for the transferred funds is shown below in the item labeled K-4 Class Size/Extended Learning.

3. Pension Changes - PERS and TRS employer contribution rates are reduced in accordance with HB 2236. A detailed explanation of this item is provided under agency 713 of this document. The pension rate change reduces the general fund-state amount necessary for the I-732 COLA by almost \$7.0 million. The net I-732 COLA amount after the pension rate changes is \$318.0 million.

4. K-4 Class Size/Extended Learning - A portion of the Better Schools Program class size reduction funds were transferred to the Apportionment Program. The \$1.9 million reflects the amount necessary to provide cost-of-living adjustments for this item.

5. Special Ed Enrollment Maximum - The budget increases the maximum enrollment funded in the special education program. This increase in enrollment increases the amount of funds necessary to implement health benefit increases and cost-of-living adjustments.

\$318.0 million is provided for K-12 state-funded staff cost-of-living increases of 3.7 percent for school year 2001-02 and another increase for the school year 2002-03 to be specified by the 2002 legislature consistent with the provisions of Initiative 732.

For federally funded K-12 staff, federal funds appropriations in the budget provide such funds as are necessary for Initiative 732 purposes. For levy-funded staff, the budget provides an increase in the levy base of each district pursuant to RCW 84.52.053. The increase in the levy base increases the amount school districts may collect in maintenance and operations levies which can be used for levy-supported staff for Initiative 732 purposes.

In addition, the budget reflects reduced employer pension contribution rates for state-funded staff from the 2000-01 school year to the 2001-02 school year by 4.35 percent for certificated staff and 2.9 percent for classified staff. This employer rate reduction is also applicable to federal and locally funded staff. If needed, the savings accruing to school districts from the reduction in pension contribution rates for locally and federally funded staff can be used to fund the cost of I-732 cost-of-living increases.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	0	113,612
2001-03 Maintenance Level	0.0	0	0
Policy Changes:			
1. Transfer to School Construction	<u>0.0</u>	<u>0</u>	<u>191,220</u>
Total Policy Changes	0.0	0	191,220
Total 2001-03 Biennium	0.0	0	191,220
Difference from 1999-01	0.0	0	77,608
% Change from 1999-01	0.0%	0.0%	68.3%

Comments:

1. Transfer to School Construction - A total of \$36.7 million from the Education Savings Account and \$154.5 million from the Education Construction Account will be deposited to the Common School Construction Account for state matching funds for K-12 school construction projects. (Education Construction Account, Education Savings Account)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	74.2	241,029	251,254
2001-03 Maintenance Level	70.2	233,788	248,877
Policy Changes:			
1. General Inflation	0.0	-35	-35
2. Fund for Innovation	0.0	-600	-600
3. Washington State Work Study	0.0	3,000	3,000
4. Jefferson County Pilot Project	0.0	350	350
5. College Assistance Migrant Program	0.0	50	50
6. State Need Grant Increase	0.0	18,880	18,880
7. State Need Grant Adjustment	0.0	-1,039	-1,039
8. Eliminate Educator Excellence Award	0.0	-431	-431
9. Reprogram Timber Worker Enrollment	0.0	-560	-560
10. Promise Scholarships	4.0	11,200	11,200
Total Policy Changes	4.0	30,815	30,815
Total 2001-03 Biennium	74.2	264,603	279,692
Difference from 1999-01	0.0	23,574	28,438
% Change from 1999-01	0.0%	9.8%	11.3%

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Fund for Innovation** - General fund constraints do not permit this grant program to be renewed for the 2001-03 biennium.
- 3. Washington State Work Study** - Funding is provided to expand both the opportunity for work study from 9,500 to 10,300 students a year, and to increase the state share of earning levels from an average of \$1,675 to \$1,735 a year.
- 4. Jefferson County Pilot Project** - Funding is provided to continue a demonstration project whose outcomes will clarify necessary elements to increase participation and access to higher education for placebound adult learners living in remote regions miles away from post-secondary institutions. Active educational partners now include the Washington State University Extension Service, Peninsula College, Port Townsend community leaders and business owners. One, full-time outreach coordinator is supported by project funds and next biennium, a portion will be applied to establish a distance-learning computer lab in Brinnon in a public school facility.
- 5. College Assistance Migrant Program** - College assistance funds are herein provided solely for the benefit of migrant and seasonal farmworkers and their children. The Board shall disperse state general funds equally to all federal CAMP programs operating in Washington State during the 2001-03 biennium. In order to distribute funds in a timely manner, the Board may establish a date after which no additional grants would be made for the 2001-02 and 2002-03 academic years. College assistance migrant programs supplement traditional financial aid by offering students support during their transition from high school to college. Support typically includes one-on-one mentoring for career development.
- 6. State Need Grant Increase** - Funding is increased to reflect more enrollments and to keep pace with tuition increases state universities and colleges may adopt pursuant to authority granted for undergraduate study during the 2001-03 biennium. Additional resources budgeted by the state assumes the effective income cutoff for need grants is 55 percent of the state's median family income. Within available funds the Board may renew need grants for continuing or returning students who qualified at higher income levels during the 1999-2000 and 2000-01 academic years so long as the student is making satisfactory progress towards their degree. Increased appropriations for the program benefits approximately 3,700 more students next biennium.

2001-03 Omnibus Operating Budget Higher Education Coordinating Board

7. State Need Grant Adjustment - This adjustment brings base funding down to 55 percent median family income, taking into account authorized tuition increases at public universities and colleges for the 2001-03 biennium.

8. Eliminate Educator Excellence Award - General fund constraints result in the elimination of state appropriations for Christa McAuliffe excellence awards. Awards are bestowed by the Superintendent of Public Instruction to recognize outstanding public educators for their commitment, contributions and leadership. Originally, a tuition grant was provided through the Higher Education Coordinating Board for the teacher's professional development or a school-based improvement. The program changed over time and now those honored receive cash stipends which range from \$1,000 to \$2,500 per recipient. Each year, five teachers and three classified staff from each congressional district, five principals or administrators on a statewide basis, one school district superintendent and one school district board of directors are chosen for recognition. The budget assumes the superintendent, through savings incentive credits, internal reallocation or by soliciting a private donor, can make it possible for the suspended grants to resume in some future year.

9. Reprogram Timber Worker Enrollment - Program funds previously held for timber workers are redirected for two-year college training programs offered in rural counties, and those communities where rapidly rising energy costs have resulted in permanent job dislocation. (See budget details for Agency 699--State Board for Community and Technical Colleges.) Reflecting this budget policy shift, university level enrollments for timber and other natural resource industry labor are reduced by 50 full-time equivalent (FTE) students.

10. Promise Scholarships - Funding is provided to continue the Washington Promise Scholarship Program. The budget provides a total of \$17 million, \$5.8 million of which carries forward in the budget base to cover the sophomore-year grant to eligible scholars from the Class of 2000. Scholarships may be newly awarded to seniors in the top 15 percent of their respective high school class for 2001 and 2002 (including students who qualify academically on the basis of ACT or SAT scores) and whose families earn no more than 135 percent of the state's median family income. The Board will set the actual annual award level in order to serve the greatest number of qualified students. Cash grants may not exceed state community college tuition. Promise scholars may apply this award towards expenses to attend any public or private college or university located in Washington State.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	17,439.7	652,389	2,712,509
2001-03 Maintenance Level	18,067.4	674,309	2,889,305
Policy Changes:			
1. Health Benefit Changes	0.0	6,700	6,778
2. General Inflation	0.0	-4,579	-4,672
3. Faculty and Staff Salary Increase	0.0	28,833	29,131
4. Enrollment Increase	58.7	5,910	8,632
5. Technology Institute	0.0	4,000	4,000
6. Pension Savings/Economic Assumption	0.0	-2,138	-2,174
7. FICA Savings	0.0	-524	-530
8. Survey Cause of Multiple Sclerosis	0.0	50	50
9. Tuition Rate Increase	0.0	0	26,823
10. Urban Horticulture Center	0.0	0	1,103
11. Advanced Technology Initiative	1.5	300	300
12. Operating Cost Reductions	0.0	-5,773	-5,773
Total Policy Changes	60.2	32,779	63,668
Total 2001-03 Biennium	18,127.6	707,088	2,952,973
Difference from 1999-01	687.9	54,699	240,464
% Change from 1999-01	3.9%	8.4%	8.9%

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$457.29 in Fiscal Year 2002 and \$497.69 in Fiscal Year 2003. Additional details are provided in Agency 713 - State Employee Compensation changes. (General Fund-State, Accident Account, Medical Aid Account, Death Investigations Account)

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Faculty and Staff Salary Increase - A cost-of-living increase (COLA) of 3.7 percent, effective July 1, 2001, is provided to state funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 legislature. Additional funds are also provided for a portion of the cost of providing these increases to positions that are funded from tuition revenues. (General Fund-State, Accident Account, Medical Aid Account, Death Investigations Account)

4. Enrollment Increase - Funds are provided to expand the main and branch campuses by a total of 458 full-time equivalent (FTE) students in 2001-03. New access budgeted for Bothell is 99 FTE students and for Tacoma, 198 FTE students of which not less than 99 shall be allocated for degree programs offered by the new State Technology Institute. Flexibility is granted to redirect up to 10 percent of the new (not base) enrollments from one campus to another in order to respond to high demand areas as those become apparent. The legislature and the office of financial management must be notified of this action as a supplement to quarterly institution enrollment reports. The budget assumes the mix of new students will be 209 FTE graduate, and 249 FTE undergraduates of which 224 will seek upper-division level coursework. Tuition is assumed to increase by 6.7 percent for the 2001-02 academic year and by 6.1 percent for the 2002-03 academic year. The result for the University of Washington is enrollment support from the state that averages \$10,017 per student. (General Fund-State; Non Appropriated Institutional Operating Account).

2001-03 Omnibus Operating Budget University of Washington

5. Technology Institute - Funds are provided for a state technology institute operating from the University's Tacoma branch campus. Beyond operation support provided here, the budget assumes that not less than 99 of the new undergraduate or graduate students in Tacoma are involved in technology-based study through the Institute. Additional sums have been appropriated to the State Board so regional community and technical colleges can recruit and prepare the equivalent of 140 associate degree students for transfer to the Institute assumed to begin during the 2002-03 academic year. The state's total investment is \$8.3 million for 2001-03. This sum reflects both tuition and state general funds that pay for academic instruction and supporting services (\$5 million at the university level) of benefit to technology students and \$2 million in capital funds. By way of capital support, a half a million comes from the Education Construction Account to leverage private gifts received by the Institute and \$1.5 million in bonds is provided to construct and equip a computer language lab for three of the Institute's regional, two-year college partners.

6. Pension Savings/Economic Assumption - The PERS employer contribution rate is reduced from 3.21% to 1.54% effective July 1, 2001, and the TRS employer contribution rate is reduced from 5.38% to 2.75%, effective September 1, 2001. For more details see Agency 713 - State Employees Compensation changes. (General Fund-State, Accident Account, Medical Aid Account, Death Investigations Account)

7. FICA Savings - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003. (General Fund-State, Accident Account, Medical Aid Account,)

8. Survey Cause of Multiple Sclerosis - Funding is provided for the school of medicine to conduct a survey that examines characteristics, factors and probable causes for the high incidence of multiple sclerosis cases in Washington state.

9. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for resident undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. While authority has been granted to raise tuition for law programs by a maximum of 12 percent a year and, for graduate business programs by a maximum of 15 percent and 20 percent respectively for the first and second academic years of 2001-03, such additional, local revenue capacity is neither assumed nor displayed here. (Non Appropriated Institutional Operating Fund Account)

10. Urban Horticulture Center - Funding is provided for expenses related to reconstruction and repair of the Urban Horticulture Center at Merrill Hall. Additional cash to support this appropriation results from action taken in the budget (see section 731) to redirect enrollment support provided and not expected to be earned by UW branch campuses for the current academic year that otherwise would lapse to the Education Savings Account come June 30, 2001. (University of Washington Building Account-State)

11. Advanced Technology Initiative - Funding is provided to support further applied technology projects at the University of Washington. The university plans to apply this money to support faculty research in photonics, distributed diagnostics for home health care, structural and computational neuroscience, as well as construction science and education.

12. Operating Cost Reductions - The budget assumes a reduction of two percent of non-instruction program costs.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	5,498.1	380,438	789,655
2001-03 Maintenance Level	5,580.0	398,872	808,300
Policy Changes:			
1. Health Benefit Changes	0.0	3,775	3,775
2. General Inflation	0.0	-2,108	-2,108
3. Faculty and Staff Salary Increase	0.0	17,553	17,553
4. Enrollment Increase	17.8	1,230	1,734
5. Rebase for Pullman (-277 FTE)	-24.9	-1,567	-3,495
6. Pension Savings/Economic Assumption	0.0	-1,710	-1,710
7. FICA Savings	0.0	-295	-295
8. Tuition Rate Increase	0.0	0	14,151
9. Advanced Technology Initiative	1.5	300	300
10. Operating Cost Reductions	0.0	-4,695	-4,695
Total Policy Changes	-5.6	12,483	25,210
Total 2001-03 Biennium	5,574.4	411,355	833,510
Difference from 1999-01	76.3	30,917	43,855
% Change from 1999-01	1.4%	8.1%	5.6%

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$457.29 in Fiscal Year 2002 and \$497.69 in Fiscal Year 2003. Additional details are provided in Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Faculty and Staff Salary Increase - A cost-of-living increase (COLA) of 3.7 percent, effective July 1, 2001, is provided to state funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 legislature. Additional funds are also provided for a portion of the cost of providing these increases to positions that are funded from tuition revenues.

4. Enrollment Increase - Funds are provided to expand branch campus enrollment by a total of 124 full-time equivalent (FTE) students during the 2001-03 biennium. New access beginning in fiscal year 2003 is designated for Vancouver at 82 FTE students and Spokane at 42 FTE students. Flexibility is granted to redirect up to 10 percent of the new (not base) enrollments from one campus to another in order to respond to high demand areas as those become apparent. The legislature and the office of financial management must be notified of this action as a supplement to quarterly institution enrollment reports. The budget assumes the mix of new students will be 46 FTE graduate, and 78 FTE undergraduates all of whom will seek upper-division level coursework. Tuition is assumed to increase by 6.7 percent for the 2001-02 academic year and by 6.1 percent for the 2002-03 academic year. The result for Washington State University is enrollment support from the state that averages \$9,919 per student. (General Fund-State; Non Appropriated Institutional Operating Account).

2001-03 Omnibus Operating Budget Washington State University

5. Rebase for Pullman (-277 FTE) - This adjustment partially reduces the university's base funding for growth of 277 full-time equivalent (FTE) students not expected to materialize in Pullman this academic year. This brings designated enrollments for the main campus down from 17,609 to 17,332 FTE students. Going into the new biennium, the university does expect student growth but at a slower pace than assumed in 1999 and not systemwide. With this adjustment, the university retains a portion of its 1999 new enrollment appropriation for Pullman, \$951,000 of \$2.5 million, to maintain current instructional programs, meet student-related expenses or, at local discretion, to finance the start-up of new degree offerings during the 2001-03 biennium. (General Fund-State; Non Appropriated Local Operating Fund Account)

6. Pension Savings/Economic Assumption - The PERS employer contribution rate is reduced from 3.21% to 1.54% effective July 1, 2001, and the TRS employer contribution rate is reduced from 5.38% to 2.75%, effective September 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

7. FICA Savings - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

8. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for resident undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. While authority has been granted to raise tuition for graduate business programs by a maximum of 12.0 percent a year, such additional, local revenue capacity is neither assumed nor displayed here. (Non Appropriated Institutional Operating Fund Account)

9. Advanced Technology Initiative - Funds are provided to support further applied technology projects at Washington State University. The university plans to apply this money to support faculty research in the genomics of reproduction, agriculture and forestry genomics, as well as advanced wood composites.

10. Operating Cost Reductions - The budget assumes a reduction of two percent of non-instruction program costs.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1,155.4	85,638	153,568
2001-03 Maintenance Level	1,159.9	88,855	157,747
Policy Changes:			
1. Health Benefit Changes	0.0	966	966
2. General Inflation	0.0	-697	-697
3. Faculty and Staff Salary Increase	0.0	3,903	3,903
4. Enrollment Increase	6.4	1,133	1,733
5. Pension Savings/Economic Assumption	0.0	-419	-419
6. FICA Savings	0.0	-75	-75
7. Tuition Rate Increase	0.0	0	3,996
8. Operating Cost Reductions	0.0	-752	-752
Total Policy Changes	6.4	4,059	8,655
Total 2001-03 Biennium	1,166.3	92,914	166,402
Difference from 1999-01	10.9	7,276	12,834
% Change from 1999-01	1.0%	8.5%	8.4%

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$457.29 in Fiscal Year 2002 and \$497.69 in Fiscal Year 2003. Additional details are provided in Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Faculty and Staff Salary Increase - A cost-of-living increase (COLA) of 3.7 percent, effective July 1, 2001, is provided to state funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 legislature. Additional funds are also provided for a portion of the cost of providing these increases to positions that are funded from tuition revenues.

4. Enrollment Increase - Funding is provided for 153 new full-time equivalent (FTE) students during the 2001-03 biennium. The basis for funding is an average instructional cost that reflects spending by regional universities, as disclosed by the Higher Education Coordinating Board, adjusted for Eastern's share of currently budgeted enrollment. Reflecting the university's preference, this budget assumes that all of the new access is at the undergraduate level. Tuition is assumed to increase by 6.7 percent for academic year ending in 2002 and by 6.1 percent for academic year ending in 2003. The result for Eastern is new enrollment funding from the state that averages \$5,106 per FTE student. (General Fund-State; Non Appropriated Institutional Operating Fund Account)

5. Pension Savings/Economic Assumption - The PERS employer contribution rate is reduced from 3.21% to 1.54% effective July 1, 2001, and the TRS employer contribution rate is reduced from 5.38% to 2.75%, effective September 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

6. FICA Savings - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

2001-03 Omnibus Operating Budget Eastern Washington University

7. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. While authority has been granted to raise tuition for graduate level business programs by 12.0 percent a year, such additional, local revenue capacity is not assumed or displayed here. (Non Appropriated Institutional Operating Fund Account)

8. Operating Cost Reductions - The budget assumes a reduction of two percent of non-instruction program costs.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1,037.1	86,928	156,101
2001-03 Maintenance Level	1,077.1	87,346	174,258
Policy Changes:			
1. Health Benefit Changes	0.0	1,049	1,049
2. General Inflation	0.0	-250	-589
3. Faculty and Staff Salary Increase	0.0	3,864	3,864
4. Enrollment Adjustment	-15.0	-1,926	-2,972
5. Pension Savings/Economic Assumption	0.0	-476	-476
6. FICA Savings	0.0	-82	-82
7. Tuition Rate Increase	0.0	0	4,050
8. Operating Cost Reductions	0.0	-1,085	-1,085
9. Institution Development	0.0	700	700
Total Policy Changes	-15.0	1,794	4,459
Total 2001-03 Biennium	1,062.1	89,140	178,717
Difference from 1999-01	25.0	2,212	22,616
% Change from 1999-01	2.4%	2.5%	14.5%

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$457.29 in Fiscal Year 2002 and \$497.69 in Fiscal Year 2003. Additional details are provided in Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Faculty and Staff Salary Increase - A cost-of-living increase (COLA) of 3.7 percent, effective July 1, 2001, is provided to state funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 legislature. Additional funds are also provided for a portion of the cost of providing these increases to positions that are funded from tuition revenues.

4. Enrollment Adjustment - Funds are withdrawn, lowering state expectations for students at Central going into the 2001-03 biennium. Actions to bring budgeted enrollments down from 7,867 FTE students is accomplished in the state budget by two actions. First, the university's current services' (maintenance) budget is reduced by \$1.85 million for growth of 197 FTE expected this academic year that did not materialize. Second, Central herein returns another \$1.9 million for 200 more FTE students. Taken together, the enrollment adjustment of 397 FTE leaves Central with state general fund support for 7,470 FTE students for the 2001-03 biennium. (General Fund-State; Non-Appropriated Institutional Operating Account)

5. Pension Savings/Economic Assumption - The PERS employer contribution rate is reduced from 3.21% to 1.54% effective July 1, 2001, and the TRS employer contribution rate is reduced from 5.38% to 2.75%, effective September 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

6. FICA Savings - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

2001-03 Omnibus Operating Budget Central Washington University

7. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. While authority has been granted to raise tuition for graduate level business programs by 12.0 percent a year, such additional, local revenue capacity is not assumed or displayed here. (Non Appropriated Institutional Operating Fund Account)

8. Operating Cost Reductions - The budget assumes a reduction of two percent of non-instruction program costs.

9. Institution Development - Funds are provided, on a one-time basis, to enable Central to meet contractual obligations to faculty and staff while it takes thoughtful steps to bring spending down to match authorized enrollment of 7,470 FTE students. The university proposes to (1) examine student demographics, interests and regional needs to get a better handle on its market, (2) evaluate the scope and strength of its academic offerings to decide which programs should be enhanced, reduced or eliminated, and (3) bolster student aid and scholarship opportunities while deploying recruiters to help stabilize enrollment.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	633.5	47,295	82,326
2001-03 Maintenance Level	636.8	48,693	84,375
Policy Changes:			
1. Health Benefit Changes	0.0	567	567
2. General Inflation	0.0	-316	-316
3. WSIPP: Learning Assistance	0.0	60	60
4. WSIPP: Drug Affected Infants	0.0	65	65
5. WSIPP Alternate Teacher Certificate	0.0	44	44
6. WSIPP: Relative Caregivers	0.0	50	50
7. WSIPP: School for the Deaf	0.0	50	50
8. WSIPP: College as Welfare Work	0.0	30	30
9. WSIPP: Health Care Studies	0.0	150	150
10. WSIPP: Juvenile Crime Prevention	0.0	100	100
11. Faculty and Staff Salary Increase	0.0	2,332	2,332
12. Enrollment Increase	6.8	673	1,386
13. Pension Savings/Economic Assumption	0.0	-262	-262
14. FICA Savings	0.0	-44	-44
15. Tuition Rate Increase	0.0	0	2,916
16. Operating Cost Reductions	0.0	-598	-598
Total Policy Changes	6.8	2,901	6,530
Total 2001-03 Biennium	643.6	51,594	90,905
Difference from 1999-01	10.1	4,299	8,579
% Change from 1999-01	1.6%	9.1%	10.4%

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$457.29 in Fiscal Year 2002 and \$497.69 in Fiscal Year 2003. Additional details are provided in Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. WSIPP: Learning Assistance - Funding is provided for the Institute for Public Policy to examine options for revising the state's funding formula for the Learning Assistance Program to enhance accountability for school performance in meeting education reform goals. A report shall be provided to the appropriate legislative fiscal and policy committees by June 30, 2002.

4. WSIPP: Drug Affected Infants - In accordance with Substitute Senate Bill 5416, funding is provided for the Institute for Public Policy to evaluate state health and social service efforts targeted to intervene in the case of women giving birth to drug-affected infants. The institute will provide its report to the fiscal, health and human service committees of the legislature by December 1, 2003. In the event the bill is not enacted by June 30, the alternative use will be to evaluate state pilot efforts involving women giving birth to drug-affected infants with a report of the institute's findings and recommendations by November 15, 2002.

5. WSIPP Alternate Teacher Certificate - In accordance with Engrossed Second Substitute Senate Bill 5695, funding is provided for the Institute for Public Policy to evaluate partnership grant programs for alternative teacher certification. An interim report will be provided to the fiscal and education committees of the legislature by December 1, 2002 and the final report by December 1, 2004.

2001-03 Omnibus Operating Budget The Evergreen State College

6. WSIPP: Relative Caregivers - Funding is provided for the Institute for Public Policy to study the prevalence and needs of families who are raising related children. The study shall compare services and policies of Washington state with other states that have a higher rate of kinship care placements in lieu of foster care placements. The study shall identify possible changes in services and policies that are likely to increase appropriate kinship care placements. A report shall be provided to the fiscal and human service committees of the legislature by June 1, 2002.

7. WSIPP: School for the Deaf - Funding is provided for the Institute for Public Policy to examine a variety of educational service delivery models for the benefit of students at the State School for the Deaf. A report in conjunction with the capacity planning study provided by the Joint Legislative Audit & Review Commission shall be submitted to legislative fiscal committees by September 30, 2002.

8. WSIPP: College as Welfare Work - Funding is provided for the Institute for Public Policy to examine the policies, program structure and recent experience in states where welfare recipients may attend college full-time as their required TANF work activity. The institute will provide findings and recommend how Washington could add such a feature in a targeted, cost-neutral manner that would complement the present-day WorkFirst efforts and caseload. A report shall be provided to the human services, higher education and fiscal committees of the legislature by November 15, 2001.

9. WSIPP: Health Care Studies - Funding is provided for the Institute for Public Policy to conduct research and evaluate strategies for constraining the growth in state health care expenditures.

10. WSIPP: Juvenile Crime Prevention - Funding is provided for the Institute for Public Policy to conduct a comprehensive review of the costs and benefits of existing juvenile crime prevention and intervention programs. This evaluation shall also consider what changes could result in more cost-effective and efficient funding for juvenile crime prevention and intervention programs presently supported with state funds. The institute for public policy shall report its finding and recommendations to the appropriate legislative fiscal and policy committees by October 1, 2002.

11. Faculty and Staff Salary Increase - A cost-of-living increase (COLA) of 3.7 percent, effective July 1, 2001, is provided to state funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 legislature. Additional funds are also provided for a portion of the cost of providing these increases to positions that are funded from tuition revenues.

12. Enrollment Increase - Funding is provided for 124 new full-time equivalent students during the 2001-03 biennium. The basis for funding is an average instructional cost that reflects spending by regional universities, as disclosed by the Higher Education Coordinating Board, adjusted for the College's share of currently budgeted enrollment. The budget assumes that the mix of new students is 99 FTE undergraduate and 25 FTE graduate students. Tuition is assumed to increase by 6.7 percent for the academic year ending in 2002 and by 6.1 percent for academic year ending in 2003. The result for Evergreen is new enrollment funding from the state that averages \$4,079 per student; a figure that also reflects a greater proportion of students drawn to and enrolling from communities outside of Washington State. (General Fund-State; Non Appropriated Institutional Operating Fund Account)

13. Pension Savings/Economic Assumption - The PERS employer contribution rate is reduced from 3.21% to 1.54% effective July 1, 2001, and the TRS employer contribution rate is reduced from 5.38% to 2.75%, effective September 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

14. FICA Savings - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

15. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. (Non Appropriated Institutional Operating Fund Account)

16. Operating Cost Reductions - The budget assumes a reduction of two percent of non-instruction program costs.

2001-03 Omnibus Operating Budget
Spokane Intercol Rsch & Tech Inst
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	11.6	0	2,659
2001-03 Maintenance Level	4.5	0	1,327
Policy Changes:			
1. Agency Operating Funds	15.0	3,000	3,000
Total Policy Changes	15.0	3,000	3,000
Total 2001-03 Biennium	19.5	3,000	4,327
Difference from 1999-01	7.9	3,000	1,668
% Change from 1999-01	66.7%	0.0%	62.7%

Comments:

1. Agency Operating Funds - Operating funds are budgeted directly to the Spokane Intercollegiate Research and Technology Institute instead of through the Department of Community, Trade and Economic Development. State support provided for the 2001-03 biennium is 80 percent of current level. General fund constraints means the Institute will have to adjust operating expenses to balance to available funds, seek private grants and pursue those ventures and development efforts which enable the agency to generate revenue locally so as to become more self-supporting in future years.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	1,609.5	110,004	219,869
2001-03 Maintenance Level	1,557.7	114,823	225,906
Policy Changes:			
1. Health Benefit Changes	0.0	1,188	1,188
2. General Inflation	0.0	-581	-581
3. Faculty and Staff Salary Increase	0.0	5,397	5,397
4. Enrollment Increase	16.1	2,378	3,780
5. Higher Education Consortium	3.5	1,145	1,145
6. Pension Savings/Economic Assumption	0.0	-595	-595
7. FICA Savings	0.0	-93	-93
8. Tuition Rate Increase	0.0	0	5,285
9. Operating Cost Reductions	0.0	-1,026	-1,026
Total Policy Changes	19.6	7,813	14,500
Total 2001-03 Biennium	1,577.3	122,636	240,406
Difference from 1999-01	-32.2	12,632	20,537
% Change from 1999-01	-2.0%	11.5%	9.3%

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$457.29 in Fiscal Year 2002 and \$497.69 in Fiscal Year 2003. Additional details are provided in Agency 713 - State Employee Compensation changes.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

3. Faculty and Staff Salary Increase - A cost-of-living increase (COLA) of 3.7 percent, effective July 1, 2001, is provided to state funded faculty and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 legislature. Additional funds are also provided for a portion of the cost of providing these increases to positions that are funded from tuition revenues.

4. Enrollment Increase - Funding is provided for 300 new full-time equivalent students during the 2001-03 biennium. The basis for funding is an average instructional cost that reflects spending by regional universities, as disclosed by the Higher Education Coordinating Board, adjusted for Western's share of currently budgeted enrollment. The budget assumes that the mix of new students will be 30 FTE graduate and 120 FTE undergraduate each year. Tuition is assumed to increase by 6.7 percent for the academic year ending in 2002 and by 6.1 percent for academic year ending in 2003. The result for Western is new enrollment funding from the state that averages \$5,284 per FTE student. (General Fund-State; Non Appropriated Institutional Operating Fund Account)

5. Higher Education Consortium - Western Washington University is the fiscal agent for the seven-institution North Snohomish, Island, Skagit Consortium (NSIS). Additional support is provided for operating expenses in 2001-03 including leased office and teaching space. Program staff will be added to provide student services, and technical staff will be added to support interactive television classrooms and computer labs.

6. Pension Savings/Economic Assumption - The PERS employer contribution rate is reduced from 3.21% to 1.54% effective July 1, 2001, and the TRS employer contribution rate is reduced from 5.38% to 2.75%, effective September 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

2001-03 Omnibus Operating Budget Western Washington University

7. FICA Savings - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for FY 2002, and by \$4.00 for FY 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

8. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by the University should its governing board choose to raise tuition fee charges for undergraduate and most graduate students by the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. While authority has been granted to raise tuition for graduate level business programs by 12.0 percent a year, such additional, local revenue capacity is not assumed or displayed here. (Non Appropriated Institutional Operating Fund Account)

9. Operating Cost Reductions - The budget assumes a reduction of two percent of non-instruction program costs.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	13,567.6	946,496	1,509,874
2001-03 Maintenance Level	13,840.8	1,015,103	1,674,812
Policy Changes:			
1. Health Benefit Changes	0.0	11,098	11,098
2. On-Line Campus	11.5	0	4,500
3. General Inflation	0.0	-4,474	-4,474
4. Community Development Program	0.0	2,000	2,000
5. Staff and Administrator Salaries	0.0	17,114	17,114
6. Enrollment Increase	115.0	23,957	30,322
7. Pipeline for Technology Institute	11.1	966	1,215
8. Pension Savings/Economic Assumption	0.0	-5,894	-5,894
9. FICA Savings	0.0	-869	-869
10. Fees to Support Adult Basic Ed	0.0	-3,000	3,000
11. Tuition Rate Increase	0.0	0	26,841
12. Reprogram Timber Worker Enrollment	0.0	-2,882	-2,882
13. Part-Time Faculty Salary Increase	0.0	7,500	7,500
14. Faculty Increments	0.0	3,500	3,500
15. Operating Cost Reductions	0.0	-5,989	-5,989
Total Policy Changes	137.5	43,027	86,982
Total 2001-03 Biennium	13,978.3	1,058,130	1,761,794
Difference from 1999-01	410.7	111,634	251,920
% Change from 1999-01	3.0%	11.8%	16.7%

Comments:

1. Health Benefit Changes - The monthly employer contribution rate is increased from \$436.16 in Fiscal Year 2001 to \$457.29 in Fiscal Year 2002 and \$497.69 in Fiscal Year 2003. Additional details are provided in Agency 713 - State Employee Compensation changes.

2. On-Line Campus - One-time funding is provided to enhance the distance learning project. This money will be applied to develop an on-line student service center in order to expand access to courses and programs among all college campuses. A help desk will be established to service students 24 hours a day, seven days a week. Up to \$4.5 million of education savings account money may be allocated by the office of financial management upon certification that cash balance is sufficient to meet appropriations made for common school construction during the 2001-03 biennium. (Education Savings Account-State)

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Community Development Program - Funding is provided to start-up new community and technical college training programs in rural counties as well as other communities impacted by business closures and job reductions, particularly those brought about due to the energy crisis.

5. Staff and Administrator Salaries - A cost-of-living increase (COLA) of 3.7 percent, effective July 1, 2001, is provided to state funded non-academic administrators and classified employees. Funds are also available sufficient to fund a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 legislature. Additional funds are also provided for a portion of the cost of providing these increases to positions that are funded from tuition revenues.

2001-03 Omnibus Operating Budget Community/Technical College System

6. Enrollment Increase - Funding is provided for 3,500 new full-time equivalent students during the 2001-03 biennium. New enrollment is supported by the state at an average rate of \$4,565 which is \$616 more than the level of support provided in the 1999-01 biennium, primarily but not exclusively to support growth in students earning academic credit through courses taught over the Internet. For the purposes of determining state general fund support for new enrollments, tuition levels were assumed to increase by 6.7 percent for the academic year ending in 2002 and by 6.1 percent for the academic year ending in 2003. (General Fund-State; Non Appropriated Institutional Operating Fund Account)

7. Pipeline for Technology Institute - Funding is provided to recruit, enroll and prepare 140 full-time equivalent associate degree students for transfer to the State Technology Institute in Tacoma from college districts located in Grays Harbor, King, Kitsap, Pierce, and Thurston counties. (General Fund-State, Non-Appropriated Institutional Operating Fund Account)

8. Pension Savings/Economic Assumption - The PERS employer contribution rate is reduced from 3.21% to 1.54% effective July 1, 2001, and the TRS employer contribution rate is reduced from 5.38% to 2.75%, effective September 1, 2001. For more details see Agency 713 - State Employees Compensation changes.

9. FICA Savings - The budget reduces the level of higher education institutions' allocations for health insurance rate increases to recognize the school FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$3.00 per month for fiscal year 2002, and by \$4.00 for fiscal year 2003, to reflect the school savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003.

10. Fees to Support Adult Basic Ed - Adult basic education courses help Washington residents achieve 8th grade level competency in basic reading, writing, math and social studies. Courses are offered in English as a Second Language (ESL), preparation for citizenship, and preparation for taking the General Education Development (GED) exam. Under the 1998 Workforce Investment Act, there is no longer a federal requirement that states and localities provide adult basic education at no cost to the student. State community and technical college presently waive tuition fees in full (\$54 a credit hour), the equivalent of \$33 million a year in support while serving over 85,000 adult basic education students. The budget assumes that the Board will exercise tuition setting authority so colleges charge a minimum of \$5.00 a credit hour to help pay for this educational service during the 2001-03 biennium. The legislature herein shares with the college system the benefit of \$6 million in additional local revenue. (General Fund-State; Non Appropriated Institutional Operating Fund Account)

11. Tuition Rate Increase - This tuition revenue estimate is presented for informational purposes only. It reflects new local revenue that could be available to maintain or improve instructional programs as determined by each college should the State Board on behalf of the system decide to raise tuition fee charges to the maximum allowable increase of 6.7 percent for academic year 2001-02 and 6.1 percent for academic year 2002-03. (Non Appropriated Institutional Operating Fund Account)

12. Reprogram Timber Worker Enrollment - Program funds previously held for timber workers are redirected for two-year college training programs offered in rural counties, and those communities where rapidly rising energy costs have resulted in permanent job dislocation. Reflecting this budget policy shift, two-year enrollments for timber and other natural resource industry labor are reduced by 500 full-time equivalent (FTE) students. Such workers will continue to be served by the state's \$57 million education and training program for unemployed workers and stand to benefit from U.S. department of labor grants that help Washington retrain those losing their jobs due to declining federal timber harvests.

13. Part-Time Faculty Salary Increase - Funding is provided to increase the statewide, average compensation of part-time instructors at state community colleges. The Board may decide how best to allocate this sum among all 34 districts to achieve the legislature's objective. Annually, the Board will report on the outcome of collective bargaining that materially impacts progress to close the gap between full-time and part-time equivalent salaries on both a system and district basis. Such information is to be provided to the fiscal and higher education committees of the legislature by December 1st of each fiscal year.

14. Faculty Increments - Funding is provided for incremental salary adjustments for faculty and staff. General fund appropriations may be used in combination with turnover savings for this purpose.

15. Operating Cost Reductions - The budget assumes a reduction of two percent of non-instruction program costs. For the system of community and technical colleges, an adjustment has been made to account for changes in general fund financing of adult basic education.

2001-03 Omnibus Operating Budget
State School for the Blind
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	77.0	8,611	9,255
2001-03 Maintenance Level	78.0	8,963	9,607
Policy Changes:			
1. School Safety Officer	0.0	10	10
2. K-12 Cost of Living Adjustment	0.0	119	119
3. General Inflation	0.0	-43	-43
4. Regional Outreach Program	0.5	62	291
5. Digital Classroom/Accessible Media	0.0	0	300
Total Policy Changes	0.5	148	677
Total 2001-03 Biennium	78.5	9,111	10,284
Difference from 1999-01	1.5	500	1,029
% Change from 1999-01	1.3%	5.8%	11.1%

Comments:

1. School Safety Officer - One-time funding is provided for a safety resource officer to assist the school in developing guidelines and procedures to maintain a safe campus. This funding will be used as a match for the federal safety resource officer program funding.

2. K-12 Cost of Living Adjustment - Funding is provided for teacher and other Certificated Instructional Staff (CIS) cost-of-living increases. Currently, salaries for teachers and other CIS at the School for the Blind (WSSB) are paid according to the Vancouver School District's salary schedule, as required under state law. When state salary increases are provided to public school CIS, teachers and other CIS at the WSSB receive equivalent salary increases. Initiative 732 defines the annual cost-of-living increases for teachers and CIS as the prior year's Seattle area Consumer Price Index. Consistent with the initiative, teachers and other CIS at WSSB will receive a 3.7 percent salary increase during the 2001-02 school year followed by a 3.1 percent increase in the 2002-03 school year.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Regional Outreach Program - Funding is provided for a part-time orientation and mobility specialist to implement a regional program developed by WSSB and the Education Service District 101 to coordinate the delivery of orientation and mobility services to blind children in northeast Washington. Additional staffing for the program will be coordinated at the local level with ongoing program operations funded through local sources. (General Fund-State, General Fund-Private/Local)

5. Digital Classroom/Accessible Media - Spending authority is granted to provide specialized training to teachers in their local school districts, via the K-20 network. The School for the Blind is pursuing partnerships with higher education teacher training programs to help teachers provide services to blind and visually impaired children, in response to the shortage of trained teachers of the blind. (General Fund-Private/Local)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	129.0	14,320	14,320
2001-03 Maintenance Level	128.0	14,483	14,483
Policy Changes:			
1. School Safety Officer	0.0	10	10
2. K-12 Salary COLA	0.0	166	166
3. General Inflation	0.0	-63	-63
4. Academic Excellence	0.0	102	102
5. Outreach Program	1.0	136	368
Total Policy Changes	1.0	351	583
Total 2001-03 Biennium	129.0	14,834	15,066
Difference from 1999-01	0.0	514	746
% Change from 1999-01	0.0%	3.6%	5.2%

Comments:

1. School Safety Officer - One-time funding is provided for a safety resource officer to assist the school in developing guidelines and procedures to maintain a safe campus. This funding will be used as a match for the federal safety resource officer program funding.

2. K-12 Salary COLA - Funding is provided for teacher and other Certificated Instructional Staff (CIS) cost-of-living increases. Currently, salaries for teachers and other CIS at the School for the Deaf (WSD) are paid according to the Vancouver School District's salary schedule, as required under state law. When state salary increases are provided to public school CIS, teachers and other CIS at the WSD receive equivalent salary increases. Initiative 732 defines the annual cost-of-living increases for teachers and CIS as the prior year's Seattle area Consumer Price Index. Consistent with the initiative, teachers and other CIS at WSD will receive a 3.7 percent salary increase during the 2001-02 school year followed by a 3.1 percent increase in the 2002-03 school year.

3. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

4. Academic Excellence - One-time funding is provided for replacement of textbooks and classroom materials and to pay tuition costs for students participating in off-campus running start and vocational education programs at Clark College and Clark County Skill Center.

5. Outreach Program - One-time funding is provided to initiate an outreach program. Services will include direct evaluation and assessment of students attending local public schools, consultation and training to parents, and consultation and training to professional educators serving these students. The school will expand on-campus weekend and summer programs, which will enhance the educational and social skill building opportunities for participating deaf and hard of hearing students. Delivery of outreach services to students will be funded through contracts with local school districts. (General Fund-State, General Fund-Private/Local)

2001-03 Omnibus Operating Budget
Work Force Trng & Educ Coord Board
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	23.7	2,970	37,913
2001-03 Maintenance Level	23.7	2,489	47,988
Policy Changes:			
1. General Inflation	0.0	-7	-20
2. Inland NW Technology Educ Ctr	0.3	1,000	1,000
Total Policy Changes	0.3	993	980
Total 2001-03 Biennium	24.0	3,482	48,968
Difference from 1999-01	0.3	512	11,055
% Change from 1999-01	0.0%	17.2%	29.2%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Inland NW Technology Educ Ctr - Funding is provided for operations and development of the Inland Northwest Technology Education Center (INTEC), a public-private partnership between business leaders and postsecondary institutions to coordinate and target short-term education and job specific training from Spokane. This consortium grew out of the Skills Grant project, a 1999 initiative of the Workforce Training & Education Coordinating Board. The Board will serve as an advisor and fiscal agent for this new consortium, reporting back to the legislature and governor by September 2002 as to the progress and future steps for INTEC as it evolves.

2001-03 Omnibus Operating Budget
State Library
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	136.1	17,912	26,929
2001-03 Maintenance Level	136.6	18,273	25,293
Policy Changes:			
1. Administrative Budget Reduction	0.0	-548	-548
2. General Inflation	0.0	-148	-192
Total Policy Changes	0.0	-696	-740
Total 2001-03 Biennium	136.6	17,577	24,553
Difference from 1999-01	0.5	-335	-2,376
% Change from 1999-01	0.7%	-1.9%	-8.8%

Comments:

1. Administrative Budget Reduction - The State Library will reduce its administrative budget by three percent of Maintenance Level.

2. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	17.9	4,971	6,016
2001-03 Maintenance Level	18.6	5,350	6,350
Policy Changes:			
1. General Inflation	0.0	-103	-103
2. Art Program Support	0.0	500	500
Total Policy Changes	0.0	397	397
Total 2001-03 Biennium	18.6	5,747	6,747
Difference from 1999-01	0.7	776	731
% Change from 1999-01	5.6%	15.6%	12.2%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Art Program Support - Funding is provided for additional grants in the Art in Communities and Arts in Education programs.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	54.6	5,811	7,353
2001-03 Maintenance Level	55.6	5,688	7,263
Policy Changes:			
1. General Inflation	0.0	-35	-50
2. Lewis & Clark Bicentennial	0.0	375	375
Total Policy Changes	0.0	340	325
Total 2001-03 Biennium	55.6	6,028	7,588
Difference from 1999-01	1.0	217	235
% Change from 1999-01	1.8%	3.7%	3.2%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Lewis & Clark Bicentennial - One-time funding is provided to the Historical Society to work with local communities, tribal governments, neighboring states, and the national bicentennial council to plan local events and community education programs in preparation for the 2004 bicentennial celebration of the Lewis and Clark Trail.

2001-03 Omnibus Operating Budget
East Wash State Historical Society
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	14.1	2,609	2,609
2001-03 Maintenance Level	20.7	2,777	2,777
Policy Changes:			
1. General Inflation	0.0	-15	-15
2. Increase Community Partnerships	5.0	447	447
Total Policy Changes	5.0	432	432
Total 2001-03 Biennium	25.7	3,209	3,209
Difference from 1999-01	11.6	600	600
% Change from 1999-01	85.7%	23.0%	23.0%

Comments:

1. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2. Increase Community Partnerships - Funding is provided for five new staff members to improve services to visitors and researchers at the newly expanded Cheney Cowles Museum. The museum staff will increase partnerships with the community to enhance and expand exhibits, display more of the museum's permanent collections, feature regional and national collections, and offer more interactive learning environments.

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	1,118,176	1,295,863
2001-03 Maintenance Level	0.0	1,227,146	1,412,727
Policy Changes:			
1. New Issuance 2001-03 Exist Auth	0.0	0	10,134
2. New Debt 2001-03 Capital Budget	0.0	21,624	22,418
Total Policy Changes	0.0	21,624	32,552
Total 2001-03 Biennium	0.0	1,248,770	1,445,279
Difference from 1999-01	0.0	130,594	149,416
% Change from 1999-01	0.0%	11.7%	11.5%

Comments:

1. New Issuance 2001-03 Exist Auth - New issuance in the 2001-03 biennium from existing authorizations (previous bond bills) and reimbursable bonds newly authorized in the 2001 session including the bonds for the plaza garage, the University of Washington and the Legislative building.

2. New Debt 2001-03 Capital Budget - Debt service and bond sale expenses will be incurred for the new debt issued to fund the 2001-03 Biennium capital plan. (General Fund-State, various debt service accounts)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	307,014	413,305
2001-03 Maintenance Level	0.0	206,913	253,071
Policy Changes:			
1. King County Public Health	0.0	0	2,113
2. Digital Government	0.0	0	5,000
3. Fire Contingency Pool	0.0	2,000	5,000
4. Extraordinary Criminal Justice Cost	0.0	0	975
5. Ferry Assistance	0.0	-40,000	-10,000
6. Technology Pool	0.0	0	7,518
7. Tort Claims	0.0	6,392	31,392
8. Deposit into Technology Pool	0.0	4,100	4,100
Total Policy Changes	0.0	-27,508	46,098
Total 2001-03 Biennium	0.0	179,405	299,169
Difference from 1999-01	0.0	-127,609	-114,136
% Change from 1999-01	0.0%	-41.6%	-27.6%

Comments:

1. King County Public Health - In order to consolidate replacement of local public health funding associated with the loss of local revenue following the passage of Initiative 695, funds for King County Public Health are transferred from the Department of Community, Trade, and Economic Development's budget to Special Appropriations. The amount is reduced by 10% to align King County funding with other public health districts.(Health Services Account)

2. Digital Government - The implementation of on-line services for agencies with dedicated funds will be provided from a funding pool in order to facilitate consideration of multiple individual project requests from various state agencies. (Digital Government Revolving Account-State)

3. Fire Contingency Pool - A fire contingency pool was created in the 1999 Supplemental Budget to address fire mobilization costs and fire suppression costs in excess of the amounts appropriated to the Military Department and the Department of Natural Resources. During the 2000 fire season, this pool was completely depleted. Funds are appropriated from the General Fund to the Disaster Response Account to replenish this contingency pool. (General Fund-State, Disaster Response Account-State)

4. Extraordinary Criminal Justice Cost - Funding is provided for assistance to Franklin, Klickitat, Cowlitz, Skagit, Yakima, Thurston and Spokane counties for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases. (Public Safety and Education Account)

5. Ferry Assistance - Support to the Puget Sound Ferry Operations Account is provided from the State Surplus Assets Reserve Account. Support is reduced from \$20 million in FY 2002 to \$10 million in FY 2003.

6. Technology Pool - Funding is provided for a competitive information technology pool for state executive branch agencies, excluding schools and institutions of higher education. Agencies may apply to the Department of Information Services to receive a share of these funds. Funds are to be distributed to state agencies by the Office of Financial Management. The Office of Financial Management shall not distribute funding unless specific operational budget savings are identified for any ongoing operating costs resulting from the information technology project. (Digital Government Revolving Account-- State)

7. Tort Claims - Recent increases in tort claims payments require additional funding to maintain a sufficient reserve in the Self Insurance Program fund. General Fund-State is necessary for these claims arising from activities in the Departments of Social and Health Services and Corrections.

8. Deposit into Technology Pool - General Fund State is appropriated to Digital Government Revolving Account for an information technology pool.

2001-03 Omnibus Operating Budget**Sundry Claims**
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	215	215
2001-03 Maintenance Level	0.0	0	0
Total 2001-03 Biennium	0.0	0	0
Difference from 1999-01	0.0	-215	-215
% Change from 1999-01	0.0%	-100.0%	-100.0%

Comments:

2001-03 Omnibus Operating Budget
State Employee Compensation Adjust
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	256	10,077
2001-03 Maintenance Level	0.0	0	0
Policy Changes:			
1. Health Benefit Changes	0.0	28,775	59,088
2. Attorney Salary Increases	0.0	3,071	6,142
3. State Employee Salary Increase	0.0	115,070	247,506
4. Salary Reclass Implementation	0.0	27,538	40,665
5. Pension Savings/Economic Assumption	0.0	-34,745	-72,792
6. FICA Savings	0.0	-1,610	-3,307
Total Policy Changes	0.0	138,099	277,302
Total 2001-03 Biennium	0.0	138,099	277,302
Difference from 1999-01	0.0	137,843	267,225
% Change from 1999-01	0.0%	53844.9%	2651.8%

Comments:

1. Health Benefit Changes - Employee and non-Medicare retiree health benefit costs are expected to increase by 9.1 percent for managed care plans and 10.7 percent for the Uniform Medical Plan (UMP) in calendar year 2002, and by 12 percent for all plans calendar year 2003. Medicare retiree health benefit costs are expected to increase by 20 percent each year for managed care plans and 21 percent each year for the Uniform Medical Plan (UMP). The monthly employer contribution rate is increased from \$436.16 in fiscal year 2001 to \$457.29 in fiscal year 2002 and \$497.69 in fiscal year 2003. At these rates, the employer contribution is approximately 92 percent of the total premium rate in fiscal year 2002 and 90 percent of the total premium rate in fiscal year 2003. These rates assume an increase in co-payments for certain medical services, but assume no increase in the current office co-pays, and no change to the current co-pays for prescription drugs. Funding is also provided for additional benefits specified in ESHB 1364 (general anesthesia services). The Health Care Authority estimates the average employee monthly premium rate would increase from \$27.78 in calendar year 2001 to approximately \$52 in 2002 and \$58 in 2003. The Medicare retiree subsidy is increased from \$69.98 to \$85.84 in 2002 and to \$102.55 in 2003. The monthly K-12 employee remittance, to fund the cost of K-12 retiree subsidies, would increase from \$25.06 to \$32.41 for the 2001-02 school year, and to \$37.48 for the 2002-03 school year. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Fund)

2. Attorney Salary Increases - The budget provides funding for the following targeted salary increases for assistant attorneys general: (1) increases in beginning salaries; merit-based increases to recognize outstanding performance; and increases to address critical recruitment and retention problems in specialty practice areas such as torts, revenue, utility regulation, and other high demand fields. Increases shall be effective July 1, 2001 and July 1, 2002. (General Fund-State, Legal Services Revolving Account)

3. State Employee Salary Increase - A cost-of-living increase (COLA) of 3.7 percent effective July 1, 2001 is provided to all state classified employees, with the exception of the certificated staff at the state schools for the Deaf and Blind. Funds are also available sufficient for a 2.6 percent increase effective July 1, 2002, but the adoption of a specific salary increase is left to the 2002 legislature. Funding is also included to provide similar average COLAs to exempt personnel at the discretion of agency directors. (General Fund-State, General Fund-Federal, General Fund - Local, Salary Revolving Fund.)

4. Salary Reclass Implementation - Specific salary increases are funded, effective January 1, 2002, for the listed priorities through item number 8B adopted under the 6767 process by the Washington Personnel Resources Board. Classifications receiving adjustments are: psychiatrists; psychologists; various higher education information technology classes; forensic document examiners and forensic scientists; social workers; campus police; various financial classifications in both higher education and general government; insurance examiners; all classes requiring licensure as a registered nurse; and licensed practical nurse classes, including mental health LPNs. (General Fund-State, General Fund-Federal, Salary Increase Revolving Fund)

2001-03 Omnibus Operating Budget State Employee Compensation Adjust

5. Pension Savings/Economic Assumption - The PERS employer contribution rate adopted by the Pension Funding Council for the 2001-2003 biennium was 3.21 percent and the TRS employer contribution rate was 5.38 percent. The PERS rate is further reduced to 1.54 percent, effective July 1, 2001, and the TRS employer contribution rate is further reduced to 2.75 percent, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by ESSB 6167 or HB 2236, which increase the long-term economic assumptions for future wage growth and investment returns, and re-establish the June 30, 2024 deadline for funding all of the liabilities of PERS 1 and TRS 1. (General Fund-State, General Fund-Federal, General Fund-Local; Special Retirement Contribution Increase Account)

6. FICA Savings - The budget reduces the level of agency allocations for health insurance rate increases to recognize the agency FICA (social security) savings from payment of employee premiums on a pre-tax basis. The funding rate is reduced by \$2.00 per month for fiscal year 2002, and by \$3.00 for fiscal year 2003, to reflect most of the agency savings resulting from the increase in the average employee premium from \$28 per month in 2001, to \$52 in 2002, and to \$58 in 2003. Additional state agency savings equal to \$1.00 per month for both years is left with the agencies to cover the cost of HRISD rate increases for payroll system changes needed to implement PERS Plan 3 and other costs. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Fund)

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

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	51,712	51,712
2001-03 Maintenance Level	0.0	52,700	52,700
Policy Changes:			
1. Pension Savings/Economic Assumption	0.0	-7,980	-7,980
Total Policy Changes	0.0	-7,980	-7,980
Total 2001-03 Biennium	0.0	44,720	44,720
Difference from 1999-01	0.0	-6,992	-6,992
% Change from 1999-01	0.0%	-13.5%	-13.5%

Comments:

1. Pension Savings/Economic Assumption - The LEOFF Plan 2 state contribution rate is reduced from 2.31 percent to 1.80 percent effective July 1, 2001. The new rate is based on the 1999 plan year valuation study conducted by the Office of the State Actuary in 2000, but is adjusted to reflect the changes made by ESSB 6167 or SB 2236, which increase the long-term actuarial assumptions for future wage growth and investment returns.

2001-03 Omnibus Operating Budget
Other Legislation
(Dollars in Thousands)

	FTEs	As Passed Legislature GF-S	Total
1999-01 Estimated Expenditures	0.0	0	0
2001-03 Maintenance Level	0.0	0	0
Policy Changes:			
1. HB2258 Earthquake & Drought Relief	0.0	0	25,000
Total Policy Changes	0.0	0	25,000
Total 2001-03 Biennium	0.0	0	25,000
Difference from 1999-01	0.0	0	25,000
% Change from 1999-01	0.0%	0.0%	0.0%

Comments:

1. HB2258 Earthquake & Drought Relief - House Bill 2258 appropriates five million dollars from the Emergency Reserve Fund (ERF) for deposit in the state drought preparedness account in response to the emergency caused by a natural disaster and declared a statewide drought emergency by the governor on March 14, 2001. The sum of twenty million dollars is appropriated from ERF for deposit in the Nisqually earthquake account in response to the emergency caused by a natural disaster, known as the Nisqually earthquake, as declared by chapter 5, Laws of 2001, the governor, and the president of the United States. (Emergency Reserve Fund-State)