



# PROPOSED SENATE 2012 SUPPLEMENTAL OPERATING BUDGET

## OVERVIEW

# SENATE CHAIR

**SENATE WAYS & MEANS COMMITTEE  
FEBRUARY 28, 2012**



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# **THE 2012 SUPPLEMENTAL BUDGET PROBLEM**

## **STATE FISCAL PICTURE FOR 2012**

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

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

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

In February 2012, the Legislature received some relief as the revenue and caseload forecasts came in better than previously estimated. Combined, the revised projections lowered the budget problem by \$425 million. Based on the assumptions used in the development of the Senate proposed 2012 supplemental operating budget, including leaving \$369 million in reserves, the remaining budget problem was estimated at approximately \$1 billion.

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

The Senate’s proposed budget solves this remaining budget problem by a variety of actions including: (1) making \$356 million in spending reductions while making no additional reductions in K-12 or higher education; (2) reducing distributions to local governments by \$71 million; (3) generating a net increase of \$31 million in additional revenue, which includes limiting the Business & Occupation (B&O) tax deduction for first mortgages and modifying the sales tax exemption for renewable energy equipment; (4) redirecting \$71 million in solid waste tax revenues to the general fund; (5) saving \$330 million by changing the timing of K-12 apportionment payments to school districts; and (6) keeping an estimated \$160 million in agency reversions during 2011-13 biennium in the general fund rather than distributing them to other accounts.

## **MAKING THE BUDGET SUSTAINABLE**

The actions taken in the Senate budget recognize the fiscal reality that necessitates making additional reductions in state services and programs. Under the Senate Chair’s proposal, for the first time in a number of years, the amount of spending is brought in line with available revenue in fiscal year 2013. At the same time, the Senate’s approach is to use the fiscal downturn as an opportunity to put the state on more sound fiscal footing. While some of these initiatives will have an immediate impact on the state budget, many of these efforts are designed to make for more sustainable state budgeting in the future.

These initiatives include: (1) Engrossed Senate Joint Resolution 8222 which would require 4-year balanced budgeting; (2) moving towards a more consolidated purchasing of employee health benefits which could potentially allow the state and local school districts to achieve savings after it is implemented in 2014; (3) legislation that achieves more one-time savings from changing the timing of K-12 apportionment payments but also includes provisions that provide greater budgetary flexibility with respect to Initiative 728 per student distributions; (4) Substitute Senate Bill 6088 (intent & expiration for tax preferences) requires expiration dates and legislative intent to review all tax preferences; (5) Engrossed Substitute Senate Bill 6345 (restructuring state government) which creates a commission to identify further efficiencies and savings in state services; (5) Engrossed Substitute Senate Bill 6204 (community supervision) which will implement a structured community supervision violation process and reinvest a portion of the savings in evidenced-based programming and treatment for offenders based on risk level; and (6) reducing and reforming the funding of certain centralized state services.

**Near General Fund-State and Opp Pathways  
Including December 2011 Actions  
(Dollars in Millions)**

	<b>2011-13</b>
<b>Beginning Balance</b>	<b>(60.4)</b>
 <b>Revenue</b>	
November Forecast	30,568.7
February Forecast Update	86.8
HB 2169 (Unclaimed Property)	50.6
<i>Revenue Legislation &amp; Budget Driven Revenue</i>	30.7
<b>Total Revenue</b>	<b>30,736.8</b>
 <b>Other Resource Changes</b>	
Transfers To The Budget Stabilization Account	(264.8)
Use of Budget Stabilization Account	-
Other Previously Enacted Fund Transfers & Adjustments	244.1
Transfers in SHB 2058 (Dec 2011)	106.2
<i>Solid Waste Tax/Jobs Package Impacts</i>	70.7
<i>Reduced Local Govt Distributions</i>	70.9
<i>2012 Fund Transfers</i>	14.7
<b>Other Resource Changes</b>	<b>241.7</b>
<b>Total Resources</b>	<b>30,918.1</b>
 <b>Spending</b>	
Previously Enacted Appropriations	<b>32,200.0</b>
2012 Early Action (SHB 2058 - Dec 2011)	(322.9)
2012 Maintenance Level Changes	(337.9)
2012 Policy Level Changes	(565.1)
2012 Estimated NGFS Reversions(FYs 12 and 13)	(160.0)
<b>Total Spending</b>	<b>30,814.1</b>
 <b>Ending Balance &amp; Reserves</b>	
Unrestricted Ending Fund Balance	104.0
Budget Stabilization Account Balance	265.3
<b>Total Reserves</b>	<b>369.3</b>

# FUNCTIONAL AREAS OF GOVERNMENT

## EMPLOYEE COMPENSATION

### MAJOR SAVINGS

#### **LEOFF PLAN 1 & PLAN 2 MERGER - \$74.2 MILLION GENERAL FUND-STATE SAVINGS**

Savings are achieved through the suspension of state contributions to the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) for the remainder of the 2011-13 fiscal biennium under the provisions of Senate Bill 6563 (LEOFF plans 1 and 2 merger) which merges LEOFF Plan 1 and LEOFF Plan 2. Member benefits, including benefits provided to LEOFF Plan 1 members through local disability boards, are not affected by the merger.

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

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

### MAJOR INCREASES

#### **SCHOOL EMPLOYEE BENEFITS BOARD - \$12.4 MILLION GENERAL FUND-STATE**

Funding is provided for startup costs for a new School Employees' Benefits Board (SEBB) program within the Health Care Authority. The SEBB will provide centralized purchasing of health benefits for school employees throughout the state beginning January 1, 2014. Self-insured school districts will be allowed to opt out provided that they provide comparable benefits at a cost no greater than that paid by districts participating in the SEBB program and provide additional data that allows the SEBB to confirm this.

## K-12 PUBLIC SCHOOLS

### MAJOR INCREASES

#### **K-3 CLASS SIZE FUNDING - \$32.3 MILLION EDUCATION LEGACY TRUST ACCOUNT-STATE**

The budget funds lower class sizes in grades K-3 in high-poverty schools. Class sizes are reduced from the current 24.10 students per class to 22.53. The education reforms being phased in under chapter 548, Laws of 2009 (education, generally) include, among other changes, enhanced state funding for specific K-12 programs — one of which is smaller class sizes for lower grades, starting with high-poverty schools. The baseline funding level for grades K-3 was 25.23 students per class; the target class size under the education reform plan, to be funded by school year 2017-18 is 17.00. The increased funding is provided to schools that have free and reduced-price lunch eligible student populations exceeding 50 percent.

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

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



## HIGHER EDUCATION

### MAJOR INCREASES

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

Funds are provided pursuant to Engrossed Second Substitute Senate Bill 6232 (higher education coordination), which creates the Student Achievement Council to replace the Higher Education Coordinating Board to set goals for increasing the educational attainment in Washington State and to monitor progress toward meeting those goals.

## EARLY LEARNING

### MAJOR SAVINGS

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

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

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

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

## LOW-INCOME MEDICAL ASSISTANCE

### MAJOR SAVINGS

#### **CRITICAL ACCESS HOSPITAL RATES - \$11.2 MILLION GENERAL FUND-STATE SAVINGS, \$11.2 MILLION OTHER FUND SAVINGS**

Medicaid payment rates for critical access hospital inpatient services are reduced by approximately 10 percent effective June 1, 2012. Additionally, the criteria for designation as a "critical access hospital" under the state Medicaid program are changed effective June 1 to require that hospitals be at least 25 miles distant from a standard acute care hospital in order to fully qualify as "critical access." This is expected to result in 9 of the 40 hospitals no longer qualifying as "critical access" for purposes of state Medicaid reimbursement. To assist these hospitals transition from full critical access status, funds are provided for them to receive a 25 percent enhancement to the standard inpatient and outpatient payment rates through the end of the 2011-13 biennium.

#### **HOSPITAL INDIGENT ASSISTANCE GRANTS - \$8.7 MILLION GENERAL FUND-STATE SAVINGS, \$8.7 MILLION OTHER FUND SAVINGS**

The state/federal grant program that assists approximately 50 urban and rural hospitals with the cost of uncompensated care is reduced by two-thirds.

**ADMINISTRATIVE REDUCTIONS - \$6.7 MILLION GENERAL FUND-STATE SAVINGS, \$4.9 MILLION OTHER FUND SAVINGS**

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

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

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

**MAJOR INCREASES**

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

Consistent with policy established in the 2011-13 biennial budget, state medical assistance programs will no longer pay for treatment of non-emergency conditions in hospital emergency rooms. Because hospitals have a responsibility to screen patients to determine whether their condition is emergent and to refer them to appropriate primary care providers if it is not, funds are provided to reimburse them for this service.

**LONG TERM CARE, DEVELOPMENTAL DISABILITIES**

**MAJOR SAVINGS**

**NURSING HOME SAFETY NET ASSESSMENT - \$15.8 MILLION GENERAL FUND-STATE SAVINGS, \$24.7 MILLION OTHER FUND INCREASE**

The nursing facility safety net assessment is increased to the federal maximum and the resulting increase in revenue is used to provide state general fund savings. In addition, the nursing facility rate methodology for low-acuity clients and the low-wage worker add-on is eliminated. The net reduction is \$3.1 million in state resources.

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

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

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

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

**COPEs WAIVER RATE OF GROWTH SAVINGS-\$2.9 MILLION GENERAL FUND-STATE SAVINGS, \$2.9 MILLION OTHER FUND SAVINGS**

The fiscal year 2013 forecasted rate of growth in COPEs waiver caseload is reduced. Currently the number of COPEs waiver clients is projected to grow by five percent in fiscal year 13. This item would reduce that rate of growth to 4 percent. The department is instructed to prioritize waiver admissions to serve clients in the least restrictive setting without impacting nursing home census.

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

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

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

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

**ADULT FAMILY HOME LICENSE FEES - \$1.3 MILLION GENERAL FUND-STATE SAVINGS, \$1.1 MILLION OTHER FUND SAVINGS**

Annual license fees for adult family homes are increased to \$370 per bed so that the licensure, inspection and enforcement program costs are fully paid by the industry.

**MAJOR INCREASES**

**INITIATIVE 1163 IMPLEMENTATION - \$16.6 MILLION GENERAL FUND-STATE INCREASE, \$30 MILLION OTHER FUND INCREASE**

Funding is provided to implement the enhanced training, background check, and certification requirements of Initiative 1163. The funding is provided for worker wages while they attend training and training trust contributions are increased from \$0.17 per hour of paid work to \$0.22 per hour of paid work.

**CLOSE WESTERN STATE HOSPITAL WARDS - \$2.0 MILLION GENERAL FUND-STATE INCREASE, \$2.0 MILLION OTHER FUND INCREASE**

Two wards at Western State Hospital will be closed during the course of FY 2013 and the residents will be placed in community long-term care facilities. Because the residents suffer from cognitive dementias so severe that they are thought inappropriate for inpatient psychiatric care, the wards have been ineligible for federal and private insurance funding since 2008.

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

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

**MEDICAID PERSONAL CARE RESTRUCTURE - \$1.5 MILLION GENERAL FUND STATE INCREASE, \$1.5 MILLION OTHER FUND INCREASE**

Funding is provided to facilitate the restructure of the Medicaid Personal Care program to per-client individualized budgets, pursuant to Senate Bill 6609 (Medicaid personal care). Restructuring the program in this manner will provide increased client flexibility to utilize their authorized budget to best meet their needs.

## **MENTAL HEALTH**

### **MAJOR SAVINGS**

#### **COMMUNITY MEDICAID FUNDING - \$3.3 MILLION GENERAL FUND-STATE SAVINGS, \$3.2 MILLION OTHER FUND SAVINGS**

The managed care payments that the state's 13 Regional Support Networks (RSNs) receive to provide mental health services to children and adults covered by the state Medicaid program are reduced by an average of 1.8 percent, with a maximum reduction of 3 percent to any RSN.

#### **COMMUNITY NON-MEDICAID FUNDING - \$1.4 MILLION GENERAL FUND-STATE SAVINGS**

The "state-only" funding provided to RSNs for services and individuals not eligible for the federal Medicaid program is reduced by 1.1 percent. RSNs are to prioritize use of the remaining funds for crisis response, involuntary commitment, emergency hospitalization, and residential support services.

#### **WESTERN STATE HOSPITAL DEMENTIA WARD CLOSURES - \$1.9 MILLION GENERAL FUND-STATE SAVINGS, \$2.0 MILLION OTHER FUND INCREASE**

Two wards at Western State Hospital will close in October 2012 and February 2013 after the residents have been relocated to adult family homes, nursing facilities, and other long-term care programs appropriate to these residents' needs. Because the residents suffer from cognitive dementia so severe that they are thought inappropriate for inpatient psychiatric care, the wards have been ineligible for federal and private insurance funding since 2008.

#### **OPTIONAL WAIVER SERVICES - \$1.2 MILLION GENERAL FUND-STATE SAVINGS, \$1.4 MILLION OTHER FUND SAVINGS**

Under the terms of the state's federal Medicaid waiver, some individual RSNs have been able to earn federal Medicaid matching funds to provide supported employment, clubhouse, and/or respite care services that are not typically covered by Medicaid. The federal government has recently adopted the position that such services must be funded and available in all RSN areas in order for Medicaid to fund them anywhere. Because state funds are not presently available to provide the services statewide, Medicaid funding for them is discontinued effective July 1, 2012. Individual RSNs may continue to provide these services with state-only, local, or federal block grant funds to the extent those are available.

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

### **MAJOR SAVINGS**

#### **CASELOAD SAVINGS AND UNDER EXPENDITURES IN TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) AND CHILD CARE - \$54 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Caseloads in TANF and the Working Connections Child Care (WCCC) programs came in significantly under projections in the February forecast resulting in \$108.5 million in savings. There was an additional \$15 million savings from other under expenditures including a delay in implementing an electronic attendance system for child care programs. These savings are currently contained with the TANF box, which contains a mix of state and federal block grant funding aimed at providing benefits to low income families. The Senate proposes to use a portion of these savings to provide child care to families making up to 200 percent of the federal poverty level, increase the TANF grants by 15 percent, and additional policy items. The Senate budget

proposes to increase legislative oversight of and involvement in these programs while maintaining critical flexibility for the executive branch.

**HOUSING AND ESSENTIAL NEEDS UNDER SPENDING -- \$10.4 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Last session, the Legislature created the Housing and Essential Needs program administered by the Department of Commerce. The program was created out of the former Disability Lifeline-Cash program in the Economic Services Administration. Probably due to uncertainty, spending has been less than projected since the new program was initiated in November 2011. This item captures savings through April 1, 2012. Full funding of the program is assumed after this date.

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

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

## **CHILDREN'S ADMINISTRATION**

### **MAJOR SAVINGS**

**REDUCTIONS TO SERVICES - \$9.9 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Funding is reduced to reflect a variety of cost savings measures including preventing overpayments, contract efficiencies, and reviews of child care costs for foster children. Savings are also achieved through reductions to evaluation and treatment, training, and reductions in adoption costs. Costs for programs offering treatment to foster care children are held to fiscal year 2011 levels.

### **MAJOR INCREASES**

**FAMILY ASSESSMENTS - \$1.0 MILLION NEAR GENERAL FUND-STATE**

Engrossed Substitute Senate Bill 6555 directs Children's Administration to implement a family assessment response, which would have some families accused of child abuse complete a family assessment and be offered voluntary services. This would be an alternative to a full investigation with findings. Funding is provided to implement this effort.

## **CORRECTIONS & OTHER CRIMINAL JUSTICE**

### **MAJOR SAVINGS**

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

Pursuant to Engrossed Substitute Senate Bill 6204 (community supervision), the Department of Corrections will implement a structured community supervision violation process that will reduce the demand for rental jail beds, saving \$21.5 million. \$6.4 million of this savings is reinvested into a supervision model that includes additional programming and treatment for offenders based on an offender's assessed risk level and treatment needs.

**HOSPITAL RATES - \$3.2 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Savings are achieved from Substitute Senate Bill 6531 (incarcerated offenders), which requires hospitals to charge the Department of Corrections the Medicaid rate when an offender receives inpatient services.

**ADMINISTRATIVE COSTS/VACANCIES - \$7.2 MILLION NEAR GENERAL FUND-STATE SAVINGS**

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

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

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

**MAJOR INCREASES**

**CRIME VICTIM SERVICES - \$4 MILLION CRIME VICTIM SERVICES ACCOUNT**

Funding is provided for programs administered by the Office of Crime Victims Advocacy (OCVA), including sexual assault, victims of crime, victim witness and domestic violence legal advocacy. Substitute Senate Bill 6389 (crime victims' service account) establishes the crime victims services account and generates revenue for the OCVA programs through a \$10 increase in traffic infractions.

**PRISON SAFETY AND RADIOS - \$2 MILLION NEAR GENERAL FUND-STATE INCREASE**

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

**DEPARTMENT OF HEALTH**

**MAJOR SAVINGS**

**ENVIRONMENTAL HEALTH RISK PREVENTION - \$1.0 MILLION GENERAL FUND-STATE SAVINGS**

An overall reduction of 6 percent is achieved in the Environmental Health Division within the Department of Health (DOH). Wastewater and water protection programs are reduced by 10 percent resulting in decreased support for large and small on-site sewage systems and elimination of DOH's participation in the Puget Sound Assessment and Monitoring Program. Drinking water programs, zoonotic surveillance, and the Public Health Laboratories are all reduced by 5 percent.

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

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

## MAJOR INCREASES

**TOBACCO QUITLINE - \$1.7 MILLION TOBACCO PREVENTION AND CONTROL ACCOUNT**  
Funding is provided in fiscal year 2013 for the Tobacco Quitline. In the 2009-11 biennium, funding for the Tobacco Quitline was eliminated which ended services for the uninsured and underinsured.

## NATURAL RESOURCES

### MAJOR SAVINGS

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

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

**ADMINISTRATIVE REDUCTIONS - \$2.6 MILLION GENERAL FUND-STATE**

Administrative spending is reduced across the natural resource agencies. The reductions are largely aimed at the centralized administrative budget unit and thinning of management. Savings are as follows: Department of Ecology, \$644,000; Recreation and Conservation Office, \$107,000; Environmental and Land Use Hearings Office, \$227,000; State Conservation Commission, \$335,000; Department of Fish and Wildlife, \$235,000; Puget Sound Partnership, \$265,000; Department of Natural Resources, \$726,000; and Department of Agriculture, \$71,000.

**USE OF DEDICATED FUNDS - \$12.1 MILLION GENERAL FUND-STATE**

There are several natural resource programs that rely on both General Fund-State and dedicated funds for the same or similar activities. The budget reduces state general fund in those areas where the state general fund is subsidizing activities paid for by dedicated accounts or could be paid for by dedicated accounts and those dedicated accounts have excess fund balance. The major items where dedicated funds are used in lieu of state general fund are: Department of Fish and Wildlife marine enforcement, \$4.6 million; hatchery operations, \$3.1 million; Department of Natural Resources forest and fish support compliance monitoring, \$1 million; and the Department of Ecology's stream gauging, geologic surveys, and investigations, \$1 million.

### MAJOR INCREASES

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

**WOODSTOVE REPLACEMENT - \$2 MILLION STATE TOXICS CONTROL ACCOUNT**  
Funding is provided for the replacement of uncertified solid fuel burning devices for low and middle income families in air quality nonattainment areas under the federal clean air act.

**GEODUCK ENFORCEMENT - \$552,000 AQUATIC LANDS ENHANCEMENT ACCOUNT**  
Funding is provided for increased law enforcement capacity to reduce the occurrence of recent large geoduck poaching and illegal harvest activities.

# GENERAL GOVERNMENT

## MAJOR SAVINGS

### **EFFICIENCIES IN THE USE OF CENTRAL SERVICES - \$4.5 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Pursuant to Senate Bill 6607, the Department of Enterprise Services is directed to develop policies to reduce state agencies' use of cell phones, mailing, and printed materials. Performance audits by the State Auditor have demonstrated significant savings in these areas are achievable. Savings are assumed from the implementation of these policies by state agencies as well as from changes to real estate leasing practices.

### **TRUANCY PETITIONS - \$940,000 NEAR GENERAL FUND-STATE SAVINGS**

Pursuant to Senate Bill 6494 (truancy provisions), savings are achieved by no longer requiring a school district to file truancy petitions for truant students who are 17 years old.



# APPENDIX A



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

*(Dollars in Thousands)*

<b><u>Transfers to General Fund-State</u></b>	<b><u>FY 12</u></b>	<b><u>FY 13</u></b>	<b><u>2011-13</u></b>
Financial Services Regulation Account	3,000	-	3,000
State Treasurer's Service Account	-	3,500	3,500
Coastal Zone Protection Fine Account	500	500	1,000
Waste Reduction & Recycling Account	1,347	1,347	2,694
Flood Control Assistance Account	500	500	1,000
Water Quality Account	-	157	157
Oyster Reserve Land Account	186	186	372
State Nursery Account	250	250	500
<b>Transfers to General Fund-State</b>	<b>5,783</b>	<b>6,440</b>	<b>12,223</b>
<b><u>Transfers from General Fund-State</u></b>			
Reverse Transfer From Education Savings Account*	(22,500)	-	(22,500)
<b>Transfers from General Fund-State</b>	<b>(22,500)</b>	<b>-</b>	<b>(22,500)</b>
<b>GF-S Appropriation to Balance Ed Legacy</b>	<b>-</b>	<b>25,000</b>	<b>25,000</b>
<b>Total</b>	<b>(16,717)</b>	<b>31,440</b>	<b>14,723</b>

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

### Reduced Local Government Distributions

*(Dollars in Thousands)*

<b><u>Total Distributions</u></b>	<b><u>FY 12</u></b>	<b><u>FY 13</u></b>	<b><u>2011-13</u></b>
Liquor Excess Profits	-	41,785	41,785
Liquor Excise Tax	-	29,085	29,085
<b>Total Distributions</b>	<b>-</b>	<b>70,870</b>	<b>70,870</b>

### Solid Waste Tax/Jobs Package Impacts

*(Dollars in Thousands)*

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

\* Reflects 100% of the solid waste tax for FYs 2012 & 2013. Beginning in FY 2014, 85 percent of the solid waste tax will be undedicated.



# APPENDIX B



**2012 Supplemental: Revenue Legislation & Budget Driven Revenue**

*(Dollars in Millions)*

<b>Bill</b>	<b>2011-13</b>	
<b>2012 Revenue Reduction Legislation</b>		
2SSB 5808 Innovative Industries	(5.0)	
SB 6250 Leashold Excise Tax - Port Leases	(5.0)	
ESSB 5978 Medicaid Fraud	(4.9)	
SSB 6073 Narrows Bridge Sales Tax	(4.4)	
E2SSB 5539 Motion pictures	(3.5)	
SB 6159 Dispute Resolution Centers B&O Tax	(0.044)	
<b>2012 Revenue Reduction Legislation</b>	<b>(22.8)</b>	
<b>2012 Revenue Increase Legislation</b>		
SSB 5903 Revenue for K-3 Class Size by Modifying Tax Preferences (Ed Legacy)	32.3	
<b>2012 Revenue Increase Legislation</b>	<b>32.3</b>	
<b>2012 Revenue Legislation Net Change</b>	<b>9.5</b>	
<b>Budget Driven Revenue</b>		
<u>Agency</u>	<u>Other Resource Adjustments</u>	<u>2011-13</u>
State Lottery	Efficiencies & Other Changes (Opp Pathway Acct)	10.0
LCB	Sale of Liquor Distribution Center (50% State Share Only)	7.5
DNR	Forest Development Distribution Impacts	2.0
L & I	Factory Assembled Structures	1.2
Treasurer	Obsolete Funds & Accounts	0.5
<b>Budget Driven Revenue</b>		<b>21.2</b>
<b>Total Net Impact</b>		<b>30.7</b>

**BUDGET DRIVEN REVENUE**

**\$10.0 MILLION OPPORTUNITY PATHWAYS ACCOUNT**

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

**SALE OF THE STATE LIQUOR DISTRIBUTION CENTER - \$7.5 MILLION INCREASE TO GENERAL FUND-STATE**

Pursuant to Initiative 1183, the state will sell the Liquor Control Board’s distribution center in Seattle. The building and the equipment appraises at approximately \$28 million. The Senate is assuming a conservative sales price of \$15 million, with half of the distribution of funds going to the state and half to local governments.

## REVENUE CHANGES

<b>Revenue Bills &amp; Other Revenue Actions</b>		
<i>(dollars in thousands)</i>		
<b>Bill</b>	<b>Title</b>	<b>FY11-13</b>
ESB 5169	Forest Land Compensating Tax	\$0
2SSB 5534	Newspapers B&O Taxation	\$0
E2SSB 5539	Motion Pictures	(\$3,500)
2SSB 5808	Innovative Industries	(\$5,000)
SSB 5903	Revenue for K-3 Class Sizes	\$32,300
ESSB 5978	Medicaid Fraud	(\$4,881)
SSB 5996	Family Members - Current Use Program	\$0
SSB 6073	Tacoma Narrows Bridge Sales Tax Deferral	(\$4,400)
SSB 6088	Intent/Expiration for Tax Preferences	\$0
SB 6159	Dispute Resolution Centers B&O Tax	(\$44)
2SSB 6165	Conservation Futures Taxing Districts	\$0
SB 6250	Leashold Excise Tax - Port Leases	(\$5,000)
SSB 6277	Property Tax Exemptions for Multi-Units	\$0
SSB 6371	Customized Employment Training	\$0
ESSB 6470	Fire Protection Districts	\$0
SB 6571	Sprits Tax Collection Provisions	\$0
SSB 6574	Admissions Taxes	\$0
SSB 6600	Property Tax Exemptions for Certain Nonprofits	\$0
	<b>Total</b>	<b>\$9,475</b>

### **ENCOURAGING ECONOMIC DEVELOPMENT BY EXEMPTING CERTAIN COUNTIES FROM THE FOREST LAND COMPENSATING TAX - NO IMPACT TO GENERAL FUND-STATE**

Engrossed Senate Bill 5169 (encouraging economic development by exempting certain counties from the forest land compensating tax) expands the exemption from payment of compensating tax for property in the Designated Forest Land classification when sold to a governmental entity in a large population county to include counties which border Puget Sound with a population of at least 245,000.

### **NEWSPAPER B&O TAXATION - NO IMPACT TO GENERAL FUND-STATE**

Second Substitute Senate Bill 5534 (newspaper taxation) amends the definition of a newspaper to include the Internet version of printed newspapers and newspaper supplements. The effect of this is to tax advertising revenue from the online versions of newspapers and newspaper supplements at the same rate



as the traditional newspaper. The business and occupation (B&O) tax rate for printing and publishing a newspaper, or both, is increased from 0.2904 percent to 0.365 percent until June 30, 2013, and 0.35 percent thereafter.

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

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

**CONCERNING INNOVATIVE INDUSTRIES FOR ECONOMIC DEVELOPMENT - \$5.0 MILLION GENERAL FUND-STATE DECREASE**

Second Substitute Senate Bill 5808 (concerning innovative industries for economic development) creates a B&O tax credit for donations to certain industrial development organizations that are certified by the Department of Commerce.

**SUPPORTING K-3 CLASS SIZE REDUCTIONS BY MODIFYING TAX PREFERENCES - \$32.3 MILLION GENERAL FUND-STATE INCREASE**

Substitute Senate Bill 5903 (concerning supporting K-3 class size reductions by modifying tax preferences) limits the B&O tax deduction for first mortgage interest deduction to banks located in ten or fewer states and modifies the sales & use tax exemption for renewable energy equipment by removing wind generating machinery and equipment.

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

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

**ALLOWING ADDITIONAL FAMILY MEMBERS' PROPERTY TO BE CONSIDERED UNDER THE SAME OWNERSHIP FOR THE CURRENT USE PROPERTY TAX VALUATION PROGRAM - NO IMPACT TO GENERAL FUND-STATE**

Substitute Senate Bill 5996 (concerning contiguous land under the current use open space property tax programs) adds to the definition of qualifying family members the following: aunts, uncles, nieces, nephews, great-grandchildren, great-grandparents, and other relatives that are lineal descendants of an individual that has held title to the property. This is for the purpose of determining whether multiple contiguous parcels may be added together to total more than 20 acres for the farm and agriculture classification of the current use property tax valuation program.

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

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

**REQUIRING LEGISLATIVE INTENT AND EXPIRATION DATE FOR TAX PREFERENCES - NO IMPACT TO GENERAL FUND-STATE**

Substitute Senate Bill 6088 (strengthening the review of the legislature's goals for tax preferences by requiring that every new tax preference provide an expiration date and statement of legislative intent) requires that any bill introduced which adopts a new tax preference or expands or extends an existing tax preference must include legislative intent provisions that might provide context and/or data for purposes of reviewing the preference. Any bill that is enacted without the legislative intent provisions does not take effect. Further, tax preferences must include a specific expiration date; otherwise, they expire five years after taking effect.

**DISPUTE RESOLUTION CENTERS' B&O TAX DEDUCTION - \$44,000 GENERAL FUND-STATE DECREASE**

Senate Bill 6159 (concerning a B&O tax deduction for amounts received with respect to dispute resolution services) provides a deduction from B&O tax for a Dispute Resolution Center (DRC) organized under chapter 7.75 RCW for amounts received as a contribution from federal, state, or local governments and nonprofit organizations for providing dispute resolution services. A nonprofit organization may deduct from the measure of tax amounts received from federal, state, or local governments for distribution to a DRC.

**AUTHORIZING FLEXIBLE CONSERVATION FUTURES TAXING DISTRICTS - NO IMPACT TO GENERAL FUND-STATE**

Second Substitute Senate Bill 6165 (authorizing flexible conservation futures taxing districts) allows a county to create a flexible conservation futures taxing district to acquire and manage conservation futures in an area less than the entire county, in lieu of imposing a countywide conservation futures levy.

**CLARIFYING THE DEFINITION OF LEASEHOLD INTEREST AT MARINE PORTS- \$5.0 MILLION GENERAL FUND-STATE DECREASE**

Senate Bill 6250 (clarifying the definition of leasehold interest) specifies that leases for preferential use of publicly-owned cargo cranes and other marine port property are not the types of "exclusive use" leases that are subject to the leasehold excise tax.

**ALLOWING CERTAIN UNINCORPORATED AREAS TO QUALIFY FOR THE PROPERTY TAX EXEMPTION FOR MULTIPLE-UNIT DWELLINGS URBAN CENTERS - NO IMPACT TO GENERAL FUND-STATE**

Substitute Senate Bill 6277 (creating authority for counties to exempt from property taxation new and rehabilitated multiple-unit dwellings in certain unincorporated urban centers) extends authority for the multi-unit housing exemption to an urban center where the unincorporated population of a county is at least 350,000 and there are at least 1200 students living on campus at an institute of higher education during the academic year.

**EXTENDING THE CUSTOMIZED EMPLOYMENT TRAINING PROGRAM - NO IMPACT TO GENERAL FUND-STATE**

Substitute Senate Bill 6371 (extending the customized employment training program) extends the customized workforce training program for five more years. Businesses that take advantage of this program receive a B&O tax credit for 50 percent of training expenses.

**AUTHORIZING BENEFIT CHARGES FOR THE ENHANCEMENT OF FIRE PROTECTION SERVICES - NO IMPACT TO GENERAL FUND-STATE**

Engrossed Substitute Senate Bill 6470 (authorizing benefit charges for the enhancement of fire protection services) allows a city or town to fix and impose a benefit charge on personal property and improvements to real property located in the city or town if the city or town is conducting an annexation of, or has annexed since 2006, all or part of a fire protection district for the purposes of enhancing fire protection

services. The imposition of a benefit charge is subject to voter approval by a 60 percent majority of the voters living within the jurisdiction of the city or town.

**STRENGTHENING THE DEPARTMENT OF REVENUE'S ABILITY TO COLLECT SPIRITS TAXES - NO IMPACT TO GENERAL FUND-STATE**

Senate Bill 6571 (strengthening collection of spirits taxes) allows the Department of Revenue (DOR) to request that the Liquor Control Board (LCB) suspend a taxpayer's spirits license and refuse to renew any existing spirits license held by the taxpayer if a taxpayer is more than 30 days delinquent in reporting or remitting spirits taxes. DOR can also request that LCB refuse to issue any new spirits license to the taxpayer.

**AUTHORIZING CERTAIN CITIES TO IMPOSE ADMISSIONS TAXES - NO IMPACT TO GENERAL FUND-STATE**

Substitute Senate Bill 6574 (authorizing certain cities in which stadium and exhibition centers are located to impose admissions taxes in limited circumstances) allows the city of Seattle to collect an admissions tax at Century Link Field during 2012 for college or university games that are played at that location due to the temporary closure of the facility owned by that college or university. This city may impose a maximum admissions tax of 5 percent at these events and the county may not impose an admissions tax at these events.

**CONCERNING PROPERTY TAX EXEMPTIONS FOR CERTAIN NONPROFITS - NO IMPACT TO GENERAL FUND-STATE**

Substitute Senate Bill 6600 (extending property tax exemptions to property used exclusively by certain nonprofit organizations that is leased from an entity that acquired the property from a previously exempt nonprofit organization) provides a property tax exemption for property leased to an organization which uses the property for currently exempt social service if the property is owned by organization that otherwise would not qualify for an exemption, under certain circumstances. The benefits of the exemption must be passed on to the user of the property.



# APPENDIX C



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

(Dollars in Thousands)

	<b>Sen Chair Proposed</b>	<b>SHB 2127</b>	<b>Difference</b>
<b><i>Employee Compensation</i></b>			
LEOFF Consolidation	-74,184	0	-74,184
Employee Hlth Insurance Rates	-33,124	-33,124	0
SEBB Startup Costs	12,393	0	12,393
<b>Employee Compensation Total</b>	<b>-94,915</b>	<b>-33,124</b>	<b>-61,791</b>
<b><i>K-12 Education</i></b>			
K12 National Board Bonus	0	-8,296	8,296
Math/Science Prof Development	0	-3,473	3,473
Other Savings	0	-1,573	1,573
Beginning Educator Support Team	0	-1,000	1,000
School For Blind & CCDHL	0	-693	693
Urban School Turnaround	0	3,000	-3,000
Other Increases	622	4,848	-4,226
Teacher Evaluation Systems	5,767	0	5,767
K-3 Class Size Reduction	32,300	0	32,300
<b>K-12 Education Total</b>	<b>38,689</b>	<b>-7,187</b>	<b>45,876</b>
<b><i>K-12 Payment Schedule Changes</i></b>			
Apportionment Delay	-330,000	-330,000	0
Levy Equalization Payment Shift	0	-74,841	74,841
<b>K-12 Payment Schedule Changes Total</b>	<b>-330,000</b>	<b>-404,841</b>	<b>74,841</b>
<b><i>Higher Education Institutions</i></b>			
Funding Reduction: CTCs	0	-34,980	34,980
Funding Reduction: Four Year	0	-30,020	30,020
STEM Enrollments (2yr and 4yr)	0	6,400	-6,400
Increase Engineering Degree Production	0	7,600	-7,600
Other Increases	65	131	-66
<b>Higher Education Institutions Total</b>	<b>65</b>	<b>-50,869</b>	<b>50,934</b>
<b><i>Higher Education Financial Aid &amp; Other</i></b>			
State Need Grant	0	-10,000	10,000
Other Increases	100	1,855	-1,755
Student Achievement Council - Financial Aid	1,158	0	1,158
<b>Higher Education Financial Aid &amp; Other Total</b>	<b>1,258</b>	<b>-8,145</b>	<b>9,403</b>
<b><i>Early Learning &amp; Child Care</i></b>			
Other Savings	-2,548	-2,268	-280
Seasonal Child Care Admin	-2,070	-2,070	0
Other Increases	10	0	10
<b>Early Learning &amp; Child Care Total</b>	<b>-4,608</b>	<b>-4,338</b>	<b>-270</b>
<b><i>Health Care</i></b>			
Critical Access Payments	-11,178	-12,632	1,454
Small & Non Rural IA DSH	-8,672	-13,140	4,468
Medicaid False Claims Act	-4,338	0	-4,338

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

(Dollars in Thousands)

	<b>Sen Chair Proposed</b>	<b>SHB 2127</b>	<b>Difference</b>
HCA: Administrative Reduction	-3,623	0	-3,623
Other Savings	-3,090	0	-3,090
Establish State Drug Formulary	-1,768	-1,768	0
DOH: Other Savings	-1,462	-1,652	190
HIV-AIDS Program	0	-1,902	1,902
Affordable Care Act Implementation	0	2,114	-2,114
Provider One Phase 2	0	2,580	-2,580
Other Increases	47	349	-302
ER Screening Payment	1,823	0	1,823
Reimbursement Methods Waiver	4,400	8,805	-4,405
<b>Health Care Total</b>	<b>-27,861</b>	<b>-17,246</b>	<b>-10,615</b>
<b><i>Long Term Care, DD, and Mental Health</i></b>			
DD: Accrued Savings To Date	-17,436	-17,088	-348
LTC: Nursing Home Assessment	-15,774	-15,976	202
MHD: RSN Medicaid	-3,195	-7,859	4,664
LTC: Copes Trend Adjustment	-2,979	0	-2,979
MHD: TBI/Dementia Ward Closure	-1,956	-3,774	1,818
LTC: Family Caregiver Support	-1,769	0	-1,769
LTC: Board Home Rate Reduction	-1,711	-1,176	-535
MHD: RSN Non-Medicaid	-1,400	-10,582	9,182
LTC: AFH Cost Recovery	-1,300	-907	-393
MHD: Other Savings	-1,159	-307	-852
DD: Residential Services	0	-7,375	7,375
DD: Other Savings	0	-2,319	2,319
DD: State Only Employment	0	-1,736	1,736
LTC: Adult Day Health	0	-1,247	1,247
MHD: Other Increases	0	669	-669
LTC/DD: MPC Restructure	1,550	0	1,550
DD: Increased Services	1,587	1,963	-376
I-1163 (Worker Training)	16,627	14,356	2,271
<b>Long Term Care, DD, and Mental Health Total</b>	<b>-28,915</b>	<b>-53,358</b>	<b>24,443</b>
<b><i>JRA, DOC and Criminal Justice</i></b>			
Comm Corrections Changes	-15,168	-17,284	2,116
Administrative Costs/Vacancies	-7,206	0	-7,206
DOC: Hospital Rates & Related Changes	-3,446	-4,657	1,211
Furniture Factory COP	-2,045	0	-2,045
SCC & Related Savings	-1,872	-1,880	8
Other Savings	-848	-1,884	1,036
WSP: Savings	-544	-3,483	2,939
Crime Laboratory Charges	0	-6,109	6,109
DOC: CD Treatment	0	-5,064	5,064
CJTC: Local Govt Cost Sharing	0	-4,602	4,602
JRA: Juvenile Court Funds	0	-2,768	2,768
SCC: McNeil Island Ops	1,530	2,300	-770
DOC: Prison Safety& Radios	2,000	3,113	-1,113
Other Increases	2,325	2,430	-105
<b>JRA, DOC and Criminal Justice Total</b>	<b>-25,274</b>	<b>-39,888</b>	<b>14,614</b>



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

(Dollars in Thousands)

	<b>Sen Chair Proposed</b>	<b>SHB 2127</b>	<b>Difference</b>
<b><i>Other Human Services</i></b>			
TANF/WCCC Savings & Other Changes	-54,000	-77,000	23,000
HEN Under Spending	-10,393	0	-10,393
ESA: Staffing	-8,094	-8,094	0
Childrens: Contracted Services	-6,721	-6,721	0
DL/ADATSA Incapacity Exams	-4,474	-4,474	0
Childrens: Other Savings	-3,175	-4,953	1,778
Other Savings	-1,227	-2,973	1,746
DASA: Other Savings	-188	-9,190	9,002
Childrens: Child Welfare Prgms	0	-2,194	2,194
Crime Victims Comp	0	-979	979
Other Increases	1,240	1,478	-238
Other	0	250	-250
<b>Other Human Services Total</b>	<b>-87,032</b>	<b>-114,850</b>	<b>27,818</b>
<b><i>Natural Resources</i></b>			
DFW: Savings/Shifts	-9,206	-11,079	1,873
DOE: Savings/Shifts	-4,348	-12,852	8,504
DNR: Savings/Shifts	-3,556	-4,125	569
Consv Comm: Savings	-335	-3,177	2,842
PSP: Savings	-265	-128	-137
Other Savings	-215	-263	48
AGRI: Savings/Shifts	-210	-3,266	3,056
RCO: Savings/Shifts	-180	-562	382
DNR: Increases	0	162	-162
DFW: Increases	0	248	-248
DOE: Increases	188	180	8
Other Increases	242	0	242
<b>Natural Resources Total</b>	<b>-17,885</b>	<b>-34,862</b>	<b>16,977</b>
<b><i>All Other</i></b>			
Central Service Billings	-8,219	-4,273	-3,946
Other Savings	-4,511	-6,092	1,581
State Library funding shift	-4,000	0	-4,000
Judicial Agencies: Other Savings	-3,740	-5,928	2,188
Legislative Savings	-2,289	-2,400	111
Truancy Funding	-940	-1,341	401
DCOM: Communities	-629	-2,636	2,007
DCOM: Trade & Econ Dev Svgs	-149	-4,170	4,021
Trial Level Indigent Defense	0	-7,673	7,673
Information Technology	0	-6,517	6,517
Consolidated Tech. Services	0	-4,428	4,428
Judicial Salary Contribution	0	-3,969	3,969
Enterprise Services	0	-3,111	3,111
DCOM: Local Govt	0	-1,220	1,220
DCOM: Homeless Assistance	0	-567	567
Commute Trip Reduction	0	-84	84
ARROW Commission	200	0	200
DCOM: Increases	569	569	0
Adjustment for New Bond Issuance	781	0	781
Other Increases	4,442	1,440	3,002

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

(Dollars in Thousands)

	<b>Sen Chair Proposed</b>	<b>SHB 2127</b>	<b>Difference</b>
Balance Other Accounts	<u>30,150</u>	<u>4,000</u>	<u>26,150</u>
<b>All Other Total</b>	<b>11,665</b>	<b>-48,400</b>	<b>60,065</b>
<b>Grand Total</b>	<b><u><u>-564,813</u></u></b>	<b><u><u>-817,108</u></u></b>	<b><u><u>252,295</u></u></b>