

# Omnibus Appropriations Act - Agency Detail

## DIRECTORY

<b>Agency</b>	<b>Page</b>
Accountancy, State Board of .....	98
Actuary, Office of the State .....	50
Administrator for the Courts, Office of the.....	60
Administrative Hearings, Office of.....	82
African-American Affairs, Washington State Commission on .....	87
Agriculture, Department of.....	185
Arts Commission, Washington State .....	242
Asian-Pacific-American Affairs, Washington State Commission on .....	72
Attorney General, Office of the.....	76
Auditor, Office of the State.....	74
Bond Retirement & Interest .....	249
Caseload Forecast Council .....	108
Central Washington University.....	229
Columbia River Gorge Commission.....	171
Community & Technical College System.....	233
Community, Trade, & Economic Development, Department of .....	78
Conservation Commission, State .....	179
Convention and Trade Center, State.....	107
Corrections, Department of.....	160
Court of Appeals.....	58
Criminal Justice Training Commission, Washington State.....	152
Eastern Washington State Historical Society .....	244
Eastern Washington University.....	228
Ecology, Department of .....	172
Economic & Revenue Forecast Council .....	80
Employee Compensation Adjustments, State .....	251
Employment Security, Department of.....	165
Environmental Hearings Office.....	178

<b>Agency</b>	<b>Page</b>
Financial Institutions, Department of . . . . .	77
Financial Management, Office of . . . . .	81
Fish and Wildlife, Department of . . . . .	180
Forensics Investigation Council . . . . .	99
Gambling Commission, Washington State . . . . .	85
General Administration, Department of . . . . .	95
Governor, Office of the . . . . .	67
Growth Management Hearings Board. . . . .	106
Health, Department of. . . . .	156
Health Care Authority, Washington State. . . . .	147
Health Care Policy Board, Washington . . . . .	155
Higher Education Coordinating Board . . . . .	224
Hispanic Affairs, Washington State Commission on . . . . .	86
Horse Racing Commission, Washington. . . . .	100
House of Representatives . . . . .	46
Human Rights Commission . . . . .	150
Indian Affairs, Governor's Office of. . . . .	71
Indeterminate Sentence Review Board . . . . .	154
Industrial Insurance Appeals, Board of . . . . .	151
Information Services, Department of . . . . .	96
Insurance Commissioner, Office of. . . . .	97
Investment Board, State . . . . .	90
Joint Center for Higher Education . . . . .	231
Joint Legislative Audit & Review Committee. . . . .	48
Joint Legislative Systems Committee . . . . .	51
Judicial Conduct, Commission on. . . . .	59
Labor & Industries, Department of. . . . .	153
Legislative Evaluation & Accountability Program Committee . . . . .	49
Licensing, Department of . . . . .	191
Lieutenant Governor, Office of the . . . . .	68
Liquor Control Board, Washington State . . . . .	101
Lottery Commission, State . . . . .	84
Military Department . . . . .	104
Minority & Women's Business Enterprises, Office of . . . . .	94
Municipal Research Council. . . . .	93

<b>Agency</b>	<b>Page</b>
Natural Resources, Department of . . . . .	183
Outdoor Recreation, Interagency Committee for . . . . .	177
Parks and Recreation Commission, State . . . . .	176
Personnel, Department of . . . . .	83
Personnel Appeals Board . . . . .	88
Pollution Liability Insurance Program, Washington . . . . .	175
Public Defense, Office of . . . . .	62
Public Disclosure Commission . . . . .	69
Public Employment Relations Commission . . . . .	105
Public Schools . . . . .	193
OSPI & Statewide Programs . . . . .	199
General Apportionment . . . . .	201
Pupil Transportation . . . . .	202
School Food Services . . . . .	203
Special Education . . . . .	204
Traffic Safety Education . . . . .	205
Educational Service Districts . . . . .	206
Levy Equalization . . . . .	207
Elementary & Secondary School Improvement . . . . .	208
Institutional Education . . . . .	209
Education of Highly Capable Students . . . . .	210
Education Reform . . . . .	211
Transitional Bilingual Instruction . . . . .	212
Learning Assistance Program (LAP) . . . . .	213
Block Grants . . . . .	214
Compensation Adjustments . . . . .	215
Common School Construction . . . . .	216
Retirement Systems, Contributions to . . . . .	252
Retirement Systems, Department of . . . . .	89
Revenue, Department of . . . . .	91
Salaries for Elected Officials, Citizens' Commission on . . . . .	75
School for the Blind, State . . . . .	238
School for the Deaf, State . . . . .	239
Secretary of State, Office of the . . . . .	70
Senate . . . . .	47

<b>Agency</b>	<b>Page</b>
Sentencing Guidelines Commission .....	164
Services for the Blind, Department of.....	163
Social & Health Services, Department of.....	113
Children & Family Services .....	119
Juvenile Rehabilitation .....	123
Mental Health.....	126
Developmental Disabilities.....	128
Long-Term Care Services .....	131
Economic Services .....	133
Alcohol & Substance Abuse.....	136
Medical Assistance Payments .....	138
Vocational Rehabilitation.....	141
Administration & Supporting Services.....	142
Child Support Services.....	143
Payments to Other Agencies.....	144
Special Appropriations to the Governor .....	250
State Law Library.....	57
State Library.....	241
State Patrol, Washington .....	190
Statute Law Committee .....	52
Supreme Court .....	56
Tax Appeals, Board of .....	92
The Evergreen State College.....	230
Treasurer, Office of the State .....	73
University of Washington.....	225
Utilities and Transportation Commission .....	102
Veterans' Affairs, Department of .....	159
Volunteer Firefighters, Board for .....	103
Washington State Historical Society.....	243
Washington State University.....	227
Western Washington University .....	232
Work Force Training & Education Coordinating Board.....	240

# Legislative

Appropriations to legislative agencies provide carryforward funding for statutory duties, as well as enhancements in selected areas.

Through the House of Representatives and the Senate, funding is provided for the Legislative Ethics Board, including the addition of one full-time staff person. A joint study of higher education financial aid and tuition is provided one-time funding, and continued analysis of local government fiscal data is funded through the Legislative Evaluation and Accountability Program (LEAP) Committee.

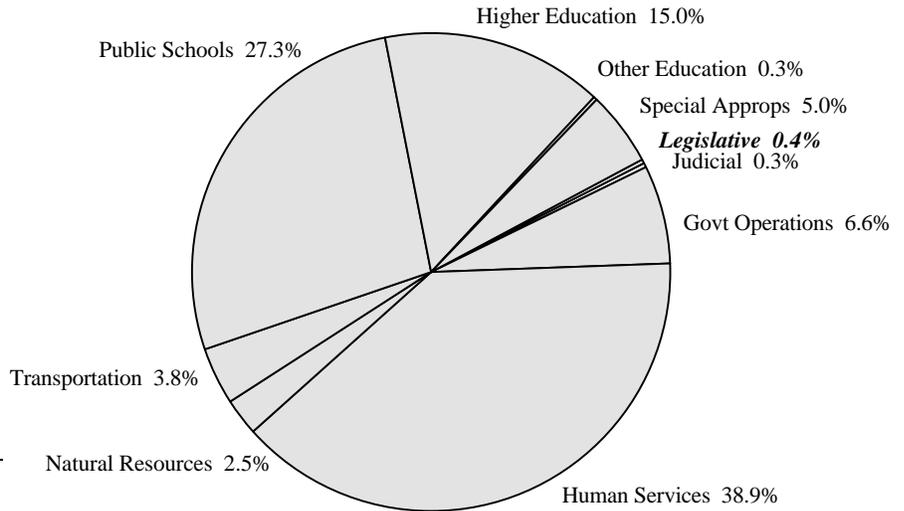
Under the legislative appropriations, the Joint Legislative Systems Committee will coordinate centralized computer purchasing for the House of Representatives, Senate, and Statute Law Committee.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

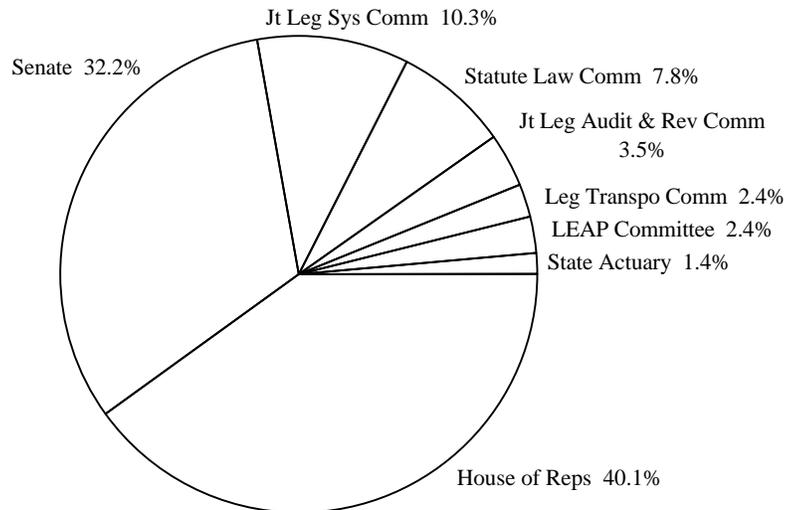
(Dollars in Thousands)

<b>Legislative</b>	<b>124,369</b>
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

House of Representatives	49,853
Senate	39,995
Joint Leg Systems Comm	12,840
Statute Law Committee	9,667
Jt Leg Audit & Rev Comm	4,296
Leg Transportation Comm	3,022
LEAP Committee	3,015
State Actuary	1,681
<b>Legislative</b>	<b>124,369</b>



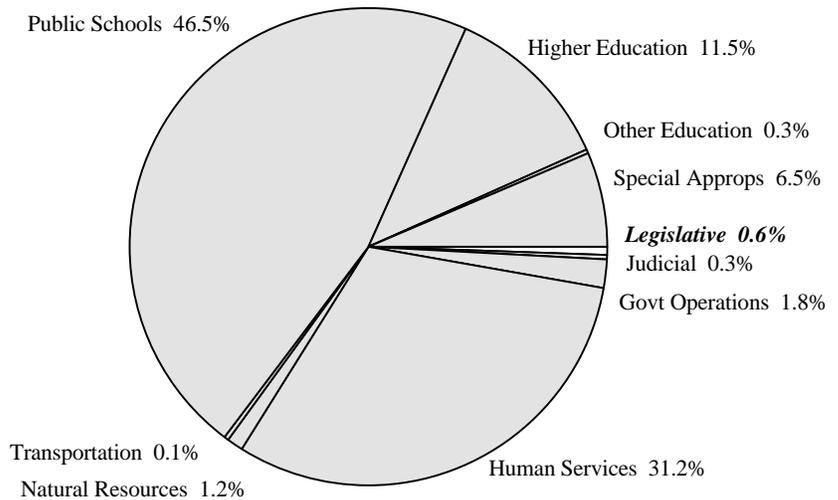
## Legislative

# 1997-99 Washington State Operating Budget

## General Fund - State

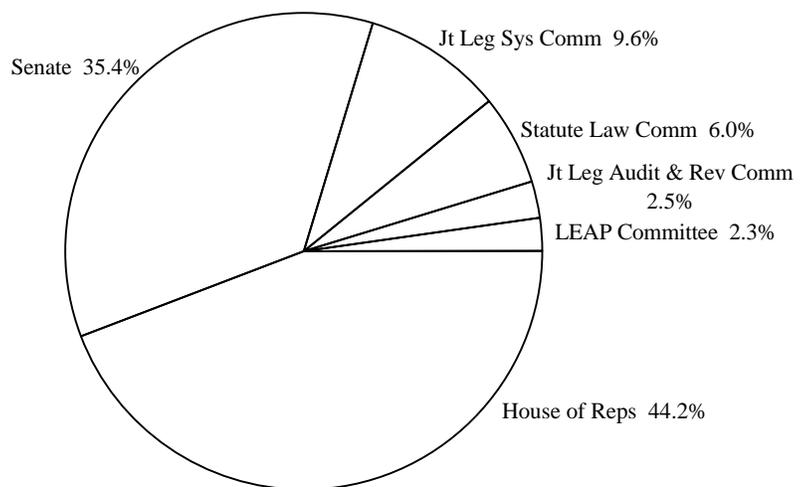
(Dollars in Thousands)

<b>Legislative</b>	<b>112,884</b>
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



### Washington State

House of Representatives	49,853
Senate	39,995
Joint Leg Systems Comm	10,860
Statute Law Committee	6,785
Jt Leg Audit & Rev Comm	2,796
LEAP Committee	2,595
<b>Legislative</b>	<b>112,884</b>



### Legislative

**House of Representatives**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>47,547</b>	<b>15</b>	<b>47,562</b>
<b>1997-99 Maintenance Level</b>	<b>49,303</b>	<b>0</b>	<b>49,303</b>
<b>Policy Items</b>			
1. Equipment	400	0	400
2. Legislative Ethics Board	150	0	150
3. SCR 8408 Water Policy Report	25	0	25
4. Lapse: SCR 8408 Water Policy Rpt	-25	0	-25
<b>Total 1997-99 Biennium</b>	<b>49,853</b>	<b>0</b>	<b>49,853</b>
Fiscal Year 1998 Totals	24,216	0	24,216
Fiscal Year 1999 Totals	25,637	0	25,637

**Comments:**

1. EQUIPMENT - Funding is provided to purchase computer equipment to support the work of the Legislature.
2. LEGISLATIVE ETHICS BOARD - Funding is provided for 0.5 FTE staff and operating expenses for the Legislative Ethics Board. Expenditure decisions of the Board, including employment of staff, shall be independent of the Senate and House of Representatives.
3. SCR 8408 WATER POLICY REPORT - Funds are provided for the purposes of preparing the Water Policy Report under Substitute Senate Concurrent Resolution 8408. (SCR 8408 failed to be enacted, and the funds provided will lapse.)
4. LAPSE: SCR 8408 WATER POLICY RPT - Funds provided for preparation of the water policy report required by SCR 8408 (see Item 3 above) will lapse because SCR 8408 failed to be enacted. (\$25 K General Fund-State)

**Senate**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>36,695</b>	<b>15</b>	<b>36,710</b>
<b>1997-99 Maintenance Level</b>	<b>39,870</b>	<b>0</b>	<b>39,870</b>
<b>Policy Items</b>			
1. Legislative Ethics Board	25	0	25
2. SCR 8408 Water Policy Report	25	0	25
3. Financial Aid/Tuition Study	100	0	100
4. Lapse: SCR 8408 Water Policy Rpt	-25	0	-25
<b>Total 1997-99 Biennium</b>	<b>39,995</b>	<b>0</b>	<b>39,995</b>
Fiscal Year 1998 Totals	19,332	0	19,332
Fiscal Year 1999 Totals	20,663	0	20,663

**Comments:**

1. LEGISLATIVE ETHICS BOARD - Funding is provided for 0.5 FTE staff and operating expenses for the Legislative Ethics Board. Expenditure decisions of the Board, including employment of staff, shall be independent of the Senate and House of Representatives.
2. SCR 8408 WATER POLICY REPORT - Funds are provided for the purposes of preparing the Water Policy Report under Substitute Senate Concurrent Resolution 8408. An equal amount of funding is provided by the House of Representatives.
3. FINANCIAL AID/TUITION STUDY - Funding is provided for a study by the Senate and House of Representatives fiscal committees to conduct a study of higher education financial aid and tuition.
4. LAPSE: SCR 8408 WATER POLICY RPT - Funds provided for preparation of the water policy report required by SCR 8408 (see Item 2 above) will lapse because SCR 8408 failed to be enacted. (\$25 K General Fund-State)

**Joint Legislative Audit & Review Committee**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>2,928</b>	<b>0</b>	<b>2,928</b>
<b>1997-99 Maintenance Level</b>	<b>2,796</b>	<b>0</b>	<b>2,796</b>
<b>Policy Items</b>			
1. School District Territory	50	0	50
2. Lapse: School District Territory	-50	0	-50
<b>Total 1997-99 Biennium</b>	<b>2,796</b>	<b>0</b>	<b>2,796</b>
Fiscal Year 1998 Totals	1,371	0	1,371
Fiscal Year 1999 Totals	1,425	0	1,425

**Comments:**

1. SCHOOL DISTRICT TERRITORY - Funding is provided for the implementation of SSB 5071 (School District Territory). The Joint Legislative Audit & Review Committee shall conduct a study on current laws and the State Board of Education's authority governing school district organization.
2. LAPSE: SCHOOL DISTRICT TERRITORY - Funds provided for preparation of the school district territory report required by SSB 5071 (Item 1 above) will lapse because SSB 5071 failed to be enacted.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Joint Legislative Audit & Review Committee's budget is shown in the Transportation Budget section of this document.

## Legislative Evaluation & Accountability Program Committee

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>2,324</b>	<b>0</b>	<b>2,324</b>
<b>1997-99 Maintenance Level</b>	<b>2,324</b>	<b>0</b>	<b>2,324</b>
<b>Policy Items</b>			
1. Non-classified Staff Adjustments	149	0	149
2. System Productivity Gains	-145	0	-145
3. Advanced Technical Training	14	0	14
4. Client Workstations/Servers	53	0	53
5. Local Government Fiscal Analysis	200	0	200
<b>Total 1997-99 Biennium</b>	<b>2,595</b>	<b>0</b>	<b>2,595</b>
Fiscal Year 1998 Totals	1,263	0	1,263
Fiscal Year 1999 Totals	1,332	0	1,332

**Comments:**

1. NON-CLASSIFIED STAFF ADJUSTMENTS - Funding is provided for merit increments for non-classified staff and a 0.2 FTE staff increase.
2. SYSTEM PRODUCTIVITY GAINS - Funding is reduced for personal services and goods and services as a result of system productivity gains.
3. ADVANCED TECHNICAL TRAINING - Funding is provided for advanced technology training.
4. CLIENT WORKSTATIONS/SERVERS - Funding is provided for improvements to legislative client workstations and servers.
5. LOCAL GOVERNMENT FISCAL ANALYSIS - Funds are provided to continue the work of the LEAP Committee to (1) collect and analyze local government fiscal data, and (2) conduct a one-time examination of state data processing projects funded in the budget, with the objective of improving the Legislature's evaluation and oversight of computer projects.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Legislative Evaluation & Accountability Committee's budget is shown in the Transportation Budget section of this document.

## Office of the State Actuary

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>1,573</b>	<b>1,573</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>1,627</b>	<b>1,627</b>
<b>Policy Items</b>			
1. JCPP Meeting Costs	0	12	12
2. Increase Staff to Full-Time	0	14	14
3. Computer Replacement	0	20	20
4. Enhance Connection to LSC	0	8	8
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>1,681</b>	<b>1,681</b>
Fiscal Year 1998 Totals	0	836	836
Fiscal Year 1999 Totals	0	845	845

**Comments:**

1. JCPP MEETING COSTS - Funding is provided to pay the rental costs of meeting facilities for the Joint Committee on Pension Policy (JCPP), which meets approximately seven times a year in the SeaTac area. The Committee had been using the SeaTac Legislative Office at no charge until its closure in 1995. (Department of Retirement Systems Expense Account-State)
2. INCREASE STAFF TO FULL-TIME - Funding is provided to increase a Word Processing Specialist position from 80 percent to full time. The workload increase is due to duties associated with the Joint Committee on Pension Policy and additional office publications. (Department of Retirement Systems Expense Account-State)
3. COMPUTER REPLACEMENT - Funding is provided to allow the Legislative Service Center (LSC) to replace computers every three years. Being part of LSC's system, the State Actuary needs to replace its computer hardware to have the same computer capability. (Department of Retirement Systems Expense Account-State)
4. ENHANCE CONNECTION TO LSC - Funding is provided to upgrade the current connection to LSC for better processing service (LSC request). (Department of Retirement Systems Expense Account-State)

**Joint Legislative Systems Committee**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>8,900</b>	<b>0</b>	<b>8,900</b>
<b>1997-99 Maintenance Level</b>	<b>9,260</b>	<b>1,869</b>	<b>11,129</b>
<b>Policy Items</b>			
1. Central Purchasing	1,600	0	1,600
<b>Total 1997-99 Biennium</b>	<b>10,860</b>	<b>1,869</b>	<b>12,729</b>
Fiscal Year 1998 Totals	5,430	934	6,364
Fiscal Year 1999 Totals	5,430	935	6,365

**Comments:**

1. CENTRAL PURCHASING - Funding is provided for the Legislative Service Center to operate a central personal computer and software purchasing service for the Legislature. Currently, the Senate, the House of Representatives, and the Statute Law Committee plan for their own acquisitions. The central purchasing service will result in more consistent and coordinated purchases. Equipment and software shall be purchased only at the request of the client agencies.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Joint Legislative Systems Committee's budget is shown in the Transportation Budget section of this document.

**Statute Law Committee**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>6,432</b>	<b>2,662</b>	<b>9,094</b>
<b>1997-99 Maintenance Level</b>	<b>6,893</b>	<b>2,882</b>	<b>9,775</b>
<b>Policy Items</b>			
1. Transfer of Computer Purchasing	-108	0	-108
<b>Total 1997-99 Biennium</b>	<b>6,785</b>	<b>2,882</b>	<b>9,667</b>
Fiscal Year 1998 Totals	3,226	525	3,751
Fiscal Year 1999 Totals	3,559	2,357	5,916

**Comments:**

1. TRANSFER OF COMPUTER PURCHASING - The reduction represents the transfer to the Legislative Systems Committee of the function of purchasing personal computers and related equipment on behalf of the Statute Law Committee. The transfer will facilitate the coordination of legislative computer upgrades.

# Judicial

## **Court of Appeals**

Effective July 1, 1998, \$271,000 from the state general fund is provided for a new Court of Appeals judge position and support staff for Division I, Seattle. Additional funding is also provided for remodeling Division I court facilities in order to accommodate the new judge and staff.

## **Office of the Administrator for the Courts**

The amount of \$12.9 million from the Judicial Information System Account is provided for the continued improvements and upgrades to the Judicial Information System. The computer system which connects 305 courts across the state is used for scheduling cases, recording fines and payments, managing court calendars, and tracking criminal history.

## **Office of Public Defense**

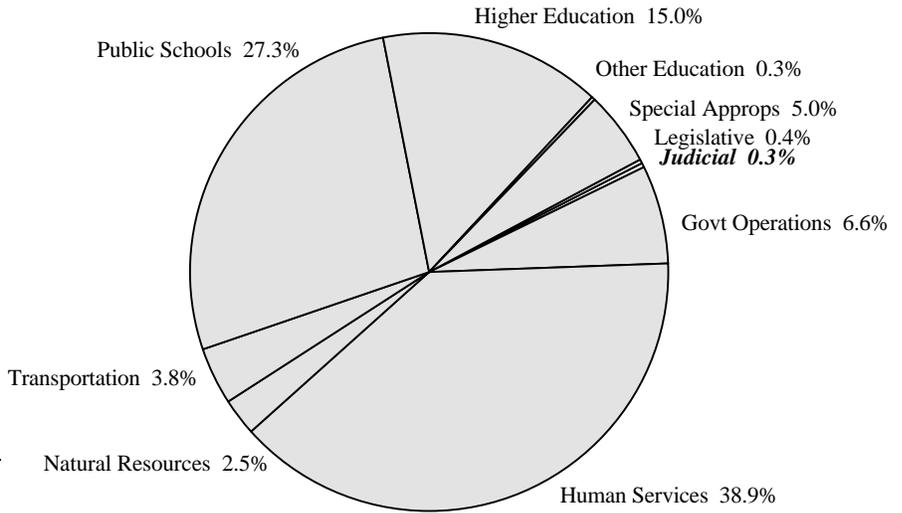
Funding is provided to increase reimbursement for private attorneys providing constitutionally-mandated indigent appellate defense in non-death penalty cases. Reimbursement is increased from \$1,900 per case to \$2,100 per case.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

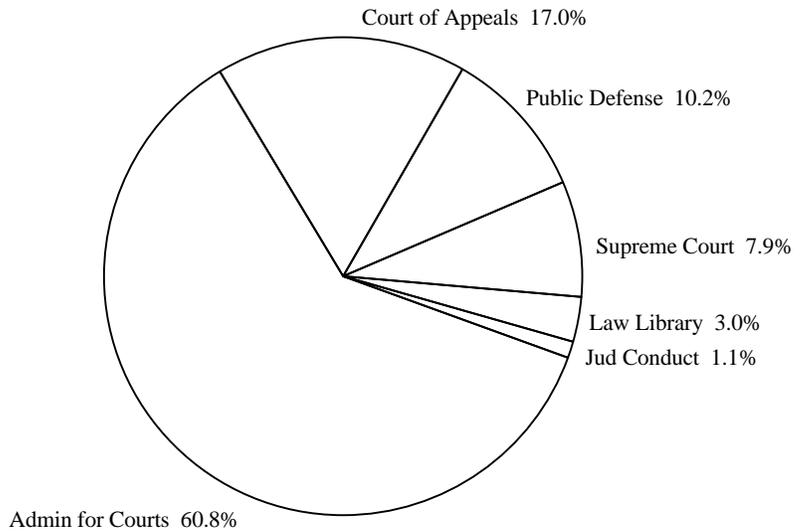
(Dollars in Thousands)

Legislative	124,369
<b>Judicial</b>	<b>119,614</b>
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

Admin for the Courts	72,757
Court of Appeals	20,358
Office of Public Defense	12,187
Supreme Court	9,453
State Law Library	3,554
Judicial Conduct Comm	1,305
<b>Judicial</b>	<b>119,614</b>



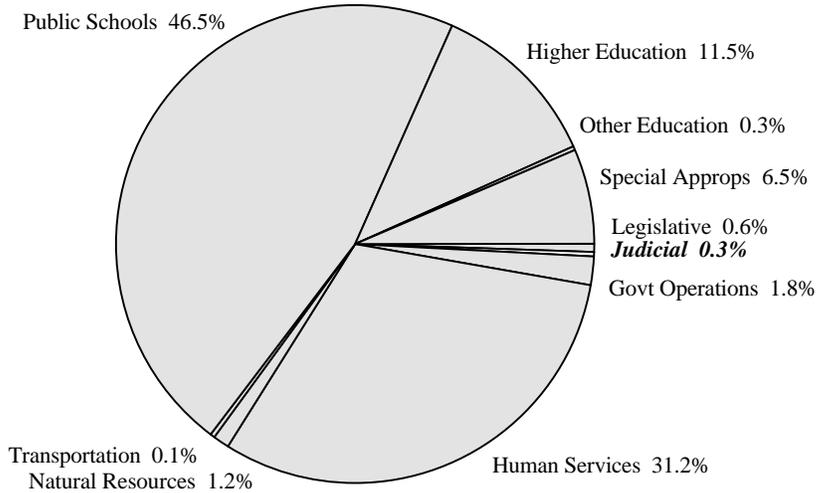
## Judicial

# 1997-99 Washington State Operating Budget

## General Fund - State

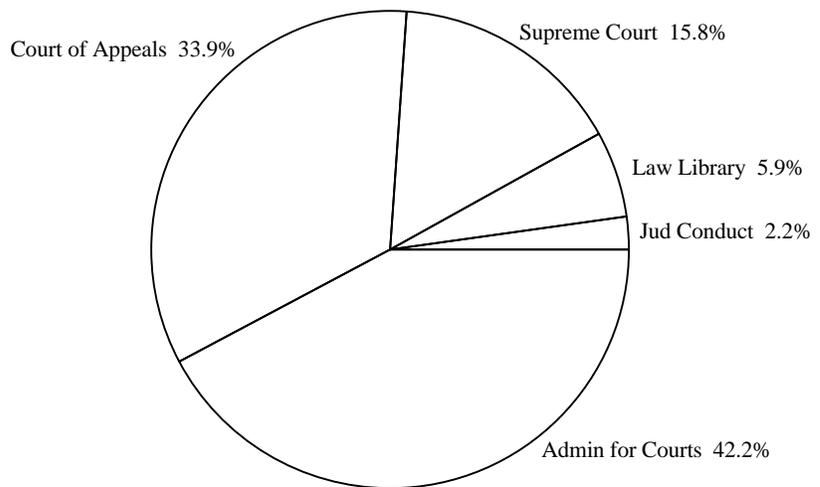
(Dollars in Thousands)

Legislative	112,884
<b>Judicial</b>	<b>59,988</b>
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



## Washington State

Admin for the Courts	25,318
Court of Appeals	20,358
Supreme Court	9,453
State Law Library	3,554
Judicial Conduct Comm	1,305
<b>Judicial</b>	<b>59,988</b>



## Judicial

## Supreme Court

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>8,955</b>	<b>0</b>	<b>8,955</b>
<b>1997-99 Maintenance Level</b>	<b>9,414</b>	<b>0</b>	<b>9,414</b>
<b>Policy Items</b>			
1. Furniture Replacement	51	0	51
2. General Inflation	-12	0	-12
<b>Total 1997-99 Biennium</b>	<b>9,453</b>	<b>0</b>	<b>9,453</b>
Fiscal Year 1998 Totals	4,640	0	4,640
Fiscal Year 1999 Totals	4,813	0	4,813

**Comments:**

1. FURNITURE REPLACEMENT - Provides one-time funding to replace 19 law clerk workstations. The ergonomically-designed workstations will reduce wrist and back injuries and make more efficient use of limited office space.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**State Law Library**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	3,204	0	3,204
1997 Supplemental *	11	0	11
<b>Total 1995-97 Expenditure Authority</b>	<b>3,215</b>	<b>0</b>	<b>3,215</b>
<b>1997-99 Maintenance Level</b>	<b>3,560</b>	<b>0</b>	<b>3,560</b>
<b>Policy Items</b>			
1. General Inflation	-6	0	-6
<b>Total 1997-99 Biennium</b>	<b>3,554</b>	<b>0</b>	<b>3,554</b>
Fiscal Year 1998 Totals	1,769	0	1,769
Fiscal Year 1999 Totals	1,785	0	1,785

**Comments:**

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

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Court of Appeals**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>18,550</b>	<b>0</b>	<b>18,550</b>
<b>1997-99 Maintenance Level</b>	<b>19,692</b>	<b>0</b>	<b>19,692</b>
<b>Policy Items</b>			
1. Pro-Tem Judges -- Division III	10	0	10
2. General Inflation	-105	0	-105
3. One Additional Judge and Support	271	0	271
4. One-Time Remodel and Equipment	490	0	490
<b>Total 1997-99 Biennium</b>	<b>20,358</b>	<b>0</b>	<b>20,358</b>
Fiscal Year 1998 Totals	10,225	0	10,225
Fiscal Year 1999 Totals	10,133	0	10,133

**Comments:**

1. PRO-TEM JUDGES -- DIVISION III - Provides funding for pro-tempore judges for Division III in Spokane to sit on judicial panels when required.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. ONE ADDITIONAL JUDGE AND SUPPORT - Provides funding for one additional judge position in Division I and 3.0 FTE support staff, effective July 1, 1998.
4. ONE-TIME REMODEL AND EQUIPMENT - One-time funding is provided to remodel Division I court facilities. The current space will be reconfigured to accommodate the new judge and staff.

**Commission on Judicial Conduct**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>1,401</b>	<b>0</b>	<b>1,401</b>
<b>1997-99 Maintenance Level</b>	<b>1,266</b>	<b>0</b>	<b>1,266</b>
<b>Policy Items</b>			
1. Preservation of State Records	16	0	16
2. Database Conversion	30	0	30
3. General Inflation	-7	0	-7
<b>Total 1997-99 Biennium</b>	<b>1,305</b>	<b>0</b>	<b>1,305</b>
Fiscal Year 1998 Totals	652	0	652
Fiscal Year 1999 Totals	653	0	653

**Comments:**

1. PRESERVATION OF STATE RECORDS - Provides one-time funding to comply with state laws governing the recovery and preservation of public records in times of an emergency.
2. DATABASE CONVERSION - One-time funding is provided for a software upgrade of the Commissions' database containing all its proceedings and cases.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Office of the Administrator for the Courts

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	23,490	49,714	73,204
1997 Supplemental *	0	4	4
<b>Total 1995-97 Expenditure Authority</b>	<b>23,490</b>	<b>49,718</b>	<b>73,208</b>
<b>1997-99 Maintenance Level</b>	<b>25,125</b>	<b>36,705</b>	<b>61,830</b>
<b>Policy Items</b>			
1. Juvenile Court IS Integration	0	2,612	2,612
2. Appellate Database Integration	0	375	375
3. Appellate Database Rewrite	0	264	264
4. Electronic Documents Study	0	200	200
5. DISCIS Data Entry Feasibility Study	0	60	60
6. Courts Automated Proceeding System	0	548	548
7. JIS Equipment Replacement	0	4,000	4,000
8. Electronic Publication Distribution	0	100	100
9. Automated Pro Se Information	0	188	188
10. JIS DB2 Database Review and Upgrade	0	408	408
11. Juvenile Court IS Backup Data	0	110	110
12. Disaster Recovery Plan	0	960	960
13. Electronic Judicial Order Sharing	0	228	228
14. Misdemeanor Criminal History	0	191	191
15. Expanded Law Agency Access to JIS	0	522	522
16. Seattle Municipal DISCIS Conversion	0	100	100
17. Snohomish Dist. DISCIS Conversion	0	96	96
18. Year 2000 Conversion	0	400	400
19. Court of Appeals LAN Support	0	278	278
20. Transfer Snohomish Diversion	100	-258	-158
21. General Inflation	-142	-648	-790
22. Fund Shift	0	0	0
23. Judicial Program Funding Pool	200	0	200
24. Professional Guardian Study	35	0	35
<b>Total 1997-99 Biennium</b>	<b>25,318</b>	<b>47,439</b>	<b>72,757</b>
Fiscal Year 1998 Totals	12,723	22,766	35,489
Fiscal Year 1999 Totals	12,595	24,673	37,268

**Comments:**

- JUVENILE COURT IS INTEGRATION - Provides one-time funding for programming costs associated with integrating the Juvenile Information System (JUVIS) with the Judicial Information System (JIS) and Year 2000 date compliance. (Judicial Information Systems Account)
- APPELLATE DATABASE INTEGRATION - Provides one-time funding for programming costs associated with integrating the Appellate Court Docketing System (ACORDS) with JIS and Year 2000 date compliance. (Judicial Information Systems Account)
- APPELLATE DATABASE REWRITE - Provides one-time funding to allow ACORDS to migrate from a mainframe computer to a local area network or personal computer environment that will be more reliable and cheaper to maintain. (Judicial Information Systems Account)
- ELECTRONIC DOCUMENTS STUDY - Funds a one-time feasibility study to enable the courts and the Attorney General's Office to file routine court documents electronically with the Court of Appeals and Supreme Court. (Judicial Information Systems Account)
- DISCIS DATA ENTRY FEASIBILITY STUDY - Funds a one-time feasibility study to enable local prosecutors and law enforcement agencies to upload infraction and misdemeanor data from local information systems into the District and Municipal Court Information System (DISCIS). (Judicial Information Systems Account)
- COURTS AUTOMATED PROCEEDING SYSTEM - Funding is provided for the training and installation of the new Courts Automated Proceeding System (CAPS) in 235 courts statewide. This case scheduling system will improve court operations. (Judicial Information Systems Account)
- JIS EQUIPMENT REPLACEMENT - Funding is provided to implement the second phase of the agency's schedule for replacing aging computer equipment in local courts. (Judicial Information Systems Account)
- ELECTRONIC PUBLICATION DISTRIBUTION - One-time funding is provided to enable the Administrator for the Courts to make agency-published manuals available electronically for judges and their staff by establishing access to the manuals via the Judicial Information System network. (Judicial Information Systems Account)
- AUTOMATED PRO SE INFORMATION - Funds a demonstration project to provide pro se litigants (litigants who act as their own attorneys) with electronic forms filing capability and information at courthouses and libraries or through the Internet. Through an automated telephone system, standard forms may also be requested by court facilitators. (Judicial Information Systems Account)

## Office of the Administrator for the Courts

10. JIS DB2 DATABASE REVIEW AND UPGRADE - Provides funding for a review of the Judicial Information System (JIS) database structure to identify changes that will improve response time, ease of system maintenance, and provide 24-hour access. (Judicial Information Systems Account)
11. JUVENILE COURT IS BACKUP DATA - Provides funding for system improvements that permit uninterrupted access to information on juveniles' prior offense histories. (Judicial Information Systems Account)
12. DISASTER RECOVERY PLAN - Provides funding to design and test a disaster recovery/business resumption plan. Employees will be trained in relevant procedures in the event that the centralized JIS computer system becomes inoperable and is unavailable for several days due to a disaster. (Judicial Information Systems Account)
13. ELECTRONIC JUDICIAL ORDER SHARING - Provides one-time funding to establish the capability to electronically transfer judicial orders (warrants or restraining orders) between the courts and other criminal justice agencies. (Judicial Information Systems Account)
14. MISDEMEANOR CRIMINAL HISTORY - One-time funding is provided to create the capacity to store on an indefinite basis misdemeanor and gross-misdemeanor criminal history records. Indefinite storage will help determine whether an offender has remained crime-free long enough to have prior felony convictions disregarded at a future felony sentencing hearing. (Judicial Information Systems Account)
15. EXPANDED LAW AGENCY ACCESS TO JIS - Provides funds for toll-free telephone access to JIS by local law enforcement agencies seeking criminal justice information. (Judicial Information Systems Account)
16. SEATTLE MUNICIPAL DISCIS CONVERSION - Provides funding for a one-time study of the conversion of the Seattle Municipal Court's information system to District Court Information System (DISCIS). (Judicial Information Systems Account)
17. SNOHOMISH DIST. DISCIS CONVERSION - Provides funding for the conversion of the Snohomish County South District Court to DISCIS. The conversion will enable county and state sharing of court information. (Judicial Information Systems Account)
18. YEAR 2000 CONVERSION - Provides funds for the replacement of vendor software that is out of compliance with Year 2000 standards and provides for needed software changes to ensure uninterrupted business operations. (Judicial Information Systems Account)
19. COURT OF APPEALS LAN SUPPORT - Provides funding for staff to provide on-site support for local area networks (LANs) at each Division of the Court of Appeals. (Judicial Information Systems Account)
20. TRANSFER SNOHOMISH DIVERSION - General Fund-State funding is provided for FY 98 for the Snohomish County pre-prosecution diversion program. For FY 99, funding responsibility is transferred to Snohomish County. (General Fund-State, Public Safety and Education Account-State)
21. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
22. FUND SHIFT - Funding in the amount of \$1.4 million for information technology projects is shifted from the Public Safety and Education Account to the Judicial Information Systems Account. (Public Safety and Education Account-State, Judicial Information Systems Account)
23. JUDICIAL PROGRAM FUNDING POOL - Provides for enhancements to judicial programs that will be determined by the Office of the Administrator for the Courts in consultation with the Supreme Court.
24. PROFESSIONAL GUARDIAN STUDY - Provides funding for the Office of the Administrator for the Courts to conduct a study on the implementation of a certification process for professional guardians, pursuant to Chapter 312, Laws of 1997 (ESHB 1771).

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Office of Public Defense**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>5,805</b>	<b>5,805</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>11,499</b>	<b>11,499</b>
<b>Policy Items</b>			
1. Attorney Fees Increase	0	688	688
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>12,187</b>	<b>12,187</b>
Fiscal Year 1998 Totals	0	6,088	6,088
Fiscal Year 1999 Totals	0	6,099	6,099

**Comments:**

1. ATTORNEY FEES INCREASE - Funding is provided to increase reimbursement for private attorneys providing constitutionally mandated indigent appellate defense in non-death penalty cases. Reimbursement is increased from \$1,900 per case to \$2,100 per case. (Public Safety and Education Account-State)

# Governmental Operations

## **Public Disclosure Commission**

An amount of \$430,000 from the state general fund is provided for enhanced public disclosure functions. The use of technology will improve the filing of public disclosure documents and enhance public access via the Internet, fax-on-demand technology, document imaging, and other customer service improvements.

## **Office of the Attorney General**

An amount of \$500,000 from the state general fund and \$500,000 in other funds is provided for selective salary increases for the Attorney General to retain experienced legal staff by providing competitive salaries for Assistant Attorneys General.

Initial funding of \$300,000 from the state general fund is provided for assessment of the public health and the environmental impacts of pollution in the Spokane River basin and determination of potential legal remedies.

## **Department of Community, Trade, and Economic Development**

An additional \$2.0 million is provided for indigent civil legal services. These funds are to be expended in accordance with Chapter 319, Laws of 1997 (ESHB 2276).

The sum of \$500,000 is provided for the Washington Technology Center to increase the number of research and development projects that are conducted in conjunction with private sector partners.

The amount of \$600,000 is provided for three counties to recruit community volunteers to represent the interests of children in dependency proceedings. Funding is also provided for an evaluation of the effectiveness of the Court Appointed Special Advocates (CASA) program in improving outcomes for dependent children.

Legislation enacted during the 1997 session (Chapter 429, Laws of 1997, Partial Veto -- ESB 6094) directs six western Washington counties to analyze whether sufficient land exists within their urban growth areas to provide for both residential and non-residential growth over the next 10 to 20 years. The budget provides \$2 million for grants to local governments to assist them in conducting this analysis. The analysis is to include an inventory of available lands for development and will help determine whether county-wide planning policies are meeting planned residential densities and uses. The counties doing the inventory and analysis are King, Pierce, Snohomish, Clark, Kitsap, and Thurston.

The budget includes approximately \$2.7 million in reductions in a variety of Community, Trade and Economic Development programs, including growth management, international trade programs, business recruitment activities, and administrative functions.

## **Department of General Administration**

To replace diminishing federal food volumes, the amount of \$2 million from the state general fund is provided to continue purchasing food products for the state's food assistance network.

## **Office of the Insurance Commissioner**

An amount of \$600,000 from the Insurance Commissioner's Regulatory Account is provided for increased oversight of life insurance marketing. A recently revised settlement with the Prudential Insurance Company will provide restitution to Washington policyholders, as well as making \$600,000 available to the state for increased regulatory oversight of the marketing practices of Prudential.

**Liquor Control Board**

The amount of \$2.8 million from the state general fund is provided to implement Chapter 420, Laws of 1997, Partial Veto (ESHB 2272), which transfers primary enforcement authority for cigarette and tobacco taxes from the Department of Revenue to the Liquor Control Board. As a result of the transfer, lost revenue due to cigarette and tobacco tax evasion is expected to be substantially reduced.

**Military Department**

During the 1995-97 biennium, Washington State experienced five natural disasters that received Presidential Disaster Declarations. Upon receiving a Presidential Disaster Declaration, the state qualifies for federal disaster assistance through the Federal Emergency Management Agency (FEMA). FEMA provides federal funds for 75 percent of eligible disaster recovery costs, while state and local governments provide the remaining 25 percent as a matching requirement to receive the federal assistance.

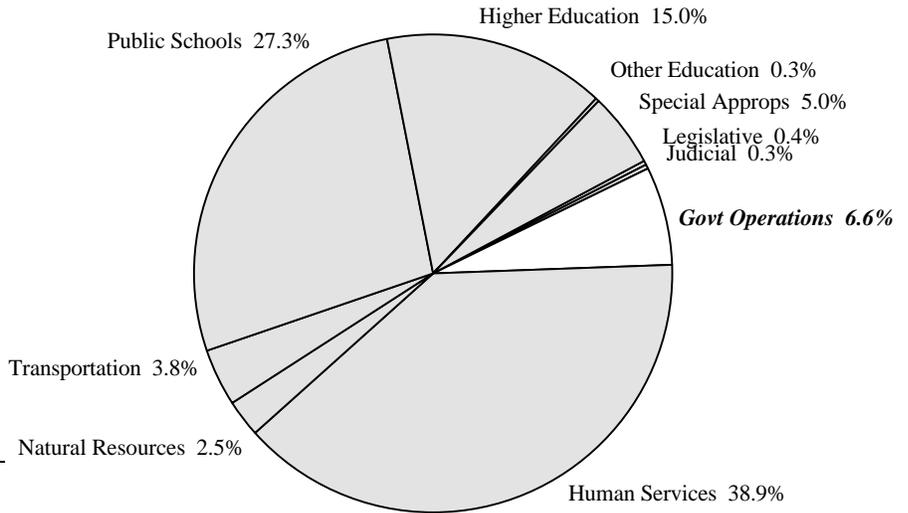
The amounts of \$24 million in state funds and \$95.4 million in federal funds are provided for disaster recovery costs in the 1997-99 biennium. State funding is provided for the local match requirements for the February 1996 floods. In addition, Chapter 251, Laws of 1997 (HB 2267), creates a new Disaster Response Account to provide greater accountability and flexibility in paying for disaster recovery costs.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

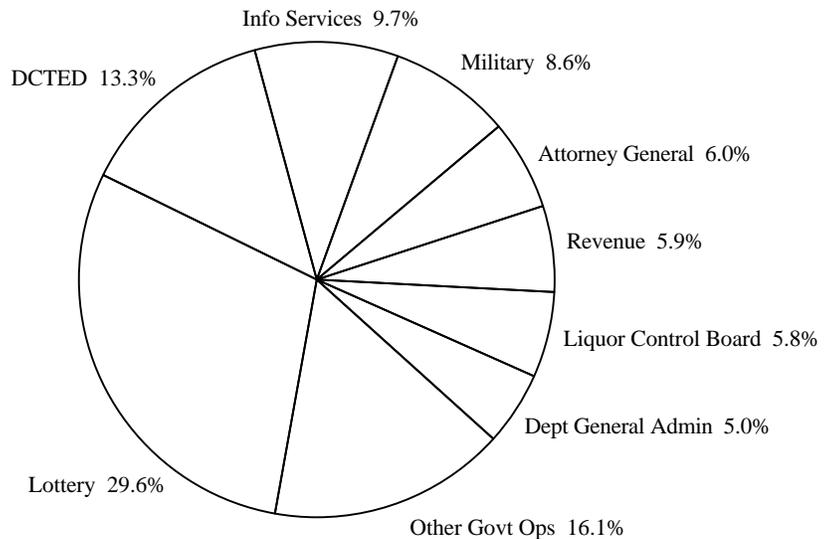
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
<b>Governmental Operations</b>	<b>2,327,610</b>
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

State Lottery Comm	688,558
Comm/Trade/Econ Dev	310,504
Dept of Info Services	226,333
Military Department	200,035
Attorney General	139,641
Dept of Revenue	138,459
Liquor Control Board	134,155
Dept of General Admin	116,146
Other Govt Operations	373,779
<b>Governmental Operations</b>	<b>2,327,610</b>



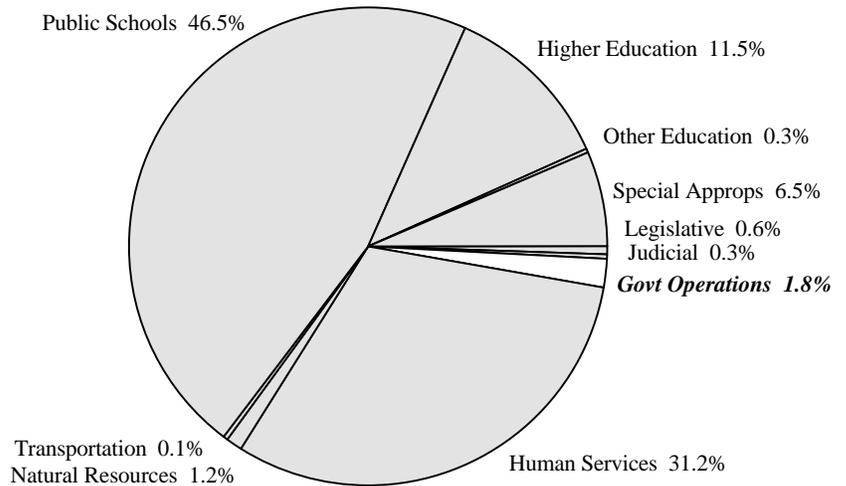
## Governmental Operations

# 1997-99 Washington State Operating Budget

## General Fund - State

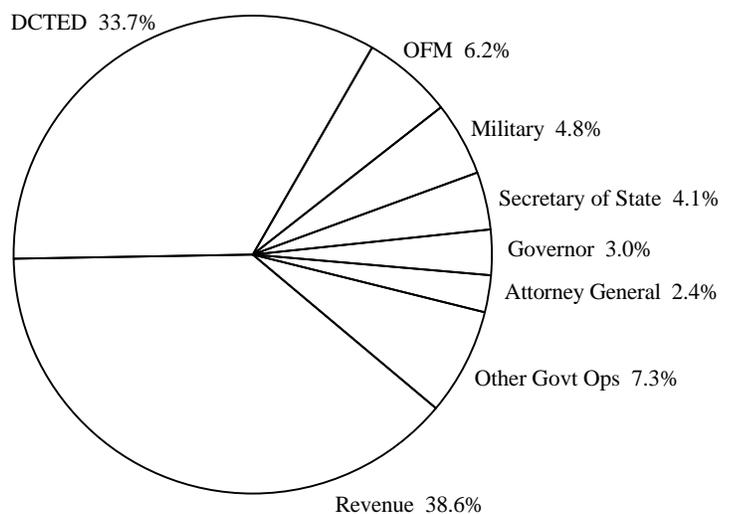
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
<b>Governmental Operations</b>	<b>337,914</b>
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



## Washington State

Dept of Revenue	130,353
Comm/Trade/Econ Dev	113,712
Office of Financial Mgmt	20,783
Military Department	16,305
Secretary of State	13,956
Office of Governor	10,010
Attorney General	7,992
Other Govt Operations	24,803
<b>Governmental Operations</b>	<b>337,914</b>



## Governmental Operations

## Office of the Governor

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>8,655</b>	<b>225</b>	<b>8,880</b>
<b>1997-99 Maintenance Level</b>	<b>9,735</b>	<b>1,072</b>	<b>10,807</b>
<b>Policy Items</b>			
1. Action Team Technology Enhancement	57	0	57
2. Puget Sound Work Plan	479	0	479
3. General Inflation	-75	0	-75
4. Law Enforcement Medal of Honor	25	0	25
5. Puget Sound Education Grants	0	-184	-184
6. Equipment Reduction	-21	0	-21
7. Puget Sound Action Team - Reduction	-36	0	-36
8. Executive Operations - Reduction	-154	0	-154
<b>Total 1997-99 Biennium</b>	<b>10,010</b>	<b>888</b>	<b>10,898</b>
Fiscal Year 1998 Totals	5,047	414	5,461
Fiscal Year 1999 Totals	4,963	474	5,437

**Comments:**

1. ACTION TEAM TECHNOLOGY ENHANCEMENT - Funding is provided for a wide area network link between the Puget Sound Water Quality Action Team and the Governor's Office.
2. PUGET SOUND WORK PLAN - Funds are provided for expanded technical assistance by the Puget Sound Action Team.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. LAW ENFORCEMENT MEDAL OF HONOR - Funding is provided to the Law Enforcement Medal of Honor Committee to recognize qualified law enforcement officers as provided by Chapter 41.72 RCW.
5. PUGET SOUND EDUCATION GRANTS - Funding is reduced for Public Information and Education (PIE) grants awarded by the Puget Sound Action Team. (Water Quality Account)
6. EQUIPMENT REDUCTION - Funding is reduced for equipment purchases in the Office of the Family and Children's Ombudsman.
7. PUGET SOUND ACTION TEAM - REDUCTION - Printing costs are reduced by eliminating one-half of newsletters produced by the Puget Sound Water Quality Action Team each year.
8. EXECUTIVE OPERATIONS - REDUCTION - Funding is reduced for one staff position and goods and services in the Governor's Office.

## Office of the Lieutenant Governor

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	485	0	485
1997 Supplemental *	33	0	33
<b>Total 1995-97 Expenditure Authority</b>	<b>518</b>	<b>0</b>	<b>518</b>
<b>1997-99 Maintenance Level</b>	<b>512</b>	<b>0</b>	<b>512</b>
<b>Policy Items</b>			
1. General Inflation	-3	0	-3
2. Youth Drug & Alcohol Abuse Outreach	42	0	42
3. Acting Governor Compensation	14	0	14
<b>Total 1997-99 Biennium</b>	<b>565</b>	<b>0</b>	<b>565</b>
Fiscal Year 1998 Totals	282	0	282
Fiscal Year 1999 Totals	283	0	283

**Comments:**

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. YOUTH DRUG & ALCOHOL ABUSE OUTREACH - The Lieutenant Governor is provided funding to implement a program addressing the problems of drug and alcohol abuse primarily among the youth in Washington State. The effort will involve research, development of materials, and presentations throughout the state.
3. ACTING GOVERNOR COMPENSATION - Additional funding is provided to accommodate the actual number of days the Governor is typically out of state, which requires the Lieutenant Governor to act as Governor.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Disclosure Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	2,176	1	2,177
1997 Supplemental *	132	0	132
<b>Total 1995-97 Expenditure Authority</b>	<b>2,308</b>	<b>1</b>	<b>2,309</b>
<b>1997-99 Maintenance Level</b>	<b>2,240</b>	<b>0</b>	<b>2,240</b>
<b>Policy Items</b>			
1. Filer Assistance	139	0	139
2. Compliance	52	0	52
3. General Inflation	-7	0	-7
4. Customer Technology Improvements	239	0	239
<b>Total 1997-99 Biennium</b>	<b>2,663</b>	<b>0</b>	<b>2,663</b>
Fiscal Year 1998 Totals	1,457	0	1,457
Fiscal Year 1999 Totals	1,206	0	1,206

**Comments:**

1. **FILER ASSISTANCE** - One-time funding is provided to implement electronic filing of financial affairs statements and lobbyist registrations.
2. **COMPLIANCE** - Additional funding is provided to the Public Disclosure Commission (PDC) to enable the agency to utilize Attorney General services at a level comparable to that experienced in the current biennium.
3. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. **CUSTOMER TECHNOLOGY IMPROVEMENTS** - One-time funding is provided for customer service technology improvements including enhanced Internet access, fax-on-demand technology, and personal computers, and software compatible with the agency's new imaging system.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Office of the Secretary of State**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	16,849	6,640	23,489
1997 Supplemental *	190	0	190
<b>Total 1995-97 Expenditure Authority</b>	<b>17,039</b>	<b>6,640</b>	<b>23,679</b>
<b>1997-99 Maintenance Level</b>	<b>14,172</b>	<b>9,840</b>	<b>24,012</b>
<b>Policy Items</b>			
1. Charitable Trust Backlog	179	0	179
2. International Education	50	0	50
3. Eliminate Legal Advertising	-125	0	-125
4. General Inflation	-166	-84	-250
5. Census Block Boundary Program	99	0	99
6. Local Elections Certification	-353	0	-353
7. Oral History Program	55	0	55
8. State Horse Park Feasibility Study	45	0	45
<b>Total 1997-99 Biennium</b>	<b>13,956</b>	<b>9,756</b>	<b>23,712</b>
Fiscal Year 1998 Totals	8,055	4,882	12,937
Fiscal Year 1999 Totals	5,901	4,874	10,775

**Comments:**

1. CHARITABLE TRUST BACKLOG - Charitable trusts are required to file and be registered with the Secretary of State's Office. Funds and one staff person are provided to address the agency's nine-month backlog of filings, trust registrations, and re-registrations.
2. INTERNATIONAL EDUCATION - Chapter 253, Laws of 1996 (HB 2291) authorizes the Office of the Secretary of State to establish an international education database of foreign exchange students and other business contacts that may facilitate international trade. Funds are provided for this database.
3. ELIMINATE LEGAL ADVERTISING - Chapter 405, Laws of 1997 (ESSB 6068), introduced at the request of the Secretary of State, allows efficiencies in the cost of legal advertising for proposed state constitutional amendments. The statutory advertising duplicates information provided in the state Voters' Pamphlet and available from other public sources.
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
5. CENSUS BLOCK BOUNDARY PROGRAM - One-time funding is provided to prepare for the state's participation in the United State's Census Voting District Project to update U.S. census precinct boundaries and to facilitate the upcoming census and redistricting processes.
6. LOCAL ELECTIONS CERTIFICATION - Funding is reduced for continuing costs of audit review of county election offices. Audits of each of the 39 counties will be completed during the 1997-99 biennium, and further audits should be conducted pursuant to Chapter 284, Laws of 1997 (ESB 5565) on an as-needed basis within available resources.
7. ORAL HISTORY PROGRAM - Funds are provided to expand the Secretary of State's Oral History Program which documents the oral history of state government.
8. STATE HORSE PARK FEASIBILITY STUDY - The Secretary of State is directed to contract for an economic feasibility study of establishing a State Horse Park.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Governor's Office of Indian Affairs**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>337</b>	<b>0</b>	<b>337</b>
<b>1997-99 Maintenance Level</b>	<b>374</b>	<b>0</b>	<b>374</b>
<b>Policy Items</b>			
1. Policy Research Assistance	90	0	90
2. General Inflation	-1	0	-1
<b>Total 1997-99 Biennium</b>	<b>463</b>	<b>0</b>	<b>463</b>
Fiscal Year 1998 Totals	230	0	230
Fiscal Year 1999 Totals	233	0	233

**Comments:**

1. POLICY RESEARCH ASSISTANCE - Funding is provided for a policy research assistant position needed to keep current with the agency's mandate to act as the policy lead for the Governor on all American Indian-related issues.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>361</b>	<b>0</b>	<b>361</b>
<b>1997-99 Maintenance Level</b>	<b>376</b>	<b>0</b>	<b>376</b>
<b>Policy Items</b>			
1. Support Staff	28	0	28
2. General Inflation	-3	0	-3
<b>Total 1997-99 Biennium</b>	<b>401</b>	<b>0</b>	<b>401</b>
Fiscal Year 1998 Totals	200	0	200
Fiscal Year 1999 Totals	201	0	201

**Comments:**

1. SUPPORT STAFF - Funding is provided to restore the salary reduction of an administrative assistant position made as part of a consolidation effort of the four ethnic agencies in 1993.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**Office of the State Treasurer**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>10,654</b>	<b>10,654</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>11,153</b>	<b>11,153</b>
<b>Policy Items</b>			
1. Information Systems	0	450	450
2. Technology Improvements	0	20	20
3. General Inflation	0	-56	-56
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>11,567</b>	<b>11,567</b>
Fiscal Year 1998 Totals	0	5,989	5,989
Fiscal Year 1999 Totals	0	5,578	5,578

**Comments:**

1. INFORMATION SYSTEMS - Funding is provided to continue development of a new treasury management system that was begun with a feasibility study in 1996. The amount provided reflects the first-year estimate for design and development of a treasury management system to replace the existing state debt, investments, cash management, and treasury accounting systems. Additional funding will be requested with the 1998 Supplemental Operating Budget to provide for second-year costs. (State Treasurer's Service Account)
2. TECHNOLOGY IMPROVEMENTS - Funding is provided for a data service connection to the statewide network operated by the Department of Information Services that will allow access to the statewide accounting system and enable the Treasurer's Office to share data with other agencies. Funding is also provided to repair phone and data lines. (State Treasurer's Service Account)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Office of the State Auditor

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	508	36,700	37,208
1997 Supplemental *	0	-363	-363
<b>Total 1995-97 Expenditure Authority</b>	<b>508</b>	<b>36,337</b>	<b>36,845</b>
<b>1997-99 Maintenance Level</b>	<b>859</b>	<b>36,331</b>	<b>37,190</b>
<b>Policy Items</b>			
1. Staff Increase	0	1,000	1,000
2. Increase in Local Audits	0	306	306
3. Special Request Audits	0	624	624
4. Relocate Local Offices	0	174	174
5. General Inflation	-3	-145	-148
6. Reduction in Audit Services	0	-230	-230
7. Local Government Fiscal Reporting	500	0	500
<b>Total 1997-99 Biennium</b>	<b>1,356</b>	<b>38,060</b>	<b>39,416</b>
Fiscal Year 1998 Totals	678	19,029	19,707
Fiscal Year 1999 Totals	678	19,031	19,709

**Comments:**

1. STAFF INCREASE - The State Auditor received funds in the 1995-97 biennium to automate the audit process. The result was a reduction of 10 FTE staff, with projected savings of \$1 million per year. The software was pilot tested and found not to meet the needs of the State Auditor; the funding the project received will be returned in the 1997 Supplemental Operating Budget. Staff and funding necessary to perform ongoing audit functions are restored. (Auditing Services Revolving Account, Municipal Revolving Account-Non-Appropriated)
2. INCREASE IN LOCAL AUDITS - Funding and additional staff are provided for increased workload in local government audits. (Municipal Revolving Account-Non-Appropriated)
3. SPECIAL REQUEST AUDITS - Funding is provided for special request audits from local municipalities. (Municipal Revolving Account-Non-Appropriated)
4. RELOCATE LOCAL OFFICES - Local offices of the State Auditor are currently located in office space shared with the agencies they audit. Funding is provided to allow these local offices to lease their own space. (Municipal Revolving Account-Non-Appropriated)
5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
6. REDUCTION IN AUDIT SERVICES - The State Auditor will slightly reduce the number of audit hours on low-risk issues involving state agencies and, therefore, reduce the cost of conducting those audits. (Auditing Services Revolving Account)
7. LOCAL GOVERNMENT FISCAL REPORTING - One-time funding is provided for improvements to the Budget & Accounting Reporting System (BARS) to improve the collection and reporting of local government fiscal data as recommended by the local government finance study group.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Citizens' Commission on Salaries for Elected Officials**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>65</b>	<b>0</b>	<b>65</b>
<b>1997-99 Maintenance Level</b>	<b>67</b>	<b>0</b>	<b>67</b>
<b>Total 1997-99 Biennium</b>	<b>67</b>	<b>0</b>	<b>67</b>
Fiscal Year 1998 Totals	4	0	4
Fiscal Year 1999 Totals	63	0	63

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

**Office of the Attorney General**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>6,503</b>	<b>124,852</b>	<b>131,355</b>
<b>1997-99 Maintenance Level</b>	<b>6,963</b>	<b>129,984</b>	<b>136,947</b>
<b>Policy Items</b>			
1. Attorney Salary Increases	0	1,000	1,000
2. Ecology Legal Services Demand	0	710	710
3. DSHS Legal Services Demand	0	240	240
4. Reduce Administration Funding	-50	0	-50
5. Tort Defense Increase	0	1,080	1,080
6. Additional Legal Services	0	663	663
7. Motor Vehicle Warranties Act	0	-768	-768
8. Idaho Mining Litigation	300	0	300
9. General Inflation	-71	-1,108	-1,179
10. Health Care Anti-Trust Monitoring	0	-152	-152
11. SMART Program	850	0	850
<b>Total 1997-99 Biennium</b>	<b>7,992</b>	<b>131,649</b>	<b>139,641</b>
Fiscal Year 1998 Totals	4,361	65,965	70,326
Fiscal Year 1999 Totals	3,631	65,684	69,315

**Comments:**

1. ATTORNEY SALARY INCREASES - A special salary increase was funded in the 1995-97 biennium to allow the Attorney General to target salary increases to assistant attorneys general to address retention and turnover problems. Additional funds are provided for a second attorney salary increase in the 1997-99 biennium to ensure that the agency can retain experienced attorneys. In addition to this funding, assistant attorneys general receive the general cost-of-living increase provided to other state employees. (Legal Services Revolving Account)
2. ECOLOGY LEGAL SERVICES DEMAND - Funding is provided for an additional attorney and a legal secretary to help the Department of Ecology to address the increased workload in water rights applications. The new attorney and legal secretary will focus on water resources appeals. Additionally, funding and staff are provided for legal representation and expert witness costs related to the appeal of the Intertanko lawsuit. (Legal Services Revolving Account)
3. DSHS LEGAL SERVICES DEMAND - The Department of Social and Health Services has experienced a significant increase in litigation. Funding is provided to support two paralegals who will prepare cases and free up attorney time for more complex legal issues affecting the agency. (Legal Services Revolving Account)
4. REDUCE ADMINISTRATION FUNDING - Savings will be made in the agency's administrative support for non-legal services revolving fund programs. Support functions will be reduced in areas such as centralized budget and accounting, personnel, specialized library, and information services.
5. TORT DEFENSE INCREASE - In the past three years, the number of lawsuits against the state has increased 50 percent. Funds support three tort defense assistant attorneys general to investigate, resolve, and defend the state against lawsuits. (Legal Services Revolving Account)
6. ADDITIONAL LEGAL SERVICES - The Department of Labor and Industries, the Office of Administrative Hearings, the Public Disclosure Commission, and the Office of Environmental Hearings need additional legal services above current budgeted levels. Funds are provided for these expenses. (Legal Services Revolving Account)
7. MOTOR VEHICLE WARRANTIES ACT - A reduction in the New Motor Vehicle Arbitration Account expenditure is necessary due to declining revenues and insufficient fund balance. (New Motor Vehicle Arbitration Account)
8. IDAHO MINING LITIGATION - One-time funding supports FY 98 costs for a comprehensive assessment of environmental and public health impacts and associated legal costs for pursuing remedies for pollution in the Spokane River basin.
9. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
10. HEALTH CARE ANTI-TRUST MONITORING - To bring Health Services Account expenditures in line with account revenues, dedicated funding is eliminated for health care anti-trust activities. If health care anti-trust activities are needed, existing anti-trust funding from the general fund may be used. (Health Services Account-State)
11. SMART PROGRAM - Funding is provided to implement the Supervision Management and Recidivist Tracking (SMART) program. The SMART program will allow the Department of Corrections and local law enforcement agencies to share information through the Homicide Investigation and Tracking System (HITS) concerning the activities of offenders on community supervision.

**Department of Financial Institutions**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>13,764</b>	<b>13,764</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>14,673</b>	<b>14,673</b>
<b>Policy Items</b>			
1. Securities Enforcement Enhancement	0	460	460
2. Administration & Technology Package	0	496	496
3. License Suspension	0	102	102
4. General Inflation	0	-62	-62
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>15,669</b>	<b>15,669</b>
Fiscal Year 1998 Totals	0	7,732	7,732
Fiscal Year 1999 Totals	0	7,937	7,937

**Comments:**

1. SECURITIES ENFORCEMENT ENHANCEMENT - Funding is provided for increased securities enforcement including \$4,000 for one-time costs in FY 98. (Securities Regulation Account)
2. ADMINISTRATION & TECHNOLOGY PACKAGE - Funding is provided to develop business technology applications and automate internal office applications. One-time funds of \$216,000 are provided for the development of the new applications. (Securities Regulation Account, Banking Examination Account Non-Appropriated, Credit Unions Examination Account Non-Appropriated)
3. LICENSE SUSPENSION - Funding is provided for the additional workload associated with the license suspension provision in Chapter 58, Laws of 1997, Partial Veto (EHB 3901). The Division of Securities licenses securities broker-dealers, salespeople, investment advisers, and investment adviser representatives. The Division of Consumer Services licenses escrow officers and mortgage brokers. (Securities Regulation Account, Banking Examination Account Non-Appropriated)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	104,313	192,547	296,860
1997 Supplemental *	292	209	501
<b>Total 1995-97 Expenditure Authority</b>	<b>104,605</b>	<b>192,756</b>	<b>297,361</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>110,153</b>	<b>190,255</b>	<b>300,408</b>
<b>Policy Items</b>			
1. Pass-through Funds Reduction	0	-2,894	-2,894
2. Low-Income Legal Services	2,000	0	2,000
3. General Inflation	-291	-162	-453
4. Land Use Study - Buildable Lands	2,000	0	2,000
5. Washington Technology Center	500	0	500
6. CASA/GAL	600	0	600
7. Community Connections Project	150	0	150
8. Long-Term Care Ombudsman	100	0	100
9. Domestic Violence Legal Advocacy	0	423	423
10. ECEAP Vendor Rate	1,286	0	1,286
11. Community Investment Unit	0	445	445
12. Community Development Finance	-247	0	-247
13. Business Recruitment Reduction	-275	0	-275
14. Biotechnology Conference	75	0	75
15. Director's Office Staffing	-90	0	-90
16. Space Reduction	-48	0	-48
17. Regulatory Reform Efficiency	-33	0	-33
18. CERB Support	-96	96	0
19. Energy Strategy Reduction	-30	0	-30
20. Employee Ownership	-133	0	-133
21. Economic Development Advocacy	-165	0	-165
22. Business Loans Mgmt Efficiency	-81	0	-81
23. International Trade	-274	0	-274
24. Foodstamp Outreach	-300	0	-300
25. Growth Management Grants	-968	0	-968
26. Re-Employment Support Center	-121	0	-121
27. Safe Drinking Water	0	213	213
28. Public Works - Financial Management	0	450	450
29. Federal Flood Assistance	0	7,714	7,714
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>113,712</b>	<b>196,540</b>	<b>310,252</b>
Fiscal Year 1998 Totals	57,361	99,790	157,151
Fiscal Year 1999 Totals	56,351	96,750	153,101

**Comments:**

- |   |  |
|---|--|
| <p>1. PASS-THROUGH FUNDS REDUCTION - Pass-through funds are reduced for mobile home relocation assistance and Hanford area economic development assistance, consistent with available revenues in the 1997-99 biennium. (Mobile Home Park Relocation Account, Hanford Area Economic Investment Account)</p> <p>2. LOW-INCOME LEGAL SERVICES - Additional funding is provided for indigent civil legal representation services contracts.</p> <p>3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>4. LAND USE STUDY - BUILDABLE LANDS - Funding is provided for grants to counties, cities, and regional planning organizations to carry out the review and evaluation required by Section 25 of Chapter 429, Laws of 1997, Partial Veto (ESB 6094 -- Buildable Lands, Growth Management).</p> | <p>5. WASHINGTON TECHNOLOGY CENTER - Funding is provided for the Washington Technology Center to conduct additional research and development projects in conjunction with private sector partners.</p> <p>6. CASA/GAL - Funding is provided to recruit additional volunteer Court Appointed Special Advocates (CASA) or Guardians Ad Litem (GAL) to represent children in dependency court proceedings.</p> <p>7. COMMUNITY CONNECTIONS PROJECT - Funding is provided to continue the Walla Walla Community Connections program that serves at-risk youth and families.</p> <p>8. LONG-TERM CARE OMBUDSMAN - Provides funding for long term care ombudsman services to be extended to underserved areas of the state.</p> <p>9. DOMESTIC VIOLENCE LEGAL ADVOCACY - Additional funding from the federal Department of Justice Byrne Grant will provide for more legal advocacy services to victims of domestic violence. (General Fund-Federal)</p> |
|---|--|

## Department of Community, Trade, & Economic Development

10. ECEAP VENDOR RATE - Funding is provided for a 3 percent vendor rate increase, effective July 1, 1997, for Early Childhood Education and Assistance Program (ECEAP) providers.
11. COMMUNITY INVESTMENT UNIT - The Community Economic Revitalization Board (CERB) is provided additional staff to evaluate new funding requests and to monitor the existing loan portfolio. Funds to administer the Public Works Trust Fund program are shifted from the capital budget to the operating budget. (Public Facility Construction Loan Revolving Account, Public Works Assistance Account)
12. COMMUNITY DEVELOPMENT FINANCE - Funding is reduced for state technical assistance to local banks and local development organizations to assist businesses in securing financing. However, within the funding provided for associate development organizations, the Department is directed to maintain the community development finance program at its 1995-97 authorized level.
13. BUSINESS RECRUITMENT REDUCTION - Funding is reduced for the Department's business recruitment program.
14. BIOTECHNOLOGY CONFERENCE - Funding is provided for state sponsorship of a biotechnology conference scheduled for May 1999 in Seattle.
15. DIRECTOR'S OFFICE STAFFING - One position is eliminated in the Director's office.
16. SPACE REDUCTION - Leased space will be reduced as an efficiency measure in the Westin Building in Seattle.
17. REGULATORY REFORM EFFICIENCY - Program staff will absorb part of the regulatory reform activities that were being handled by the Local Development Assistance Service Area for the benefit of the total agency.
18. CERB SUPPORT - Eliminates General Fund-State support for the operations of CERB and shifts the cost to the Public Facilities Construction Loan Revolving Fund.
19. ENERGY STRATEGY REDUCTION - Agency staff will absorb the work associated with revising the Washington State Energy Strategy document rather than contracting for services.
20. EMPLOYEE OWNERSHIP - As an efficiency measure, one position and related funding is eliminated. The workload will be absorbed by other agency staff.
21. ECONOMIC DEVELOPMENT ADVOCACY - An exempt position responsible for economic policy development is eliminated.
22. BUSINESS LOANS MGMT EFFICIENCY - As an efficiency measure and through improved technology, one position is eliminated from the Loan Portfolio Management program, and the associated workload will be absorbed by other staff in the program.
23. INTERNATIONAL TRADE - Funding to support the international trade programs is reduced. The Department is conducting a review of its roles and responsibilities in support of international trade development. The specific impacts of this proposed reduction will be determined as a part of this effort.
24. FOODSTAMP OUTREACH - State funding for the Food Stamp Outreach Program is eliminated.
25. GROWTH MANAGEMENT GRANTS - Growth management grants for the 1997-99 biennium are reduced.
26. RE-EMPLOYMENT SUPPORT CENTER - Funding for the King County Reemployment Support Center is transferred to the Employment Security Department.
27. SAFE DRINKING WATER - The federal government has provided funding to improve the state's water systems. The Department of Community, Trade, and Economic Development (CTED) will operate a state revolving fund to finance these improvements. (General Fund-Federal)
28. PUBLIC WORKS - FINANCIAL MANAGEMENT - The Public Works Trust Fund program will acquire new financial management software to assist the Department in managing the program's loan portfolio. (Public Works Assistance Account)
29. FEDERAL FLOOD ASSISTANCE - Additional federal flood assistance has been awarded to the state through the Community Development Block Grant program. These funds will assist 27 counties with the costs associated with the November 1995 and February 1996 floods. (General Fund-Federal)

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Department of Community, Trade, & Economic Development's budget is shown in the Transportation Budget section of this document.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Economic & Revenue Forecast Council**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>983</b>	<b>0</b>	<b>983</b>
<b>1997-99 Maintenance Level</b>	<b>910</b>	<b>0</b>	<b>910</b>
<b>Policy Items</b>			
1. General Inflation	-5	0	-5
<b>Total 1997-99 Biennium</b>	<b>905</b>	<b>0</b>	<b>905</b>
Fiscal Year 1998 Totals	452	0	452
Fiscal Year 1999 Totals	453	0	453

**Comments:**

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

## Office of Financial Management

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	18,870	23,238	42,108
1997 Supplemental *	0	1,433	1,433
<b>Total 1995-97 Expenditure Authority</b>	<b>18,870</b>	<b>24,671</b>	<b>43,541</b>
<b>1997-99 Maintenance Level</b>	<b>19,740</b>	<b>35,063</b>	<b>54,803</b>
<b>Policy Items</b>			
1. AmeriCorps Federal Requirements	210	-210	0
2. 2000 Census Workload	131	0	131
3. Population Survey	275	0	275
4. Performance Measure System	89	0	89
5. Acceptance Testing	0	114	114
6. Budget and Allotment System	0	462	462
7. Information Systems Enhancements	0	1,150	1,150
8. Replace Health Services Account	939	-339	600
9. General Inflation	-107	-13	-120
10. Decrease Contract Services	-150	0	-150
11. Staff Reductions	-344	0	-344
<b>Total 1997-99 Biennium</b>	<b>20,783</b>	<b>36,227</b>	<b>57,010</b>
Fiscal Year 1998 Totals	10,530	11,421	21,951
Fiscal Year 1999 Totals	10,253	24,806	35,059

**Comments:**

- AMERICORPS FEDERAL REQUIREMENTS - Matching funds requirements for the federal AmeriCorps program are increasing in the 1997-99 biennium. Funding is provided to assist local programs in distressed areas with their increased match requirements.
- 2000 CENSUS WORKLOAD - Recent restructuring within the federal Census Bureau will require states to perform additional duties related to the 2000 Census. One full-time demographer is added to address the increased workload.
- POPULATION SURVEY - Funding is provided to allow the Office of Financial Management (OFM) to contract for a new biennial survey of Washington State's population. Federal intercensal surveys provide regional data, but because they group Washington with California and other states, the federal data do not accurately reflect Washington's social and demographic characteristics. Washington-specific data will be used in all population and budget forecasts prepared by OFM, to establish performance measures, and to address questions and issues related to the implementation of federal welfare legislation.
- PERFORMANCE MEASURE SYSTEM - In accordance with Chapter 317, Laws of 1996, Partial Veto (ESSB 6680), OFM is in the process of implementing a statewide system of performance measures tied to agencies' budget requests. Staff and funds are provided for software development and ongoing support expenses of a computer system for tracking performance measures.
- ACCEPTANCE TESTING - Currently, changes to any of the statewide accounting systems require testing to ensure that the changes are accepted by all interfacing systems. An additional staff position is provided to enable a more streamlined acceptance testing procedure. (Data Processing Revolving Account- Non-Appropriated)
- BUDGET AND ALLOTMENT SYSTEM - The current budget and allotment systems are being evaluated, and alternatives are under consideration. Staff and funding for contractors and software are provided to complete current allotment system improvements and redevelopment of budget systems. (Data Processing Revolving Account-Non-Appropriated)
- INFORMATION SYSTEMS ENHANCEMENTS - This funding will allow OFM to make several improvements in its statewide budget and accounting systems. OFM will contract for engineering services to develop new input processes for the agency Financial Reporting System (AFRS) and to modernize AFRS reporting processes to make it easier for agencies to use AFRS data. This funding will also enable a feasibility study for upgrading AFRS to a relational database platform, provide improvements in the accounts receivable system, and training for agencies in statewide accounting policies and systems. (Data Processing Revolving Account-Non-Appropriated)
- REPLACE HEALTH SERVICES ACCOUNT - General Fund is used to replace funding from the Health Services Account for health policy positions in OFM.
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- DECREASE CONTRACT SERVICES - OFM contracts with the Washington Association of Sheriffs and Police Chiefs (WASPC) for jail population data. Funding for contracted jail data collection services is reduced by 50 percent.
- STAFF REDUCTIONS - OFM will reduce staff. These reductions will be achieved through vacancies and attrition where possible.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Office of Financial Management's budget is shown in the Transportation Budget section of this document.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Office of Administrative Hearings**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>14,532</b>	<b>14,532</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>17,654</b>	<b>17,654</b>
<b>Policy Items</b>			
1. Technology Plan	0	195	195
2. Legal Education Credits	0	46	46
3. DSHS Program Change	0	45	45
4. License Suspension	0	1,798	1,798
5. General Inflation	0	-73	-73
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>19,665</b>	<b>19,665</b>
Fiscal Year 1998 Totals	0	9,763	9,763
Fiscal Year 1999 Totals	0	9,902	9,902

**Comments:**

1. TECHNOLOGY PLAN - Funding is provided for technology improvements including computers, server upgrades, and \$65,000 for the interface with the Employment Security Department. (Administrative Hearings Revolving Fund)
2. LEGAL EDUCATION CREDITS - Funding is provided for continuing legal credits for the Administrative Law Judges at the Office of Administrative Hearings to meet professional licensing requirements. (Administrative Hearings Revolving Fund)
3. DSHS PROGRAM CHANGE - Funding is provided for an additional 0.5 FTE staff to implement an audit finding that the responsibility for billing and paying for goods and services should shift from the Department of Social and Health Services (DSHS) to the Office of Administrative Hearings. (Administrative Hearings Revolving Fund)
4. LICENSE SUSPENSION - Funding is provided for additional hearings anticipated from implementing the license suspension provision of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (Administrative Hearings Revolving Fund)
5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**Department of Personnel**

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>720</b>	<b>29,100</b>	<b>29,820</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>27,480</b>	<b>27,480</b>
<b>Policy Items</b>			
1. Career Transition Continued Funding	0	500	500
2. Facility Remodel/Relocate	0	220	220
3. Data Warehouse Enhancements	0	800	800
4. General Inflation	0	-221	-221
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>28,779</b>	<b>28,779</b>
Fiscal Year 1998 Totals	0	14,313	14,313
Fiscal Year 1999 Totals	0	14,466	14,466

**Comments:**

1. CAREER TRANSITION CONTINUED FUNDING - Funding is provided to continue the State's career transition service. The career transition center will provide outplacement counseling, skills assessments, retraining resources, resume preparation assistance, interviewing techniques, and other related job seeking skills for state employees who are either being laid off or at risk of reduction-in-force (RIF). Refinement is targeted for the areas of strengthening comprehensive training efforts among participating employees and hiring agencies and improving the RIF transition pool matching process so that it aligns employees and recruited positions more successfully. The Department of Personnel will begin to measure customer satisfaction associated with the program services. (Personnel Services Revolving Fund)
2. FACILITY REMODEL/RELOCATE - Funding is provided to temporarily relocate Department of Personnel staff and services while the Franklin Street building is being renovated. (Personnel Services Revolving Fund)
3. DATA WAREHOUSE ENHANCEMENTS - One-time funding is provided solely for the expansion of the data warehouse on the statewide work force and to provide the Office of Financial Management, the Legislature, and state agencies with direct access to this expanded data for policy and planning purposes. Additional funding will be requested for completion of this project in the 1999-2001 biennium. Further funding requests for a human resource information system will be based on an updated feasibility study which documents the costs and benefits of the system. (Personnel Services Revolving Fund)

The Department will report quarterly to the Legislative Fiscal Committees, the Office of Financial Management, the Information Services Board, and the Office of Information Technology Oversight of the Department of Information Services on the number of state agencies that have received access to the data warehouse; the number of requests for mainframe downloads; and a summary of customer feedback from agencies with access to the data warehouse.

To assist in the collection of consistent data, institutions of higher education shall report personnel data to be used in the Department of Personnel's data warehouse in compliance with uniform reporting procedures established by the Department of Personnel.

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

**State Lottery Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>465,718</b>	<b>465,718</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>675,636</b>	<b>675,636</b>
<b>Policy Items</b>			
1. Business Process Redesign	0	211	211
2. New On-Line Game	0	12,816	12,816
3. General Inflation	0	-105	-105
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>688,558</b>	<b>688,558</b>
Fiscal Year 1998 Totals	0	339,819	339,819
Fiscal Year 1999 Totals	0	348,739	348,739

**Comments:**

1. BUSINESS PROCESS REDESIGN - Funding is provided for a retail training coordinator and a gambling license technician to improve marketing. (Lottery Administrative Account)
2. NEW ON-LINE GAME - Funding is provided to develop and market a new on-line game. The new game is expected to increase the Lottery's transfer to the state general fund by \$7 million in the 1997-99 biennium and \$16.5 million in the 1999-2001 biennium. The additional 3 FTE staff include a customer service specialist, a product specialist, and a computer information consultant. (Lottery Administrative Account, State Lottery Account-Non-Appropriated)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Washington State Gambling Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>1,000</b>	<b>18,914</b>	<b>19,914</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>18,070</b>	<b>18,070</b>
<b>Policy Items</b>			
1. Computer and Communication Upgrade	0	542	542
2. Tribal Casino Regulation	0	160	160
3. General Inflation	0	-139	-139
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>18,633</b>	<b>18,633</b>
Fiscal Year 1998 Totals	0	9,316	9,316
Fiscal Year 1999 Totals	0	9,317	9,317

**Comments:**

1. COMPUTER AND COMMUNICATION UPGRADE - Provides one-time funding for replacement of 76 personal computers necessary to link to the agency network, a processor upgrade to the agency's mini-computer, and an upgrade for the telephone system at the Southwest region office. (Gambling Revolving Account-Non-Appropriated)
2. TRIBAL CASINO REGULATION - Funding is provided for an additional gambling license technician position, training, and remote telecommunications equipment. (Gambling Revolving Account-Non-Appropriated)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**Washington State Commission on Hispanic Affairs**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>405</b>	<b>0</b>	<b>405</b>
<b>1997-99 Maintenance Level</b>	<b>403</b>	<b>0</b>	<b>403</b>
<b>Policy Items</b>			
1. Computer Upgrades	7	0	7
2. General Inflation	-3	0	-3
<b>Total 1997-99 Biennium</b>	<b>407</b>	<b>0</b>	<b>407</b>
Fiscal Year 1998 Totals	199	0	199
Fiscal Year 1999 Totals	208	0	208

**Comments:**

1. COMPUTER UPGRADES - One-time funding is provided for computers and associated software to perform database functions and required budget and policy work.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Washington State Commission on African-American Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>301</b>	<b>0</b>	<b>301</b>
<b>1997-99 Maintenance Level</b>	<b>318</b>	<b>0</b>	<b>318</b>
<b>Policy Items</b>			
1. Staff Increase	18	0	18
2. General Inflation	-2	0	-2
3. Computer Upgrades	4	0	4
<b>Total 1997-99 Biennium</b>	<b>338</b>	<b>0</b>	<b>338</b>
Fiscal Year 1998 Totals	170	0	170
Fiscal Year 1999 Totals	168	0	168

**Comments:**

1. STAFF INCREASE - Funding is provided for additional staff time to perform clerical duties and to coordinate activities related to constituent work, report publication, and special events.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. COMPUTER UPGRADES - One-time funding is provided for a computer and associated software to perform database functions and required policy and budget operations.

**Personnel Appeals Board**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>1,593</b>	<b>1,593</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>1,651</b>	<b>1,651</b>
<b>Policy Items</b>			
1. Funding Level Adjustment	0	-100	-100
2. General Inflation	0	-12	-12
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>1,539</b>	<b>1,539</b>
Fiscal Year 1998 Totals	0	760	760
Fiscal Year 1999 Totals	0	779	779

**Comments:**

1. FUNDING LEVEL ADJUSTMENT - Funding is adjusted to reflect actual ongoing agency expenditures. During the 1993-95 and 1995-97 biennia, the Personnel Appeals Board consistently spent less than their appropriation. (Personnel Services Revolving Fund)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Department of Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>32,541</b>	<b>32,541</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>31,733</b>	<b>31,733</b>
<b>Policy Items</b>			
1. One-Time TRS Plan 3 Support	0	275	275
2. Ongoing TRS Plan 3 Support	0	25	25
3. Electronic Document Imaging System	0	1,373	1,373
4. Receivables Management System	0	1,259	1,259
5. Additional Employer Auditors	0	230	230
6. General Inflation	0	-163	-163
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>34,732</b>	<b>34,732</b>
Fiscal Year 1998 Totals	0	17,057	17,057
Fiscal Year 1999 Totals	0	17,675	17,675

**Comments:**

1. ONE-TIME TRS PLAN 3 SUPPORT - Funding is provided for one-time contract services for the Teachers' Retirement System (TRS) to set up optional benefit payouts and annuity purchases for TRS Plan 3 members. These services are statutorily required and the fiscal impact was not originally accounted for in the initial agency fiscal note or agency appropriation. (Department of Retirement Systems Expense Account)
2. ONGOING TRS PLAN 3 SUPPORT - Funding is provided for additional ongoing costs to support continued annuity payouts for TRS Plan 3 members. These services are statutorily required and the fiscal impact was not originally accounted for in the initial agency fiscal note or agency appropriation. (Department of Retirement Systems Expense Account)
3. ELECTRONIC DOCUMENT IMAGING SYSTEM - Funding is provided to acquire equipment and contracted services to begin implementation of an Electronic Document Image Management System (EDIMS) that will replace the current member paper file folder system. EDIMS will allow the Department to improve client service by improving the access and sharing of data, reducing the costs for storing and handling paper documents, and improving security, disaster recovery, and the archiving capabilities of agency data. The project will start in FY 99 and additional funds will be requested to complete the project. By December 15, 1997, the Department will submit to the Office of Financial Management (OFM) and the fiscal committees of the Legislature an updated feasibility study that will outline all projected costs and benefits of the system. (Department of Retirement Systems Expense Account)
4. RECEIVABLES MANAGEMENT SYSTEM - Funding is provided for the development and implementation of a receivables management system. Receivables management is the only area of activity not integrated with the rest of the agency's business processing systems. This project is the last phase of the business system consolidation and re-engineering efforts that began in 1990 and will be completed by the end of the 1997-99 biennium. (Department of Retirement Systems Expense Account)
5. ADDITIONAL EMPLOYER AUDITORS - Funding and FTE staff are provided for two additional audit positions. The new positions allow the agency to conduct audits in a more timely manner, to identify and recover additional monies due to the pension trust funds, and to conduct audits on previously unaudited employers including most of the larger cities and school districts. The anticipated annual recovery and return to the trust fund is estimated to be \$160,000 per additional auditor. (Department of Retirement Systems Expense Account)
6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## State Investment Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>8,480</b>	<b>8,480</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>9,418</b>	<b>9,418</b>
<b>Policy Items</b>			
1. Workload Enhancements	0	405	405
2. Deferred Contributions Assistance	0	64	64
3. Investment Accountability	0	471	471
4. General Inflation	0	-55	-55
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>10,303</b>	<b>10,303</b>
Fiscal Year 1998 Totals	0	5,124	5,124
Fiscal Year 1999 Totals	0	5,179	5,179

**Comments:**

1. **WORKLOAD ENHANCEMENTS** - Funding is provided for workload increases in the Fixed Income Unit at the State Investment Board (SIB). Fixed income assets are internally managed, and SIB estimates the investment earnings will increase by \$2.5 billion during the 1997-99 biennium. Funding of this item results in an anticipated \$1.5 million in added return against the performance benchmark of approximately one basis point per year on internally managed funds. One-time funding of \$13,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)
2. **DEFERRED CONTRIBUTIONS ASSISTANCE** - In 1995, the Legislature directed that SIB manage the accounting functions and also become the default option for teachers participating in the Teachers' Retirement System Plan 3 (TRS 3). Previously, SIB has not managed a defined contribution plan and does not have staff capability to address questions about the portfolio and options. Funding is provided for a half-time information officer to respond to requests by any member of the public about the portfolio, and to specifically respond to teachers' questions about the SIB option. One-time funding of \$4,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)
3. **INVESTMENT ACCOUNTABILITY** - Funding is provided for an internal auditor, a contract for a fiduciary counsel, and expenses related to on-site investment activities. One-time funding of \$5,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)
4. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State Investment Board Expense Account)

## Department of Revenue

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>125,712</b>	<b>8,119</b>	<b>133,831</b>
<b>1997-99 Maintenance Level</b>	<b>132,924</b>	<b>8,426</b>	<b>141,350</b>
<b>Policy Items</b>			
1. Taxpayer Telephone Services	221	0	221
2. Property Tax Valuation Schedules	73	0	73
3. State Toxics Revenue Shortfall	0	-2	-2
4. Pollution Liability Funding	0	-244	-244
5. Administrative Efficiencies	-475	0	-475
6. Selective Program Reductions	-532	0	-532
7. General Inflation	-851	-74	-925
8. Transfer Tobacco Enforcement to LCB	-60	0	-60
9. Senior Citizens Property Tax	-947	0	-947
<b>Total 1997-99 Biennium</b>	<b>130,353</b>	<b>8,106</b>	<b>138,459</b>
Fiscal Year 1998 Totals	65,033	4,053	69,086
Fiscal Year 1999 Totals	65,320	4,053	69,373

**Comments:**

1. TAXPAYER TELEPHONE SERVICES - Funding is provided for three additional staff. The Department's Telephone Information Center (TIC) provides telephone assistance to Washington taxpayers nationwide. Because of the growth in the number of taxpayers and the complexity of the tax codes, calls to the Department have increased substantially. With the additional three staff, the agency estimates that on average, callers will receive assistance after seven and one-half minutes vs. approximately 22 minutes which is the current average.
2. PROPERTY TAX VALUATION SCHEDULES - Funding is provided to support a half-time staff person to update the Department's property tax valuation schedules. Approximately \$17 billion of personal property is assessed annually, yielding \$230 million of property tax revenue. This property is assessed using valuation schedules developed by the Department. The schedules are based on market studies that reflect trends and depreciation for approximately 180 different personal property types. The schedules are used by the Department's auditors and the county auditors in adding taxpayers. The agency has not done a comprehensive update of the schedules in several years.
3. STATE TOXICS REVENUE SHORTFALL - A reduction in the funding level from the State Toxics Control Account is necessary due to declining revenues. (State Toxics Control Account)
4. POLLUTION LIABILITY FUNDING - The agency does not anticipate collecting the petroleum tax that supports the Pollution Liability Account during the 1997-99 biennium. If the tax is reinstated during the biennium, the agency would request a supplemental budget to cover the administrative costs of collecting this tax. (Pollution Liability Insurance Program Trust Account)
5. ADMINISTRATIVE EFFICIENCIES - Through job redesign and service quality efforts, the agency will realize savings in postage, printing, computer processing, and administrative staff costs.
6. SELECTIVE PROGRAM REDUCTIONS - Service level reductions having no adverse revenue impacts are taken in the agency's taxpayer appeals, taxpayer services, computer support, internal audit, research, and rules writing functions.
7. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
8. TRANSFER TOBACCO ENFORCEMENT TO LCB - Funding is reduced as a result of implementing Chapter 420, Laws of 1997, Partial Veto (ESHB 2272), which transfers cigarette and tobacco tax enforcement to the Liquor Control Board.
9. SENIOR CITIZENS PROPERTY TAX - Due to a lower forecast in the senior citizens property tax deferral program, funding is decreased from \$4.20 million to \$3.25 million.

**Board of Tax Appeals**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>1,989</b>	<b>0</b>	<b>1,989</b>
<b>1997-99 Maintenance Level</b>	<b>2,043</b>	<b>0</b>	<b>2,043</b>
<b>Policy Items</b>			
1. Tax Referee Position Savings	-260	0	-260
2. General Inflation	-9	0	-9
<b>Total 1997-99 Biennium</b>	<b>1,774</b>	<b>0</b>	<b>1,774</b>
Fiscal Year 1998 Totals	885	0	885
Fiscal Year 1999 Totals	889	0	889

**Comments:**

1. TAX REFEREE POSITION SAVINGS - Funding is provided to restore a second in-house Tax Referee position to handle complex appeals. Due to reduced costs of contracting out, savings are returned to the state general fund.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**Municipal Research Council**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>3,230</b>	<b>0</b>	<b>3,230</b>
<b>1997-99 Maintenance Level</b>	<b>3,394</b>	<b>0</b>	<b>3,394</b>
<b>Policy Items</b>			
1. County Research Services	0	625	625
<b>Total 1997-99 Biennium</b>	<b>3,394</b>	<b>625</b>	<b>4,019</b>
Fiscal Year 1998 Totals	1,651	312	1,963
Fiscal Year 1999 Totals	1,743	313	2,056

**Comments:**

1. COUNTY RESEARCH SERVICES - Chapter 437, Laws of 1997 (SSB 5521) expands the duties of the Municipal Research Council to include research services for county governments, funded by a deduction from the counties' share of liquor excise tax distributions. (County Research Services Account)

**Office of Minority & Women's Business Enterprises**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>2,121</b>	<b>2,121</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>2,365</b>	<b>2,365</b>
<b>Policy Items</b>			
1. Staff Training & Education	0	2	2
2. General Inflation	0	-10	-10
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>2,357</b>	<b>2,357</b>
Fiscal Year 1998 Totals	0	1,179	1,179
Fiscal Year 1999 Totals	0	1,178	1,178

**Comments:**

1. STAFF TRAINING & EDUCATION - Funding is provided for training to enhance staff expertise in certifying businesses to participate in government contracting programs. (Minority and Women's Business Enterprises Account)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Department of General Administration

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>3,067</b>	<b>94,670</b>	<b>97,737</b>
<b>1997-99 Maintenance Level</b>	<b>592</b>	<b>115,160</b>	<b>115,752</b>
<b>Policy Items</b>			
1. Commute Trip Reduction Funding	0	278	278
2. Risk Management Workload	0	233	233
3. Maintain State Food Purchases	2,000	0	2,000
4. Air Pollution Control Shortfall	0	-7	-7
5. Americans with Disabilities Act	-30	0	-30
6. Campus Security/Maintenance	0	-213	-213
7. General Inflation	-7	-1,885	-1,892
8. World War II Memorial	25	0	25
<b>Total 1997-99 Biennium</b>	<b>2,580</b>	<b>113,566</b>	<b>116,146</b>
Fiscal Year 1998 Totals	1,302	56,763	58,065
Fiscal Year 1999 Totals	1,278	56,803	58,081

**Comments:**

1. COMMUTE TRIP REDUCTION FUNDING - Funding from the Air Pollution Control Account is transferred from the Department of Transportation to the Department of General Administration where the program is administered. A corresponding reduction is found in the Department of Transportation's budget. (Air Pollution Control Account)
2. RISK MANAGEMENT WORKLOAD - Funding is provided for a Tort Claim Investigator to ensure that meritorious claims are promptly investigated and settled. Prompt investigation and settlement of tort claims reduces the state's liability. (Risk Management Account)
3. MAINTAIN STATE FOOD PURCHASES - Funding is provided to purchase bulk food commodities for distribution to the state's food assistance network. State funds will offset federal reductions to The Emergency Food Assistance Program (TEFAP) and continue current food distribution levels across the state. Proviso language states that \$2.4 million must be spent on food purchases and related expenses.
4. AIR POLLUTION CONTROL SHORTFALL - A reduction in the funding levels from the Air Pollution Control Account is necessary due to declining revenues. (Air Pollution Control Account)
5. AMERICANS WITH DISABILITIES ACT - Through collaborative efforts with other state agencies, the Department has identified ways to provide the services required by the Americans with Disabilities Act with reduced funding.
6. CAMPUS SECURITY/MAINTENANCE - Reliance on existing surveillance cameras will eliminate the need for one campus security guard. Grounds maintenance for the east capitol campus is reduced. Funds supporting the Thurston County Regional Planning Council are also eliminated. (Facilities and Services Revolving Account)
7. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
8. WORLD WAR II MEMORIAL - Funding is provided to accomplish the tasks associated with the construction of the World War II Memorial as long as the site is immediately south of the Columbia Street and 11th Avenue axial on the west capitol campus. Another proviso states that no subsequent monuments may be placed on the capitol campus until the capitol campus monuments and memorial policy is included in the Department's administrative code.

NOTE: Subsection 4: The Department must use Washington-based sellers of travel for purchases of any travel product. Increased utilization of in-state companies should improve business opportunities and service.

Subsection 5: To achieve greater efficiencies, the Department is to study ways to exceed the federal government's minimum vehicle mileage and environmental standards for the State's motor pool vehicle fleet and report back to the Legislature by December 1, 1997.

Subsection 6: When cost effective, the Department will contract with a private vendor for vehicle preparation prior to sale and for the sale of all surplus motor pool vehicles.

## Department of Information Services

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	27,000	195,714	222,714
1997 Supplemental *	12,178	43,018	55,196
<b>Total 1995-97 Expenditure Authority</b>	<b>39,178</b>	<b>238,732</b>	<b>277,910</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>181,969</b>	<b>181,969</b>
<b>Policy Items</b>			
1. General Inflation	0	-1,164	-1,164
2. Washington Educational Network	0	44,028	44,028
3. Capitalize Education Tech Rev Fund	0	1,500	1,500
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>226,333</b>	<b>226,333</b>
Fiscal Year 1998 Totals	0	125,202	125,202
Fiscal Year 1999 Totals	0	101,131	101,131

**Comments:**

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. WASHINGTON EDUCATIONAL NETWORK - Funding provided in the 1996 and 1997 Supplemental Budgets for the development of a statewide educational telecommunications network will not be entirely spent by June 30, 1997. Unexpended funds are carried over and available for appropriation and expenditure in the 1997-99 biennium. The funds shall be expended in accordance with the expenditures authorized by the Telecommunications Oversight and Policy Committee. (K-20 Technology Account)
3. CAPITALIZE EDUCATION TECH REV FUND - Funding provided in the 1997 Supplemental Budget (Chapter 454, Laws of 1997, Partial Veto -- ESHB 2259) to capitalize the education technology revolving fund will not be entirely spent by June 30, 1997. Unexpended funds are carried over and available for expenditure in the 1997-99 biennium. (Education Technology Revolving Fund-Non-Appropriated)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Office of Insurance Commissioner**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	20,230	20,230
1997 Supplemental *	0	105	105
<b>Total 1995-97 Expenditure Authority</b>	<b>0</b>	<b>20,335</b>	<b>20,335</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>21,498</b>	<b>21,498</b>
<b>Policy Items</b>			
1. Washington Information Network	0	213	213
2. Information Systems	0	148	148
3. Microfilming Enhancement	0	150	150
4. General Inflation	0	-99	-99
5. Information Technology Efficiencies	0	-155	-155
6. License Suspension	0	88	88
7. Increased Filing Workload	0	150	150
8. Insurance Company Investments	0	12	12
9. Prudential Consent Order	0	532	532
10. Lapse: Increased Filing Workload	0	-150	-150
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>22,387</b>	<b>22,387</b>
Fiscal Year 1998 Totals	0	11,445	11,445
Fiscal Year 1999 Totals	0	10,942	10,942

**Comments:**

- |   |  |
|---|--|
| <p>1. WASHINGTON INFORMATION NETWORK - The Office participates in the Washington Information Network (WIN) kiosks that provide state government services and information to the public. Currently, the Office has an automobile insurance information program on WIN and proposes to add similar programs for home, life, and property insurance. Funding is provided for programming enhancements. (Insurance Commissioner's Regulatory Account)</p> <p>2. INFORMATION SYSTEMS - Funding is provided for enhancements to the Office's Local Area Network (LAN) and for replacing personal computers for rates and contracts analysts. These enhancements and replacements, together with the document imaging equipment also requested, will allow the Office to immediately implement efficiencies to improve the percentage of proposed rates and contracts that can be reviewed within the statutorily-mandated 30 days. Within the biennium, these enhancements will also be necessary for the State Electronic Rate and Form Filing (SERFF) and Producer Information Network (PIN) projects that are being implemented by a consortium of the industry and state insurance regulators. SERFF will allow rates and contracts to be filed and approved electronically, with electronic correspondence between Office staff and firms, thus expediting the review process. PIN will allow regulators and the industry to share information about licensed insurance agents. (Insurance Commissioner's Regulatory Account)</p> <p>3. MICROFILMING ENHANCEMENT - The Office currently possesses microfilming equipment which is used to copy all rates and contracts filed by the industry for the Commissioner's review. Funding is provided for a document imaging scanner attachment that would create an electronic copy of the rates and contracts at the same time that the microfilm copy is produced. With the scanning capability, the Office can convert its paper-based reviewing process to a more efficient electronic one. The scanner is also necessary for the Office's related request for equipment for electronic filing and correspondence with firms. (Insurance Commissioner's Regulatory Account)</p> <p>4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>5. INFORMATION TECHNOLOGY EFFICIENCIES - The implementation of the SERFF and the PIN projects will result in staff savings beginning in FY 99. These two projects will automate current staff-intensive functions and provide more timely services. (Insurance Commissioner's Regulatory Account)</p> | <p>6. LICENSE SUSPENSION - The welfare reform program enacted in Chapter 58, Laws of 1997, Partial Veto (EHB 3901) provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the additional workload associated with license suspension by the Office of Insurance Commissioner. (Insurance Commissioner's Regulatory Account)</p> <p>7. INCREASED FILING WORKLOAD - Funding is provided for additional workload in health insurance rate filings to meet the provisions of SHB 1387 (Health Plan Rate Filings). SHB 1387 was vetoed by the Governor. (Insurance Commissioner's Regulatory Account)</p> <p>8. INSURANCE COMPANY INVESTMENTS - Funds are provided for staff training needed to regulate insurance companies engaged in derivative investment transactions pursuant to Chapter 317, Laws of 1997 (SHB 2097 -- Insurance Company Investments). (Insurance Commissioner's Regulatory Account)</p> <p>9. PRUDENTIAL CONSENT ORDER - Appropriation authority is provided for funds received under a consent order with the Prudential Insurance Company for improper sales practices. The funds may be expended only for implementing the Prudential remediation process and for examinations of the Prudential Company. (Insurance Commissioner's Regulatory Account)</p> <p>10. LAPSE: INCREASED FILING WORKLOAD - Funds provided for increased health insurance rate filings under SHB 1387 (Item 7 above) will lapse because SHB 1387 failed to be enacted. (Insurance Commissioner's Regulatory Account)</p> |
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\* Please see the 1997 Supplemental Operating Budget section for additional information.

**State Board of Accountancy**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>1,293</b>	<b>1,293</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>1,239</b>	<b>1,239</b>
<b>Policy Items</b>			
1. CPA Exam Adjustments	0	-306	-306
2. General Inflation	0	-17	-17
3. Compensation Change	0	40	40
4. License Suspension	0	22	22
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>978</b>	<b>978</b>
Fiscal Year 1998 Totals	0	447	447
Fiscal Year 1999 Totals	0	531	531

**Comments:**

1. CPA EXAM ADJUSTMENTS - Funding is reduced due to contracting out the Certified Public Accountant (CPA) examination. (Certified Public Accountants' Account)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. COMPENSATION CHANGE - Funding is provided for three staff reclassified to Washington Management Service positions. (Certified Public Accountants' Account)
4. LICENSE SUSPENSION - Funding is provided for the additional workload associated with the license suspension provision of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (Certified Public Accountants' Account)

**Forensics Investigation Council**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>12</b>	<b>12</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>12</b>	<b>12</b>
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>12</b>	<b>12</b>
Fiscal Year 1998 Totals	0	6	6
Fiscal Year 1999 Totals	0	6	6

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

**Washington Horse Racing Commission**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>4,733</b>	<b>4,733</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>4,882</b>	<b>4,882</b>
<b>Policy Items</b>			
1. General Inflation	0	-54	-54
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>4,828</b>	<b>4,828</b>
Fiscal Year 1998 Totals	0	2,414	2,414
Fiscal Year 1999 Totals	0	2,414	2,414

**Comments:**

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

## Washington State Liquor Control Board

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	113,604	113,604
1997 Supplemental *	0	582	582
<b>Total 1995-97 Expenditure Authority</b>	<b>0</b>	<b>114,186</b>	<b>114,186</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>128,650</b>	<b>128,650</b>
<b>Policy Items</b>			
1. License Suspension	0	154	154
2. Information Technology Upgrade	0	1,250	1,250
3. Safety Officer	0	73	73
4. Point of Sale Checkstands	0	532	532
5. General Inflation	0	-278	-278
6. Olympia Headquarters Relocation	0	470	470
7. Cigarette Tax Enforcement	2,845	0	2,845
8. Credit Cards in Liquor Stores	0	459	459
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>2,845</b>	<b>131,310</b>	<b>134,155</b>
Fiscal Year 1998 Totals	1,603	65,998	67,601
Fiscal Year 1999 Totals	1,242	65,312	66,554

**Comments:**

1. LICENSE SUSPENSION - Funding is provided for the additional workload associated with administering the license suspension component of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (Liquor Revolving Account)
2. INFORMATION TECHNOLOGY UPGRADE - Funding is provided for upgrading the agency's information technology capabilities. Funding for this item is contingent upon compliance with the provisions stated in Section 902 of Chapter 149, Laws of 1997, Partial Veto (SSB 6062). (Liquor Revolving Account)
3. SAFETY OFFICER - Funding is provided for additional staff to improve management of open claims, increase site inspections, and provide safety training. (Liquor Revolving Account)
4. POINT OF SALE CHECKSTANDS - Funding is provided to purchase ergonomically designed checkstands for liquor stores throughout the state. (Liquor Revolving Account)
5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
6. OLYMPIA HEADQUARTERS RELOCATION - Funding is provided to co-locate Liquor Control Board staff in Thurston County. One-time moving costs of \$200,000 are included in FY 98. (Liquor Revolving Account)
7. CIGARETTE TAX ENFORCEMENT - Funding and staff are provided for the implementation of Chapter 420, Laws of 1997, Partial Veto (ESHB 2272), which transfers cigarette and tobacco tax enforcement from the Department of Revenue to the Liquor Control Board. The Governor vetoed several provisions of the legislation as it passed the Legislature. (See veto comment below.)
8. CREDIT CARDS IN LIQUOR STORES - Funding is provided for costs associated with allowing the use of credit cards in state liquor stores pursuant to Chapter 148, Laws of 1997 (SSB 5664). (Liquor Revolving Account)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Governor's Vetoes:**

Chapter 420, Laws of 1997, Partial Veto (ESHB 2272) transferred primary enforcement responsibility for cigarette and tobacco tax laws from the Department of Revenue to the Liquor Control Board. The Governor vetoed sections authorizing cooperative agreements with Indian tribes concerning the sale of cigarettes and tobacco products and establishing a schedule for the increased collection of cigarette and tobacco taxes. In vetoing the sections, the Governor stated that they were too restrictive to be practical.

## Utilities and Transportation Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>26,002</b>	<b>26,002</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>24,754</b>	<b>24,754</b>
<b>Policy Items</b>			
1. General Inflation	0	-149	-149
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>24,605</b>	<b>24,605</b>
Fiscal Year 1998 Totals	0	12,302	12,302
Fiscal Year 1999 Totals	0	12,303	12,303

**Comments:**

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

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Utilities and Transportation Commission's budget is shown in the Transportation Budget section of this document.

**Board for Volunteer Firefighters**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>442</b>	<b>442</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>530</b>	<b>530</b>
<b>Policy Items</b>			
1. General Inflation	0	-1	-1
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>529</b>	<b>529</b>
Fiscal Year 1998 Totals	0	261	261
Fiscal Year 1999 Totals	0	268	268

**Comments:**

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

**Military Department**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	15,191	179,448	194,639
1997 Supplemental *	19,206	17,097	36,303
<b>Total 1995-97 Expenditure Authority</b>	<b>34,397</b>	<b>196,545</b>	<b>230,942</b>
<b>1997-99 Maintenance Level</b>	<b>16,210</b>	<b>117,599</b>	<b>133,809</b>
<b>Policy Items</b>			
1. February Flood Local Match	0	5,418	5,418
2. November 1996 Ice Storm	0	5,688	5,688
3. December 1996 Holiday Storms	0	44,739	44,739
4. Satellite Maintenance Contracts	-400	0	-400
5. Comprehensive Plan/Duty Officers	648	0	648
6. Administrative Efficiencies	-443	-443	-886
7. General Inflation	-110	-327	-437
8. Facilities Maintenance	200	0	200
9. Spring 1997 Flood	0	1,859	1,859
10. Conditional Scholarship	200	0	200
11. Disaster Recovery Appropriation	0	9,197	9,197
<b>Total 1997-99 Biennium</b>	<b>16,305</b>	<b>183,730</b>	<b>200,035</b>
Fiscal Year 1998 Totals	8,151	87,867	96,018
Fiscal Year 1999 Totals	8,154	95,863	104,017

**Comments:**

- FEBRUARY FLOOD LOCAL MATCH - In the 1996 Supplemental Budget, the Legislature appropriated state funds to provide the match necessary for local governments to be eligible for Federal Emergency Management Agency funds for the February 1996 floods. Additional funds are provided to continue this event-specific decision to provide local governments extra financial assistance because of the enormous costs involved. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State)
- NOVEMBER 1996 ICE STORM - Funding is provided to cover the damages sustained by Spokane, Pend Oreille, and Klickitat counties from the November 1996 ice storm. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State, Disaster Response Account-Federal)
- DECEMBER 1996 HOLIDAY STORMS - Funding is provided for disaster recovery costs associated with the December 1996 holiday storms. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State, Disaster Response Account-Federal)
- SATELLITE MAINTENANCE CONTRACTS - Local governments were unable to provide the local match required for the Military Department to purchase the emergency satellite communications system that was funded in the 1995-97 biennium. Consequently, funding for the maintenance contracts for the communications system is eliminated.
- COMPREHENSIVE PLAN/DUTY OFFICERS - In the 1995-97 biennium, one-time federal funds were used to fund four duty officers that provide 24 hour coverage for immediate emergency response. General Fund-State funding is provided to continue support of this activity.
- ADMINISTRATIVE EFFICIENCIES - Funding is reduced for goods and services and two support positions due to administrative efficiencies. (General Fund-State, General Fund-Federal)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- FACILITIES MAINTENANCE - Funding is provided for the ongoing maintenance and repair of armories.
- SPRING 1997 FLOOD - Funding is provided for disaster recovery costs associated with the March 1997 spring floods. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State, Disaster Response Account-Federal)
- CONDITIONAL SCHOLARSHIP - Funding is provided for educational scholarships for enlisted soldiers and officers below the rank of captain.
- DISASTER RECOVERY APPROPRIATION - The amounts of \$6.2 million General Fund-Federal and \$3.0 million Flood Control Assistance Account are appropriated to the Disaster Response Account for payment of disaster recovery costs. (General Fund-Federal, Flood Control Assistance Account-State)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Employment Relations Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>3,314</b>	<b>0</b>	<b>3,314</b>
<b>1997-99 Maintenance Level</b>	<b>3,480</b>	<b>0</b>	<b>3,480</b>
<b>Policy Items</b>			
1. Telecommunication Savings	-10	0	-10
2. Interest Arbitration	86	0	86
3. General Inflation	-24	0	-24
<b>Total 1997-99 Biennium</b>	<b>3,532</b>	<b>0</b>	<b>3,532</b>
Fiscal Year 1998 Totals	1,768	0	1,768
Fiscal Year 1999 Totals	1,764	0	1,764

**Comments:**

1. TELECOMMUNICATION SAVINGS - Funding is adjusted to reflect telecommunication cost savings estimated by the Department of Information Services.
2. INTEREST ARBITRATION - Funds are provided to handle increased workload due to implementation of Chapter 273, Laws of 1995 (ESHB 1730 -- Interest Arbitration for Law Enforcement Officers). Under this law, police officers in 68 additional jurisdictions will become eligible for interest arbitration on July 1, 1997.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**Growth Management Hearings Board**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>2,665</b>	<b>0</b>	<b>2,665</b>
<b>1997-99 Maintenance Level</b>	<b>2,788</b>	<b>0</b>	<b>2,788</b>
<b>Policy Items</b>			
1. General Inflation	-19	0	-19
2. Administrative Savings	-135	0	-135
<b>Total 1997-99 Biennium</b>	<b>2,634</b>	<b>0</b>	<b>2,634</b>
Fiscal Year 1998 Totals	1,314	0	1,314
Fiscal Year 1999 Totals	1,320	0	1,320

**Comments:**

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. ADMINISTRATIVE SAVINGS - Through administrative efficiencies, funding is reduced for the 1997-99 biennium.

**State Convention and Trade Center**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>25,606</b>	<b>25,606</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>25,556</b>	<b>25,556</b>
<b>Policy Items</b>			
1. Cost of Living Adjustments	0	244	244
2. Facility Maintenance & Improvements	0	575	575
3. Increased Business and Contingency	0	800	800
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>27,175</b>	<b>27,175</b>
Fiscal Year 1998 Totals	0	13,504	13,504
Fiscal Year 1999 Totals	0	13,671	13,671

**Comments:**

1. COST OF LIVING ADJUSTMENTS - Funding is provided for a 3 percent salary increase effective July 1, 1997, for personnel employed by the State Convention and Trade Center. (State Convention and Trade Center Operations Account)
2. FACILITY MAINTENANCE & IMPROVEMENTS - Funds are provided for carpet and wall coverings replacement. The funds will also allow the Convention Center to connect its existing parking garage to the Freeway Park garage which has been acquired from the City of Seattle. (State Convention and Trade Center Operations Account)
3. INCREASED BUSINESS AND CONTINGENCY - The Convention Center anticipates increased staffing and operating costs resulting from higher levels of convention business using the facility. In addition, contingency funding is provided to supplement existing equipment budgets and to replace high priority items as needed. (State Convention and Trade Center Operations Account)

### Caseload Forecast Council

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>Policy Items</b>			
1. Establish Agency	879	0	879
<b>Total 1997-99 Biennium</b>	<b>879</b>	<b>0</b>	<b>879</b>
Fiscal Year 1998 Totals	489	0	489
Fiscal Year 1999 Totals	390	0	390

**Comments:**

1. ESTABLISH AGENCY - Chapter 168, Laws of 1997 (SSB 5472) establishes a Caseload Forecast Council. The caseload forecast supervisor shall prepare forecasts of the number of persons expected to meet entitlement requirements for specific state-funded services.

# Human Services

The Human Services area is separated into two sections: The Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section displays budgets at the department level, and includes the Department of Corrections, the Department of Labor and Industries, the Employment Security Department, the Health Care Authority, the Department of Health, and other human services related agencies.

## **Social Service Vendor Rate Increase**

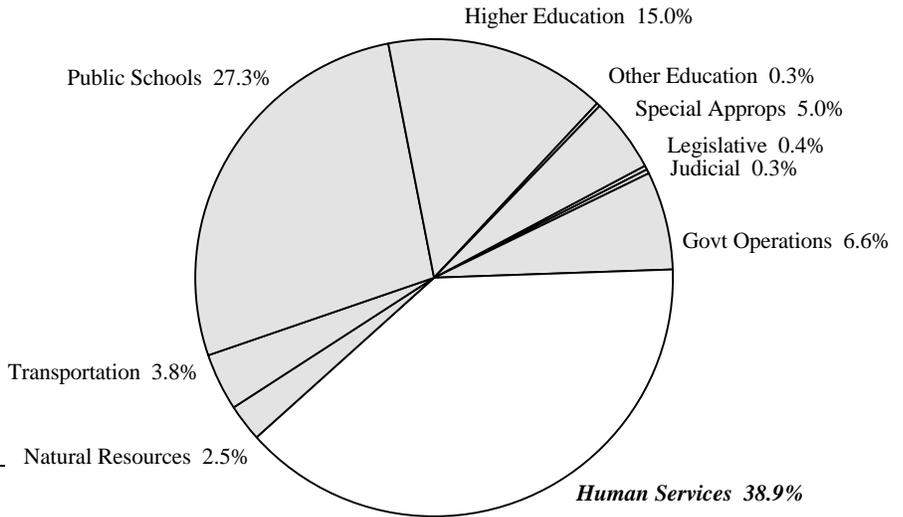
For many areas of state government, private firms provide services which might otherwise be provided directly by the public sector. Examples include nursing homes, outpatient mental health services, drug treatment, and Department of Corrections (DOC) work release facilities. Consistent with policy on state employee compensation, the budget funds a 3 percent rate increase for these vendors on July 1, 1997. DSHS is directed to target funding for vendor rate increases to address those areas in which recruitment, retention or quality of private sector service providers is a concern. Also, DOC work release facility contractors and educational services providers and Early Childhood Education and Assistance Program (ECEAP) vendors and the Washington Association of Sheriffs and Police Chiefs will receive the cost of living increase.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

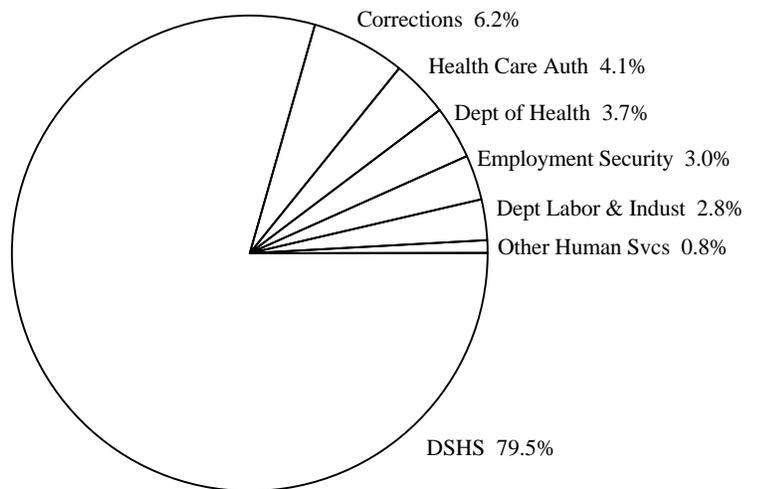
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
<b>Human Services</b>	<b>13,746,819</b>
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

DSHS	10,933,504
Dept of Corrections	848,518
Health Care Authority	557,439
Dept of Health	504,161
Employment Security	409,298
Dept of Labor & Industries	380,581
Other Human Services	113,318
<b>Human Services</b>	<b>13,746,819</b>



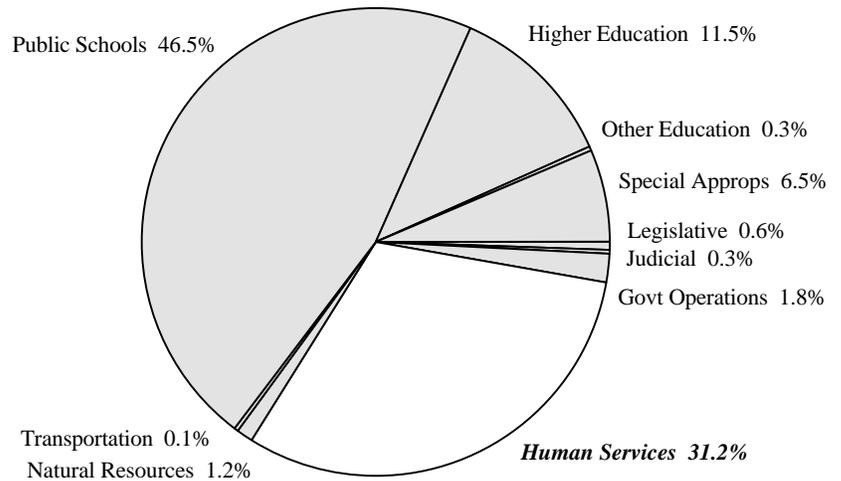
## Human Services

# 1997-99 Washington State Operating Budget

## General Fund - State

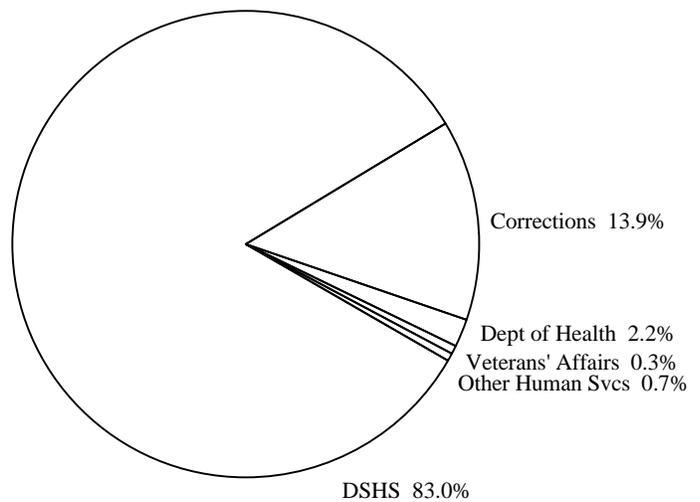
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
<b>Human Services</b>	<b>5,946,307</b>
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



### Washington State

DSHS	4,934,256
Dept of Corrections	825,064
Dept of Health	128,737
Dept of Veterans' Affairs	19,121
Other Human Services	39,129
<b>Human Services</b>	<b>5,946,307</b>



### Human Services



# Department of Social & Health Services

## **Children and Family Services**

The budget provides \$26.4 million from the state general fund and \$10.6 million from General Fund-Federal to improve foster care services provided by foster parents under contract to the Department of Social and Health Services (DSHS). Enhancements include funding for the increased foster care and adoption support caseloads, an increase in the foster care basic payment rate of \$25 per month per child, funding for recruitment and retention of foster parents, and an increase in the rate paid to child care placing agencies.

Amounts of \$18.1 million from the state general fund and \$8.1 million from General Fund-Federal are provided for 223 additional social workers in Child Protective Services (CPS). Funding is also provided for additional clerical workers, supervisors, regional staff, and headquarters staff. The additional workers will reduce the ratio of workers to cases from 1:32 to 1:29.

The budget provides \$2.3 million from the state general fund and \$2.2 million from General Fund-Federal for a new system to gather relevant information about children in foster care and to provide that information to foster parents in a timely fashion. The program will create a “passport” for each child in foster care over 90 days. The passport will accompany the child when foster care placements change.

The budget provides \$2.0 million from the state general fund and \$600,000 from General Fund-Federal for intensive assessments to be done on foster children who are in care over 90 days and who are expected to be in care over a long period. Assessments will identify services children need and assist in identifying permanency options for these children.

## **Juvenile Rehabilitation Administration**

A total of \$202 million in state, federal, and local funds is provided for the Division of Juvenile Rehabilitation Administration (JRA) for the 1997-99 biennium. Savings of \$4.7 million are achieved by not opening a new JRA facility on the grounds of Eastern State Hospital. Additional savings are achieved by eliminating parole services for all offenders except sex offenders and those assessed as high risk, consolidating administrative functions, improving efficiencies in ongoing activities, and applying internal best practices throughout the JRA system.

A total of \$23.4 million (\$14.7 million from the state general fund, \$8.7 million from the Violence Reduction and Drug Enforcement Account, and \$6,000 from General Fund-Local) is provided to implement Chapter 338, Laws of 1997 (E3SHB 3900) which makes numerous changes to the way juveniles are sentenced and adjudicated. Please see summary on page 5. Appropriations are made to JRA, the Department of Corrections, and to the Office of Superintendent of Public Instruction. Of the total, \$11.1 million is provided to JRA to fund the state and local government impact of the legislation.

## **Mental Health**

A total of \$474.7 million in state and federal funds is provided for counseling, case management, crisis response, residential, and other community mental health services administered by Regional Support Networks (RSNs). Of this total, \$9.7 million (\$4.7 million state general fund) is specifically targeted for caseload growth in RSNs whose per-person Medicaid payment rates are below the statewide average. A total of \$106.7 million is provided for community hospitalization services, which are to be integrated with outpatient services under a single capitated managed care system. This integration is expected to result in better preventive and follow-up care,

and in a savings of at least \$7.0 million (\$4.0 million state general fund) from what would be spent if inpatient and outpatient services continued to be administered separately.

Capacity and funding at Eastern and Western State Hospitals, and at the Child Study and Treatment Center, are maintained at their current level. An additional \$4.3 million from the state general fund is provided to increase the Special Commitment Center's capacity to house and treat persons committed under the state's sexual predator law.

### **Developmental Disabilities**

The number of children and adults receiving assistance with daily living activities in their own homes and in adult family homes will increase by an average of 1,600 over the 1995-97 level, at an increased state and federal cost of \$23.9 million. To help cover the cost of this increase, payments for persons sharing a household with a parent or other relative will be limited to a maximum of \$563 per month, for a state and federal savings of \$2.4 million. Additionally, DSHS is to manage the mix and level of personal care services so that the average cost per person served does not increase above the 1997 level (adjusted for the 3 percent vendor rate increase), which is expected to avoid \$1.9 million of increased state and federal costs.

A total of \$9.5 million (\$5.8 million state general fund) is provided in the Developmental Disabilities and the Vocational Rehabilitation budgets for job training and placement services, or other productive daytime activities, for approximately 1,400 young people with developmental disabilities graduating from special education programs in 1995, 1996, 1997, and 1998.

A total of \$1.3 million (\$0.8 million state general fund) is provided to help assure that adult family homes are equipped to serve the approximately 1,000 adults with developmental disabilities who live in such facilities. Both the frequency of case manager monitoring visits, and the amount of training provided to managers of such homes, are to be doubled.

Yakima Valley School will receive \$1.1 million of increased state and federal funding to develop a 16-bed respite program, and to provide nursing assessments, consultation, and quality assurance for people with developmental disabilities throughout central Washington.

### **Long-Term Care**

The number of elderly and disabled people receiving long-term care in their own homes, adults family homes, boarding homes, and assisted living apartments is budgeted to increase by about 2,200 each year of the 1997-99 biennium. Total state and federal funding for such services will increase by \$130 million over the 1995-97 level. The budget also provides a total of about \$5 million in enhancements to help assure that community programs are providing safe and quality care. These include hiring additional licensing staff so that adult family homes can be inspected an average of at least once each year; doubling the number of boarding home inspectors; employing additional Area Agency on Aging case managers to monitor the delivery of in-home care; and increasing by about 60 percent the number of registered nurses employed in state long-term care offices.

Because of the increased availability of community care options, the number of people receiving publicly-funded nursing home care is expected to decrease by 480 by the end of the 1997-99 biennium, for a savings of \$17.8 million (\$8.5 million state general fund). Nursing home payment rates are expected to increase by an average of 5.7 percent per year above the fiscal year 1997 level, at a total cost of \$93.6 million (\$44.9 million state general fund).

### **Economic Services**

A total of \$2 billion in state and federal funds is provided for cash assistance and WorkFirst services for about 232,000 households. This is about a 2 percent increase over caseloads in the 1995-97 biennium, the net effect declines in Temporary Assistance for Needy Families and Supplemental Security Income caseloads, and increases in the General Assistance-Unemployable and child care caseloads.

The budget provides \$84.6 million from the state general fund for legal immigrants and chemically-dependent persons who lose Supplemental Security Income (SSI) eligibility due to changes in federal law. These persons are eligible for

the General Assistance-Unemployable (GA-U) program. The GA-U program is a state entitlement program with a lower grant level than the SSI program.

The budget directs that the Department administer the GA-U program within funds appropriated by the Legislature. A variety of actions may be taken to accomplish this directive. This will result in a state general fund savings of \$35.2 million.

In Economic Services, an additional \$138 million of state and federal funds are provided for the major welfare reform initiatives: a new integrated employment child care system, enhanced work preparation and placement services, and a food subsidy program for legal immigrants who were made ineligible for federal food stamps. Additional flexible funds are also provided to DSHS in compliance with the Washington WorkFirst Temporary Assistance for Needy Families Act requirement to appropriate the entire federal block grant. For more information on the federal and state welfare reform across all state agencies, see the summary beginning on page 3.

### **Alcohol and Substance Abuse**

The budget provides \$2.5 million from the state general fund, \$2.0 million from General Fund-Federal, and \$1.0 million from the Violence Reduction and Drug Enforcement Account for the state Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) program to provide chemical dependency treatment to persons who have lost eligibility for the federal SSI program due to changes in the federal law. Those who successfully complete treatment may regain eligibility for SSI.

In addition, \$1.5 million General Fund-State is provided to continue the Birth to Three Parent/Child Assistance Program which works with women who have a history of alcohol or drug abuse to prevent the birth of children with fetal alcohol syndrome or alcohol related neurodevelopmental disorder.

### **Medical Assistance**

A total of \$3.9 billion in state and federal funds is provided for an average of about 770,000 people per month to receive medical and dental coverage through Medicaid and other state medical assistance programs. This is a 9 percent increase from 1995-97 in the average number of persons covered, and an 11 percent increase in total funding. The largest caseload increases are occurring among children whose families are not on welfare, but which have incomes below 200 percent of the poverty level. Over a quarter of a million such children are expected to be covered by Medicaid by the end of the 1997-99 biennium, a more than 30 percent increase from the 1995-97 level. The next largest caseload increases are among the elderly and disabled, who are also the most expensive groups to cover.

The budget makes a number of changes to help pay for these increased service levels. Competitive contracting strategies will be used to limit managed care rate increases to 3.5 percent per year for the disabled population, and to 2 percent per year for other covered groups. This will result in \$41 million of state and federal savings from what would need to be expended if such rates kept pace with national projections of medical inflation. A total of \$18.5 million will be saved through changes in interpreters services for recipients who have limited English-speaking ability. Caseload reductions due to changes in eligibility for the state general assistance program are expected to result in \$12 million of medical assistance savings. The budget directs DSHS to seek a federal waiver under which adults who are not elderly or disabled will contribute \$10 per month toward the cost of their medical coverage. If approved, this will result in state and federal savings of \$11.6 million in the second year of the biennium.

### **Vocational Rehabilitation**

As discussed above, a total of \$4.1 million (\$0.9 million state general fund) is provided for job training and placement services for young people with developmental disabilities who graduate from special education programs in 1997-99. In addition, \$2.4 million (\$0.5 million state general fund) is provided for increased vocational rehabilitation services for other persons with disabilities.

**Administration and Supporting Services**

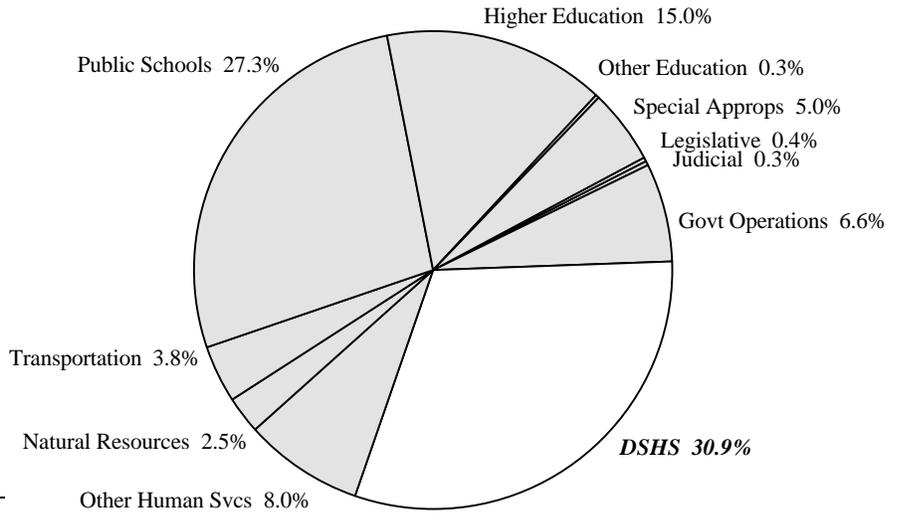
The budget reduces administration in the Department of Social and Health Services. In order to implement the reduction effectively, transfers may be made from the Department's division administration budgets to the central administration budget, allowing reductions to be made in the most appropriate program. This will result in savings of \$3.0 million in the state general fund and \$2.8 million General Fund-Federal.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

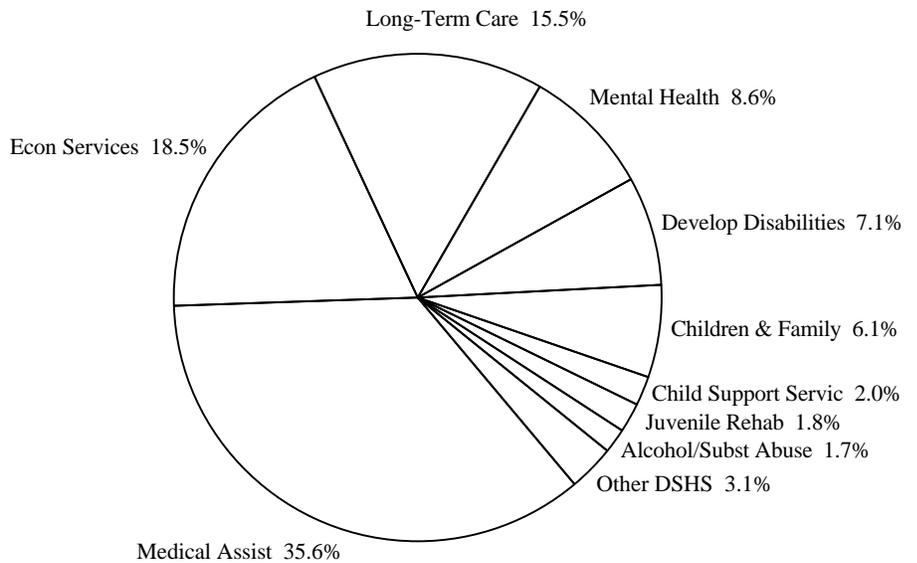
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
<b>DSHS</b>	<b>10,933,504</b>
Other Human Services	2,813,315
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

Medical Assistance	3,888,523
Economic Services	2,025,753
Long-Term Care Svcs	1,692,605
Mental Health	939,345
Developmental Disabilities	777,464
Children & Family Svcs	662,197
Child Support Services	220,945
Juvenile Rehabilitation	201,973
Alcohol/Subst Abuse	182,827
Other DSHS	341,872
<b>DSHS</b>	<b>10,933,504</b>



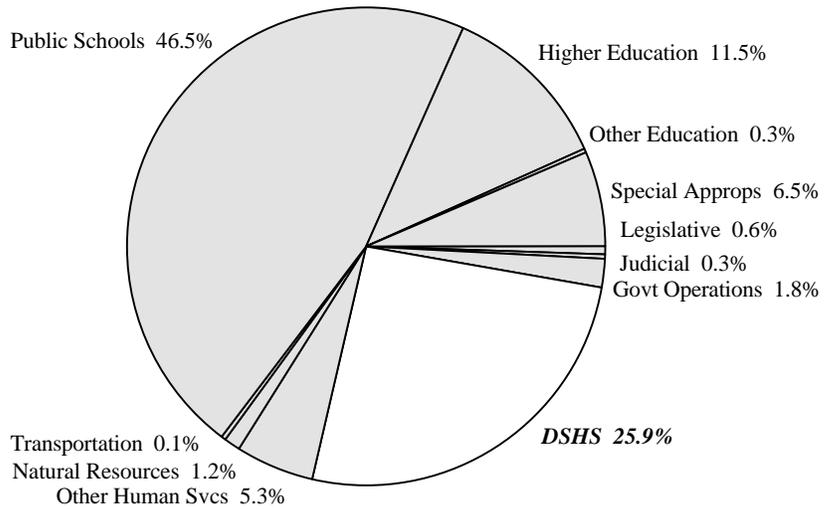
## DSHS

# 1997-99 Washington State Operating Budget

## General Fund - State

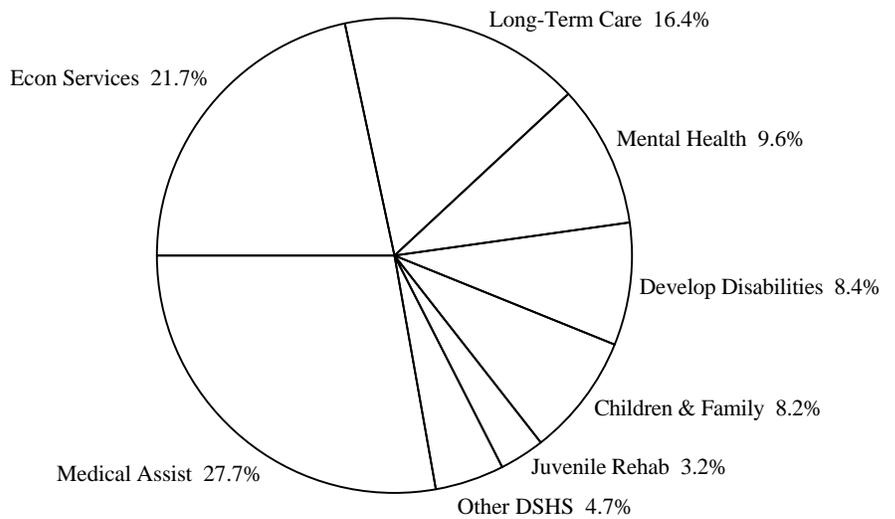
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
<b>DSHS</b>	<b>4,934,256</b>
Other Human Services	1,012,051
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



### Washington State

Medical Assistance	1,368,918
Economic Services	1,073,135
Long-Term Care Svcs	808,349
Mental Health	474,344
Developmental Disabilities	415,063
Children & Family Svcs	405,298
Juvenile Rehabilitation	157,629
Other DSHS	231,520
<b>DSHS</b>	<b>4,934,256</b>



### DSHS

**Department of Social & Health Services**  
**Children & Family Services**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	319,913	278,498	598,411
1997 Supplemental *	6,783	2,052	8,835
<b>Total 1995-97 Expenditure Authority</b>	<b>326,696</b>	<b>280,550</b>	<b>607,246</b>
<b>1997-99 Maintenance Level</b>	<b>398,124</b>	<b>288,952</b>	<b>687,076</b>
<b>Policy Items</b>			
1. 1997-99 Child Care Vendor Increase	1,391	55	1,446
2. Division of Licensed Resources	482	216	698
3. Reduce Secured CRCs	-2,336	-39	-2,375
4. Transfer of Employment Child Care	-39,408	-27,798	-67,206
5. Reduce Social Worker Workload	8,153	3,661	11,814
6. Fire Marshal Inspections	262	0	262
7. Improve Lead Worker Ratio	1,866	839	2,705
8. Child Care Provider Training	1,160	0	1,160
9. Passport Program	2,262	2,184	4,446
10. Intensive Foster Care Assessment	2,005	614	2,619
11. Home Studies for Adoptive Families	346	104	450
12. Adoption Reconsideration	24	0	24
13. Foster Care Basic Rate	2,459	653	3,112
14. Increase Child Placing Agency Rates	828	894	1,722
15. Indian Child Welfare	1,500	0	1,500
16. Continuum of Care/Street Youth	4,400	0	4,400
17. Improve Child Care Quality	2,930	1,141	4,071
18. Domestic Violence Funding	0	3,182	3,182
19. Victims of Crime Federal Increase	0	4,188	4,188
20. General Inflation	-789	-368	-1,157
21. Delay Community Network Funding	0	-4,860	-4,860
22. Secure Crisis Center Treatment	200	0	200
23. Foster Care Improvements	1,150	290	1,440
24. Juvenile Treatment Legislation	1,280	0	1,280
25. Temporary Assistance Transfer	17,009	-17,009	0
<b>Total 1997-99 Biennium</b>	<b>405,298</b>	<b>256,899</b>	<b>662,197</b>
Fiscal Year 1998 Totals	196,437	126,302	322,739
Fiscal Year 1999 Totals	208,861	130,597	339,458

**Comments:**

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|---|---|
| <p>1. 1997-99 CHILD CARE VENDOR INCREASE - Funding is provided for a 3 percent increase to child care provider rates, effective July 1, 1997. This increase is equal to the vendor rate increase provided for other vendors of the Department. (General Fund-State, General Fund-Federal)</p> <p>2. DIVISION OF LICENSED RESOURCES - Funding is provided for the Division of Licensed Resources within the Children's Administration. The Division was created in 1996 by Executive Order. The new Division is responsible for all licensing functions performed by Children's Administration. (General Fund-State, General Fund-Federal)</p> <p>3. REDUCE SECURED CRCS - Funding is adjusted to reflect a one-time reduction in the FY 98 appropriation for the operation of secured Crisis Residential Centers (CRCs) because all 75 CRC beds will not be in operation until FY 99. Funding for FY 99 is provided at the amount necessary to support 75 CRC beds. (General Fund-State, General Fund-Federal)</p> <p>4. TRANSFER OF EMPLOYMENT CHILD CARE - Funding for employment child care is transferred to Economic Services Administration from Children's Administration in accordance with</p> | <p>Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform). The bill directs that low-income child care assistance be operated in one program out of the Economic Services Administration. (General Fund-State, General Fund-Federal)</p> <p>5. REDUCE SOCIAL WORKER WORKLOAD - Funding is provided to reduce the ratio of Child Protective Services social workers to cases. The caseload ratio is currently 1:32. Funding is phased in over the 1997-99 biennium so that the caseload ratio will be 1:29 by the end of FY 99. Funding is also provided to reduce the ratio of clerical workers to caseworkers, to provide additional staff in regional offices, and to provide headquarters staff support. (General Fund-State, General Fund-Federal)</p> <p>6. FIRE MARSHAL INSPECTIONS - Child care licensure requirements mandate that providers have their facilities inspected for fire safety by local fire marshals. Funding is provided for the fire marshal inspections for certain child care providers and for safety training of child care licensors and providers.</p> |
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**Department of Social & Health Services**  
**Children & Family Services**

7. **IMPROVE LEAD WORKER RATIO** - Funding is provided to reduce the ratio of employees to supervisors within Child Protective Services. The ratio is currently one supervisor for every ten caseworkers. Funding is phased in to reduce the ratio to one supervisor for every eight caseworkers by the end of FY 99. (General Fund-State, General Fund-Federal)
8. **CHILD CARE PROVIDER TRAINING** - Funding is provided for child care training programs. Enhancements funded include an expansion of a 15-hour training model for family child care providers statewide, training for workers in child care centers, training vouchers for low-income child care staff, and a tracking system to monitor and enforce child care training requirements.
9. **PASSPORT PROGRAM** - Funds are provided for a statewide roll-out of a pilot program operated in King County during 1996 which creates a "passport" for children who are in foster care over 90 days. The passport program is intended to improve information sharing among persons who care for foster children. The passport is a concise record of a foster child's current medical, dental, behavioral, psychological, and educational status as well as the child's relevant providers of care and a record of vaccinations, allergies, medications, and upcoming appointments. (General Fund-State, General Fund-Federal)
10. **INTENSIVE FOSTER CARE ASSESSMENT** - Funds are provided for an in-depth, independent assessment of foster children who are in Department placements after 90 days and who are deemed likely to remain in foster care for an extended period. (General Fund-State, General Fund-Federal)
11. **HOME STUDIES FOR ADOPTIVE FAMILIES** - In order to complete the adoption process, the adoptive family must have a home study performed. There is currently a backlog of home studies to be completed. Funding is provided to allow private agencies to be paid for home studies at a cost of \$750 per home study. (General Fund-State, General Fund-Federal)
12. **ADOPTION RECONSIDERATION** - Funding is provided for Chapter 131, Laws of 1997 (2SHB 1432) which expands the Adoption Support Reconsideration Program to include those children who are at high risk of a future physical, mental, or emotional problem from exposure to traumatic conditions prior to adoption. It is anticipated that 12 additional children will be served each year.
13. **FOSTER CARE BASIC RATE** - Funding is provided to increase the basic rate for family foster care by \$25 per child per month. The rate increase is phased in over the 1997-99 biennium and is in addition to any other vendor rate increases provided by the Department. (General Fund-State, General Fund-Federal)
14. **INCREASE CHILD PLACING AGENCY RATES** - Funding is provided to increase the rate paid to private child placing agencies. These agencies place children in foster care and provide other services to children in foster care and adoptive homes. The per placement rate is increased from \$205 to \$285 and is in addition to any other vendor rate increase provided by the Department. (General Fund-State, General Fund-Federal)
15. **INDIAN CHILD WELFARE** - Funding is provided for projects identified in the Division of Children and Family Services Tribal Capacity Self-Study. Funds will be used to serve American Indian children who are involved in Children's Administration programs.
16. **CONTINUUM OF CARE/STREET YOUTH** - Funding is restored for projects which serve street youth and which provide a continuum of care for children in five existing locations around the State.
17. **IMPROVE CHILD CARE QUALITY** - The federal Child Care Development Fund (CCDF) requires that a minimum of 4 percent of federal block grant funds be spent on improving the quality and capacity of the State's child care system. Funding is provided for additional investments in the child care system to comply with CCDF requirements and to better prepare the State to meet the child care demands related to welfare reform legislation. Funding may be used to provide grants and other services to child care providers to support the expansion of child care slots for off-hours child care, for technical assistance, to expand resource and referral networks, and to expand child care to currently unserved areas of the state. (General Fund-State, General Fund-Federal)
18. **DOMESTIC VIOLENCE FUNDING** - Funding is provided to strengthen existing domestic violence programs, to fund new domestic violence programs in parts of the state where no programs exist, and for children's advocates to act as case managers in each of the 40 state-supported domestic violence programs. (General Fund-Federal)
19. **VICTIMS OF CRIME FEDERAL INCREASE** - Additional federal funding authority is provided for programs designed to assist sexual assault victims and other victims of crime. (General Fund-Federal)
20. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)
21. **DELAY COMMUNITY NETWORK FUNDING** - Funding of the community public health and safety networks from the Violence Reduction and Drug Enforcement Account (VRDE) is delayed for two years. Federal funds equivalent to the amount projected to be spent in the 1995-97 biennium are provided to the networks to continue activities through the 1997-99 biennium. Total funding for community network activities is \$7.06 million from the federal Title IV-B, Part 2 program. The total Family Policy Council appropriation is \$1.04 million. Within this amount, the Family Policy Council must contract for audits of ten networks, must provide funding for the Washington Institute for Public Policy to continue the evaluation of the community networks, and may create a geographic information system database. Funds totaling \$1,485,000 of the Federal IV-B, Part 2 funding are transferred to the networks from Children's Administration. (Violence Reduction and Drug Enforcement Account)
22. **SECURE CRISIS CENTER TREATMENT** - Funding is provided for Children's Administration to assist in defending providers who contract with the state for secure Crisis Residential Center (CRC) beds in the event that lawsuits arise from providing these services. Funds may also be used for the implementation of rules regarding income, resources, and exemptions to determine a parent's ability to pay for a child's treatment at a secure facility.
23. **FOSTER CARE IMPROVEMENTS** - Funding is provided for implementation of Chapter 272, Laws of 1997 (E2SHB 2046 -- Foster Parent Liaisons). The bill requires that the Department contract for a foster care recruitment and retention program with a private entity and establish one foster parent liaison in each of the six Children's Administration regions. Foster parent liaisons shall act as the advocate for foster parents with the Department and will free foster parents up to work with children by taking care of procedural and administrative activities required by DSHS. (General Fund-State, General Fund-Federal)
24. **JUVENILE TREATMENT LEGISLATION** - Funding is provided for Chapter 386, Laws of 1997, Partial Veto (E2SSB 5710 -- Juvenile Care and Treatment). In part, the bill authorizes creation of new alternative response sites similar to existing continuum of care programs in five locations around the State. Funding is provided for two new alternative response sites, which will serve families screened from the child protective services risk assessment process.

**Department of Social & Health Services  
Children & Family Services**

25. TEMPORARY ASSISTANCE TRANSFER - With the implementation of the Temporary Assistance to Needy Families (TANF) block grant, additional work and time limit requirements will be placed on families served by public assistance. These additional requirements will be harder to track at the client level in the Children's Administration. TANF federal funding is transferred from the Children's Administration to the Economic Services Administration. The same amount of state funding is then transferred from the Economic Services Administration and placed in the Children's Administration. (General Fund-State, General Fund-Federal)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social and Health Services  
Children and Family Services**

**WORKLOAD HISTORY**

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								<b>Estimate</b>		
<b>Foster Care *</b>										
Avg # Children Served Monthly	6,143	6,441	6,734	6,723	6,665	6,762	8,215	8,118	8,166	8,207
% Change from prior year		4.9%	4.5%	-0.2%	-0.9%	1.5%	21.5%	-1.2%	0.6%	0.5%
<b>Child Care **</b>										
Avg # Children Served Monthly	5,235	6,051	6,386	7,109	7,715	7,100	7,241	7,275	7,275	7,275
% Change from prior year		15.6%	5.5%	11.3%	8.5%	-8.0%	2.0%	0.5%	0.0%	0.0%
<b>Child Protective Services</b>										
Avg Cases Referred Monthly	3,644	4,301	5,819	5,699	5,750	6,108	6,241	6,602	6,986	7,391
% Change from prior year		18.0%	35.3%	-2.1%	0.9%	6.2%	2.2%	5.8%	5.8%	5.8%
Avg Cases per Worker	1:32	1:31	1:31	1:33	1:36	1:36	1:32	1:32	1:29	1:29
<b>Adoption Support</b>										
Avg # Served Monthly	1,351	1,598	1,901	2,361	2,843	3,186	3,678	4,142	4,597	5,053
% Change from prior year		18.3%	19.0%	24.2%	20.4%	12.1%	15.4%	12.6%	11.0%	9.9%

\* Includes Family Foster Care and Group Foster Care.

\*\* Includes the following services: Protective/Welfare, Therapeutic, Teen Parent, Seasonal, and Foster Parent Employment.  
Employment Child Care is no longer included.

Data Source:

DSHS Budget Division.

**Department of Social & Health Services**  
**Juvenile Rehabilitation**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	119,155	65,397	184,552
1997 Supplemental *	11,896	-19,858	-7,962
<b>Total 1995-97 Expenditure Authority</b>	<b>131,051</b>	<b>45,539</b>	<b>176,590</b>
<b>1997-99 Maintenance Level</b>	<b>163,065</b>	<b>35,939</b>	<b>199,004</b>
<b>Policy Items</b>			
1. Delay Green Hill Housing Units	-175	0	-175
2. Reduce Institutions Pgm Managers	-446	0	-446
3. Administration Reduction	-443	0	-443
4. Increase Mental Health Services	600	0	600
5. General Inflation	-606	0	-606
6. Assume Internal Best Practices	-388	0	-388
7. Parole Targeting	-1,956	-344	-2,300
8. Medical Lake Closure	-4,724	0	-4,724
9. Juvenile Offender Placement	206	0	206
10. Risk Classification	128	0	128
11. Juvenile Justice Legislation	2,368	4,084	6,452
12. Local Impact of Juvenile Justice	0	4,665	4,665
<b>Total 1997-99 Biennium</b>	<b>157,629</b>	<b>44,344</b>	<b>201,973</b>
Fiscal Year 1998 Totals	79,009	20,093	99,102
Fiscal Year 1999 Totals	78,620	24,251	102,871

**Comments:**

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| <p>1. DELAY GREEN HILL HOUSING UNITS - Funding is reduced due to delays in opening three new 64-bed housing units at Green Hill School. The opening is delayed from February 1998 to July 1998.</p> <p>2. REDUCE INSTITUTIONS PGM MANAGERS - Funding is reduced due to 12 of the Juvenile Rehabilitation Administration (JRA) small (16-bed) cottages sharing program managers.</p> <p>3. ADMINISTRATION REDUCTION - Funding is reduced for administrative costs.</p> <p>4. INCREASE MENTAL HEALTH SERVICES - Funding is provided to increase contracted psychiatric and psychological services to make them available at all institutions and state group homes.</p> <p>5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>6. ASSUME INTERNAL BEST PRACTICES - The recently completed Joint Legislative Audit and Review Committee Capacity Study found that staffing efficiencies could be achieved by applying internal best practices. JRA will study their most efficient housing units as they are currently operating and apply the most efficient practices to similar housing units.</p> <p>7. PAROLE TARGETING - Funding for parole services is eliminated for offenders within the custody of JRA, except sex offenders and approximately 25 percent of offenders assessed as high risk. In addition, an intensive parole and aftercare program is established by Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions) in order to provide an enhanced level of services to those offenders remaining on the JRA caseload. Please see the separate juvenile justice legislation item 11. (General Fund-State, General Fund-Federal)</p> <p>8. MEDICAL LAKE CLOSURE - Savings are achieved by not opening the Medical Lake Treatment Center on the grounds of Eastern State Hospital. The facility was planned to have 80 beds and would cost</p> | <p>approximately \$53,000 per bed annually to operate. The November 1996 juvenile offender forecast projects that the number of offenders housed by JRA will be substantially less than the maximum operating capacity of the system. By not opening the facility and housing the offenders within maximum operating capacity, savings are achieved.</p> <p>9. JUVENILE OFFENDER PLACEMENT - Funding is provided to implement Chapter 386, Laws of 1997, Partial Veto (E2SSB 5710). Provisions of the legislation require JRA to develop and implement procedures and policies to protect sexually-vulnerable youth from sexually-aggressive youth.</p> <p>10. RISK CLASSIFICATION - Provides funding for the implementation of Chapter 364, Laws of 1997 (ESSB 5759). Provisions of the legislation require JRA to assign a risk classification level to sex offenders released from their facilities.</p> <p>11. JUVENILE JUSTICE LEGISLATION - Funding is provided to implement Chapter 338, Laws of 1997 (E3SHB 3900). The bill has provisions which automatically transfer jurisdiction of 16- and 17-year-old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and juvenile sentencing options. Also, an intensive parole and aftercare program is established to provide an enhanced level of services to high-risk offenders. The net cost to state and local government is estimated at \$23.4 million in the 1997-99 biennium. (General Fund-State, General Fund-Federal, General Fund-Local, Violence Reduction and Drug Enforcement Account)</p> |
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**Department of Social & Health Services**  
**Juvenile Rehabilitation**

12. LOCAL IMPACT OF JUVENILE JUSTICE - Funding is provided for the local government impact of Chapter 338, Laws of 1997 (E3SHB 3900). The bill has provisions which automatically transfer jurisdiction of 16- and 17-year-old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and sentencing options. The net cost to state and local government is estimated at \$23.4 million in the 1997-99 biennium. These funds are distributed to counties to offset the impact of the bill. (Violence Reduction and Drug Enforcement Account)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social and Health Services  
Juvenile Rehabilitation**

**WORKLOAD HISTORY**

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								<b>Estimate</b>		
<b>Community Residential *</b>										
Avg Daily Population/Month	199	217	253	314	353	346	359	389	389	389
% Change from prior year		8.7%	16.6%	24.3%	12.4%	-1.9%	3.8%	8.4%	0.0%	0.0%
<b>Institutions</b>										
Avg Daily Population/Month	588	648	683	720	753	915	1,007	1,041	1,059	1,074
% Change from prior year		10.1%	5.4%	5.3%	4.6%	21.5%	10.1%	3.4%	1.7%	1.4%
<b>Parole</b>										
Avg Daily Population/Month	358	423	496	537	595	765	917	977	648	653
% Change from prior year		18.2%	17.3%	8.3%	10.8%	28.6%	19.9%	6.5%	-33.7%	0.8%

\* Includes State Group Homes, Community Residential Placements, and the County Commitment Program.

Data Sources:

FY 90 through FY 99 from DSHS Juvenile Rehabilitation Administration.

FY 98 and FY 99 estimates reflect the impact of Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions) passed during the 1997 session.

**Department of Social & Health Services**  
**Mental Health**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	448,668	423,020	871,688
1997 Supplemental *	-3,013	29,448	26,435
<b>Total 1995-97 Expenditure Authority</b>	<b>445,655</b>	<b>452,468</b>	<b>898,123</b>
<b>1997-99 Maintenance Level</b>	<b>472,112</b>	<b>489,205</b>	<b>961,317</b>
<b>Policy Items</b>			
1. General Inflation	-1,172	-419	-1,591
2. Reduce Admin Requirements	60	0	60
3. Adjust Capitalization Rates	-6,671	-7,227	-13,898
4. Implement Phase III Managed Care	-4,102	-2,941	-7,043
5. Mentally Ill Offender Project	500	0	500
6. Balance Health Services Account	13,617	-13,617	0
<b>Total 1997-99 Biennium</b>	<b>474,344</b>	<b>465,001</b>	<b>939,345</b>
Fiscal Year 1998 Totals	235,106	229,570	464,676
Fiscal Year 1999 Totals	239,238	235,431	474,669

**Comments:**

- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- REDUCE ADMIN REQUIREMENTS - Funding is provided for the Department to continue working with mental health service providers, Regional Support Networks (RSNs), and various DSHS divisions to streamline the delivery of mental health services and reduce administrative costs.
- ADJUST CAPITALIZATION RATES - When the community mental health system converted to a capitated payment system for Medicaid outpatient services, different capitation rates were established for each RSN, based upon actual Medicaid expenditures in that RSN during 1992, 1993, or 1994. Because of wide variations in the extent to which community mental health centers in different parts of the state utilized the Medicaid program during those years, capitated payment rates are much lower in some RSNs than others. The 1997-99 biennium budget implements a policy of adjusting rates toward the statewide average. This is to be accomplished by: (1) distributing new funding for caseload growth at the current statewide average rate; and (2) providing no additional funding for caseload growth to RSNs whose FY 97 allocation is more than they would receive in the 1997-99 biennium if their allocation were based on the statewide weighted average rate. As a result of this approach, about \$9.7 million of new funding will be distributed in the 1997-99 biennium. Eight RSNs will receive a larger increase than if caseload growth were funded at their current payment rate; three RSNs will receive an increase over their FY 97 allocation, but with caseload growth funded at less than their current payment rate; and three RSNs will be held harmless at their FY 97 allocation. (General Fund-State, General Fund-Federal)
- IMPLEMENT PHASE III MANAGED CARE - Starting in October 1997, community inpatient hospitalization will be integrated with outpatient services under a single capitated managed care system for Medicaid-eligible mental health clients. RSNs have been managing children's inpatient admissions since March 1995, and adult admissions since March 1996, with the result that voluntary inpatient expenditures were over 25 percent lower in FY 96 than would have been expected based on previous utilization trends. The 1997-99 biennium budget provides for about one-third of this reduction to be a savings to the state budget and for the balance to be included in capitation payments to the organizations managing the integrated system. The share included in capitation payments will be used to administer the integrated system and to provide case management, outpatient, and other services for persons at risk of hospitalization. (General Fund-State, General Fund-Federal)
- MENTALLY ILL OFFENDER PROJECT - Funding is provided to develop and operate the mentally ill offenders pilot project defined in Chapter 342, Laws of 1997, Partial Veto (2SSB 6002). Under this project, one RSN or other provider will be selected to provide mentally ill offenders returning to the community from prison with intensive case management and other support services to help them successfully reintegrate into the community.
- BALANCE HEALTH SERVICES ACCOUNT - Community mental health services for children covered by Medicaid as a result of the eligibility expansion to 200 percent of the federal poverty level will be funded with General Fund-State rather than from the Health Services Account. (General Fund-State, Health Services Account)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social and Health Services**  
**Mental Health**

**WORKLOAD HISTORY**

Fiscal Year Average

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								<b>Estimate</b>		
<b>State Hospitals *</b>										
Avg Daily Population/Month	1,721	1,731	1,709	1,622	1,428	1,335	1,278	1,354	1,354	1,354
% Change from prior year		0.6%	-1.3%	-5.1%	-12.0%	-6.5%	-4.3%	5.9%	0.0%	0.0%
<b>Community Outpatient Services</b>	21,675	23,394	25,110	30,108	32,939	36,729	38,427	38,427	40,118	41,347
% Change from prior year		7.9%	7.3%	19.9%	9.4%	11.5%	4.6%	0.0%	4.4%	3.1%
Avg Adults Served per Month	17,218	18,564	19,317	23,070	25,065	27,209	28,040	28,040	29,274	30,171
% Change from prior year		7.8%	4.1%	19.4%	8.6%	8.6%	3.1%	0.0%	4.4%	3.1%
Avg Children Served per Month	4,457	4,830	5,793	7,038	7,874	9,520	10,387	10,387	10,844	11,176
% Change from prior year		8.4%	19.9%	21.5%	11.9%	20.9%	9.1%	0.0%	4.4%	3.1%
<b>Special Commitment Center **</b>										
Avg Monthly Population	NA	4	11	17	23	28	33	41	55	66
% Change from prior year			184.4%	57.8%	34.2%	23.2%	20.1%	22.7%	34.1%	20.0%

\* Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY 95, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

\*\* Special Commitment Center opened in July 1990.

Data Sources:

FY 90 through FY 96 are from DSHS Budget Division.

FY 97 through FY 99 estimates are by Legislative Fiscal Committees.

**Department of Social & Health Services**  
**Developmental Disabilities**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	378,548	333,730	712,278
1997 Supplemental *	3,261	2,453	5,714
<b>Total 1995-97 Expenditure Authority</b>	<b>381,809</b>	<b>336,183</b>	<b>717,992</b>
<b>1997-99 Maintenance Level</b>	<b>403,766</b>	<b>368,477</b>	<b>772,243</b>
<b>Policy Items</b>			
1. General Inflation	-841	-735	-1,576
2. Reduce Administrative Supports	-402	-182	-584
3. Reduce Medicaid Personal Care	-1,183	-1,257	-2,440
4. Manage Personal Care Growth	-884	-962	-1,846
5. Yakima Valley School	625	475	1,100
6. UCP Closure	667	719	1,386
7. Adult Family Home Quality	577	308	885
8. Provider Liability Insurance	196	204	400
9. Adult Family Home Training	274	222	496
10. 1997-99 High School Graduates	1,908	0	1,908
11. Community Protection Initiative	2,672	2,820	5,492
12. Balance Health Services Account	7,688	-7,688	0
<b>Total 1997-99 Biennium</b>	<b>415,063</b>	<b>362,401</b>	<b>777,464</b>
Fiscal Year 1998 Totals	206,697	178,654	385,351
Fiscal Year 1999 Totals	208,366	183,747	392,113

**Comments:**

- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- REDUCE ADMINISTRATIVE SUPPORTS - Expenditures on Developmental Disabilities central administration are to be reduced by approximately 6.5 percent, and expenditures on community technical assistance and demonstration projects are to be reduced by approximately 6 percent. (General Fund-State, General Fund-Federal)
- REDUCE MEDICAID PERSONAL CARE - Medicaid personal care reimbursement for persons living with their family will be limited to approximately \$564 per month, rather than to the \$863 maximum reimbursement which is available for someone living alone. This change is expected to affect approximately 260 of the 4,600 adults served and about 115 of the approximately 2,000 children served. (General Fund-State, General Fund-Federal)
- MANAGE PERSONAL CARE GROWTH - The number of children receiving Medicaid personal care services is budgeted to increase by an average of 23 percent per year in the 1997-99 biennium, and the number of adults receiving such services is budgeted to increase by 11 percent per year. However, the average cost per person served is to remain at the FY 97 level (adjusted for any authorized vendor rate increases). To the extent that does not occur, or to the extent caseload grows even more than budgeted, the agency is directed to adjust eligibility criteria and/or service levels enough to remain within appropriated levels, as required by the statute authorizing provision of personal care services. (General Fund-State, General Fund-Federal)
- YAKIMA VALLEY SCHOOL - Funding is provided to:
  - operate a nursing community outreach project at Yakima Valley School through which registered nursing staff will provide nursing assessments, consulting, training, and quality assurance to persons with developmental disabilities throughout Central Washington; and
  - develop and operate a 16-bed respite program for eligible persons with developmental disabilities statewide, with an emphasis on those residing in Central Washington. (General Fund-State, General Fund-Federal)
- UCP CLOSURE - The United Cerebral Palsy Association (UCP) plans to close its 57-bed nursing facility, and transfer the residents to small community residences which it is developing. While this change will save taxpayers about \$6,000 per resident per year when the moves are completed, there will be a temporary cost increase in order to maintain the nursing facility plant and base staffing level while residents are gradually moving out. This item provides one-time funding to enable the closure to be completed by February 1999. The lower community costs which will occur after the moves are completed will pay for this investment in four years. (General Fund-State, General Fund-Federal)
- ADULT FAMILY HOME QUALITY - This item funds additional case management staff to monitor and assist adult family homes serving the 1,200 adults with developmental disabilities expected to reside in such homes during the 1997-99 biennium. With this additional funding, case managers will be able to double the amount of monitoring and assistance currently provided for such homes. (General Fund-State, General Fund-Federal)
- PROVIDER LIABILITY INSURANCE - During the 1995-97 biennium, "hold harmless" provisions for community residential providers serving dangerous clients were eliminated from their contracts, resulting in the need for these providers to purchase private liability insurance premiums at increased cost. This step funds the increased cost of these premiums. (General Fund-State, General Fund-Federal)
- ADULT FAMILY HOME TRAINING - Funding is provided for specialized training for adult family homes which serve persons with developmental disabilities. Currently, adult family homes must receive 22 hours of initial training, and 10 hours of follow-up training per year. This proposal funds trainer and staff replacement costs for the managers of homes serving people with developmental disabilities to receive an additional 20 hours of initial training and 10 hours per year of follow-up training. Funding is also provided for additional consultation and training for homes serving individuals with additional behavioral or medical needs. (General Fund-State, General Fund-Federal)

**Department of Social & Health Services**  
**Developmental Disabilities**

10. 1997-99 HIGH SCHOOL GRADUATES - Funding is provided for employment and day training programs for an estimated 900 young persons with developmental disabilities who will graduate from public school during the 1997-99 biennium. In addition to the funds budgeted here, \$4.1 million of state and federal funds are provided for this purpose in the Division of Vocational Rehabilitation appropriation. Services are to be phased in during the first year after graduation.
11. COMMUNITY PROTECTION INITIATIVE - During the first six months of 1997, secure residential settings were developed to provide 24-hour supervision for 40 persons with histories of physically or sexually abusive behavior or arson. These individuals were thought to pose a high risk of re-offending in their previous living arrangement. This item continues operation of those intensively supervised living arrangements throughout the 1997-99 biennium, at an average cost of \$76,000 per person per year. (General Fund-State, General Fund-Federal)
12. BALANCE HEALTH SERVICES ACCOUNT - Funding for enhanced family support services and some children's personal care is transferred from the Health Services Account to General Fund-State. (General Fund-State, Health Services Account)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social and Health Services**  
**Developmental Disabilities**

**WORKLOAD HISTORY**

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	Estimate		
								<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
<b>Institutions</b>										
Avg Monthly Population	1,758	1,616	1,534	1,477	1,412	1,322	1,295	1,268	1,263	1,263
% Change from prior year		-8.1%	-5.1%	-3.7%	-4.4%	-6.4%	-2.1%	-2.1%	-0.4%	0.0%
<b>Community Residential Programs *</b>										
Month End Contracted Beds	2,849	3,113	3,188	3,474	3,585	3,683	3,740	3,804	3,842	3,842
% Change from prior year		9.3%	2.4%	9.0%	3.2%	2.7%	1.5%	1.7%	1.0%	0.0%
<b>Employment and Day Programs</b>										
Avg Monthly Number Served	6,064	6,528	6,133	6,531	6,789	7,049	7,571	7,927	8,226	8,497
% Change from prior year		7.7%	-6.1%	6.5%	4.0%	3.8%	7.4%	4.7%	3.8%	3.3%
<b>Family Support **</b>										
# Clients Served	1,054	1,347	1,486	1,674	2,071	2,207	2,659	3,635	4,029	4,403
% Change from prior year		27.8%	10.3%	12.7%	23.7%	6.6%	20.5%	36.7%	10.8%	9.3%
<b>Adult Personal Care ***</b>										
# Clients Served	1,634	1,908	2,154	2,443	2,844	3,244	3,525	3,956	4,424	4,892
% Change from prior year		16.8%	12.9%	13.4%	16.4%	14.1%	8.7%	12.2%	11.8%	10.6%

\* Includes Alternate Living (clients served), Group Homes, intermediate care facilities for the mentally retarded (IMRs), Tenant Support (clients served), and State Operated Living Alternatives (SOLA).

\*\* Family Support includes Children's Personal Care for FY 90 through FY 99.

\*\*\* Adult Personal Care includes Medicaid Personal Care, Chore Services, and COPES. Prior to FY 90, Developmental Disabilities clients enrolled in these programs are counted in the Long-Term Care program totals.

Data Sources:

FY 90 through FY 96 from LEAP workload data base except: (1) FY 90 - FY 95 Adult Personal Care from DSHS Aging and Adult Services Administration; and (2) FY 93 through FY 96 Community Residential From DSHS Division of Developmental Disabilities, due to a change in reporting methodology.

FY 97 through FY 99 estimates from Legislative Fiscal Committees.

**Department of Social & Health Services**  
**Long-Term Care Services**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	764,349	780,388	1,544,737
1997 Supplemental *	-8,274	-15,401	-23,675
<b>Total 1995-97 Expenditure Authority</b>	<b>756,075</b>	<b>764,987</b>	<b>1,521,062</b>
<b>1997-99 Maintenance Level</b>	<b>809,245</b>	<b>889,308</b>	<b>1,698,553</b>
<b>Policy Items</b>			
1. Revise Adult Day Health Eligibility	-1,481	-1,607	-3,088
2. Nursing Facility Reimbursement	1,407	1,142	2,549
3. Nurse Assessments & Oversight	85	85	170
4. General Inflation	-147	-133	-280
5. New Nursing Home Payment System	-3,099	-3,378	-6,477
6. Boarding Home Rate Increase	1,129	1,220	2,349
7. Basic Health Plan Underexpenditure	0	-3,591	-3,591
8. Residential Care Quality Assurance	437	437	874
9. Enhanced Case Management	773	773	1,546
<b>Total 1997-99 Biennium</b>	<b>808,349</b>	<b>884,256</b>	<b>1,692,605</b>
Fiscal Year 1998 Totals	392,045	427,202	819,247
Fiscal Year 1999 Totals	416,304	457,054	873,358

**Comments:**

1. REVISE ADULT DAY HEALTH ELIGIBILITY - Eligibility standards for adult day health services are to be tightened in order to reduce the rate of growth in the program. At the funding level provided for the 1997-99 biennium, enrollment in the program will be able to grow at approximately 10 percent per year, rather than the 25 percent per year rate at which it has grown the past several years. (General Fund-State, General Fund-Federal)
2. NURSING FACILITY REIMBURSEMENT - Chapter 277, Laws of 1997, Partial Veto (2SSB 5179) makes several changes to the current nursing home payment system. These include increased reimbursement for costs associated with new construction or substantial remodeling of a nursing facility, and reducing the 90 percent minimum occupancy standard to 85 percent for nursing homes which were newly-constructed in 1994. (General Fund-State, General Fund-Federal)
3. NURSE ASSESSMENTS & OVERSIGHT - Additional funding is provided so that registered nurses can be hired to fill at least six of the new field positions added in the maintenance level budget for FY 98, and at least seven of the new positions added in FY 99. This will result in a 60 percent increase in the number of registered nurses employed in state long-term care offices, and is expected to result in better medical assessments and quality of care oversight for persons in need of long-term care. (General Fund-State, General Fund-Federal)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
5. NEW NURSING HOME PAYMENT SYSTEM - A new nursing home payment system is to take effect in FY 99. The Appropriations Act directs DSHS to propose designs which will assure that the average state payment per nursing home resident increases by no more than 175 percent of the national index of nursing home inflation in FY 99. This will result in a rate increase of approximately 6.4 percent in FY 99, compared to the 7.5 percent average increase assumed in the legislative maintenance level budget. (General Fund-State, General Fund-Federal)
6. BOARDING HOME RATE INCREASE - Funding is provided for a \$2 per resident day increase in state payment rates for adult residential care and enhanced adult residential care provided by licensed boarding homes. (General Fund-State, General Fund-Federal)
7. BASIC HEALTH PLAN UNDEREXPENDITURE - The number of homecare workers receiving subsidized enrollment in the Basic Health Plan is expected to increase to 3,800 in FY 98, and to 4,300 in FY 99. This coverage is expected to cost a total of \$14.5 million in the 1997-99 biennium (\$1.3 million General Fund-State and \$6.1 million Health Services Account), which is about \$3.6 million less than initially anticipated in the maintenance level budget. (Health Services Account)
8. RESIDENTIAL CARE QUALITY ASSURANCE - The frequency of adult family home licensing visits is to be increased from an average of once every 15 months to an average of once every 12 months. (General Fund-State, General Fund-Federal)
9. ENHANCED CASE MANAGEMENT - Area Agencies on Aging are to provide more intensive case management assistance and monitoring for persons who receive in-home assistance from self-employed rather than agency-supervised homecare workers. (General Fund-State, General Fund-Federal)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social and Health Services**  
**Long Term Care**

**WORKLOAD HISTORY**

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								<b>Estimate</b>		
<b>Nursing Homes</b>										
# FTE Clients	16,953	17,190	17,344	17,445	17,168	16,639	15,985	14,942	14,377	14,137
% Change from prior year		1.4%	0.9%	0.6%	-1.6%	-3.1%	-3.9%	-6.5%	-3.8%	-1.7%
<b>Community Care *</b>										
# Clients Served	17,119	18,051	19,087	19,587	19,411	19,576	20,876	23,051	25,288	27,472
% Change from prior year		5.4%	5.7%	2.6%	-0.9%	0.9%	6.6%	10.4%	9.7%	8.6%

\* Includes Chore Services, COPES, Adult Residential, and Medicaid Personal Care.

Data Sources:

Nursing Homes for FY 90 through FY 96 from LEAP workload data base.

Community Care for FY 90 through FY 96 from Aging and Adult Services Administration.

FY 97 through FY 99 estimates from Legislative Fiscal Committees.

**Department of Social & Health Services**  
**Economic Services**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	990,799	838,164	1,828,963
1997 Supplemental *	-5,561	-22,444	-28,005
<b>Total 1995-97 Expenditure Authority</b>	<b>985,238</b>	<b>815,720</b>	<b>1,800,958</b>
<b>1997-99 Maintenance Level</b>	<b>1,068,031</b>	<b>797,522</b>	<b>1,865,553</b>
<b>Policy Items</b>			
1. 1997-99 Child Care Vendor Increase	0	9,275	9,275
2. Transfer of Employment Child Care	39,408	27,798	67,206
3. SSI State Supplemental Payment	-3,789	0	-3,789
4. GA-U Naturalization Effort	-12,134	0	-12,134
5. Health Services Account Reduction	0	-750	-750
6. General Inflation	-1,502	-1,146	-2,648
7. Integrated Child Care System	0	73,129	73,129
8. Newly Arriving Aliens	-2,869	0	-2,869
9. Limit Eligibility for GA-U Program	-23,114	0	-23,114
10. Welfare Reform Legislation	26,113	29,781	55,894
11. Temporary Assistance Transfer	-17,009	17,009	0
<b>Total 1997-99 Biennium</b>	<b>1,073,135</b>	<b>952,618</b>	<b>2,025,753</b>
Fiscal Year 1998 Totals	543,150	474,104	1,017,254
Fiscal Year 1999 Totals	529,985	478,514	1,008,499

**Comments:**

- 1997-99 CHILD CARE VENDOR INCREASE - Funding is provided for a vendor rate increase for child care providers of 3 percent effective July 1, 1997. This increase is equal to the vendor rate increase provided for other vendors of the Department. (General Fund-State, General Fund-Federal)
- TRANSFER OF EMPLOYMENT CHILD CARE - Funding for employment child care is transferred to the Economic Services Administration from the Children's Administration in accordance with Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform). The bill directs that low-income child care assistance be operated in one program out of the Economic Services Administration. (General Fund-State, General Fund-Federal)
- SSI STATE SUPPLEMENTAL PAYMENT - Significant changes in Supplemental Security Income (SSI) eligibility have caused the forecasted caseload for SSI to decline over the 1997-99 biennium. Based on this information, the standard individual payment level method of paying the SSI State Supplement was adopted on January 1, 1997. Funding for the state supplement is adjusted accordingly. The Legislature intends that once the total payment for SSI State Supplement to SSI recipients reaches the budget level provided in 1995 for this program, the method of calculating the State Supplement payment will be changed to the total budget method of paying the State Supplement.
- GA-U NATURALIZATION EFFORT - Funding is provided to assist legal immigrants in the citizenship process that will allow them to retain or regain their SSI eligibility upon attainment of citizenship. The costs of naturalization include a fee for community-based organizations to hold ten-week bilingual citizenship training classes, and application fees charged by the Immigration and Naturalization Service (INS). The estimated General Assistance-Unemployable (GA-U) caseload savings as clients obtain citizenship and regain their eligibility under SSI offsets the costs of the naturalization assistance program.
- HEALTH SERVICES ACCOUNT REDUCTION - Funding no longer required for Basic Health Plan (BHP) enrollment assistance is eliminated. (Health Services Account)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- INTEGRATED CHILD CARE SYSTEM - Funding is provided to increase the availability of child care for low-income families including those on Temporary Assistance for Needy Families (TANF). A single child care program to be operated within funds provided by the Legislature is created by Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform). This funding will allow persons on TANF to participate in work programs and low-income working persons to receive assistance to offset the cost of child care. (General Fund-State, General Fund-Federal)
- NEWLY ARRIVING ALIENS - Chapter 57, Laws of 1997 (ESB 6098 -- Public Assistance Eligibility for Legal Immigrants), provides that legal immigrants may receive public assistance subject to deeming of their sponsors' incomes. Immigrants new to the country are also subject to a one-year waiting period before becoming eligible to apply for public assistance benefits. Funding is adjusted for the GA-U program based on the expectation that deeming of sponsors' incomes will result in fewer legal immigrants being eligible to receive public assistance.
- LIMIT ELIGIBILITY FOR GA-U PROGRAM - Funding is reduced in the GA-U program. The Department may utilize a variety of actions to accommodate this reduction, including limiting or eliminating social and vocational factors as a contributing factor to eligibility and ratable grant reductions for GA-U recipients.

**Department of Social & Health Services**  
**Economic Services**

10. WELFARE REFORM LEGISLATION - Funding is provided for Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform) and Chapter 57, Laws of 1997 (ESB 6098 -- Public Assistance Eligibility for Legal Immigrants). EHB 3901 requires funding of the state Maintenance of Effort under the Temporary Assistance for Needy Families (TANF) Program plus the total TANF block grant and Child Care block grant awarded to the State each year. EHB 3901 requires that the Department operate the TANF and related child care programs within the funding specified in the bill and the budget. The bills create a food stamp assistance program for legal immigrants (approximately \$65 million) and a child care program for low-income working families and for those on the TANF program who are in work activities. Child care funding is provided in the item titled "Integrated Child Care System" (Item 7). An evaluation of welfare programs is provided for at \$1 million and a study of the affordability of child care for low-income families costing \$50,000 is required. (General Fund-State, General Fund-Federal)
11. TEMPORARY ASSISTANCE TRANSFER - With the implementation of the TANF block grant, additional work and time limit requirements will be placed on families served by public assistance. These additional requirements will be harder to track at the client level in the Children's Administration. TANF federal funding is transferred from the Children's Administration to the Economic Services Administration. The same amount of state funding is then transferred from the Economic Services Administration and placed in the Children's Administration. (General Fund-State, General Fund-Federal)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social and Health Services**  
**Economic Services**

**WORKLOAD HISTORY**

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	Estimate		<u>FY99</u>
<b>SSI State Supplement</b>										
# Cases Received	52,457	56,818	62,532	69,332	76,518	82,249	86,299	87,380	77,711	78,373
% Change from prior year		8.3%	10.1%	10.9%	10.4%	7.5%	4.9%	1.3%	-11.1%	0.9%
<b>General Assistance - Unemployable</b>										
# Cases Served	13,651	13,993	15,251	15,585	16,494	17,167	16,892	19,038	31,972	34,675
% Change from prior year		2.5%	9.0%	2.2%	5.8%	4.1%	-1.6%	12.7%	67.9%	8.5%
<b>General Assistance - Pregnant Women</b>										
# Cases Served	1,607	1,847	1,955	1,842	1,736	1,657	1,634	1,647	1,644	1,647
% Change from prior year		14.9%	5.8%	-5.8%	-5.8%	-4.6%	-1.4%	0.8%	-0.2%	0.2%
<b>TANF Cases</b>										
# Cases Served	80,407	85,950	94,973	100,320	102,755	102,685	99,374	96,090	91,102	82,979
% Change from prior year		6.9%	10.5%	5.6%	2.4%	-0.1%	-3.2%	-3.3%	-5.2%	-8.9%
<b>Child Care</b>										
# Cases Served	9,769	12,156	16,733	19,225	20,039	21,984	21,768	25,320	28,871	35,384
% Change from prior year		24.4%	37.7%	14.9%	4.2%	9.7%	-1.0%	16.3%	14.0%	22.6%

Data Sources:

FY 90 through FY 96 from LEAP workload data base.

FY 97 through FY 99 estimates from Legislative Fiscal Committees.

**Department of Social & Health Services**  
**Alcohol & Substance Abuse**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	20,189	150,463	170,652
1997 Supplemental *	1,051	-746	305
<b>Total 1995-97 Expenditure Authority</b>	<b>21,240</b>	<b>149,717</b>	<b>170,957</b>
<b>1997-99 Maintenance Level</b>	<b>24,472</b>	<b>153,193</b>	<b>177,665</b>
<b>Policy Items</b>			
1. Referral and Monitoring Agency	0	-950	-950
2. Fetal Alcohol Syndrome	1,520	0	1,520
3. Treatment For SSI/SSDI Persons	2,506	3,000	5,506
4. General Inflation	-68	0	-68
5. Reduce Administration	-370	-246	-616
6. Reduce ADATSA Transportation	-230	0	-230
7. Balance Health Services Account	970	-970	0
<b>Total 1997-99 Biennium</b>	<b>28,800</b>	<b>154,027</b>	<b>182,827</b>
Fiscal Year 1998 Totals	14,466	76,984	91,450
Fiscal Year 1999 Totals	14,334	77,043	91,377

**Comments:**

- REFERRAL AND MONITORING AGENCY - With the passage of Public Law 104-191, individuals who have drug or alcohol addiction as a contributing factor to their disability were eliminated from eligibility for the Supplemental Security Income (SSI) program. The law also eliminated related funding for employment and case management services for drug and alcohol addicted clients on SSI. (General Fund-Federal)
- FETAL ALCOHOL SYNDROME - Funds are provided for an advocacy program to provide coordinated services to the highest risk mothers who are abusing alcohol, commonly known as the Birth to Three program. The program will operate in two sites in the state. These women include those who have given birth to a child with Fetal Alcohol Syndrome/Alcohol Related Neurodevelopmental Disorder.
- TREATMENT FOR SSI/SSDI PERSONS - Funding is provided for Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) services for individuals who lose SSI and Social Security Disability Insurance (SSDI) eligibility due to changes in the federal law which deny eligibility for those addicted to drugs or alcohol. Those who lose eligibility and who have another disability will be eligible for the General Assistance-Unemployable program. Those who do not have another disability may receive treatment services through the ADATSA program. (General Fund-State, General Fund-Federal)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- REDUCE ADMINISTRATION - Funding for administrative staff and costs in the Division of Alcohol and Substance Abuse is reduced. (General Fund-State, General Fund-Federal)
- REDUCE ADATSA TRANSPORTATION - Funding is reduced to eliminate the payment of a portion of the transportation costs for individuals who must travel to reach alcohol and drug treatment services.
- BALANCE HEALTH SERVICES ACCOUNT - Funding for the fetal alcohol syndrome diagnostic center and treatment of drug or alcohol addicted youth is shifted to the General Fund-State from the Health Services Account. (General Fund-State, Health Services Account)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social and Health Services**  
**Alcohol and Substance Abuse**

**WORKLOAD HISTORY**

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								<b>Estimate</b>		
<b>ADATSA - Assessment</b>										
# Assessments	1,237	1,411	1,194	1,186	1,158	1,249	1,070	1,070	1,230	1,230
% Change from prior year		14.0%	-15.4%	-0.7%	-2.4%	7.9%	-14.3%	0.0%	15.0%	0.0%
<b>ADATSA - Outpatient Treatment *</b>										
Avg Monthly Admissions	N/A	N/A	N/A	N/A	274	293	291	291	303	303
% Change from prior year		N/A	N/A	N/A	N/A	6.9%	-0.7%	0.0%	4.1%	0.0%
<b>ADATSA - Residential</b>										
Avg Monthly Admissions	580	571	552	505	489	525	493	493	531	531
% Change from prior year		-1.6%	-3.4%	-8.5%	-3.2%	7.4%	-6.1%	0.0%	7.7%	0.0%

*The Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) was established in 1987.*

*Workloads in ADATSA services are limited to openings available.*

*\* Data for Outpatient Treatment was converted from number of cases to number of admissions beginning in FY 94. Number of admissions is unavailable prior to FY 94.*

Data Source:

*DSHS Budget Division.*

**Department of Social & Health Services**  
**Medical Assistance Payments**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	1,327,503	2,181,120	3,508,623
1997 Supplemental *	10,385	-4,602	5,783
<b>Total 1995-97 Expenditure Authority</b>	<b>1,337,888</b>	<b>2,176,518</b>	<b>3,514,406</b>
<b>1997-99 Maintenance Level</b>	<b>1,401,231</b>	<b>2,610,461</b>	<b>4,011,692</b>
<b>Policy Items</b>			
1. General Inflation	-390	-605	-995
2. Caseload Decline Due to WorkFirst	-3,941	-4,282	-8,223
3. Newly Arriving Legal Immigrants	-1,518	-1,223	-2,741
4. Eliminate GA-U Vocational Factors	-12,090	0	-12,090
5. Trauma Care	-4,600	4,600	0
6. Hospital Savings	-2,310	-2,518	-4,828
7. Managed Care Per Capitas	-14,235	-27,108	-41,343
8. Prescription Drug Savings	-4,620	-4,853	-9,473
9. Providers Provide Interpreters	-7,600	-10,920	-18,520
10. Constraint of Fee-for-Service	-6,500	-8,219	-14,719
11. Premiums for Able-Bodied Adults	-5,472	-6,053	-11,525
12. Air Ambulance Rate Increase	650	638	1,288
13. Balance Health Services Account	30,313	-30,313	0
<b>Total 1997-99 Biennium</b>	<b>1,368,918</b>	<b>2,519,605</b>	<b>3,888,523</b>
Fiscal Year 1998 Totals	684,033	1,219,344	1,903,377
Fiscal Year 1999 Totals	684,885	1,300,261	1,985,146

**Comments:**

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|--|--|
| <p>1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)</p> <p>2. CASELOAD DECLINE DUE TO WORKFIRST - The number of non-disabled adults receiving publicly-funded medical assistance is expected to decrease by approximately 0.6 percent in FY 98, and by approximately 2.5 percent in FY 99 as a result of increased work opportunities resulting from welfare reform. It is assumed that most children whose parents leave or are diverted from welfare will continue to be eligible for medicaid under the 200 percent of poverty children's eligibility level. (General Fund-State, General Fund-Federal)</p> <p>3. NEWLY ARRIVING LEGAL IMMIGRANTS - As part of Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing the Federal Personal Responsibility and Work Opportunity Act), newly arriving legal aliens will be ineligible for Temporary Assistance for Needy Families (TANF) and for General Assistance-Unemployable (GA-U) for one year, or until they become citizens. After the one-year residency requirement is fulfilled, eligibility will be determined assuming the immigrant's sponsor's income is available to the immigrant. This will result in reduced medical assistance caseloads and expenditures. Adults will continue to be eligible for emergency and maternity care, and children will continue to be eligible for full-scope medical care through the state-only medical program. (General Fund-State, General Fund-Federal)</p> <p>4. ELIMINATE GA-U VOCATIONAL FACTORS - Fewer persons will qualify for medical assistance under the GA-U program because of changes which eliminate vocational factors as a contributor to eligibility for that program. (General Fund-State, General Fund-Federal)</p> <p>5. TRAUMA CARE - In 1996, the Legislature provided a General Fund-State increase in medical assistance payment rates for services delivered by designated trauma centers. This increase was expected to be temporary while a longer-term solution to the problem of uncompensated and under-compensated trauma care was developed.</p> | <p>In 1997, the Legislature enacted Chapter 331, Laws of 1997, Partial Veto (2SSB 5127), which will result in an additional \$11.5 million per year of revenue for trauma centers beginning in calendar year 1998. A portion of these revenues are used to make the increased medical assistance payment rate permanent. (General Fund-State, General Fund-Federal, Emergency Medical and Trauma Care Services Account-State)</p> <p>6. HOSPITAL SAVINGS - The Medical Assistance Administration expects to reduce expenditures by: (1) selectively contracting with only a few "Centers of Excellence" for performance of certain organ transplants; and (2) negotiating larger volume discounts with urban hospitals, as an alternative to selectively contracting with only a few of the hospitals in those areas. (General Fund-State, General Fund-Federal)</p> <p>7. MANAGED CARE PER CAPITAS - Because of competitive bidding and contract negotiation strategies, average TANF and expansion group managed care payments are expected to increase by no more than 2 percent per person per year in the 1997-99 biennium, rather than by an average of 5 percent per year as assumed in the maintenance level budget. Average managed care payments for the Supplemental Security Income (SSI) population are expected to increase by no more than 3.5 percent per year. (General Fund-State, General Fund-Federal, Health Services Account-State)</p> <p>8. PRESCRIPTION DRUG SAVINGS - The Medical Assistance Administration will achieve reductions in expenditures on the prescription drug program. (General Fund-State, Health Services Account, General Fund-Federal)</p> <p>9. PROVIDERS PROVIDE INTERPRETERS - Total projected expenditures on interpreter services will be reduced by 70 percent. (General Fund-State, Health Services Account, General Fund-Federal)</p> |
|--|--|

## Department of Social & Health Services Medical Assistance Payments

10. **CONSTRAINT OF FEE-FOR-SERVICE** - The rates paid for most medical services not included in managed care are to be reduced by 2 percent. Pharmacy dispensing fees are exempted from this reduction, since pharmacy expenditures are being reduced elsewhere in the budget. (General Fund-State, General Fund-Federal)
11. **PREMIUMS FOR ABLE-BODIED ADULTS** - The DSHS Medical Assistance Administration will seek federal permission to require all adults who are not elderly or disabled to contribute \$10 per month toward the cost of their Medicaid coverage. Because a federal demonstration waiver will be required to implement this change, no savings are anticipated before the second year of the biennium. (General Fund-State, General Fund-Federal)
12. **AIR AMBULANCE RATE INCREASE** - Funding is provided to increase state payment rates for air ambulance services to a level more comparable to the percentage of billed charges paid for ground ambulance services and by other states. (General Fund-State, General Fund-Federal)
13. **BALANCE HEALTH SERVICES ACCOUNT** - Funding for the Medically Indigent program is transferred from the Health Services Account to General Fund-State. (General Fund-State, Health Services Account)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social and Health Services**  
**Medical Assistance**

**WORKLOAD HISTORY**  
By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<b>Estimate</b>		
	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
<b>Categorically Needy</b>	362,144	406,664	473,222	520,569	559,686	614,070	655,466	693,712	726,781	747,217
AFDC/TANF	252,603	273,581	301,760	319,499	329,660	329,249	319,713	313,334	309,277	309,036
Elderly	32,414	33,198	34,397	35,365	35,823	36,968	38,972	40,562	41,917	43,293
Disabled	53,103	58,834	67,904	77,335	85,454	91,396	96,230	100,427	103,766	108,760
Non-AFDC Children	0	0	42,669	59,511	75,602	121,343	164,117	202,629	234,888	249,022
Non-AFDC Pregnant Women	23,755	37,383	14,201	15,734	17,845	18,465	19,372	19,519	19,519	19,519
Undocumented Children	1	3,227	11,127	10,911	12,361	12,787	12,927	13,114	13,287	13,460
Medicare Beneficiaries	268	441	1,164	2,214	2,941	3,862	4,135	4,127	4,127	4,127
<b>Medically Needy</b>	15,020	15,798	17,616	18,151	17,012	14,425	11,700	9,998	9,748	9,587
AFDC-Related	6,897	6,916	6,934	7,126	5,822	3,895	1,383	0	0	0
Elderly	4,188	4,469	5,169	5,163	5,208	4,837	4,457	4,233	4,096	3,959
Disabled	3,341	3,911	4,752	5,246	5,537	5,559	5,771	5,707	5,626	5,626
All Others	594	502	761	616	445	134	89	58	26	2
<b>General Assistance/ADATSA</b>										
# Persons/Month	13,767	13,831	12,243	10,368	10,049	10,955	11,334	12,851	12,252	10,924
<b>State Medically Indigent</b>										
# Persons/Month	2,411	2,700	2,472	2,640	2,634	2,407	2,018	1,976	1,976	1,976
<b>Refugees</b>										
# Persons/Month	1,650	2,122	1,824	1,429	1,546	1,665	1,505	1,381	1,244	1,107
<b>Total Eligibles per Month</b>	394,992	441,115	507,377	553,157	590,927	643,522	682,023	719,918	752,001	770,811
% Change from prior year		11.7%	15.0%	9.0%	6.8%	8.9%	6.0%	5.6%	4.5%	2.5%

Data Sources:

FY 90 through FY 96 from DSHS Budget Division.

FY 97 through FY 99 estimates from the Legislative Fiscal Committees.

**Department of Social & Health Services**  
**Vocational Rehabilitation**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	15,587	76,084	91,671
1997 Supplemental *	7	26	33
<b>Total 1995-97 Expenditure Authority</b>	<b>15,594</b>	<b>76,110</b>	<b>91,704</b>
<b>1997-99 Maintenance Level</b>	<b>15,902</b>	<b>77,460</b>	<b>93,362</b>
<b>Policy Items</b>			
1. General Inflation	-22	-128	-150
2. Basic/Support Employment Grant	495	1,906	2,401
3. 1997-99 High School Graduates	869	3,208	4,077
<b>Total 1997-99 Biennium</b>	<b>17,244</b>	<b>82,446</b>	<b>99,690</b>
Fiscal Year 1998 Totals	8,652	41,476	50,128
Fiscal Year 1999 Totals	8,592	40,970	49,562

**Comments:**

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
2. BASIC/SUPPORT EMPLOYMENT GRANT - The agency estimates that federal revenues for the Basic Support Rehabilitation Services and the Supported Employment Program will increase by approximately 3 percent per year in the 1997-99 biennium. This item provides the 21.3 percent state match which is needed if the state is to collect the increased federal funds. (General Fund-State, General Fund-Federal)
3. 1997-99 HIGH SCHOOL GRADUATES - Funding is provided for the Division of Vocational Rehabilitation to provide job training and placement for approximately 65 percent of the 900 students with developmental disabilities who will graduate from high school in 1997 and 1998. Funding for other graduates, and ongoing support for all who require it, is provided in the Division of Developmental Disabilities budget. (General Fund-State, General Fund-Federal)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social & Health Services**  
**Administration & Supporting Services**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	51,867	41,773	93,640
1997 Supplemental *	180	127	307
<b>Total 1995-97 Expenditure Authority</b>	<b>52,047</b>	<b>41,900</b>	<b>93,947</b>
<b>1997-99 Maintenance Level</b>	<b>51,782</b>	<b>43,467</b>	<b>95,249</b>
<b>Policy Items</b>			
1. License Suspension	119	231	350
2. General Inflation	-287	-263	-550
3. Administrative Reduction	-3,046	-2,813	-5,859
4. Reduce Sexual Minority Initiative	-100	0	-100
5. Local Fraud Investigation Pilot	60	0	60
<b>Total 1997-99 Biennium</b>	<b>48,528</b>	<b>40,622</b>	<b>89,150</b>
Fiscal Year 1998 Totals	24,572	20,610	45,182
Fiscal Year 1999 Totals	23,956	20,012	43,968

**Comments:**

- LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in workload related to license suspension activities. (General Fund-State, General Fund-Federal)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- ADMINISTRATIVE REDUCTION - Funding for the administrative functions in the agency is reduced. The Department may reduce administrative functions across its various programs to achieve this reduction, or may reduce the central administrative office budget. (General Fund-State, General Fund-Federal)
- REDUCE SEXUAL MINORITY INITIATIVE - Funding is eliminated for the Sexual Minority Initiative.
- LOCAL FRAUD INVESTIGATION PILOT - Funding is provided to create a pilot program to allow Pend Oreille County to investigate local public assistance fraud.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social & Health Services**  
**Child Support Services**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	37,839	171,509	209,348
1997 Supplemental *	477	1,260	1,737
<b>Total 1995-97 Expenditure Authority</b>	<b>38,316</b>	<b>172,769</b>	<b>211,085</b>
<b>1997-99 Maintenance Level</b>	<b>41,938</b>	<b>178,970</b>	<b>220,908</b>
<b>Policy Items</b>			
1. State Directory of New Hires	236	457	693
2. Paternity Establishment	89	170	259
3. License Suspension	474	781	1,255
4. General Inflation	-738	-1,432	-2,170
<b>Total 1997-99 Biennium</b>	<b>41,999</b>	<b>178,946</b>	<b>220,945</b>
Fiscal Year 1998 Totals	21,122	89,375	110,497
Fiscal Year 1999 Totals	20,877	89,571	110,448

**Comments:**

1. STATE DIRECTORY OF NEW HIRES - Federal welfare legislation requires that all employers are required to furnish, within 20 days, new hire data to the State Directory of New Hires. Currently only certain employers are required to report new hires. Funding is provided to implement the new federal requirement. (General Fund-State, General Fund-Federal)
2. PATERNITY ESTABLISHMENT - Federal welfare legislation requires that states establish parentage for 90 percent of the children in their child support caseload effective October 1, 1999. The previous requirement was 75 percent. Funding is provided to increase outreach to local hospitals, in order to achieve the higher paternity establishment requirement. (General Fund-State, General Fund-Federal)
3. LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in workload associated with license suspension activities. (General Fund-State, General Fund-Federal)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Social & Health Services**  
**Payments to Other Agencies**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	41,780	16,281	58,061
1997 Supplemental *	1,450	0	1,450
<b>Total 1995-97 Expenditure Authority</b>	<b>43,230</b>	<b>16,281</b>	<b>59,511</b>
<b>1997-99 Maintenance Level</b>	<b>48,640</b>	<b>17,768</b>	<b>66,408</b>
<b>Policy Items</b>			
1. License Suspension	612	1,186	1,798
2. General Inflation	-31	-19	-50
3. Targeted Vendor Rate Increase	45,728	39,148	84,876
<b>Total 1997-99 Biennium</b>	<b>94,949</b>	<b>58,083</b>	<b>153,032</b>
Fiscal Year 1998 Totals	47,435	28,879	76,314
Fiscal Year 1999 Totals	47,514	29,204	76,718

**Comments:**

- LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in appeals workload and hearings. (General Fund-State, General Fund-Federal)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- TARGETED VENDOR RATE INCREASE - Funding is provided for vendor rate increases throughout DSHS. The Department will target the vendor rate increases to more effectively deal with services where there is a lack of qualified providers. The Department may provide different levels of vendor rate increase to different classifications of providers but may not grant increases that cause additional carryforward costs in the 1999-2001 biennium. The amount included is equal to the cost of a 3 percent vendor rate increase effective July 1, 1997. (General Fund-State, General Fund-Federal, Health Services Account, Violence Reductions and Drug Enforcement Account)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

# Other Human Services

## **Health Care Authority/Basic Health Plan**

As discussed in detail in the section on the Health Services Account on page 4, the budget increases enrollments in the Basic Health Plan and makes a number of changes in the co-pay and subsidy structure. An additional \$800,000 is provided for the Authority to keep pace with increased workload in the public employee benefits programs.

## **Board of Industrial Insurance Appeals**

Funding of \$1.4 million from the Medical Aid and Accident funds is provided for additional staff and office space due to an increased workload. A new relational database management system is also funded to better manage agency workload.

## **Criminal Justice Training Commission**

The mandatory training of correctional and law enforcement officers provided by the Commission is fully funded. In addition, funding is also provided for the continuation of the law enforcement and correctional officer training study to improve the training program in the future.

## **Department of Labor and Industries**

An amount of \$3.1 million from the Medical Aid and Accident Funds is provided for improved technology in support of workers' compensation claims management service delivery and to develop and implement cost savings strategies through alternative health care delivery models and efficient medical reimbursement programs.

## **Indeterminate Sentence Review Board**

Pursuant to Chapter 350, Laws of 1997 (HB 1646), \$936,000 from the state general fund is provided for continuation of the board that has jurisdiction over offenders who committed crimes prior to the implementation of the Sentencing Reform Act in 1984.

## **Department of Health**

The budget provides \$6.6 million from the state general fund and \$3.4 million General Fund-Federal for the AIDS Prescription Drug Program. The program shall be operated within funds appropriated for that purpose. The Department is directed to take action to ensure that expenditures remain within appropriations.

The budget provides \$21.0 million from the Emergency Medical and Trauma Care Account to fund Chapter 331, Laws of 1997, Partial Veto (2SSB 5127 -- Funding Trauma Care Services). Revenues generated by the bill will be deposited into the Emergency Medical and Trauma Care Services Account for providing grants to local trauma care providers to improve the state's trauma care system. Grants require regional matching funds of at least 25 percent of the total amount provided.

## **Department of Veterans' Affairs**

A total of \$45.6 million (\$11.5 million state general fund) is provided for continued operation of the two state veterans' homes. Contracted field offices and counseling services will receive a 3 percent cost-of-living increase effective July 1, 1997. A total of \$144,000 is provided to recruit, train, and support volunteers to assist veterans with claims for federal benefits.

## **Department of Corrections**

A total of \$848.5 million in state and federal funds is provided for the Department of Corrections (DOC) for the 1997-99 biennium.

A total of \$11.5 million is provided to DOC to implement Chapter 338, Laws of 1997 (E3SHB 3900), which includes a provision that requires the automatic transfer of 16- and 17-year-olds charged with certain violent crimes and certain criminal histories to the adult system. Funding to implement this legislation is also provided to the Superintendent of Public Instruction and the Juvenile Rehabilitation Administration division of DSHS. Additional information is provided on page 5. Also, \$1.6 million from the state general fund is included to provide a 3 percent vendor rate increase on July 1, 1997, for contracted work-release facilities and community colleges providing educational services to offenders. The sum of \$500,000 from the Violence Reduction and Drug Enforcement Account and \$100,000 from federal funds (Byrne grant) through the Department of Community, Trade, and Economic Development is provided to conduct a feasibility study for the possible future replacement of the Offender Based Tracking System.

Savings of \$15.8 million are achieved through various measures including: implementing additional health care cost containment efforts; administrative reductions; reducing purchased goods, services, and equipment; delaying the opening of the Tacoma pre-release facility; eliminating selected specialists; reducing custody staff overtime; and other efficiencies and consolidations. The budget also seeks to maximize federal funding and funds approximately \$18.1 million in workload growth from federal rather than state sources.

## **Employment Security Department**

A total of \$7.9 million in state and federal funding is provided for unemployment insurance business reform activities which are intended to improve services to clients and reduce administrative costs through implementation of claim and adjudication call centers, overpayment detection and collection systems, and improved collection of employer wage information.

An amount of \$2.4 million from the state general fund is provided for labor market information and employer outreach services to support local workforce training and placement activities.

## Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	6,806	318,279	325,085
1997 Supplemental *	0	-4,000	-4,000
<b>Total 1995-97 Expenditure Authority</b>	<b>6,806</b>	<b>314,279</b>	<b>321,085</b>
<b>1997-99 Maintenance Level</b>	<b>7,070</b>	<b>536,068</b>	<b>543,138</b>
<b>Policy Items</b>			
1. BHP Enrollment Expansion	0	22,541	22,541
2. PEBB Customer Service	0	807	807
3. Reduce Promotions and Commissions	0	-1,008	-1,008
4. Restructure Subsidized BHP	0	-7,000	-7,000
5. Increase Managed Competition	0	0	0
6. General Inflation	-251	-938	-1,189
7. Financial Sponsorship Fees	0	0	0
8. BHP Subsidy Scale	0	0	0
9. Health Care Savings Accounts	0	150	150
10. Balance Health Services Account	5,814	-5,814	0
<b>Total 1997-99 Biennium</b>	<b>12,633</b>	<b>544,806</b>	<b>557,439</b>
Fiscal Year 1998 Totals	6,316	253,334	259,650
Fiscal Year 1999 Totals	6,317	291,472	297,789

**Comments:**

- BHP ENROLLMENT EXPANSION - The Legislative budget provides funds for an additional 8,000 people to receive state-subsidized health insurance through the Basic Health Plan (BHP). In addition to these new enrollees, new funding is provided in the Department of Social & Health Services budget for homecare worker enrollment in the subsidized BHP to increase by approximately 3,700 in the 1997-99 biennium. With these increases, total enrollment in the subsidized BHP will average 141,000 persons per month in FY 98, and 143,000 persons per month in FY 99. (Health Services Account-State; Basic Health Plan Trust Account-Non-Appropriated)
- PEBB CUSTOMER SERVICE - Additional Public Employees Benefits Board (PEBB) funding is included for increased workload in benefit services support, accounting support, appeals, and for rebidding the Uniform Medical Plan third-party administrator contract. This increase is necessary due to additional customers (e.g., 15,000 additional K-12 retirees) and increased workload as a result of changes in the provision of state employee benefits implemented in the 1995-97 biennium. (State Health Care Authority Administrative Account)
- REDUCE PROMOTIONS AND COMMISSIONS - Because subsidized Basic Health Plan enrollment has reached its budgeted capacity of 130,000, and there are an estimated 70,000 people waiting to enroll, funding is eliminated for commissions to insurance brokers and for marketing. (Health Services Account)
- RESTRUCTURE SUBSIDIZED BHP - The following increases are anticipated in BHP point-of-service co-pay requirements: (a) from \$8 to \$10 for office visits; (b) from \$50 to \$100 per admission for hospitalizations; (c) from \$25 to \$50 per visit for emergency room use; (d) from \$25 to \$50 per transport for ambulance use; and (e) from \$8 to \$25 for outpatient clinic visits. The Health Care Authority is authorized to modify the package in ways different than, or in addition to, this which it determines would better promote enrollee health and access to care, while maintaining enrollment levels within budgeted funds. (Health Services Account-State)
- INCREASE MANAGED COMPETITION - Health Services Account expenditures are expected to be reduced by at least \$21 million by basing the state BHP subsidy on the premium charged by the lowest-cost plan readily available to the large majority of enrollees, rather than on the premium of the highest-priced plan as is currently the case. This will reduce state costs by giving health plans additional incentives to limit premium increases, and by shifting the extra cost for enrollees who choose a higher-cost plan from the state to the enrollee. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Health Services Account, BHP Trust Account-Non-Appropriated)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, State Health Care Administrative Account; Health Services Account; Basic Health Plan Subscription Account)
- FINANCIAL SPONSORSHIP FEES - Health plans, hospitals, clinics, and any other group paid to deliver BHP services will be required to pay a minimum of \$30 per month to sponsor BHP enrollment for individuals qualifying for state subsidy. The State will continue to subsidize the remaining 60 - 70 percent of the enrollees' insurance premium. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Health Services Account, BHP Trust Non-Appropriated Account)
- BHP SUBSIDY SCALE - Three changes in the current BHP subsidy scale are anticipated: (1) minimum premium payments are increased from \$10 to \$12 per month for adults with incomes between 66-100 percent of the federal poverty level, and from \$10 to \$15 for those with incomes between 100-125 percent of the poverty level; (2) for adults with family incomes between 125-200 percent of poverty, the state is expected to subsidize 41-76 percent of total premium costs, rather than 54-85 percent of premium costs as is currently the case; and (3) the maximum family premium is expected to be capped at three times the individual premium share, rather than twice the individual premium as is currently done. The Health Care Authority is authorized to modify the subsidy scale in ways different than, or in addition to, this which it determines would better promote enrollee health and access to care, while maintaining current enrollment levels within budgeted funds. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Health Services Account, BHP Trust Account-Non-Appropriated)

## Washington State Health Care Authority

9. HEALTH CARE SAVINGS ACCOUNTS - Funding was provided to cover start-up costs associated with the development of a medical savings account option for enrollees in the non-subsidized Basic Health Plan. However, because the legislation requiring a pilot of this approach was not enacted, these funds will lapse. (Health Services Account)
10. BALANCE HEALTH SERVICES ACCOUNT - State general funds are provided to replace the Health Services Account revenues which would otherwise be used for the grants to community clinics program. (Health Services Account)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

### ***Governor's Vetoes:***

The Governor vetoed Section 210(5) of Chapter 454, Laws of 1997, Partial Veto (ESHB 2259) which required the Health Care Authority to report on the number of Basic Health Plan enrollees who are illegal immigrants.

# Washington State Health Care Authority

## WORKLOAD HISTORY

Fiscal Year Averages For Monthly Subsidized Enrollees

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								<b>Estimate</b>		
<b>Basic Health Plan</b>										
Monthly Subsidized Enrollees *	7,552	16,641	21,717	22,747	29,773	37,580	61,773	124,621	140,995	142,860
% Change from prior year		120.4%	30.5%	4.7%	30.9%	26.2%	64.4%	101.7%	13.1%	1.3%

\* FY 95 through FY 99 enrollments include homecare workers funded in the DSHS Long-Term Care and Developmental Disabilities budgets.

Data Sources:

FY 90 through FY 97 from the Health Care Authority.

FY 98 and FY 99 estimates from the Legislative Fiscal Committees.

**Human Rights Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>3,917</b>	<b>1,746</b>	<b>5,663</b>
<b>1997-99 Maintenance Level</b>	<b>4,075</b>	<b>1,718</b>	<b>5,793</b>
<b>Policy Items</b>			
1. General Inflation	-20	-15	-35
<b>Total 1997-99 Biennium</b>	<b>4,055</b>	<b>1,703</b>	<b>5,758</b>
Fiscal Year 1998 Totals	2,019	870	2,889
Fiscal Year 1999 Totals	2,036	833	2,869

**Comments:**

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

**Board of Industrial Insurance Appeals**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>19,633</b>	<b>19,633</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>20,400</b>	<b>20,400</b>
<b>Policy Items</b>			
1. Relational Database System	0	83	83
2. Workload Increase	0	1,141	1,141
3. New Appeal Specialists	0	184	184
4. General Inflation	0	-216	-216
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>21,592</b>	<b>21,592</b>
Fiscal Year 1998 Totals	0	10,704	10,704
Fiscal Year 1999 Totals	0	10,888	10,888

**Comments:**

1. RELATIONAL DATABASE SYSTEM - Funding is provided for consulting services and the purchase of a new computing platform and upgraded file servers. The Board will migrate to a relational database management system and file server environment. (Accident and Medical Aid Accounts-State)
2. WORKLOAD INCREASE - Funding is provided for additional staff to accommodate a 6 percent annual workload increase in appeals. Additional space is also funded to accommodate the increased staff in Seattle and Spokane. (Accident and Medical Aid Accounts-State)
3. NEW APPEAL SPECIALISTS - Funding is provided for two new Appeal Specialist positions that will relieve judges from some administrative duties, allowing more time for dispute resolution. (Accident and Medical Aid Accounts-State)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	11,418	11,418
1997 Supplemental *	0	536	536
<b>Total 1995-97 Expenditure Authority</b>	<b>0</b>	<b>11,954</b>	<b>11,954</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>13,708</b>	<b>13,708</b>
<b>Policy Items</b>			
1. Domestic Violence Initiative	0	100	100
2. Vendor Rate Increase	0	32	32
3. General Inflation	0	-184	-184
4. Law Enf Supervision Training	0	92	92
5. Study Expanded Training & Funding	0	130	130
6. Law Enf Training Legislation	0	40	40
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>13,918</b>	<b>13,918</b>
Fiscal Year 1998 Totals	0	6,993	6,993
Fiscal Year 1999 Totals	0	6,925	6,925

**Comments:**

1. DOMESTIC VIOLENCE INITIATIVE - Funding is provided for increased domestic violence training and reporting. (General Fund-Federal)
2. VENDOR RATE INCREASE - Funding is provided for a 3 percent cost-of-living increase for Washington Association of Sheriffs and Police Chiefs (WASPC) staff who are funded through the Commission but who are not Commission employees. (Public Safety and Education Account-State)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. LAW ENF SUPERVISION TRAINING - Provides funding for 315 police officers to attend supervisory and management training. Under current law, attendance at the course is encouraged but not mandatory. (Public Safety and Education Account-State)
5. STUDY EXPANDED TRAINING & FUNDING - Funding is provided for an expanded study of law enforcement and corrections training. In addition to continuing the work begun in 1996, the study will also produce a comprehensive list of courses offered, the actual cost of offering each type of class, and what fees, if any, should be charged. Finally, the study will focus on training needs of the corrections system. (Public Safety and Education Account-State)
6. LAW ENF TRAINING LEGISLATION - Funding is provided to implement Chapter 351, Laws of 1997, Partial Veto (E2SHB 1423). The legislation requires: 1) the presentation of an annual class on child abuse and neglect investigation; and 2) supervisors and managers in law enforcement to attend mandatory training. Funding for the first item is provided here while the second provision is funded as a separate item (Item 4). (Public Safety and Education Account-State)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## Department of Labor & Industries

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	10,981	354,897	365,878
1997 Supplemental *	0	1,093	1,093
<b>Total 1995-97 Expenditure Authority</b>	<b>10,981</b>	<b>355,990</b>	<b>366,971</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>13,564</b>	<b>364,190</b>	<b>377,754</b>
<b>Policy Items</b>			
1. Claims Service Delivery	0	1,950	1,950
2. Contractor Service Improvement	50	650	700
3. Injury & Disability Prevention	0	1,125	1,125
4. Legal Services Support	0	630	630
5. License Suspension	78	78	156
6. Process Improvements	0	108	108
7. General Inflation	-39	-1,904	-1,943
8. Plumber Certification	0	101	101
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>13,653</b>	<b>366,928</b>	<b>380,581</b>
Fiscal Year 1998 Totals	6,805	185,592	192,397
Fiscal Year 1999 Totals	6,848	181,336	188,184

### Comments:

1. CLAIMS SERVICE DELIVERY - Funding is provided for detailed planning, design, development, piloting, and implementation of technology applications to improve claims management services. (Accident and Medical Aid Accounts-State)
2. CONTRACTOR SERVICE IMPROVEMENT - Provides funding for a feasibility study and general design of an Electrical Permitting and Inspection System and a Credentialing Information System. (General Fund-State, Electrical License Account, Accident and Medical Aid Accounts-State)
3. INJURY & DISABILITY PREVENTION - Funding is provided for the following two activities: (1) Occupationally Focused Health Care Systems - A consultant will assist the agency in developing alternative health care delivery system models that respond to the findings of the University of Washington's managed care pilot evaluation; and (2) Effectiveness of Medical Reimbursement Programs - A consultant will develop and maintain a structured, data driven reimbursement approach to medical benefit payments. The analysis will focus on the Professional Fee Schedule, Hospital Inpatient Prospective Payment System, Pharmacy Fee Schedule, Medical and Surgical Supplies, and the Department of Labor and Industries' Unique Coding Systems. (Accident and Medical Aid Accounts-State)
4. LEGAL SERVICES SUPPORT - Provides funds for two Assistant Attorneys General and one paralegal needed to address the industrial insurance appeals workload increase. (Accident and Medical Aid Accounts-State)
5. LICENSE SUSPENSION - Funding is provided for the additional workload associated with the license suspension provisions of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (General Fund-State, Plumbing Certificate Account, Electrical License Account)
6. PROCESS IMPROVEMENTS - Funding is provided for one staff position to assist the director in evaluating agency operational improvements. (Accident and Medical Aid Accounts-State)
7. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
8. PLUMBER CERTIFICATION - Provides funding and one staff position to implement Chapter 326, Laws of 1997 (SSB 5749) which requires the examination and certification of medical gas piping installers. (Plumbing Certificate Account)

NOTE: Subsection 4: The Secretary of the Department of Social and Health Services and the Director of Labor and Industries shall report to the Legislature by July 1, 1997, and every six months after on the measurable changes in employee injury and time-loss rates that have occurred in the state Developmental Disabilities, Juvenile Rehabilitation, and Mental Health institutions as a result of the up-front loss-control discount agreement between the agencies.

Subsection 5: Expenditures may not exceed available funding. The expenditures of the elevator, factory assembled structures, and contractors' registration and compliance programs may not exceed the revenues generated by the programs.

Subsection 8: \$593,000 of non-appropriated funds from the Medical Aid Account shall be allocated to the Joint Legislative Audit and Review Committee for a performance audit and operations review of the state workers' compensation system pursuant to Chapter 330, Laws of 1997 (SSB 6030).

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Indeterminate Sentence Review Board**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>2,285</b>	<b>0</b>	<b>2,285</b>
<b>1997-99 Maintenance Level</b>	<b>1,141</b>	<b>0</b>	<b>1,141</b>
<b>Policy Items</b>			
1. Agency Reauthorization	936	0	936
2. General Inflation	-16	0	-16
<b>Total 1997-99 Biennium</b>	<b>2,061</b>	<b>0</b>	<b>2,061</b>
Fiscal Year 1998 Totals	1,141	0	1,141
Fiscal Year 1999 Totals	920	0	920

**Comments:**

1. AGENCY REAUTHORIZATION - Funding is provided to implement Chapter 350, Laws of 1997 (HB 1646) which reauthorizes the Board for an additional ten years. This legislation also allows part-time board members which results in lower operating costs.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Washington Health Care Policy Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	4,339	4,339
1997 Supplemental *	0	-316	-316
<b>Total 1995-97 Expenditure Authority</b>	<b>0</b>	<b>4,023</b>	<b>4,023</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>4,412</b>	<b>4,412</b>
<b>Policy Items</b>			
1. Eliminate Board	0	-4,387	-4,387
2. General Inflation	0	-25	-25
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fiscal Year 1998 Totals	0	0	0
Fiscal Year 1999 Totals	0	0	0

**Comments:**

1. ELIMINATE BOARD - As directed by Chapter 274, Laws of 1997 (ESHB 2264 -- Health Care Policy Board Elimination), funding is eliminated for the Health Care Policy Board effective July 1, 1997. (Health Services Account)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	88,967	353,430	442,397
1997 Supplemental *	1,273	4,800	6,073
<b>Total 1995-97 Expenditure Authority</b>	<b>90,240</b>	<b>358,230</b>	<b>448,470</b>
<b>1997-99 Maintenance Level</b>	<b>101,601</b>	<b>379,289</b>	<b>480,890</b>
<b>Policy Items</b>			
1. Farmworker Housing	141	0	141
2. Public Water System Supervision	0	1,467	1,467
3. Automated System Development	0	2,134	2,134
4. Youth Tobacco Prevention	0	400	400
5. Public Water System Regulation	0	5,385	5,385
6. Health Services Account Reduction	0	-8,505	-8,505
7. Child Death Review Team	0	1,000	1,000
8. Reduce State Toxics Control Account	0	-65	-65
9. License Suspension	0	259	259
10. Boarding Home Quality Assurance	406	406	812
11. EMS Trauma	-220	0	-220
12. Maternal and Child Health Contracts	-588	0	-588
13. Environmental Radiation	-508	0	-508
14. Administrative Reduction	-703	0	-703
15. Puget Sound Work Plan	730	0	730
16. General Inflation	-482	-1,409	-1,891
17. Mandated Health Benefit Review	100	0	100
18. Dental Services for Children	200	0	200
19. Abstinence Education	0	700	700
20. AIDS Prescription Drug Program	-2,039	0	-2,039
21. Transfer of Public Health Funding	0	0	0
22. Merging Accounts	0	0	0
23. County Public Health Appropriation	2,250	0	2,250
24. Attorney General Anti-trust	120	0	120
25. Improve Access to Oral Health	300	0	300
26. Trauma Care Services	0	21,042	21,042
27. Natural Medicine Clinic	500	0	500
28. Poison Center Enhancement	250	0	250
29. Balance Health Services Account	26,679	-26,679	0
<b>Total 1997-99 Biennium</b>	<b>128,737</b>	<b>375,424</b>	<b>504,161</b>
Fiscal Year 1998 Totals	62,996	185,954	248,950
Fiscal Year 1999 Totals	65,741	189,470	255,211

**Comments:**

- FARMWORKER HOUSING - Funding is provided for the cost of an additional licenser/surveyor for temporary farmworker housing in order to meet increased workload as additional housing is developed.
- PUBLIC WATER SYSTEM SUPERVISION - Additional federal funding is provided for the Drinking Water program as a result of the reauthorization of the federal Safe Drinking Water Act. Activities funded are the development of a water data management system and compliance efforts to meet requirements of the federal Safe Drinking Water Act. (General Fund-Federal)
- AUTOMATED SYSTEM DEVELOPMENT - Funding is provided for a Health Professions Licensing and Disciplinary Management System to be used primarily for complaint tracking and management. The new system will be developed and implemented by July 1998. Increases in some fees which fund the Health Professions/Medical Disciplinary Account will be required at less than the limit imposed by Initiative 601. (Medical Disciplinary Account)
- YOUTH TOBACCO PREVENTION - Funding from the Youth Tobacco Prevention Account is provided for additional activities related to tobacco use prevention, education, and enforcement. Additional revenue is available in this account to fund these activities. Seventy percent of the funds are provided to local health jurisdictions for coordinated tobacco intervention strategies to prevent and reduce tobacco use by youth and 30 percent are provided to the Liquor Control Board through an interagency agreement for enforcement of laws relating to access to tobacco by youth. (Youth Tobacco Prevention Account)
- PUBLIC WATER SYSTEM REGULATION - Funding is provided for additional activities required as a result of passage of the federal Safe Drinking Water Act of 1996, which establishes the State Revolving Fund and other program requirements for the Drinking Water program. (General Fund-Federal)

## Department of Health

6. **HEALTH SERVICES ACCOUNT REDUCTION** - In order to bring Health Services Account expenditures into line with forecasted revenues, activities funded by the account are eliminated or reduced. Activities reduced or eliminated are listed below.
 

Health personnel training funding is reduced by \$1.0 million. The American Indian Health Care Plan funding is reduced by \$200,000. Basic Health Plan enrollment assistance of \$300,000 is eliminated. Multicultural assistance of \$100,000 is eliminated. The Health Professions Resource Plan funding is reduced by \$600,000 and the Plan is to be completed within existing Department funding. Health Quality Data Standards funding is reduced by \$1.6 million. Funding for teen pregnancy prevention is reduced by \$700,000 and the reduction is supplanted with federal abstinence funding. The Information System for Public Health Officials funding is reduced by \$1.6 million to be supplanted through user fees to local health jurisdictions using the system. Children with Special Health Care Needs funding for the Children's Hospital is reduced by \$900,000 and the family support and provider training activities are to continue to be provided. Funding for information kiosks of \$5,000 is eliminated. Public Health Improvement Plan (PHIP) state capacity funding is reduced by \$1.0 million and PHIP local capacity funding is reduced by \$500,000. (Health Services Account, Public Health Account)
7. **CHILD DEATH REVIEW TEAM** - Funding is provided for implementation of a statewide child mortality review process. Local health jurisdictions will coordinate child mortality reviews, develop local child mortality review protocols, and serve as the appointing authority and lead agency for local child death review teams. The Department of Health will develop standard aggregate data elements, collect and analyze local child mortality review data, provide technical assistance to local child mortality review teams, and approve local child death review protocols. (Death Investigations Account)
8. **REDUCE STATE TOXICS CONTROL ACCOUNT** - Expenditures from the State Toxics Control Account are reduced to accommodate estimated revenues. (State Toxics Control Account)
9. **LICENSE SUSPENSION** - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in workload related to license suspension activities. (General Fund-State, General Fund-Private/Local, Health Professions Account)
10. **BOARDING HOME QUALITY ASSURANCE** - Funding is provided in the boarding home quality assurance program to improve the timeliness of response to complaints, increase the number and quality of technical assistance visits, and increase the depth and detail of annual inspections. These activities are funded with General Fund-State funds and through license fee increases. Fee increases are anticipated to be 20 percent on July 1, 1997 (to \$44.82 per bed) and another 10 percent on July 1, 1998 (to \$49.30 per bed). (General Fund-State, General Fund-Local)
11. **EMS TRAUMA** - Funding to local Emergency Medical Services (EMS) regions is reduced. Funding is used for training technicians, operating trauma prevention programs, planning and developing local emergency medical systems, and integrating them into the statewide trauma care system.
12. **MATERNAL AND CHILD HEALTH CONTRACTS** - Funding for Maternal Child Health activities is reduced. Reductions will be achieved through greater use of managed care organizations' services and other adjustments related to targeting of funds to local contractors.
13. **ENVIRONMENTAL RADIATION** - Funding for the environmental monitoring program is reduced. Reductions will be achieved through the elimination of ionizing radiation emissions monitoring and the elimination of the state health laboratory support for this program.
14. **ADMINISTRATIVE REDUCTION** - Administrative staff and costs for the Department are reduced.
15. **PUGET SOUND WORK PLAN** - Funding is provided for outreach and technical assistance to local health jurisdictions for Puget Sound Work Plan activities. Funded programs include local on-site sewage issues, contracting with local health jurisdictions for recreational shellfish activities, contracts to research and demonstrate alternative and experimental on-site sewage systems, and developing an integrated shellfish data system.
16. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, General Fund-Local, Hospital Commission Account, Medical Disciplinary Account, Health Professions Account, Safe Drinking Water Account, Public Health Account, Water Works Certification Account, Water Quality Account, State Toxics Account, Violence Reduction and Drug Enforcement Account, Medical Test Site Licensure Account, Youth Tobacco Prevention Account, Health Services Account)
17. **MANDATED HEALTH BENEFIT REVIEW** - Funding is provided to implement Chapter 412, Laws of 1997 (2SHB 1191 -- Mandated Health Benefit Review), which establishes a process for reviewing mandated health benefit proposals. The Department will review proposals when requested to do so by the Legislature.
18. **DENTAL SERVICES FOR CHILDREN** - To improve access to dental care for children in rural and underserved areas, funding is provided for retired dentists' malpractice insurance costs.
19. **ABSTINENCE EDUCATION** - Funding is provided for Section 601 (creating an Abstinence Education Program) of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). The Department is required to apply for federal funds which are available for an abstinence education program. Approximately \$700,000 in federal funding is available to the State for this program. Of that amount, \$400,000 shall be transferred to the Office of the Superintendent of Public Instruction for the 1998-99 school year to fund ongoing projects in abstinence education. All projects receiving this funding must comply with the abstinence education provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. (General Fund-State, General Fund-Federal)
20. **AIDS PRESCRIPTION DRUG PROGRAM** - Funding provided for the AIDS Prescription Drug Program (APDP) is reduced. The Department must operate the program within the funding appropriated and may use various methods to manage the program. Techniques the Department may use include a cap on the number of recipients who receive protease inhibitors, seeking a lower drug cost, or limiting enrollment.
21. **TRANSFER OF PUBLIC HEALTH FUNDING** - Funding is transferred from the Public Health Account to the Health Services Account, totaling \$26.3 million. This transfer will eliminate the need to make a transfer in the budget bill. (Public Health Account, Health Services Account)
22. **MERGING ACCOUNTS** - Chapter 79, Laws of 1997 (SB 5448), eliminates the Medical Disciplinary Account and merges it into the Health Professions Account. A total of \$4.0 million is transferred. (Medical Disciplinary Account, Hospital Professions Account)
23. **COUNTY PUBLIC HEALTH APPROPRIATION** - Funding is appropriated to the County Public Health Account from General Fund-State for transfer to local health jurisdictions for use in funding public health activities. The appropriation eliminates the need for a transfer to the Public Health Account in the back of the budget bill.
24. **ATTORNEY GENERAL ANTI-TRUST** - Funding is provided for implementation of Chapter 274, Laws of 1997 (ESHB 2264 -- Eliminating the Health Care Policy Board). Funding is provided to support anti-trust activities performed by the Attorney General's Office.

**Department of Health**

25. **IMPROVE ACCESS TO ORAL HEALTH** - Funding is provided for community-based oral health grants that may fund sealant programs, education, prevention, and other oral health interventions. Grants may be awarded to state- or federally-funded community and migrant health centers, tribal clinics, or public health jurisdictions. Priority shall be given to communities with established oral health coalitions. Grant applications for oral health education and prevention grants must include: 1) an assessment of the community's oral health education and prevention needs; 2) identification of the population to be served; and 3) a description of the grant program's predicted outcomes.
26. **TRAUMA CARE SERVICES** - Funding is provided for Chapter 331, Laws of 1997, Partial Veto (2SSB 5127 -- Funding Trauma Care Services). The bill generates fee revenue to be used for funding trauma services around the state. Revenue generated will be deposited into the Emergency Medical and Trauma Care Services Account for providing grants to local trauma care providers to improve the state's trauma care system. Grants require regional matching funds of at least 25 percent of the total amount provided. (Emergency Medical Services and Trauma Care Account)
27. **NATURAL MEDICINE CLINIC** - Funding is provided for operation of a naturopathic medicine clinic constructed in South King County in 1996. This funding is intended to assist in payment of start-up costs for the clinic and is one-time in nature.
28. **POISON CENTER ENHANCEMENT** - Funding is provided for an enhancement to the poison center operating budget.
29. **BALANCE HEALTH SERVICES ACCOUNT** - A transfer of Health Services Account funding to General Fund-State is made to reduce expenditures from the Health Services Account to be within available funding. Functions transferred include the youth suicide program (\$1.0 million), pesticide reporting activities (\$700,000), and family support and training activities related to children with special health care needs performed by Children's Hospital (\$1.0 million). (General Fund-State, Health Services Account)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	19,996	30,644	50,640
1997 Supplemental *	-1,490	1,513	23
<b>Total 1995-97 Expenditure Authority</b>	<b>18,506</b>	<b>32,157</b>	<b>50,663</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>18,875</b>	<b>34,334</b>	<b>53,209</b>
<b>Policy Items</b>			
1. Central Office Move	140	0	140
2. Field Services Outreach	144	0	144
3. Field Services Vendor Rate Increase	76	0	76
4. Veterans Home Replacement Equipment	130	0	130
5. Computer Support Staff	89	0	89
6. General Inflation	-333	0	-333
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>19,121</b>	<b>34,334</b>	<b>53,455</b>
Fiscal Year 1998 Totals	9,928	16,826	26,754
Fiscal Year 1999 Totals	9,193	17,508	26,701

**Comments:**

1. CENTRAL OFFICE MOVE - Funding is provided to cover the cost of the agency's relocation of its headquarters into an office with 80 percent more space, costing 36 percent more per square foot.
2. FIELD SERVICES OUTREACH - Funding is provided to reimburse volunteer service officers for travel and other costs associated with providing outreach claims services to veterans' and their family members.
3. FIELD SERVICES VENDOR RATE INCREASE - Funds are provided for a 3 percent vendor rate increase effective July 1, 1997 for the ten contracted field offices and providers of Post Traumatic Stress Disorder (PTSD) treatment services.
4. VETERANS HOME REPLACEMENT EQUIPMENT - Additional funding is provided for the purchase of resident care equipment, vehicles, and other equipment necessary for the operation of the Retsil facility.
5. COMPUTER SUPPORT STAFF - Provides one computer technology specialist, to be shared between the Veterans' and the Soldiers' Homes, to assist with automation of the client assessment and care planning information as well as other business systems.
6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Department of Corrections**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	735,433	6,032	741,465
1997 Supplemental *	3,251	0	3,251
<b>Total 1995-97 Expenditure Authority</b>	<b>738,684</b>	<b>6,032</b>	<b>744,716</b>
<b>1997-99 Maintenance Level</b>	<b>829,988</b>	<b>22,994</b>	<b>852,982</b>
<b>Policy Items</b>			
1. Delay Hiring Supervision Staff	-512	0	-512
2. Goods and Services Savings	-1,656	0	-1,656
3. Reduce Workload Support	-427	0	-427
4. Administrative Reductions	-2,786	0	-2,786
5. Eliminate Selected Specialists	-830	0	-830
6. Reduce Custody Staff Overtime	-700	0	-700
7. Reduce CI Expansion	-1,077	0	-1,077
8. Field Office Consolidations	-248	0	-248
9. Delay Tacoma Pre-Release	-1,330	0	-1,330
10. Data Communications Upgrade	1,168	0	1,168
11. General Inflation	-4,152	-40	-4,192
12. Health Care Savings	-5,100	0	-5,100
13. Vendor Rate Increase	1,566	0	1,566
14. Reduce Work Crews	-352	0	-352
15. Eliminate Artist-in-Residence	-42	0	-42
16. Reduce On-Site Evaluations	-28	0	-28
17. Reduce Mental Health R&D	-200	0	-200
18. CCO Automation Efficiencies	-377	0	-377
19. Local Government Impacts	425	0	425
20. Tracking System Replacement	0	500	500
21. Sentencing & Policy Legislation	348	0	348
22. Juvenile Justice Legislation	11,532	0	11,532
23. Mentally Ill Offender Project	-146	0	-146
<b>Total 1997-99 Biennium</b>	<b>825,064</b>	<b>23,454</b>	<b>848,518</b>
Fiscal Year 1998 Totals	406,048	15,114	421,162
Fiscal Year 1999 Totals	419,016	8,340	427,356

**Comments:**

1. DELAY HIRING SUPERVISION STAFF - The maintenance level budget includes funding for additional Community Corrections Officers to supervise additional offenders. Savings are generated by delaying the hiring of these additional Community Corrections Officers by an average of 120 days.
2. GOODS AND SERVICES SAVINGS - Funding is reduced due to savings in the purchase of goods, services, and equipment. In the 1995-97 biennium, the Department purchased a number of items using cash instead of debt service. This reduced the need for resources to be dedicated in the 1997-99 biennium for repayment.
3. REDUCE WORKLOAD SUPPORT - Funding is reduced through the reduction of support staff. As the offender population in the Department grows, additional support staff are added in areas like data processing, accounting, and correctional industries. All of the staff added for workload growth in the Administration Program and a portion of those added in the Correctional Industries Program are eliminated.
4. ADMINISTRATIVE REDUCTIONS - Savings are generated through a number of administrative reductions and consolidations in the Division of Community Corrections and the Division of Prisons.
5. ELIMINATE SELECTED SPECIALISTS - Savings are generated by eliminating a number of community corrections specialist positions. The services provided by the specialists will be transitioned into the regular duties of other staff. Training will typically be provided by computer-based training programs and videos rather than by the specialists.
6. REDUCE CUSTODY STAFF OVERTIME - Savings will be achieved by making better use of intermittent staff to reduce overtime. The Department will also implement programs aimed at improving scheduling and reducing sick leave.
7. REDUCE CI EXPANSION - Funding provided at maintenance level for expanding offender employment is reduced. In addition, \$400,000 per year in expenditures associated with this expansion will be paid from the non-appropriated Correctional Industries (CI) Revolving Fund.
8. FIELD OFFICE CONSOLIDATIONS - Savings are generated by closing four community corrections field offices. When a facility is closed, offenders and staff will typically be assigned to the next closest facility.
9. DELAY TACOMA PRE-RELEASE - Savings are generated by delaying the opening of 60 beds at the Tacoma Pre-Release facility from January 1999 until July 1999.

## Department of Corrections

10. DATA COMMUNICATIONS UPGRADE - Funding, mostly one-time, is provided to upgrade the Department's wide area network (WAN) to meet the needs of increased system utilization. The network supports several mission critical data systems including the Offender Based Tracking System (OBTS). Of the amount funded, only \$96,000 is an ongoing cost.
11. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
12. HEALTH CARE SAVINGS - Funding is reduced to capture anticipated savings in offender health care costs. The 1995 Legislature required the Office of Financial Management to contract with a private research company to identify cost saving strategies for delivering and managing inmate health care. The study recommended several strategies which, if implemented, are projected to save \$5.1 million in the 1997-99 biennium. The Department will consult with direct health care service providers and health care staff in implementing these strategies.
13. VENDOR RATE INCREASE - Provides funding for a vendor rate increase of 3.0 percent. Those receiving a rate increase include providers of contracted work release facilities and community colleges providing educational services to offenders.
14. REDUCE WORK CREWS - Savings are generated by eliminating four community service work crews. In most cases, work crews are paid for by the entity benefiting from their work. Funding is eliminated for four work crews which did not receive reimbursement. Funding for litter pick up activities performed by adult and juvenile correctional work crews is funded separately in the Department of Ecology's budget.
15. ELIMINATE ARTIST-IN-RESIDENCE - Funding is eliminated for the Artist-in-Residence program. This program brings artists into prisons for a two-week residency working with offenders. In recent years, available federal funding for the program has shrunk, reducing the scope of the program.
16. REDUCE ON-SITE EVALUATIONS - Savings are generated by discontinuing on-site safety inspections and evaluations in Division of Community Corrections field offices.
17. REDUCE MENTAL HEALTH R&D - Savings are achieved by reducing mental health research and program development by one-half. This service is provided, under contract, by the University of Washington.
18. CCO AUTOMATION EFFICIENCIES - The Division of Community Corrections has purchased portable computers with cellular modems for community corrections officers (CCOs). By using this equipment, CCOs can check offender data and enter information directly from the field. Currently, CCOs must write the data down and then come back to the office to enter it into the system. In addition to the purchase of equipment, the Department incurs additional costs for the use of cellular modems to transfer data. It is assumed that the efficiencies generated by the program will cover the additional cellular costs.
19. LOCAL GOVERNMENT IMPACTS - Funding is provided for one-time local government impact costs associated with the opening of 512 additional beds at the Airway Heights Corrections Center.
20. TRACKING SYSTEM REPLACEMENT - Funding is provided for a feasibility study for the possible future replacement of the Offender Based Tracking System. An additional \$100,000 in funding is provided from the federal Byrne Grant program administered by the Department of Community, Trade, and Economic Development. (Violence Reduction and Drug Enforcement Account)
21. SENTENCING & POLICY LEGISLATION - Funding is provided to implement: Chapter 196, Laws of 1997, Partial Veto (ESSB 5044), which increases the penalties associated with the transmission of the human immunodeficiency virus (HIV); and Chapter 364, Laws of 1997 (ESSB 5759), which requires the Department of Corrections to assign a risk classification level to sex offenders released from their facilities.
22. JUVENILE JUSTICE LEGISLATION - Funding is provided to implement Chapter 338, Laws of 1997 (E3SHB 3900). The bill has provisions which automatically transfer jurisdiction of 16- and 17-year-old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and juvenile sentencing options. The net cost to state and local government is estimated at \$23.4 million in the 1997-99 biennium.
23. MENTALLY ILL OFFENDER PROJECT - Funding is reduced to reflect savings resulting from the implementation of the mentally ill offenders pilot project defined in Chapter 342, Laws of 1997, Partial Veto (2SSB 6002). Under this project, one Regional Support Network or other service provider will be selected to provide mentally ill offenders returning to the community from prison with intensive case management and other support services to help them successfully reintegrate into the community. Many of the offenders eligible for the program lack approved housing but are otherwise eligible for release into the community. Under the project, some of these offenders would be released into community supervision and thus save prison beds.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

### *Governor's Vetoes:*

The Governor vetoed a proviso which expressed that it is the intent of Legislature that the Department of Corrections reduce health care expenditures in the 1997-99 biennium according to the scenario identified in the 1996 Health Services Delivery System Study. The proviso also required the Department of Corrections to consult with direct health services providers and health care staff in implementing the scenario.

# Department of Corrections

## WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								<b>Estimate</b>		
<b>Work Release/Pre-Release</b>										
Avg Daily Pop/Month	683	781	1,021	1,068	997	1,014	1,063	1,123	1,266	1,303
% Change from prior year		14.3%	30.7%	4.6%	-6.6%	1.7%	4.8%	5.6%	12.7%	2.9%
<b>Community Supervision</b>										
# Active Offenders	33,250	35,655	39,900	42,294	44,713	47,749	51,084	54,034	57,390	59,313
% Change from prior year		7.2%	11.9%	6.0%	5.7%	6.8%	7.0%	5.8%	6.2%	3.4%
<b>Institutions</b>										
Avg Daily Pop/Month	6,675	7,383	8,327	9,124	9,557	10,016	10,726	11,487	12,017	12,554
% Change from prior year		10.6%	12.8%	9.6%	4.7%	4.8%	7.1%	7.1%	4.6%	4.5%
<b>Avg Cost Per Inmate *</b>										
Annual	\$23,082	\$22,358	\$21,984	\$22,737	\$23,438	\$24,031	\$23,924	\$23,621	\$24,956	\$24,261
% Change from prior year		-3.1%	-1.7%	3.4%	3.1%	2.5%	-0.4%	-1.3%	5.7%	-2.8%

\* Includes prison, pre-release, and work training release inmates.

Data Sources:

FY 90 through FY 99 from Division of Management and Budget at Department of Corrections.

FY 98 and FY 99 estimates reflect the impact of Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions) passed during the 1997 session.

**Department of Services for the Blind**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>2,589</b>	<b>11,589</b>	<b>14,178</b>
<b>1997-99 Maintenance Level</b>	<b>2,677</b>	<b>11,952</b>	<b>14,629</b>
<b>Policy Items</b>			
1. Federal Grant Increase	123	473	596
2. General Inflation	-21	-97	-118
<b>Total 1997-99 Biennium</b>	<b>2,779</b>	<b>12,328</b>	<b>15,107</b>
Fiscal Year 1998 Totals	1,368	6,084	7,452
Fiscal Year 1999 Totals	1,411	6,244	7,655

**Comments:**

1. FEDERAL GRANT INCREASE - State funds are provided to enable the agency to qualify for additional federal vocational rehabilitation revenues, which are expected to increase by 3 percent per year during the 1997-99 biennium, if the required 21.3 percent state match is available. The agency estimates this will enable it to provide job training and placement services to 150 additional persons with blindness or severe visual impairments. (General Fund-State, General Fund-Federal)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

**Sentencing Guidelines Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>1,262</b>	<b>0</b>	<b>1,262</b>
<b>1997-99 Maintenance Level</b>	<b>1,439</b>	<b>0</b>	<b>1,439</b>
<b>Policy Items</b>			
1. General Inflation	-12	0	-12
<b>Total 1997-99 Biennium</b>	<b>1,427</b>	<b>0</b>	<b>1,427</b>
Fiscal Year 1998 Totals	714	0	714
Fiscal Year 1999 Totals	713	0	713

**Comments:**

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

## Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	6,113	421,115	427,228
1997 Supplemental *	0	500	500
<b>Total 1995-97 Expenditure Authority</b>	<b>6,113</b>	<b>421,615</b>	<b>427,728</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>396,762</b>	<b>396,762</b>
<b>Policy Items</b>			
1. Program Improvement Research	0	114	114
2. Early Intervention Re-employment	0	1,000	1,000
3. Fund Source Change	0	0	0
4. Unemployment Ins Business Reform	0	7,900	7,900
5. Strengthen Employment Services	0	1,798	1,798
6. General Inflation	0	-797	-797
7. LMI/ Employer Outreach	2,400	0	2,400
8. Re-employment Support Center	121	0	121
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>2,521</b>	<b>406,777</b>	<b>409,298</b>
Fiscal Year 1998 Totals	1,260	208,242	209,502
Fiscal Year 1999 Totals	1,261	198,535	199,796

**Comments:**

- |  |   |
|--|---|
| <p>1. PROGRAM IMPROVEMENT RESEARCH - Funding is provided for one position to assist the commissioner in determining program and service improvements. (Administrative Contingency Account)</p> <p>2. EARLY INTERVENTION RE-EMPLOYMENT - Funding is provided for additional staff to strengthen and expand re-employment services to a larger number of unemployment insurance claimants. The additional staff will assist unemployment insurance claimants in returning to work faster, which is intended to reduce long-term benefit payments made from the Unemployment Insurance Trust Fund. (Employment Services Administrative Account)</p> <p>3. FUND SOURCE CHANGE - Overpayment and detection activities that were paid by the Unemployment Compensation Administration Account are shifted to the Administrative Contingency Account. (Unemployment Compensation Administration Account-Federal, Administrative Contingency Account-State)</p> <p>4. UNEMPLOYMENT INS BUSINESS REFORM - Provides funding for the modification of the unemployment compensation payment system. The system is to be modified as follows:</p> <p style="margin-left: 20px;">a) Claim and Adjudication Call Centers: Funding is provided for planning and implementation of three regional Claim and Adjudication Call Centers and four stand-alone Adjudication Call Centers. The Department will move from a geographically-based in-person initial claims process to a centralized telephone claims process. (Unemployment Compensation Administration Account-Federal, Administrative Contingency Account-State)</p> <p style="margin-left: 20px;">b) Overpayment Detection/Collection Productivity Enhancement: Funding is provided for implementation of a new automated voice link and case management system. The Department will also complete the interface between the automated fraud detection and benefit payment systems, utilize bar code scanners to increase quarterly cross match cases, and obtain equipment to prepare forgery, prosecution, and fraud cases. (Administrative Contingency Account-State)</p> <p style="margin-left: 20px;">c) Data/Wage Quality Initiative: Funding is provided to improve the quality of employer reported wage information through reporting alternatives and the use of scanning and imaging. (Unemployment Compensation Administrative Account-Federal)</p> | <p>5. STRENGTHEN EMPLOYMENT SERVICES - Funding is provided for the One-Stop Information Connectivity project which will enhance communications among all employment services related information systems across state government. Integrated communications will improve the effectiveness of matching individual client needs with available employment services. (General Fund-Federal)</p> <p>6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>7. LMI/ EMPLOYER OUTREACH - Funding is provided for labor market information (LMI) and employer outreach activities.</p> <p>8. RE-EMPLOYMENT SUPPORT CENTER - Funds are provided for the King County Re-employment Support Center. This transfer from the Department of Community, Trade, and Economic Development results in all three re-employment centers being funded in the Employment Security Department.</p> <p>NOTE: Subsection 3: \$1.126 million of the federal general fund appropriation is provided for the continuation of job placement centers collocated on community and technical college campuses to assist individuals with job referrals and placement in the workforce.</p> <p>Subsection 4: The Department is granted the authority to expend more than the stated appropriation for the General Unemployment Insurance Development Effort (GUIDE) project by up to \$2.6 million. The vendor is responsible for the costs associated with any vendor-caused project delays. The Department is required to seek full recovery of any project costs in excess of the appropriation from the vendor.</p> <p>* Please see the 1997 Supplemental Operating Budget section for additional information.</p> |
|--|---|



# Natural Resources

## **Department of Fish and Wildlife**

Wild Fish Listings: The National Marine Fisheries Service has proposed listing additional chinook, coho, and steelhead salmon in Washington as threatened or endangered under the federal Endangered Species Act. The amount of \$1.7 million is provided for the Department of Fish and Wildlife to hire additional staff to work on the federal permits, research, and consultations that these listings will require. In addition, the sum of \$1 million is provided to continue the Department of Fish and Wildlife's Habitat Partnership program which provides technical assistance to landowners and local governments in support of fish and wildlife habitat planning activities.

Wildlife Enforcement: The 1997-99 budget provides \$700,000 in funds for the Department of Fish and Wildlife (WDFW) to hire five additional wildlife enforcement officers. Also, \$300,000 is provided for WDFW to contract with the U.S. Department of Agriculture to increase animal damage control efforts to protect crops, livestock, and property. The budget also includes \$195,000 to support a comprehensive program to address damage caused by the Canadian Dusky Goose population in the lower Columbia River basin.

Licensing System: The amount of \$687,000 is provided to the Department of Fish and Wildlife for design and development of an automated hunting and fishing license sales system. As a part of the design phase, a recreational license database will be created.

Savings: The 1997-99 budget reduces funding for both the state general fund and the wildlife fund supported programs in order to help fund new initiatives. A total of \$3.2 million in savings is found in the fisheries management program, hatchery operations, the aircraft division, and administrative functions.

## **Department of Natural Resources**

Fire Protection: Funding is provided in the 1997 Supplemental budget to allow the Department of Natural Resources' Fire Prevention program to carry forward an adequate beginning balance in the Forest Fire Protection Account in the 1997-99 biennium. See the 1997 Supplemental Budget overview for more detail.

Savings: The budget includes a 5 percent (\$1.6 million) reduction to state general fund supported programs administered by the Department of Natural Resources. The Department is directed to find these savings without affecting legislatively-authorized funding for the fire protection and fire suppression programs during the 1997-99 biennium.

## **State Parks and Recreation Commission**

No Park Closures: The 1997-99 budget provides \$2.0 million to open a number of new park facilities that were constructed in the 1995-97 biennium. The 1997 Supplemental Budget also includes funding to address an expected shortfall in park-generated revenues next biennium. See the 1997 Supplemental Budget overview for more detail.

## **Department of Ecology**

Litter Control: The budget provides an additional \$4.5 million in funds from the litter account to help clean up litter along the state's roadways. The Department of Ecology will hire more Ecology Youth Corps crews to pick up litter in areas that are visible to the public. Funding is also increased for grants to local governments for litter cleanup programs, as well as for public education programs to control litter and promote awareness of the state's Model Litter Control and Recycling Act.

Toxics Cleanups: The budget includes \$2.2 million funding from the state toxics control account to implement the recommendations of the Model Toxics Control Act Policy Advisory Committee, as provided in Chapter 406, Laws of 1997 (ESB 7900). The recommendations focus primarily on providing more flexibility in the clean-up process and

the transfer of contaminated properties. The Department of Ecology will recover from the owners of contaminated sites approximately \$2 million of the costs of implementing the recommendations of the advisory committee.

Coastal Erosion: The amount of \$1 million is provided to continue the study and abatement of coastal erosion in the region of Willapa Bay, Grays Harbor, and the lower Columbia River. The Department of Ecology is working cooperatively with the United State Geological Service (USGS) on this project.

Savings: The budget includes \$1.3 million in state general fund savings in the Department of Ecology's Shorelands program and in project coordination and administrative staff.

### **Puget Sound Water Quality Work Plan**

The amount of \$2.5 million from the state general fund is provided for several agencies to implement key actions identified in the Puget Sound Water Quality Work Plan. The Department of Health will increase shellfish monitoring efforts and additional staff will help local governments address failing septic systems. The Department of Ecology will continue a pilot project to restore degraded wetlands. Finally, the Department of Fish and Wildlife is provided additional staff to work on interagency technical assistance teams to help solve problems related to declining fish stocks.

### **Pilot Landscape Management Plans**

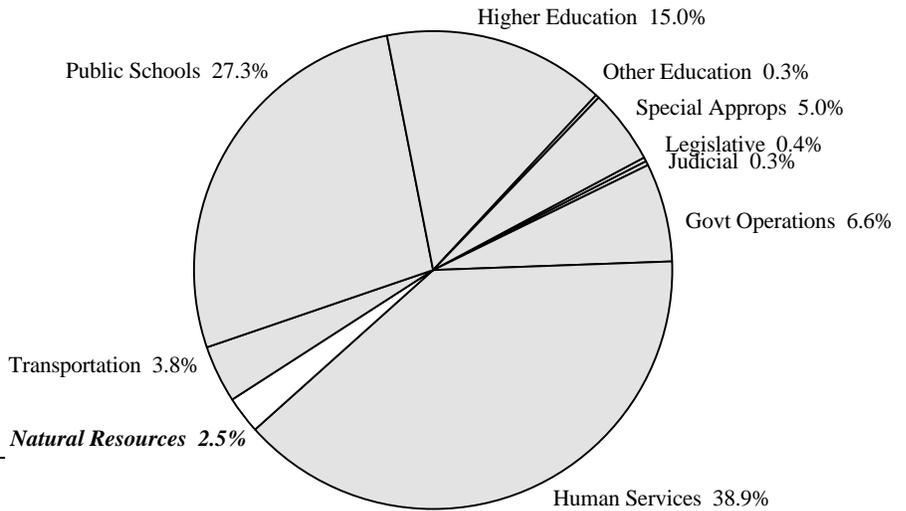
The budget provides \$1.0 million to implement five pilot landscape management plans as provided in Chapter 290, Laws of 1997, Partial Veto (SHB 1985). The legislation, which was developed through the Timber/Fish/Wildlife process, provides an alternative means for forest landowners to meet forest practice permit requirements. Funding is provided for the Departments of Natural Resources, Fish and Wildlife, and Ecology to review, negotiate, and approve the landscape plans.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

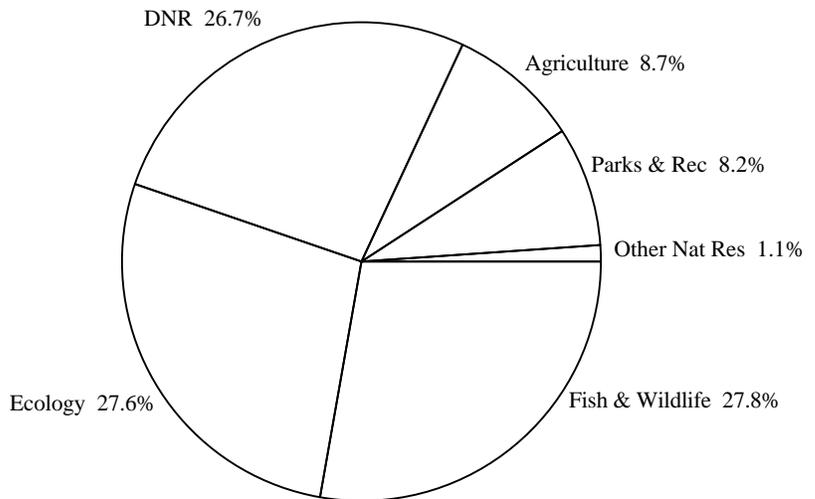
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
<b>Natural Resources</b>	<b>900,905</b>
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

Dept of Fish & Wildlife	250,832
Dept of Ecology	248,209
Dept of Natural Resources	240,136
Dept of Agriculture	78,642
Parks & Recreation	73,503
Other Natural Resources	9,583
<b>Natural Resources</b>	<b>900,905</b>



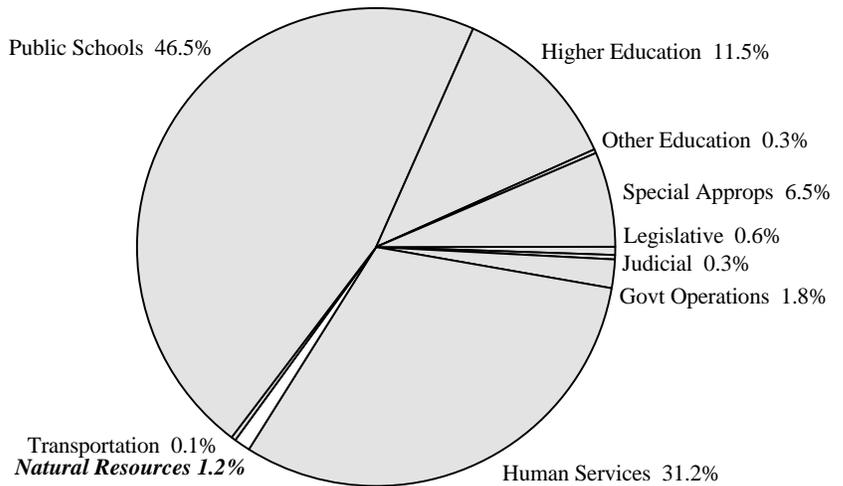
## Natural Resources

# 1997-99 Washington State Operating Budget

## General Fund - State

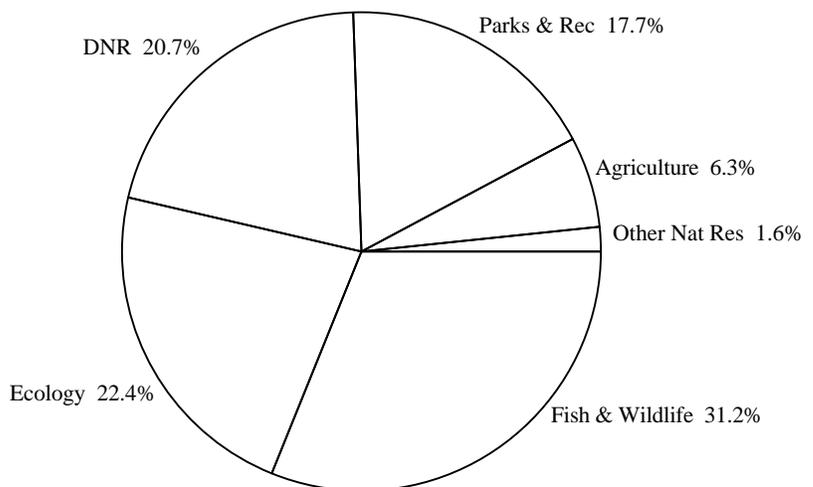
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
<b><i>Natural Resources</i></b>	<b><i>231,214</i></b>
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



### Washington State

Dept of Fish & Wildlife	72,251
Dept of Ecology	51,873
Dept of Natural Resources	47,959
Parks & Recreation	40,861
Dept of Agriculture	14,604
Other Natural Resources	3,666
<b><i>Natural Resources</i></b>	<b><i>231,214</i></b>



### Natural Resources

**Columbia River Gorge Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>577</b>	<b>524</b>	<b>1,101</b>
<b>1997-99 Maintenance Level</b>	<b>605</b>	<b>550</b>	<b>1,155</b>
<b>Policy Items</b>			
1. Grants to Gorge Counties	240	240	480
2. General Inflation	-4	-4	-8
3. Operating Reduction	-406	-351	-757
<b>Total 1997-99 Biennium</b>	<b>435</b>	<b>435</b>	<b>870</b>
Fiscal Year 1998 Totals	213	214	427
Fiscal Year 1999 Totals	222	221	443

**Comments:**

1. GRANTS TO GORGE COUNTIES - Each of the three gorge counties will receive \$80,000 to carry out their responsibilities under the Scenic Area Act. If a gorge county has not adopted an ordinance to implement the act, the Commission may use the funds to implement the act for the county.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. OPERATING REDUCTION - Commission costs are reduced. Funds are shifted to the counties for administration and implementation of the Scenic Area Act.

## Department of Ecology

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	43,698	193,687	237,385
1997 Supplemental *	372	800	1,172
<b>Total 1995-97 Expenditure Authority</b>	<b>44,070</b>	<b>194,487</b>	<b>238,557</b>
<b>1997-99 Maintenance Level</b>	<b>45,871</b>	<b>193,423</b>	<b>239,294</b>
<b>Policy Items</b>			
1. State/Federal Relations	-50	0	-50
2. Administration Program Reductions	-808	0	-808
3. Reduced Project Coordination	-179	0	-179
4. Shoreline Assistance & Enforcement	-245	-245	-490
5. Sediment Management	-89	0	-89
6. Reduce Bi-State Columbia River	0	-300	-300
7. Staff Savings Shifted to Capital	0	-500	-500
8. Water Resources Infrastructure	3,055	0	3,055
9. Local Watershed Planning	5,000	0	5,000
10. Other Water Legislation	875	0	875
11. Flood Control Assistance	1,000	850	1,850
12. Toxic Cleanups	0	2,202	2,202
13. Prevention and Clean Up of Litter	0	4,514	4,514
14. Intertanko Lawsuit	0	240	240
15. Office of Marine Safety Merger	0	80	80
16. Yakima Adjudication	274	-274	0
17. Community Watershed Assistance	345	0	345
18. Solid Waste Permit Renewals	0	-59	-59
19. Puget Sound Action Plan	528	0	528
20. General Inflation	-179	-783	-962
21. Programmatic Adjustments	0	-3,324	-3,324
22. Landscape Management Plan Pilots	128	0	128
23. Grain Facility Air Inspections	0	-91	-91
24. Environmental Excellence Program	0	247	247
25. License Suspension	17	0	17
26. Biosolids Permit Program	0	356	356
27. Governor Veto	-3,670	0	-3,670
<b>Total 1997-99 Biennium</b>	<b>51,873</b>	<b>196,336</b>	<b>248,209</b>
Fiscal Year 1998 Totals	26,013	97,875	123,888
Fiscal Year 1999 Totals	25,860	98,461	124,321

### Comments:

- STATE/FEDERAL RELATIONS - A reduction is made in state general fund support for the Nuclear Waste Management program.
- ADMINISTRATION PROGRAM REDUCTIONS - State general fund support to the administration program is reduced by approximately 10 percent. Areas to be reduced include the fiscal office, employee services, telecommunications, graphic design, and the library.
- REDUCED PROJECT COORDINATION - Staff responsible for issuing water quality certifications for construction projects, evaluating projects to determine consistency with the Coastal Zone Management Act, and coordinating permits will be reduced.
- SHORELINE ASSISTANCE & ENFORCEMENT - A reduction is made to local government assistance for administering the Shoreline Management Act. In addition, there is a 50 percent reduction to shoreline enforcement activities. (General Fund-State, General Fund-Federal)
- SEDIMENT MANAGEMENT - Reduces funding for the Sediment Management program. Efforts to reduce sediments in stormwater and establish cleanup standards for contaminated sediments are delayed.
- REDUCE BI-STATE COLUMBIA RIVER - For several years the Department of Ecology (DOE) has participated with representatives from industry, local government, and the state of Oregon regarding the water quality problems of the Lower Columbia River. Now that the area has become part of the National Estuary Program, these activities can be supported to a greater extent by federal funds. Sufficient state funding is maintained to match federal money for the program. (State Toxics Control Account)
- STAFF SAVINGS SHIFTED TO CAPITAL - Referendum 26 was adopted by a vote of the people in 1972 and authorized \$225 million in bonds for waste management and water pollution control facilities. Given that the majority of these funds have been spent and grant projects completed, staff can be phased out. Therefore, administrative funding for this program is provided for FY 98 only. (Referendum 26)

## Department of Ecology

8. **WATER RESOURCES INFRASTRUCTURE** - Funding is provided for the Department to process water right applications, continue the development of the water resources data management system, and provide technical assistance to local watershed planning efforts. The funding is contingent upon enactment of Chapter 442, Laws of 1997, Partial Veto (2SHB 2054 -- Water Resource Management). See Item 27 - Governor vetoes.
9. **LOCAL WATERSHED PLANNING** - Funding is provided for grants to local planning groups for the development of watershed plans consistent with Chapter 442, Laws of 1997, Partial Veto (2SHB 2054 -- Water Resource Management). The funding is contingent upon enactment of specific sections of 2SHB 2054. See Item 27 -- Governor Vetoes.
10. **OTHER WATER LEGISLATION** - Funding is provided to implement ESHB 1111 (Water Rights -- vetoed by the Governor), Chapter 440, Laws of 1997, Partial Veto (SHB 1118 -- Water Rights Claim Filing), SSB 5030 (Lake Water Irrigation -- vetoed by the Governor), Chapter 360, Laws of 1997, Partial Veto (SSB 5276 -- Water Rights Permits), Chapter 443, Laws of 1997 (SSB 5505 -- Assist Water Applicants), and Chapter 446, Laws of 1997 (SSB 5785 -- Consolidate Ground Water Rights). See Item 27 -- Governor Vetoes.
11. **FLOOD CONTROL ASSISTANCE** - The five year coastal erosion study started in the 1995-97 biennium is continued. The study involves local, state, and federal entities in an effort to gather data that will help predict, plan, and possibly prevent coastal erosion emergencies. The United State Geologic Survey is participating in the study and is expected to contribute an equal amount of financial support. Also, reappropriations are made for flood-related projects initiated during the 1995-97 biennium but not completed. Uncompleted projects include the Skokomish Valley Flood Reduction plan in Mason County and dike and levee repair projects needed as a result of the November 1995 and February 1996 flood events.
12. **TOXIC CLEANUPS** - Funding is provided to implement the recommendations of the Model Toxics Control Act Policy Advisory Committee. DOE will recover approximately \$2 million through enhanced technical assistance to owners of contaminated sites. The recommendations include: implementing a site-specific risk assessment to modify the cleanup process to allow more flexibility; increasing technical assistance to sites volunteering to clean up; allowing prospective purchaser agreements to facilitate the development and transfer of contaminated facilities; and providing additional opportunities for communities to be involved in making clean-up decisions. (State Toxics Control Account, Local Toxics Control Account)
13. **PREVENTION AND CLEAN UP OF LITTER** - Funding is provided to increase litter prevention and control efforts. The funds are to be allocated as follows: 50 percent for a litter patrol program to employ youth and correctional work crews to remove litter from places that are most visible to the public; 20 percent for grants to local governments for litter cleanup; and 30 percent for public education and awareness programs and programs to foster local waste reduction and recycling efforts. (Waste Reduction, Recycling, and Litter Control Account)
14. **INTERTANKO LAWSUIT** - Increased attorney general services and expert witness costs are required for the appeal of the District Court's decision on the Intertanko lawsuit. (Oil Spill Administration Account)
15. **OFFICE OF MARINE SAFETY MERGER** - One-time funding is provided to address moving costs associated with the merger of the Office of Marine Safety into the Department of Ecology. (Oil Spill Administration Account)
16. **YAKIMA ADJUDICATION** - A technical adjustment is made to carryforward funding that was provided in the 1996 Supplemental Budget for the Yakima Adjudication.
17. **COMMUNITY WATERSHED ASSISTANCE** - Funding is provided to support the local watershed planning efforts established in Chapter 442, Laws of 1997, Partial Veto (2SHB 2054 - Local Watershed Planning). See Item 27 - Governor vetoes.
18. **SOLID WASTE PERMIT RENEWALS** - DOE has proposed legislation that would enable local health departments to renew solid waste management facility permits every five years, rather than the current mandate for annual renewal. This change will result in administrative savings. (Waste Reduction, Recycling, and Litter Control Account)
19. **PUGET SOUND ACTION PLAN** - Additional funding is provided for two components of the 1997-99 Puget Sound Water Quality Work Plan in order to: 1) expand the water quality monitoring effort in Puget Sound; and 2) modify the methodology used in the pilot wetland restoration program to include all critical watershed functions.
20. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
21. **PROGRAMMATIC ADJUSTMENTS** - Several of DOE's dedicated fund programs will experience reductions as a result of increased operating costs that are not supported by a corresponding increase in revenue growth. For example, decreases are made to funds which support tire pile cleanup, air quality, fresh water weeds, toxics cleanups, and flood control assistance. This is offset by an increase in administrative funding for the federal water quality loan program to reflect available state and federal dollars. (General Fund-Private/Local, Flood Control Assistance Account, Vehicle Tire Recycling Account, Wood Stove Education and Enforcement Account, State Toxics Control Account, Air Pollution Control Account, Air Operating Permit Account, Freshwater Aquatic Weeds Account, Metals Mining Account Water Pollution Control Revolving)
22. **LANDSCAPE MANAGEMENT PLAN PILOTS** - Funding is provided to implement five landscape management pilot projects as an alternative to issuing individual forest practice permits. The pilot projects are authorized in Chapter 290, Laws of 1997, Partial Veto (SHB 1985 -- Landscape Management Plans). The Departments of Fish and Wildlife and Natural Resources will assist in the pilot projects.
23. **GRAIN FACILITY AIR INSPECTIONS** - Funding is reduced for air quality work associated with small grain facilities based on Chapter 410, Laws of 1997 (SHB 1033 -- Grain Facility Clean Air Requirements). Under the provisions of the bill, grain handling facilities that process less than 10 million bushels of grain annually no longer have to re-register with the Department's air quality program each year.
24. **ENVIRONMENTAL EXCELLENCE PROGRAM** - Funding is provided to implement Chapter 381, Laws of 1997, Partial Veto (E2SHB 1866 -- Environmental Excellence). Under provisions of the bill, project proponents may enter into environmental agreements with state agencies which are intended to allow the regulated entity more flexibility in meeting environmental requirements. The program is designed to be self-supporting. State agencies may assess a fee to cover the cost of processing environmental agreement proposals.
25. **LICENSE SUSPENSION** - The Personal Responsibility and Work Opportunity Act of 1996 (Federal Welfare Legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is provided for the additional workload associated with the license suspension.
26. **BIOSOLIDS PERMIT PROGRAM** - Appropriation authority is provided for implementation of a new biosolids permitting program, as provided in Chapter 398, Laws of 1997 (ESB 5590 -- Biosolids Management Program). (Biosolids Permit Account)

**Department of Ecology**

27. GOVERNOR VETO - The Governor vetoed section 302 (3) which provided \$3.4 million for water rights permitting, data management, and technical assistance to local watershed planning groups contingent upon enactment of specific sections in Chapter 442, Laws of 1997, Partial Veto (2SHB 2054 -- Water Resource Planning). Since these specific sections in 2SHB 2054 were also vetoed, the entire \$3.4 million appropriation lapses.

The Governor vetoed section 302 (4) which provided \$5 million for grants to local watershed planning groups contingent upon enactment of specific sections in 2SHB 2054. The Governor also vetoed many of the provided sections in 2SHB 2054. In spite of the veto action, the Governor has not directed that these funds lapse.

The Governor vetoed section 302 (5) which provided \$200,000 for implementation of ESHB 1111 (Water Rights). ESHB 1111 was vetoed in its entirety. The \$200,000 appropriation lapses.

The Governor vetoed section 302 (22) which provided funds for implementation of SSB 5030. SSB 5030 (Lakewater Irrigation) was vetoed. The \$70,000 appropriation lapses.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Washington Pollution Liability Insurance Program**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>1,342</b>	<b>1,342</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>1,958</b>	<b>1,958</b>
<b>Policy Items</b>			
1. Technical Assistance Program	0	104	104
2. General Inflation	0	-8	-8
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>2,054</b>	<b>2,054</b>
Fiscal Year 1998 Totals	0	1,022	1,022
Fiscal Year 1999 Totals	0	1,032	1,032

**Comments:**

1. TECHNICAL ASSISTANCE PROGRAM - Departmental request legislation authorizes the agency to offer technical assistance to owners and operators of heating oil tanks. The staff and funding for this technical assistance program are provided contingent upon enactment of Chapter 8, Laws of 1997 (SHB 1007).
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## State Parks and Recreation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	36,347	29,429	65,776
1997 Supplemental *	3,400	-2,400	1,000
<b>Total 1995-97 Expenditure Authority</b>	<b>39,747</b>	<b>27,029</b>	<b>66,776</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>40,775</b>	<b>29,871</b>	<b>70,646</b>
<b>Policy Items</b>			
1. Retrospective Rating Refund	0	10	10
2. 1997-99 COP Project Impact	0	150	150
3. Boating Safety	0	480	480
4. Snowmobile/Sno-Park Grooming	0	692	692
5. General Inflation	-209	-150	-359
6. Dedicated Projects	0	500	500
7. Underwater Parks	250	0	250
8. Feasibility Study	45	0	45
9. Interpretive Materials	0	158	158
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>40,861</b>	<b>31,711</b>	<b>72,572</b>
Fiscal Year 1998 Totals	20,526	15,698	36,224
Fiscal Year 1999 Totals	20,335	16,013	36,348

### Comments:

1. RETROSPECTIVE RATING REFUND - The Department of Labor and Industries retrospective rating refund will be used to enhance safety programs in the agency. (Industrial Insurance Premium Refund Account)
2. 1997-99 COP PROJECT IMPACT - In the 1995-97 biennium, State Parks was authorized to pursue \$600,000 in Certificate of Participation (COP) projects. These projects make investments in park facilities which generate additional revenue. A total of \$2 million in new COP projects is included in the capital budget. Projects are authorized at Cama Beach, Ocean City, Grayland Beach, and other parks statewide. Funding is provided for debt service and additional staff for the projects that will be completed in the 1997-99 biennium. (Parks Renewal and Stewardship Account)
3. BOATING SAFETY - The Federal FY 97 budget provides a \$15 million increase in boating safety funds distributed to the states. Appropriation authority is provided to spend Washington State's share of this additional federal money on boating safety activities and grants. (General Fund-Federal)
4. SNOWMOBILE/SNO-PARK GROOMING - Chapter 164, Laws of 1996 (ESB 6566) increased snowmobile registration fees. These additional revenues are appropriated to purchase additional snow grooming equipment and to increase grooming of snowmobile trails. Additional funding is also provided for increased grooming of cross country ski trails at state sno-parks. (Winter Recreation Program Account, Snowmobile Account)
5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
6. DEDICATED PROJECTS - Additional appropriation authority is provided to complete projects funded through dedicated donations. (Parks Renewal and Stewardship Account)
7. UNDERWATER PARKS - Funding is provided to support the development of an underwater parks program. Specific plans will be developed in conjunction with the Underwater Parks Task Force facilitated by State Parks.
8. FEASIBILITY STUDY - Funding is provided for a feasibility study regarding the use of county, private, and state lands in the area of Square Lake (Kitsap County) for low-intensity recreation.
9. INTERPRETIVE MATERIALS - Funding is provided to acquire additional interpretive materials for sale at state parks. (Parks Improvement Account, Parks Renewal and Stewardship Account)

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the State Parks and Recreation Commission's budget is shown in the Transportation Budget section of this document.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## Interagency Committee for Outdoor Recreation

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>3,219</b>	<b>3,219</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>2,780</b>	<b>2,780</b>
<b>Policy Items</b>			
1. Recreation Accessibility Specialist	0	68	68
2. PRISM Data System Enhancement	0	150	150
3. General Inflation	0	-10	-10
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>2,988</b>	<b>2,988</b>
Fiscal Year 1998 Totals	0	1,567	1,567
Fiscal Year 1999 Totals	0	1,421	1,421

**Comments:**

1. RECREATION ACCESSIBILITY SPECIALIST - Funding is provided for a recreation accessibility specialist to train and advise state, federal, tribal, and local agencies on the design and operation of recreation facilities to meet barrier-free access issues associated with the Americans with Disabilities Act (ADA). In addition to training agencies, this position will continue to develop a state database of barrier-free recreation facilities. (Recreation Resources Account-State)
2. PRISM DATA SYSTEM ENHANCEMENT - Additional funding is provided to implement the second and final phase of the Interagency Committee for Outdoor Recreation's (IAC's) Project Information System (PRISM). Specific work will include automating remaining segments for document imaging, transmission of data to the state accounting system, on-line invoicing, archiving of data, and connecting to the Internet. (Recreation Resources Account-State)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**Environmental Hearings Office**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	1,428	0	1,428
1997 Supplemental *	25	0	25
<b>Total 1995-97 Expenditure Authority</b>	<b>1,453</b>	<b>0</b>	<b>1,453</b>
<b>1997-99 Maintenance Level</b>	<b>1,548</b>	<b>0</b>	<b>1,548</b>
<b>Policy Items</b>			
1. Internet Access	5	0	5
2. Forest Practices Appeals Board	8	0	8
3. General Inflation	-8	0	-8
<b>Total 1997-99 Biennium</b>	<b>1,553</b>	<b>0</b>	<b>1,553</b>
Fiscal Year 1998 Totals	780	0	780
Fiscal Year 1999 Totals	773	0	773

**Comments:**

1. INTERNET ACCESS - Funding is provided for equipment required for Internet access. Ongoing costs for the Internet connection will be absorbed from savings in postage and travel costs.
2. FOREST PRACTICES APPEALS BOARD - In recognition of the increased workload of the Forest Practices Appeals Board, Chapter 423, Laws of 1997 (SSB 5119) reclassifies the Board for purposes of per diem compensation for its part-time members. The legislation increases per diem compensation from \$50 per day to \$100 per day for each of the Board's three members.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**State Conservation Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>1,692</b>	<b>321</b>	<b>2,013</b>
<b>1997-99 Maintenance Level</b>	<b>1,707</b>	<b>440</b>	<b>2,147</b>
<b>Policy Items</b>			
1. Administrative Reductions	-20	0	-20
2. General Inflation	-9	0	-9
<b>Total 1997-99 Biennium</b>	<b>1,678</b>	<b>440</b>	<b>2,118</b>
Fiscal Year 1998 Totals	838	219	1,057
Fiscal Year 1999 Totals	840	221	1,061

**Comments:**

1. ADMINISTRATIVE REDUCTIONS - Reductions are made in travel and the agency's legal support costs.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Department of Fish and Wildlife

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	66,888	133,477	200,365
1997 Supplemental *	2,318	8,984	11,302
<b>Total 1995-97 Expenditure Authority</b>	<b>69,206</b>	<b>142,461</b>	<b>211,667</b>
<b>1997-99 Maintenance Level</b>	<b>69,276</b>	<b>179,624</b>	<b>248,900</b>
<b>Policy Items</b>			
1. Habitat Partnerships	1,000	0	1,000
2. Warm Water Game Fish Enhancement	0	-560	-560
3. Retrospective Rating Refund	0	120	120
4. Dam Maintenance and Safety	343	0	343
5. Wildlands Stewardship	300	0	300
6. Wild Salmon Management	1,657	0	1,657
7. Puget Sound Work Plan	830	0	830
8. General Inflation	-753	-1,726	-2,479
9. Landscape Management Plan Pilots	457	0	457
10. Winter Feeding	0	1,000	1,000
11. Environmental Excellence	0	20	20
12. License Suspension	33	0	33
13. Data Entry Savings	-400	0	-400
14. Fisheries Management	-922	0	-922
15. Hatchery ESA Reprogramming	-270	0	-270
16. Rules Officer	-260	0	-260
17. Hydraulic Permit Efficiencies	-200	0	-200
18. License System	387	300	687
19. Mass Marking Implementation	700	0	700
20. Problem Wildlife Enforcement	640	360	1,000
21. Interpretive Center	50	0	50
22. Administrative Reductions	-332	0	-332
23. Warmwater Gamefish	-250	0	-250
24. Aircraft Reductions	-100	0	-100
25. Hatcheries Administration	-300	0	-300
26. Engineering Staff	0	-240	-240
27. Consolidate Public Affairs	-120	-120	-240
28. Remote Site Incubators	393	0	393
29. Flood Control Permitting	266	0	266
30. Eastern WA Pheasant Program	0	547	547
31. Fisheries Enhancement	0	156	156
32. Animal Damage Control	195	0	195
33. Grants to Regional Groups	0	100	100
34. Lapse	0	-1,000	-1,000
35. SSB 5327 - Habitat Incentives Pgm	24	0	24
36. Governor Veto	-393	0	-393
<b>Total 1997-99 Biennium</b>	<b>72,251</b>	<b>178,581</b>	<b>250,832</b>
Fiscal Year 1998 Totals	35,864	87,472	123,336
Fiscal Year 1999 Totals	36,387	91,109	127,496

### Comments:

- HABITAT PARTNERSHIPS - The Habitat Partnerships program was funded in the 1995-97 biennium with \$1.8 million in one-time federal funding. For the 1997-99 biennium, the program is continued at the \$1 million level using General Fund-State support.
- WARM WATER GAME FISH ENHANCEMENT - Funds are transferred to the capital budget for warmwater fish production and fishing access site development. (Warmwater Game Fish Account)
- RETROSPECTIVE RATING REFUND - The Department of Labor and Industries retrospective rating refund will be used to enhance safety programs at the Department of Fish and Wildlife (WDFW). Activities will include safety equipment purchases. (Industrial Insurance Premium Refund Account)

## Department of Fish and Wildlife

4. DAM MAINTENANCE AND SAFETY - WDFW owns and operates 54 earthen dams which are currently out of compliance with state inspection and maintenance regulations. These dams are used primarily for habitat improvements and hatchery operations. Funding is provided for staff to inspect these dams and to begin required maintenance. The Department will also complete an evaluation on the need for these dams and report whether they should continue to be maintained or decommissioned.
5. WILDLANDS STEWARDSHIP - Funding is provided for two new Washington Conservation Corps crews to perform maintenance and restoration work on Department-owned lands.
6. WILD SALMON MANAGEMENT - The National Marine Fisheries Service has proposed listing additional chinook, coho, and steelhead in Washington as threatened or endangered under the federal Endangered Species Act. Staff are provided to cope with the additional federal permits, research, and consultations that these listings will require. Funding is also provided for the Department to review hatchery operations and to conduct genetic stock identification research. In addition, an egg-take program will be established for Dungeness Pink Salmon.
7. PUGET SOUND WORK PLAN - Funding is provided to implement key actions identified in the Puget Sound Work Plan. Technical assistance is provided to local watershed planning efforts regarding water and sediment quality, wetlands, and habitat management.
8. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
9. LANDSCAPE MANAGEMENT PLAN PILOTS - Funding is provided to implement five landscape management pilot projects as an alternative to issuing individual forest practice permits. The pilot projects are authorized in Chapter 290, Laws of 1997, Partial Veto (SHB 1985 -- Landscape Management Plans). The Departments of Natural Resources and Ecology will assist in the pilot projects.
10. WINTER FEEDING - Appropriation authority is provided to the Wildlife Account for up to \$1 million to be used for emergency feeding of deer and elk in the winter of 1997-98. The appropriation is supported by a variety of possible fees, donations, or the sale of surplus property as authorized in SHB 1478 (Wildlife Winter Feeding). SHB 1478 was vetoed by the Governor. (See Item 34 - Lapse)
11. ENVIRONMENTAL EXCELLENCE - Appropriation authority is provided for the Department to implement Chapter 381, Laws of 1997, Partial Veto (E2SHB 1866 -- Environmental Excellence) for hydraulic project approval applicants.
12. LICENSE SUSPENSION - The Personal Responsibility and Work Opportunity Act of 1996 (Federal Welfare Legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is provided for the additional workload associated with the license suspension.
13. DATA ENTRY SAVINGS - Positions providing data entry services for biological information will be eliminated. This information will now be entered through scanner technology. Account and time sheet data entry costs will be absorbed by the programs.
14. FISHERIES MANAGEMENT - Funding is reduced for activities related to shellfish management, halibut and sturgeon catch sampling, steelhead surveys, and other monitoring programs.
15. HATCHERY ESA REPROGRAMMING - In order to prepare for fish listings under the federal Endangered Species Act (ESA), reductions are made in hatchery production of coho at selected facilities. The Shale Creek hatchery will be closed and production reductions will occur at Kendall Creek and at the Sol Duc complex. In addition, the consolidation of hatchery facilities has resulted in savings related to equipment expenditures.
16. RULES OFFICER - The agency's centralized rules officer will be eliminated. Rule adoption work will be absorbed by agency programs.
17. HYDRAULIC PERMIT EFFICIENCIES - Funding is reduced to the hydraulic permit program assuming efficiencies can be made in the permit process.
18. LICENSE SYSTEM - Funding is provided for the design and development of an automated recreational license sales system. As a part of the design phase, a recreational license database will be created and scoping requirements for the system will be determined. (Wildlife Fund-State)
19. MASS MARKING IMPLEMENTATION - Funding is provided for purchase of monitoring equipment to fully implement mass marking of coho salmon.
20. PROBLEM WILDLIFE ENFORCEMENT - Funding for additional enforcement officers is provided to address problem wildlife. The item also includes \$300,000 for the Department to contract with the U.S. Department of Agriculture for animal damage control services throughout the state. (Wildlife Fund-State)
21. INTERPRETIVE CENTER - Funding is provided for staffing and operation of the Tennant Lake Interpretive Center.
22. ADMINISTRATIVE REDUCTIONS - This item reduces agency administrative support by 2 FTEs.
23. WARMWATER GAMEFISH - Legislation enacted in 1996 (Chapter 222, Laws of 1996) creates a dedicated fund source for the Warmwater Gamefish program which is expected to generate \$2.4 million in revenue for the program during the 1997-99 biennium. General Fund-State start-up funding is eliminated. The federal and Wildlife Account funds in the base budget are maintained.
24. AIRCRAFT REDUCTIONS - Savings are achieved by selling one of the Department's six airplanes. Flight logs indicate that the Cessna 421 is not used as much as the other aircraft and has had mechanical problems. Ongoing operational savings are estimated to be \$100,000 per biennium. Proceeds from the sale of the plane are redirected into the Wildlife Account to support other priority programs of the Department.
25. HATCHERIES ADMINISTRATION - Reductions are made in hatcheries administration, including assessment and development activities and facilities support.
26. ENGINEERING STAFF - Reductions are made in engineering staff supported by funds in the Department's operating budget. (Wildlife Fund-State)
27. CONSOLIDATE PUBLIC AFFAIRS - Savings are assumed from consolidating public affairs and outreach and education activities within the agency. (Wildlife Fund-State)
28. REMOTE SITE INCUBATORS - Funding is provided for implementation of 2SSB 5120 (Remote Site Incubators). This bill was vetoed by the Governor.
29. FLOOD CONTROL PERMITTING - Funding is provided for implementation of Chapter 385, Laws of 1997 (2SSB 5442 -- Flood Control Permitting).
30. EASTERN WA PHEASANT PROGRAM - With passage of Chapter 422, Laws of 1997 (SSB 5104), new funds will be available for pheasant enhancement programs in eastern Washington. Appropriation authority is provided so that the Department may begin implementing the program in the 1997-99 biennium. (Eastern Washington Pheasant Enhancement Account)
31. FISHERIES ENHANCEMENT - Chapter 197, Laws of 1997 (SSB 5102) extends the recreational fisheries surcharge to three-day licenses. Revenue from the surcharge is dedicated to recreational fisheries enhancement programs. (Recreational Fisheries Enhancement Account)
32. ANIMAL DAMAGE CONTROL - Funding is provided for the Department's animal damage control program for the Canadian Dusky Goose population of the Lower Columbia River region.

**Department of Fish and Wildlife**

33. GRANTS TO REGIONAL GROUPS - Additional funding is provided from the Aquatic Lands Enhancement Account to support the work of the regional fisheries enhancement groups. (Aquatic Lands Enhancement Account)
34. LAPSE - Section 304(7) provided a \$1 million appropriation from the wildlife account to be used for emergency winter feeding of deer and elk, contingent upon enactment of SHB 1478. The Governor vetoed SHB 1478 in its entirety. Since SHB 1478 was not enacted, the \$1 million wildlife account appropriation lapses.
35. SSB 5327 - HABITAT INCENTIVES PGM - Chapter 425, Laws of 1997 (SSB 5327) establishes a habitat incentive program to be administered by the Department of Fish and Wildlife (WDFW). WDFW is to work jointly with the Department of Natural Resources (DNR) in developing the program. The program will allow private landowners to enter into an agreement with WDFW to enhance habitat for fish and wildlife species. The legislation includes a \$48,500 General Fund-State appropriation. Of the total, WDFW receives \$24,250. DNR receives \$24,250.
36. GOVERNOR VETO - The Governor vetoed section 304 (16) which provided \$393,000 to implement SSB 5120 (remote site incubators). The Governor also vetoed SSB 5120. The entire \$393,000 appropriation lapses.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## Department of Natural Resources

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	40,749	184,179	224,928
1997 Supplemental *	8,315	0	8,315
<b>Total 1995-97 Expenditure Authority</b>	<b>49,064</b>	<b>184,179</b>	<b>233,243</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>48,387</b>	<b>178,870</b>	<b>227,257</b>
<b>Policy Items</b>			
1. Fire Protection	0	-3,627	-3,627
2. Geology and Mining Support	0	139	139
3. Natural Areas	975	-975	0
4. Additional Timber Sales	0	8,926	8,926
5. Silvicultural Investments	0	6,404	6,404
6. Public Use and Recreation	0	506	506
7. Photo and Map Activities	0	875	875
8. Five Percent Reductions	-1,573	0	-1,573
9. General Inflation	-269	-1,225	-1,494
10. Eagle Harbor Settlement	0	2,300	2,300
11. Burning Permits	0	-16	-16
12. Landscape Management Plan Pilots	415	0	415
13. SSB 5327 - Habitat Incentives Pgm	24	0	24
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>47,959</b>	<b>192,177</b>	<b>240,136</b>
Fiscal Year 1998 Totals	23,779	95,439	119,218
Fiscal Year 1999 Totals	24,180	96,738	120,918

### Comments:

1. FIRE PROTECTION - An adjustment is made in the estimated expenditures from the forest fire protection assessment account to reflect an anticipated reduction in revenue in the 1997-99 biennium. The reduction is offset by a total of \$4.2 million General Fund-State that is provided in the 1997 Supplemental Budget. By funding the \$4.2 million General Fund-State in the Supplemental Budget, sufficient carryforward funds can be maintained in the forest fire protection assessment account for expenditure in the 1997-99 biennium. Of the \$4.2 million General Fund-State that is provided in the 1997 Supplemental Budget, \$2.7 million is intended to be ongoing funding that will be included in the program's carryforward level for the 1999-01 biennium. (Forest Fire Protection Assessment Account)
5. SILVICULTURAL INVESTMENTS - Funding is provided for additional pre-commercial thinning, fertilization, and pruning on forest board lands. (Resource Management Cost Account, Forest Development Account)
2. GEOLOGY AND MINING SUPPORT - The Department of Natural Resources (DNR) monitors surface and metal mines in the state. Additional funding is provided to meet increased workload for these activities. This work will reduce the backlog in surface mining permit applications, improve technical and educational assistance, and allow the regulation of one additional metal mine. (Surface Mining Reclamation Account, Metals Mining Account)
6. PUBLIC USE AND RECREATION - State trustlands are receiving increased recreation use. Funding is provided to increase the maintenance of trails and recreation sites, to monitor their use through an ongoing survey process, and to hire four regional volunteer coordinators to recruit, organize, and supervise volunteer activities on state lands. (Forest Development Account, Off Road Vehicle Account)
3. NATURAL AREAS - For the last several biennia, the operation and maintenance of DNR's Natural Area Preserves and Natural Resource Conservation Areas, along with a portion of the Natural Heritage Program, have been funded through one-time revenue from an expired real estate excise tax. This funding is no longer available. Funding to continue the current level of operations is transferred to the general fund.
7. PHOTO AND MAP ACTIVITIES - Funding is provided to replace and upgrade DNR mapping equipment, to acquire additional aerial photography, and to produce additional geographic materials for sale. The agency will also make a one-time expenditure to automate the distribution of geographic materials. DNR will increase scanning and indexing of survey records obtained through cooperative agreements with counties. (Surveys and Maps Account, Resource Management Cost Account, Forest Development Account)
4. ADDITIONAL TIMBER SALES - In recent years, the workload associated with the preparation of timber sales has increased. This package provides staff necessary to maintain timber sales at the current level of 600 million board feet (MBF). Without this support, the DNR timber sales will be reduced by 40 MBF each fiscal year. Additional staff is also provided to prepare timber sales for FY 99 necessary to meet the Board of Natural Resources new annual sustained yield harvest level of 655 MBF. (Resource Management Cost Account, Forest Development Account)
8. FIVE PERCENT REDUCTIONS - This item assumes a 5 percent reduction in General Fund-State supported programs throughout the Department, except for the fire program. In implementing this reduction, the Department shall not reduce expenditures authorized in the 1997-99 biennium for fire protection and fire suppression activities.
9. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
10. EAGLE HARBOR SETTLEMENT - DNR, the Department of Ecology, and the Department of Transportation anticipate reaching a court settlement for clean-up of Eagle Harbor on Bainbridge Island. Funding is provided for DNR's costs for this settlement. (Aquatic Lands Enhancement Account)

**Department of Natural Resources**

11. BURNING PERMITS - Funding for the burning permit and regulation program is reduced to reflect revenues to the Air Pollution Control Account. (Air Pollution Control Account)
12. LANDSCAPE MANAGEMENT PLAN PILOTS - Funding is provided to implement five landscape management pilot projects as an alternative to issuing individual forest practice permits. The pilot projects are authorized in Chapter 290, Laws of 1997, Partial Veto (SHB 1985 -- Landscape Management Plans). The Department of Fish and Wildlife and the Department of Ecology will assist in the pilot projects.
13. SSB 5327 - HABITAT INCENTIVES PGM - Chapter 425, Laws of 1997 (SSB 5327) establishes a habitat incentive program to be administered by the Department of Fish and Wildlife (WDFW). WDFW is to work jointly with DNR in developing the program. The program will allow private landowners to enter into an agreement with WDFW to enhance habitat for fish and wildlife species. The legislation includes a \$48,500 General Fund-State appropriation. Of the total, WDFW receives \$24,250. DNR receives \$24,250.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## Department of Agriculture

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	14,257	58,041	72,298
1997 Supplemental *	215	175	390
<b>Total 1995-97 Expenditure Authority</b>	<b>14,472</b>	<b>58,216</b>	<b>72,688</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>13,936</b>	<b>62,222</b>	<b>76,158</b>
<b>Policy Items</b>			
1. Retrospective Rating Refund	0	184	184
2. Computer Services Staffing	0	312	312
3. Pesticide Registration	0	996	996
4. State Toxics Revenue Shortfall	0	-23	-23
5. Asian Gypsy Moth	461	360	821
6. General Inflation	-94	-317	-411
7. Entomologists	276	0	276
8. Integrated Pest Management	25	0	25
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>14,604</b>	<b>63,734</b>	<b>78,338</b>
Fiscal Year 1998 Totals	7,596	31,729	39,325
Fiscal Year 1999 Totals	7,008	32,005	39,013

### Comments:

1. RETROSPECTIVE RATING REFUND - The Department of Labor and Industries retrospective rating refund is appropriated to continue the Department of Agriculture (WSDA) safety program. The safety program is coordinated with the Department of Labor and Industries and includes safety training for potentially hostile or dangerous situations in the field and the acquisition of safety equipment for field and laboratory staff. (Industrial Insurance Premium Refund Account)
2. COMPUTER SERVICES STAFFING - WSDA's information services section is responsible for supporting 25 Departmental programs. Three computer information consultants are provided to allow grain, food, and pesticide inspectors to rapidly track and access information on samples and inspections needed for regulatory activities and inspection services. (Agriculture Local Account, Horticultural Districts Account, Grain and Hay Inspection Revolving Account)
3. PESTICIDE REGISTRATION - Funding is provided to support four additional positions enabling the Pesticide Management program to respond to increased workloads. Two sources of funding are provided: 1) Chapter 242, Laws of 1997 (E2SHB 1527 -- Pesticide Registration) authorizes the agency to increase fees for pesticide registration and applicator licenses to generate \$656,000 in increased revenue during the 1997-99 biennium; and 2) \$340,000 is provided from the State Toxics Control Account to support the program. (Agricultural Local Account-Non-appropriated, State Toxics Control Account)
4. STATE TOXICS REVENUE SHORTFALL - The Agricultural Waste Pesticide Disposal program will be reduced to manage within available revenues in the State Toxics Control Account. (State Toxics Control Account)
5. ASIAN GYPSY MOTH - Funding is provided to spray to control Asian Gypsy Moths in the West Seattle area and continue trapping efforts to detect and prevent future problems.
6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
7. ENTOMOLOGISTS - Funding is provided to support two additional entomologist positions in the plant protection program to address on-going pest problems.
8. INTEGRATED PEST MANAGEMENT - Funds are provided for implementation of Chapter 357, Laws of 1997 (SSB 5077 -- Integrated Pest Management).

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Department of Agriculture's budget is shown in the Transportation Budget section of this document.

\* Please see the 1997 Supplemental Operating Budget section for additional information.



# Transportation

The majority of funding for transportation services is included in the Transportation Budget, not in the Omnibus Appropriations Act. The Omnibus Appropriations Act includes only a portion of the funding for the State Patrol and the Department of Licensing. Therefore, the notes contained in this section are limited. For additional information, please see the Transportation Budget section of this document.

## **Washington State Patrol**

Funding is provided for the upgrade of the Washington State Identification System (WASIS) and the Washington Crime Information Center (WACIC). The two information technology systems will be reengineered to accommodate new federal reporting requirements and new demands on the systems.

## **Department of Licensing**

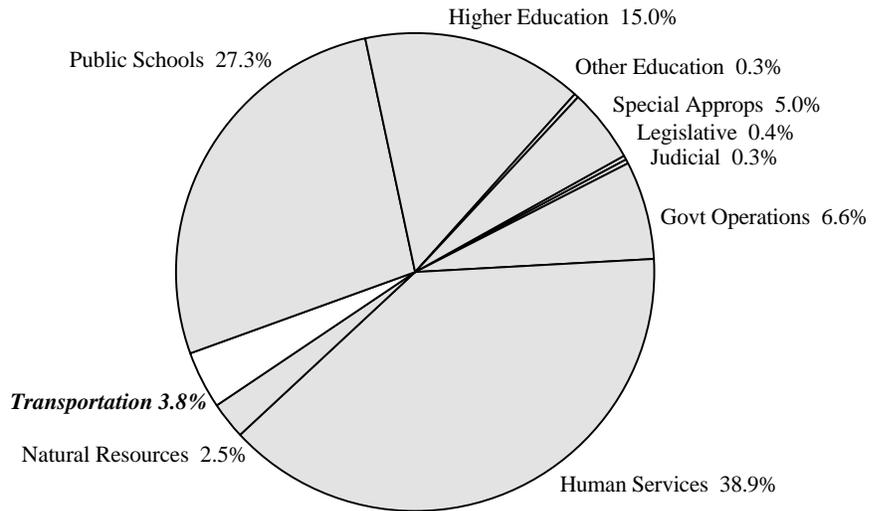
The amount of \$424,000 from the state general fund is provided for the implementation of Chapter 178, Laws of 1997 (SB 5997). The bill requires the Department of Licensing to conduct additional inspections of cosmetology, barbering, esthetics, and manicuring schools, salons, and shops.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

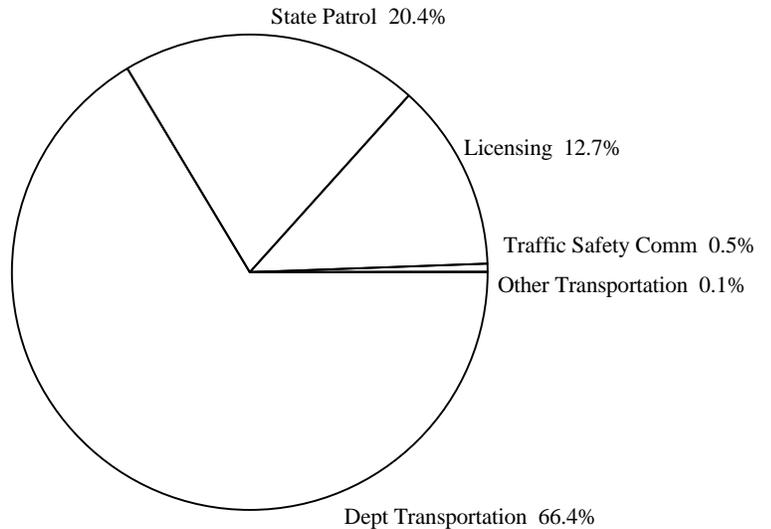
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
<b>Transportation</b>	<b>1,360,844</b>
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

Dept of Transportation	903,174
State Patrol	277,085
Dept of Licensing	172,495
Traffic Safety Commission	6,657
Other Transportation	1,433
<b>Transportation</b>	<b>1,360,844</b>



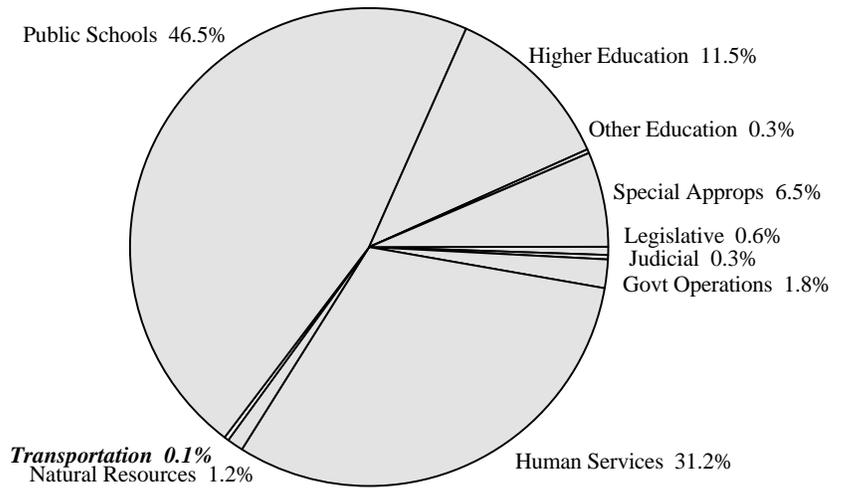
## Transportation

# 1997-99 Washington State Operating Budget

## General Fund - State

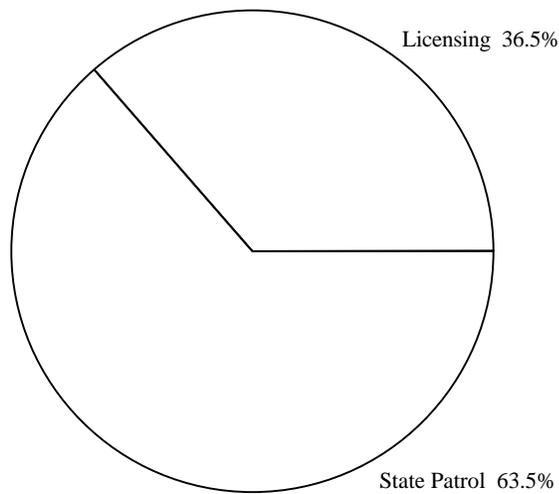
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
<b>Transportation</b>	<b>24,507</b>
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



### Washington State

State Patrol	15,562
Dept of Licensing	8,945
<b>Transportation</b>	<b>24,507</b>



### Transportation

## Washington State Patrol

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	19,243	20,293	39,536
1997 Supplemental *	1,089	681	1,770
<b>Total 1995-97 Expenditure Authority</b>	<b>20,332</b>	<b>20,974</b>	<b>41,306</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>15,763</b>	<b>17,624</b>	<b>33,387</b>
<b>Policy Items</b>			
1. Re-engineer Boarding Home Inspect	-146	0	-146
2. Additional Crime Scene/Lab FTEs	0	430	430
3. Fire Training Replacement Equipment	110	0	110
4. Savings in Acquisition Costs	-61	0	-61
5. Adjustment in Support Costs	-11	0	-11
6. Automate Background Checks	0	254	254
7. Drug Task Force Grant Match	0	360	360
8. General Inflation	-93	-105	-198
9. Criminal Identity Reengineering	0	1,260	1,260
10. Crime Database Redesign	0	1,476	1,476
11. Incident-based Investigation Tools	0	264	264
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<b>Total 1997-99 Biennium</b>	<b>15,562</b>	<b>21,563</b>	<b>37,125</b>
Fiscal Year 1998 Totals	7,712	12,052	19,764
Fiscal Year 1999 Totals	7,850	9,511	17,361

**Comments:**

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| <ol style="list-style-type: none"> <li>1. RE-ENGINEER BOARDING HOME INSPECT - Savings are generated by converting existing contracts for inspection of boarding homes into funding for two inspectors with the Fire Protection Bureau and by eliminating a part-time standards and accreditation position.</li> <li>2. ADDITIONAL CRIME SCENE/LAB FTES - Funding is provided for two additional DNA databank technicians, one firearms analyst, and two investigators to support a Crime Scene Response Team. (Municipal Criminal Justice Assistance Account, County Criminal Justice Assistance Account)</li> <li>3. FIRE TRAINING REPLACEMENT EQUIPMENT - Provides funding for a used snow plow, forklift, tractor/mower, and miscellaneous maintenance equipment to keep the fire training academy operational.</li> <li>4. SAVINGS IN ACQUISITION COSTS - Funding is reduced to reflect savings in the purchase of equipment.</li> <li>5. ADJUSTMENT IN SUPPORT COSTS - Funding for publications, travel, and administration is reduced.</li> <li>6. AUTOMATE BACKGROUND CHECKS - Funding is provided for a computer system that will allow the private sector to check criminal history records from remote locations by computer or phone for non-criminal purposes. These purposes may include pre-employment background checks and instant checks for firearm purchases. A report to the Office of Financial Management and Department of Information Services regarding implementation plans must be approved before expending this appropriation. (Fingerprint Identification Account)</li> <li>7. DRUG TASK FORCE GRANT MATCH - Funding is provided for the 25 percent state match for the federal Bureau of Justice Assistance grant for narcotic enforcement efforts. (Federal Seizure Account-Local)</li> <li>8. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</li> <li>9. CRIMINAL IDENTITY REENGINEERING - Funding for the Washington State Identification System (WASIS) re-engineering project is provided. The WASIS re-engineering project will enable the</li> </ol> | <p>automated input of conviction, sentence, and other disposition information from the courts. The re-engineered WASIS also will support new federal reporting requirements, new statewide telecommunication standards, and links to the Washington Crime Information Center. (General Fund-Federal)</p> <ol style="list-style-type: none"> <li>10. CRIME DATABASE REDESIGN - Provides funding for the Washington Crime Information Center (WACIC) re-engineering project. The WACIC re-engineering project will enable the electronic entry of warrants and court orders, reporting of multiple warrant and court orders, compliance with federal reporting requirements, and links to WASIS. (General Fund-Federal)</li> <li>11. INCIDENT-BASED INVESTIGATION TOOLS - Funding is provided for a feasibility study to develop a criminal investigation computer system. The study will report on the feasibility of developing a system that uses as its foundation incident-based reporting (IBR) consistent with FBI standards. The system will have the capability of connecting with local law enforcement jurisdictions as well as fire protection agencies conducting arson investigations. The study will report on the system requirements for incorporating case management, intelligence data, imaging and geographic information. The system will also provide links to existing crime information databases such as WASIS and WACIC. (General Fund-Federal)</li> </ol> <p>NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Washington State Patrol's budget is shown in the Transportation Budget section of this document.</p> <p>* Please see the 1997 Supplemental Operating Budget section for additional information.</p> |
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## Department of Licensing

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>8,735</b>	<b>21,687</b>	<b>30,422</b>
<b>1997-99 Maintenance Level</b>	<b>8,495</b>	<b>22,998</b>	<b>31,493</b>
<b>Policy Items</b>			
1. Uniform Commercial Code Reduction	0	-692	-692
2. Master License System Pilot	0	97	97
3. Master License System PC Upgrades	0	77	77
4. Boxing/Wrestling Legislation	43	0	43
5. Asset Management Coordinator	8	18	26
6. Engineer Compliance Officer	0	86	86
7. Regional Engineer Exam Reviews	0	16	16
8. Camera Replacement	5	0	5
9. Appraiser Program Law Judge	12	0	12
10. Engineer Licensing Information	0	13	13
11. General Inflation	-55	-95	-150
12. License Suspension	32	82	114
13. Engineer/Surveyor Legislation	0	17	17
14. Reduce Security Guard Programs	-120	0	-120
15. Reduce Equipment and DP costs	-22	0	-22
16. White Water River Rafter Regulation	0	40	40
17. Cosmetology Advisory Board	110	0	110
18. Cosmetology Inspections	424	0	424
19. Vessel Registration Exemptions	13	0	13
20. UCC Financial Statements Filing	0	74	74
21. Lapse	0	-74	-74
<b>Total 1997-99 Biennium</b>	<b>8,945</b>	<b>22,657</b>	<b>31,602</b>
Fiscal Year 1998 Totals	4,536	11,427	15,963
Fiscal Year 1999 Totals	4,409	11,230	15,639

### Comments:

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| <p>1. UNIFORM COMMERCIAL CODE REDUCTION - Funding is reduced in order to meet available revenues. (Uniform Commercial Code Account)</p> <p>2. MASTER LICENSE SYSTEM PILOT - Funding is provided to continue and expand the use of the Master Licensing System to include city licenses. (Master License Account)</p> <p>3. MASTER LICENSE SYSTEM PC UPGRADES - Funds the replacement of 22 personal computers and associated software. (Master License Account)</p> <p>4. BOXING/WRESTLING LEGISLATION - Provides funding for the implementation of Chapter 205, Laws of 1997 (SB 5754), which modifies the administration and regulation of the boxing, martial arts, and wrestling professions.</p> <p>5. ASSET MANAGEMENT COORDINATOR - Funding is provided for an asset manager coordinator position to manage the agency's equipment and software inventory. (General Fund-State, Architects' License Account, Master License Account, Professional Engineers Account, Real Estate Commission Account, Uniform Commercial Code Account)</p> <p>6. ENGINEER COMPLIANCE OFFICER - Funds an additional compliance officer to improve professional engineers and land surveyors' compliance with disciplinary orders. (Professional Engineers Account)</p> <p>7. REGIONAL ENGINEER EXAM REVIEWS - Funds examination sites in three locations outside of Olympia. (Professional Engineers Account)</p> | <p>8. CAMERA REPLACEMENT - Funding is provided to replace three microfilm cameras used to film documents as part of the vehicle and vessel licensing and titling processes.</p> <p>9. APPRAISER PROGRAM LAW JUDGE - Funds an additional administrative law judge to address increasing violations of the Real Estate Appraiser Act (RCW 18.140).</p> <p>10. ENGINEER LICENSING INFORMATION - Provides funding for the inclusion of professional engineer and land surveyor licensing and regulatory information on the Internet. (Professional Engineers Account)</p> <p>11. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>12. LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901) provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the additional workload associated with the license suspension. (General Fund-State, Architects' License Account, Master License Account, Professional Engineers Account, Real Estate Commission Account, Funeral Directors and Embalmers Account)</p> <p>13. ENGINEER/SURVEYOR LEGISLATION - Provides funding for "pro tempore" or temporary board members to serve on committees or formal disciplinary hearing panels, printing of pamphlets, letters and other publications, and attorney general support for amending existing rules pursuant to Chapter 247, Laws of 1997 (SB 5266). (Professional Engineers Account)</p> |
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## Department of Licensing

14. REDUCE SECURITY GUARD PROGRAMS - Expenditures are reduced to match available licensing revenues.
15. REDUCE EQUIPMENT AND DP COSTS - Funding is reduced for data processing costs, out-of-state travel, and equipment.
16. WHITE WATER RIVER RAFTER REGULATION - Funding is provided to establish the certification, licensing, and regulation of white water river craft operators as required by Chapter 391, Laws of 1997 (SSB 5483). (Master License Account)
17. COSMETOLOGY ADVISORY BOARD - Funding is provided for Chapter 179, Laws of 1997 (SB 5998), which reauthorizes the Cosmetology Advisory Board for one additional year.
18. COSMETOLOGY INSPECTIONS - Funds the implementation of Chapter 178, Laws of 1997 (SB 5997). The Department is required to conduct additional inspections of cosmetology, barbering, esthetics, and manicuring schools, salons, or shops.
19. VESSEL REGISTRATION EXEMPTIONS - Funding is provided for the implementation of Chapter 83, Laws of 1997 (SSB 5513), which modifies provisions relating to vessel registration.
20. UCC FINANCIAL STATEMENTS FILING - Funding is provided for administrative costs associated with the implementation of ESB 5163. The bill requires the Department of Licensing to notify all creditors who file a Uniform Commercial Code (UCC) financial statement, four and one-half years after filing, that the lien expires after five years unless a continuation statement is filed. Because the Governor vetoed ESB 5163, the funding lapses. (See Item 21) (Uniform Commercial Code Account)
21. LAPSE - Funding was provided in the 1997-99 Omnibus Appropriations Act (Chapter 149, Laws of 1997, Partial Veto -- SSB 6062) to implement ESB 5163 (UCC Financial Statement Filing) contingent on enactment of the bill by June 30, 1997. The Governor vetoed ESB 5163 stating that certain provisions would make Washington's law non-uniform and would create uncertainty for people doing business in Washington, and between Washington and other states. Because the bill was not enacted, the appropriation lapses.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Department of Licensing's budget is shown in the Transportation Budget section of this document.

# Public Schools

For the 1997-99 biennium, the Legislature provided various funding enhancements. The major ones were: \$176.53 million for a 3 percent cost-of-living increase; \$50.8 million for learning improvement grants; \$19.75 million for health benefit increases; \$39.3 million for technology; \$19.98 million for instructional materials; \$6.1 million to increase the block grant; \$4.3 million to improve reading; \$2.87 million for the highly capable program; and \$2.41 million to increase levy equalization.

There were also some changes in program funding which produced savings and some program terminations. Major changes were: -\$12.65 million from changing how teacher experience and education is calculated; -\$11.35 million from delaying development of assessments by the commission on student learning; -\$4.9 million from a new audit resolution process; -\$2.97 million from terminating the state school-to-work grant program; -\$1.65 million from terminating the superintendent/principal internship program; and -\$1.5 million from reducing the Magnet School program. Details follow.

## **Cost-of-Living Increase**

An amount of \$176.53 million is appropriated to provide a 3 percent cost-of-living increase, effective September 1, 1997, for all K-12 state-funded certificated administrative, certificated instructional, and classified staff.

## **Health Benefit Increases**

An amount of \$19.75 million is appropriated to increase the 1996-97 monthly health benefit amount from \$314.51, to \$317.34 for 1997-98 and \$335.75 for 1998-99.

## **Common School Construction**

A total of \$75.0 million is appropriated to the common school construction account which, when combined with other capital funds, is expected to provide state matching funds to all the eligible common school projects in the 1997-99 biennium. Of the total, \$62.4 million is appropriated from the state general fund in the 1997 Supplemental Budget and \$12.6 million is appropriated from the education savings account in the 1997-99 biennial budget.

## **Learning Improvement Grants**

An amount of \$50.8 million is appropriated to provide grants to school districts to improve learning in reading, writing, math, and communications. The Commission on Student Learning has prepared essential learning requirements and assessments for these basic subjects for use by school districts. Funding to improve learning is focused on these subject matters and will be phased in the K-12 system starting in the elementary grades. The four subject matters constitute about 80 percent of the teaching effort in the elementary grades, 60 percent in middle schools, and about 40 percent in the high schools. Accordingly, the budget provides \$36.69 per elementary student, \$30.00 per middle school student, and \$22.95 per high school student.

## **Technology Grants**

An amount of \$39.3 million is appropriated from the education savings account to provide matching grants to school district consortia for purchase of computers and other high technology classroom aids designed to improve student learning. The matching funds are to be awarded through a competitive grant process to districts with applications that show the greatest potential educational benefit. Fifteen percent of the funds are designated for districts in financial distress.

### **Instructional Materials**

An amount of \$19.98 million is appropriated for the 1998-99 school year, for purchase of instructional materials such as books, software, and other technology related investments. The specific expenditure of the funds is to be determined at each school site and school districts are required to allocate all the funds to school buildings. Funds will be allocated at a rate of \$20.82 per student and will provide about \$458 for the average size classroom.

### **Block Grant**

An amount of \$6.1 million is appropriated to increase the current block grant rate per student from \$26.30 to \$29.86 per student for the 1997-98 and 1998-99 school years. Part of the \$6.1 million increase represents two discontinued programs, School-to-Work and Superintendent/Principal Internships, for a total of \$3.6 million. The block grant program serves to provide discretionary funds to school districts for educational purposes.

### **Reading Initiatives: Tests and Learning Grants**

An amount of \$4.3 million is appropriated to implement Chapter 262, Laws of 1997, Partial Veto (ESHB 2042) to establish a second grade reading test and for grants to provide training for K-3 teachers in reading instruction.

### **Levy Equalization Assistance to Districts with High Property Tax Rates and Additional Levy Authority**

An amount of \$2.41 million is appropriated to implement Chapter 259, Laws of 1997 (ESHB 2069 - School Levies). This bill affects the 25 percent of school districts that require the highest property tax rates for a 10 percent maintenance and operation levy. Starting in calendar year 1999, these districts will be eligible to receive levy equalization matching funds for up to a 12 percent levy. Other districts eligible for levy equalization will be eligible for matching funds up to a 10 percent levy. The bill also extends the temporary levy lid increase which expires in 1997 by providing an additional 2 percent in levy authority in calendar year 1998 and 4 percent in calendar year 1999 and thereafter. The additional levy authority will allow districts to collect an estimated \$36 million in calendar year 1998 and \$83 million in 1999.

### **Magnet Schools and Complex Needs Programs**

An amount of \$1.6 million is appropriated for the Magnet School program which provides grants to five school districts for programs to encourage racial integration of schools through voluntary transfers (the 1995-97 amount was \$3.1 million). An amount of \$4.3 million is appropriated for the Complex Needs program which provides grants to 17 school districts based on 1989-91 data showing high incidences of: poor students; students with disabilities; and non-English speaking students.

### **Alternative Education Opportunities for Students who have Dropped Out or Been Expelled**

An amount of \$1.0 million is appropriated to provide start-up grants to school districts for alternative educational approaches to help drop out and expelled students gain educational skills necessary for their re-entry into school. Enrollments in these programs generate state fund allocations in the same manner as regular district enrollments. This is the source of funds to be used for educational programming and to continue such programs in the future. The start-up funds and portions of regular apportionments may be used for educational services contracted out as specified in Chapter 265, Laws of 1997 (EHB 1581 - Disruptive Students/Offenders).

### **Information System Support**

An amount of \$500,000 is appropriated to the Office of the Superintendent of Public Instruction to continue enhancement of information processing. The purpose of this appropriation is to enable the Superintendent to maintain a public database of school information, replace paper reports and publications with electronic media, enhance electronic data collection and distribution systems, and communicate more effectively with schools and the public. The data system is to have suitable safeguards of student confidentiality.

### **Student Teacher Centers**

An amount of \$275,000 is appropriated to increase funding for Student Teacher Centers. These centers were established in 1987 to give rural districts the opportunity to host, mentor, and recruit student teachers. Total funding for this program increases from \$225,000 in 1995-97 to \$500,000 in 1997-99.

### **Education Centers**

Education centers are educational operations independent of school districts established to provide learning opportunities to students who have dropped out of school. Currently, there are 12 centers and \$100,000 is appropriated to fund a similar center in southwest Washington. In addition, \$100,000 is appropriated to stabilize funding for education centers currently receiving less than \$100,000 per biennium.

### **Highly Capable Program Increase**

An amount of \$2.9 million is appropriated to increase the number of students eligible for state funding in the highly capable program from 1.5 percent to 2.0 percent of each district's K-12 enrollment.

## **K-12 Savings Initiatives**

### **Average Salary Calculation**

As directed in Chapter 141, Laws of 1997 (SB 5395 - Certified Staff Salaries), the calculation of average salaries used for state basic education funding of regular education and special education programs is changed to include actual salary costs in both programs, rather than just regular education. Currently, some districts are overfunded and some underfunded for their state special education salary costs, depending on the actual education and experience of their special education staffs. This legislation is expected to produce \$12.7 million in savings to the state general fund.

### **Modification of the Timelines for Education Reform Statewide Assessments**

Chapter 268, Laws of 1997 (ESB 6072 - Student Assessment System) provides the Commission on Student Learning with modified timelines for the development of the statewide assessment system for the 4th, 7th, and 10th grades by delaying development of certain assessments. The modification in timelines reduces the cost of assessment development by \$11.35 million in the 1997-99 biennium and increases the cost for the subsequent biennium.

### **Truancy Boards**

An amount of \$2.0 million to support local truancy board operations as provided for the 1996-97 school year is not continued. Truancy boards were established under the Becca bills of 1995 and 1996 and were intended to divert students from the court process. These boards duplicated the efforts of schools and the courts.

### **ESD Special Education Coordinators**

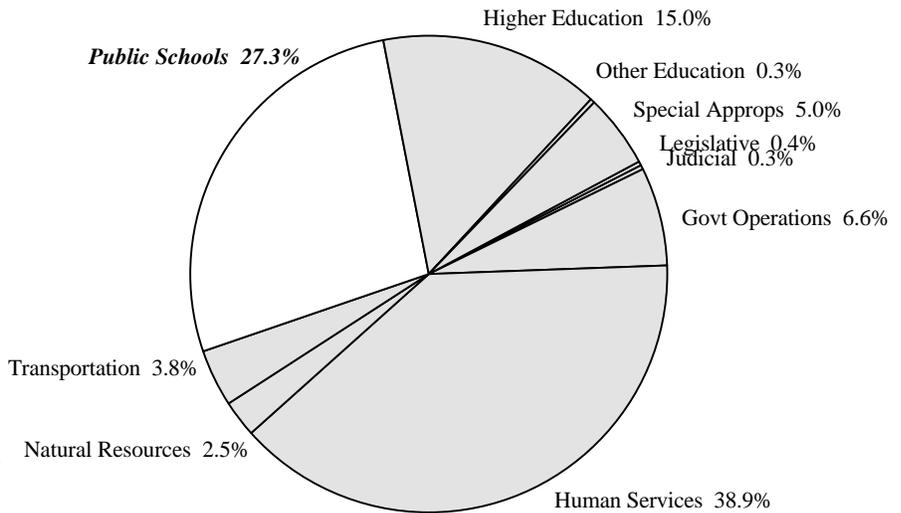
State funding of \$1.74 million for special education coordinators is eliminated. Federal funds for special education are being increased so districts will have the resources to choose whether to support regional staff or purchase assistance in other manners.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

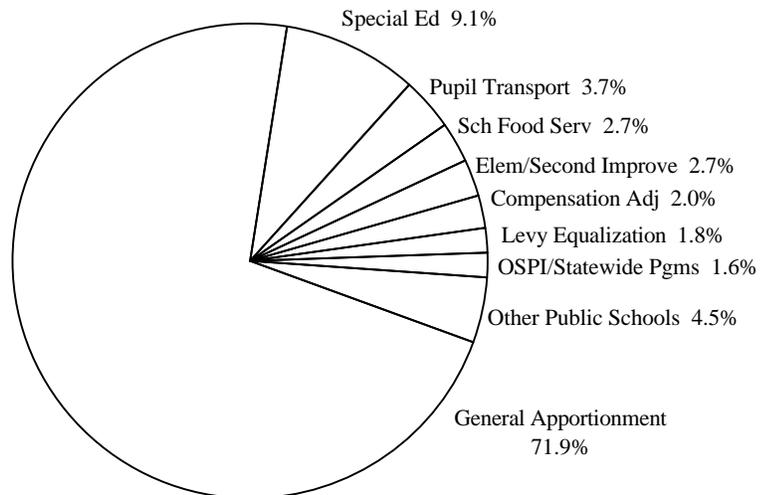
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
<b>Public Schools</b>	<b>9,653,127</b>
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

General Apportionment	6,940,884
Special Education	879,919
Pupil Transportation	353,904
School Food Services	265,190
Elem/Second Sch Improve	255,987
Compensation Adj	196,276
Levy Equalization	173,952
OSPI & Statewide Program	157,195
Other Public Schools	429,820
<b>Public Schools</b>	<b>9,653,127</b>



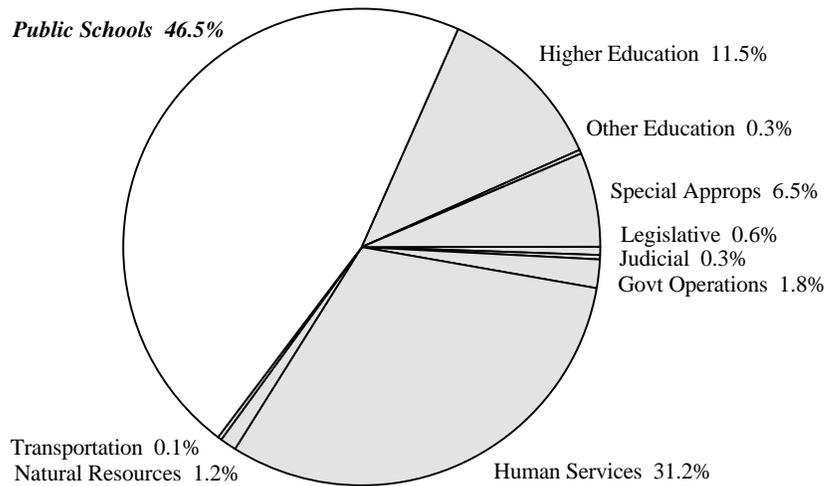
## Public Schools

# 1997-99 Washington State Operating Budget

## General Fund - State

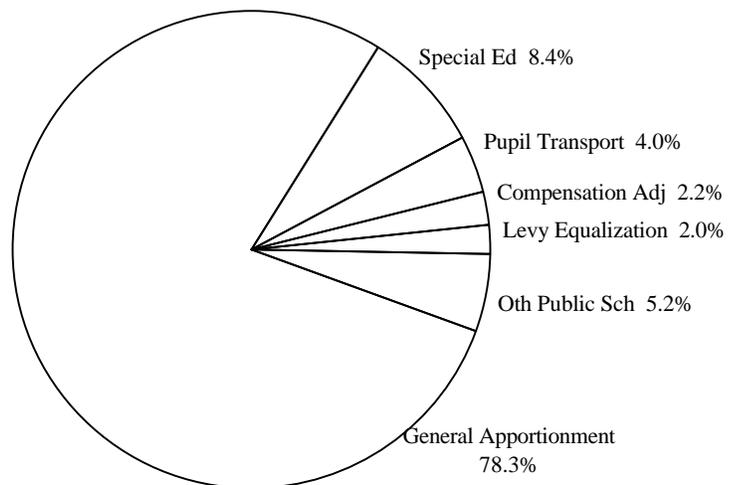
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
<b>Public Schools</b>	<b>8,868,051</b>
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



## Washington State

General Apportionment	6,940,884
Special Education	744,813
Pupil Transportation	353,904
Compensation Adj	196,276
Levy Equalization	173,952
Other Public Schools	458,222
<b>Public Schools</b>	<b>8,868,051</b>



## Public Schools

# Public Schools

## WORKLOAD HISTORY

By School Year

	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
								<b>Estimate</b>		
<b>General Apportionment</b>										
FTE Enrollment	768,619	795,703	823,355	850,426	871,735	896,872	903,986	923,619	943,019	959,507
% Change from prior year		3.5%	3.5%	3.3%	2.5%	2.9%	0.8%	2.2%	2.1%	1.7%
<b>Special Education</b>										
Headcount Enrollment *	80,236	84,808	95,954	102,388	101,463	107,232	108,255	109,126	110,704	111,698
% Change from prior year		5.7%	13.1%	6.7%	-0.9%	5.7%	1.0%	0.8%	1.4%	0.9%
<b>Bilingual Education</b>										
Headcount Enrollment	19,344	23,513	28,156	32,200	36,306	39,888	42,981	45,966	48,940	52,646
% Change from prior year		21.6%	19.7%	14.4%	12.8%	9.9%	7.8%	6.9%	6.5%	7.6%
<b>Learning Assistance Program</b>										
Entitlement Units **	86,749	104,123	106,270	114,909	112,771	117,887	154,933	157,583	159,891	160,632
% Change from prior year		20.0%	2.1%	8.1%	-1.9%	4.5%	31.4%	1.7%	1.5%	0.5%

\* 1995-96 through 1998-99 represent enrollments funded through the main funding formula and do not include additional enrollment funded through the Special Education Safety Net.

\*\* Formula changed in 1995 -- entitlement units used for allocation purposes only. Actual students served may vary.

Data Sources:

1989-90 through 1995-96 amounts from SPI/OFM.

1996-97 through 1998-99 estimates from Legislative Conference Budget.

**Public Schools**  
**OSPI & Statewide Programs**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	56,110	48,242	104,352
1997 Supplemental *	2,325	0	2,325
<b>Total 1995-97 Expenditure Authority</b>	<b>58,435</b>	<b>48,242</b>	<b>106,677</b>
<b>1997-99 Maintenance Level</b>	<b>37,771</b>	<b>57,330</b>	<b>95,101</b>
<b>Policy Items</b>			
1. K-12 Technology	0	39,312	39,312
2. OSPI Information System Support	500	0	500
3. VRDE Account Shortfall	0	0	0
4. Teen Aware Fund Shift	400	400	800
5. Truancy Board Funding	-2,000	0	-2,000
6. School Audit Resolution	100	0	100
7. Alternative Education Programs	1,000	0	1,000
8. FCC Licensing Assistance	15	0	15
9. Voc Ag Teacher Recruitment	35	0	35
10. Education Centers	200	0	200
11. School Business Efficiency Studies	50	0	50
12. Complex Needs	-70	0	-70
13. Magnet Schools	-1,495	0	-1,495
14. Federal Goals 2000 Prohibition	0	-680	-680
15. Geographic Alliance	50	0	50
16. Instructional Materials	19,977	0	19,977
17. Reading Initiatives	5,000	0	5,000
18. Governor Veto	-700	0	-700
<b>Total 1997-99 Biennium</b>	<b>60,833</b>	<b>96,362</b>	<b>157,195</b>
Fiscal Year 1998 Totals	20,408	47,036	67,444
Fiscal Year 1999 Totals	40,425	49,326	89,751

**Comments:**

- |   |   |
|---|---|
| <p>1. K-12 TECHNOLOGY - Funding is provided for technology matching grants from the Education Savings Account. The matching grants shall be awarded on a competitive basis to school district consortia with applications showing the greatest potential educational benefits. Fifteen percent of the funds are designated for districts meeting the criteria of "financial distress." One FTE is provided for technical staff to support development of the K-20 network.</p> <p>2. OSPI INFORMATION SYSTEM SUPPORT - Additional funds are provided to the Office of the Superintendent of Public Instruction (OSPI) to enhance information processing. The purpose of these funds are to allow OSPI to maintain a public database of school information, replace paper reports and publications with electronic media, enhance electronic data collection and distribution systems, and communicate more effectively with schools and the public.</p> <p>3. VRDE ACCOUNT SHORTFALL - Due to a shortfall of revenue in the Violence Reduction and Drug Enforcement Account, Public Safety and Education Account funds are used to maintain school security awards at 1995-97 funding levels.</p> <p>4. TEEN AWARE FUND SHIFT - Funding for teen aware is increased by \$400,000 General Fund-State. Total funding for this program is \$800,000, including \$400,000 from federal funds.</p> <p>5. TRUANCY BOARD FUNDING - Funding for truancy board staffing is eliminated. Truancy boards were established under the Becca bills of 1995 and 1996 and were intended to divert students from the court process. These boards duplicated the efforts of schools and the courts.</p> <p>6. SCHOOL AUDIT RESOLUTION - One-half of a full-time equivalent staff is provided to OSPI to increase support for a new school district audit resolution process required by Chapter 167, Laws of 1997 (SSB</p> | <p>5394 -- School Audits). The audit resolution process takes place whenever the state auditor finds that erroneous data has been submitted to the state by a school district for state funding purposes.</p> <p>7. ALTERNATIVE EDUCATION PROGRAMS - School districts are provided funding for start-up costs of alternative educational programs for students who are expelled or drop out of school. Once students are participating in the alternative program, State funding will be allocated on the same basis as district-enrolled students.</p> <p>8. FCC LICENSING ASSISTANCE - Funding is provided to the Superintendent of Public Instruction to assist high school vocational education programs which improve skills in working with FM radio communications.</p> <p>9. VOC AG TEACHER RECRUITMENT - The State Board of Education is to design a program to encourage high school students and others to pursue careers as teachers of agriculture in high school vocational educational programs.</p> <p>10. EDUCATION CENTERS - Funding is provided to increase the number of state-funded education centers and similar programs from 12 to 13, by adding one program in the southwest Washington area. In addition, \$100,000 is provided to help stabilize funding in the existing programs.</p> <p>11. SCHOOL BUSINESS EFFICIENCY STUDIES - Funding is provided for studies of school district business practices.</p> <p>12. COMPLEX NEEDS - Funding is provided for complex needs grants provided to 17 qualifying school districts. The allocation formula is based on 1990 data measuring the incidence of students who are from low-income families, disabled, or non-English speaking.</p> |
|---|---|

**Public Schools  
OSPI & Statewide Programs**

13. **MAGNET SCHOOLS** - Funding is reduced by 50 percent for Magnet School grants to qualifying school districts for programs designed to encourage racial integration of schools through voluntary transfers.
14. **FEDERAL GOALS 2000 PROHIBITION** - The budget prohibits the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program. This proviso was vetoed by the Governor. (See Item 18.)
15. **GEOGRAPHIC ALLIANCE** - Funds are provided for matching purposes of a grant by the National Geographic Society for the improvement of teaching of geography in public schools.
16. **INSTRUCTIONAL MATERIALS** - Funds are allocated for the 1998-99 school year at a rate of \$20.82 per student for purchase of instructional materials such as books, software, and other technology-related investments. The specific expenditure of the funds is to be determined at each school site and school districts are required to allocate all the funds to school buildings. This is expected to provide \$458 per average size classroom.
17. **READING INITIATIVES** - The budget provides \$5.0 million to implement two reading initiatives: 2SSB 5508 and Chapter 262, Laws of 1997 (ESHB 2042). An amount of \$700,000 was provided to implement 2SSB 5508 for a third grade reading test. The bill was not enacted. An amount of \$4.3 million was provided to implement ESHB 2042 to establish a second grade reading test and provide grants for reading instruction training for K-3 teachers.
18. **GOVERNOR VETO** - The Governor vetoed the \$700,000 appropriation to implement 2SSB 5508 which would have established a third grade reading test. The bill was not enacted by the Legislature.

The Governor vetoed the proviso prohibiting the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**General Apportionment**  
(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	6,428,005	0	6,428,005
1997 Supplemental *	-8,214	0	-8,214
<b>Total 1995-97 Expenditure Authority</b>	<b>6,419,791</b>	<b>0</b>	<b>6,419,791</b>
<b>1997-99 Maintenance Level</b>	<b>6,954,838</b>	<b>0</b>	<b>6,954,838</b>
<b>Policy Items</b>			
1. Mix Factor Averaging	-11,454	0	-11,454
2. School Audit Resolution	-2,500	0	-2,500
<b>Total 1997-99 Biennium</b>	<b>6,940,884</b>	<b>0</b>	<b>6,940,884</b>
Fiscal Year 1998 Totals	3,429,727	0	3,429,727
Fiscal Year 1999 Totals	3,511,157	0	3,511,157

**Comments:**

1. MIX FACTOR AVERAGING - Chapter 141, Laws of 1997 (SB 5395 -- Certificated Staff Salaries) changes the manner in which average salaries are calculated for state funding of the apportionment and special education programs. Currently, some school districts are being overfunded and some underfunded for their special education program salary costs. This occurs because the average salaries of both programs are not the same but funding in both programs is dependent on the apportionment salary.

Overfunding occurs when a district's average salary of certificated instructional staff in the apportionment program is greater than that of the special education program. Underfunding occurs when the average salary in the special education program exceeds the apportionment program. SB 5395 combines the staff of the two programs to calculate the average salary and eliminates the problem.

2. SCHOOL AUDIT RESOLUTION - Chapter 167, Laws of 1997 (SSB 5394 -- School Audits) strengthens the procedures of the Superintendent of Public Instruction for recovering state money from schools pursuant to audit findings by the Washington State Auditor. Savings are assumed from increased audit recoveries and more cautious school district reporting of student enrollments and staff mix factors.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Pupil Transportation**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	328,753	0	328,753
1997 Supplemental *	-1,729	0	-1,729
<b>Total 1995-97 Expenditure Authority</b>	<b>327,024</b>	<b>0</b>	<b>327,024</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>353,904</b>	<b>0</b>	<b>353,904</b>
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>353,904</b>	<b>0</b>	<b>353,904</b>
Fiscal Year 1998 Totals	174,344	0	174,344
Fiscal Year 1999 Totals	179,560	0	179,560

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**School Food Services**  
 (Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>6,000</b>	<b>263,619</b>	<b>269,619</b>
<b>1997-99 Maintenance Level</b>	<b>6,000</b>	<b>276,040</b>	<b>282,040</b>
<b>Policy Items</b>			
1. Summer Food Program	150	0	150
2. Federal Day Care Home Food	0	-17,000	-17,000
<b>Total 1997-99 Biennium</b>	<b>6,150</b>	<b>259,040</b>	<b>265,190</b>
Fiscal Year 1998 Totals	3,075	129,519	132,594
Fiscal Year 1999 Totals	3,075	129,521	132,596

**Comments:**

1. SUMMER FOOD PROGRAM - This item provides state funding to replace a portion of lost federal funding for summer food programs for children who live in low-income areas.
2. FEDERAL DAY CARE HOME FOOD - The federal welfare reform legislation restricts eligibility for food subsidies for home day care providers. This is a reduction in non-appropriated federal funds.

**Public Schools**  
**Special Education**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	747,920	98,684	846,604
1997 Supplemental *	-13,038	0	-13,038
<b>Total 1995-97 Expenditure Authority</b>	<b>734,882</b>	<b>98,684</b>	<b>833,566</b>
<b>1997-99 Maintenance Level</b>	<b>749,544</b>	<b>135,106</b>	<b>884,650</b>
<b>Policy Items</b>			
1. Mix Factor Averaging	-1,196	0	-1,196
2. School Audit Resolution	-2,500	0	-2,500
3. Medicaid @ Dists Under 2,000	700	0	700
4. ESD Special Ed. Coordinators	-1,735	0	-1,735
<b>Total 1997-99 Biennium</b>	<b>744,813</b>	<b>135,106</b>	<b>879,919</b>
Fiscal Year 1998 Totals	370,486	66,118	436,604
Fiscal Year 1999 Totals	374,327	68,988	443,315

**Comments:**

- MIX FACTOR AVERAGING - Chapter 141, Laws of 1997 (SB 5395 -- Certificated Staff Salaries) changes the manner in which average salaries are calculated for state funding of the apportionment and special education programs. Currently, some school districts are being overfunded and some underfunded for their special education program salary costs. This occurs because the average salaries of both programs are not the same but funding in both programs is dependent on the apportionment salary.

Overfunding occurs when a district's average salary of certificated instructional staff in the apportionment program is greater than that of the special education program. Underfunding occurs when the average salary in the special education program exceeds the apportionment program. SB 5395 combines the staff of the two programs to calculate the average salary and eliminates the problem.

- SCHOOL AUDIT RESOLUTION - Chapter 167, Laws of 1997 (SSB 5394 -- School Audits) strengthens the procedures of the Superintendent of Public Instruction for recovering state money from schools pursuant to audit findings by the Washington State Auditor. Savings are assumed from increased audit recoveries and more cautious school district reporting of student enrollments and staff mix factors.
- MEDICAID @ DISTIS UNDER 2,000 - School districts with fewer than 2,000 pupils (class 2) are permitted to keep 50 percent of federal Medicaid fund reimbursements for services provided to special education students. Larger districts will continue to be provided 20 percent of the reimbursements with the balance returned to the state to offset special education costs.

- ESD SPECIAL ED. COORDINATORS - State funding is eliminated for special education coordinators housed at each of the Educational Service Districts (ESDs). The function of these coordinators has been to assist school districts with the following: state reports and applications for state and federal funds; local special education cooperatives; employment of special education staff; etc.

The majority of ESD funding comes from services purchased by school districts. Services provided by special education coordinators could be maintained through charges to school districts. Funds to pay these charges are expected to be available from federal funds increases to school districts. The source of the federal fund increases to school districts is due to:

- Increases in federal funding for special education of approximately \$14.7 million per year; and
- A budget proviso which requires the Superintendent of Public Instruction to reduce the amount of federal funds retained for agency administrative costs and increase the flow-through of federal funds to school districts by an additional 4 percent. This is expected to increase federal funds allocated to school districts by at least \$2.6 million per year.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Traffic Safety Education**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	16,928	16,928
1997 Supplemental *	0	-104	-104
<b>Total 1995-97 Expenditure Authority</b>	<b>0</b>	<b>16,824</b>	<b>16,824</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>17,179</b>	<b>17,179</b>
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>17,179</b>	<b>17,179</b>
Fiscal Year 1998 Totals	0	8,589	8,589
Fiscal Year 1999 Totals	0	8,590	8,590

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Educational Service Districts**  
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>8,901</b>	<b>0</b>	<b>8,901</b>
<b>1997-99 Maintenance Level</b>	<b>8,746</b>	<b>0</b>	<b>8,746</b>
<b>Policy Items</b>			
1. Student Teacher Centers	275	0	275
<b>Total 1997-99 Biennium</b>	<b>9,021</b>	<b>0</b>	<b>9,021</b>
Fiscal Year 1998 Totals	4,511	0	4,511
Fiscal Year 1999 Totals	4,510	0	4,510

**Comments:**

1. STUDENT TEACHER CENTERS - Funding is increased for Student Teacher Centers. These Centers were established in 1987 to give rural districts the opportunity to host, mentor, and recruit student teachers. The 1991-93 biennium appropriation for this program was initially \$500,000 and has been reduced over time to \$225,000.

**Public Schools**  
**Levy Equalization**  
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	159,677	0	159,677
1997 Supplemental *	25	0	25
<b>Total 1995-97 Expenditure Authority</b>	<b>159,702</b>	<b>0</b>	<b>159,702</b>
<b>1997-99 Maintenance Level</b>	<b>171,545</b>	<b>0</b>	<b>171,545</b>
<b>Policy Items</b>			
1. Increase Levy Equalization	2,407	0	2,407
<b>Total 1997-99 Biennium</b>	<b>173,952</b>	<b>0</b>	<b>173,952</b>
Fiscal Year 1998 Totals	84,347	0	84,347
Fiscal Year 1999 Totals	89,605	0	89,605

**Comments:**

1. INCREASE LEVY EQUALIZATION - Funds are provided to implement the provisions of Chapter 259, Laws of 1997 (ESHB 2069 -- School Levies), which provides extra support for districts which must request the highest property tax rates to provide a supplement to a district's state and federal budgeted funds. Districts in the quartile which must request the highest tax rates to achieve equal maintenance and operation levy support rates are provided state levy equalization funding at 12 percent. Other districts with qualifying local levy effort will be provided the equivalent of a 10 percent levy as in current statute.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Elementary & Secondary School Improvement**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>222,376</b>	<b>222,376</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>255,987</b>	<b>255,987</b>
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>255,987</b>	<b>255,987</b>
Fiscal Year 1998 Totals	0	123,793	123,793
Fiscal Year 1999 Totals	0	132,194	132,194

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

**Public Schools  
 Institutional Education**  
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	33,726	8,548	42,274
1997 Supplemental *	-1,693	0	-1,693
<b>Total 1995-97 Expenditure Authority</b>	<b>32,033</b>	<b>8,548</b>	<b>40,581</b>
<b>1997-99 Maintenance Level</b>	<b>36,261</b>	<b>8,548</b>	<b>44,809</b>
<b>Policy Items</b>			
1. Juvenile Justice Act Revisions	748	0	748
<b>Total 1997-99 Biennium</b>	<b>37,009</b>	<b>8,548</b>	<b>45,557</b>
Fiscal Year 1998 Totals	18,026	4,274	22,300
Fiscal Year 1999 Totals	18,983	4,274	23,257

**Comments:**

1. JUVENILE JUSTICE ACT REVISIONS - The initial budget passed by the Legislature provided \$1.197 million for the institutional education cost associated with Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions). The legislation is expected to result in an increase in the number of juveniles in local detention centers and juvenile delinquent institutions. Revisions to the bill since the budget was passed have reduced the amount needed to \$748,000.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Education of Highly Capable Students**  
 (Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	8,454	0	8,454
1997 Supplemental *	-37	0	-37
<b>Total 1995-97 Expenditure Authority</b>	<b>8,417</b>	<b>0</b>	<b>8,417</b>
<b>1997-99 Maintenance Level</b>	<b>8,966</b>	<b>0</b>	<b>8,966</b>
<b>Policy Items</b>			
1. Centrum Program Transfer	-86	0	-86
2. Odyssey of the Mind Transfer	186	0	186
3. Gifted Funded @ 2 Percent	2,862	0	2,862
<b>Total 1997-99 Biennium</b>	<b>11,928</b>	<b>0</b>	<b>11,928</b>
Fiscal Year 1998 Totals	5,752	0	5,752
Fiscal Year 1999 Totals	6,176	0	6,176

**Comments:**

1. CENTRUM PROGRAM TRANSFER - The program support for Odyssey of the Mind through Centrum is transferred to the state Odyssey of the Mind program.
2. ODYSSEY OF THE MIND TRANSFER - Funding is provided for Odyssey of the Mind program support through the state Odyssey of the Mind organization.
3. GIFTED FUNDED @ 2 PERCENT - The percentage of K-12 enrollment funded in the highly capable program is increased from the current 1.5 percent to 2.0 percent. In addition, the rate per student is increased from \$302.78 in the 1996-97 school year, to \$318.13 for 1997-98 and \$319.94 in 1998-99. These rates include salary and health benefit increases.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools  
Education Reform**  
(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>35,966</b>	<b>12,500</b>	<b>48,466</b>
<b>1997-99 Maintenance Level</b>	<b>56,713</b>	<b>12,733</b>	<b>69,446</b>
<b>Policy Items</b>			
1. Change Assessment Timeline	-11,350	0	-11,350
2. School-To-Work	-2,970	0	-2,970
3. Superintendent/Principal Internship	-1,620	0	-1,620
4. Federal Goals 2000 Prohibition	0	-12,500	-12,500
<b>Total 1997-99 Biennium</b>	<b>40,773</b>	<b>233</b>	<b>41,006</b>
Fiscal Year 1998 Totals	18,905	127	19,032
Fiscal Year 1999 Totals	21,868	106	21,974

**Comments:**

- CHANGE ASSESSMENT TIMELINE - The budget for the Commission on Student Learning implements Chapter 268, Laws of 1997 (ESB 6072 -- Student Assessment System), which delays the timelines for development of assessments for various subject matters.  
  
The availability of the elementary, middle, and high school tests for reading, writing, communications, and mathematics will be staggered over the 1997-99 biennium instead of all being required in the 1996-97 school year. A phased approach is also taken in the development of test specifications and assessments for science, social studies, arts, and health and fitness.
- SCHOOL-TO-WORK - Funding is eliminated for this program and funds are transferred to the block grant program, providing local control and flexibility regarding continuation of this program.
- SUPERINTENDENT/PRINCIPAL INTERNSHIP - Funding is eliminated for this program and funds are transferred to the block grant program, providing local control and flexibility regarding continuation of this program. The purpose of this program was to provide funds for release time for staff to receive training to become future administrators.
- FEDERAL GOALS 2000 PROHIBITION - The budget prohibited the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program.

NOTE: The Governor vetoed the budget proviso prohibiting the Superintendent of Public Instruction from accepting, allocating, or expending any federal funds to implement the Federal Goals 2000 program.

**Public Schools**  
**Transitional Bilingual Instruction**  
 (Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	54,810	0	54,810
1997 Supplemental *	-211	0	-211
<b>Total 1995-97 Expenditure Authority</b>	<b>54,599</b>	<b>0</b>	<b>54,599</b>
<b>1997-99 Maintenance Level</b>	<b>65,198</b>	<b>0</b>	<b>65,198</b>
<b>Policy Items</b>			
1. Bilingual Enrollment	-638	0	-638
<b>Total 1997-99 Biennium</b>	<b>64,560</b>	<b>0</b>	<b>64,560</b>
Fiscal Year 1998 Totals	31,146	0	31,146
Fiscal Year 1999 Totals	33,414	0	33,414

**Comments:**

1. BILINGUAL ENROLLMENT - Enrollment is adjusted to be consistent with the definition of eligibility in the budget. The budget defines a bilingual student eligible for funding as a student who is enrolled in grades Kindergarten through 12 and receiving instruction in accordance with state bilingual laws.

NEW BILINGUAL FORMULA - The budget contains a new bilingual formula for implementation beginning with the 1998-99 school year. The new formula replaces the current dollar per student funding formula with a weighted formula based on time in program and grade level of students.

**Governor's Vetoes:**

The Governor vetoed the budget proviso which defines a bilingual student eligible for funding as a student who is enrolled in grades Kindergarten through 12.

The Governor vetoed the new bilingual formula for implementation beginning with the 1998-99 school year. This leaves the old formula in place.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Learning Assistance Program (LAP)**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	114,627	0	114,627
1997 Supplemental *	-759	0	-759
<b>Total 1995-97 Expenditure Authority</b>	<b>113,868</b>	<b>0</b>	<b>113,868</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>121,171</b>	<b>0</b>	<b>121,171</b>
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>121,171</b>	<b>0</b>	<b>121,171</b>
Fiscal Year 1998 Totals	60,309	0	60,309
Fiscal Year 1999 Totals	60,862	0	60,862

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Block Grants**  
 (Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	114,969	0	114,969
1997 Supplemental *	-47	0	-47
<b>Total 1995-97 Expenditure Authority</b>	<b>114,922</b>	<b>0</b>	<b>114,922</b>
<b>1997-99 Maintenance Level</b>	<b>49,847</b>	<b>0</b>	<b>49,847</b>
<b>Policy Items</b>			
1. Student Learning Improvement Grants	50,840	0	50,840
2. Block Grant Rate	6,090	0	6,090
<b>Total 1997-99 Biennium</b>	<b>106,777</b>	<b>0</b>	<b>106,777</b>
Fiscal Year 1998 Totals	49,815	0	49,815
Fiscal Year 1999 Totals	56,962	0	56,962

**Comments:**

1. STUDENT LEARNING IMPROVEMENT GRANTS - Learning Improvement allocations are provided at a rate of \$36.69 per K-4 student, \$30.00 per student in grades 5-7, and \$22.95 per student for grades 8-12. The allocations for learning improvements focus on reading, writing, communication, and mathematics in accordance with the timelines specified by Chapter 268, Laws of 1997 (ESB 6072 -- Student Assessment System). These subjects constitute about 80 percent of the instruction taking place in grades K-4, about 60 percent in grades 5-7, and about 40 percent in grades 8-12. This requires greater resources in the early grades and less in the upper grades.
2. BLOCK GRANT RATE - The block grant rate is increased from the current \$26.30 per student to \$29.86 per student. Part of the increase is due to the transfer of \$3.6 million from two discontinued programs, School-to-Work, and Superintendent/Principal Internship programs.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Compensation Adjustments**  
(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	218,964	0	218,964
1997 Supplemental *	-369	0	-369
<b>Total 1995-97 Expenditure Authority</b>	<b>218,595</b>	<b>0</b>	<b>218,595</b>
<b>Policy Items</b>			
1. K-12 Salary COLA	176,525	0	176,525
2. Health Benefit Rate Adjustments	19,751	0	19,751
<b>Total 1997-99 Biennium</b>	<b>196,276</b>	<b>0</b>	<b>196,276</b>
Fiscal Year 1998 Totals	79,966	0	79,966
Fiscal Year 1999 Totals	116,310	0	116,310

**Comments:**

1. K-12 SALARY COLA - Salary cost of living adjustments (COLAs) are provided to all state funded school district staff, including certificated instructional staff, classified staff, and certificated administrative staff. A 3 percent increase is effective September 1, 1997.
2. HEALTH BENEFIT RATE ADJUSTMENTS - The current health benefits rate per month of \$314.51 is increased to \$317.34 in 1997-98 and \$335.75 in 1998-99.

NOTE: A budget proviso requires that the 3 percent salary increase be given to all state funded classified staff.

A budget proviso requires the Superintendent of Public Instruction to submit a report to the legislature by February 15, 1998, for the 1997-98 school year, showing the salary levels which each school district may pay to its certificated instructional staff according to RCW 28A.400.200 and the actual salary paid, based on the personnel report that school districts submit for state apportionment purposes.

A budget proviso requires, for the 1998-99 school year, that the Superintendent withhold state salary increase funds to any school district which exceeds the allowable salary for certificated instructional staff by the amount of the overage.

The Governor vetoed the budget proviso which requires that the 3 percent salary increase be given to all state funded classified staff.

The Governor vetoed the budget proviso which, for the 1998-99 school year, requires that the Superintendent withhold state salary increase funds to any school district exceeding the allowable salary for certificated instructional staff.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Schools**  
**Common School Construction**  
 (Dollars in Thousands)

	GF-S	Other	Total
1997 Supplemental *	62,379	0	62,379
<b>Total 1995-97 Expenditure Authority</b>	<b>62,379</b>	<b>0</b>	<b>62,379</b>
<b>Policy Items</b>			
1. Common School Const Fund	0	12,621	12,621
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>12,621</b>	<b>12,621</b>
Fiscal Year 1999 Totals	0	12,621	12,621

**Comments:**

1. COMMON SCHOOL CONST FUND - This appropriation from the Education Savings Account when combined with the \$62.4 million General Fund-State appropriation in the 1997 Supplemental Budget provides an additional \$75.0 million for common school construction. This amount plus revenues from trust lands and bond moneys are expected to provide sufficient funds to fund all the eligible common school capital projects in the 1997-99 biennium.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

# Higher Education

## **Enrollment Increases**

The amount of \$39.8 million from the state general fund is provided to address increasing enrollment demand. Access to public higher education is expanded to accommodate an additional 6,390 students: 2,190 in the baccalaureate institutions and 4,200 students in the Community and Technical College System (CTCS). Full funding for new enrollments is provided as determined by the Higher Education Coordinating Board. New students at the branch campuses were funded at the rate appropriate for upper division students.

## **Support for Dislocated Workers**

Workforce training enrollment opportunities and financial aid assistance is maintained for up to 7,200 dislocated workers at the community and technical colleges. This support is provided through \$31.3 million of the state general fund and \$26.3 million from the Employment and Training Trust Fund. The general fund resources are provided as a phased replacement of funding from the Employment and Training Trust Fund revenue source which expires on January 1, 1998.

## **Student Financial Aid**

The sum of \$33.2 million from the state general fund is provided to increase student financial aid in the State Need Grant, State Work Study, Educational Opportunity Grant, National Guard Scholarships, Washington Scholars, Award for Vocational Excellence, Work-based Training, and other programs. Additionally, \$2.2 million of the state general fund is provided to replace funding from the Health Services Account in support of Health Professions Scholarships.

## **Accountability Measures**

Two percent of the baccalaureate institutions non-instructional funding (\$10.7 million state general fund) will be held in reserve and may be released by the Higher Education Coordinating Board upon certification that institutions have prepared plans and have met performance goals for student progression and retention, time to degree, faculty productivity, and one additional measure to be developed for each institution. In a similar fashion, \$6.8 million of the Community and Technical Colleges general fund is to be held by the State Board for Community and Technical Colleges until the two-year institutions meet selected performance goals.

## **Tuition Increases**

Under Chapter 403, Laws of 1997 (E2SSB 5927), tuition rates are increased by 4.0 percent in the 1997-98 academic year and an additional 4.0 percent in the 1998-99 academic year. The resulting additional local tuition funds may be used for general educational enhancements or for specially provided optional salary increases described below. Exceptions to the general increase provided at the University of Washington are: 8.3 percent increase in each year for non-resident undergraduates; 7.3 percent in each year for resident law students; and 6.7 percent in each year for non-resident law students. Of the tuition revenue generated by these special increases in excess of a 4 percent tuition rate increase, 10 percent of those additional revenues shall be used to assist needy low- and middle-income resident students.

## **Cost-of-Living Increase**

Higher education classified employees will receive a cost-of-living increase of 3 percent effective July 1, 1997. Higher education faculty, exempt staff, and other special salary classifications will receive an average 3 percent cost-of-living increase effective July 1, 1997. The flexibility provided for these classifications is to provide for locally determined, merit-based salary increases.

**Faculty Retention Pool**

The state's four-year institutions will receive \$4.0 million state general fund to recruit and retain faculty. In addition, the four-year institutions are given the optional authority to provide an average 1 percent pay increase in 1997 and an additional 2 percent pay increase in 1998 to faculty and exempt staff. Funding for these optional increases is available either through the authorized tuition rate increases or through locally identified efficiencies. These pay increases are in addition to the general cost-of-living increase.

**Community College Part-Time Faculty Pay Disparity**

The Community and Technical Colleges are instructed to address the part-time faculty pay disparity by applying up to \$7.7 million of the authorized tuition rate increases as salary enhancements. The amount each college applies to pay disparity issues will be based on local situations, but a minimum of \$2.9 million must be expended for part-time salaries or hiring additional full-time faculty. In addition, the State Board is authorized to use non-restricted funds from the base allocation to equalize pay disparities for full-time faculty among the various community and technical colleges.

**Replacement of Health Services Account**

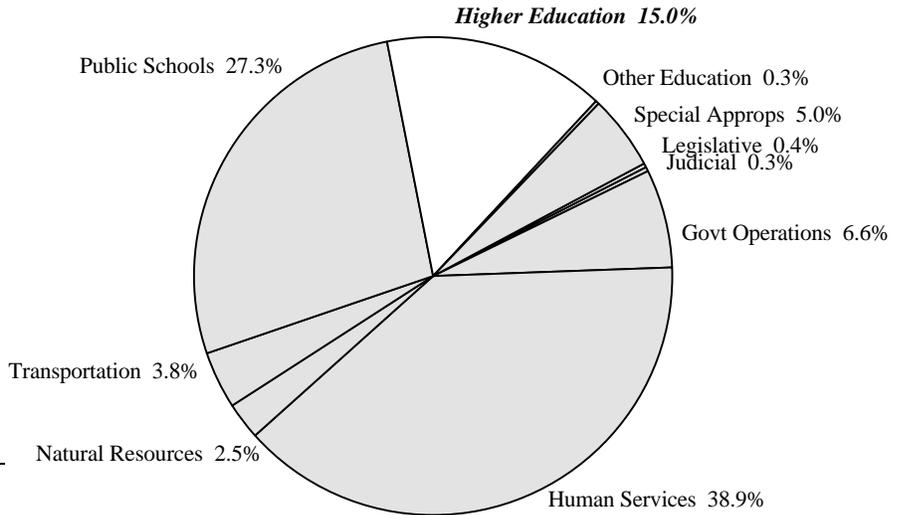
In addition to the general fund support of the Health Professions Scholarship described above, \$3.3 million of the state general fund was provided for training of primary care providers and \$4.9 million of the state general fund was provided for health benefits for graduate teaching and research assistants. This funding is provided to maintain these programs and benefits in the face of a shortfall in the Health Services Account.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

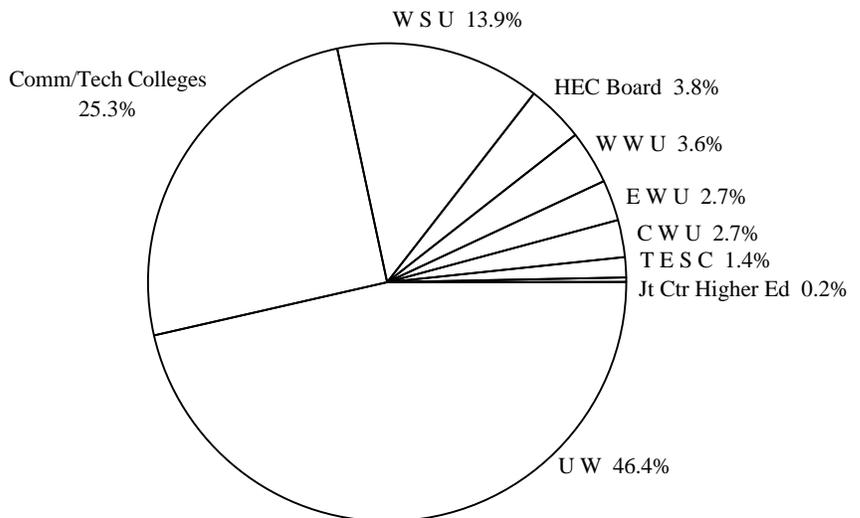
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
<b>Higher Education</b>	<b>5,292,358</b>
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

Univ of Washington	2,455,663
Community/Tech Colleges	1,337,355
Washington State Univ	737,578
Higher Ed Coord Board	203,581
Western Washington Univ	190,224
Eastern Washington Univ	143,193
Central Washington Univ	140,259
The Evergreen State Coll	72,299
Joint Ctr for Higher Ed	12,206
<b>Higher Education</b>	<b>5,292,358</b>



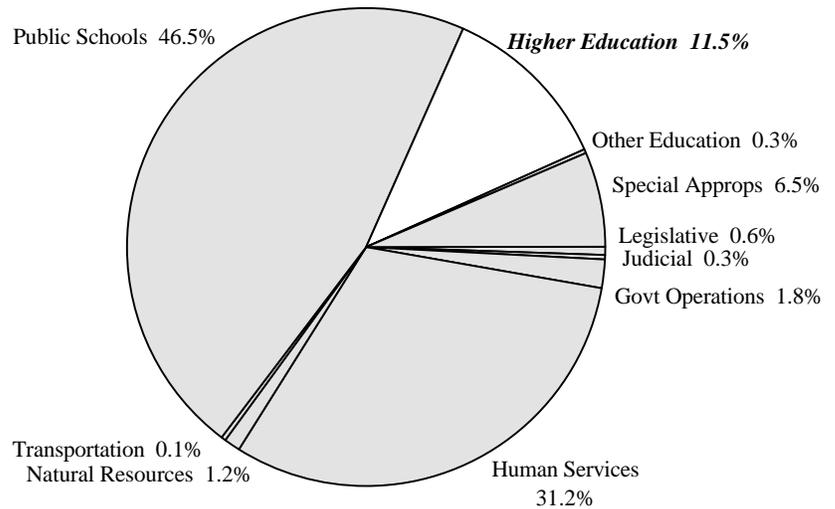
## Higher Education

# 1997-99 Washington State Operating Budget

## General Fund - State

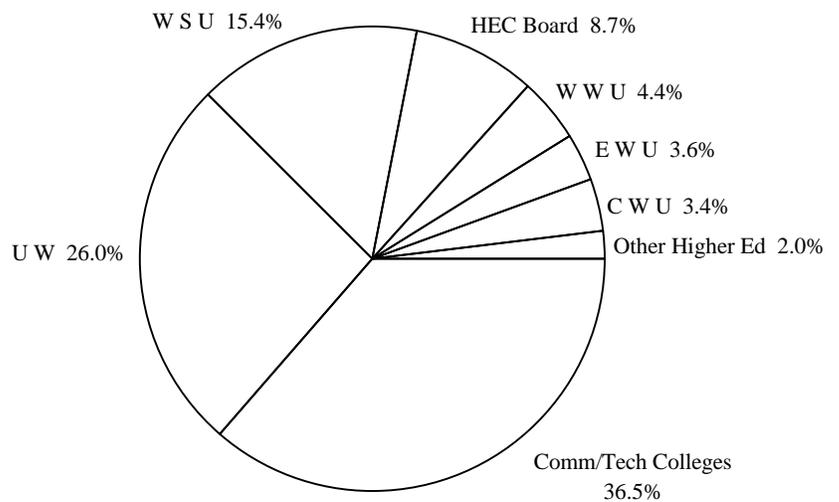
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
<b>Higher Education</b>	<b>2,202,787</b>
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



### Washington State

Community/Tech Colleges	803,852
Univ of Washington	573,730
Washington State Univ	339,463
Higher Ed Coord Board	190,927
Western Washington Univ	96,677
Eastern Washington Univ	78,700
Central Washington Univ	75,830
Other Higher Education	43,608
<b>Higher Education</b>	<b>2,202,787</b>



### Higher Education

**Higher Education**  
**FTE Student Enrollment History**  
 By Academic Year

	Actual Enrollment							Budgeted	
	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94<sup>1,2</sup></u>	<u>1994-95<sup>1</sup></u>	<u>1995-96<sup>1</sup></u>	<u>1996-97<sup>1</sup></u>	<u>1997-98</u>	<u>1998-99</u>
<b>Community &amp; Technical Colleges</b>	<b>100,523</b>	<b>104,295</b>	<b>107,115</b>	<b>111,035</b>	<b>113,609</b>	<b>118,075</b>	<b>118,653</b>	<b>116,426</b>	<b>118,526</b>
General Enrollment <sup>(3)</sup>	100,523	104,295	107,115	111,035	113,609	109,907	111,129	109,226	111,326
Dislocated Workers <sup>(3)</sup>	0	0	0	0	0	8,168	7,524	7,200	7,200
<b>Four-Year Schools</b>	<b>72,566</b>	<b>73,071</b>	<b>74,481</b>	<b>76,411</b>	<b>77,305</b>	<b>77,977</b>	<b>79,435</b>	<b>81,048</b>	<b>82,463</b>
University of Washington	30,123	30,723	31,210	31,341	31,493	31,811	32,858	32,919	33,414
Washington State University	16,777	16,452	16,685	17,467	18,007	18,425	18,594	19,360	19,950
Eastern Washington University	7,417	7,360	7,533	7,635	7,605	7,364	6,945	7,739	7,739
Central Washington University	6,429	6,312	6,588	7,339	7,337	7,339	7,448	7,346	7,446
The Evergreen State College	3,089	3,203	3,326	3,282	3,377	3,387	3,489	3,496	3,576
Western Washington University	8,731	9,021	9,139	9,347	9,486	9,651	10,101	10,188	10,338
HECB Timber Workers	0	7	21	63	104	118	139	50	50
<b>Total Higher Education</b>	<b>173,089</b>	<b>177,373</b>	<b>181,617</b>	<b>187,509</b>	<b>191,018</b>	<b>196,170</b>	<b>198,227</b>	<b>197,524</b>	<b>201,039</b>

(1) Actual enrollments were greater than budgeted levels in these years. Institutions are permitted to enroll over budgeted levels and to support the additional student FTEs with tuition and fees.

(2) Enrollment caps were eliminated in 1993-94.

(3) General Enrollment includes technical college and Distressed Economic Community program enrollments. For 1993-94 and 1994-95, actual enrollment includes dislocated worker FTEs funded through the Employment and Training Trust Fund. For 1997-98 and 1998-99, the Community and Technical College System is authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program.

Data Sources:

Community and Technical College data from the State Board for Community and Technical Colleges.

Four Year Schools data from the Higher Education Enrollment Report (HEER) from the OFM Forecasting Division.

HECB Timber Worker data from the Higher Education Coordinating Board (HECB).

**Higher Education**  
**Budgeted Enrollment Increases**  
 By Academic Year

	<b>FTE Student Enrollment</b>				
	<b>Budgeted Level <u>1996-97</u></b>	<b>Increase for <u>1997-98</u></b>	<b>Total Budgeted <u>1997-98</u></b>	<b>Increase for <u>1998-99</u></b>	<b>Total Budgeted <u>1998-99</u></b>
<b>Community and Technical Colleges</b>	<b>114,326</b>	<b>2,100</b>	<b>116,426</b>	<b>2,100</b>	<b>118,526</b>
Community Colleges *	93,406	1,847	95,253	1,847	97,100
Technical Colleges	13,220	253	13,473	253	13,726
Dislocated Workers **	7,200	0	7,200	0	7,200
Timber Workers	500	0	500	0	500
<b>Four-Year Schools</b>	<b>80,273</b>	<b>775</b>	<b>81,048</b>	<b>1,415</b>	<b>82,463</b>
University of Washington	32,504	415	32,919	495	33,414
Main	30,455	225	30,680	230	30,910
Evening	617	0	617	0	617
Bothell	685	90	775	120	895
Tacoma	747	100	847	145	992
Washington State University	19,330	30	19,360	590	19,950
Main	17,403	0	17,403	320	17,723
Spokane	352	0	352	90	442
Tri-Cities	724	30	754	60	814
Vancouver	851	0	851	120	971
Eastern Washington University	7,739	0	7,739	0	7,739
Central Washington University	7,256	90	7,346	100	7,446
The Evergreen State College	3,406	90	3,496	80	3,576
Western Washington University	10,038	150	10,188	150	10,338
HECB Timber Workers	50	0	50	0	50
<b>Total Higher Education</b>	<b>194,649</b>	<b>2,875</b>	<b>197,524</b>	<b>3,515</b>	<b>201,039</b>

\* Includes Distressed Economic Community enrollments.

\*\* The Community and Technical College System is authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program.

## 1997-99 New Tuition and Services and Activities Fee Rates

	Current Rate	New Rates	
	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
<b>Research Universities</b>			
Resident Undergraduate	3,136	3,256	3,381
Resident Graduate	4,930	5,122	5,319
Resident Law	4,924	5,268	5,634
Resident MD/DD/DVM	8,058	8,380	8,709
Nonresident Undergraduate - UW	9,746	10,536	11,388
Nonresident Undergraduate - WSU	9,758	10,148	10,554
Nonresident Graduate	12,366	12,856	13,365
Nonresident Law	12,366	13,173	14,040
Nonresident MD/DD/DVM	20,464	21,282	22,122
<b>Comprehensive Institutions</b>			
Resident Undergraduate	2,433	2,529	2,629
Resident Graduate	3,888	4,044	4,207
Nonresident Undergraduate	8,618	8,964	9,322
Nonresident Graduate	11,820	12,294	12,787
<b>Community &amp; Technical Colleges</b>			
Resident Undergraduate	1,401	1,458	1,515
Nonresident Undergraduate	5,511	5,733	5,961

*Notes:*

*Services and Activities Fees are dependent on bonded debt; therefore, actual "tuition and fees" for an individual institution will vary slightly from the averages shown for research and comprehensive institutions.*

*Resident / Nonresident Law are new tuition categories established by the 1997 Legislature.*

*Nonresident undergraduate tuition for 1996-97 at the University of Washington and Washington State University was increased by the 1996 Legislature.*

## Higher Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	151,907	6,922	158,829
1997 Supplemental *	5	0	5
<b>Total 1995-97 Expenditure Authority</b>	<b>151,912</b>	<b>6,922</b>	<b>158,834</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>156,206</b>	<b>9,048</b>	<b>165,254</b>
<b>Policy Items</b>			
1. Health Benefits Increase	14	0	14
2. General Inflation	-32	0	-32
3. State Need Grant	24,154	0	24,154
4. Educational Opportunity Grant	2,750	0	2,750
5. Washington Scholars	967	0	967
6. Award for Vocational Excellence	232	0	232
7. Prepaid Tuition	350	0	350
8. Capital Planning Oversight	1,000	0	1,000
9. Computer Upgrade	170	0	170
10. Undergraduate Fellowships	375	0	375
11. Western Interstate Commission	5	0	5
12. Work Study	2,500	5,842	8,342
13. Balance Health Services Account	2,236	-2,236	0
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>190,927</b>	<b>12,654</b>	<b>203,581</b>
Fiscal Year 1998 Totals	92,103	6,778	98,881
Fiscal Year 1999 Totals	98,824	5,876	104,700

### Comments:

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. STATE NEED GRANT - Funding is provided for the State Need Grant program in an amount that is equal to 43 percent of new tuition revenues. The program will serve students with family incomes at 45 percent of the state's median family income. After April 1 of each year, up to 1.0 percent of the annual appropriation may be transferred to the state work study program. The budget bill, as passed by the Legislature, required that, unless a tuition-based distribution method is enacted for the 1998-99 academic year, the Higher Education Coordinating Board (HECB) shall establish family income equivalencies for independent students. This last provision was vetoed by the Governor.
4. EDUCATIONAL OPPORTUNITY GRANT - Funding is provided for the Educational Opportunity Grant (EOG) program. The increased funding level will serve approximately 1,100 additional student FTEs in the 1997-99 biennium.
5. WASHINGTON SCHOLARS - Funding is provided for tuition and fee grants for recipients of the Washington Scholars Award.
6. AWARD FOR VOCATIONAL EXCELLENCE - Funding is provided for tuition and fee grants to recipients of the Washington Award for Vocational Excellence.
7. PREPAID TUITION - One-time funding is provided for 1997-99 biennium start-up costs of a new Prepaid College Tuition Payment program pursuant to Chapter 289, Laws of 1997 (E2SHB 1372 -- Advanced College Tuition Payment). This program is designed to enhance the ability of Washington citizens to obtain financial access to institutions of higher education through the encouragement of savings.
8. CAPITAL PLANNING OVERSIGHT - One-time funding is provided for operational oversight of higher education capital projects. The sum of \$50,000 is earmarked for a study of the educational needs in Omak/Okanogan County.
9. COMPUTER UPGRADE - One-time funds are provided for computer upgrades (\$150,000) and the ongoing costs associated with maintenance and communications (\$20,000).
10. UNDERGRADUATE FELLOWSHIPS - One-time funding is provided for a demonstration project to establish approximately 15 undergraduate fellowships based upon the graduate fellowship program.
11. WESTERN INTERSTATE COMMISSION - Funding is provided for increased membership dues to the Western Interstate Commission for Higher Education (WICHE).
12. WORK STUDY - Funding is provided for the state and federal work study programs. New state general funds will serve approximately 735 additional student FTEs per year. Funding is also provided through the federal work study program and will serve approximately 2,230 additional students each year. After April 1 of each year, up to 1 percent of the annual appropriation may be transferred to the state need grant program.
13. BALANCE HEALTH SERVICES ACCOUNT - Funds are provided from the state general fund to replace the Health Services Account funding for the Health Professional Loan Repayment and Scholarship Program.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## University of Washington

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	526,995	1,697,906	2,224,901
1997 Supplemental *	710	0	710
<b>Total 1995-97 Expenditure Authority</b>	<b>527,705</b>	<b>1,697,906</b>	<b>2,225,611</b>
<b>1997-99 Maintenance Level</b>	<b>541,888</b>	<b>1,863,624</b>	<b>2,405,512</b>
<b>Policy Items</b>			
1. Hospital Inflation	0	6,113	6,113
2. Health Benefits Increase	1,593	37	1,630
3. General Inflation	-4,999	0	-4,999
4. Enrollment	9,408	4,548	13,956
5. Burke Museum	94	0	94
6. Faculty Retention	2,400	8,588	10,988
7. Environmental Health Programs	0	980	980
8. State Toxicology Lab	0	12	12
9. Graduate Assistant Health Benefits	2,909	-2,909	0
10. Senior Dental Health Program	300	0	300
11. Olympic Natural Resource Center	150	0	150
12. Primary Care Training	3,343	-3,343	0
13. Salary Increase	16,644	196	16,840
14. Tuition Rate Increase	0	4,087	4,087
<b>Total 1997-99 Biennium</b>	<b>573,730</b>	<b>1,881,933</b>	<b>2,455,663</b>
Fiscal Year 1998 Totals	283,923	935,341	1,219,264
Fiscal Year 1999 Totals	289,807	946,592	1,236,399

**Comments:**

- HOSPITAL INFLATION - Funding is provided for anticipated hospital cost inflation at the University of Washington Medical Center and Harborview Hospital. (University Hospital Account-Non-appropriated)
- HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- ENROLLMENT - Additional funds provide 225 new full-time equivalent student enrollments (FTEs) in academic year 1997-98 and 230 additional FTEs in academic year 1998-99 at the Seattle main campus; 90 FTEs for the Bothell campus in 1997-98 and 120 FTEs in 1998-99; 100 FTEs for the Tacoma campus in 1997-98 and 145 in 1998-99. Enrollments are funded at the Higher Education Coordinating Board (HECB) cost of instruction. Undergraduate students at the branch campuses are funded at the upper division rate. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
- BURKE MUSEUM - Funding is provided for the employment of a fossil preparator/educator at the Burke Museum. This entire amount shall be allocated directly to the Burke Museum.
- FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the University may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The University shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
- ENVIRONMENTAL HEALTH PROGRAMS - Funds are provided to the University's Department of Environmental Health for the following: agricultural safety, policy analysis and program evaluation, placement of interns with the Department of Labor and Industries, collaborative outreach with the state to elementary and secondary schools regarding workplace safety as part of the federal school to work grant, and research support in occupational epidemiology and biostatistics. (Accident Account-State, Medical Aid Account-State)
- STATE TOXICOLOGY LAB - Funding is provided for forensic toxicology services to meet the increasing demand for driver drug testing. (Death Investigations Account-State)
- GRADUATE ASSISTANT HEALTH BENEFITS - Funding is provided from the state general fund for the cost of health benefits for graduate teaching assistants and research assistants.
- SENIOR DENTAL HEALTH PROGRAM - Funding is provided for the School of Dentistry's senior dental extern program, dental hygiene degree completion program, and graduate pediatric dental program to serve rural and underserved children.
- OLYMPIC NATURAL RESOURCE CENTER - Funding is provided to increase the research capabilities of the Center.
- PRIMARY CARE TRAINING - Funding is provided from the state general fund for training of primary care physicians and other primary care providers.
- SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997. (General Fund-State, Death Investigations Account-State, Accident Account-State, Medical Aid Account-State)

14. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the University and for optional faculty salary increases. (See Item 6)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## Washington State University

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	309,682	359,200	668,882
1997 Supplemental *	476	0	476
<b>Total 1995-97 Expenditure Authority</b>	<b>310,158</b>	<b>359,200</b>	<b>669,358</b>
<b>1997-99 Maintenance Level</b>	<b>323,233</b>	<b>390,314</b>	<b>713,547</b>
<b>Policy Items</b>			
1. Health Benefits Increase	913	0	913
2. General Inflation	-1,790	-3	-1,793
3. Enrollment	4,614	2,148	6,762
4. Air Pollution Control Adjustment	0	-4	-4
5. Faculty Retention	1,200	4,755	5,955
6. Graduate Assistant Health Benefits	1,400	-1,400	0
7. Salary Increase	9,893	0	9,893
8. Tuition Rate Increase	0	2,305	2,305
<b>Total 1997-99 Biennium</b>	<b>339,463</b>	<b>398,115</b>	<b>737,578</b>
Fiscal Year 1998 Totals	166,644	197,059	363,703
Fiscal Year 1999 Totals	172,819	201,056	373,875

**Comments:**

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. ENROLLMENT - Funding is provided for 620 new full-time equivalent student enrollments (FTEs) in the 1997-99 biennium. The increases include: 320 FTEs in academic year 1998-99 for the Pullman campus; 90 FTEs in academic year 1998-99 for the Spokane campus; 30 FTEs in academic year 1997-98 and 60 additional FTEs in academic year 1998-99 for the Tri-Cities campus; and 120 FTEs in academic year 1998-99 for the Vancouver campus. Enrollments are funded at the Higher Education Coordinating Board (HECB) cost of instruction. Undergraduate students at the branch campuses are funded at the upper division rate. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
4. AIR POLLUTION CONTROL ADJUSTMENT - Funding is reduced to balance expenditures with available revenues. (Air Pollution Control Account-State)
5. FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the University may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The University shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
6. GRADUATE ASSISTANT HEALTH BENEFITS - Funding is provided from the state general fund for the cost of health benefits for graduate teaching assistants and research assistants.
7. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.
8. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the University and for optional faculty salary increases. (See Item 5)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Eastern Washington University**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	75,744	67,375	143,119
1997 Supplemental *	-226	-975	-1,201
<b>Total 1995-97 Expenditure Authority</b>	<b>75,518</b>	<b>66,400</b>	<b>141,918</b>
<b>1997-99 Maintenance Level</b>	<b>76,402</b>	<b>63,046</b>	<b>139,448</b>
<b>Policy Items</b>			
1. Health Benefits Increase	250	0	250
2. General Inflation	-677	-73	-750
3. Faculty Retention	107	1,233	1,340
4. Graduate Assistant Health Benefits	200	-200	0
5. Salary Increase	2,418	0	2,418
6. Tuition Rate Increase	0	487	487
<b>Total 1997-99 Biennium</b>	<b>78,700</b>	<b>64,493</b>	<b>143,193</b>
Fiscal Year 1998 Totals	39,211	31,896	71,107
Fiscal Year 1999 Totals	39,489	32,597	72,086

**Comments:**

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the University may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The University shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
4. GRADUATE ASSISTANT HEALTH BENEFITS - Funding is provided from the state general fund for the cost of health benefits for graduate teaching assistants and research assistants.
5. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.
6. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the University and for optional faculty salary increases. (See Item 3)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## Central Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	69,886	53,905	123,791
1997 Supplemental *	96	0	96
<b>Total 1995-97 Expenditure Authority</b>	<b>69,982</b>	<b>53,905</b>	<b>123,887</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>72,112</b>	<b>62,076</b>	<b>134,188</b>
<b>Policy Items</b>			
1. Health Benefits Increase	247	0	247
2. General Inflation	-334	0	-334
3. Enrollment	1,279	628	1,907
4. Faculty Retention	102	1,072	1,174
5. Graduate Assistant Health Benefits	140	-140	0
6. Salary Increase	2,284	0	2,284
7. Tuition Rate Increase	0	793	793
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>75,830</b>	<b>64,429</b>	<b>140,259</b>
Fiscal Year 1998 Totals	37,214	31,787	69,001
Fiscal Year 1999 Totals	38,616	32,642	71,258

**Comments:**

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. ENROLLMENT - Funding is provided for 90 student FTEs in academic year 1997-98 and an additional 100 student FTEs in academic year 1998-99. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
4. FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the University may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The University shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
5. GRADUATE ASSISTANT HEALTH BENEFITS - Funding is provided from the state general fund for the cost of health benefits for graduate teaching assistants and research assistants.
6. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.
7. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the University and for optional faculty salary increases. (See Item 4)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**The Evergreen State College**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	37,761	28,106	65,867
1997 Supplemental *	60	0	60
<b>Total 1995-97 Expenditure Authority</b>	<b>37,821</b>	<b>28,106</b>	<b>65,927</b>
<b>1997-99 Maintenance Level</b>	<b>38,731</b>	<b>29,379</b>	<b>68,110</b>
<b>Policy Items</b>			
1. Health Benefits Increase	143	0	143
2. General Inflation	-464	0	-464
3. Enrollment	887	902	1,789
4. Faculty Retention	58	582	640
5. Salary Increase	1,314	0	1,314
6. Tuition Rate Increase	0	767	767
<b>Total 1997-99 Biennium</b>	<b>40,669</b>	<b>31,630</b>	<b>72,299</b>
Fiscal Year 1998 Totals	20,151	15,438	35,589
Fiscal Year 1999 Totals	20,518	16,192	36,710

**Comments:**

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. ENROLLMENT - Funding is provided for 90 student FTEs in academic year 1997-98 and an additional 80 student FTEs in academic year 1998-99. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
4. FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the college may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The college shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
5. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.
6. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the college and for optional faculty salary increases. (See Item 4)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Joint Center for Higher Education**

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>2,438</b>	<b>7,125</b>	<b>9,563</b>
<b>1997-99 Maintenance Level</b>	<b>2,717</b>	<b>7,150</b>	<b>9,867</b>
<b>Policy Items</b>			
1. Campus Development	0	622	622
2. Health Benefits Increase	1	0	1
3. Local Fund/Grant Activity Increase	0	1,520	1,520
4. General Inflation	-79	-25	-104
5. Building Maintenance	300	0	300
<b>Total 1997-99 Biennium</b>	<b>2,939</b>	<b>9,267</b>	<b>12,206</b>
Fiscal Year 1998 Totals	1,469	4,632	6,101
Fiscal Year 1999 Totals	1,470	4,635	6,105

**Comments:**

1. **CAMPUS DEVELOPMENT** - Funding is adjusted to reflect gross expenditures pursuant to State Auditor findings. The Joint Center for Higher Education (JCHE) must identify the gross, rather than the net, amount of revenue from its leased properties and the management expenses to maintain those properties. In addition, an increase in expenditures for Riverpoint Campus improvements (street, parking, and utility improvements, environmental studies, etc.) is supported by an increase in revenue from grants and fund reserves. (Dedicated Local Account-Non-Appropriated)
2. **HEALTH BENEFITS INCREASE** - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
3. **LOCAL FUND/GRANT ACTIVITY INCREASE** - Funding is provided for grants, personal service contracts, and additional FTE staff authority for student interns and temporary staff during the 1997-99 biennium. This funding represents the last two years of a \$15 million federal grant. The total FTE staff supported by grant activity will be reviewed in the next biennial budget to ensure continued grant and local fund support for the allotted FTE staff. (Grant and Contract Account-Non-Appropriated, Dedicated Local Account-Non-Appropriated)
4. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
5. **BUILDING MAINTENANCE** - Funds are provided for increased costs of building and grounds maintenance due to termination of contractual services.

## Western Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	88,242	75,539	163,781
1997 Supplemental *	118	0	118
<b>Total 1995-97 Expenditure Authority</b>	<b>88,360</b>	<b>75,539</b>	<b>163,899</b>
<b>1997-99 Maintenance Level</b>	<b>91,776</b>	<b>90,159</b>	<b>181,935</b>
<b>Policy Items</b>			
1. Health Benefits Increase	324	0	324
2. General Inflation	-839	0	-839
3. Enrollment	2,090	1,007	3,097
4. Faculty Retention	133	1,433	1,566
5. Graduate Assistant Health Benefits	200	-200	0
6. Salary Increase	2,993	0	2,993
7. Tuition Rate Increase	0	1,148	1,148
<b>Total 1997-99 Biennium</b>	<b>96,677</b>	<b>93,547</b>	<b>190,224</b>
Fiscal Year 1998 Totals	47,822	46,157	93,979
Fiscal Year 1999 Totals	48,855	47,390	96,245

**Comments:**

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. ENROLLMENT - Funding is provided for 150 student FTEs in academic year 1997-98 and an additional 150 student FTEs in academic year 1998-99. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
4. FACULTY RETENTION - General fund support is provided for competitive faculty salary offers to help preserve instructional and research quality. In addition, the University may use funds from the authorized tuition rate increase to provide an average of 1.0 percent salary increase in FY 98 and an additional 2.0 percent increase in FY 99 for faculty and exempt staff. These increases are in addition to the 3.0 percent across-the-board general salary increase. The University shall provide a report in their 1999-2001 biennial operating budget request on the effective expenditure of the general funds provided for competitive faculty salary offers.
5. GRADUATE ASSISTANT HEALTH BENEFITS - Funding is provided from the state general fund for the cost of health benefits for graduate teaching assistants and research assistants.
6. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.
7. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the University and for optional faculty salary increases. (See Item 4)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## Community & Technical College System

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	704,003	493,808	1,197,811
1997 Supplemental *	2,110	0	2,110
<b>Total 1995-97 Expenditure Authority</b>	<b>706,113</b>	<b>493,808</b>	<b>1,199,921</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>728,097</b>	<b>511,086</b>	<b>1,239,183</b>
<b>Policy Items</b>			
1. Health Benefits Increase	2,683	0	2,683
2. Worker Training Funding	31,314	5,589	36,903
3. General Inflation	-4,860	0	-4,860
4. Enrollment	21,500	5,750	27,250
5. Work-Based Tuition Waivers	2,000	0	2,000
6. New Campus Support	1,650	0	1,650
7. Faculty Salary Disparity	0	7,715	7,715
8. Faculty Salary Increments	3,137	0	3,137
9. Fund for Innovation and Quality	-4,000	0	-4,000
10. Salary Increase	22,331	0	22,331
11. Tuition Rate Increase	0	3,363	3,363
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>803,852</b>	<b>533,503</b>	<b>1,337,355</b>
Fiscal Year 1998 Totals	382,891	276,791	659,682
Fiscal Year 1999 Totals	420,961	256,712	677,673

### Comments:

1. HEALTH BENEFITS INCREASE - Funding is provided for the increased cost of health benefits due to medical inflation. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99.
2. WORKER TRAINING FUNDING - Special funds as defined under RCW 28B.50.851 are provided from the state general fund and from the Employment and Training Trust Fund for unemployed workers' training. Funding supports up to 7,200 student FTEs each year of the 1997-99 biennium. The General Fund-State funding level assumes that the total remaining balance of funds in the Employment and Training Trust Fund are utilized. Funding is also included for support services which may include child care assistance, transportation, and financial aid. The State Board for Community and Technical Colleges shall submit a plan for the allocation of full-time equivalent students to the Workforce Training and Education Coordinating Board for review and approval.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. ENROLLMENT - Funding is provided for 2,100 student FTEs in academic year 1997-98 and an additional 2,100 student FTEs in academic year 1998-99. (General Fund-State, Institutional Operating Fees Account-Non-Appropriated)
5. WORK-BASED TUITION WAIVERS - Funding is provided for tuition waivers for students enrolled in work-based learning programs.
6. NEW CAMPUS SUPPORT - Funding is provided for administration and senior faculty to develop curricula, organize operations, and plan the purchase of library resources. Cascadia Community College plans to open for classes in the fall of 1999 in new space co-located with the University of Washington Bothell branch campus. The college shall use a portion of these funds to develop a set of measurable standards and outcomes as the basis for budget development in the 1999-2001 biennium.
7. FACULTY SALARY DISPARITY - The State Board is required to allocate at least \$2.934 million and is authorized to allocate up to \$7.715 million of the funds generated by the tuition rate increase for the purpose of addressing part-time faculty salaries. The State Board may direct that part-time salary increases are provided or that full-time positions are made available.
8. FACULTY SALARY INCREMENTS - General fund support is provided in addition to faculty turnover savings for faculty salary increments.
9. FUND FOR INNOVATION AND QUALITY - The grant program, which was initiated in the 1996 Supplemental Budget, is eliminated.
10. SALARY INCREASE - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is also provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997. (General Fund-State, Employment and Training Trust Fund)
11. TUITION RATE INCREASE - Funds from tuition rate increases of 4.0 percent in each academic year are provided for instructional quality improvements as determined by the colleges and for optional faculty salary increases. (See Item 7)

\* Please see the 1997 Supplemental Operating Budget section for additional information.



# Other Education

## **State School for the Blind**

The amount of \$70,000 from the state general fund is provided for a Director of Outreach to coordinate outreach services to blind children in public schools throughout the state.

## **State School for the Deaf**

The amount of \$40,000 from the state general fund is provided to operate the Extended School Year program which offers ongoing educational programs during the summer.

## **Washington State Library**

The amount of \$198,000 from the state general fund is provided in the first fiscal year to complete and evaluate the government information locator service pilot project. The pilot received funding in the 1996 Supplemental Budget.

## **Washington State Historical Society**

The amount of \$432,400 from the state general fund is provided for exhibit and educational programming for the new Washington State History Museum.

## **Eastern Washington State Historical Society**

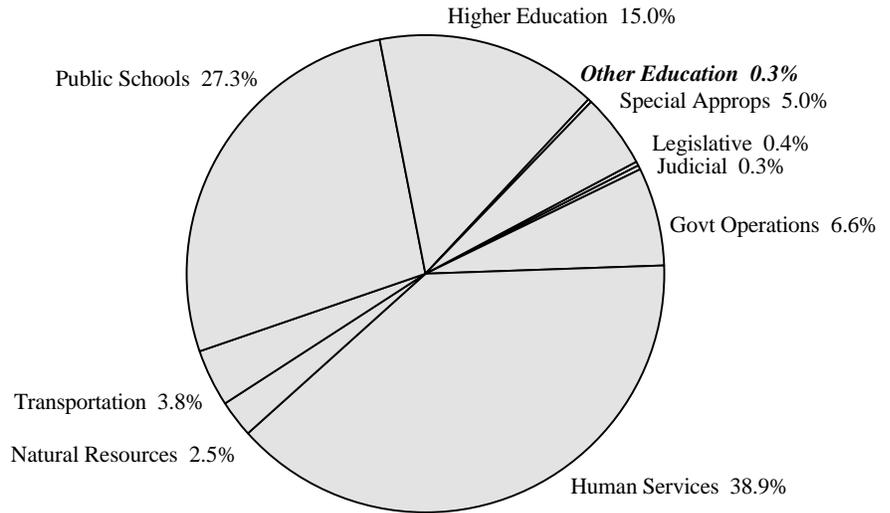
The amount of \$275,000 from the state general fund is provided for new exhibit design and planning at the Cheney Cowles Museum.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

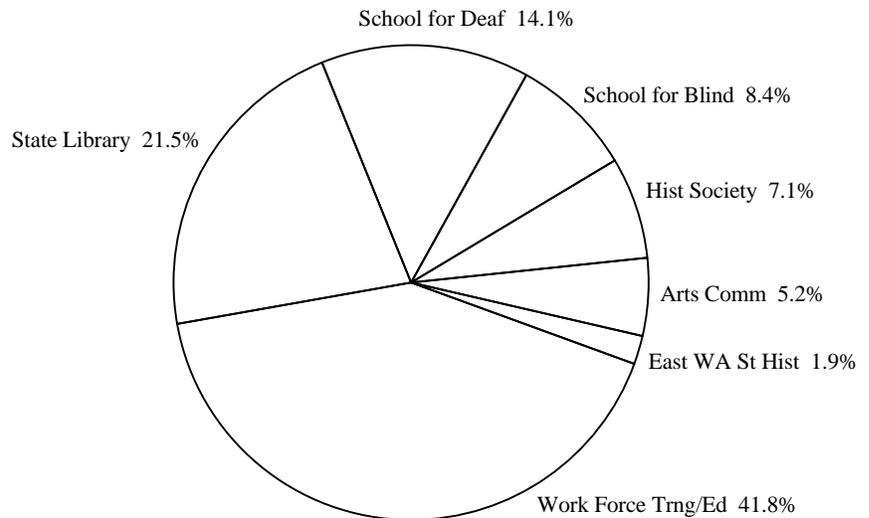
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
<b>Other Education</b>	<b>91,292</b>
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

Work Force Trng & Ed	38,152
State Library	19,611
School for the Deaf	12,917
School for the Blind	7,644
State Historical Society	6,487
Arts Commission	4,718
East WA State Hist Society	1,763
<b>Other Education</b>	<b>91,292</b>



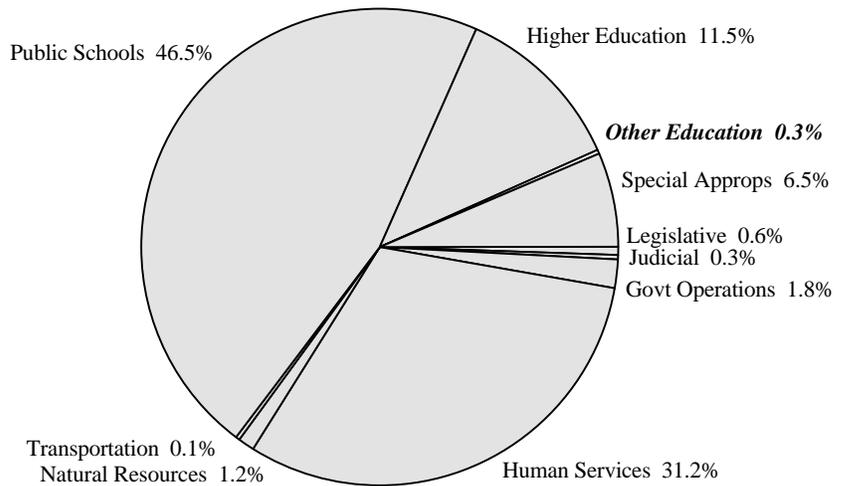
## Other Education

# 1997-99 Washington State Operating Budget

## General Fund - State

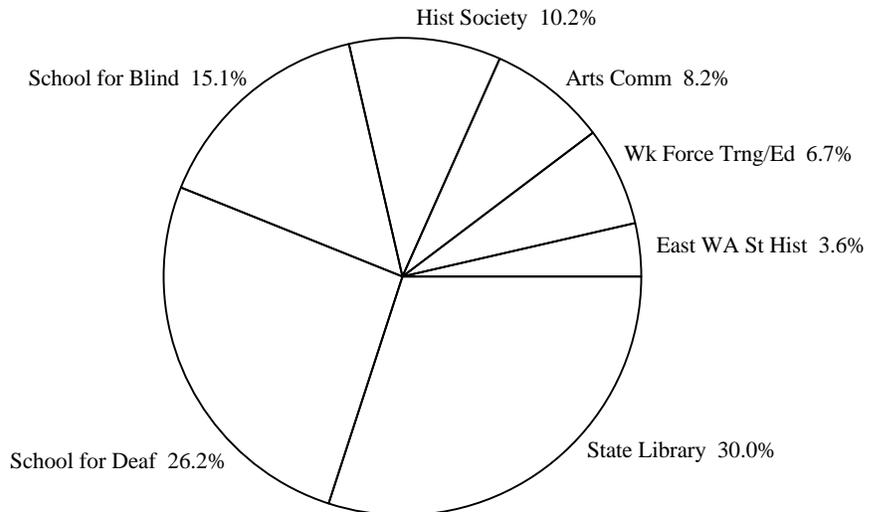
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
<b>Other Education</b>	<b>49,235</b>
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



### Washington State

State Library	14,764
School for the Deaf	12,917
School for the Blind	7,452
State Historical Society	5,033
Arts Commission	4,028
Work Force Trng & Ed	3,278
East WA State Hist Society	1,763
<b>Other Education</b>	<b>49,235</b>



### Other Education

**State School for the Blind**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>7,010</b>	<b>7</b>	<b>7,017</b>
<b>1997-99 Maintenance Level</b>	<b>7,443</b>	<b>193</b>	<b>7,636</b>
<b>Policy Items</b>			
1. Outreach Program	70	0	70
2. General Inflation	-61	-1	-62
<b>Total 1997-99 Biennium</b>	<b>7,452</b>	<b>192</b>	<b>7,644</b>
Fiscal Year 1998 Totals	3,714	96	3,810
Fiscal Year 1999 Totals	3,738	96	3,834

**Comments:**

1. OUTREACH PROGRAM - Funding is provided for an outreach services coordinator. The Washington State School for the Blind has expanded its outreach to serve 321 percent more blind children since 1991. Much of the funding for outreach services comes from contracted services with Education Service Districts and Local Education Agencies. This item provides 1.0 FTE staff to serve as Director of Outreach, with one-third of the funding from General Fund-State. The remaining funding will be from contracted services with the Local Education Agencies and Education Service Districts for actual outreach services and from the federal grant received for the Washington Instructional Resource Center to act as Project Director.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**State School for the Deaf**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>12,547</b>	<b>15</b>	<b>12,562</b>
<b>1997-99 Maintenance Level</b>	<b>12,966</b>	<b>1</b>	<b>12,967</b>
<b>Policy Items</b>			
1. Extended School Year	40	0	40
2. General Inflation	-89	-1	-90
<b>Total 1997-99 Biennium</b>	<b>12,917</b>	<b>0</b>	<b>12,917</b>
Fiscal Year 1998 Totals	6,458	0	6,458
Fiscal Year 1999 Totals	6,459	0	6,459

**Comments:**

1. EXTENDED SCHOOL YEAR - Funding is provided for the Extended School Year (ESY) program. The ESY program will provide on-going educational programs during the summer to WSD students as required in their Individual Evaluation Programs. Currently, approximately 10 percent of the WSD students have been identified as needing educational services during the summer months. This item provides half the necessary funds with the expectation that WSD will work with the Local Education Agencies to share costs to provide summer educational services to students.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Work Force Training & Education Coordinating Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>3,268</b>	<b>35,137</b>	<b>38,405</b>
<b>1997-99 Maintenance Level</b>	<b>3,406</b>	<b>34,889</b>	<b>38,295</b>
<b>Policy Items</b>			
1. Program Reduction	-114	0	-114
2. General Inflation	-14	-15	-29
<b>Total 1997-99 Biennium</b>	<b>3,278</b>	<b>34,874</b>	<b>38,152</b>
Fiscal Year 1998 Totals	1,636	19,560	21,196
Fiscal Year 1999 Totals	1,642	15,314	16,956

**Comments:**

1. PROGRAM REDUCTION - Funding is reduced based on anticipated efficiencies in work force planning and evaluation and private vocational school licensure activities.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**State Library**  
(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>14,351</b>	<b>4,852</b>	<b>19,203</b>
<b>1997-99 Maintenance Level</b>	<b>14,796</b>	<b>4,966</b>	<b>19,762</b>
<b>Policy Items</b>			
1. Reduce Storage Collection	-23	0	-23
2. General Inflation	-207	-119	-326
3. Government Information Locator	198	0	198
<b>Total 1997-99 Biennium</b>	<b>14,764</b>	<b>4,847</b>	<b>19,611</b>
Fiscal Year 1998 Totals	7,483	1,909	9,392
Fiscal Year 1999 Totals	7,281	2,938	10,219

**Comments:**

1. REDUCE STORAGE COLLECTION - The Library will reduce its need for storage by moving approximately 50 percent of outdated books to other local libraries.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. GOVERNMENT INFORMATION LOCATOR - Funding is provided to continue and evaluate the Government Information Locator Service (GILS) pilot project in FY 98. The library shall prepare an evaluation report of the pilot project by October 1, 1997, including a cost-benefit analysis, determination of fiscal impacts to the state, and programmatic information.

NOTE: A proviso states that at least \$2.524 million shall be expended for the library services contract with the Seattle Public Library for the Washington Talking Book and Braille Library.

**Washington State Arts Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	4,233	935	5,168
1997 Supplemental *	0	7	7
<b>Total 1995-97 Expenditure Authority</b>	<b>4,233</b>	<b>942</b>	<b>5,175</b>
<b>1997-99 Maintenance Level</b>	<b>4,269</b>	<b>690</b>	<b>4,959</b>
<b>Policy Items</b>			
1. Program Reduction	-213	0	-213
2. General Inflation	-28	0	-28
<b>Total 1997-99 Biennium</b>	<b>4,028</b>	<b>690</b>	<b>4,718</b>
Fiscal Year 1998 Totals	2,015	345	2,360
Fiscal Year 1999 Totals	2,013	345	2,358

**Comments:**

1. PROGRAM REDUCTION - Development of additional public/private partnership opportunities permit the reduction of the Arts Commission's state budget by 5 percent.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Washington State Historical Society**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>4,187</b>	<b>1,788</b>	<b>5,975</b>
<b>1997-99 Maintenance Level</b>	<b>5,147</b>	<b>1,479</b>	<b>6,626</b>
<b>Policy Items</b>			
1. Local Area Network Support	-38	0	-38
2. Customer Survey	0	6	6
3. General Inflation	-76	-31	-107
<b>Total 1997-99 Biennium</b>	<b>5,033</b>	<b>1,454</b>	<b>6,487</b>
Fiscal Year 1998 Totals	2,502	710	3,212
Fiscal Year 1999 Totals	2,531	744	3,275

**Comments:**

1. LOCAL AREA NETWORK SUPPORT - Funding is reduced due to efficiencies gained from the use of a local area network to connect the three museum sites.
2. CUSTOMER SURVEY - Additional local funds are provided to conduct customer surveys. (Local Museum Account-Non-Appropriated)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

NOTE: A proviso states that \$432,400 of the general fund appropriation is provided solely for exhibit and educational programming.

**Eastern Washington State Historical Society**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>1,191</b>	<b>0</b>	<b>1,191</b>
<b>1997-99 Maintenance Level</b>	<b>1,504</b>	<b>0</b>	<b>1,504</b>
<b>Policy Items</b>			
1. General Inflation	-16	0	-16
2. Exhibit Design and Planning	275	0	275
<b>Total 1997-99 Biennium</b>	<b>1,763</b>	<b>0</b>	<b>1,763</b>
Fiscal Year 1998 Totals	741	0	741
Fiscal Year 1999 Totals	1,022	0	1,022

**Comments:**

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. EXHIBIT DESIGN AND PLANNING - Funding is provided for the design and planning of the Tribes of the Plateau exhibit.

# Special Appropriations

## **Across-the-Board Salary Increases**

Funding has been provided for a 3 percent salary increase for state and higher education employees beginning July 1, 1997, and for K-12 employees beginning September 1, 1997. The budget provides \$296.8 million from the state general fund and \$66.5 million from other funds for the salary increases.

## **Personnel Resource Board Salary Adjustments**

Amounts of \$15.9 million from the state general fund and \$8.9 million from other funds are provided for additional state employee salary increases. Under Chapter 319, Laws of 1996 (SSB 6767), the Legislature identified several higher-priority compensation issues for classified personnel, including salary inequities, recruitment and retention, and compensation for increased duties and responsibilities. Of the 23 classification titles (10,940 positions), the first 10 classification titles (6,822 positions) on the Washington Personnel Resource Board's priority list will receive salary adjustments starting July 1, 1997. The remaining classification titles will receive adjustments beginning July 1, 1998.

## **Other Salary Increases**

Amounts of \$500,000 from the state general fund and \$500,000 from other funds are provided to fund a portion of the second phase of the 1994 Assistant Attorney General compensation study.

## **Employee Health Benefits**

Amounts of \$33 million from the state general fund and \$7 million from other funds are provided for health care benefits for state, higher education, and K-12 employees. The monthly health care benefit rates, \$317.34 for fiscal year 1998 and \$335.75 for fiscal year 1999, were calculated using medical inflation rates of 4.4 percent and 4.6 percent, respectively and assumed full utilization of the surplus in the Health Care Authority Insurance Fund.

## **Public Employee's and Retiree's Insurance Account**

This account has been increased by \$1.0 million to allow for a contingency reserve.

## **Office of Financial Management**

In the initial 1997-99 budget (Chapter 149, Laws of 1997, Partial Veto - SSB 6062), the Legislature appropriated \$14.47 million (\$5.34 million state general fund and \$9.13 million in other funds) to address the Year 2000 computer conversion problems. In Chapter 454, Laws of 1997, Partial Veto (ESHB 2259), this funding was shifted to the supplemental budget and the appropriations contained in Chapter 149, Laws of 1997, Partial Veto (SSB 6062) were repealed. However, the Governor vetoed this repeal (thereby restoring the 1997-99 appropriations) and also vetoed all of the dedicated account appropriations contained in the supplemental budget. These two vetoes, in combination, have the effect of returning the dedicated account appropriations to the 1997-99 budget, while creating a double appropriation of the state general fund portion. The Governor stated his intent to place the 1997-99 state general fund appropriation in reserve status. As a result of these actions, Year 2000 costs will be funded by a 1995-97 supplemental appropriation of \$5.34 million from the state general fund and by 1997-99 appropriations of \$9.13 million from the other (dedicated) accounts.

The Legislature appropriated approximately \$7 million from various funds in the initial operating budget (Chapter 149, Laws of 1997, Partial Veto - SSB 6062) for regulatory reform activities. The Governor vetoed the proviso attached to the funding. At the time the budget passed, the final contents of Chapter 409, Laws of 1997, Partial Veto (E2SHB 1032), the most substantial regulatory reform legislation, were not determined. The final version of Chapter 409, Laws of 1997, Partial Veto (E2SHB 1032) which passed the Legislature did not include several provisions with major fiscal impacts, such as the requirements for the review of existing rules and the development of regulatory impact notes. The changes made in the final version of Chapter 409, Laws of 1997, Partial Veto (E2SHB 1032)

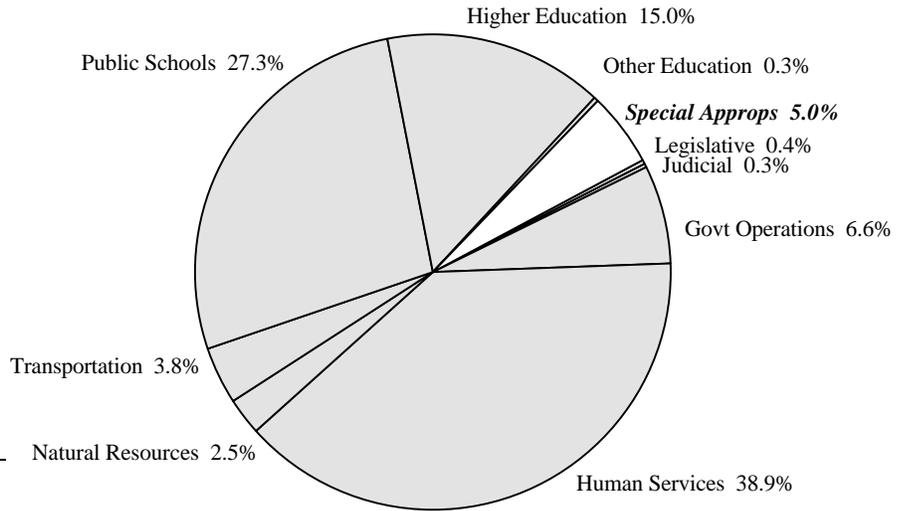
resulted in the Legislature repealing all funding for regulatory reform in the second operating budget bill (Chapter 454, Laws of 1997, Partial Veto - ESHB 2259). However, the Governor vetoed the repealer and declared his intent to keep the funds for allocation to agencies to implement the regulatory reform legislation.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

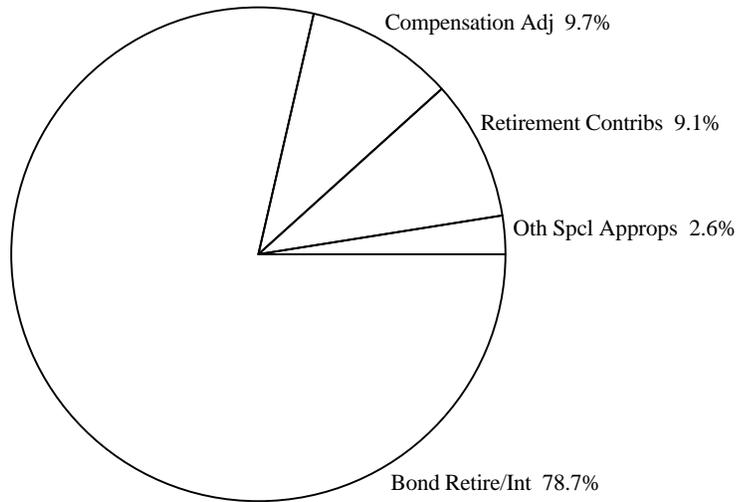
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
<b>Special Appropriations</b>	<b>1,761,885</b>
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

Bond Retirement/Interest	1,386,543
State Employee Comp Adj	170,623
Retirement Contributions	159,600
Other Special Appropriations	45,119
<b>Special Appropriations</b>	<b>1,761,885</b>



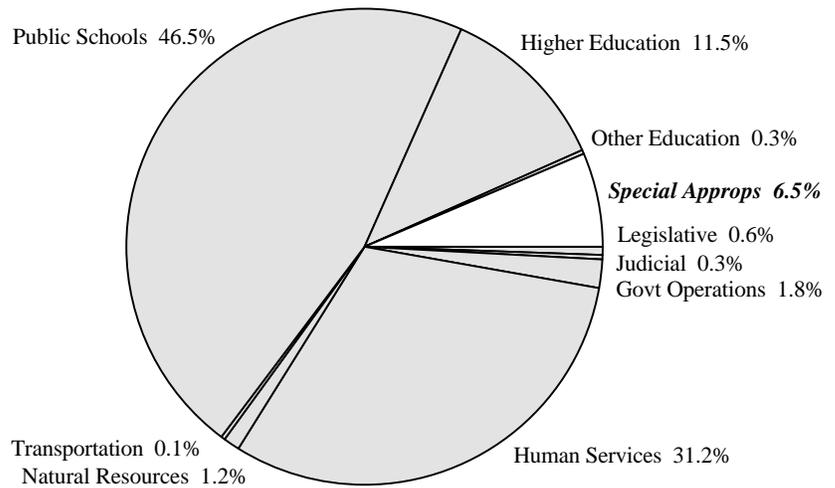
## Special Appropriations

# 1997-99 Washington State Operating Budget

## General Fund - State

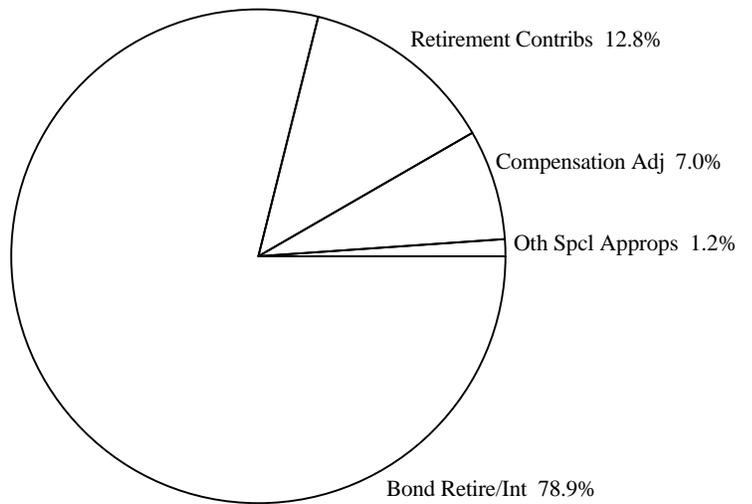
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
<b>Special Appropriations</b>	<b>1,243,996</b>
<b>Statewide Total</b>	<b>19,076,883</b>



### Washington State

Bond Retirement/Interest	982,009
Retirement Contributions	159,600
State Employee Comp Adj	86,963
Other Special Appropriations	15,424
<b>Special Appropriations</b>	<b>1,243,996</b>



### Special Appropriations

**Bond Retirement & Interest**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	861,672	109,781	971,453
1997 Supplemental *	-18,006	-37,263	-55,269
<b>Total 1995-97 Expenditure Authority</b>	<b>843,666</b>	<b>72,518</b>	<b>916,184</b>
<b>1997-99 Maintenance Level</b>	<b>968,313</b>	<b>158,811</b>	<b>1,127,124</b>
<b>Policy Items</b>			
1. Debt Service Fund Realignment	0	-12,473	-12,473
2. 1997-99 Capital Budget	13,415	12,342	25,757
3. Energy Efficiency Bonds	281	0	281
<b>Total 1997-99 Biennium</b>	<b>982,009</b>	<b>158,680</b>	<b>1,140,689</b>
Fiscal Year 1998 Totals	470,854	77,658	548,512
Fiscal Year 1999 Totals	511,155	81,022	592,177

**Comments:**

1. DEBT SERVICE FUND REALIGNMENT - The realignment of debt service funds distinguishes the various types of debt service into categories that correspond to debt service classifications in the operating budget. Many single purpose bond retirement funds will be reorganized into seven new debt service funds. (Various Debt Service Funds)
2. 1997-99 CAPITAL BUDGET - Funds are provided to pay debt service and bond sale expenses for the 1997-99 Capital program. (General Fund-State and Various Debt Service Accounts)
3. ENERGY EFFICIENCY BONDS - Funds are provided to pay debt service for energy efficiency bonds which were authorized in 1992. At the time the energy bonds were authorized, it was anticipated that the debt service would be paid by agencies from resulting energy savings. With the elimination of the State Energy Office in 1996, there is no longer a source of recovery for debt service payment. (General Fund-State)

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Bond Retirement & Interest budget is shown in the Transportation Budget section of this document.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Special Appropriations to the Governor**

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	7,261	1,791	9,052
1997 Supplemental *	5,340	0	5,340
<b>Total 1995-97 Expenditure Authority</b>	<b>12,601</b>	<b>1,791</b>	<b>14,392</b>
<b>1997-99 Maintenance Level</b>	<b>6,714</b>	<b>2,939</b>	<b>9,653</b>
<b>Policy Items</b>			
1. Governor Veto - Year 2000	5,340	21,087	26,427
2. Governor Veto - Regulatory Reform	3,370	3,669	7,039
<b>Total 1997-99 Biennium</b>	<b>15,424</b>	<b>27,695</b>	<b>43,119</b>
Fiscal Year 1998 Totals	8,558	15,644	24,202
Fiscal Year 1999 Totals	6,866	12,051	18,917

**Comments:**

1. GOVERNOR VETO - YEAR 2000 - In the initial budget (Chapter 149, Laws of 1997, Partial Veto -- SSB 6062), the Legislature appropriated \$5.34 million General Fund-State and \$9.13 million other funds for allocation to state agencies for Year 2000 computer conversions. In the second budget (Chapter 454, Laws of 1997, Partial Veto -- ESHB 2259), the funding was shifted to the 1995-97 supplemental budget and the appropriations contained in SSB 6062 were repealed. This repeal, however, was vetoed by the Governor. The effect of the veto was to restore the 1997-99 appropriations contained in SSB 6062. See the Department of Information Services supplemental appropriation in the 1997 Supplemental Operating Budget section of this document for additional information.
2. GOVERNOR VETO - REGULATORY REFORM - In the initial budget (Chapter 149, Laws of 1997, Partial Veto -- SSB 6062), the Legislature appropriated \$3.37 million General Fund-State and \$3.669 million other funds for implementation of regulatory reform legislation. The conditions and limitations on these funds were vetoed by the Governor, who also vetoed the repeal of this appropriation in the second budget (Chapter 454, Laws of 1997, Partial Veto -- ESHB 2259). The Governor stated in his veto message that the effect of his veto is to reinstate the appropriation, which will be expended to implement regulatory reform.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Special Appropriations to the Governor's budget is shown in the Transportation Budget section of this document.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>88,262</b>	<b>100,858</b>	<b>189,120</b>
<b>Policy Items</b>			
1. Salary Reclass Implementation	15,931	8,862	24,793
2. Attorney General Salary Increase	500	500	1,000
3. Health Benefits Adj (State Emp)	7,080	8,042	15,122
4. Health Benefit Reserve	1,000	0	1,000
5. State Employee Salary Increase	62,452	66,256	128,708
<b>Total 1997-99 Biennium</b>	<b>86,963</b>	<b>83,660</b>	<b>170,623</b>
Fiscal Year 1998 Totals	38,393	38,075	76,468
Fiscal Year 1999 Totals	48,570	45,585	94,155

### Comments:

1. SALARY RECLASS IMPLEMENTATION - Funding is provided to grant specific salary increases to some classified state and higher education employees. These increases are attributed to implementation of Chapter 319, Laws of 1996 (SSB 6767 -- Compensation Modifications for State Employees). Salary increase recommendations reflect prioritized salary adjustment decisions made to address salary inequities, recruitment and retention issues, salary compression or inversion, and increased duties and responsibilities. These prioritized decisions were adopted by the Washington Personnel Resources Board.

Classifications receiving adjustments beginning July 1, 1997 include: various clerical classes, physicians, dental classifications, pharmacists, maintenance custodians, medical records technicians, fish/wildlife biologists, fish/wildlife enforcement, habitat technicians, and fiscal technician classifications. Classifications receiving adjustments beginning July 1, 1998 include: various safety classifications, park rangers, park aides, correctional officers/sergeants, community corrections specialists, tax information specialists, industrial relations specialists, electrical classifications (Department of Labor & Industries), fingerprint technicians, some labor relations classifications, health benefits specialists, Department of Natural Resources foresters/land managers, and liquor enforcement officers. (General Fund-State, Other Funds)

2. ATTORNEY GENERAL SALARY INCREASE - Funding is provided to implement the final phase of the Attorney General's 1994 compensation study to further address recruitment and retention problems. (General Fund-State, Other Funds)
3. HEALTH BENEFITS ADJ (STATE EMP) - Funding is adjusted to reflect the increased cost of health benefits due to medical inflation rates of 4.4 percent for FY 98 and 4.6 percent for FY 99. The rates assumed are \$317.34 for FY 98 and \$335.75 for FY 99. (General Fund-State, General Fund-Federal, Other Funds)
4. HEALTH BENEFIT RESERVE - Funding is provided for deposit in the Public Employee's and Retirees' Insurance Account to increase the contingency reserve.
5. STATE EMPLOYEE SALARY INCREASE - Funding is provided for a cost-of-living adjustment of 3.0 percent effective July 1, 1997. (General Fund-State, General Fund-Federal, Other Funds)

**Contributions to Retirement Systems**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>189,600</b>	<b>0</b>	<b>189,600</b>
<b>1997-99 Maintenance Level</b>	<b>159,600</b>	<b>0</b>	<b>159,600</b>
<b>Total 1997-99 Biennium</b>	<b>159,600</b>	<b>0</b>	<b>159,600</b>
Fiscal Year 1998 Totals	77,600	0	77,600
Fiscal Year 1999 Totals	82,000	0	82,000

**Comments:**

No budget changes were recommended which reflect a change in statute or agency policy.