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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	354.0	30,288	85,514
<b>2003 Maintenance Changes:</b>			
1. Superior Court Judges' Benefits	0.0	2,042	2,042
Total Maintenance Changes	0.0	2,042	2,042
2001-03 Revised Appropriations	354.0	32,330	87,556
Difference from 2001-03 Appropriations	0.0	2,042	2,042
% Change from 2001-03 Appropriations	0.0%	6.7%	2.4%

*Comments:*

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

**2001-03 Revised Omnibus Operating Budget (2003 Supp)****Office of Public Defense**

(Dollars in Thousands)

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	5.5	600	12,944
<b>2003 Policy Changes:</b>			
1. Dependency and Termination	<u>0.0</u>	<u>170</u>	<u>175</u>
Total Policy Changes	0.0	170	175
2001-03 Revised Appropriations	5.5	770	13,119
Difference from 2001-03 Appropriations	0.0	170	175
% Change from 2001-03 Appropriations	0.0%	28.3%	1.4%

*Comments:*

**1. Dependency and Termination** - Funding is provided to continue the Dependency and Termination Program, currently underway in Benton, Franklin and Pierce counties. The agency has since secured some grant funding and providing \$170,000 in additional state funds will allow the program to continue through the end of the 2001-03 biennium. (General Fund-State, General Fund-Local)

**2001-03 Revised Omnibus Operating Budget (2003 Supp)****Office of the Governor**

(Dollars in Thousands)

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	63.8	8,525	12,652
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	-9.3	-58	-84
Total Policy Changes	-9.3	-58	-84
2001-03 Revised Appropriations	54.5	8,467	12,568
Difference from 2001-03 Appropriations	-9.3	-58	-84
% Change from 2001-03 Appropriations	-15.6%	-0.7%	-0.7%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	4.0	543	543
<b>2003 Policy Changes:</b>			
1. Co-Location of Offices	<u>0.0</u>	<u>5</u>	<u>5</u>
Total Policy Changes	0.0	5	5
2001-03 Revised Appropriations	4.0	548	548
Difference from 2001-03 Appropriations	0.0	5	5
% Change from 2001-03 Appropriations	0.0%	0.9%	0.9%

*Comments:*

**1. Co-Location of Offices** - One-time funding is provided to co-locate the Governor's Office of Indian Affairs with the Commissions on Asian Pacific American Affairs, African American Affairs, and Hispanic Affairs.

**2001-03 Revised Omnibus Operating Budget (2003 Supp)****Asian-Pacific-American Affrs**

(Dollars in Thousands)

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	2.3	434	434
<b>2003 Maintenance Changes:</b>			
1. Co-Location of Office	0.0	5	5
2. Adjustment for Actual Underspending	0.0	-22	-22
Total Maintenance Changes	0.0	-17	-17
2001-03 Revised Appropriations	2.3	417	417
Difference from 2001-03 Appropriations	0.0	-17	-17
% Change from 2001-03 Appropriations	0.0%	-3.9%	-3.9%

*Comments:*

**1. Co-Location of Office** - One-time funding is provided to co-locate the Governor's Office of Indian Affairs with the Commissions on Asian Pacific American Affairs, African American Affairs, and Hispanic Affairs.

**2. Adjustment for Actual Underspending** - Appropriation authority is reduced to reflect actual expenditures.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	1,092.5	8,881	164,973
<b>2003 Policy Changes:</b>			
1. Tort Defense County Prosecutors	0.0	12	12
2. 2003 Supplemental FTE Reduction	-15.0	-9	-9
Total Policy Changes	-15.0	3	3
2001-03 Revised Appropriations	1,077.5	8,884	164,976
Difference from 2001-03 Appropriations	-15.0	3	3
% Change from 2001-03 Appropriations	-1.3%	0.0%	0.0%

*Comments:*

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

**2. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	139.3	0	24,392
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	<u>-3.9</u>	<u>0</u>	<u>0</u>
Total Policy Changes	-3.9	0	0
2001-03 Revised Appropriations	135.4	0	24,392
Difference from 2001-03 Appropriations	-3.9	0	0
% Change from 2001-03 Appropriations	-2.9%	0.0%	0.0%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**2001-03 Revised Omnibus Operating Budget (2003 Supp)**  
**Dept Community, Trade, Econ Dev**  
(Dollars in Thousands)

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	320.2	131,092	354,566
<b>2003 Maintenance Changes:</b>			
1. Federal Authority Level Increase	<u>0.0</u>	<u>0</u>	<u>28,623</u>
Total Maintenance Changes	0.0	0	28,623
<b>2003 Policy Changes:</b>			
2. 2003 Supplemental FTE Reduction	<u>-10.7</u>	<u>-476</u>	<u>-476</u>
Total Policy Changes	-10.7	-476	-476
2001-03 Revised Appropriations	309.5	130,616	382,713
Difference from 2001-03 Appropriations	-10.7	-476	28,147
% Change from 2001-03 Appropriations	-3.1%	-0.4%	7.9%

*Comments:*

**1. Federal Authority Level Increase** - Congress has increased federal appropriations for the Low-Income Home Energy Assistance Program (LIHEAP). LIHEAP provides payments to utility companies on behalf of low-income households that cannot afford to pay their energy bills. (General Fund-Federal)

**2. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	246.0	24,964	70,952
<b>2003 Maintenance Changes:</b>			
1. Increased Federal Authority	<u>0.0</u>	<u>0</u>	<u>12,000</u>
Total Maintenance Changes	0.0	0	12,000
<b>2003 Policy Changes:</b>			
2. 2003 Supplemental FTE Reduction	<u>-6.1</u>	<u>-20</u>	<u>-20</u>
Total Policy Changes	-6.1	-20	-20
2001-03 Revised Appropriations	239.9	24,944	82,932
Difference from 2001-03 Appropriations	-6.1	-20	11,980
% Change from 2001-03 Appropriations	-2.4%	-0.1%	16.9%

*Comments:*

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

**2. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**2001-03 Revised Omnibus Operating Budget (2003 Supp)****Office of Administrative Hearings**

(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	135.7	0	22,444
<b>2003 Maintenance Changes:</b>			
1. 2003 Unemployment Caseload Increase	0.0	0	1,079
Total Maintenance Changes	0.0	0	1,079
<b>2003 Policy Changes:</b>			
2. 2003 Supplemental FTE Reduction	-1.7	0	0
Total Policy Changes	-1.7	0	0
2001-03 Revised Appropriations	134.0	0	23,523
Difference from 2001-03 Appropriations	-1.7	0	1,079
% Change from 2001-03 Appropriations	-1.5%	0.0%	4.8%

*Comments:*

**1. 2003 Unemployment Caseload Increase** - The unemployment caseload continues to increase due to economic conditions in the state of Washington. The Employment Security Department will pay for these increased hearings from federal funds. (Administrative Hearings Revolving Account-State)

**2. 2003 Supplemental FTE Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	211.1	0	32,886
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	<u>-7.5</u>	<u>0</u>	<u>0</u>
Total Policy Changes	-7.5	0	0
2001-03 Revised Appropriations	203.6	0	32,886
Difference from 2001-03 Appropriations	-7.5	0	0
% Change from 2001-03 Appropriations	-3.3%	0.0%	0.0%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	196.3	0	29,353
<b>2003 Policy Changes:</b>			
1. FTE Adjustment for 2003	<u>-24.0</u>	<u>0</u>	<u>0</u>
Total Policy Changes	-24.0	0	0
2001-03 Revised Appropriations	172.3	0	29,353
Difference from 2001-03 Appropriations	-24.0	0	0
% Change from 2001-03 Appropriations	-12.2%	0.0%	0.0%

*Comments:*

**1. FTE Adjustment for 2003** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor or agency head.

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	2.3	436	436
<b>2003 Maintenance Changes:</b>			
1. Co-Location of Office	0.0	5	5
Total Maintenance Changes	0.0	5	5
2001-03 Revised Appropriations	2.3	441	441
Difference from 2001-03 Appropriations	0.0	5	5
% Change from 2001-03 Appropriations	0.0%	1.1%	1.1%

*Comments:*

**1. Co-Location of Office** - One-time funding is provided to co-locate the Governor's Office of Indian Affairs with the Commissions on Asian Pacific American Affairs, African American Affairs, and Hispanic Affairs.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	2.3	418	418
<b>2003 Maintenance Changes:</b>			
1. Co-Location of Office	<u>0.0</u>	<u>5</u>	<u>5</u>
Total Maintenance Changes	0.0	5	5
2001-03 Revised Appropriations	2.3	423	423
Difference from 2001-03 Appropriations	0.0	5	5
% Change from 2001-03 Appropriations	0.0%	1.2%	1.2%

*Comments:*

**1. Co-Location of Office** - One-time funding is provided to co-locate the Governor's Office of Indian Affairs with the Commissions on Asian Pacific American Affairs, African American Affairs, and Hispanic Affairs.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	299.3	0	53,244
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	<u>-9.7</u>	<u>0</u>	<u>0</u>
Total Policy Changes	-9.7	0	0
2001-03 Revised Appropriations	289.6	0	53,244
Difference from 2001-03 Appropriations	-9.7	0	0
% Change from 2001-03 Appropriations	-3.0%	0.0%	0.0%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	1,021.5	150,768	161,068
<b>2003 Maintenance Changes:</b>			
1. Property Tax Deferral Payments	0.0	-380	-380
Total Maintenance Changes	0.0	-380	-380
<b>2003 Policy Changes:</b>			
2. 2003 Supplemental FTE Reduction	-29.0	-450	-450
Total Policy Changes	-29.0	-450	-450
2001-03 Revised Appropriations	992.5	149,938	160,238
Difference from 2001-03 Appropriations	-29.0	-830	-830
% Change from 2001-03 Appropriations	-2.9%	-0.6%	-0.5%

*Comments:*

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

**2. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	20.0	0	2,616
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	<u>-4.2</u>	<u>0</u>	<u>0</u>
Total Policy Changes	-4.2	0	0
2001-03 Revised Appropriations	15.8	0	2,616
Difference from 2001-03 Appropriations	-4.2	0	0
% Change from 2001-03 Appropriations	-20.0%	0.0%	0.0%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	586.2	1,204	129,658
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	<u>-24.1</u>	<u>-9</u>	<u>-9</u>
Total Policy Changes	-24.1	-9	-9
2001-03 Revised Appropriations	562.1	1,195	129,649
Difference from 2001-03 Appropriations	-24.1	-9	-9
% Change from 2001-03 Appropriations	-4.1%	-0.7%	0.0%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	427.6	0	207,397
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	<u>-12.1</u>	<u>0</u>	<u>0</u>
Total Policy Changes	-12.1	0	0
2001-03 Revised Appropriations	415.5	0	207,397
Difference from 2001-03 Appropriations	-12.1	0	0
% Change from 2001-03 Appropriations	-2.8%	0.0%	0.0%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	943.1	2,922	155,626
<b>2003 Maintenance Changes:</b>			
1. Distribution Center Costs	0.0	0	480
Total Maintenance Changes	0.0	0	480
<b>2003 Policy Changes:</b>			
2. 2003 Supplemental FTE Reduction	-15.2	0	0
Total Policy Changes	-15.2	0	0
2001-03 Revised Appropriations	927.9	2,922	156,106
Difference from 2001-03 Appropriations	-15.2	0	480
% Change from 2001-03 Appropriations	-1.6%	0.0%	0.3%

*Comments:*

**1. Distribution Center Costs** - Additional expenditure authority is provided for staff to accommodate increased sales volumes. (Liquor Revolving Account-State)

**2. 2003 Supplemental FTE Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	213.0	17,875	148,358
<b>2003 Maintenance Changes:</b>			
1. Nisqually Earthquake Adjustment	0.0	0	-6,414
2. Disaster Response Adjustment	0.0	0	-3,891
3. Federal Funding Adjustment	0.0	0	3,996
Total Maintenance Changes	0.0	0	-6,309
<b>2003 Policy Changes:</b>			
4. Flood Lawsuit Defense Costs	0.0	0	145
5. National Guard Activation Costs	0.0	30	30
6. Homeland Security	0.0	0	1,498
Total Policy Changes	0.0	30	1,673
2001-03 Revised Appropriations	213.0	17,905	143,722
Difference from 2001-03 Appropriations	0.0	30	-4,636
% Change from 2001-03 Appropriations	0.0%	0.2%	-3.1%

*Comments:*

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

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

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

**4. Flood Lawsuit Defense Costs** - Funding is provided for lawsuit defense costs related to 1996 Nisqually River floods. (Disaster Response Account-State)

**5. National Guard Activation Costs** - One-time funding is provided for the medical costs of a National Guard member related to fighting fires while on state active duty, as required under RCW 38.40.030.

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

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

(Dollars in Thousands)

	As Passed Legislature		Total
	FTE-FY2	GF-S	
2001-03 Appropriations	310.4	6,655	722,545
<b>2003 Maintenance Changes:</b>			
1. Technical Correction	0.0	0	0
Total Maintenance Changes	0.0	0	0
<b>2003 Policy Changes:</b>			
2. Defer Basic Health Expansion	-21.8	0	-28,556
3. Increased Income Verification	5.3	0	288
4. Basic Health Enrollment Management	-5.3	0	-27,524
5. Transfer for Insurance Sys. Project	0.0	0	-2,200
6. 2003 Supplemental FTE Reduction	-8.9	0	-140
Total Policy Changes	-30.7	0	-58,132
2001-03 Revised Appropriations	279.7	6,655	664,413
Difference from 2001-03 Appropriations	-30.7	0	-58,132
% Change from 2001-03 Appropriations	-9.7%	0.0%	-8.0%

*Comments:*

**1. Technical Correction** - Funding incorrectly allocated to the Uniform Dental Plan Benefits Administration Account in the 2002 Supplemental Budget is re-allocated to the State Health Care Authority Administrative Account.

**2. Defer Basic Health Expansion** - In the 2002 supplemental budget, increased tax revenues generated by Initiative 773 were to be used to expand Basic Health Plan (BHP) enrollments to a total of 172,000 persons per month by June 2003. This item represents the difference in cost between the increase to 172,000 enrollments funded in the 2002 supplemental budget, and the estimated December 2002 BHP enrollment level of 140,575. (Health Services Account-State, General Fund-Federal, Basic Health Trust Account-Non-Appropriated)

**3. Increased Income Verification** - Additional funding and staff are assigned to verifying the eligibility of BHP enrollees for membership and subsidy levels. This additional staffing level is offset by a staff reduction in enrollment, permitted by the management of BHP enrollment that limits admission solely to children and limited groups of adults with dependents. In combination with prior efforts to improve enrollee eligibility verification, some additional enrollees are expected to be found ineligible through these efforts. (Health Services Account -State, General Fund-Federal)

**4. Basic Health Enrollment Management** - As directed by the Governor, the Health Care Authority has been limiting new admissions to the Basic Health Plan since December 2002. This item represents the additional premium subsidy and administrative savings which will occur as a result of only enrolling children, and limited groups of adults with dependents. As a result of this managed enrollment policy, subsidized enrollment is expected to total about 120,777 in June 2003. (Health Services Account-State, General Fund-Federal, Basic Health Trust Account-Non-Appropriated)

**5. Transfer for Insurance Sys. Project** - The Health Care Authority is replacing a computer system that handles accounting for public employee and Basic Health Plan benefits. The project was originally scheduled for completion by June 30, 2003, but completion is now not expected until September 30, 2003. Because final payments will not be made until testing and acceptance of the completed system, \$2.2 million of appropriation authority for the project is shifted from the 2001-2003 biennium to the 2003-2005 biennium. (HCA Administrative-State, Health Services-State)

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

**6. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	51.4	5,307	6,951
<b>2003 Policy Changes:</b>			
1. Capture State Savings to Date	0.0	-136	114
Total Policy Changes	0.0	-136	114
2001-03 Revised Appropriations	51.4	5,171	7,065
Difference from 2001-03 Appropriations	0.0	-136	114
% Change from 2001-03 Appropriations	0.0%	-2.6%	1.6%

*Comments:*

**1. Capture State Savings to Date** - Appropriation authority is reduced to reflect actual expenditures. (General Fund-State, General Fund-Federal)

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	2,751.2	11,094	462,751
<b>2003 Maintenance Changes:</b>			
1. Adjust CVC Projection	0.0	0	-1,173
Total Maintenance Changes	0.0	0	-1,173
<b>2003 Policy Changes:</b>			
2. 2003 Supplemental FTE Reduction	-66.4	0	0
3. Safety & Health Impact Grant Prog	0.0	0	-5,000
Total Policy Changes	-66.4	0	-5,000
2001-03 Revised Appropriations	2,684.8	11,094	456,578
Difference from 2001-03 Appropriations	-66.4	0	-6,173
% Change from 2001-03 Appropriations	-2.4%	0.0%	-1.3%

*Comments:*

- 1. Adjust CVC Projection** - Spending authority is reduced due to a revised revenue forecast. (Public Safety and Education-Local)
- 2. 2003 Supplemental FTE Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.
- 3. Safety & Health Impact Grant Prog** - The Safety and Health Impact Grant Program can only continue when there are excess funds over the 10 percent contingency reserve. Since there are no excess funds in this fiscal year, this program is eliminated. (Medical Aid Account)

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	3.1	152	152
<b>2003 Policy Changes:</b>			
1. Labor Negotiator	<u>0.5</u>	<u>19</u>	<u>19</u>
Total Policy Changes	0.5	19	19
2001-03 Revised Appropriations	3.6	171	171
Difference from 2001-03 Appropriations	0.5	19	19
% Change from 2001-03 Appropriations	33.3%	12.5%	12.5%

*Comments:*

**1. Labor Negotiator** - Funding is provided for a half-time labor negotiator to provide ongoing assistance in negotiating and developing the collective bargaining agreement between the Home Care Quality Authority and home care workers.

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

(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	1,183.0	112,277	653,217
<b>2003 Maintenance Changes:</b>			
1. Operator Cert. Fee Authority	0.0	0	121
2. Federal Vaccine Purchases	0.0	0	-5,060
3. Private/Local Expenditure Authority	0.0	0	1,300
Total Maintenance Changes	0.0	0	-3,639
<b>2003 Policy Changes:</b>			
4. 2003 Supplemental FTE Reduction	-19.9	-95	-95
Total Policy Changes	-19.9	-95	-95
2001-03 Revised Appropriations	1,163.1	112,182	649,483
Difference from 2001-03 Appropriations	-19.9	-95	-3,734
% Change from 2001-03 Appropriations	-1.7%	-0.1%	-0.6%

*Comments:*

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

**2. Federal Vaccine Purchases** - Despite a temporary national shortage of four vaccines, the Department of Health projects that it will expend \$69 million this biennium on childhood vaccines, rather than \$67 million as previously projected. State Health Services Account expenditures are reduced during the current year through the use of the calendar year 2003 allotment of federally provided vaccine funding in state FY 2003, rather than in state FY 2004 as originally budgeted. (Health Services Account-State)

**3. Private/Local Expenditure Authority** - The Department of Health receives contributions from private and local sources, and some fee revenues which are deposited into "local" rather than other dedicated accounts. Such "local fund" revenues may only be expended to the extent that the Legislature has provided sufficient appropriation authority. This item provides the authority to expend the higher-than-anticipated revenues from three sources: (1) the Susan G. Komen Foundation, for breast and cervical cancer screening; (2) the Seattle-King County Health Department's federal Ryan White grant, for payment of insurance premiums on behalf of persons with HIV/AIDS; and (3) for the Newborn Screening Program, which is conducting and collecting fees for screenings. (General Fund-Private/Local)

**4. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	611.8	19,590	71,918
<b>2003 Maintenance Changes:</b>			
1. New MicroSoft Licensing Fee Imposed	0.0	103	103
2. Workers Compensation Changes	0.0	123	123
3. Updated Revenue Forecast	0.0	328	0
Total Maintenance Changes	0.0	554	226
2001-03 Revised Appropriations	611.8	20,144	72,144
Difference from 2001-03 Appropriations	0.0	554	226
% Change from 2001-03 Appropriations	0.0%	2.8%	0.3%

*Comments:*

**1. New MicroSoft Licensing Fee Imposed** - Effective July 2002, the cost of upgrading from older versions of software increased substantially, and technical support was discontinued for software older than the previous release. Under these circumstances, it became more cost-effective for the agency to pay an annual licensing fee than to continue its previous practice of purchasing upgrades as conditions warranted. Funding is provided to cover the difference in cost between the new annual licensing fee arrangement and the agency's average expenditures on software licensing, purchases, and upgrades in prior years.

**2. Workers Compensation Changes** - Funding is provided to cover the cost of the 38 percent average increase in workers compensation rates which was applied to the state veterans homes effective January 1, 2003. Increased costs will be absorbed within existing funding levels by the agency's headquarters and field offices, as is being done by other state administrative units.

**3. Updated Revenue Forecast** - Funding is provided to cover lower than anticipated earnings from federal and private/local sources. (General Fund-State, General Fund-Federal, and General Fund-Private/Local)

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

(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	7,887.5	1,072,559	1,110,323
<b>2003 Maintenance Changes:</b>			
1. Utility Rate Adjustments	0.0	1,324	1,324
2. Federal Fund Transfer	0.0	-794	0
3. Health Care Inflation	0.0	1,880	1,880
4. Kent Office Fire	0.7	280	280
5. Legal Mandates	0.0	77	77
6. Rate Increases	0.0	222	222
7. Regulatory Compliance	0.0	140	140
8. Workload Increase	236.2	20,268	20,268
Total Maintenance Changes	236.9	23,397	24,191
<b>2003 Policy Changes:</b>			
9. 2003 Supplemental FTE Reduction	-50.5	-696	-696
Total Policy Changes	-50.5	-696	-696
2001-03 Revised Appropriations	8,073.9	1,095,260	1,133,818
Difference from 2001-03 Appropriations	186.4	22,701	23,495
% Change from 2001-03 Appropriations	2.4%	2.1%	2.1%

*Comments:*

**1. Utility Rate Adjustments** - Funding is provided for costs associated with utility rate and price increases experienced at the Department's facilities.

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

**3. Health Care Inflation** - Funding is provided for inflation in health care services, including increased costs for psychotropic drugs and for medical supplies and services.

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

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

**6. Rate Increases** - Funding is provided to cover increased Department of Health fees authorized by the 2002 Legislature, and increased rates from the Office of Secretary of State for archives and records retention. Funding is also provided to cover impact fees for Snohomish County sheriff personnel as part of the Department's obligations under a Memorandum of Understanding on the Twin Rivers Corrections Center.

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

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

**8. Workload Increase** - Funding is provided for workload increases based upon the February 2003 forecast adopted by the Caseload Forecast Council. The forecast includes an average of 933 additional inmates during FY 2003 and 732 additional offenders on active supervision in the community by the end of FY 2003. Funding is adjusted to reflect: 1) The opening of the last two units at the Stafford Creek Corrections Center; 2) the anticipated acquisition of 250 rent-a-beds from other jurisdictions; 3) the acquisition of the Mission Creek minimum-security facility from the Department of Social and Health Services; 4) the addition of 90 minimum security beds at the Airway Heights Corrections Center; and 5) the establishment of various emergency measures to accommodate the growth in the inmate population. It is assumed that the agency would not be able to add administrative staff by the end of the biennium, and can therefore maintain current spending patterns in the administration program.

**9. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	71.9	3,240	17,756
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	-3.8	-6	-6
2. Federal Funds Adjustment	0.0	0	543
Total Policy Changes	-3.8	-6	537
2001-03 Revised Appropriations	68.1	3,234	18,293
Difference from 2001-03 Appropriations	-3.8	-6	537
% Change from 2001-03 Appropriations	-5.6%	-0.2%	3.0%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**2. Federal Funds Adjustment** - Federal appropriation authority is provided to allow the Department to spend all federal funds received in FY 2003. (General Fund-Federal)

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	2,151.8	0	440,273
<b>2003 Maintenance Changes:</b>			
1. Technical Correction	0.0	0	-750
Total Maintenance Changes	0.0	0	-750
<b>2003 Policy Changes:</b>			
2. 2003 FTE Supplemental Reduction	-38.0	0	0
Total Policy Changes	-38.0	0	0
2001-03 Revised Appropriations	2,113.8	0	439,523
Difference from 2001-03 Appropriations	-38.0	0	-750
% Change from 2001-03 Appropriations	-1.8%	0.0%	-0.2%

*Comments:*

**1. Technical Correction** - A technical adjustment is made to correct the fund source and dollar amount for EHB 2901 passed during the 2002 legislative session. Funding should have been provided from the Employment Services Administrative Account, rather than the Administrative Contingency Account. In addition, portions of the bill were repealed by Referendum 53, therefore the Department does not need as much funding to implement the remainder of the bill. (Administrative Contingency Account-State, Employment Services Account-State)

**2. 2003 FTE Supplemental Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor or agency head.

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	2,303.1	456,146	832,552
<b>2003 Maintenance Changes:</b>			
1. Mandatory Caseload Changes	0.0	3,661	4,405
2. Centennial Building Lease Savings	0.0	132	176
3. Postage	0.0	58	79
4. Administrative Reductions	0.0	-56	-74
5. Cost Allocation/Incr Fed Revenue	0.0	-7,556	0
6. Foster Parent Training	4.5	271	371
7. DD Parent Participation	0.0	690	812
Total Maintenance Changes	4.5	-2,800	5,769
<b>2003 Policy Changes:</b>			
8. 2003 Supplemental FTE Reduction	-49.3	-904	-2,740
9. Adoption Tax Credit	0.0	-100	-100
Total Policy Changes	-49.3	-1,004	-2,840
2001-03 Revised Appropriations	2,258.3	452,342	835,481
Difference from 2001-03 Appropriations	-44.8	-3,804	2,929
% Change from 2001-03 Appropriations	-2.0%	-0.8%	0.4%

*Comments:*

- 1. Mandatory Caseload Changes** - Funding is provided for workload increases based on the February 2002 caseload forecast adopted by the Caseload Forecast Council, and the expenditure forecast projected by the Department of Social and Health Services Office of Forecasting and Policy Analysis, for the Adoption and Foster Care programs. (General Fund-State, General Fund-Federal)
  
- 2. Centennial Building Lease Savings** - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur, therefore funding to support existing Centennial building leases is restored. (General Fund-State, General Fund-Federal)
  
- 3. Postage** - Funding is provided for the increase in postage rates from \$.34 to \$.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)
  
- 4. Administrative Reductions** - Administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)
  
- 5. Cost Allocation/Incr Fed Revenue** - FY 2003 federal earnings for DCFS Direct Social Services through December exceed the level anticipated in the budget. This adjustment assumes that the Department's successful initiative to improve federal earnings continues for the rest of the fiscal year. (General Fund-State, General Fund-Federal)
  
- 6. Foster Parent Training** - \$371,000 and 4.5 FTEs are provided to meet the requirements of Section IV, the unsafe placements provision, of the Braam lawsuit injunction. Although the remaining sections of the lawsuit were stayed, pending appeal to the Washington State Supreme Court, unsafe placements was not. As a result, in August 2002, the Department of Social and Health Services began providing specialized training for foster parents and staff on sexually aggressive and physically assaultive youth. (General Fund-State, General Fund-Federal)

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

**7. DD Parent Participation** - Funding was reduced in the 2002 supplemental budget, anticipating that legislation needed to authorize the Division of Child Support to assess and collect child support from parents of children with developmental disabilities would pass. That legislation was not enacted, therefore funding is restored. (General Fund-State, General Fund-Federal)

**8. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	1,172.9	162,258	230,853
<b>2003 Maintenance Changes:</b>			
1. Mandatory Workload Changes	-6.6	-763	-917
2. Centennial Building Lease Savings	0.0	20	20
3. Postage	0.0	7	7
4. Administrative Reductions	0.0	-90	-94
Total Maintenance Changes	-6.6	-826	-984
2001-03 Revised Appropriations	1,166.3	161,432	229,869
Difference from 2001-03 Appropriations	-6.6	-826	-984
% Change from 2001-03 Appropriations	-0.6%	-0.5%	-0.4%

*Comments:*

**1. Mandatory Workload Changes** - Funding is adjusted to reflect the February 2003 caseload forecast adopted by the Caseload Forecast Council, which assumes that 83 fewer juvenile offenders will require residential services in FY 2003 than were previously budgeted. Adjustments also reflect projected changes in parole, diagnostics, and additional suicide prevention watches. (General Fund-State, General Fund-Federal)

**2. Centennial Building Lease Savings** - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur, therefore funding to support existing Centennial building leases is restored.

**3. Postage** - Funding is provided for the increase in postage rates from \$.34 to \$.37, which went into effect June 30, 2002.

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

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	3,002.1	583,737	1,147,254
<b>2003 Maintenance Changes:</b>			
1. Mandatory Workload Changes	15.0	672	850
2. Mandatory Caseload Changes	0.0	2,341	4,691
3. Balanced Budget Act Implementation	0.0	500	1,000
4. SCC Legal Fees	0.0	392	392
5. Postage	0.0	6	7
6. Increase DSH	0.0	5,778	0
7. Administrative Reductions	0.0	-194	-265
Total Maintenance Changes	15.0	9,495	6,675
<b>2003 Policy Changes:</b>			
8. HIPAA Standard Transactions	0.0	928	1,856
9. Marr Lawsuit	2.0	1,123	1,230
Total Policy Changes	2.0	2,051	3,086
2001-03 Revised Appropriations	3,019.1	595,283	1,157,015
Difference from 2001-03 Appropriations	17.0	11,546	9,761
% Change from 2001-03 Appropriations	0.6%	2.0%	0.9%

*Comments:*

**1. Mandatory Workload Changes** - Expenditures at Western State Hospital (WSH) are exceeding budgeted levels even though the patient population is currently below the level assumed in the budget. Additional funding is provided to address some of the over-expenditures at WSH, which are partially the result of an increase in the number of patients who, in addition to their behavioral or mental condition, are also developmentally disabled. (General Fund-State, General Fund-Federal)

**2. Mandatory Caseload Changes** - Based on the November 2002 projections adopted by the Caseload Forecast Council, an average of 834,000 children and adults will be eligible for Medicaid-funded community mental health services during the 2001-03 biennium. As a result of the forecast, managed care payments to the Regional Support Networks (RSNs) will also be higher than originally budgeted. (General Fund-State, General Fund-Federal)

**3. Balanced Budget Act Implementation** - The Balanced Budget Act of 1997 (BBA) places new record-keeping and reporting requirements on managed care organizations. The rules were published in final form in June 2002 and are to be implemented no later than August 13, 2003. The rules have an impact on the Regional Support Networks, as prepaid health plans are made administratively equal to Health Maintenance Organizations (HMOs) under the BBA. Funding is provided for (1) client notifications as required under the BBA; and (2) an actuarial rate analysis/cost effectiveness study. (General Fund-State, General Fund-Federal)

**4. SCC Legal Fees** - Funding is provided to cover state reimbursement to counties for the cost of civil commitment proceedings that were higher than originally budgeted.

**5. Postage** - Funding is provided for the increase in postage rates from \$.34 to \$.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)

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

**6. Increase DSH** - The amount of federal funding available under the Institution for Mental Disease Disproportionate Share Hospital program has decreased to \$49,572,600 in FY 2003 from \$55,350,000 in fiscal year FY 2002, resulting in a need for additional state funding to offset the lost federal funding. (General Fund-State, General Fund-Federal)

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

**8. HIPAA Standard Transactions** - Funding is provided to the Mental Health Division to comply with the new standardized codes for electronic transactions which the federal Health Insurance Portability and Accountability Act (HIPAA) requires to be used for all health billing transactions. (General Fund-State, General Fund-Federal)

**9. Marr Lawsuit** - Funding is provided for Eastern State Hospital (ESH) 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 hospital. Funding will support an additional two FTEs, staff training, facility alteration, court monitors, and attorney fees as provided in the final settlement agreement. (General Fund-State, General Fund-Federal)

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	3,373.2	629,106	1,207,851
<b>2003 Maintenance Changes:</b>			
1. Mandatory Caseload Changes	0.0	-363	-726
2. State Supplemental Payments	4.0	156	313
3. SSI Client Contributions	0.0	153	153
4. Technical Corrections	4.0	0	0
5. Postage	0.0	12	23
6. Administrative Reductions	0.0	-222	-331
7. Olmstead Placement Reversal	43.5	-192	-316
8. Audit Responses	2.3	143	239
9. Headquarters Overspending	6.8	934	1,643
10. Reduce funding for ARC Settlement	0.0	-3,000	-6,000
11. DD Parent Participation	0.0	720	720
Total Maintenance Changes	60.6	-1,659	-4,282
2001-03 Revised Appropriations	3,433.8	627,447	1,203,569
Difference from 2001-03 Appropriations	60.6	-1,659	-4,282
% Change from 2001-03 Appropriations	1.8%	-0.3%	-0.4%

*Comments:*

**1. Mandatory Caseload Changes** - Medicaid Personal Care program expenditures are projected to be lower than the level assumed in the fiscal year 2002 supplemental budget for FY 2003 based on the November 2002 projections adopted by the Caseload Forecast Council and actual program expenditures for July through September 2002. (General Fund-State, General Fund-Federal)

**2. State Supplemental Payments** - Funding is provided for additional staff to manage the implementation of the Supplemental Security Income/State Supplemental Payment Program established during the 2002 legislative session. (General Fund-State, General Fund-Federal)

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

**4. Technical Corrections** - Staffing authority is provided to correct an omission in the 2002 supplemental budget for improved fiscal and waiver management and implementation of the State Supplemental Payment program.

**5. Postage** - Funding is provided for the increase in postage rates from \$.34 to \$.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)

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

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

**7. Olmstead Placement Reversal** - The 2001-03 biennial budget provided funding for community residential placements and corresponding support services for up to 80 individuals to transition from state residential habilitation centers (RHCs). In addition, savings were to be achieved through the consolidation of cottages resulting from vacancies at RHCs due to normal attrition and anticipated vacancies accruing as a result of residents moving to community settings. A negative funding adjustment in community residential is made to reflect the fact that: (1) 18 fewer clients moved to community settings in FY 2002 than originally budgeted; and (2) there is a slower rate of placement into the community than projected for the first half of FY 2003. Fewer client moves to the community results in a need for additional funding to the RHCs to account for: (1) a six-month delay in a cottage closing at Rainier School; and (2) two less cottages being consolidated at Fircrest School. (General Fund-State, General Fund-Federal)

**8. Audit Responses** - Recent audits by the Joint Legislative Audit Review Committee, Sterling Associates, and the Center for Medicaid and Medicare Services identified a need to improve the quality of program data, fiscal and program management, and operational control over the developmental disabilities program. Funding and FTE authority are provided for those positions that have already been filled. (General Fund-State, General Fund-Federal)

**9. Headquarters Overspending** - Funding and FTEs are provided to address program support over-expenditures that have been occurring for the past several years. The adjustment covers projected over-expenditures for FY 2003. (General Fund-State, General Fund-Federal)

**10. Reduce funding for ARC Settlement** - In December 2002, the court denied ARC's and the Department of Social and Health Services joint motion for preliminary approval of a settlement regarding developmental disabilities services. Funding included for the proposed settlement in the FY 2002 supplemental budget is reduced based on the level of funding that has not already been committed for services. (General Fund-State, General Fund-Federal)

**11. DD Parent Participation** - Funding was reduced in the 2002 supplemental budget, anticipating that legislation needed to authorize the Division of Child Support to assess and collect child support from parents of children with developmental disabilities would pass. That legislation was not enacted, therefore funding is restored. (General Fund-State, General Fund-Federal)

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	1,091.8	1,019,137	2,088,762
<b>2003 Maintenance Changes:</b>			
1. Mandatory Caseload Changes	0.0	6,016	11,832
2. Centennial Building Lease Savings	0.0	36	71
3. SSI Client Contributions	0.0	218	252
4. Basic Health Plan	0.0	35	1,151
5. Home Care Worker Wage	0.0	-2,927	-5,872
6. Postage	0.0	16	31
7. 2003 Supplemental FTE Reduction	-11.0	-91	-237
8. Administrative Reductions	0.0	-411	-565
9. Forecast Cost/Utilization	0.0	-2,762	-7,121
10. Abuse Prevention	9.0	0	772
11. Adult Family Homes Licensing Fee	0.0	392	0
Total Maintenance Changes	-2.0	522	314
2001-03 Revised Appropriations	1,089.8	1,019,659	2,089,076
Difference from 2001-03 Appropriations	-2.0	522	314
% Change from 2001-03 Appropriations	-0.2%	0.1%	0.0%

*Comments:*

**1. Mandatory Caseload Changes** - Funding is provided for changes in the number of clients who utilize long-term care services based upon forecasts adopted by the Caseload Forecast Council. An average of 46,800 people are now expected to receive state-funded long-term care services in FY 2003, which is 0.3 percent more than previously forecasted and budgeted. A majority of the increase is attributable to an average of 29 more people than expected receiving state-funded nursing home care and to an average of 283 more people than budgeted receiving publicly-funded care in their own homes. (General Fund-State, General Fund-Federal)

**2. Centennial Building Lease Savings** - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur, therefore funding to support existing Centennial building leases is restored. (General Fund-State, General Fund-Federal)

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

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

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

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

**6. Postage** - Funding is provided for the increase in postage rates from \$.34 to \$.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)

**7. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

**9. Forecast Cost/Utilization** - The net public cost per long-term care recipient is now projected to be about 0.9 percent less than previously budgeted for FY 2003. This is primarily because nursing home rates are about 0.8 percent lower than originally budgeted; and nursing home resident contributions toward their cost of care are slightly higher than budgeted, as are financial recoveries from the estates of deceased long-term care recipients. These savings are partially offset by payments for adult family homes, which are 4.6 percent higher per recipient than budgeted; and for assisted living facilities, which are 3.9 percent higher. (General Fund-State, General Fund-Federal)

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

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

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	4,695.9	837,958	2,231,343
<b>2003 Maintenance Changes:</b>			
1. Mandatory Caseload Changes	0.0	10,574	14,010
2. Centennial Building Lease Savings	0.0	215	422
3. Increase Incapacity Exams	0.0	1,469	1,770
4. Banking Fees	0.0	105	309
5. IRS Intercept Program Costs	0.0	31	92
6. Food Assistance Program	0.0	2,820	2,820
7. Postage	0.0	242	510
8. Administrative Reductions	0.0	-1,822	-2,238
Total Maintenance Changes	0.0	13,634	17,695
<b>2003 Policy Changes:</b>			
9. 2003 Supplemental FTE Reduction	-190.2	-1,947	-1,947
10. Improved Eligibility Verification	9.0	311	566
Total Policy Changes	-181.2	-1,636	-1,381
2001-03 Revised Appropriations	4,514.7	849,956	2,247,657
Difference from 2001-03 Appropriations	-181.2	11,998	16,314
% Change from 2001-03 Appropriations	-3.9%	1.4%	0.7%

*Comments:*

- 1. Mandatory Caseload Changes** - Funding is provided for caseload changes in the Refugee Assistance and General Assistance programs, and for decreasing child support recoveries. (General Fund-State, General Fund-Federal)
- 2. Centennial Building Lease Savings** - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur, therefore funding to support existing Centennial building leases is restored. (General Fund-State, General Fund-Federal)
- 3. Increase Incapacity Exams** - Funding is provided for increased quantity and cost of incapacity exams for the General Assistance (GA) program. The number of GA incapacity exams has increased due to the growing number of applicants and increased emphasis on objective "evidence-based" eligibility determination. (General Fund-State, General Fund-Federal)
- 4. Banking Fees** - Funding is provided for increased banking fees. Dollars recovered by the Division of Child Support from increased use of electronic fund transfers have been subtracted from the banking fees increase. (General Fund-State, General-Fund-Federal)
- 5. IRS Intercept Program Costs** - Federal regulations require Washington state's Child Support Enforcement program to participate in the federal Internal Revenue Service (IRS) Tax Intercept Program. Funding is provided for an incremental increase in the cost per intercept and for growth in the number of intercepts. (General Fund-State, General Fund-Federal)

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

**6. Food Assistance Program** - In the 2002 supplemental budget, the Legislature reduced the FY 2003 funding for State Food Assistance for Legal Immigrants, assuming the federal Farm Bill would restore federal benefits to most legal immigrants effective October 1, 2002. Under the Food Stamp Reauthorization Act of 2002, federal benefit restoration for the largest portion of the legal immigrant population was delayed until April 2003, therefore partial funding is restored to provide state food assistance for those months that were not federally funded in FY 2003.

**7. Postage** - Funding is provided for the increase in postage rates from \$.34 to \$.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)

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

**9. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**10. Improved Eligibility Verification** - Additional funding is provided for the Department to: 1) increase and improve efforts to verify that children and pregnant women are in fact eligible for the medical assistance services they receive; and 2) review their continued eligibility for medical assistance services every six months, rather than annually as presently occurs. The improved income verification efforts are to be implemented no later than April 1, 2003 and are to include review of recipient documentation and employer contacts to verify that the income declared by applicants and recipients is accurate. These efforts will be supplemented by electronic records checks that will be in place by July 1, 2003. The six-month rather than annual review of continued eligibility is to be implemented no later than November 2003. The Department is to have in place all computer changes, administrative rules and procedures, and staffing arrangements as required to timely implement the six-month eligibility reviews by November 2003. (General Fund-State, General Fund-Federal)

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	102.9	72,873	230,878
<b>2003 Maintenance Changes:</b>			
1. Postage	0.0	8	10
2. Administrative Reductions	<u>0.0</u>	<u>-455</u>	<u>-467</u>
Total Maintenance Changes	0.0	-447	-457
<b>2003 Policy Changes:</b>			
3. 2003 Supplemental FTE Reduction	<u>-13.4</u>	<u>-27</u>	<u>-27</u>
Total Policy Changes	-13.4	-27	-27
2001-03 Revised Appropriations	89.5	72,399	230,394
Difference from 2001-03 Appropriations	-13.4	-474	-484
% Change from 2001-03 Appropriations	-12.6%	-0.7%	-0.2%

*Comments:*

**1. Postage** - Funding is provided for the increase in postage rates from \$.34 to \$.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)

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

**3. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	943.9	2,205,908	7,151,576
<b>2003 Maintenance Changes:</b>			
1. Mandatory Workload Changes	8.5	0	478
2. Mandatory Caseload Changes	0.0	8,189	34,490
3. Program Transfers	5.0	887	2,825
4. MMIS Procurement	0.0	21	210
5. ProShare & UPL Adjustments	0.0	0	-731,888
6. Postage	0.0	23	64
7. Utilization Changes	0.0	56,752	80,438
8. Administrative Reductions	0.0	-1,200	-3,316
Total Maintenance Changes	13.5	64,672	-616,699
<b>2003 Policy Changes:</b>			
9. Trauma Assistance	0.0	5,600	11,700
10. HIPAA Standard Transactions	3.3	454	4,087
11. DSH Disallowance	0.0	6,892	0
12. 2003 Supplemental FTE Reduction	-32.3	-99	-323
13. Improved Eligibility Verification	0.0	0	-110
Total Policy Changes	-29.0	12,847	15,354
2001-03 Revised Appropriations	928.4	2,283,427	6,550,231
Difference from 2001-03 Appropriations	-15.5	77,519	-601,345
% Change from 2001-03 Appropriations	-1.7%	3.5%	-8.4%

*Comments:*

**1. Mandatory Workload Changes** - Additional federally-funded staff are authorized for the Division of Disability Determination Services (DDS) to determine eligibility for social security disability benefits in accordance with federal rules. The DDS has sufficient state-fund under-expenditures to meet federal matching requirements. (General Fund-Federal)

**2. Mandatory Caseload Changes** - On average approximately 865,000 persons per month are now expected to enroll in state medical assistance programs in FY 2003. This is about one percent less than previously budgeted however, there is a net increase in required state and federal expenditures, because enrollment of two high-cost groups, pregnant women and persons with disabilities, has grown more than anticipated, offsetting the savings from slower growth among other groups. (General Fund-State, General Fund-Federal, Health Services Account-State)

**3. Program Transfers** - The Payment Review Program, which uses technological tools and software to identify and prevent inappropriate provider billings, is transferred from the Administration and Support Services Administration to the Medical Assistance Administration. (General Fund-State, General Fund-Federal)

**4. MMIS Procurement** - MMIS is the system which supports payment and management analysis of over 20 million individual medical billings, totaling over \$3 billion, each year. The current system has been in operation for almost 20 years and is based upon a 1979 design for which adequate technical support is increasingly difficult to obtain. Funding is provided for a feasibility study to assess long-term, system-wide needs and develop a strategy to replace, rather than reprocure, the existing system. (General Fund-State, General Fund-Federal)

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

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

**6. Postage** - Funding is provided for the increase in postage rates from \$.34 to \$.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)

**7. Utilization Changes** - Costs per eligible medical assistance recipient are now projected to be about 4.2 percent higher in FY 2003 than anticipated in the 2002 supplemental budget forecast. The primary reasons for the increase are higher drug and hospitalization costs for aged and disabled recipients; a substantial increase in federally required enhancement payments to community and rural health clinics; and \$15 million of increased expenditures for the Take Charge family planning program. (General Fund-State, General Fund-Federal, Health Services Account)

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

**9. Trauma Assistance** - The Department of Health and the DSHS Medical Assistance program jointly administer a system for paying enhanced rates to hospitals and physicians for treating traumatically-injured recipients of state medical assistance. In the spring of 2002, the departments concluded that the enhanced hospital and physician payment rates had significantly exceeded appropriations from the Trauma Account during the 1999-01 biennium, and were exceeding budgeted levels at an even faster pace in the current biennium. In response, the agencies suspended all payments from the Trauma Account in spring 2002, both for the enhancement rates which were exceeding budgeted levels, and also for the hospital and ambulance service grant programs, which were not.

Subsequent analysis has shown that the enhancement billings exceeded budgeted levels by \$16.9 million during the 1999-01 biennium, resulting in unbudgeted claims upon the state general fund, and by \$11 million during the first 10 months of the 2001-03 biennium.

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

**10. HIPAA Standard Transactions** - Funding is provided to modify the Medicaid Management Information System to comply with the new standardized codes which the federal Health Insurance Portability and Accountability Act (HIPAA) requires be used for all health billing transactions. (General Fund-State, General Fund-Federal)

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

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

**12. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**13. Improved Eligibility Verification** - Additional funding is provided for the Department to: 1) increase and improve efforts to verify that children and pregnant women are in fact eligible for the medical assistance services they receive; and 2) review their continued eligibility for medical assistance services every six months, rather than annually as presently occurs. The improved income verification efforts are to be implemented no later than April 1, 2003 and are to include review of recipient documentation and employer contacts to verify that the income declared by applicants and recipients is accurate. These efforts will be supplemented by electronic records checks that will be in place by July 1, 2003. The six-month rather than annual review of continued eligibility is to be implemented no later than November 2003. The Department is to have in place all computer changes, administrative rules and procedures, and staffing arrangements as required to timely implement the six-month eligibility reviews by November 2003. (General Fund-State, Health Services Account-State, General Fund-Federal)

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	337.1	20,520	103,115
<b>2003 Maintenance Changes:</b>			
1. Centennial Building Lease Savings	0.0	25	25
2. Postage	0.0	8	8
3. Administrative Reductions	0.0	-47	-97
Total Maintenance Changes	0.0	-14	-64
2001-03 Revised Appropriations	337.1	20,506	103,051
Difference from 2001-03 Appropriations	0.0	-14	-64
% Change from 2001-03 Appropriations	0.0%	-0.1%	-0.1%

*Comments:*

**1. Centennial Building Lease Savings** - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur, therefore funding to support existing Centennial building leases is restored.

**2. Postage** - Funding is provided for the increase in postage rates from \$.34 to \$.37, which went into effect June 30, 2002.

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

**2001-03 Revised Omnibus Operating Budget (2003 Supp)**  
**Dept of Social and Health Services**  
**Administration/Support Svcs**  
(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	664.4	52,838	100,783
<b>2003 Maintenance Changes:</b>			
1. Program Transfers	-5.0	-887	-2,825
2. Centennial Building Lease Savings	0.0	3	4
3. Postage	0.0	24	34
4. Administrative Reductions	-30.5	4,497	7,447
Total Maintenance Changes	-35.5	3,637	4,660
<b>2003 Policy Changes:</b>			
5. HIPAA Standard Transactions	4.0	100	200
6. 2003 Supplemental FTE Reduction	-21.6	-1,368	-1,479
7. SSP Coordination	0.5	30	40
Total Policy Changes	-17.1	-1,238	-1,239
2001-03 Revised Appropriations	611.8	55,237	104,204
Difference from 2001-03 Appropriations	-52.6	2,399	3,421
% Change from 2001-03 Appropriations	-7.8%	4.5%	3.4%

*Comments:*

- 1. Program Transfers** - The Payment Review Program is transferred from the Administration and Supporting Services program to the Medical Assistance Administration. (General Fund-State, General Fund-Federal)
  
- 2. Centennial Building Lease Savings** - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur, therefore funding to support existing Centennial building leases is restored. (General Fund-State, General Fund-Federal)
  
- 3. Postage** - Funding is provided for the increase in postage rates from \$.34 to \$.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)
  
- 4. Administrative Reductions** - Administrative reductions made in the 2002 supplemental budget are distributed to all programs within the Department of Social and Health Services. (General Fund-State, General Fund-Federal)
  
- 5. HIPAA Standard Transactions** - Funding is provided to implement the standards for electronic transactions to comply with the Health Insurance Portability and Accountability Act (HIPAA). Funding provided within the Administration and Supporting Services program is for any required changes in central agency reporting functions that must be done as a result of changes in MMIS. Funding is not provided for major changes to DSHS payment systems beyond MMIS. Funding for MMIS changes is provided within the Medical Assistance Administration. (General Fund-State, General Fund-Federal)
  
- 6. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.
  
- 7. SSP Coordination** - Funding is provided for coordination of department-wide efforts to meet the state supplemental payment (SSP) requirements of the federal Supplemental Security Income (SSI) program. The Department shall include allowable payments for foster children who are eligible for SSI in achieving the federal maintenance of effort requirement. (General Fund - State, General Fund - Federal)

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	161.3	0	0
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	-5.2	0	0
Total Policy Changes	-5.2	0	0
2001-03 Revised Appropriations	156.1	0	0
Difference from 2001-03 Appropriations	-5.2	0	0
% Change from 2001-03 Appropriations	-3.1%	0.0%	0.0%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	1,442.3	73,687	320,271
<b>2003 Policy Changes:</b>			
1. Loan Tracking System	0.0	0	28
2. 2003 Supplemental FTE Reduction	-11.6	-58	-67
Total Policy Changes	-11.6	-58	-39
2001-03 Revised Appropriations	1,430.7	73,629	320,232
Difference from 2001-03 Appropriations	-11.6	-58	-39
% Change from 2001-03 Appropriations	-0.8%	-0.1%	0.0%

*Comments:*

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

**2. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**2001-03 Revised Omnibus Operating Budget (2003 Supp)**  
**WA Pollution Liab Insurance Program**  
(Dollars in Thousands)

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	9.1	0	2,150
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	<u>-2.1</u>	<u>0</u>	<u>0</u>
Total Policy Changes	-2.1	0	0
2001-03 Revised Appropriations	7.0	0	2,150
Difference from 2001-03 Appropriations	-2.1	0	0
% Change from 2001-03 Appropriations	-22.2%	0.0%	0.0%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - FTE staff will be reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	644.6	62,538	99,285
<b>2003 Policy Changes:</b>			
1. Parking Fee Implementation	0.0	0	540
2. Firefighting at Steamboat Rock	0.0	16	16
3. 2003 Supplemental FTE Reduction	-4.6	-24	-24
Total Policy Changes	-4.6	-8	532
2001-03 Revised Appropriations	640.0	62,530	99,817
Difference from 2001-03 Appropriations	-4.6	-8	532
% Change from 2001-03 Appropriations	-0.8%	0.0%	0.5%

*Comments:*

**1. Parking Fee Implementation** - Funding is provided for costs incurred by the commission due to implementing the vehicle parking fee that went into effect on January 1, 2003. (Parks Renewal and Stewardship Account-State)

**2. Firefighting at Steamboat Rock** - Funding is provided for fire mobilization costs associated with the 2001 fire at Steamboat Rock State Park.

**3. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**2001-03 Revised Omnibus Operating Budget (2003 Supp)****Dept of Fish and Wildlife**

(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	1,532.4	90,709	287,586
<b>2003 Policy Changes:</b>			
1. 2002-03 Winter Feeding	0.0	0	200
2. Federal Spending Authority	0.0	0	0
3. Spartina Weed Control	0.0	0	233
4. Fish Food Cost Increase	0.0	35	52
5. 2003 Supplemental FTE Reduction	-9.2	-41	-41
Total Policy Changes	-9.2	-6	444
2001-03 Revised Appropriations	1,523.2	90,703	288,030
Difference from 2001-03 Appropriations	-9.2	-6	444
% Change from 2001-03 Appropriations	-0.6%	0.0%	0.2%

*Comments:*

**1. 2002-03 Winter Feeding** - Funding is provided for increased costs of hay and to purchase emergency winter feed (alfalfa hay and deer pellets) to maintain deer and elk herds. Increased feeding is in response to habitat damage from fires on the north shore of Lake Chelan. (Wildlife Fund-State)

**2. Federal Spending Authority** - Federal and local appropriation authority is redistributed between the General Fund and the Wildlife Fund to reflect actual federal and local expenditures through July 2002. (General Fund-Federal, Wildlife Fund-Private/Local)

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

**4. Fish Food Cost Increase** - Funding is provided to cover a 7.5 percent increase in the cost of fish food used by hatcheries across the state to produce salmon and trout for recreational and commercial purposes. General Fund-State and Wildlife Fund-State funds are provided proportionate to each funds' contribution to hatchery operations. (General Fund-State, Wildlife Fund-State)

**5. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**2001-03 Revised Omnibus Operating Budget (2003 Supp)****Department of Natural Resources**

(Dollars in Thousands)

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	1,569.1	66,414	276,766
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	-14.0	-29	-31
2. Fire Suppression	0.0	17,896	27,227
3. Derelict Vessel Removal	0.0	0	200
Total Policy Changes	-14.0	17,867	27,396
2001-03 Revised Appropriations	1,555.1	84,281	304,162
Difference from 2001-03 Appropriations	-14.0	17,867	27,396
% Change from 2001-03 Appropriations	-0.9%	26.9%	9.9%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**2. Fire Suppression** - Funding is provided for fire suppression costs incurred during the 2002 fire season. The General Fund-Federal appropriation is reduced by \$326,000 to match expected federal reimbursements. (General Fund-State, General Fund-Federal)

**3. Derelict Vessel Removal** - Appropriation authority is provided for costs incurred by authorized public entities for removal of derelict and abandoned vessels. Chapter 286, Laws of 2002 (ESHB 2376), provides the authority and funding mechanism to seize, remove, and dispose of derelict vessels. (Derelict Vessel Removal Account-State)

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

(Dollars in Thousands)

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	719.7	15,249	91,172
<b>2003 Policy Changes:</b>			
1. Pesticide Strategy Reduction	-2.0	0	-225
2. 2003 Supplemental FTE Reduction	-29.4	-57	-57
3. State Toxics Reduction	0.0	0	-416
Total Policy Changes	-31.4	-57	-698
2001-03 Revised Appropriations	688.3	15,192	90,474
Difference from 2001-03 Appropriations	-31.4	-57	-698
% Change from 2001-03 Appropriations	-4.4%	-0.4%	-0.8%

*Comments:*

**1. Pesticide Strategy Reduction** - One-time savings are realized from staffing and other efficiencies during the current biennium. Funding and staffing are reduced to match the expected expenditure level of the Pesticide Strategy Program during FY 2003. (State Toxics Control Account-State)

**2. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**3. State Toxics Reduction** - Savings are realized from a lower level of reimbursement to county horticultural pest and disease boards for the costs of pest control and tree removal on abandoned orchards. (Agricultural Local Account-Nonappropriated, State Toxics Control Account-State)

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	517.2	29,500	71,397
<b>2003 Maintenance Changes:</b>			
1. Administrative Fee Recovery	0.0	0	712
2. Federal Spending Authority	0.0	0	640
3. DNA Kits	0.0	375	375
Total Maintenance Changes	0.0	375	1,727
<b>2003 Policy Changes:</b>			
4. 2003 Supplemental FTE reduction	-5.0	-37	-58
Total Policy Changes	-5.0	-37	-58
2001-03 Revised Appropriations	512.2	29,838	73,066
Difference from 2001-03 Appropriations	-5.0	338	1,669
% Change from 2001-03 Appropriations	-1.0%	1.1%	2.3%

*Comments:*

**1. Administrative Fee Recovery** - Additional expenditure authority is provided for the payment of administrative fees collected for the Office of the Superintendent of Public Instruction and the Department of Social and Health Services for fingerprint-based background checks of applicants. (Fingerprint Identification Account-State)

**2. Federal Spending Authority** - Additional federal appropriation authority is provided to fully expend grant funds awarded to the agency. (General Fund-Federal)

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

**4. 2003 Supplemental FTE reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	245.0	10,666	34,293
<b>2003 Maintenance Changes:</b>			
1. Credit Card Costs	0.0	40	40
2. Lease Rate Adjustments	0.0	43	137
Total Maintenance Changes	0.0	83	177
<b>2003 Policy Changes:</b>			
3. 2003 Supplemental FTE Reduction	-6.9	-33	-33
Total Policy Changes	-6.9	-33	-33
2001-03 Revised Appropriations	238.1	10,716	34,437
Difference from 2001-03 Appropriations	-6.9	50	144
% Change from 2001-03 Appropriations	-2.9%	0.5%	0.4%

*Comments:*

**1. Credit Card Costs** - Funding is provided for credit card transaction fees due to more expensive licenses and a greater number of licenses being renewed over the Internet than originally anticipated.

**2. Lease Rate Adjustments** - Funding is provided to cover increased lease costs at the Olympia Black Lake offices. (General Fund-State, other funds)

**3. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	253.2	51,480	192,176
<b>2003 Maintenance Changes:</b>			
1. Federal and Other Funds Update	0.0	0	17,195
Total Maintenance Changes	0.0	0	17,195
2001-03 Revised Appropriations	253.2	51,480	209,371
Difference from 2001-03 Appropriations	0.0	0	17,195
% Change from 2001-03 Appropriations	0.0%	0.0%	8.9%

*Comments:*

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

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	7,498,021	7,498,021
<b>2003 Maintenance Changes:</b>			
1. Enrollment and Workload Adjustments	<u>0.0</u>	<u>16,692</u>	<u>16,692</u>
Total Maintenance Changes	0.0	16,692	16,692
2001-03 Revised Appropriations	0.0	7,514,713	7,514,713
Difference from 2001-03 Appropriations	0.0	16,692	16,692
% Change from 2001-03 Appropriations	0.0%	0.2%	0.2%

*Comments:*

**1. Enrollment and Workload Adjustments** - The public school enrollment for the 2002-03 school year is higher than expected by 672 FTE students (from 958,563 to 959,234). The education and experience of certificated instructional staff (staff mix) is also slightly above the levels assumed in the 2002 supplemental budget. In addition, the funding needed to complete school district allocations for the 2001-02 school year is \$4.3 million higher than expected, due to school district adjustments submitted after the end of the 2002 state fiscal year.

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	0.0	385,695	385,695
<b>2003 Maintenance Changes:</b>			
1. Enrollment and Workload Adjustments	0.0	18,726	18,726
Total Maintenance Changes	0.0	18,726	18,726
2001-03 Revised Appropriations	0.0	404,421	404,421
Difference from 2001-03 Appropriations	0.0	18,726	18,726
% Change from 2001-03 Appropriations	0.0%	4.9%	4.9%

*Comments:*

**1. Enrollment and Workload Adjustments** - Public school enrollment growth is higher than expected, resulting in a funding increase for student transportation (from 4,621,751 weighted student miles to 4,700,801). The depreciation system payments are significantly higher than expected with new system depreciation more than doubling (from \$13.8 million to \$30.3 million) and contractor depreciation increasing from \$6.0 million to \$6.3 million. Prices on the state bid were significantly higher for one category of bus, which received only one contractor bid. This category will be removed from future state bid lists, which is expected to return depreciation payments to historical averages after this biennium.

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	0.0	6,200	296,387
<b>2003 Maintenance Changes:</b>			
1. Federal and Other Funds Update	0.0	0	10,805
Total Maintenance Changes	0.0	0	10,805
2001-03 Revised Appropriations	0.0	6,200	307,192
Difference from 2001-03 Appropriations	0.0	0	10,805
% Change from 2001-03 Appropriations	0.0%	0.0%	3.6%

*Comments:*

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

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	1.5	828,926	1,085,333
<b>2003 Maintenance Changes:</b>			
1. Federal and Other Funds Update	0.0	0	37,640
2. Enrollment and Workload Adjustments	0.0	1,502	2,470
Total Maintenance Changes	0.0	1,502	40,110
2001-03 Revised Appropriations	1.5	830,428	1,125,443
Difference from 2001-03 Appropriations	0.0	1,502	40,110
% Change from 2001-03 Appropriations	0.0%	0.2%	3.7%

*Comments:*

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

**2. Enrollment and Workload Adjustments** - Enrollment in special education programs is higher than expected for the 2002-03 school year (from 118,146 students to 118,389 students). In addition, the funding needed to complete school district allocations for the 2001-02 school year is \$1.3 million higher than expected, due to school district adjustments submitted after the end of the 2002 state fiscal year.

The special education funds are allocated to districts for students ages 3-21, up to 13 percent of the district's total enrollment. State funds are provided for the first 12.7 percent of enrollment, with the remaining allocation for special education enrollment between 12.7 percent and 13 percent provided through federal special education funds. The 2002-03 school year is the first year in which the additional funding is provided for special education enrollment above 12.7 percent of total district enrollment. The estimates for 12.7 percent enrollment and the additional 0.3 percent enrollment have been adjusted since the original budget proposal (from 117,097 to 116,992 for the 12.7 percent enrollment with state funding, and from 1,049 to 1,398 for the 0.3 percent enhancement funded through federal funds). (General Fund-State, General Fund-Federal)

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	4,277	4,277
<b>2003 Maintenance Changes:</b>			
1. Enrollment and Workload Adjustments	0.0	1	1
Total Maintenance Changes	0.0	1	1
2001-03 Revised Appropriations	0.0	4,278	4,278
Difference from 2001-03 Appropriations	0.0	1	1
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%

*Comments:*

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

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	295,863	295,863
<b>2003 Maintenance Changes:</b>			
1. Levy Equalization Update	<u>0.0</u>	<u>857</u>	<u>857</u>
Total Maintenance Changes	0.0	857	857
2001-03 Revised Appropriations	0.0	296,720	296,720
Difference from 2001-03 Appropriations	0.0	857	857
% Change from 2001-03 Appropriations	0.0%	0.3%	0.3%

*Comments:*

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

**2001-03 Revised Omnibus Operating Budget (2003 Supp)**  
**Public Schools**  
**Elementary/Secondary School Improv**  
 (Dollars in Thousands)

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	0	201,737
<b>2003 Maintenance Changes:</b>			
1. Federal and Other Funds Update	0.0	0	-2,077
Total Maintenance Changes	0.0	0	-2,077
2001-03 Revised Appropriations	0.0	0	199,660
Difference from 2001-03 Appropriations	0.0	0	-2,077
% Change from 2001-03 Appropriations	0.0%	0.0%	-1.0%

*Comments:*

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

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	37,731	46,279
<b>2003 Maintenance Changes:</b>			
1. Enrollment and Workload Adjustments	0.0	-814	-814
Total Maintenance Changes	0.0	-814	-814
2001-03 Revised Appropriations	0.0	36,917	45,465
Difference from 2001-03 Appropriations	0.0	-814	-814
% Change from 2001-03 Appropriations	0.0%	-2.2%	-1.8%

*Comments:*

**1. Enrollment and Workload Adjustments** - Enrollment in institutions is lower than anticipated by 155 FTE students (from 2,191 to 2,036).

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	12,699	12,699
<b>2003 Maintenance Changes:</b>			
1. Enrollment and Workload Adjustments	<u>0.0</u>	<u>17</u>	<u>17</u>
Total Maintenance Changes	0.0	17	17
2001-03 Revised Appropriations	0.0	12,716	12,716
Difference from 2001-03 Appropriations	0.0	17	17
% Change from 2001-03 Appropriations	0.0%	0.1%	0.1%

*Comments:*

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

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	0	391,149
<b>2003 Maintenance Changes:</b>			
1. Enrollment and Workload Adjustments	0.0	0	64
Total Maintenance Changes	0.0	0	64
2001-03 Revised Appropriations	0.0	0	391,213
Difference from 2001-03 Appropriations	0.0	0	64
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%

*Comments:*

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

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	37.7	67,030	128,101
<b>2003 Maintenance Changes:</b>			
1. Enrollment and Workload Adjustments	0.0	119	119
Total Maintenance Changes	0.0	119	119
2001-03 Revised Appropriations	37.7	67,149	128,220
Difference from 2001-03 Appropriations	0.0	119	119
% Change from 2001-03 Appropriations	0.0%	0.2%	0.1%

*Comments:*

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

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	0.0	87,501	107,781
<b>2003 Maintenance Changes:</b>			
1. Federal and Other Funds Update	0.0	0	-525
2. Enrollment and Workload Adjustments	<u>0.0</u>	<u>-592</u>	<u>-592</u>
Total Maintenance Changes	0.0	-592	-1,117
2001-03 Revised Appropriations	0.0	86,909	106,664
Difference from 2001-03 Appropriations	0.0	-592	-1,117
% Change from 2001-03 Appropriations	0.0%	-0.7%	-1.0%

*Comments:*

- 1. Federal and Other Funds Update** - The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. The appropriation authority is adjusted to match the revenue estimates. (General Fund-Federal)
  
- 2. Enrollment and Workload Adjustments** - Enrollment in transitional bilingual programs is 809 students lower than expected for the 2002-03 school year (from 66,866 students to 66,058).

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	135,956	266,587
<b>2003 Maintenance Changes:</b>			
1. Enrollment and Workload Adjustments	0.0	-633	-633
Total Maintenance Changes	0.0	-633	-633
2001-03 Revised Appropriations	0.0	135,323	265,954
Difference from 2001-03 Appropriations	0.0	-633	-633
% Change from 2001-03 Appropriations	0.0%	-0.5%	-0.2%

*Comments:*

**1. Enrollment and Workload Adjustments** - The Learning Assistance Program (LAP) provides funds to school districts based on the proportion of low-achieving students in each district, defined by the percentage of students scoring in the lowest quartile on nationally normed tests. Districts also receive LAP funds based on the percentage of students, beyond the statewide average, who receive free and reduced price lunch. The percentage of students scoring in the lowest national quartile is declining, lowering the LAP allocation to school districts. The percentage of students above the state average for free and reduced price lunch is higher than expected. These combined factors result in a \$633,000 reduction in the LAP budget.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	23,204	23,204
<b>2003 Maintenance Changes:</b>			
1. Enrollment and Workload Adjustments	0.0	-9	-9
Total Maintenance Changes	0.0	-9	-9
2001-03 Revised Appropriations	0.0	23,195	23,195
Difference from 2001-03 Appropriations	0.0	-9	-9
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%

*Comments:*

**1. Enrollment and Workload Adjustments** - The funding to complete the final block grant allocations is reduced by \$9,000 due to lower than expected final enrollments for the 2001-02 school year.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	380,813	381,004
<b>2003 Maintenance Changes:</b>			
1. Enrollment and Workload Adjustments	0.0	899	954
Total Maintenance Changes	0.0	899	954
2001-03 Revised Appropriations	0.0	381,712	381,958
Difference from 2001-03 Appropriations	0.0	899	954
% Change from 2001-03 Appropriations	0.0%	0.2%	0.3%

*Comments:*

**1. Enrollment and Workload Adjustments** - Public school and special education enrollments are greater than expected in the 2002-03 school year, increasing the number of teachers and staff funded by the state. Additionally, the education and experience of certificated instructional staff (staff mix) is also slightly above the levels assumed in the 2002 supplemental budget. Both of these factors raise the cost of providing the health benefit and Initiative 732 cost-of-living increases in the 2002-03 school year. (General Fund-State, General Fund-Federal)

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	73.1	264,158	279,943
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	<u>-0.1</u>	<u>-29</u>	<u>-29</u>
Total Policy Changes	-0.1	-29	-29
2001-03 Revised Appropriations	73.0	264,129	279,914
Difference from 2001-03 Appropriations	-0.1	-29	-29
% Change from 2001-03 Appropriations	0.0%	0.0%	0.0%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	132.0	15,146	15,378
<b>2003 Policy Changes:</b>			
1. 2003 Supplemental FTE Reduction	-2.8	-53	-53
Total Policy Changes	-2.8	-53	-53
2001-03 Revised Appropriations	129.2	15,093	15,325
Difference from 2001-03 Appropriations	-2.8	-53	-53
% Change from 2001-03 Appropriations	-2.3%	-0.3%	-0.3%

*Comments:*

**1. 2003 Supplemental FTE Reduction** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

**2001-03 Revised Omnibus Operating Budget (2003 Supp)**  
**Work Force Trng & Educ Coord Board**  
(Dollars in Thousands)

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	23.9	3,395	48,881
<b>2003 Policy Changes:</b>			
1. Staff Reduction & Efficiencies	<u>-0.3</u>	<u>-4</u>	<u>-4</u>
Total Policy Changes	-0.3	-4	-4
2001-03 Revised Appropriations	23.6	3,391	48,877
Difference from 2001-03 Appropriations	-0.3	-4	-4
% Change from 2001-03 Appropriations	0.0%	-0.1%	0.0%

*Comments:*

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

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

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

*Comments:*

**1. Acq & Maint Historic Collection** - Funding for acquisition and maintenance of historic collections is reduced by nine percent starting April 2003.

**2. Agency Administration** - Funding for agency administration is reduced by seven percent starting April 2003.

**3. Community Outreach Activities** - Funding for community outreach activities is reduced by ten percent starting April 2003.

**4. Historical Education** - Funding for historical education activities is reduced by fourteen percent starting April 2003.

**5. Museum Op & Facilities Maintenance** - Funding for museum operations and facilities maintenance is reduced by six percent starting April 2003.

**6. State Historical Exhibits** - Funding for state historical exhibits is reduced by seventeen percent starting April 2003.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	24.4	3,163	3,163
<b>2003 Policy Changes:</b>			
1. Maintain Cultural/Art/Hist Collect	0.0	-3	-3
2. Agency Administration	0.0	-8	-8
3. Museum Operations, Maint & Exhibits	0.0	-31	-31
Total Policy Changes	0.0	-42	-42
2001-03 Revised Appropriations	24.4	3,121	3,121
Difference from 2001-03 Appropriations	0.0	-42	-42
% Change from 2001-03 Appropriations	0.0%	-1.3%	-1.3%

*Comments:*

**1. Maintain Cultural/Art/Hist Collect** - Funding for maintenance of historic collections is reduced by six percent starting April 2003.

**2. Agency Administration** - Funding for agency administration is reduced by six percent starting April 2003.

**3. Museum Operations, Maint & Exhibits** - Funding for museum operations, maintenance, and exhibits is reduced by ten percent starting April 2003.

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	1,251,110	1,432,580
<b>2003 Maintenance Changes:</b>			
1. Supplemental 2003	<u>0.0</u>	<u>-40,040</u>	<u>-49,638</u>
Total Maintenance Changes	0.0	-40,040	-49,638
2001-03 Revised Appropriations	0.0	1,211,070	1,382,942
Difference from 2001-03 Appropriations	0.0	-40,040	-49,638
% Change from 2001-03 Appropriations	0.0%	-3.2%	-3.5%

*Comments:*

**1. Supplemental 2003** - Savings are achieved in debt service due to lower interest rates. (General Fund-State and various other funds)

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	0.0	107,369	204,773
<b>2003 Policy Changes:</b>			
1. FTE Reduction Contingency Pool	0.0	1,000	1,000
2. Liability Account	0.0	3,000	3,000
3. Reduce Travel, Equipment, Contracts	0.0	-6,000	-12,000
4. Emergency Travel, Equipment, etc.	0.0	1,000	2,000
Total Policy Changes	0.0	-1,000	-6,000
2001-03 Revised Appropriations	0.0	106,369	198,773
Difference from 2001-03 Appropriations	0.0	-1,000	-6,000
% Change from 2001-03 Appropriations	0.0%	-0.9%	-2.9%

*Comments:*

**1. FTE Reduction Contingency Pool** - Funding is reduced in state agencies to reflect reduced employment levels in those agencies. Up to \$1 million is provided for assistance to state agencies that are unable to effectively absorb the FTE reductions made in the 2003 supplemental budget.

**2. Liability Account** - Additional funding is provided to cover settlement costs anticipated by the end of the 2001-03 biennium.

**3. Reduce Travel, Equipment, Contracts** - State agency expenditures for discretionary travel, equipment, and personal service contracts are reduced by \$5 million. A portion of these savings is appropriated to the Governor for emergency allocation to state agencies to address critical needs (see next item).

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

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

	FTE-FY2	As Passed Legislature GF-S	Total
2001-03 Appropriations	0.0	274	279
<b>2003 Maintenance Changes:</b>			
1. Self-Defense Claims	0.0	33	33
2. State Employee Death Benefit	0.0	450	450
3. Deer and Elk Damage Claims	0.0	0	16
4. RCW 27.44.040(1) Claims	0.0	7	7
Total Maintenance Changes	0.0	490	506
2001-03 Revised Appropriations	0.0	764	785
Difference from 2001-03 Appropriations	0.0	490	506
% Change from 2001-03 Appropriations	0.0%	178.8%	181.4%

*Comments:*

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

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

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

**4. RCW 27.44.040(1) Claims** - Payment is made for a claim arising pursuant to RCW 27.44.040(1) (Indian graves).

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

	<b>FTE-FY2</b>	<b>As Passed Legislature GF-S</b>	<b>Total</b>
2001-03 Appropriations	0.0	44,145	44,145
<b>2003 Policy Changes:</b>			
1.    FY 2003 Spending Level	<u>0.0</u>	<u>232</u>	<u>232</u>
Total Policy Changes	0.0	232	232
2001-03 Revised Appropriations	0.0	44,377	44,377
Difference from 2001-03 Appropriations	0.0	232	232
% Change from 2001-03 Appropriations	0.0%	0.5%	0.5%

*Comments:*

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