

# Omnibus Appropriations Act - Agency Detail

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# Legislative

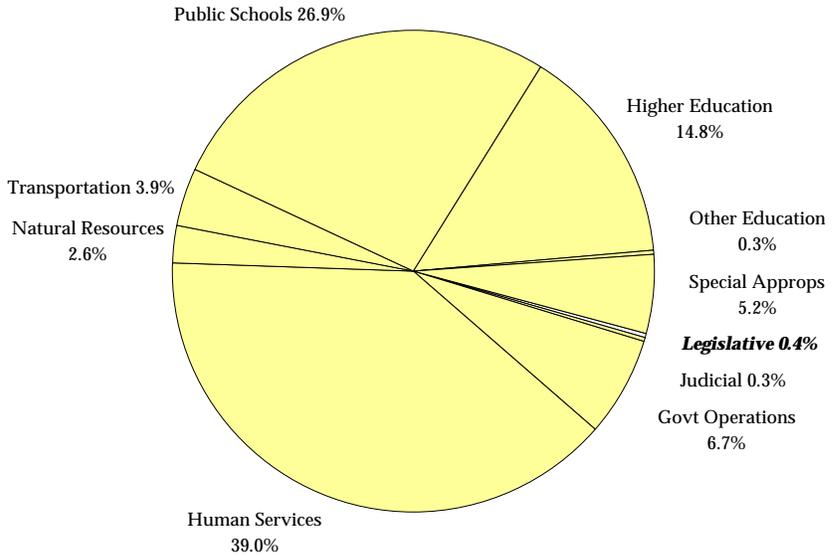
Supplemental appropriations for the state's legislative agencies did not authorize any ongoing program enhancements. However, funds are provided for several one-time studies and other evaluations of state programs, including examinations of state water quality programs, long-term care services, management of developmental disability programs, financing of the K-12 school system, education technology, and the health care certificate of need program, and an on-going audit of new pension rate contributions.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

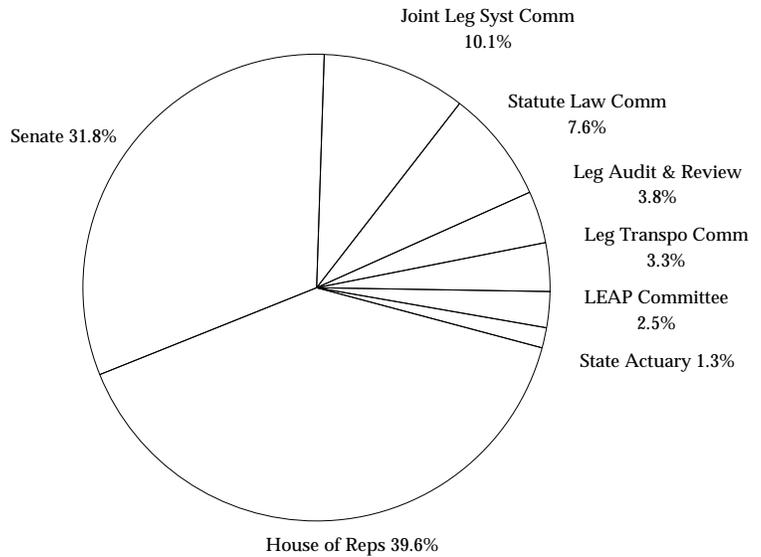
(Dollars in Thousands)

<b>Legislative</b>	<b>126,659</b>
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

House of Representatives	50,153
Senate	40,220
Jt Leg Systems Comm	12,840
Statute Law Committee	9,667
Jt Leg Audit & Rev Comm	4,761
Leg Transportation Comm	4,172
LEAP Committee	3,165
State Actuary	1,681
<b>Legislative</b>	<b>126,659</b>

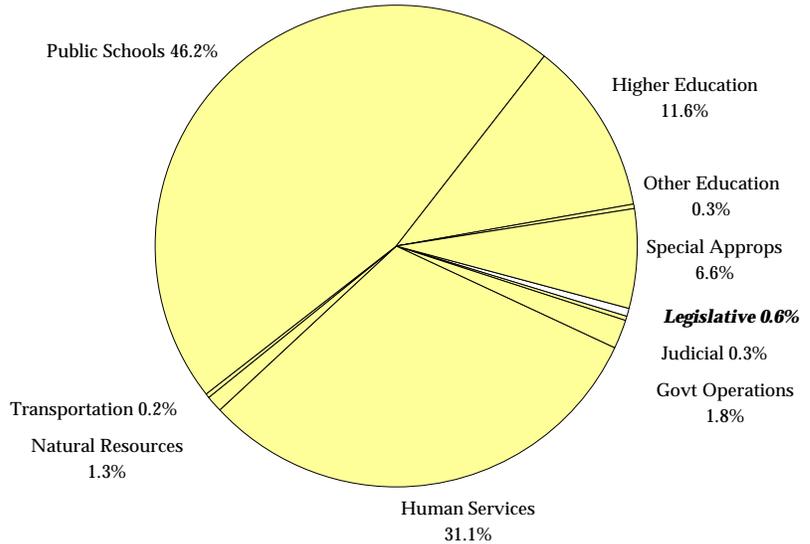


## Legislative

**1997-99 Washington State Operating Budget  
General Fund - State**  
(Dollars in Thousands)

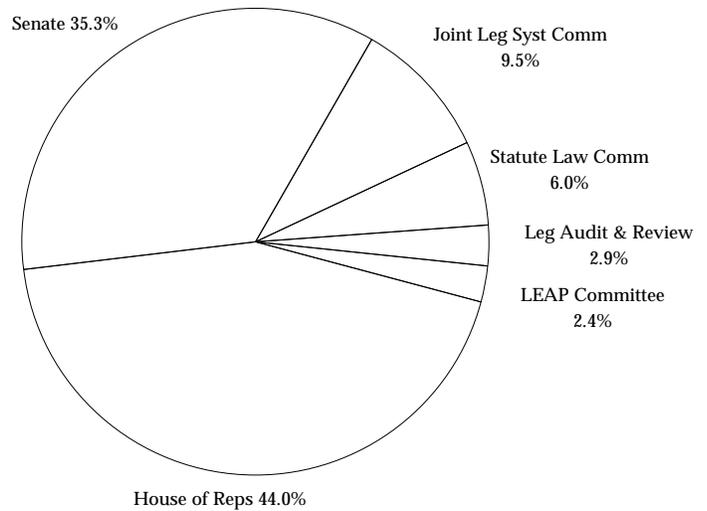
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<b>Legislative</b>	<b>113,974</b>
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



**Washington State**

House of Representatives	50,128
Senate	40,195
Jt Leg Systems Comm	10,860
Statute Law Committee	6,785
Jt Leg Audit & Rev Comm	3,261
LEAP Committee	2,745
<b>Legislative</b>	<b>113,974</b>



**Legislative**

## House of Representatives

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>49,853</b>	<b>0</b>	<b>49,853</b>
1998 Supplemental Budget			
1. Concurrent Actuarial Audit	0	25	25
2. K-20 Technology Consultant	150	0	150
3. TMDL Review	125	0	125
<b>Total Supplemental Items</b>	<b>275</b>	<b>25</b>	<b>300</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>50,128</b>	<b>25</b>	<b>50,153</b>
Fiscal Year 1998 Total	24,221	0	24,221
Fiscal Year 1999 Total	25,907	25	25,932

**Comments:**

1. CONCURRENT ACTUARIAL AUDIT - Funding is provided to implement Chapter 283, Laws of 1998, Partial Veto (SHB 2544 - Funding the State Retirement Systems). An actuarial consultant will be retained to perform an audit of the pension contribution rates as they are being developed. (Department of Retirement Systems Expense Account)
  
2. K-20 TECHNOLOGY CONSULTANT - One-time funding is provided for technical and cost analysis of issues related to the K-20 statewide technology system. Analysis will include evaluation of system implementation progress, future system costs, emerging technologies, and agency K-20 requests for the 1999-2001 budget.
  
3. TMDL REVIEW - Funding is provided for a review of the memorandum of agreement signed between the United States Environmental Protection Agency and the Department of Ecology. The agreement requires the Department to conduct total maximum daily loads (TMDL) on polluted water bodies as defined by the federal clean water act. The review may include but is not limited to, the Department's program for implementing the settlement, an examination of the decisions that affect how water quality problems are defined, the causes of those problems, and the means by which solutions to these problems are to be developed and implemented.

**Senate**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>39,995</b>	<b>0</b>	<b>39,995</b>
1998 Supplemental Budget			
1. Concurrent Actuarial Audit	0	25	25
2. TMDL Review	125	0	125
3. Long-Term Care Performance Review	75	0	75
<b>Total Supplemental Items</b>	<b>200</b>	<b>25</b>	<b>225</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>40,195</b>	<b>25</b>	<b>40,220</b>
Fiscal Year 1998 Total	19,357	0	19,357
Fiscal Year 1999 Total	20,838	25	20,863

**Comments:**

1. CONCURRENT ACTUARIAL AUDIT - Funding is provided to implement Chapter 283, Laws of 1998, Partial Veto (SHB 2544 - Funding the State Retirement Systems). An actuarial consultant will be retained to perform an audit of the pension contribution rates as they are being developed. (Department of Retirement Systems Expense Account)
2. TMDL REVIEW - Funding is provided for a review of the memorandum of agreement signed between the United States Environmental Protection Agency and the Department of Ecology. The agreement requires the Department to conduct total maximum daily loads (TMDL) on polluted water bodies as defined by the federal clean water act. The review may include but is not limited to, the Department's program for implementing the settlement, an examination of the decisions that affect how water quality problems are defined, the causes of those problems, and the means by which solutions to these problems are to be developed and implemented.
3. LONG-TERM CARE PERFORMANCE REVIEW - One-time funding is provided for a performance review of the long-term care system, to be contracted jointly by the Legislature and the Office of Financial Management.

## Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>2,796</b>	<b>0</b>	<b>2,796</b>
1998 Supplemental Budget			
1. Management Audit of DDD	75	0	75
2. Certificate of Need Study	50	0	50
3. K-12 Finance Study	340	0	340
<b>Total Supplemental Items</b>	<b>465</b>	<b>0</b>	<b>465</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>3,261</b>	<b>0</b>	<b>3,261</b>
Fiscal Year 1998 Total	1,371	0	1,371
Fiscal Year 1999 Total	1,890	0	1,890

**Comments:**

1. MANAGEMENT AUDIT OF DDD - Funding is provided for a management audit of the Department of Social and Health Services Division of Developmental Disabilities (DDD). The study will analyze and evaluate the division's current organizational structures and management practices; document and assess the impact of overlapping statutory or administrative code responsibilities; and identify and document opportunities to more efficiently and effectively serve the needs of the targeted population.
  
2. CERTIFICATE OF NEED STUDY - Funding is provided for a study of the certificate of need program for health care services. The study will analyze the effect of the state certificate of need program on the cost, quality, and availability of health care services and the impact that repeal of the program would have on the cost, quality, and availability of care.
  
3. K-12 FINANCE STUDY - One-time funding is provided for a study of the state's financing of the K-12 public school system.

## Legislative Evaluation & Accountability Program Committee

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>2,595</b>	<b>0</b>	<b>2,595</b>
1998 Supplemental Budget			
1. K-12 Finance Study	150	0	150
<b>Total Supplemental Items</b>	<b>150</b>	<b>0</b>	<b>150</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>2,745</b>	<b>0</b>	<b>2,745</b>
Fiscal Year 1998 Total	1,263	0	1,263
Fiscal Year 1999 Total	1,482	0	1,482

**Comments:**

1. K-12 FINANCE STUDY - Funding is provided for support of the K-12 finance study conducted by the Joint Legislative Audit and Review Committee.

NOTE: The LEAP Committee received an appropriation of \$420,000 in the original 1997-99 Transportation Budget.

# Judicial

## **Court of Appeals**

An additional amount of \$278,000 is provided for the costs of merit increments for non-judicial employees. Also, \$11,000 is provided to cover the increased janitorial and utility costs associated with the expansion and remodel of the Division III facility in Spokane.

## **Commission on Judicial Conduct**

Funding in the amount of \$101,000 is provided for the additional workload associated with the increased public hearings and case appeals beyond what was projected in the original appropriation. In addition to this funding, the Commission on Judicial Conduct received \$60,000 from the Governor's Emergency Fund to partially cover their increased workload.

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

Beginning in fiscal year 1999, funding for the Treatment Alternatives for Street Crimes program is transferred from the Office of the Administrator for the Courts (OAC) to the Department of Social and Health Services, Division of Alcohol and Substance Abuse. In addition, a total of \$1.2 million from the Judicial Information Systems Account is provided to equip judges and commissioners so they can access the judicial information systems. The access is necessary to implement provisions of domestic violence legislation enacted in 1995.

An additional amount of \$175,000 is provided from the state general fund for the production and distribution of a judicial voter pamphlet for the 1998 primary election. Finally, due to a shortfall in the account, a \$170,000 reduction is made to OAC's Public Safety and Education Account (PSEA) appropriation. Similar reductions are made in other agencies funded from PSEA.

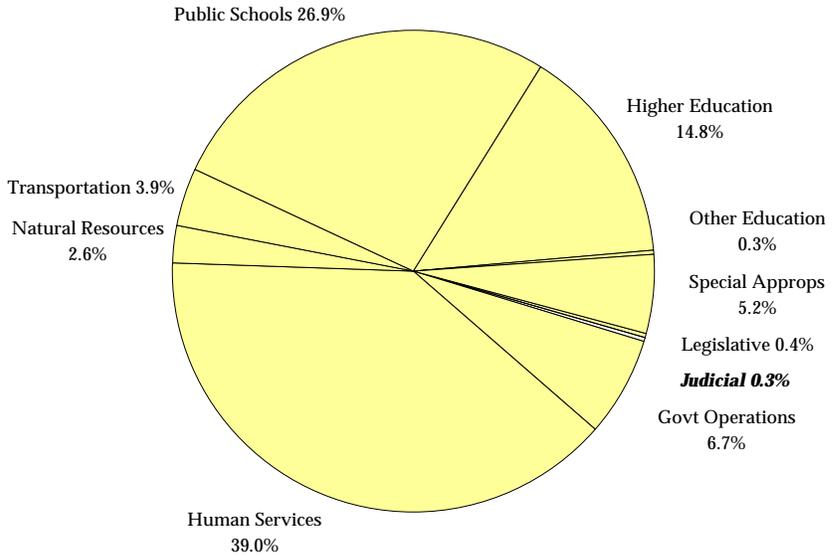
# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

(Dollars in Thousands)

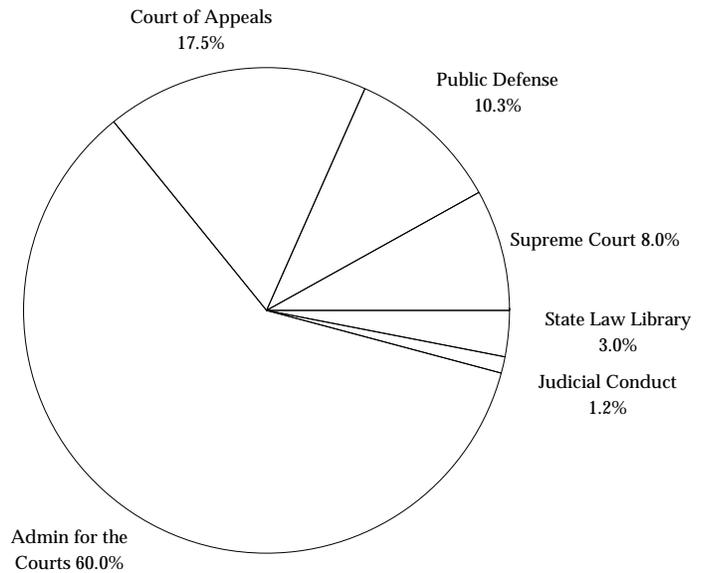
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Legislative	126,659
<b>Judicial</b>	<b>117,854</b>
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

Admin for the Courts	70,691
Court of Appeals	20,647
Office of Public Defense	12,103
Supreme Court	9,453
State Law Library	3,554
Judicial Conduct Comm	1,406
<b>Judicial</b>	<b>117,854</b>



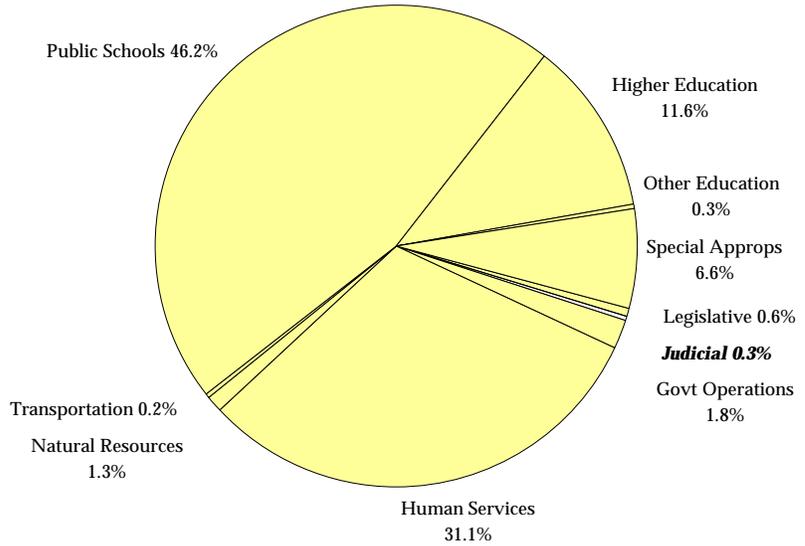
## Judicial

# 1997-99 Washington State Operating Budget

## General Fund - State

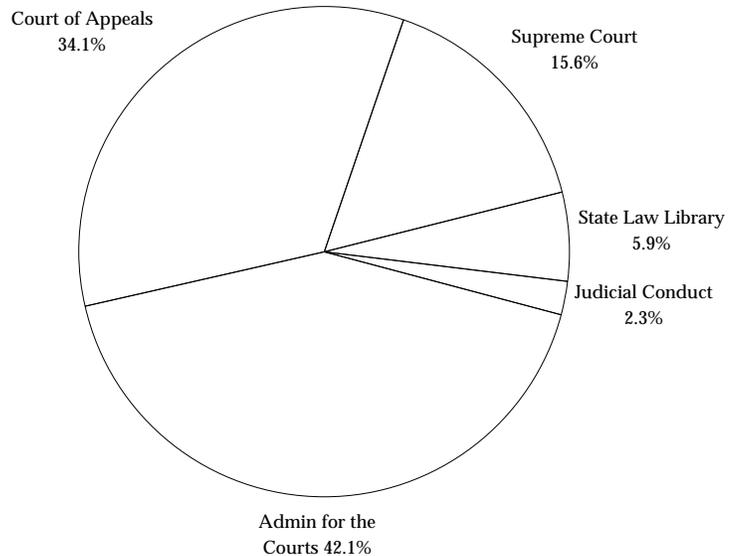
(Dollars in Thousands)

Legislative	113,974
<b>Judicial</b>	<b>60,553</b>
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



## Washington State

Admin for the Courts	25,493
Court of Appeals	20,647
Supreme Court	9,453
State Law Library	3,554
Judicial Conduct Comm	1,406
<b>Judicial</b>	<b>60,553</b>



## Judicial

## Court of Appeals

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>20,358</b>	<b>0</b>	<b>20,358</b>
1998 Supplemental Budget			
1. Salary Increments/Budget Shortfall	278	0	278
2. Building Maintenance Costs	11	0	11
<b>Total Supplemental Items</b>	<b>289</b>	<b>0</b>	<b>289</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>20,647</b>	<b>0</b>	<b>20,647</b>
Fiscal Year 1998 Total	10,340	0	10,340
Fiscal Year 1999 Total	10,307	0	10,307

**Comments:**

1. SALARY INCREMENTS/BUDGET SHORTFALL - Funding is provided for the costs of periodic merit increments for non-judicial employees. While the funding provided is ongoing, the decision to provide additional funding for new merit increments in future biennia will be made on a case by case basis.
  
2. BUILDING MAINTENANCE COSTS - Beginning January 1999, funding is provided to cover the increased janitorial and utility costs associated with the expansion and remodel of the Division III facility. Beginning January 1, 2001, funding is assumed to increase to 2 percent of the building's appraised value to cover maintenance costs as well.

**Commission on Judicial Conduct**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>1,305</b>	<b>0</b>	<b>1,305</b>
1998 Supplemental Budget			
1. Judicial Conduct Proceedings	<u>101</u>	<u>0</u>	<u>101</u>
<b>Total Supplemental Items</b>	<b>101</b>	<b>0</b>	<b>101</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>1,406</b>	<b>0</b>	<b>1,406</b>
Fiscal Year 1998 Total	692	0	692
Fiscal Year 1999 Total	714	0	714

**Comments:**

- JUDICIAL CONDUCT PROCEEDINGS - Funding is provided for ten additional days of public hearing and three additional case appeals. In addition to the funding provided here, \$60,000 in funding was provided to the Commission from the Governor's emergency fund to partially cover this increased workload.

## Office of the Administrator for the Courts

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>25,318</b>	<b>47,439</b>	<b>72,757</b>
1998 Supplemental Budget			
1. JIS Equipment for Leg Mandates	0	1,184	1,184
2. Voters Pamphlet	175	0	175
3. PSEA Shortfall	0	-170	-170
4. TASC Transfer	0	-3,255	-3,255
<b>Total Supplemental Items</b>	<b>175</b>	<b>-2,241</b>	<b>-2,066</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>25,493</b>	<b>45,198</b>	<b>70,691</b>
Fiscal Year 1998 Total	12,723	22,766	35,489
Fiscal Year 1999 Total	12,770	22,432	35,202

**Comments:**

1. JIS EQUIPMENT FOR LEG MANDATES - Funding is provided to equip judges and commissioners so that they can access the judicial information systems (JIS). Access is necessary to implement the provisions of domestic violence legislation passed in 1995. The legislation requires that the judge check for restraining and no contact orders prior to issuing a decision on pending civil or criminal matters. (Judicial Information System)
  
2. VOTERS PAMPHLET - Funding is provided for the production and distribution of a judicial voter pamphlet for the 1998 primary election. The voters pamphlet will be prepared by the Office of the Administrator for the Courts and will provide information about local judicial candidates and races. The pamphlet will be distributed using newspaper delivery staff.
  
3. PSEA SHORTFALL - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).
  
4. TASC TRANSFER - The Treatment Alternatives to Street Crime (TASC) program is transferred from the Office of the Administrator for the Courts to the Department of Social and Health Services, Division of Alcohol and Substance Abuse, effective July 1, 1998. (Public Safety and Education Account)

## Office of Public Defense

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>12,187</b>	<b>12,187</b>
1998 Supplemental Budget			
1. PSEA Shortfall	0	-84	-84
<b>Total Supplemental Items</b>	<b>0</b>	<b>-84</b>	<b>-84</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>12,103</b>	<b>12,103</b>
Fiscal Year 1998 Total	0	6,088	6,088
Fiscal Year 1999 Total	0	6,015	6,015

**Comments:**

1. PSEA SHORTFALL - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

# Governmental Operations

## **Secretary of State**

An additional amount of \$1.9 million from the state general fund is provided for the Secretary of State to enter into a four-year contract with Television Washington (TVW) beginning in fiscal year 1999 to provide independent, gavel-to-gavel coverage of legislative proceedings and other public affairs.

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

Funding is provided to implement the provisions of Chapter 314, Laws of 1998, Partial Veto (SHB 2556), which creates citizen review panels to examine the policies and procedures of agencies that deal with the prevention of child abuse and neglect. These panels are required under new federal legislation known as the "Child Abuse Prevention and Treatment Act Amendments of 1996" or "CAPTA." The Department of Community, Trade, and Economic Development (DCTED) must contract with a private nonprofit organization to serve as the appointing authority of the panels and to oversee their operation. In addition, DCTED will develop policies, procedures, and rules for the program with input from the Legislature.

## **Military Department**

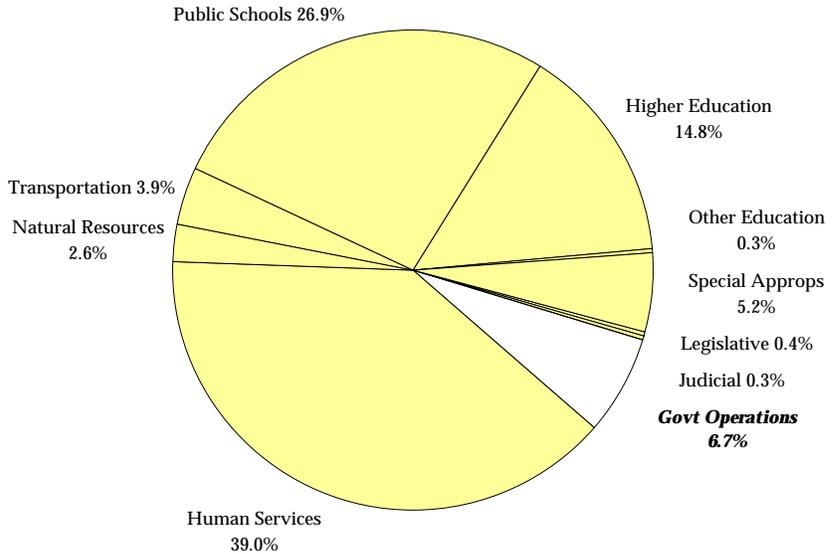
Additional funding of \$1.1 million from the state general fund and \$15.1 million from federal funds are provided to continue the accelerated rate of disaster recovery efforts. The Emergency Management Division has provided reimbursements to individuals, families, small businesses, and local governments more rapidly than anticipated in the original biennial appropriations. In addition, \$365,000 from the state general fund and \$305,000 from federal funds are provided for specific emergency management responses to the 1997 Pend Oreille County flood and four fire mobilizations covered under the State Fire Resource Mobilization Plan.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

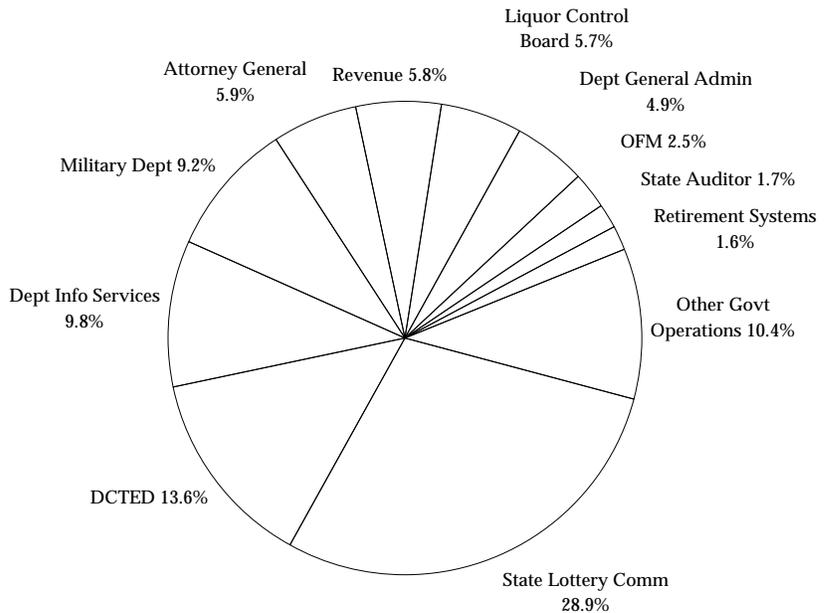
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Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

Lottery Commission	688,558
Comm/Trade/Econ Dev	323,916
Dept Information Services	233,233
Military Department	218,625
Attorney General	140,382
Department of Revenue	138,812
Liquor Control Board	135,423
Dept General Administration	116,146
Office of Financial Mgmt	58,311
State Auditor	40,386
Dept Retirement Systems	37,798
Other Govt Operations	247,427
<b>Governmental Operations</b>	<b>2,379,017</b>



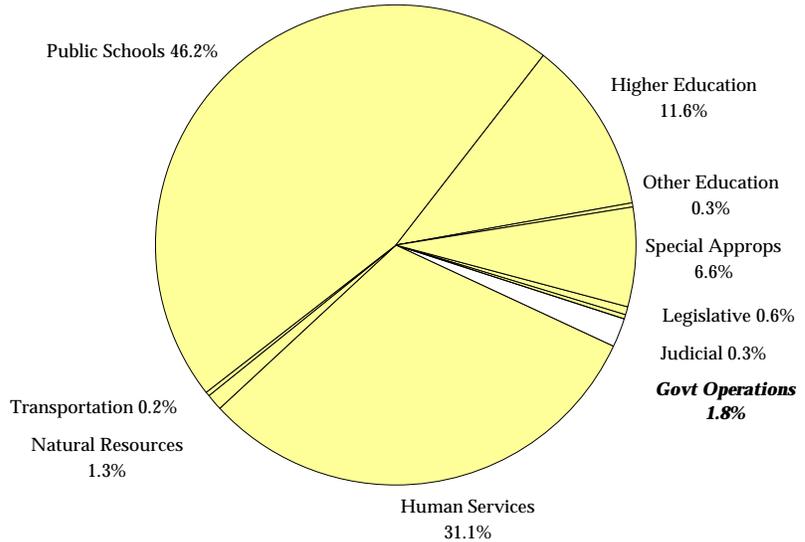
## Governmental Operations

# 1997-99 Washington State Operating Budget

## General Fund - State

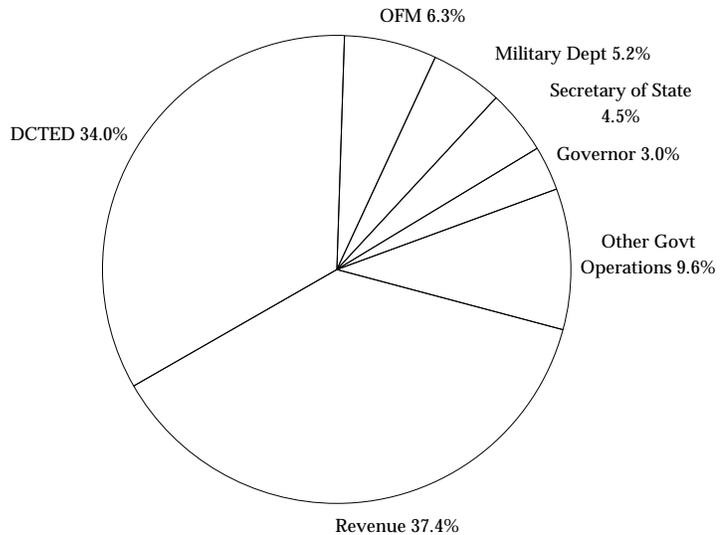
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Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



### Washington State

Department of Revenue	130,606
Comm/Trade/Econ Dev	118,480
Office of Financial Mgmt	21,836
Military Department	17,992
Secretary of State	15,869
Office of the Governor	10,588
Other Govt Operations	33,546
<b>Governmental Operations</b>	<b>348,917</b>



### Governmental Operations

## Office of the Governor

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>10,010</b>	<b>888</b>	<b>10,898</b>
1998 Supplemental Budget			
1. Children's Ombuds Staff and Travel	55	0	55
2. Wenatchee Investigation	23	0	23
3. Puget Sound Estuary Program	0	365	365
4. Salmon Recovery Office	500	0	500
<b>Total Supplemental Items</b>	<b>578</b>	<b>365</b>	<b>943</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>10,588</b>	<b>1,253</b>	<b>11,841</b>
Fiscal Year 1998 Total	5,068	635	5,703
Fiscal Year 1999 Total	5,520	618	6,138

**Comments:**

1. CHILDREN'S OMBUDS STAFF AND TRAVEL - Funding is provided for travel costs and one support staff. Travel costs for investigations, quarterly legislative oversight committee meetings in Eastern Washington, and other family and children's activities across the state have been higher than anticipated.
  
2. WENATCHEE INVESTIGATION - Funding is provided for three investigators' travel costs for eight months (five days per month) and the costs for transcribing 65 audio-taped interviews on the review of the Wenatchee child sex-abuse investigations.
  
3. PUGET SOUND ESTUARY PROGRAM - Federal funding is provided through an Environmental Protection Agency grant for the Puget Sound Estuary Program, which is a program of the Puget Sound Water Quality Action Team. Funding does not commit the state to future expenditures in a later period. (General Fund-Federal)
  
4. SALMON RECOVERY OFFICE - Funding is provided to establish a Salmon Recovery Office in the Office of the Governor in accordance with Chapter 246, Laws of 1998 (ESHB 2496 - Salmon Recovery Plan). The Salmon Recovery Office will submit a state of the salmon report and act as a liaison to local governments, the United States Congress, federally recognized tribes, and federal executive branch agencies for issues related to the state's endangered species act salmon recovery plan.

## Public Disclosure Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>2,663</b>	<b>0</b>	<b>2,663</b>
1998 Supplemental Budget			
1. Improve Public Access to Records	56	0	56
2. Attorney General Services	111	0	111
<b>Total Supplemental Items</b>	<b>167</b>	<b>0</b>	<b>167</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>2,830</b>	<b>0</b>	<b>2,830</b>
Fiscal Year 1998 Total	1,568	0	1,568
Fiscal Year 1999 Total	1,262	0	1,262

**Comments:**

1. IMPROVE PUBLIC ACCESS TO RECORDS - Funding is provided for moving the Public Disclosure Commission (PDC) to a larger facility and to pay for a higher per square foot lease cost. The PDC's lease for the current facility expires in October 1998.
2. ATTORNEY GENERAL SERVICES - Funding is provided for Attorney General services for the Public Disclosure Commission's investigations of the Washington Education Association, the Building Industry Association of Washington, and other cases.

## Office of the Secretary of State

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>13,956</b>	<b>9,756</b>	<b>23,712</b>
1998 Supplemental Budget			
1. Odd Year Elections State Share	-100	0	-100
2. Washington Quality Award Council	77	0	77
3. Census Block Boundary Program	86	0	86
4. Security Microfilm Restoration	0	280	280
5. Public Affairs Broadcasting	1,850	0	1,850
<b>Total Supplemental Items</b>	<b>1,913</b>	<b>280</b>	<b>2,193</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>15,869</b>	<b>10,036</b>	<b>25,905</b>
Fiscal Year 1998 Total	7,970	4,882	12,852
Fiscal Year 1999 Total	7,899	5,154	13,053

**Comments:**

1. ODD YEAR ELECTIONS STATE SHARE - By statute, the state is required to reimburse counties for a prorated share of odd-year election costs, which may be paid only from appropriations specifically provided for this purpose. This item adjusts existing funding in the Secretary of State's 1997-99 biennial budget to reflect lower billings to reimburse counties for the state's share of actual 1997 election costs.
  
2. WASHINGTON QUALITY AWARD COUNCIL - One-time funding is provided for staffing the Washington Quality Award Council for the remainder of the 1997-99 biennium.
  
3. CENSUS BLOCK BOUNDARY PROGRAM - Funding is provided to continue staff support for census-related activities in anticipation of the national census in the year 2000.
  
4. SECURITY MICROFILM RESTORATION - Funding is provided to preserve and restore security microfilm of essential local government records. (Archives and Records-Private/Local)
  
5. PUBLIC AFFAIRS BROADCASTING - Funding is provided to continue public affairs broadcasting by Television Washington (TVW) in FY 1999. The Secretary of State is directed to enter into a four-year contract to provide continued broadcasting of public affairs proceedings through FY 2003.

## Office of the State Treasurer

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>11,567</b>	<b>11,567</b>
1998 Supplemental Budget			
1. Treasury Management System	0	815	815
<b>Total Supplemental Items</b>	<b>0</b>	<b>815</b>	<b>815</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>12,382</b>	<b>12,382</b>
Fiscal Year 1998 Total	0	6,178	6,178
Fiscal Year 1999 Total	0	6,204	6,204

**Comments:**

1. TREASURY MANAGEMENT SYSTEM - Funding is provided for the continued development of the treasury management system. The initial 1997-99 biennial budget includes \$450,000 to begin developing the new system. This item funds design and development during the remainder of the biennium. The treasury management system will replace existing state debt, investments, cash management, and treasury accounting systems. (State Treasurer's Service Account)

## Office of the State Auditor

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>1,356</b>	<b>38,060</b>	<b>39,416</b>
1998 Supplemental Budget			
1. Whistleblower Program	0	250	250
2. Audit Electronic Signatures	0	75	75
3. Electric Utility Report	25	0	25
4. K-12 Audit Resolution Team	500	0	500
5. State Contractor Audits	0	120	120
<b>Total Supplemental Items</b>	<b>525</b>	<b>445</b>	<b>970</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>1,881</b>	<b>38,505</b>	<b>40,386</b>
Fiscal Year 1998 Total	688	19,216	19,904
Fiscal Year 1999 Total	1,193	19,289	20,482

**Comments:**

1. WHISTLEBLOWER PROGRAM - Funding is provided to address an increase in the number of whistleblower cases being reported by state employees and the increased complexity of these investigations. (Auditing Services Revolving Account-State)
  
2. AUDIT ELECTRONIC SIGNATURES - Funding is provided for compliance audits of the Secretary of State and the Department of Information Services in certifying digital signatures of private companies, local governments, and state agencies. (Auditing Services Revolving Account-State)
  
3. ELECTRIC UTILITY REPORT - Funding is provided for the implementation of Chapter 287, Laws of 1998, Partial Veto (E2SHB 2831 - Electric Utilities Report). Electric utilities will provide cost studies and service quality and reliability reports to the State Auditor and the Utilities and Transportation Commission. The Auditor and the Commission will analyze and summarize the submitted studies and reports in a joint report to the Legislature by December 1, 1998.
  
4. K-12 AUDIT RESOLUTION TEAM - Funding is provided for auditing state funds allocated to local school districts.
  
5. STATE CONTRACTOR AUDITS - Chapter 232, Laws of 1998 (E2SHB 2881) expands the authority of the state auditor to audit non-government entities which contract with state agencies. The audit costs are paid by the contracting agencies. (Auditing Services Revolving Account-State)

## Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>67</b>	<b>0</b>	<b>67</b>
1998 Supplemental Budget			
1. Unemployment Compensation	7	0	7
<b>Total Supplemental Items</b>	<b>7</b>	<b>0</b>	<b>7</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>74</b>	<b>0</b>	<b>74</b>
Fiscal Year 1998 Total	11	0	11
Fiscal Year 1999 Total	63	0	63

**Comments:**

1. UNEMPLOYMENT COMPENSATION - The Commission on Salaries for Elected Officials has received bills for unemployment compensation in excess of its existing appropriation for FY 1998. The additional funding will allow this agency to pay these bills and not exceed its appropriation.

## Office of the Attorney General

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>7,992</b>	<b>131,649</b>	<b>139,641</b>
1998 Supplemental Budget			
1. Torts Litigation Workload	0	750	750
2. PSEA Shortfall	0	-9	-9
<b>Total Supplemental Items</b>	<b>0</b>	<b>741</b>	<b>741</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>7,992</b>	<b>132,390</b>	<b>140,382</b>
Fiscal Year 1998 Total	4,161	66,715	70,876
Fiscal Year 1999 Total	3,831	65,675	69,506

**Comments:**

1. TORTS LITIGATION WORKLOAD - This item funds two additional staff in the Torts Division that will be assigned to the Department of Social and Health Services for one year and outside counsel costs for major cases. An increase in the number of tort lawsuits filed against the state and expanded areas of tort liability have contributed to the increased need for tort defense services. (Legal Services Revolving Account-State)
  
2. PSEA SHORTFALL - Funding is reduced to reflect a revenue shortfall in the Public Safety and Education Account (PSEA).

**Governor's Vetoes:**

The Governor vetoed Section 115(5) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which referred to legislation regulating travel sales that failed to be enacted.

## Department of Financial Institutions

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>15,669</b>	<b>15,669</b>
1998 Supplemental Budget			
1. Unanticipated Receipt	0	37	37
<b>Total Supplemental Items</b>	<b>0</b>	<b>37</b>	<b>37</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>15,706</b>	<b>15,706</b>
Fiscal Year 1998 Total	0	7,750	7,750
Fiscal Year 1999 Total	0	7,956	7,956

**Comments:**

1. UNANTICIPATED RECEIPT - Spending authority is provided for an unanticipated receipt from settlement of a securities enforcement action. (Securities Regulation Account)

## Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>113,712</b>	<b>196,540</b>	<b>310,252</b>
<b>1998 Supplemental Budget</b>			
1. Transfer Visitor Centers to GF-S	126	0	126
2. Washington Manufacturing Service	290	0	290
3. Emergency Food Assistance Program	383	0	383
4. Early Childhood Education Program	1,100	0	1,100
5. Pacific Science Center	0	2,316	2,316
6. Building Code Council	0	48	48
7. Clean Washington Account	0	11	11
8. Federal Flood Assistance	0	4,656	4,656
9. Byrne Formula Grant	0	1,750	1,750
10. Farmworker Housing	1,000	0	1,000
11. PSEA Shortfall	61	-61	0
12. Mobile Home Relocation Assistance	0	50	50
13. Coastal Erosion	275	0	275
14. Regulatory Reform	49	0	49
15. Citizen Review Panels	191	0	191
16. Transfer to SIRTI	965	0	965
17. Electric Power Consumer Rights	92	0	92
18. Overnight Youth Shelters	120	0	120
19. International Trade Fairs	165	0	165
20. Governor Veto	-49	0	-49
<b>Total Supplemental Items</b>	<b>4,768</b>	<b>8,770</b>	<b>13,538</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>118,480</b>	<b>205,310</b>	<b>323,790</b>
Fiscal Year 1998 Total	57,078	102,141	159,219
Fiscal Year 1999 Total	61,402	103,169	164,571

**Comments:**

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|--|--|
| <p>1. TRANSFER VISITOR CENTERS TO GF-S - Funding is transferred from the motor vehicle account to the state general fund for the visitor information centers. Certain programs and portions of programs within the Department were historically funded in the operating budget. In the 1993-95 biennium, funding responsibility for many of these programs was transferred to the transportation budget. The operating budget assumes funding responsibility for these programs beginning in FY 1999. Similar transfers occur in the Washington State Patrol and the Office of Financial Management.</p> <p>2. WASHINGTON MANUFACTURING SERVICE - Funding is provided to add four Washington Manufacturing Service (WMS) field staff to serve Southwest Washington, Yakima and the Tri-Cities area, east King County, and one staff person to focus on the food processing sector. WMS is a nonprofit organization that provides technical assistance to small manufacturers.</p> <p>3. EMERGENCY FOOD ASSISTANCE PROGRAM - Provides additional funding for food banks in response to an increasing number of clients.</p> | <p>4. EARLY CHILDHOOD EDUCATION PROGRAM - Provides funding for an additional 278 enrollment slots for children enrolled in the the Early Childhood Education and Assistance Program (ECEAP), for a total of 7,052 enrollment slots.</p> <p>5. PACIFIC SCIENCE CENTER - Provides additional appropriation authority to pass through remaining grant funds from the federal Department of Housing and Urban Development (HUD) to improve the Pacific Science Center's capital facilities. Of the \$2.5 million grant, \$2.3 million had not yet been appropriated. (General Fund-Federal)</p> <p>6. BUILDING CODE COUNCIL - Provides additional appropriation authority to support the State Building Code Council at authorized staffing levels to review new editions of the national model building codes being developed for the Year 2000. (Building Code Council Account)</p> <p>7. CLEAN WASHINGTON ACCOUNT - Provides funding for additional assistance to firms in the recycling industry and expends the remaining balance in the Clean Washington Account. (Clean Washington Account)</p> |
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## Department of Community, Trade, & Economic Development

8. FEDERAL FLOOD ASSISTANCE - Provides \$2.7 million in appropriation authority to spend federal HUD Disaster Recovery Program carryover funds from the 1995-97 biennium to assist with high wind damage and flood repairs. An additional \$2 million in authority is provided from HUD for repair assistance related to the winter of 1997 floods and mudslides. (General Fund-Federal)
9. BYRNE FORMULA GRANT - The federal Byrne Formula Grant provides pass-through funding to state agencies, local governments, and nonprofit agencies for drug law enforcement, criminal justice system improvements, drug treatment programs, domestic violence legal advocacy, and youth violence prevention programs. This item provides appropriation authority to spend federal Byrne Grant funding for FY 1999 and federal carryover funds from the prior federal grant periods for legislatively authorized programs. (General Fund-Federal)
10. FARMWORKER HOUSING - Funding is provided for grants to develop housing for low-income temporary or migrant farm workers. See page 241 for more information on the Housing Assistance, Weatherization, and Affordable Housing Program capital project.
11. PSEA SHORTFALL - Funding is provided to offset a reduction in the Public Safety and Education Account (PSEA) account due to a revenue shortfall.
12. MOBILE HOME RELOCATION ASSISTANCE - Chapter 124, Laws of 1998 (SB 6380) mandates a \$500 increase in the maximum amount for mobile home relocation reimbursement for double-wide units. (Mobile Home Park Relocation Fund)
13. COASTAL EROSION - Funding is provided for grants to the City of Ocean Shores to complete economic assessments, environmental impact studies, and emergency management planning related to coastal erosion.
14. REGULATORY REFORM - Funding is provided to develop a local government economic impact statement guide pursuant to Section 11, Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification.
15. CITIZEN REVIEW PANELS - Funding of \$18,000 is provided to complete a study of citizen review panels pursuant to Section 15, Chapter 314, Laws of 1998, Partial Veto (SHB 2556). The remaining \$173,000 is provided to contract with the Department of Social and Health Services (DSHS) to implement SHB 2556 related to treatment services for mothers giving birth to drug or alcohol affected infants.
16. TRANSFER TO SIRTI - Funds are transferred from the Joint Center for Higher Education to operate the Spokane Intercollegiate Research and Technology Institute (SIRTI) per Chapter 344, Laws of 1998, Partial Veto (SSB 6655). The Department of Community, Trade, & Economic Development receives \$21,000 of these funds for administrative expenses. The remaining \$944,000 passes through to SIRTI to manage the Institute. The non-appropriated grant and local funds (\$3.7 million) are budgeted with the Institute.
17. ELECTRIC POWER CONSUMER RIGHTS - Funding is provided to implement the provisions of Chapter 300, Laws of 1998, Partial Veto (ESSB 6560) which include providing technical assistance to consumer-owned utilities, a report on consumer protection policies and procedures adopted by consumer-owned utilities, and a study with the Utilities and Transportation Commission on the state's electricity market.
18. OVERNIGHT YOUTH SHELTERS - Funding is provided for grants to the currently licensed overnight youth shelters to continue to meet DSHS licensing requirements. Funds may be used to provide staff, food, beds, or facility maintenance.
19. INTERNATIONAL TRADE FAIRS - Funding for international trade fairs is provided from the general fund instead of the parimutuel tax as a result of Chapter 345, Laws of 1998, Partial Veto (E2SSB 6562).
20. GOVERNOR VETO - The Governor vetoed Section 117(18) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

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.

## Office of Financial Management

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>20,783</b>	<b>36,227</b>	<b>57,010</b>
1998 Supplemental Budget			
1. Transfer Certain Programs to GF-S	138	0	138
2. BARS Accounting	74	0	74
3. Budget and Accounting Support	256	0	256
4. Unemployment Compensation	71	0	71
5. Fish and Wildlife Management Review	250	0	250
6. Robert Wood Johnson Foundation	0	190	190
7. Vendor Contracting Services	139	0	139
8. Long-Term Care Performance Review	75	0	75
9. 2SSB 6544 - Adult Fam/Board Homes	50	0	50
<b>Total Supplemental Items</b>	<b>1,053</b>	<b>190</b>	<b>1,243</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>21,836</b>	<b>36,417</b>	<b>58,253</b>
Fiscal Year 1998 Total	10,626	11,590	22,216
Fiscal Year 1999 Total	11,210	24,827	36,037

**Comments:**

- |   |  |
|---|--|
| <p>1. TRANSFER CERTAIN PROGRAMS TO GF-S - Historically, a transportation budget analyst and transportation policy analyst have been funded in the operating budget but were transferred to the transportation budget in the 1993-95 biennium. The operating budget assumes responsibility for these positions beginning in FY 1999.</p> <p>2. BARS ACCOUNTING - Funding is provided for one analyst position to assist in revising the Budget, Accounting, and Reporting System (BARS) to ensure grants are coded accurately, to minimize duplicative data requests, and to answer questions regarding how much the state is contributing to city and county expenditures.</p> <p>3. BUDGET AND ACCOUNTING SUPPORT - Funding is provided to adjust charges billed to agencies for Small Agency Client Services resulting from an error in billing charges. The Office of Financial Management will adjust the rates charged to agencies for these services at the beginning of the 1999-2001 biennium to reflect the correct rate.</p> <p>4. UNEMPLOYMENT COMPENSATION - Funding is provided to pay unemployment compensation claims on behalf of the Health Services Commission (\$66,000) and the Performance Partnership Council (\$5,000).</p> <p>5. FISH AND WILDLIFE MANAGEMENT REVIEW - Funding is provided to review the Department of Fish and Wildlife's finances and management.</p> <p>6. ROBERT WOOD JOHNSON FOUNDATION - Additional private funding is provided to carry out Basic Health Plan surveys, evaluate the effects of coordinated state purchasing, and undertake a state population survey. (General Fund-Local)</p> | <p>7. VENDOR CONTRACTING SERVICES - Chapter 231, Laws of 1998 (E2SHB 2880) creates the task force on vendor contracting practices. The nine-member task force is charged with reviewing fee-for-service and client service contracts conducted by nonprofit contractors. One-time funding is provided to convene the task force and to provide staff assistance.</p> <p>8. LONG-TERM CARE PERFORMANCE REVIEW - One-time funding is provided for a performance review of the long-term care system, to be contracted jointly by the Legislature and the Office of Financial Management.</p> <p>9. 2SSB 6544 - ADULT FAM/BOARD HOMES - The Office of Financial Management received an appropriation of \$50,000 in Chapter 272, Laws of 1998, Partial Veto (2SSB 6544), to establish a joint legislative and executive task force on long-term care, safety, quality, and oversight.</p> |
|---|--|

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.

## Department of Personnel

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>28,779</b>	<b>28,779</b>
1998 Supplemental Budget			
1. Investigator Training	0	100	100
<b>Total Supplemental Items</b>	<b>0</b>	<b>100</b>	<b>100</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>28,879</b>	<b>28,879</b>
Fiscal Year 1998 Total	0	14,313	14,313
Fiscal Year 1999 Total	0	14,566	14,566

**Comments:**

1. INVESTIGATOR TRAINING - Investigators are employed by various state agencies, including the Washington State Patrol, the Department of Social and Health Services, the Department of Labor and Industries, the Department of Ecology, the Public Disclosure Commission, the State Auditor's Office, and the Office of the Attorney General. Chapter 378, Laws of 1997, created a study group, co-chaired by the Attorney General and the Chief of the Washington State Patrol, to develop mandatory training, policies, and procedures for state investigators. Funding is provided for an Investigative Training Coordinator to coordinate the training needs among agencies, develop a curriculum, identify trainers, and ensure that training is provided, in support of the recommendations of the study group. (Personnel Services Revolving Fund)

## Department of Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>34,732</b>	<b>34,732</b>
1998 Supplemental Budget			
1. Corrected Auditor's Billing	0	71	71
2. Consolidate Staff	0	2,761	2,761
3. Delay Imaging Implementation	0	-846	-846
4. Plan I Gain Sharing (HB 2491)	0	118	118
5. School Employees' Retirement System	0	920	920
6. \$150,000 Death Benefit (ESB 6305)	0	42	42
<b>Total Supplemental Items</b>	<b>0</b>	<b>3,066</b>	<b>3,066</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>37,798</b>	<b>37,798</b>
Fiscal Year 1998 Total	0	17,637	17,637
Fiscal Year 1999 Total	0	20,161	20,161

**Comments:**

1. CORRECTED AUDITOR'S BILLING - Funding is provided to pay the State Auditor to audit the Department of Retirement Systems statewide audit and the agency's Comprehensive Annual Financial Report. This funding to pay the State Auditor was omitted from the 1997-99 biennial budget. (Department of Retirement Systems Expense Account)
  
2. CONSOLIDATE STAFF - Due to an impending rent increase in the agency's current building, the agency is funded to move to more cost effective space if lease negotiations for the current building are not successful. These costs are one-time. (Department of Retirement Systems Expense Account)
  
3. DELAY IMAGING IMPLEMENTATION - Implementation of the Imaging Project will be deferred if the agency must move to another space. (Department of Retirement Systems Expense Account)
  
4. PLAN I GAIN SHARING (HB 2491) - Funding is provided for the one-time administrative costs of implementing Chapter 340, Laws of 1998 [ESHB 2491 - Gain Sharing for the Public Employees' Retirement System Plan I and the Teachers' Retirement System Plan I]. (Department of Retirement Systems Expense Account)
  
5. SCHOOL EMPLOYEES' RETIREMENT SYSTEM - Funding is provided to implement Chapter 341, Laws of 1998 (SSB 6306), which creates the Washington School Employees' Retirement System Plan II and Plan III. (Department of Retirement Systems Expense Account)
  
6. \$150,000 DEATH BENEFIT (ESB 6305) - Funding is provided to implement Chapter 157, Laws of 1998 (ESB 6305). This bill provides a \$150,000 death benefit for general authority police at ports and universities. (Department of Retirement Systems Expense Account)

## Department of Revenue

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>130,353</b>	<b>8,106</b>	<b>138,459</b>
1998 Supplemental Budget			
1. Retail Study	60	0	60
2. Tax Legislation Implementation	104	0	104
3. Regulatory Reform	50	0	50
4. Enhanced 911 Wireless Study	0	100	100
5. Senior Citizen Tax Deferral	89	0	89
6. Governor Veto	-50	0	-50
<b>Total Supplemental Items</b>	<b>253</b>	<b>100</b>	<b>353</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>130,606</b>	<b>8,206</b>	<b>138,812</b>
Fiscal Year 1998 Total	65,033	4,053	69,086
Fiscal Year 1999 Total	65,573	4,153	69,726

**Comments:**

1. RETAIL STUDY - Funding is provided for a study of the costs incurred by retailers in collecting and remitting state and local sales taxes. The Department will submit a report to the House of Representatives and the Senate by December 31, 1998.

the calculation of disposable income and increasing the size of the parcel limit.
3. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification.
4. ENHANCED 911 WIRELESS STUDY - Funding is provided for an enhanced 911 study. The study group shall present its findings and recommendations to the Governor and the appropriate committees of the Legislature no later than December 31, 1998. (Enhanced 911 Account)
5. SENIOR CITIZEN TAX DEFERRAL - Funding is provided for implementation of Chapter 333, Laws of 1998, Partial Veto (ESSB 6533 - Senior Citizen Tax Deferral). Senior citizens and persons who are retired from regular employment because of physical disability are eligible for property tax exemption or deferral based on disposable household income. The state reimburses local governments for the local portion of deferred property taxes. ESSB 6533 broadens eligibility for tax exemptions and deferrals by exempting health care insurance and veteran's military disability benefits from disposable household income, increasing the parcel size limit, and increasing the disposable household income levels for property tax exemptions.
6. GOVERNOR VETO - The Governor vetoed Section 122(6) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

The Governor vetoed Sections 2 and 3 of Chapter 333, Laws of 1998, Partial Veto (ESSB 6533 - Senior Citizen Tax Deferral) which broadened eligibility for property tax deferrals by allowing health care insurance and veteran's military benefits to be deducted from

## Department of Information Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>226,333</b>	<b>226,333</b>
1998 Supplemental Budget			
1. K-20 Technology Network	0	6,900	6,900
<b>Total Supplemental Items</b>	<b>0</b>	<b>6,900</b>	<b>6,900</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>233,233</b>	<b>233,233</b>
Fiscal Year 1998 Total	0	125,202	125,202
Fiscal Year 1999 Total	0	108,031	108,031

**Comments:**

1. K-20 TECHNOLOGY NETWORK - Funding is provided in FY 1999 to the Education Technology Revolving Fund for K-20 operating expenses including transport, network operations, and maintenance in accordance with the funding model approved by the Telecommunications Oversight and Policy Committee (TOPC). This appropriation allows the K-20 technology account to be used for completing Phase II network build-out in accordance with the prioritized Phase II development schedule approved by the TOPC. (Education Savings Account)

## Office of the Insurance Commissioner

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>22,387</b>	<b>22,387</b>
1998 Supplemental Budget			
1. Cooper Jones Act	0	100	100
2. Regulatory Reform	0	50	50
3. Governor Veto	0	-150	-150
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>22,387</b>	<b>22,387</b>
Fiscal Year 1998 Total	0	11,445	11,445
Fiscal Year 1999 Total	0	10,942	10,942

**Comments:**

1. COOPER JONES ACT - Funding is provided for allocation to the Traffic Safety Commission to implement a program of traffic safety education to promote bicycle and pedestrian safety, as provided in the Cooper Jones Act, Chapter 165, Laws of 1998 (ESHB 2439). (Insurance Commissioner's Regulatory Account)
  
2. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (Insurance Commissioner's Regulatory Account)
  
3. GOVERNOR VETO - The Governor vetoed Section 124(3) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

The Governor vetoed Section 124(4) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which allocated \$100,000 from the Insurance Commissioner's budget to the Traffic Safety Commission for implementation of Chapter 165, Laws of 1998 (ESHB 2439 - Bicycle and Pedestrian Safety Education).

## Washington State Liquor Control Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>2,845</b>	<b>131,310</b>	<b>134,155</b>
1998 Supplemental Budget			
1. Increase Funding for Commissions	0	944	944
2. Cigarette Tax Enforcement	52	0	52
3. Credit Cards in Liquor Agencies	0	272	272
<b>Total Supplemental Items</b>	<b>52</b>	<b>1,216</b>	<b>1,268</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>2,897</b>	<b>132,526</b>	<b>135,423</b>
Fiscal Year 1998 Total	1,603	66,354	67,957
Fiscal Year 1999 Total	1,294	66,172	67,466

**Comments:**

1. INCREASE FUNDING FOR COMMISSIONS - Funding is provided for an increase in vendor commissions due to a growth in liquor sales. The increase reflects a larger sales volume rather than an increased commission rate for agency vendors. (Liquor Revolving Account)
  
2. CIGARETTE TAX ENFORCEMENT - Funding is provided for equipment costs associated with cigarette tax enforcement.
  
3. CREDIT CARDS IN LIQUOR AGENCIES - Additional Liquor Revolving Account funding totaling \$272,000 is provided for the costs associated with allowing the use of credit cards in liquor agency stores pursuant to Chapter 265, Laws of 1998 (SSB 6253 - Liquor Vendors/Credit Sales). Of this amount, \$199,000 is provided for equipment purchases and other one-time costs. (Liquor Revolving Account)

## Utilities and Transportation Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>24,605</b>	<b>24,605</b>
1998 Supplemental Budget			
1. Electrical Consumer Protection	0	133	133
2. Universal Telecommunications	0	308	308
<b>Total Supplemental Items</b>	<b>0</b>	<b>441</b>	<b>441</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>25,046</b>	<b>25,046</b>
Fiscal Year 1998 Total	0	12,302	12,302
Fiscal Year 1999 Total	0	12,744	12,744

**Comments:**

1. ELECTRICAL CONSUMER PROTECTION - Spending authority is provided to implement the provisions of Chapter 300, Laws of 1998, Partial Veto (ESSB 6560), which include a joint study with the Department of Community, Trade, and Economic Development on the state's electricity market. (Public Service Revolving Fund)
  
2. UNIVERSAL TELECOMMUNICATIONS - Spending authority is provided to plan and prepare to implement a new universal service program pursuant to Chapter 337, Laws of 1998 (ESSB 6622). (Public Service Revolving Fund)

NOTE: The Utilities & Transportation Commission received an appropriation of \$222,000 in the original 1997-99 Transportation Budget.

## Military Department

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>16,305</b>	<b>183,730</b>	<b>200,035</b>
1998 Supplemental Budget			
1. Pend Oreille County Flood	9	16	25
2. Emergency Worker Claims	108	0	108
3. Fire Mobilization Reimbursement	356	654	1,010
4. Relocation Costs	69	0	69
5. Accelerated Disaster Response	1,145	16,233	17,378
<b>Total Supplemental Items</b>	<b>1,687</b>	<b>16,903</b>	<b>18,590</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>17,992</b>	<b>200,633</b>	<b>218,625</b>
Fiscal Year 1998 Total	8,602	88,537	97,139
Fiscal Year 1999 Total	9,390	112,096	121,486

**Comments:**

- |   |  |
|---|--|
| <p>1. PENDING OREILLE COUNTY FLOOD - Funding is provided for assistance to individuals, families, and small businesses for disaster recovery related to the 1997 Pend Oreille County flood. The Federal Emergency Management Agency contributes 75 percent of assistance to individuals and the state is responsible for the remaining 25 percent. General Fund-State dollars are appropriated to the Disaster Response Account. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)</p>     | <p>the Disaster Response Account for expenses originally anticipated for the 1999-2001 biennium. These costs represent expedited disaster recovery projects; it is assumed that estimated expenditures on current disasters in the 1999-2001 biennium will be reduced by an equal amount. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)</p> |
| <p>2. EMERGENCY WORKER CLAIMS - Funding is provided for emergency worker claims pursuant to Chapter 38.52 RCW (Emergency Management). These claims are for a one-time property loss claim of \$36,000 in FY 1998 and a recurring death annuity of \$36,000 in FY 1998 and FY 1999.</p>  |  |
| <p>3. FIRE MOBILIZATION REIMBURSEMENT - Funding is provided to reimburse local jurisdictions for the state share of four fire mobilizations in the summer of 1997. The State Fire Resource Mobilization Plan specifies conditions under which the state deploys resources during major fire events and reimburses local jurisdictions for their costs. General Fund-State dollars are appropriated to the Disaster Response Account. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)</p> |  |
| <p>4. RELOCATION COSTS - Construction of a new Emergency Operation Center will be completed in the spring of 1998. Funding is provided for an upgraded telephone system for the new facility, operating costs for phone service, and moving costs. Adjustments also are made to remove lease costs for the old facility and to fund operating and maintenance costs of the new facility.</p>  |  |
| <p>5. ACCELERATED DISASTER RESPONSE - Funding is provided to continue the accelerated pace of disaster recovery reimbursements. The Emergency Management Division has made reimbursements to individuals, families, small businesses, and local governments at a more rapid rate than originally anticipated. To continue the accelerated pace of disaster reimbursements, General Fund-State dollars are appropriated to</p>   |  |

## State Convention and Trade Center

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>27,175</b>	<b>27,175</b>
1998 Supplemental Budget			
1. Convention and Visitors Bureau	0	219	219
<b>Total Supplemental Items</b>	<b>0</b>	<b>219</b>	<b>219</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>27,394</b>	<b>27,394</b>
Fiscal Year 1998 Total	0	13,723	13,723
Fiscal Year 1999 Total	0	13,671	13,671

**Comments:**

1. CONVENTION AND VISITORS BUREAU - Funding is provided to increase the agency's payment to the Seattle-King County Convention and Visitors Bureau due to higher than expected revenues. (State Convention and Trade Center Operations Account)

# Human Services

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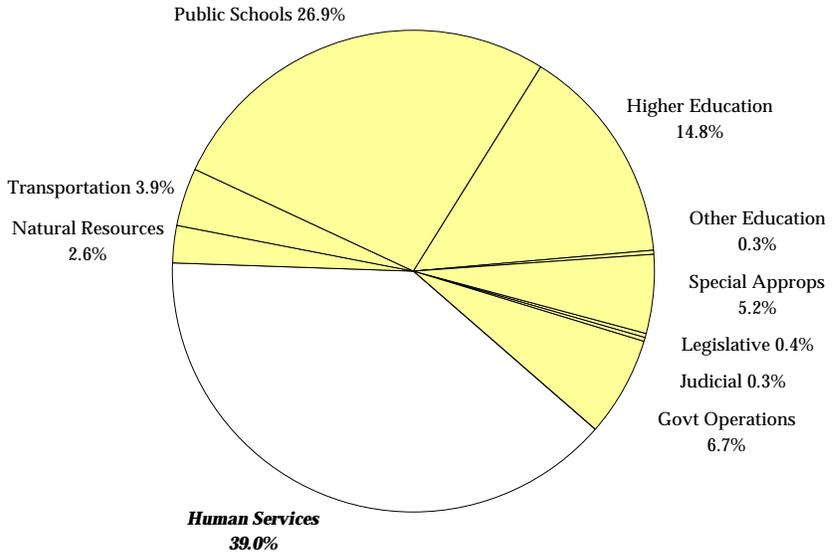
The Human Services area is separated into two sections. The Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section 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.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

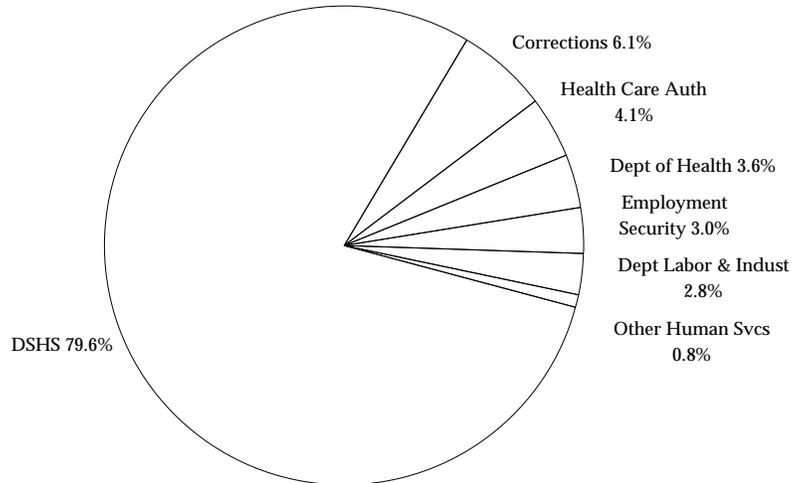
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
<b>Human Services</b>	<b>13,918,431</b>
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

DSHS	11,074,351
Dept of Corrections	845,896
Health Care Authority	572,185
Dept of Health	507,113
Employment Security	420,582
Dept of Labor & Indust	384,147
Other Human Svcs	114,157
<b>Human Services</b>	<b>13,918,431</b>

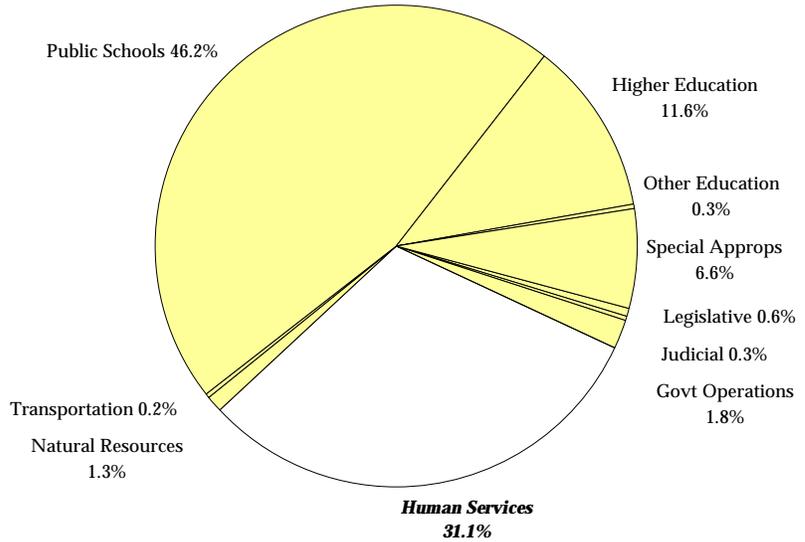


## Human Services

**1997-99 Washington State Operating Budget**  
**General Fund - State**  
(Dollars in Thousands)

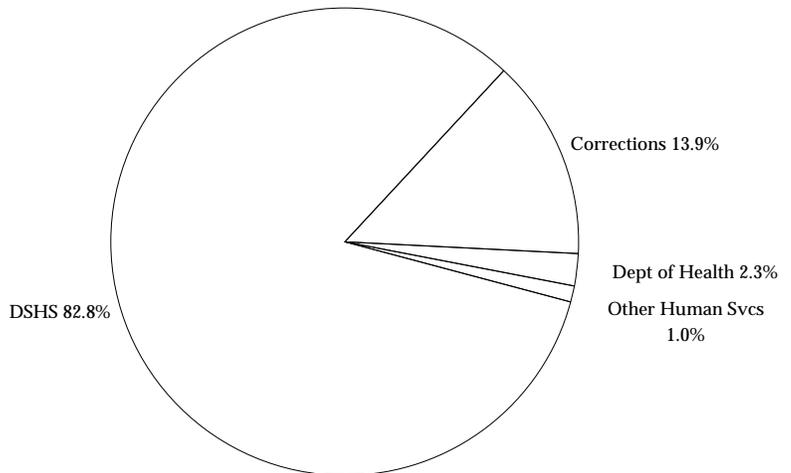
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Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
<b>Human Services</b>	<b>5,930,793</b>
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



**Washington State**

DSHS	4,912,039
Dept of Corrections	822,442
Dept of Health	136,322
Other Human Svcs	59,990
<b>Human Services</b>	<b>5,930,793</b>



**Human Services**

# Department of Social & Health Services

## **Children and Family Services**

The budget provides \$9.4 million from the state general fund for distribution to local governments for processing of truancy, children in need of services, and at-risk youth petitions reflecting costs related to the Becca Bills. This increase brings the total amount of funding to counties for Becca-related costs to \$14 million.

A total of \$322,000 in state and federal funds is provided to implement Chapter 314, Laws of 1998, Partial Veto (SHB 2556), an act related to child abuse prevention and treatment. Other bill provisions include an evaluation by the Institute for Public Policy of Washington's options to implement federally-required citizen review panels and child welfare intervention for mothers giving birth to drug or alcohol affected infants. These provisions are funded in fiscal year 1999 by an interagency contract with the Department of Community, Trade, and Economic Development.

A total of \$70,000 from the state general fund is provided for the Foster Intervention Retention Support Team (FIRST). FIRST is a statewide network of volunteers who provide support to foster parents who find themselves under investigation by child protective services for an alleged misconduct or license violation.

A variety of caseload, funding transfers, and other technical adjustments are also made to the Children and Family Services budget. These adjustments decrease the original appropriation by \$488,000 in state and federal funds.

## **Juvenile Rehabilitation Administration**

The amount of \$2.7 million from the Violence Reduction and Drug Enforcement Account is provided for the Community Juvenile Accountability Act (CJAA) grant process established by Chapter 338, Laws of 1997 (E3SHB 3900). The CJAA grants will be distributed to local communities to implement interventions aimed at reducing juvenile crime and recidivism. The budget provides \$200,000 for the remaining planning and development activities in fiscal year 1998, with full implementation beginning in fiscal year 1999 at a cost of \$2.5 million per year.

A total of \$2.4 million from the state general fund is provided to implement Chapter 269, Laws of 1998 (E2SSB 6445), which modifies provisions related to the placement of youth in Juvenile Rehabilitation Administration (JRA) community facilities. An amount of \$482,000 from the state general fund is provided to continue to implement Chapter 386, Laws of 1997, Partial Veto (E2SSB 5710), which required JRA to develop a policy to protect youth placed in residential facilities who are vulnerable to sexual victimization by other youth.

A variety of caseload, funding transfers, and other technical adjustments are also made to JRA's budget. These adjustments increased JRA's original appropriations by \$1.8 million in state and federal funds.

### **Mental Health Division**

A total of \$5.0 million in state and federal funds is provided for four emergent budgetary issues at the state hospitals. These include: the need for additional direct and indirect patient care staff; increased costs and utilization of outside acute or emergency medical services; increased costs of psychotropic drugs and greater utilization of atypical anti-psychotic drugs; and census pressure on the admissions ward at the Legal Offender Unit at Western State Hospital.

A total of \$3.5 million is provided from state general fund for the relocation of the Special Commitment Center (SCC) from Monroe to McNeil Island. The relocation is necessary due to higher than projected growth in the number of people being civilly committed as sex predators. This funding provides for the costs associated with this larger population, the one-time SCC relocation expenses, and costs associated with housing and treatment of a female resident at a separate facility.

A total of \$3.0 million in state and federal funds is provided to implement Chapter 297, Laws of 1998, Partial Veto (2SSB 6214), which makes a variety of changes to the civil commitment and criminal competency statutes. The budget also includes a reduction of \$2 million in state and federal funds as a result of 30 dually diagnosed (mentally ill and developmentally disabled) patients leaving the state hospitals. A variety of other caseload, funding transfers, and technical adjustments are also made to the Mental Health Division's original biennial appropriations.

### **Developmental Disabilities**

The supplemental budget provides \$16.7 million (\$8.2 million state general fund) to develop intensively supervised residential placements for 169 persons with developmental disabilities whose behaviors might otherwise pose a significant threat to the community at large.

The number of children and adults receiving state-funded assistance with personal care activities is growing faster than originally budgeted, as is the cost per person served. An additional \$10.3 million (\$4.7 million state general fund) is provided to sustain this growth, bringing total growth in the program for the biennium to \$34.1 million over the 1995-97 level. Sufficient funding is also provided for the agency to authorize exceptional payment rates for persons living with their parents at the same level as before the blanket prohibition on such payments went into effect in September 1997.

Some of the other supplemental increases for the developmental disabilities program include: new employment and day training opportunities for 360 adults (\$1.8 million); additional staffing to improve care and treatment in the state institutions (\$6.2 million); new community programs for 41 persons who moved from state institutions last biennium and for an additional 44 who are doing so in the 1997-99 biennium (\$3.2 million); and new community residential placements for 76 young people previously served in children's foster care (\$3.7 million).

### **Long-Term Care**

An additional \$32.8 million (\$14.6 million state general fund) is provided to continue the recent rapid expansions in the number of persons receiving publicly funded long-term care in their own homes and in community residential facilities, and in the average cost of that care. The number of elderly and disabled people receiving community long-term care is now budgeted to increase by an average of 11.5 percent each year in the 1997-99 biennium, rather than by the 9 percent per year originally budgeted. The total state population aged 75 and older will grow by approximately 3 percent per year during this same period.

Efforts to assure that community programs are providing appropriate care will be increased through two enhancements. An additional \$1.9 million (\$1.4 million state general fund) is provided to double the number of boarding home inspections. An \$8.7 million supplemental appropriation (\$4.6 million state general fund) will fund 60 additional state and Area Agency on Aging case managers to develop, coordinate, and monitor individual service plans.

Nursing home payment rates will increase an average of 2.7 percent the second year of the biennium under the new "case-mix" payment system adopted by the 1998 Legislature. Under this new system, the direct care component of the payment rate will be directly tied to patient care needs. Transition to the new payment system will be eased by paying facilities the higher of their current direct care rate, or the new case-mix rate, over the next several fiscal years. The legislation establishing the new payment system provides for future rate increases to be determined as part of the biennial budgeting process rather than by statutory entitlement.

### **Economic Services**

In 1997, as part of welfare reform, the Legislature directed DSHS to provide grants to community action agencies and other community-based organizations to help people on welfare become ready for employment and the transition off of public assistance. The 1998 supplemental budget allocated \$5.0 million from the federal Temporary Assistance For Needy Families (TANF) block grant to the Department of Community, Trade, and Economic Development for WorkFirst grants to community action agencies or other local nonprofit organizations. The proviso directing such an allocation was subsequently vetoed by the governor.

In the 1997 Legislative session, funds were appropriated to cover legal immigrants losing eligibility for Supplemental Security Income under changes made in federal welfare reform.

In the 1998 supplemental budget, General Assistance Program savings of \$49.3 million in state general funds are realized primarily because Congress restored federal SSI benefits for thousands of legal immigrants. If a legal immigrant was receiving SSI benefits on August 22, 1996, or arrived in this country by that date and presents a qualifying disability, federal income support will be available.

Other transfers and technical adjustments are made to the Economic Services budget. These adjustments reduce the original appropriation by \$4.36 million in state and federal funds.

### **Alcohol and Substance Abuse**

Effective July 1, 1998, Treatment Alternatives to Street Crimes (TASC) will be administered by the Division of Alcohol and Substance Abuse (DASA), rather than the Office of the Administrator for the Courts (OAC). The budget transfers \$3.2 million of Public Safety and Education Account funding from OAC to operate the TASC program in fiscal year 1999.

Other funding transfers and technical adjustments are made to the DASA budget. These adjustments increase the original appropriation by \$4.6 million in state and federal funds.

### **Medical Assistance**

An average of about 760,000 people per month are budgeted to receive medical and dental coverage through Medicaid and other state-funded medical assistance programs. Due to the effects of the WorkFirst welfare reform, the number of adults and children covered by Medicaid because of their eligibility for state income assistance programs is projected to decrease by 43,000 (14 percent) from the level originally budgeted. This decrease is offset by more growth than originally budgeted among children with family incomes below 200 percent of poverty who are not on welfare.

Medical Assistance expenditures are now expected to total \$4.0 billion for the 1997-99 biennium, an \$89 million (2.3 percent) increase over the level originally budgeted for the biennium. Because of a \$44 million increase in federal matching funds and disproportionate share hospital payments, state general fund expenditures will be \$30 million less than originally budgeted.

### **Administration and Supporting Services**

The budget provides \$323,000 in state and federal funds to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345), a regulatory reform bill making several changes to the Administrative Procedures Act related to rule making, review, and notification by state agencies. Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

Savings of \$39,000 in state and federal funds are realized from implementation of Chapter 66, Laws of 1998 (ESHB 2346). Legal remedies and dispute resolutions for recovery of vendor overpayments will now be the same as the process used by the Department for public assistance benefits and child support orders.

### **Payments to Other Agencies**

As discussed above in Children and Family Services, a total of \$144,000 in state and federal funds are provided to implement Chapter 314, Laws of 1998, Partial Veto (SHB 2556), an act related to child abuse prevention and treatment.

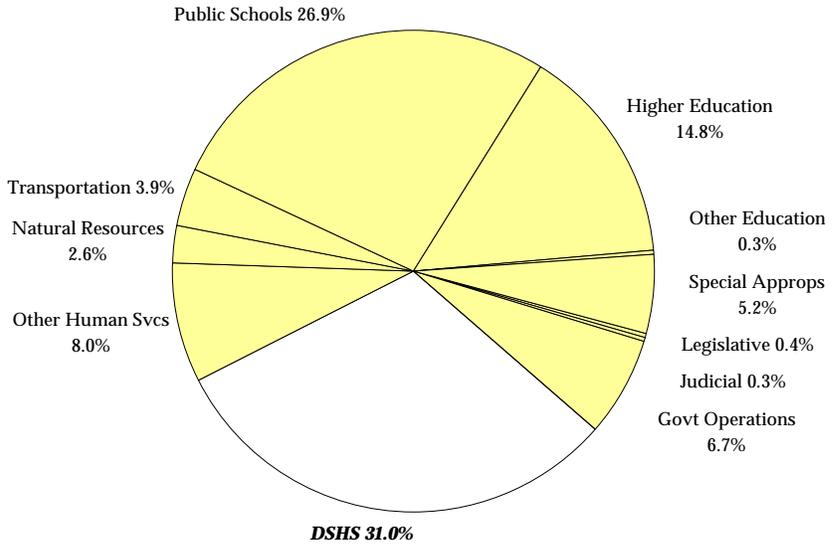
A total of \$750,000 from the state general fund is provided for Attorney General (AG) tort defense in lawsuits involving child welfare and placement activities by the Department. Joint recommendations on how to reduce or limit the state's liability for damages are expected from the AG and the Department by December 1, 1998.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

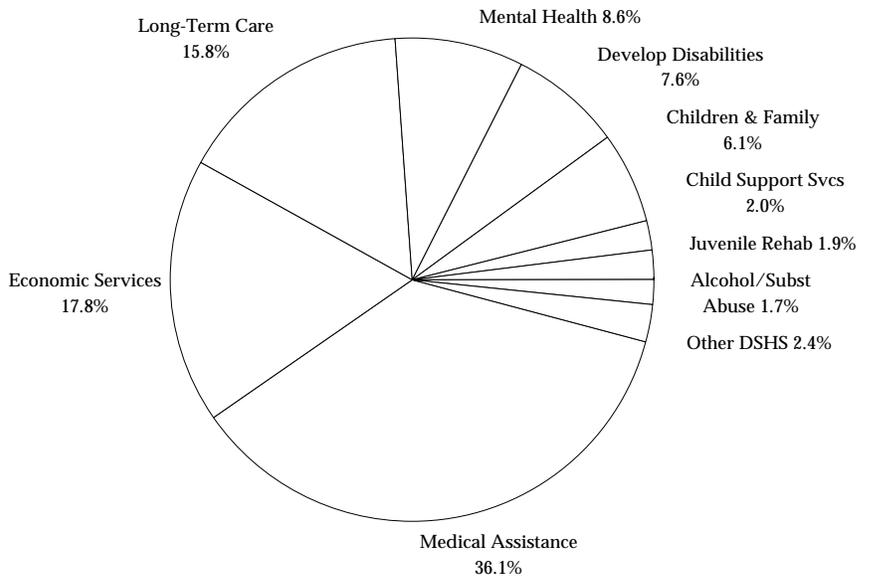
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
<b>DSHS</b>	<b>11,074,351</b>
Other Human Services	2,844,080
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

Medical Assistance	4,000,043
Economic Services	1,967,058
Long-Term Care Svcs	1,749,297
Mental Health	957,283
Developmental Disabilities	845,694
Children & Family Svcs	671,520
Child Support Services	220,303
Juvenile Rehabilitation	209,294
Alcohol/Subst Abuse	190,630
Other DSHS	263,229
<b>DSHS</b>	<b>11,074,351</b>



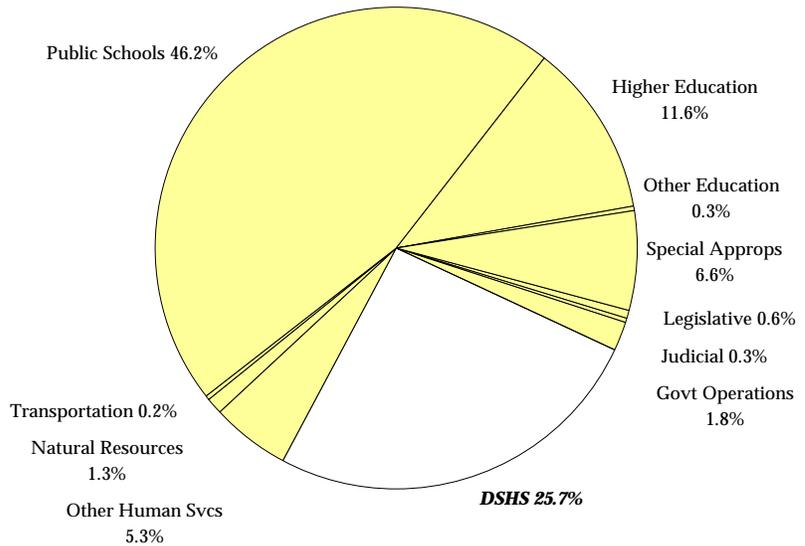
**DSHS**

# 1997-99 Washington State Operating Budget

## General Fund - State

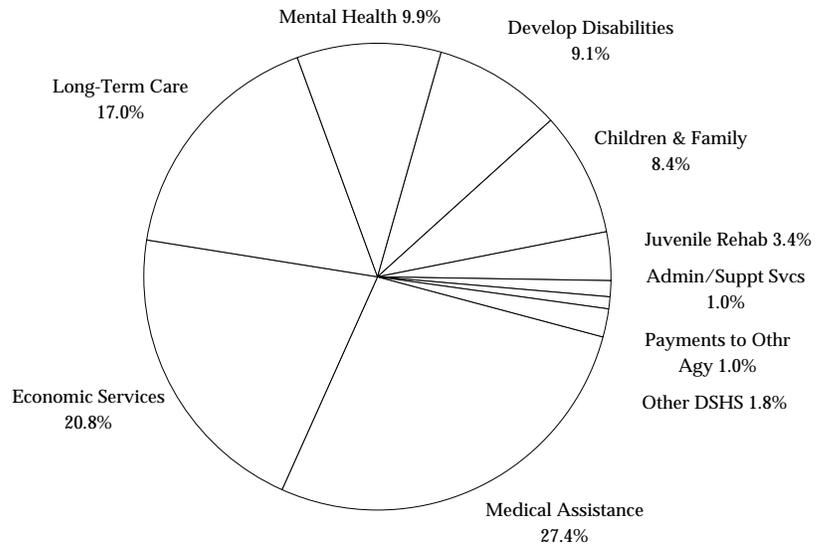
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
<b>DSHS</b>	<b>4,912,039</b>
Other Human Services	1,018,754
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



## Washington State

Medical Assistance	1,348,187
Economic Services	1,020,443
Long-Term Care Svcs	834,599
Mental Health	488,210
Developmental Disabilities	449,025
Children & Family Svcs	414,488
Juvenile Rehabilitation	164,886
Admin/Support Svcs	51,370
Pmts to Other Agencies	50,084
Other DSHS	90,747
<b>DSHS</b>	<b>4,912,039</b>



**DSHS**

## Department of Social and Health Services Children & Family Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>405,298</b>	<b>256,899</b>	<b>662,197</b>
<b>1998 Supplemental Budget</b>			
1. Administrative Reduction Transfer	-916	-248	-1,164
2. Vendor Rate Transfer	7,621	1,754	9,375
3. FMAP Change	-248	248	0
4. Children's Forecast Update	-2,260	-1,023	-3,283
5. Child Abuse & Treatment Act	255	67	322
6. DDD Dependent Children Transfer	-6,402	-2,649	-9,051
7. ECEAP Program Consolidation	3,000	0	3,000
8. Becca Bill Related Costs	9,419	0	9,419
9. Social Service Block Grant Decrease	451	-451	0
10. Secured Crisis Residential Centers	-1,800	0	-1,800
11. Foster Parent Support Teams	70	0	70
12. Victims of Crime Federal Increase	0	2,435	2,435
<b>Total Supplemental Items</b>	<b>9,190</b>	<b>133</b>	<b>9,323</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>414,488</b>	<b>257,032</b>	<b>671,520</b>
Fiscal Year 1998 Total	201,453	127,358	328,811
Fiscal Year 1999 Total	213,035	129,674	342,709

**Comments:**

This budget directs that the Children's Administration will forego use of \$3.495 million in appropriations from the Violence Reduction and Drug Enforcement (VRDE) account in exchange for a like amount of federal Title IV-B money from Community Public Health and Safety Networks. The budget contains changes in fund sources and proviso language (includes Continuum of Care) to implement this fund swap.

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Children and Family Services program. (General Fund-State, General Fund-Federal)
2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Children and Family Services program. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)
3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches state child and family service expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)
4. CHILDREN'S FORECAST UPDATE - Funding is provided to reflect the following November 1997 forecast changes: (1) the

total family foster home expenditures will decrease by approximately 6.9 percent; (2) group care expenditures will increase by approximately 8.7 percent; and (3) adoption support expenditures will decrease by approximately 3 percent. (General Fund-State, General Fund-Federal)

5. CHILD ABUSE & TREATMENT ACT - Funding is provided to establish a fair hearing process and to accelerate permanency planning for teenage children in foster care in order to meet new federal standards under CAPTA (the Child Abuse Prevention and Treatment Act of 1996) and AFSA (the Adoption and Safe Families Act of 1997). Reimbursements for services provided by the Office of Administrative Hearings and the Office of the Attorney General are budgeted in the DSHS Payments to Other Agencies program. (General Fund-State, General Fund-Federal)
6. DDD DEPENDENT CHILDREN TRANSFER - This item reflects the transfer of \$9 million in staff, equipment, and out-of-home care resources to the Division of Developmental Disabilities (DDD) for 300 of approximately 1,000 developmentally disabled children who have been receiving out-of-home care placement services from the Children's Administration and were placed in out-of-home care for reasons other than abuse or neglect. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services Children & Family Services

7. ECEAP PROGRAM CONSOLIDATION - Washington matches state expenditures for early childhood education drawing federal grants on behalf of eligible children through DSHS. Last year, Congress consolidated its child care support for states into a single block grant known as the Child Care Development Fund (CCDF). As an efficiency measure, a portion of the Early Childhood Education Assistance Program (ECEAP) funded through Economic Services is transferred to the Children's Administration.
8. BECCA BILL RELATED COSTS - Funding is provided to the counties for the cost of processing truancy, child in need of services (CHINS), and at-risk youth petitions related to the Becca Bill. This constitutes one-time funding for this purpose. Ongoing funding is assumed to be provided through the county criminal justice assistance account beginning in FY 2000.
9. SOCIAL SERVICE BLOCK GRANT DECREASE - Congress has reduced federal funding for the Social Service Block Grant (SSBG) for FFY 1998. This item replaces the federal reduction with state funding so services paid for through the block grant can be maintained at their current level. Any reductions in the FFY 1999 block grant amount will be considered as part of the 1999 supplemental. (General Fund-State, General Fund-Federal)
10. SECURED CRISIS RESIDENTIAL CENTERS - Funding is adjusted on a one-time basis to reflect lower than anticipated costs to operate secured Crisis Residential Centers (CRCs) in FY 1998. More bidders have responded to the Department's November request for proposal, and the agency expects to be operating at or near full capacity (75 beds statewide) by the summer.
11. FOSTER PARENT SUPPORT TEAMS - Funding is provided for administrative expenses of the Foster Intervention Retention Support Team (FIRST). FIRST is a statewide network of volunteers who provide support to foster parents who find themselves under investigation by child protective services for alleged misconduct or license violation.
12. VICTIMS OF CRIME FEDERAL INCREASE - Due to several large penalty deposits into the national Crime Victim's Fund last year, aid from the Justice Department for programs designed to assist victims of sexual assault and other crimes will be higher than anticipated in the original 1997-99 biennial budget. (General Fund-Federal)

## Department of Social and Health Services Children & Family Services

### WORKLOAD HISTORY By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Foster Care *</b>										
Avg # Children Served Monthly	6,143	6,441	6,734	6,723	6,665	6,762	8,215	8,118	8,412	8,541
% Change from prior year		4.9%	4.5%	-0.2%	-0.9%	1.5%	21.5%	-1.2%	3.6%	1.5%
<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	32:1	31:1	31:1	33:1	36:1	36:1	32:1	32:1	29:1	29:1
<b>Adoption Support</b>										
Avg # Served Monthly	1,351	1,598	1,901	2,361	2,843	3,186	3,678	4,040	4,459	4,837
% Change from prior year		18.3%	19.0%	24.2%	20.4%	12.1%	15.4%	9.8%	10.4%	8.5%

\* 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 and Health Services Juvenile Rehabilitation

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>157,629</b>	<b>44,344</b>	<b>201,973</b>
<b>1998 Supplemental Budget</b>			
1. Administrative Reduction Transfer	-138	0	-138
2. Vendor Rate Transfer	1,642	293	1,935
3. FMAP Change	-22	22	0
4. Community Juvenile Accountability	0	2,700	2,700
5. Residential Bed Forecast Adjustment	-204	-13	-217
6. Group Home Security	2,365	0	2,365
7. Sexually Aggressive Youth	482	0	482
8. Social Service Block Grant Decrease	2,938	-2,938	0
9. Delinquency Prevention Project	150	0	150
10. Sex Offender Registration	44	0	44
<b>Total Supplemental Items</b>	<b>7,257</b>	<b>64</b>	<b>7,321</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>164,886</b>	<b>44,408</b>	<b>209,294</b>
Fiscal Year 1998 Total	81,733	17,485	99,218
Fiscal Year 1999 Total	83,153	26,923	110,076

**Comments:**

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Juvenile Rehabilitation Administration. (General Fund-State, General Fund-Federal)
2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that appropriation which will actually be used for vendor rate increases in the Juvenile Rehabilitation Administration. (General Fund-State, Violence Reduction and Drug Enforcement Account, General Fund-Federal)
3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)
4. COMMUNITY JUVENILE ACCOUNTABILITY - Chapter 338, Laws of 1997 (E3SHB 3900) established the Community Juvenile Accountability Act (CJAA) grant process. The grants are intended to be an incentive to local communities to implement interventions proven by research to be effective in reducing recidivism among juvenile offenders. Funding is provided for CJAA planning and development in FY 1998 and full implementation in FY 1999 at \$2.5 million per year. (Violence Reduction and Drug Enforcement Account)
5. RESIDENTIAL BED FORECAST ADJUSTMENT - Funding is adjusted to correspond to projected population changes included in the November 1997 forecast. The Juvenile Rehabilitation Administration's (JRA) institutional population is forecasted to decrease by 49 offenders in FY 1998 and increase by 13 offenders in FY 1999 from the November 1996 forecast. In addition, funding is provided to keep two cottages at Maple Lane open for FY 1999. The original 1997-99 biennial budget assumed that these smaller and less efficient cottages would be closed. These cottages will remain open as more efficient housing units are constructed. All institutional beds are funded using the rates established by the Joint Legislative Audit and Review Committee in their January 1997 study. Funding levels are also adjusted for parole and other community services programs to reflect changes in projected workload. (General Fund-State, General Fund-Federal)
6. GROUP HOME SECURITY - Funding is provided to implement Chapter 269, Laws of 1998 (E2SSB 6445), which modifies provisions related to juveniles placed in the JRA's community facilities. The specific modifications include: the establishment of placement oversight committees at each of the facilities; the gathering of additional information during the intake and assessment process; revising the criteria by which offenders are allowed to transfer into community facilities; and providing for additional monitoring of the contracted and state operated facilities. The bill also requires a special study of: the contracts, operations, and monitoring of community facilities; juvenile detention standards; and an assessment of outcomes for low and moderate risk offenders provided parole services.

## Department of Social and Health Services Juvenile Rehabilitation

7. SEXUALLY AGGRESSIVE YOUTH - Chapter 386, Laws of 1997 (E2SSB 5710) directed the Department to develop a policy to protect youth placed in state operated or state funded residential facilities who are vulnerable to sexual victimization by sexually aggressive youth. Funding was provided to implement the provisions of the bill in the original 1997-99 biennial budget. During the implementation of the bill, the Department found that it was unable, especially on one person shifts, to supervise offenders in such a way as to avoid the potential for inappropriate sexual contact. Funding is provided to increase staffing on certain shifts to further minimize the potential for sexual contact.
8. SOCIAL SERVICE BLOCK GRANT DECREASE - The Social Service Block Grant, authorized under the Social Security Act, Title 20, enables each state to furnish social services best suited to the needs of the individuals residing in each state. However, the United States Congress has reduced this funding in FFY 1998. State funding is provided to replace federal funds so the Department can maintain its services at the current level. (General Fund-State, General Fund-Federal)
9. DELINQUENCY PREVENTION PROJECT - Funding is provided for the Skagit County Delinquency Prevention Project. The program provides a variety of prevention and intervention services to high risk youth and their families.
10. SEX OFFENDER REGISTRATION - Funding is provided for the implementation of Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

## Department of Social and Health Services Juvenile Rehabilitation

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Community Residential *</b>										
Avg Daily Population/Month	199	217	253	314	353	346	359	362	389	389
% Change from prior year		9.0%	16.6%	24.1%	12.4%	-2.0%	3.8%	0.8%	7.5%	0.0%
<b>Institutions</b>										
Avg Daily Population/Month	588	648	683	720	753	915	1,007	1,028	1,010	1,087
% Change from prior year		10.2%	5.4%	5.4%	4.6%	21.5%	10.1%	2.1%	-1.8%	7.6%
<b>Parole</b>										
Avg Daily Population/Month	358	423	496	537	595	765	917	949	972	737
% Change from prior year		18.2%	17.3%	8.3%	10.8%	28.6%	19.9%	3.5%	2.4%	-24.2%

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

Data Source:

FY 1990 through FY 1999 from DSHS Juvenile Rehabilitation Administration.

## Department of Social and Health Services Mental Health

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>474,344</b>	<b>465,001</b>	<b>939,345</b>
<b>1998 Supplemental Budget</b>			
1. Administrative Reduction Transfer	-290	-94	-384
2. Vendor Rate Transfer	8,965	6,912	15,877
3. FMAP Change	-1,134	1,134	0
4. Medical Lake Wastewater Treatment	150	0	150
5. Underfunding for Staff	953	952	1,905
6. Outside Medical Costs	564	564	1,128
7. Pharmacy & New Drug Costs	510	508	1,018
8. Medicare Discharges	1,700	-1,700	0
9. Forensic Overcrowding - WSH	580	341	921
10. Medicare Crossover Payments	-2,566	-2,684	-5,250
11. Special Commitment Ctr: Female Res.	547	0	547
12. Special Commitment Ctr Relocation	2,925	0	2,925
13. Medicaid Eligibles Forecast	0	-1,897	-1,897
14. DD Clients Exiting	-1,275	-750	-2,025
15. Mentally Ill Offender Legislation	2,237	786	3,023
<b>Total Supplemental Items</b>	<b>13,866</b>	<b>4,072</b>	<b>17,938</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>488,210</b>	<b>469,073</b>	<b>957,283</b>
Fiscal Year 1998 Total	243,069	229,435	472,504
Fiscal Year 1999 Total	245,141	239,638	484,779

**Comments:**

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| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Mental Health Division. (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that appropriation which will actually be used for vendor rate increases in the Mental Health Division. (General Fund-State, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)</p> <p>4. MEDICAL LAKE WASTEWATER TREATMENT - DSHS is working with the City of Medical Lake to develop a regional wastewater treatment facility that will provide service to the city and to state facilities. As part of the interlocal agreement, the state is required to provide its share of funds to repay the city for the construction financing it borrows on the state's behalf.</p> | <p>5. UNDERFUNDING FOR STAFF - Funding is provided for staff that provide essential direct and indirect patient services. Both hospitals have experienced increased forensic admissions at their respective legal offender units. This funding will allow the state hospitals to address increased admissions, as well as maintain appropriate patient care and hospital accreditation. (General Fund-State, General Fund-Federal, General Fund-Private/Local)</p> <p>6. OUTSIDE MEDICAL COSTS - Patients at the state mental hospitals who require acute or emergency medical care beyond the level the state hospitals can provide are sent off-campus to be treated at community hospitals. Funding is provided to cover increases in these expenses. (General Fund-State, General Fund-Federal, General Fund-Private/Local)</p> <p>7. PHARMACY &amp; NEW DRUG COSTS - Recently, a number of new psychotropic medications have been introduced, as well as advances in new drugs and antibiotics for use in physical medicine. Although funding for prescription drugs was provided in the original 1997-99 biennial budget, including 4 percent annual inflation, the cost of the new drugs exceeds this level. Funding is provided for the higher pharmacy costs at the state hospitals. (General Fund-State, General Fund-Federal, General Fund-Private/Local)</p> |
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## Department of Social and Health Services Mental Health

8. MEDICARE DISCHARGES - A recent change by the Health Care Financing Administration (HCFA) directs that state psychiatric hospitals begin using a discharge definition of 30 days for Medicare settlement purposes. This funding replaces estimated lost federal revenue for FY 1998 only. It is anticipated that issues related to the HCFA policy change will be successfully resolved. (General Fund-State, General Fund-Private/Local)
9. FORENSIC OVERCROWDING - WSH - The admission ward at Western State Hospital's Legal Offender Unit (LOU) has become seriously overcrowded. There are 27 beds in the LOU admission ward, and it has recently been housing an average of 30 to 35 persons on any given day. Western State Hospital does not have the option to refuse court commitments. Funding is provided to hire additional staff to perform evaluations in local jails prior to admission to LOU. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
10. MEDICARE CROSSOVER PAYMENTS - In January 1996, a federal court ordered that service payments on behalf of people eligible for both Medicare and Medicaid (Medicare crossover payments) shall be adjusted to 50 percent of the Medicare-allowed amount regardless of Medicaid limits. In the recent federal Balanced Budget Act, states were allowed to impose their own Medicaid limits on these Medicare crossover payments effective October 1997. This item reflects this policy change. (General Fund-State, General Fund-Federal)
11. SPECIAL COMMITMENT CTR: FEMALE RES. - In September 1997, a court injunction required that the only female resident in the Special Commitment Center be moved out of that facility by October 1997. In order to meet the court's deadline, she has been temporarily relocated to a vacant segregation unit at Twin Rivers Correctional Center (TRCC) until a long-term solution can be developed for this resident. Funding is provided for additional staff for treatment and security of the female resident.
12. SPECIAL COMMITMENT CTR RELOCATION - The Special Commitment Center (SCC) at Monroe is expecting a growth rate for new residents greater than that assumed in the original 1997-99 biennial budget. Funding is provided for the staff to accommodate the resident growth and court costs increases. In addition, one-time moving costs are provided to move the SCC from Monroe to McNeil Island.
13. MEDICAID ELIGIBLES FORECAST - The Mental Health Division contracts with the Regional Support Networks to provide managed care for inpatient and outpatient mental health services. Funding levels for the managed care prepaid health plans is based on the Medicaid-eligibles forecast made by the Medical Assistance Administration. The November 1997 forecast is less than the estimate used for the original 1997-99 biennial budget by 1.7 percent in FY 1998 and 0.23 percent in FY 1999. An adjustment is made to the federal match portion only. (General Fund-Federal)
14. DD CLIENTS EXITING - Thirty individuals dually diagnosed with developmental disabilities (DD) and mental illness have been treated in the state hospitals and are ready to return to the community. Funding is provided in the Division of Developmental Disabilities supplemental budget to support these placements. This adjustment to funding in the state hospitals reflects the reduced variable costs associated with the reduction in average daily census resulting from placement of these individuals. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
15. MENTALLY ILL OFFENDER LEGISLATION - Funding is provided for Chapter 297, Laws of 1998, Partial Veto (2SSB 6214), which makes a variety of changes to the civil commitment and criminal competency statutes. As a result of these changes, it is anticipated that there will be an increase in civil commitments to state hospitals and community inpatient facilities. In addition, it is projected that the workload associated with criminal competency evaluation and treatment will increase. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

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

The Governor vetoed a proviso requiring the Department of Social and Health Services to develop a staffing model for the Special Commitment Center by October 1, 1998.

Chapter 297, Laws of 1998, Partial Veto (2SSB 6214) made a variety of changes to the civil commitment and criminal competency statutes. The Governor vetoed a section requiring the Department of Corrections to report annually to the legislative fiscal committees on the efficacy of the regional support networks in implementing the act. The Governor also vetoed a section which required the entire act to expire on June 30, 2001.

# Department of Social and Health Services

## Mental Health

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>State Hospitals *</b>										
Avg Daily Population/Month	1,721	1,731	1,709	1,622	1,428	1,335	1,278	1,277	1,354	1,344
% Change from prior year		0.6%	-1.3%	-5.1%	-12.0%	-6.5%	-4.3%	-0.1%	6.0%	-0.7%
<b>Community Outpatient Services</b>										
	<b>21,675</b>	<b>23,394</b>	<b>25,110</b>	<b>30,108</b>	<b>32,939</b>	<b>36,729</b>	<b>38,427</b>	<b>39,604</b>	<b>40,594</b>	<b>42,502</b>
% Change from prior year		7.9%	7.3%	19.9%	9.4%	11.5%	4.6%	3.1%	2.5%	4.7%
Avg Adults Served per Month	17,218	18,564	19,317	23,070	25,065	27,209	28,040	28,660	29,377	30,757
% Change from prior year		7.8%	4.1%	19.4%	8.6%	8.6%	3.1%	2.2%	2.5%	4.7%
Avg Children Served per Month	4,457	4,830	5,793	7,038	7,874	9,520	10,387	10,944	11,217	11,745
% Change from prior year		8.4%	19.9%	21.5%	11.9%	20.9%	9.1%	5.4%	2.5%	4.7%
<b>Special Commitment Center **</b>										
Avg Monthly Population	N/A	4	11	17	23	28	33	48	58	78
% Change from prior year			175.0%	54.5%	35.3%	21.7%	17.9%	45.5%	20.8%	34.5%

\* Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY 1995, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

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

Data Source:

FY 1990 through FY 1997 are from DSHS Budget Division.

FY 1998 and FY 1999 estimates are by Legislative Fiscal Committees.

## Department of Social and Health Services Developmental Disabilities

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>415,063</b>	<b>362,401</b>	<b>777,464</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-137	-132	-269
2. Vendor Rate Transfer	7,656	5,181	12,837
3. FMAP Change	-877	877	0
4. DDD Dependent Children Transfer	5,696	4,607	10,303
5. DD Comm Protection Current Clients	1,471	1,681	3,152
6. New DD Community Protection Clients	6,753	6,807	13,560
7. RHC Downsizing	620	579	1,199
8. Case Manager Staffing	992	425	1,417
9. CA Clients Aging Into DDD	1,905	1,862	3,767
10. AFH Payment Adjustments	1,449	1,460	2,909
11. Mental Health Outplacements	426	469	895
12. Personal Care Exceptional Rates	394	439	833
13. Aging Parents with DD Children	604	604	1,208
14. Medicaid Personal Care	4,290	5,157	9,447
15. Rainier School Settlement	104	106	210
16. Fircrest/DOJ Resolution Placements	614	571	1,185
17. Fircrest Active Client Engagement	758	732	1,490
18. ICF/MR Certification	2,316	2,316	4,632
19. Increased Waiver Funding	-2,793	2,793	0
20. Day Programs for Unserved Adults	1,792	0	1,792
21. BHP Under-Expenditure	0	-2,200	-2,200
22. UCP Movement Adjustment	-71	-66	-137
<b>Total Supplemental Items</b>	<b>33,962</b>	<b>34,268</b>	<b>68,230</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>449,025</b>	<b>396,669</b>	<b>845,694</b>
Fiscal Year 1998 Total	215,564	187,190	402,754
Fiscal Year 1999 Total	233,461	209,479	442,940

**Comments:**

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|---|---|
| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the division of developmental disabilities (DDD). (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in DDD. (General Fund-State, Health Services Account, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> | <p>4. DDD DEPENDENT CHILDREN TRANSFER - As DSHS proposed, administrative responsibility for children with developmental disabilities (DD) placed into out-of-home care for reasons other than abuse or neglect will be transferred from the Children's Administration (CA) to DDD. Approximately 300 of the 1,000 children with DD who receive out-of-home care or placement prevention services from CA are thought to meet this definition. This item reflects: transfer of \$9 million of staff, equipment, and out-of-home care costs effective July 1, 1998; \$670,000 of increased funding for new costs which DDD is expected to incur in administering the program; and \$582,000 of increased funding for an anticipated 7 percent per year increase in the number of children approved for out-of-home placement as a result of the transfer. Less state and more federal funding is provided than proposed by DSHS in anticipation of federal approval by October 1, 1998 of waiver and plan amendments which will enable DDD to earn a significantly higher federal match rate for these children than has been possible through CA. (General Fund-State, General Fund-Federal)</p> |
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## Department of Social and Health Services Developmental Disabilities

5. DD COMM PROTECTION CURRENT CLIENTS - In the 1997-99 biennial budget, funding was provided for the agency to operate secure residential settings with 24-hour supervision for 40 developmentally disabled persons with histories of physically or sexually abusive behaviors or arson. Over the course of the past year, the agency identified and placed 24 more such individuals than originally budgeted into more secure living arrangements. (General Fund-State, General Fund-Federal)
6. NEW DD COMMUNITY PROTECTION CLIENTS - In addition to those funded in item 5 above, the agency has identified an additional 129 persons with similar dangerous behaviors who are currently in non-secure living arrangements or about to leave jail or mental health hospitals. Funding is provided to operate secure residential settings for these 129 individuals and also an additional 16 persons who are expected to be identified before the end of the biennium. (General Fund-State, General Fund-Federal)
7. RHC DOWNSIZING - The agency developed new community services for 41 individuals who moved from the Residential Habilitation Centers (RHCs) during the 1995-97 biennium. Although less than half the cost of the new community placements was covered by RHC savings, the agency proceeded with the placements without first seeking appropriation authority from the Legislature. This item funds the extra costs which will be incurred after enactment of the 1998 Appropriations Act. The agency is responsible for covering the costs it incurred without legislative authorization through efficiencies elsewhere in its operations. (General Fund-State, General Fund-Federal)
8. CASE MANAGER STAFFING - The agency has added 20.5 case management staff to keep up with caseload and workload increases. These new expenditures were incurred without first seeking appropriation authority from the Legislature. This item funds the extra costs which will be incurred after enactment of the 1998 Appropriations Act. The agency is responsible for covering the costs it incurred without legislative authorization through efficiencies elsewhere in its operations. (General Fund-State, General Fund-Federal)
9. CA CLIENTS AGING INTO DDD - Funding is provided for placement of 76 young persons who will need residential services funded through DDD because they have reached an age at which they are no longer eligible for out-of-home care through CA. This item also includes funding for staff to develop new provider resources for these individuals. The legislative budget provides sufficient funding for the new residential services for these young people to cost 15 percent more than their current placement. (General Fund-State, General Fund-Federal)
10. AFH PAYMENT ADJUSTMENTS - The Aging and Adult Services Administration has doubled its payment rates for adult family homes (AFH) since 1995 in order to expand community residential options for its clients. This has had the unintended effect of creating higher average payment rates for adult family homes serving the aged than for those serving persons with developmental disabilities. This is making placements for persons with developmental disabilities more difficult to achieve. This funding level will allow the agency to provide exceptional rates in situations where new or continued placement is difficult. (General Fund-State, General Fund-Federal)
11. MENTAL HEALTH OUTPLACEMENTS - Funding is provided to cover the cost of residential and day program services for 10 long-term residents of the state mental hospitals whose needs cannot be accommodated in existing community vacancies. (General Fund-State, General Fund-Federal)
12. PERSONAL CARE EXCEPTIONAL RATES - Funding is restored so that the agency may once again authorize exceptional care rates at the same expenditure level as was occurring prior to the blanket prohibition on such exceptions which went into effect in September 1997. (General Fund-State, General Fund-Federal)
13. AGING PARENTS WITH DD CHILDREN - Funding is provided for residential and other services for 24 persons living with aging parents who are expected to need out-of-home placement during the 1997-99 biennium due to their parents' death or illness. (General Fund-State, General Fund-Federal)
14. MEDICAID PERSONAL CARE - Caseload growth and average costs per case for Medicaid Personal Care are both growing faster than originally budgeted. The supplemental budget provides for an average of 2,100 children to be served each month during FY 1998 (a 39 percent increase over last year) and an average of 4,388 adults (an 11 percent increase over FY 1997). An average of 2,656 children and 4,868 adults are expected to be served in FY 1999. This is an additional 26 percent increase for children and an additional 11 percent increase for adults over the FY 1998 level. (General Fund-State, General Fund-Federal)
15. RAINIER SCHOOL SETTLEMENT - Funding is provided to settle a lawsuit with the Washington Protection and Advocacy Agency by providing community residential and day program services for two individuals who want to move from Rainier School. (General Fund-State, General Fund-Federal)
16. FIRCREST/DOJ RESOLUTION PLACEMENTS - The Department of Justice (DOJ) began investigating conditions at Fircrest School in 1993. In an agreement with DOJ to avoid court action against Fircrest, the agency has agreed to place 32 Fircrest residents into community residential settings during the 1997-99 biennium. Funding is provided for new community residential, day program, and case management services for these 32 persons. The cost of these new services is partly offset through closure of one 16-bed living unit at Fircrest during FY 1999 with a second to be closed by the beginning of FY 2000. (General Fund-State, General Fund-Federal)
17. FIRCREST ACTIVE CLIENT ENGAGEMENT - As part of the resolution with the Department of Justice (DOJ) to improve conditions at Fircrest School, DSHS has agreed to additional staff coverage to ensure active client engagement and implementation of behavior and skill development programs. This item also includes funding for a DOJ consultant, contract personnel, and additional staff to meet DOJ concerns, the costs of which the Department has been absorbing. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services Developmental Disabilities

18. ICF/MR CERTIFICATION - During recent certification surveys, the Intermediate Care Facilities for the Mentally Retarded (ICF/MR) at three of the state's Residential Habilitation Centers (RHCs) have been found to be out of compliance in the area of providing continuous active treatment to residents. To correct this deficiency and to maintain federal funding for the RHCs, additional staff is provided to maintain continuous treatment for residents' health and skill development during staff breaks. (General Fund-State, General Fund-Federal)
19. INCREASED WAIVER FUNDING - The 1997 Federal Balanced Budget Act will enable Washington to collect approximately \$2.8 million of new federal Medicaid match on the cost of employment services which were previously funded entirely with state dollars. (General Fund-State, General Fund-Federal)
20. DAY PROGRAMS FOR UNSERVED ADULTS - The state funds saved as a result of the increased federal match in item 19, above, will be used to provide day program services for approximately 360 adults who are currently unserved. The 360 unserved adults are expected to phase into services during April - June 1998. Because it will not be possible to spend all of the new funds available for FY 1998 during this start-up period, approximately \$994,000 of the state fund savings are used to offset the cost of the Medicaid personal care caseload growth funded in this budget.
21. BHP UNDER-EXPENDITURE - Workers with family incomes below 200 percent of poverty who provide homecare services to people with developmental disabilities are eligible to enroll in the Basic Health Plan (BHP) at a cost of \$10 per month, with the balance of their premium cost covered by state Health Services Account and federal funds appropriated to DDD. Fewer homecare workers are enrolling in the BHP than budgeted, so this item adjusts funding accordingly. (Health Services Account, General Fund-Federal)
22. UCP MOVEMENT ADJUSTMENT - The original biennial budget provided \$1.4 million for the United Cerebral Palsy (UCP) Association to develop community housing arrangements for the 57 people who would otherwise be living in its nursing facility. Due to an updated movement schedule, it now appears that only about \$1.25 million of additional public funding will be needed to complete the movements, but more money than originally planned will be needed in FY 1999 and less in FY 1998. (General Fund-State, General Fund-Federal)

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

The Governor vetoed a proviso which prohibited the Department from reducing the number of people served in community residential, employment, and family support services below the levels originally budgeted for the biennium. The Governor also vetoed a proviso requiring the Department to implement a pilot project for serving persons with autism.

## Department of Social and Health Services Developmental Disabilities

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Institutions</b>										
Avg Monthly Population	1,758	1,616	1,534	1,477	1,412	1,322	1,295	1,262	1,262	1,240
% Change from prior year		-8.1%	-5.0%	-3.7%	-4.4%	-6.4%	-2.0%	-2.5%	0.0%	-1.7%
<b>Community Residential Programs *</b>										
Month End Contracted Beds	2,849	3,113	3,188	3,474	3,585	3,683	3,740	3,819	3,898	4,065
% Change from prior year		9.3%	2.4%	9.0%	3.2%	2.7%	1.5%	2.1%	2.1%	4.3%
<b>Employment and Day Programs</b>										
Avg Monthly Number Served	6,064	6,528	6,133	6,531	6,789	7,049	7,571	7,954	8,304	9,016
% Change from prior year		7.7%	-6.1%	6.5%	4.0%	3.8%	7.4%	5.1%	4.4%	8.6%
<b>Family Support **</b>										
# Clients Served	1,054	1,347	1,486	1,674	2,071	2,207	2,659	3,637	4,404	4,956
% Change from prior year		27.8%	10.3%	12.7%	23.7%	6.6%	20.5%	36.8%	21.1%	12.5%
<b>Adult Personal Care ***</b>										
# Clients Served	1,634	1,908	2,154	2,443	2,844	3,244	3,525	3,951	4,388	4,868
% Change from prior year		16.8%	12.9%	13.4%	16.4%	14.1%	8.7%	12.1%	11.1%	10.9%

\* 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 1990 through FY 1999.

\*\*\* Adult Personal Care includes Medicaid Personal Care and Chore Services. Prior to FY 1990, Developmental Disabilities clients enrolled in these programs are counted in the Long-Term Care program totals.

Data Source:

FY 1990 through FY 1997 from LEAP workload database except: (1) FY 1990 - FY 1995 Adult Personal Care from DSHS Aging and Adult Services Administration; and (2) FY 1993 through FY 1997 Community Residential from DSHS Division of Developmental Disabilities due to a change in reporting methodology.

FY 1998 and FY 1999 estimates from Legislative Fiscal Committees.

## Department of Social and Health Services Long-Term Care Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>808,349</b>	<b>884,256</b>	<b>1,692,605</b>
<b>1998 Supplemental Budget</b>			
1. Administrative Reduction Transfer	-285	-284	-569
2. Vendor Rate Transfer	7,357	7,626	14,983
3. FMAP Change	-1,990	1,990	0
4. Correct FMAP Double-Count	1,990	-1,990	0
5. Boarding Homes	263	1,281	1,544
6. Adjust Federal Spending Authority	0	3,440	3,440
7. Boarding Home Fee Increase	37	39	76
8. Boarding Home Investigation Staff	1,368	500	1,868
9. Nursing Facility Census & Rate	568	3,131	3,699
10. Community Services Caseload Growth	14,550	18,220	32,770
11. Community Program Reductions	-1,571	-1,715	-3,286
12. AASA Case Management	2,982	2,981	5,963
13. AAA Case Management	1,634	1,114	2,748
14. BHP Under-Enrollment	79	-5,891	-5,812
15. Legal Immigrants SSI	-732	0	-732
<b>Total Supplemental Items</b>	<b>26,250</b>	<b>30,442</b>	<b>56,692</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>834,599</b>	<b>914,698</b>	<b>1,749,297</b>
Fiscal Year 1998 Total	409,469	442,614	852,083
Fiscal Year 1999 Total	425,130	472,084	897,214

**Comments:**

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|--|---|
| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Aging and Adult Services Administration (AASA). (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Aging and Adult Services Administration. (General Fund-State, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> | <p>4. CORRECT FMAP DOUBLE-COUNT - In the Administration's original budget proposal, the state savings resulting from the increased federal matching rate were counted both in the "FMAP Change" item above, and also in the "Nursing Home Census &amp; Rate" and the "Community Services Caseload Growth" items below. This item adjusts for the double-count. (General Fund-State, General Fund-Federal)</p> <p>5. BOARDING HOMES - Chapter 272, Laws of 1998, Partial Veto (2SSB 6544), transfers responsibility for licensing, inspecting, and investigating complaints at boarding homes from the Department of Health to the Aging and Adult Services Administration of DSHS. (General Fund-State, General Fund-Local)</p> <p>6. ADJUST FEDERAL SPENDING AUTHORITY - Funding for the federal Older Americans Act and a variety of other federal grant programs is greater than originally budgeted for 1997-99. (General Fund-Federal)</p> <p>7. BOARDING HOME FEE INCREASE - Annual boarding home licensing fees are to be raised in order to cover the cost of increased quality assurance activities. Funding is provided to cover the estimated cost of the fee increase which is allocable to publicly-funded boarding home residents. (General Fund-State, General Fund-Federal)</p> |
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## Department of Social and Health Services Long-Term Care Services

8. BOARDING HOME INVESTIGATION STAFF - A total of 18.5 quality assurance staff are added over the level originally appropriated to improve inspections and complaint investigations in boarding homes. Approximately 70 percent of the cost of this increase is covered with state subsidy, and the balance is to be covered through fee increases to boarding home providers. The state subsidy is to be phased out by the end of the 1999-2001 biennium, with fees covering the full cost of the inspection program. (General Fund-State, General Fund-Local)
9. NURSING FACILITY CENSUS & RATE - Nursing home census is now expected to average 14,660 in FY 1998 and 14,433 in FY 1999. This is approximately 290 (2 percent) more publicly-funded residents than was anticipated in the original 1997-99 biennial budget. Supporting these 290 additional cases will cost approximately \$20 million (\$9.6 million state) more than originally budgeted. Nursing home payment rates and nurse's aide training are expected to be approximately 1 percent higher than originally budgeted for FY 1998. For FY 1999, the average nursing home payment rate will be \$117.36, a 2.5 percent average increase over the FY 1998 level. These extra costs are partly offset by higher-than-budgeted resident incomes, which will reduce public expenditures for their care by approximately \$3.7 million below the levels originally budgeted. (General Fund-State, General Fund-Federal)
10. COMMUNITY SERVICES CASELOAD GROWTH - The number of persons receiving community-based long-term care is expected to grow by 12 percent in FY 1998, rather than by 9 percent as budgeted. Additionally, the average cost per person served has grown by 8.1 percent in FY 1998, rather than by 5.7 percent as budgeted. To avoid the service reductions which would otherwise be necessary to correct for these over-expenditures, the enacted budget provides the full \$14.1 million (\$6.7 million state) for FY 1998 which the agency indicates is necessary to cover these higher costs. For FY 1999, the enacted budget provides sufficient funding for the number of persons receiving community long-term care to increase by an additional 10 percent, and for the average cost per person served to increase by up to 4 percent. It is expected the agency will be able to manage within these levels by instituting improved resource management and targetting of more expensive levels of care. (General Fund-State, General Fund-Federal)
11. COMMUNITY PROGRAM REDUCTIONS - The enacted budget concurs with the following cost-control measures proposed by the Governor: 1) lidding monthly expenditures for Community Options Program Entry Services (COPES) ancillary services; 2) maintaining Elder Place enrollment at 100 participants; and 3) establishing cost controls in the private duty nursing program. The enacted budget does not anticipate that the Chore Services asset level will be reduced from \$10,000 to \$2,000, or that any savings will be made in the adult day health program beyond those already budgeted in the original biennial budget. (General Fund-State, General Fund-Federal)
12. AASA CASE MANAGEMENT - Funding is provided for an approximately 8 percent increase in the ratio of state field staff to persons served. These staff are responsible for functions such as client assessment, financial eligibility determination, development of cost-effective care plans, and monitoring the quality of care provided in residential settings. This item also includes \$1.3 million requested by the agency to continue operation of computerized systems which have been developed over the past several years to support client assessment, service authorization, and quality assurance functions. (General Fund-State, General Fund-Federal)
13. AAA CASE MANAGEMENT - Funding is provided for the Area Agencies on Aging (AAA) to provide care planning, service coordination, and quality oversight for the increased numbers of persons who are projected to receive home-based long-term care during 1997-99. Additionally, funds are provided for an 11 percent increase in the ratio of case managers to persons served, beginning in April 1998. (General Fund-State, General Fund-Federal)
14. BHP UNDER-ENROLLMENT - The number of homecare workers receiving state-subsidized medical coverage through the Basic Health Plan (BHP) is now expected to average 1,200 in FY 1998 and 1,600 in FY 1999, rather than 3,800 and 4,300 as originally budgeted. This results in a reduction in Health Services Account expenditures from the level originally budgeted. However, because premiums for the non-subsidized BHP are higher than budgeted, additional General Fund-State is required to cover the cost of BHP premiums for agency home care workers with incomes over 200 percent of poverty. (General Fund-State, Health Services Account, General Fund-Federal)
15. LEGAL IMMIGRANTS SSI - The original biennial budget included state funds to provide basic maintenance support for long-term care recipients who were to lose their federal Supplemental Security Income (SSI) benefits because they are not United States citizens. Because Congress subsequently restored their SSI eligibility, these state funds are no longer needed.

## Department of Social and Health Services

### Long-Term Care Services

#### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Nursing Homes</b>										
# FTE Clients	16,953	17,190	17,344	17,445	17,168	16,639	15,985	14,984	14,660	14,433
% Change from prior year		1.4%	0.9%	0.6%	-1.6%	-3.1%	-3.9%	-6.3%	-2.2%	-1.5%
<b>Community Care *</b>										
# Clients Served	17,119	18,051	19,087	19,587	19,411	19,576	20,876	23,116	26,124	28,715
% Change from prior year		5.4%	5.7%	2.6%	-0.9%	0.9%	6.6%	10.7%	13.0%	9.9%

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

Data Source:

Nursing Homes for FY 1990 through FY 1997 from LEAP workload database.

Community Care for FY 1990 through FY 1997 from Aging and Adult Services Administration.

FY 1998 and FY 1999 estimates from Legislative Fiscal Committees.

## Department of Social and Health Services Economic Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>1,073,135</b>	<b>952,618</b>	<b>2,025,753</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-691	-877	-1,568
2. Vendor Rate Transfer	244	376	620
3. FMAP Change	295	-295	0
4. GA-U Caseload Savings	-49,334	0	-49,334
5. Transfer Quality Control Staff	-206	-207	-413
6. ECEAP Program Consolidation	-3,000	0	-3,000
7. Governor Veto	0	-5,000	-5,000
<b>Total Supplemental Items</b>	<b>-52,692</b>	<b>-6,003</b>	<b>-58,695</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>1,020,443</b>	<b>946,615</b>	<b>1,967,058</b>
Fiscal Year 1998 Total	508,243	455,195	963,438
Fiscal Year 1999 Total	512,200	491,420	1,003,620

**Comments:**

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|--|---|
| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Economic Services program. (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Economic Services program. (General Fund-State, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) represents the federal share of public assistance related child support collections that offset welfare grants. The FMAP is increasing to 52.50 percent effective October 1, 1998 which results in a General Fund-State cost compared to the 52.15 percent original budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> <p>4. GA-U CASELOAD SAVINGS - Savings in the General Assistance-Unemployable (GA-U) program are due primarily to legal immigrants who are eligible to remain on the federal Supplemental Security Income (SSI) program and will not transfer to the state GA-U program as anticipated in the original 1997-99 biennial budget. Congress amended the federal welfare reform law to allow legal immigrants who were in the United States prior to August 22, 1996, to continue to receive SSI benefits.</p> <p>5. TRANSFER QUALITY CONTROL STAFF - Quality control staff that review Medicaid eligibility and payments are transferred from Economic Services to Medical Assistance Administration as an efficiency measure. (General Fund-State, General Fund-Federal)</p> | <p>6. ECEAP PROGRAM CONSOLIDATION - Washington matches state expenditures for early childhood education drawing federal grants on behalf of eligible children through DSHS. Last year, Congress consolidated its child care support for states into a single block grant known as the Child Care Development Fund (CCDF). As an efficiency measure, a portion of the Early Childhood Education Assistance Program (ECEAP) funded through Economic Services is transferred to the Children's Administration.</p> <p>7. GOVERNOR VETO - The Governor vetoed Section 207(9) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which earmarked \$5 million in federal Temporary Assistance to Needy Families (TANF) block funding to provide grants to community action agencies and other local non profit organizations.</p> <p>In 1997 as part of welfare reform, the Legislature directed the Department of Social and Health Services (DSHS) to provide grants to community-based organizations to help people on welfare become ready for employment and transition off public assistance. This budget assumes that \$5 million from the federal Temporary Assistance to Needy Families (TANF) block grant will be used by the Department of Community, Trade, and Economic Development for WorkFirst grants to community action agencies or other local nonprofit organizations. This budget also assumes that \$10 million in state funds will be available to match and earn federal Welfare-to-Work formula grants from the U.S. Department of Labor.</p> |
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## Department of Social and Health Services Economic Services

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>SSI State Supplement</b>										
# Cases Received	52,457	56,818	62,532	69,332	76,518	82,249	86,299	87,674	88,460	90,419
% Change from prior year		8.3%	10.1%	10.9%	10.4%	7.5%	4.9%	1.6%	0.9%	2.2%
<b>General Assistance - Unemployable</b>										
# Cases Served	13,651	13,993	15,251	15,585	16,494	17,167	16,892	16,959	16,864	17,737
% Change from prior year		2.5%	9.0%	2.2%	5.8%	4.1%	-1.6%	0.4%	-0.6%	5.2%
<b>General Assistance - Pregnant Women</b>										
# Cases Served	1,607	1,847	1,955	1,842	1,736	1,657	1,634	1,832	1,838	1,841
% Change from prior year		14.9%	5.8%	-5.8%	-5.8%	-4.6%	-1.4%	12.1%	0.3%	0.2%
<b>TANF Cases</b>										
# Cases Served	80,407	85,950	94,973	100,320	102,755	102,685	99,374	95,334	86,342	81,388
% Change from prior year		6.9%	10.5%	5.6%	2.4%	-0.1%	-3.2%	-4.1%	-9.4%	-5.7%
<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 Source:

FY 1990 through FY 1997 from LEAP workload database except Child Care from Legislative Fiscal Committees.  
FY 1998 and FY 1999 estimates from Legislative Fiscal Committees.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>28,800</b>	<b>154,027</b>	<b>182,827</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-8	0	-8
2. Vendor Rate Transfer	2,046	2,555	4,601
3. FMAP Change	-49	49	0
4. TASC Transfer	0	3,255	3,255
5. PSEA Shortfall	0	-45	-45
<b>Total Supplemental Items</b>	<b>1,989</b>	<b>5,814</b>	<b>7,803</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>30,789</b>	<b>159,841</b>	<b>190,630</b>
Fiscal Year 1998 Total	15,459	78,252	93,711
Fiscal Year 1999 Total	15,330	81,589	96,919

**Comments:**

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Alcohol and Substance Abuse program.
2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Alcohol and Substance Abuse program. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)
3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches state substance abuse treatment expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)
4. TASC TRANSFER - The Treatment Alternatives to Street Crime (TASC) program is transferred from the Office of the Administrator for the Courts to DSHS effective July 1, 1998. (Public Safety and Education Account)
5. PSEA SHORTFALL - Funding is reduced to reflect a revenue shortfall in the Public Safety and Education Account (PSEA).

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

**WORKLOAD HISTORY**

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<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		14.1%	-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%	-3.3%	-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 1994. Number of admissions is unavailable prior to FY 1994.*

Data Source:

*DSHS Budget Division.*

## Department of Social and Health Services Medical Assistance Payments

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>1,368,918</b>	<b>2,519,605</b>	<b>3,888,523</b>
<b>1998 Supplemental Budget</b>			
1. Administrative Reduction Transfer	-154	-442	-596
2. Vendor Rate Transfer	9,620	12,708	22,328
3. FMAP Change	-4,998	4,998	0
4. Correct FMAP Double-Count	4,915	-4,915	0
5. Enhanced Federal Match	8	3,952	3,960
6. Medicare Collections	-1,096	-1,190	-2,286
7. Transfer Quality Control Staff	206	207	413
8. Increased Disproportionate Share	-39,529	172,366	132,837
9. Caseload Changes	-6,472	-19,162	-25,634
10. Cost Per Case Changes	-2,406	-5,170	-7,576
11. Special Program Forecast Changes	-5,028	-9,983	-15,011
12. Forecast Errata	22,735	-22,735	0
13. Forecast Contingencies	1,468	1,617	3,085
<b>Total Supplemental Items</b>	<b>-20,731</b>	<b>132,251</b>	<b>111,520</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>1,348,187</b>	<b>2,651,856</b>	<b>4,000,043</b>
Fiscal Year 1998 Total	666,815	1,289,829	1,956,644
Fiscal Year 1999 Total	681,372	1,362,027	2,043,399

**Comments:**

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|---|---|
| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Medical Assistance Administration. (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Medical Assistance Administration. (General Fund-State, Health Services Account, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> <p>4. CORRECT FMAP DOUBLE-COUNT - In the Administration's original budget proposal, the state savings resulting from the increased federal matching rate were counted both in the "FMAP Change" item above and also in the "Caseload Changes" item below. This item adjusts for the double-count. (General Fund-State, General Fund-Federal)</p> | <p>5. ENHANCED FEDERAL MATCH - The federal government has made \$10.4 million of increased federal matching funds available for state Medicaid administrative activities related to the transition from the old to the new welfare eligibility standards. This item provides \$3.95 million of that increased funding for local health departments and community-based organizations to conduct eligibility outreach and education activities. These will include informing people of their potential Medicaid eligibility, assisting them in applying for Medicaid coverage, and assisting them in the selection of a managed care plan and primary care provider. (General Fund-State, General Fund-Federal)</p> <p>6. MEDICARE COLLECTIONS - The Medical Assistance Administration estimates it can reduce Medicaid expenditures by \$95,000 per month by adding three clerk positions to assure that Medicare eligibility is properly coded in agency computer systems. (General Fund-State, General Fund-Federal)</p> <p>7. TRANSFER QUALITY CONTROL STAFF - DSHS has transferred responsibility for Medicaid eligibility quality control from the Department's Economic Services Administration to its Medical Assistance Administration. This item transfers the budget and staff to support this function. (General Fund-State, General Fund-Federal)</p> |
|---|---|

## Department of Social and Health Services Medical Assistance Payments

8. INCREASED DISPROPORTIONATE SHARE - The amount of General Fund-State spending which can be offset through the federal Disproportionate Share Hospital (DSH) program has increased from the amounts originally budgeted for 1997-99 due to: (1) a one-time claim in September 1998 associated with a capital construction project at Harborview Medical Center; (2) a new program through which federal payments are being collected for uncompensated care costs at border-area hospitals which serve Washington residents; and (3) federal payments for increased uncompensated care costs which have been documented at Harborview and the University of Washington Medical Center. (General Fund-State, General Fund-Federal, General Fund-Local)
9. CASELOAD CHANGES - The number of persons covered by medical assistance programs is expected to average 744,000 in FY 1998, and 779,000 in FY 1999. This is approximately 1 percent less than the number originally budgeted for FY 1998 and 1 percent more than the number originally budgeted for FY 1999. Due to the effects of the WorkFirst welfare reform, the number of adults and children covered by Medicaid because of eligibility for state income assistance programs is projected to decrease by 43,000 (14 percent) from the level originally budgeted for FY 1999. Because of federal restrictions on eligibility for Supplemental Security Income (SSI), the number of disabled recipients covered by Medicaid is expected to increase to 107,000 in FY 1999, which is 6 percent fewer people than originally budgeted. These caseload decreases are offset by continued rapid enrollment growth among children with family incomes below 200 percent of poverty who are not on welfare. An average of 310,000 such children are expected to be covered by Medicaid in FY 1999, which is 47,000 (18 percent) more than originally budgeted. (General Fund-State, General Fund-Federal)
10. COST PER CASE CHANGES - On average, costs per eligible person are now expected to be slightly lower than the level originally budgeted for 1997-99. Costs per covered person are expected to grow slower than total health care inflation for most eligibility groups for both years of the biennium. While managed care rates are increasing an average of 4.8 percent in 1998, compared to 2.8 percent growth in total health care inflation, the cost of this rate increase has been offset by the fact that the eligible population is younger than originally projected, and consequently less expensive to serve. DSHS and the Legislature continue to expect managed care rates to increase by no more than 2 percent in 1999. (General Fund-State, General Fund-Local)
11. SPECIAL PROGRAM FORECAST CHANGES - This item reflects an increase in the number of persons eligible for Medicaid match on their Medicare Part B premiums; corrects an over-estimate in the original biennial forecast of state and federal expenditures on family planning and refugee health services; and corrects an under-estimate in the original forecast of expenditures on the federally-funded Indian Health program. (General Fund-State, General Fund-Federal)
12. FORECAST ERRATA - Because of a programming error in the forecast model, the amount of state funding required to fund Medical Assistance programs is \$22.7 million higher than anticipated in the administration's original supplemental budget proposal. (General Fund-State, General Fund-Federal)
13. FORECAST CONTINGENCIES - A contingency appropriation is provided in the event that the federal government does not approve the state's request to charge non-disabled adult welfare recipients a \$10 monthly co-premium for their Medicaid coverage. The appropriation may only used to the extent that the waiver is not approved, and the cost cannot be covered through under-expenditures in other parts of the Medical Assistance program. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services Medical Assistance Payments

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Categorically Needy</b>	<b>362,144</b>	<b>406,664</b>	<b>473,222</b>	<b>520,569</b>	<b>559,686</b>	<b>613,968</b>	<b>659,677</b>	<b>698,879</b>	<b>714,366</b>	<b>748,730</b>
AFDC/TANF	252,603	273,581	301,760	319,499	329,660	329,519	320,417	309,999	282,785	265,789
Elderly	32,414	33,198	34,397	35,365	35,823	36,892	38,470	41,832	44,620	45,831
Disabled	53,103	58,834	67,904	77,335	85,454	91,261	94,708	94,733	95,106	99,247
Non-AFDC Children	0	0	42,669	59,511	75,602	121,343	169,854	212,967	251,381	296,344
Non-AFDC Pregnant Women	23,755	37,383	14,201	15,734	17,845	18,299	19,032	21,064	22,936	23,676
Undocumented Children	1	3,227	11,127	10,911	12,361	12,786	12,980	13,586	13,411	13,716
Medicare Beneficiaries	268	441	1,164	2,214	2,941	3,868	4,216	4,698	4,127	4,127
<b>Medically Needy</b>	<b>15,020</b>	<b>15,798</b>	<b>17,616</b>	<b>18,151</b>	<b>17,012</b>	<b>14,425</b>	<b>11,700</b>	<b>9,998</b>	<b>12,101</b>	<b>11,661</b>
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	4,432	3,963
Disabled	3,341	3,911	4,752	5,246	5,537	5,559	5,771	5,707	7,514	7,543
All Others	594	502	761	616	445	134	89	58	155	155
<b>General Assistance/ADATSA</b>										
# Persons/Month	13,767	13,831	12,243	10,368	10,049	10,955	11,334	12,851	14,305	15,188
<b>State Medically Indigent</b>										
# Persons/Month	2,411	2,700	2,472	2,640	2,634	2,407	2,018	1,976	1,933	1,933
<b>Refugees</b>										
# Persons/Month	1,650	2,122	1,824	1,429	1,546	1,665	1,505	1,381	1,085	1,085
<b>Total Eligibles per Month</b>	<b>394,992</b>	<b>441,115</b>	<b>507,377</b>	<b>553,157</b>	<b>590,927</b>	<b>643,420</b>	<b>686,234</b>	<b>725,085</b>	<b>743,790</b>	<b>778,597</b>
% Change from prior year		11.7%	15.0%	9.0%	6.8%	8.9%	6.7%	5.7%	2.6%	4.7%

*Data Source:*

*DSHS Budget Division, Office of Forecasting and Policy Analysis.*

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>17,244</b>	<b>82,446</b>	<b>99,690</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-18	-79	-97
2. Vendor Rate Transfer	40	0	40
3. Social Service Block Grant Decrease	383	-383	0
<b>Total Supplemental Items</b>	<b>405</b>	<b>-462</b>	<b>-57</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>17,649</b>	<b>81,984</b>	<b>99,633</b>
Fiscal Year 1998 Total	9,046	41,053	50,099
Fiscal Year 1999 Total	8,603	40,931	49,534

**Comments:**

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Vocational Rehabilitation program. (General Fund-State, General Fund-Federal)
2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Vocational Rehabilitation program. (General Fund-State)
3. SOCIAL SERVICE BLOCK GRANT DECREASE - Congress has reduced federal funding for the Social Services Block Grant (SSBG) for FFY 1998. This item replaces the federal reduction with state funding so that services funded through the block grant can be maintained at their current level. Any reductions in the FFY 1999 block grant amount will be considered as part of the 1999 supplemental. (General Fund-State, General Fund-Federal)

**Department of Social and Health Services  
 Administration & Supporting Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>48,528</b>	<b>40,622</b>	<b>89,150</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	2,861	2,574	5,435
2. Regulatory Reform	192	131	323
3. Vendor Overpayment Recovery Act	-19	-20	-39
4. Governor Veto	-192	-131	-323
<b>Total Supplemental Items</b>	<b>2,842</b>	<b>2,554</b>	<b>5,396</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>51,370</b>	<b>43,176</b>	<b>94,546</b>
Fiscal Year 1998 Total	25,818	21,669	47,487
Fiscal Year 1999 Total	25,552	21,507	47,059

**Comments:**

1. ADMINISTRATIVE REDUCTION TRANSFER - The original biennial budget directed the Department to reduce administrative functions by \$5.8 million (\$3.0 million state) providing discretion to the agency to reduce administrative functions across various programs, or to reduce its central administrative office budget. This item corrects appropriations for the Administrative Services program for administrative reductions made by other DSHS programs. This division's share of the Department-wide administrative reduction is \$424,000 (\$185,000 state). (General Fund-State, General Fund-Federal)
2. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (General Fund-State, General Fund-Federal)
3. VENDOR OVERPAYMENT RECOVERY ACT - Chapter 66, Laws of 1998 (ESHB 2346) makes the legal remedies and dispute resolution for recovery of vendor overpayments the same as the process now used for public assistance benefits and child support orders. The expense of administrative hearings is offset, each year, by savings realized through lower net vendor cost requirements for the Department of Social and Health Services (DSHS). (General Fund-State, General Fund-Federal)
4. GOVERNOR VETO - The Governor vetoed Section 211(5) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

**Department of Social and Health Services  
 Child Support Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>41,999</b>	<b>178,946</b>	<b>220,945</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-224	-418	-642
2. Incentive Pay Forecast Update	534	-534	0
<b>Total Supplemental Items</b>	<b>310</b>	<b>-952</b>	<b>-642</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>42,309</b>	<b>177,994</b>	<b>220,303</b>
Fiscal Year 1998 Total	21,344	88,923	110,267
Fiscal Year 1999 Total	20,965	89,071	110,036

**Comments:**

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Child Support Services program. (General Fund-State, General Fund-Federal)
2. INCENTIVE PAY FORECAST UPDATE - Incentive pay from the federal government is revised based on a projected decline in child support collections in the November 1997 forecast. (General Fund-State, General Fund-Private/Local)

## Department of Social and Health Services Payments to Other Agencies

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>94,949</b>	<b>58,083</b>	<b>153,032</b>
1998 Supplemental Budget			
1. Vendor Rate Transfer	-45,728	-39,148	-84,876
2. Attorney General Tort Defense	750	0	750
3. Child Abuse & Treatment Act	113	31	144
<b>Total Supplemental Items</b>	<b>-44,865</b>	<b>-39,117</b>	<b>-83,982</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>50,084</b>	<b>18,966</b>	<b>69,050</b>
Fiscal Year 1998 Total	25,292	9,376	34,668
Fiscal Year 1999 Total	24,792	9,590	34,382

**Comments:**

1. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum in this program for the Department of Social and Health Services (DSHS) as a whole. This item transfers the share of that total appropriation which will actually be used for vendor rate increases to other programs. In addition, a technical adjustment saves the state general fund \$539,000. (General Fund-State, General Fund-Federal, Health Services Account, Violence Reduction and Drug Enforcement Account)
  
2. ATTORNEY GENERAL TORT DEFENSE - Funding is provided for Attorney General tort defense costs due to a significant increase in lawsuits involving child welfare and child placement activities.
  
3. CHILD ABUSE & TREATMENT ACT - Funding is provided to establish a fair hearing process and accelerate permanency planning for teenage children in foster care to meet new federal standards under CAPTA (the Child Abuse, Prevention, and Treatment Act of 1996) and AFSA (the Adoption and Safe Families Act of 1997). Appropriations to this program allow the Department to reimburse the Office of Administrative Hearings and the Office of the Attorney General for services. (General Fund-State, General Fund-Federal)

# Other Human Services

## **Health Care Authority**

An additional \$11 million from the Health Services Account is provided to increase enrollment in the Basic Health Plan (BHP) to 137,200 by July 1998. Although the funding provided in the original biennial budget was anticipated to support this level of enrollment, the funding proved inadequate. In addition, a supplemental appropriation of \$330,000 will result in improved efforts to verify that BHP enrollees are receiving the correct state subsidy for their income level.

## **Human Rights Commission**

Funding in the amount of \$432,000 from the state general fund is provided for seven additional investigators and one office assistant to eliminate the backlog of approximately 1,170 cases by January 1, 1999. After January 1, 1999, the Human Rights Commission will reduce overall case processing time with the increased staff level so that investigations begin within 60 days of a complaint being filed.

## **Criminal Justice Training Commission**

A total of \$300,000 from the state general fund is provided for: upgrading and improving the technology infrastructure supporting the Criminal Justice Training Commission (CJTC); increased lease obligations associated with relocation of the CJTC headquarters in Thurston County; and the costs associated with the implementation of incident-based crime reporting. Also, due to a shortfall in the account, a \$93,000 reduction is made to CJTC's Public Safety and Education Account (PSEA) appropriation. Similar reductions are made in other agencies funded from PSEA.

## **Department of Labor and Industries**

An amount of \$1.4 million from the accident and medical aid accounts is provided with additional staffing to reduce the time-loss duration on worker compensation claims. A total of 24 new claims management staff will reduce the time-loss duration by 7.5 percent by the end of the next biennium.

## **Department of Veterans' Affairs**

Federal revenues and patient contributions at the veterans' homes are lower than originally budgeted, resulting in the need for a \$620,000 state general fund appropriation to maintain services at the two homes. The supplemental budget provides \$200,000 to cover one-third of the cost for constructing a monument on the state capitol grounds to the men and women who served in the armed forces during the World War II. The remaining cost of the monument is to be covered through individual and corporate contributions.

## **Department of Health**

Effective April 1, 1998, the regulation of boarding homes becomes the responsibility of the Department of Social and Health Services, which also regulates nursing homes and adult family homes. The budget transfers \$1.5 million of state and local revenue collections for inspectors, equipment and related quality assurance activities from the Department of Health to the Department of Social and Health Services (DSHS). Assigned personnel are presumed to transfer to DSHS.

An amount of \$6.4 million in state general funds replaces health service account appropriations to the Department of Health for fiscal year 1999. This action is taken by the Legislature to meet budget requirements of the state's Basic Health Care Plan.

## **Department of Corrections**

General Fund-State savings of \$3.4 million are achieved as a result of the following: delays in hiring staff at expanded prison facilities; adjustments to reflect actual personnel costs; timing of utility connection fees at the new Stafford Creek Correctional Center; a delay in opening the Tri-Cities Work Training Release facility; the migration of Offender Based Tracking System to the Department of Information Systems; and lower than expected costs for housing juvenile offenders separate from adult offenders. An additional reduction of \$866,000 was made due to the transfer of funding for the education of offenders under the age of eighteen from the Department of Corrections to the Superintendent of Public Instruction. Funding for the education of these offenders, at a higher rate, is included in the Superintendent of Public Instruction's budget.

An additional amount of \$1.7 million from the state general fund was appropriated to the Department. This included: an adjustment to the inmate forecast; allowing community corrections officers to carry firearms in the course of their duties; Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to the state's sex offender registration laws; Chapter 78, Laws of 1998 (HB 2628), which increases the penalty for manufacturing methamphetamine; Chapter 260, Laws of 1998 (ESSB 5760), which requires the gathering of additional information and monitoring of mentally ill offenders; and Chapter 82, Laws of 1998 (ESB 6139), which increases the penalties for amphetamine crimes.

The budget provides \$1 million in state general funds to screen low-income women for breast and cervical cancer. Total federal resources available to Washington State from the Centers for Disease Control were unexpectedly less than levels anticipated by the Department for the current biennium. An amount of \$300,000 in state general funds is provided to implement an emergency vaccination program in counties where Hepatitis A infection rates are in excess of 100 per 100,000 population.

The budget provides \$129,000 in state general funds for water reuse activities related to salmon restoration. The budget provides \$60,000 in state general funds to implement Chapter 37, Laws of 1998 (2SSB 6168), a bill related to temporary worker housing. Also provided is \$40,000 of state and local funds to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345), a regulatory reform bill making several changes to the Administrative Procedures Act related to rule making, review, and notification by state agencies. Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

A variety of grant and fee-supported activities are authorized. These and other technical adjustments increase the original appropriation for the Department of Health by \$3 million federal and local funds.

## Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>12,633</b>	<b>544,806</b>	<b>557,439</b>
1998 Supplemental Budget			
1. Basic Health Plan Enrollment	0	14,316	14,316
2. BHP Enrollee Recertification	0	330	330
3. Medical Savings Accounts (HB 1805)	0	-150	-150
4. Retiree Lawsuit Settlement	0	250	250
<b>Total Supplemental Items</b>	<b>0</b>	<b>14,746</b>	<b>14,746</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>12,633</b>	<b>559,552</b>	<b>572,185</b>
Fiscal Year 1998 Total	6,316	251,530	257,846
Fiscal Year 1999 Total	6,317	308,022	314,339

**Comments:**

1. BASIC HEALTH PLAN ENROLLMENT - Additional Health Services Account funding totaling \$11 million is provided to increase subsidized Basic Health Plan (BHP) enrollment to 137,200 by July 1998. This is the enrollment level anticipated in the original biennial appropriation, but was not attained because: (1) the 1998 premium rates negotiated with health plans increased by 12.3 percent over the 1997 level, rather than by 8 percent as budgeted; (2) savings from financial sponsors are less than budgeted; and (3) additional benchmark plans were needed in counties without sufficient access to the statewide benchmark plans. (Health Services Account)
  
2. BHP ENROLLEE RECERTIFICATION - Funding is provided to increase the BHP's ability to verify that enrollees continue to be eligible for the level of subsidy they are receiving. Eligibility verification efforts are also to be enhanced through: (1) electronic matching with wage data, which will permit better targeting of the accounts to be reviewed; and (2) through the new sanctions provided in Chapter 148, Laws of 1998 (SHB 3109) for failure to report income changes accurately and on time. Continuing these efforts is expected to cost \$242,000 per year next biennium. (Health Services Account)
  
3. MEDICAL SAVINGS ACCOUNTS (HB 1805) - The original biennial appropriation included funds to implement HB 1805. Since the bill was not enacted, these start-up funds are not needed. (Health Services Account)
  
4. RETIREE LAWSUIT SETTLEMENT - One-time funding is provided to process claims and payments in accordance with the settlement in Retired State Employees v. State of Washington. (Health Care Authority Administrative Fund)

# Washington State Health Care Authority

## WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Basic Health Plan (Subsidized) *</b>	<b>7,552</b>	<b>16,641</b>	<b>21,717</b>	<b>22,747</b>	<b>29,773</b>	<b>37,580</b>	<b>61,926</b>	<b>124,972</b>	<b>130,667</b>	<b>139,366</b>
% Change from prior year		120.4%	30.5%	4.7%	30.9%	26.2%	64.8%	101.8%	4.6%	6.7%
Regular Enrollees	7,552	16,641	21,717	22,747	29,773	37,580	61,773	124,190	129,144	137,200
% Change from prior year		120.4%	30.5%	4.7%	30.9%	26.2%	64.4%	101.0%	4.0%	6.2%
Home-Care Workers							153	782	1,523	2,166
% Change from prior year								411.1%	94.8%	42.2%

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*\* State subsidy for "regular" enrollees is provided through the Health Care Authority budget. State and federal subsidy for home-care worker enrollees is provided in the DSHS Long-Term Care and Developmental Disabilities budgets.*

Data Source:

*FY 1990 through FY 1997 from the Health Care Authority.*

*FY 1998 and FY 1999 estimates from the Legislative Fiscal Committees.*

## Human Rights Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>4,055</b>	<b>1,703</b>	<b>5,758</b>
1998 Supplemental Budget			
1. Caseload and Processing Time	432	0	432
2. Regulatory Reform	70	0	70
3. Governor Veto	-70	0	-70
<b>Total Supplemental Items</b>	<b>432</b>	<b>0</b>	<b>432</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>4,487</b>	<b>1,703</b>	<b>6,190</b>
Fiscal Year 1998 Total	2,019	870	2,889
Fiscal Year 1999 Total	2,468	833	3,301

**Comments:**

1. CASELOAD AND PROCESSING TIME - Funding is provided for eight FTE staff in FY 1999 to eliminate the current backlog of cases by January 1, 1999 and to reduce the case processing time.
  
2. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification.
  
3. GOVERNOR VETO - The Governor vetoed section 215(2) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

## Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>13,918</b>	<b>13,918</b>
1998 Supplemental Budget			
1. Information Technology Improvements	225	0	225
2. Lacey Office Rent Increase	40	0	40
3. PSEA Shortfall	0	-93	-93
4. Incident-Based Reporting	35	0	35
<b>Total Supplemental Items</b>	<b>300</b>	<b>-93</b>	<b>207</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>300</b>	<b>13,825</b>	<b>14,125</b>
Fiscal Year 1998 Total	15	6,993	7,008
Fiscal Year 1999 Total	285	6,832	7,117

**Comments:**

1. INFORMATION TECHNOLOGY IMPROVEMENTS - One-time funding is provided to update and maintain the technology infrastructure supporting the Criminal Justice Training Commission (CJTC). CJTC will purchase computer hardware and software to provide network access and current technology to all staff and instructors. In addition, the registration and student tracking software will be rewritten using currently-supported software to enable on-line registration from field sites and provide the field with limited access to training records and schedules.
  
2. LACEY OFFICE RENT INCREASE - Funding is provided for increased lease obligations resulting from the relocation of the Lacey headquarters. The funding will allow the CJTC to relocate their Lacey office from a portable building at Saint Martin's College to a leased facility in the Olympia area.
  
3. PSEA SHORTFALL - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).
  
4. INCIDENT-BASED REPORTING - Funding is provided for costs associated with the implementation of incident-based crime reporting.

## Department of Labor and Industries

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>13,653</b>	<b>366,928</b>	<b>380,581</b>
1998 Supplemental Budget			
1. Claims Processing Timeliness	0	1,372	1,372
2. Update Document Imaging	0	990	990
3. OSHA Federal Computer Requirements	0	464	464
4. New Federal Coding Requirements	0	560	560
5. Contractor Compliance Improvements	180	0	180
6. Regulatory Reform	41	213	254
7. Governor Veto	-41	-213	-254
<b>Total Supplemental Items</b>	<b>180</b>	<b>3,386</b>	<b>3,566</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>13,833</b>	<b>370,314</b>	<b>384,147</b>
Fiscal Year 1998 Total	6,805	186,664	193,469
Fiscal Year 1999 Total	7,028	183,650	190,678

**Comments:**

- |   |  |
|---|--|
| <p>1. CLAIMS PROCESSING TIMELINESS - Additional funding and staff are provided to manage worker compensation claims. (Accident and Medical Aid Accounts-State)</p> <p>2. UPDATE DOCUMENT IMAGING - Funding is provided to replace 665 imaging monitors and video boards to be compatible with the new upgrade version of the document imaging system approved by the 1997 Legislature. (Accident and Medical Aid Accounts-State)</p> <p>3. OSHA FEDERAL COMPUTER REQUIREMENTS - Funding is provided to install a new Integrated Management Information System, and to rewrite interfaces to Occupational Safety and Health Administration (OSHA) and Washington Industrial Safety and Health Act (WISHA) systems. This allows communication with the federal agency and supports the Agency's worker safety and health activities. Supplemental funds will allow the agency to maintain an integrated federal - state system. (Accident and Medical Aid Accounts-State)</p> <p>4. NEW FEDERAL CODING REQUIREMENTS - Funding is provided to allow the agency to adopt the North American Industry Classification System (NAICS) industry coding structure and the 2000 Census codes for use in coding Labor and Industries employer and claimant data. Also, existing systems will be modified to accept six-digit codes for both industry and occupation and to convert existing data. (Accident and Medical Aid Accounts-State)</p> <p>5. CONTRACTOR COMPLIANCE IMPROVEMENTS - Funding is provided for the implementation of Chapter 314, Laws of 1997 (ESHB 1903), which requires the Department to monitor, track, and report requirements of the contractor registration law.</p> <p>6. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (General Fund-State, Accident and Medical Aid Accounts-State)</p> | <p>7. GOVERNOR VETO - The Governor vetoed Section 217(11) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding for this purpose will lapse.</p> |
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## Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>19,121</b>	<b>34,334</b>	<b>53,455</b>
1998 Supplemental Budget			
1. Census & Revenue Adjustments	628	-628	0
2. World War II Memorial	200	0	200
<b>Total Supplemental Items</b>	<b>828</b>	<b>-628</b>	<b>200</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>19,949</b>	<b>33,706</b>	<b>53,655</b>
Fiscal Year 1998 Total	10,603	16,351	26,954
Fiscal Year 1999 Total	9,346	17,355	26,701

**Comments:**

1. CENSUS & REVENUE ADJUSTMENTS - Additional state funds are provided to support operations at the two state veterans' homes because federal and local revenues are not being generated at the levels originally budgeted. Census at both homes is approximately 4 percent below budgeted levels, resulting in reduced revenues both from resident contributions and from federal sources. Revenues are also lower than budgeted because federal payment rates, and resident cost-of-living adjustments, have both increased less than budgeted. (General Fund-Local, General Fund-Federal)
  
2. WORLD WAR II MEMORIAL - Funding is provided for construction of a memorial on the grounds of the State Capitol to the men and women who served in the armed forces during World War II. Construction of the memorial is to be a public/private partnership, with individual and corporate donors contributing the remaining two-thirds of the monument's cost.

## Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>128,737</b>	<b>375,424</b>	<b>504,161</b>
1998 Supplemental Budget			
1. State Epidemiology & Lab Capacity	0	216	216
2. Acute and Home Care	0	508	508
3. Medical Impaired Provider	0	-730	-730
4. Boarding Homes	-263	-1,281	-1,544
5. Immunization	0	171	171
6. Diabetes Control Program	0	416	416
7. Abstinence Education	0	593	593
8. Information Network/Public Health	0	1,125	1,125
9. Hanford Medical Monitoring	0	250	250
10. Laboratory Quality Assurance	0	95	95
11. Water Reuse Program	129	0	129
12. Child Death Review	0	-350	-350
13. Temporary Worker Housing	60	0	60
14. Replace Health Svcs Acct with GF-S	6,359	-6,359	0
15. HCFA Certification	0	499	499
16. Hepatitis A Vaccination Program	300	0	300
17. Regulatory Reform	37	3	40
18. Chemical Dependency Certification	0	214	214
19. Cervical & Breast Cancer Screening	1,000	0	1,000
20. Governor Veto	-37	-3	-40
<b>Total Supplemental Items</b>	<b>7,585</b>	<b>-4,633</b>	<b>2,952</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>136,322</b>	<b>370,791</b>	<b>507,113</b>
Fiscal Year 1998 Total	63,189	186,188	249,377
Fiscal Year 1999 Total	73,133	184,603	257,736

**Comments:**

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|---|--|
| <p>1. STATE EPIDEMIOLOGY &amp; LAB CAPACITY - An additional federal grant is available to improve the state's infectious disease surveillance system. The grant is time limited and expected to expire in 1999. (General Fund-Federal)</p> <p>2. ACUTE AND HOME CARE - More complaints of a complex and serious nature concerning the care delivered by operators of acute and home care organizations have been reported that require immediate investigation. Additional quality assurance staff will be hired to meet this demand, and the Department is authorized to raise acute and home care license fees only to the extent necessary to cover this expense. (General Fund-Private/Local)</p> <p>3. MEDICAL IMPAIRED PROVIDER - A \$25 surcharge is placed on physicians' license renewals to fund the Medical Impaired Provider Program (IPP). This program is for the treatment of physicians whose practice is impaired by the use of alcohol or other drugs. Chapter 132, Laws of 1998 (2SHB 1618) extends the \$25 surcharge and IPP program benefits to physician assistants. Further, the bill authorizes a non-appropriated account in the custody of the State Treasurer for receipts. This item corrects the appropriation authority originally granted to the Department for</p> | <p>the 1997-99 biennium to reflect this new policy. (Health Professions Account)</p> <p>4. BOARDING HOMES - Reflects the transfer of responsibility for boarding home regulation and quality assurance from the Department of Health to the Long Term Care Services Program at the Department of Social and Health Services effective April 1, 1998. (General Fund-State, General Fund-Private/Local)</p> <p>5. IMMUNIZATION - An additional federal grant is available to raise immunization rates among children and senior citizens. Activities will be carried out only to the extent federal support continues to be available. (General Fund-Federal)</p> <p>6. DIABETES CONTROL PROGRAM - An additional federal grant is available for diabetes education and treatment. Activities will be carried out only to the extent federal support continues to be available. (General Fund-Federal)</p> <p>7. ABSTINENCE EDUCATION - This item corrects the original 1997-99 operating budget to reflect the full federal grant award available to Washington State for abstinence education this biennium. (General Fund-Federal)</p> |
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## Department of Health

8. INFORMATION NETWORK/PUBLIC HEALTH - An additional federal grant is available to upgrade the state's public health computer information network. Any new systems developed will be maintained with existing departmental resources. (General Fund-Federal)
9. HANFORD MEDICAL MONITORING - The states of Washington, Idaho, and Oregon will join efforts to monitor persons exposed to radiation from Hanford between 1945 and 1951 for thyroid disease. This study is federally funded and the Department's participation includes outreach activities and health care provider education. (General Fund-Federal)
10. LABORATORY QUALITY ASSURANCE - The Department will join with the Health Care Financing Administration (HCFA) to identify fraudulent, duplicative billings from medical testing labs and will explore methods of controlling fraud. If successful, this federally funded study could help reduce the direct cost of health care for patients and third party payers. (General Fund-Federal)
11. WATER REUSE PROGRAM - The Department participates in the development of reclaimed water standards, providing public health assurances and technical assistance for water reclamation projects and facilities around the state. Funding is provided to support related salmon recovery activities.
12. CHILD DEATH REVIEW - The original 1997-99 biennial budget appropriated \$1 million from the Death Investigation Account for child death reviews. This item transfers \$350,000 of that sum to the State Toxicology Lab at the University of Washington for its supporting activities. (Death Investigations Account)
13. TEMPORARY WORKER HOUSING - Funding is provided for rule development costs and a fee study necessary to implement Chapter 37, Laws of 1998 (2SSB 6168).
14. REPLACE HEALTH SVCS ACCT WITH GF-S - FY 1999 Health Service Account funds are replaced with state general funds. This action is taken to meet the supplemental budget requirements of the state's Basic Health Care Plan. (General Fund-State, Health Services Account)
15. HCFA CERTIFICATION - The federal HCFA contracts with the Department to inspect and certify a health care facility as eligible for Medicare reimbursement. Provisions of the federal Balanced Budget Act of 1997 changed the nature of these specialized inspections. The workload impact is paid for by HCFA through a larger grant award than was assumed in the original 1997-99 biennial budget. (General Fund-Federal)
16. HEPATITIS A VACCINATION PROGRAM - Funding is provided to implement a Hepatitis A emergency vaccination program. The entire amount will be passed through to county health districts that have employed a public education effort and have infection rates in excess of 100 per 100,000 population.
17. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (General Fund-State, Health Professions Account)
18. CHEMICAL DEPENDENCY CERTIFICATION - Chapter 243, Laws of 1998 (SSB 6550) authorizes the certification of chemical dependency professionals. Additional expenses reflected here are the net cost of adding this new program, less savings from the current counselor registration program that will not exist for this group of health professionals. (Health Professions Account)
19. CERVICAL & BREAST CANCER SCREENING - Funding is provided to allow local public health agencies to continue to provide free cervical and breast cancer checks for low-income women, a program made possible with federal grants from the Centers for Disease Control.
20. GOVERNOR VETO - The Governor vetoed Section 219(28) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding for this purpose will lapse.

## Department of Corrections

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>825,064</b>	<b>23,454</b>	<b>848,518</b>
1998 Supplemental Budget			
1. Community Corr Officers-Firearms	835	0	835
2. Delay Tri-Cities WTR	-407	0	-407
3. Population Forecast Adjustment	41	0	41
4. DSHS Population Adjustment	639	0	639
5. Juvenile Program Savings	-334	0	-334
6. Juvenile Education	-866	0	-866
7. Prison Facilities Savings	-1,527	0	-1,527
8. Agency Efficiencies	-1,162	0	-1,162
9. Penalties for Manufacture of Meth	8	0	8
10. Penalties for Amphetamine Crimes	70	0	70
11. Mentally Ill Offenders	45	0	45
12. Sex Offender Registration	36	0	36
<b>Total Supplemental Items</b>	<b>-2,622</b>	<b>0</b>	<b>-2,622</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>822,442</b>	<b>23,454</b>	<b>845,896</b>
Fiscal Year 1998 Total	403,327	15,114	418,441
Fiscal Year 1999 Total	419,115	8,340	427,455

**Comments:**

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| <p>1. COMMUNITY CORR OFFICERS-FIREARMS - In 1997, the Legislature passed, and the Governor vetoed SB 5047, which permitted community corrections officers to carry firearms in the course of their duties. Under that bill, community corrections officers who had chosen to carry a firearm would have been required to pay for their own firearm, materials, and equipment. In addition, they would have been required to arrange, purchase, and complete a mandatory training program that would have been developed by the Criminal Justice Training Commission. After the veto, the Department conferred with labor organizations to reach a mutually agreed upon approach which the Department feels can be implemented without statutory change. Funds are provided to the Department to purchase firearms, holsters, storage lockers, ammunition, vests, and eye/ear protection. In addition, funding is provided to conduct additional screening of employees who desire to carry firearms. Finally, 2.5 FTE staff are provided to conduct training and coordinate the ongoing certification requirements associated with implementing this policy.</p> <p>2. DELAY TRI-CITIES WTR - Savings result from a delay in opening the Tri-Cities Work Training Release (WTR) facility. The delay is the result of ongoing litigation relating to site selection for the facility. The facility is now assumed to open in June 1999.</p> <p>3. POPULATION FORECAST ADJUSTMENT - Funding is adjusted to reflect the November 1997 inmate forecast by the Caseload Forecast Council. The new forecast anticipates 46 fewer inmates in FY 1998 and 52 more inmates in FY 1999 than was originally projected in November 1996.</p> <p>4. DSHS POPULATION ADJUSTMENT - The Department of Social and Health Services (DSHS) is relocating the Special Commitment</p> | <p>Center from Monroe to McNeil Island. Funding is provided to the Department of Corrections (DOC) for the increased costs associated with the reoccupation of a close custody housing unit at Monroe. The Special Commitment Center will be occupying a minimum custody housing unit at McNeil Island.</p> <p>5. JUVENILE PROGRAM SAVINGS - Chapter 338, Laws of 1997 (E3SHB 3900) requires the Department to house most offenders under the age of eighteen apart from offenders over the age of eighteen. The original 1997-99 biennial budget assumed that a previously vacant housing unit at the Washington Corrections Center for Women would need to be reopened for this purpose. Savings are generated by the Department instead using a separate portion of an already occupied housing unit.</p> <p>6. JUVENILE EDUCATION - Chapter 338, Laws of 1997 (E3SHB 3900) requires the Department to provide certain educational opportunities to offenders under the age of eighteen. The original 1997-99 biennial budget provided funding to DOC for this purpose. Funding for the education of offenders under the age of eighteen is transferred from DOC to the Superintendent of Public Instruction. Funding for the education of these offenders, at a higher rate, is included in the budget for the Public Schools Institutional Education Program.</p> <p>7. PRISON FACILITIES SAVINGS - Savings are realized from delays in opening expanded facilities at Cedar Creek Corrections Center, Larch Corrections Center, McNeil Island Corrections Center, Washington Corrections Center for Women, and the Washington State Reformatory.</p> |
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## Department of Corrections

8. AGENCY EFFICIENCIES - Savings are realized in personnel costs and through the migration of the Offender Based Tracking System (OBTS) from the Washington State Patrol to the Department of Information Services.
9. PENALTIES FOR MANUFACTURE OF METH - Funding is provided for the implementation of Chapter 78, Laws of 1998 (HB 2628), which increases the penalty for manufacturing methamphetamine.
10. PENALTIES FOR AMPHETAMINE CRIMES - Funding is provided for Chapter 82, Laws of 1998 (ESB 6139), which increases the penalty for amphetamine crimes.
11. MENTALLY ILL OFFENDERS - Funding is provided for the implementation of Chapter 260, Laws of 1998 (ESSB 5760), which requires the gathering of additional information and monitoring of mentally ill offenders.
12. SEX OFFENDER REGISTRATION - Funding is provided for the implementation of the Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

# Department of Corrections

## WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Work Release/Pre-Release</b>										
Avg Daily Pop/Month	683	781	1,021	1,068	997	1,014	1,063	1,126	1,219	1,288
% Change from prior year		14.3%	30.7%	4.6%	-6.6%	1.7%	4.8%	5.9%	8.3%	5.7%
<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	11,474	12,019	12,633
% Change from prior year		10.6%	12.8%	9.6%	4.7%	4.8%	7.1%	7.0%	4.8%	5.1%
<b>Avg Cost Per Inmate *</b>										
Annual	\$23,082	\$22,358	\$21,984	\$22,737	\$23,368	\$24,098	\$23,924	\$23,431	\$24,049	\$23,696
% Change from prior year		-3.1%	-1.7%	3.4%	2.8%	3.1%	-0.7%	-2.1%	2.6%	-1.5%

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

Data Source:

FY 1990 through FY 1999 from Division of Management and Budget at Department of Corrections.

## Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>2,521</b>	<b>406,777</b>	<b>409,298</b>
1998 Supplemental Budget			
1. Welfare to Work	0	20,156	20,156
2. One-Stop Implementation	0	4,877	4,877
3. Local Funds	0	3,808	3,808
4. TAXIS Improvements	0	1,786	1,786
5. Field PC Replacement for Year 2000	0	813	813
6. Governor Veto	0	-20,156	-20,156
<b>Total Supplemental Items</b>	<b>0</b>	<b>11,284</b>	<b>11,284</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>2,521</b>	<b>418,061</b>	<b>420,582</b>
Fiscal Year 1998 Total	1,260	213,035	214,295
Fiscal Year 1999 Total	1,261	205,026	206,287

**Comments:**

1. WELFARE TO WORK - Funding is provided to transition welfare recipients to work. Funds currently appropriated for the Temporary Assistance for Needy Families (TANF) program will be used as the source of the required 50 percent state match. Since the matching state funds are already appropriated to the Department of Social and Health Services for welfare reform efforts, including welfare-to-work related activities, no additional appropriation is required to match the federal grant. The Governor is required to obtain a federal waiver that allows formula grants to be distributed to alternative agencies. (General Fund-Federal)
2. ONE-STOP IMPLEMENTATION - Funding is provided from Phase II of a federal grant to implement a statewide system to improve and integrate all employment service related systems across state government. These funds will allow the agency to implement the One-Stop system mandated by the federal Department of Labor. (General Fund-Federal)
3. LOCAL FUNDS - Additional local funds are provided to allow the agency to maintain contracted services in communities throughout the state. These services include providing training and job services and labor market information to clients of other state agencies and private nonprofit organizations. (General Fund-Private/Local)
4. TAXIS IMPROVEMENTS - Funding is provided to correct deficiencies within the Tax Information System (TAXIS). (Administrative Contingency Account, Employment Service Administrative Account)
5. FIELD PC REPLACEMENT FOR YEAR 2000 - Funding is provided for the replacement of field office personal computers for Year 2000 compliance. The federal funds are part of a federal grant which may only be used for this activity. (Unemployment Compensation Administration Account-Federal, Employment Services Administration Account-State)
6. GOVERNOR VETO - The Governor vetoed Section 222(3) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which

required the Employment Security Department to maintain the current level of job placement services at all 32 community and technical college location sites throughout the remainder of the 1997-99 biennium.

The Governor vetoed Section 222(8) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which required the Employment Security Department to disclose additional tax information on the 1999 employer tax rate notice.

The Governor vetoed Section 222(9) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided \$20,156,000 to implement the federal welfare-to-work program. The proviso stipulated that the funding would lapse if the Governor did not successfully obtain an approved federal waiver to use an alternative agency or agents to administer the welfare-to-work program.

# Natural Resources

## Salmon Recovery

Last year, wild steelhead runs in the upper Columbia basin were listed as endangered under the Federal Endangered Species Act (ESA). This added to the existing ESA listings of Snake River Sockeye and Chinook. In the next year, further listings in the state are expected as the federal National Marine Fisheries Service completes status reviews for salmonid populations in the Puget Sound, the lower Columbia River, and the Pacific Coast.

When a salmonid species is listed under ESA, the species is included in a federal regulatory framework designed to conserve and rebuild species populations. This regulatory framework may include water use, land use, and natural resource use restrictions, as well as harvest reductions in both commercial and recreational fisheries.

The budget for Salmon Recovery addresses potential ESA listings by taking action now to rebuild threatened salmon populations. The budget provides new funding (\$26.1 million) in three areas: salmon restoration projects; expansion of existing programs; and planning, assessment, and coordination.

### Salmon Restoration Funding

(Dollars in Thousands)

Item	GF-S	Other	Total
<b>Salmon Restoration Projects</b>			
Conservation Reserve Enhancement Program	1,000	5,000	6,000
Fish Passage Barriers and Restoration Projects - Grants	0	5,750	5,750
Fish Passage Barriers - Technical Assistance	450	0	450
Salmon Restoration Projects	3,500	750	4,250
Remote Site Incubators	393	0	393
<b>Subtotal</b>	<b>5,343</b>	<b>11,500</b>	<b>16,843</b>
<b>Expansion of Existing Programs</b>			
License Buy-Back	1,170	3,500	4,670
Mass Marking of Chinook	1,000	625	1,625
<b>Subtotal</b>	<b>2,170</b>	<b>4,125</b>	<b>6,295</b>
<b>Planning, Coordination, and Assessment</b>			
Watershed Assessment Grants	1,500	0	1,500
Governor's Salmon Team	500	0	500
Volunteer Initiative	1,000	0	1,000
<b>Subtotal</b>	<b>3,000</b>	<b>0</b>	<b>3,000</b>
<b>Total</b>	<b>10,513</b>	<b>15,625</b>	<b>26,138</b>

## **Salmon Restoration Projects:**

### **Conservation Reserve Enhancement Program**

Funding is available through the U.S. Department of Agriculture for the protection and restoration of riparian zones to benefit salmon and improve water quality. The supplemental budget includes \$5.0 million in the capital budget for a state match for fencing and restoration of riparian areas; and \$1.0 million from the state general fund in the operating budget for local conservation districts to assist landowners in designing restoration projects that meet the federal requirements.

### **Fish Passage Barriers**

The Department of Fish and Wildlife estimates that there are over 2,400 barriers at road crossings in the state, blocking fish access to an estimated 3,000 miles of freshwater spawning and rearing habitat. The capital budget includes \$5.75 million from the Salmon Restoration Account for a grant program for state, local, and volunteer groups to inventory and correct fish passage barriers. The operating budget includes \$450,000 from the state general fund for the Department of Fish and Wildlife to provide engineering and design review assistance to groups planning fish barrier removal.

### **Local Restoration Projects**

The supplemental budget includes \$3.9 million from the state general fund and \$750,000 in federal funds for the Department of Fish and Wildlife to develop a remote site incubator program, and funds a grant program for salmon restoration projects as defined in the Salmon Recovery Planning bill, Chapter 246, Laws of 1998 (ESHB 2496).

## **Expansion of Existing Programs:**

### **License Buy-Back Program**

The supplemental budget provides \$1.2 million from the state general fund and \$3.5 million in federal funds to continue the existing commercial license buy-back program. The program allows those who fish for salmon to sell their licenses back to the state, thus both reducing harvest pressure on stocks and allowing fishers to recover a portion of their investment.

### **Mass Marking of Chinook**

Mass marking of hatchery Coho salmon allows fishers to selectively catch hatchery-produced salmon in mixed-stock fisheries. This program allows a continuation of both sport and commercial Coho fisheries, while protecting wild salmon runs. The supplemental budget provides \$1.0 million in state general funds, \$400,000 in federal funds, and \$225,000 in local funds to expand the existing mass marking program to Chinook salmon.

## **Planning, Coordination, and Assessment:**

### **Watershed Assessment Grants**

The threat of salmon ESA listings highlights the need to increase the capacity of local governments and local volunteer groups to address salmon restoration. The supplemental budget provides \$1.5 million in state general funds for grant programs to lead entities to assess the current habitat conditions in watersheds; identify potential salmon restoration projects; and prioritize projects for immediate implementation.

### **Governor's Salmon Team**

The supplemental includes \$500,000 from the state general fund to add four staff to the Governor's Salmon Team. The Salmon Team will coordinate agency activities related to salmon restoration and report on the status of salmon recovery efforts.

### **Volunteer Initiative**

The amount of \$1.0 million from the state general fund is provided to contract with a nonprofit group to develop a volunteer habitat initiative. The initiative will include: a training program for volunteers; a public outreach and education program; and a program to encourage landowners and land managers to use volunteers in salmon habitat improvement projects.

### **Wildlife Account**

Late in the legislative session the Department of Fish and Wildlife revealed that the agency's Wildlife Account could reach a deficit of up to \$17.4 million by the end of the biennium. The Legislature has developed the following plan to assist the agency with the immediate shortfall and to develop a long-term plan for balancing the wildlife account revenues and program expenditures.

#### **General Fund-State Loan**

To help the Department through the immediate budget shortfall, the enacted budget proposes to lend \$3.5 million from the state general fund to the Wildlife Account. The loan is contingent upon the following departmental actions:

- The Department must submit an expenditure reduction plan to the Office of Financial Management (OFM) and to the Senate Ways and Means and House Appropriations Committees by April 17, 1998. The plan must specify positions to be eliminated and properties proposed for sale. Reductions must be limited to wildlife account programs.
- The Department must submit quarterly revenue and expenditure reports to OFM, the Senate Ways and Means Committee, and the House Appropriations Committee.
- The Department must work with OFM and the Department of Revenue to develop a model for forecasting revenues to the state wildlife account. The forecast must be incorporated into the quarterly economic and revenue forecast.
- By November 1, 1998, the Department must submit a six-year financial plan for the state wildlife account for fiscal years 1999-2005 to OFM, the Senate Ways and Means Committee, and the House Appropriations Committee. The plan must include a plan for repayment of the general fund loan.

#### **Program Reductions**

To help balance the projected shortfall in the Wildlife Account, a series of program reductions totaling \$7.5 million must be implemented. A comprehensive reduction plan must be submitted to OFM by April 17, 1998.

#### **Management Consultant Audit**

The enacted budget includes \$250,000 from the state general fund to OFM to hire an outside management consultant to review the agency's operations and management practices. This information will be used to refine the long-term financial plan for the wildlife-funded programs.

#### **Recreational License Database**

The amount of \$1.0 million from the state general fund is provided to the Department of Fish and Wildlife to purchase and develop a recreational license database. The database will include point-of-sale system implementation.

## **Other Natural Resources**

### **Aquatic Land Lease Rate Study**

The supplemental budget provides \$71,000 from the Resource Management Cost Account to implement Chapter 185, Laws of 1998 (2SSB 6156), requiring the Department of Natural Resources to study methods for calculating water-dependent lease rates on state-owned aquatic lands.

### **Finfish Net-Pen Aquaculture Study**

The amount of \$50,000 from the state general fund is provided to the Department of Natural Resources for a study of potential sites for Finfish Net-Pen Aquaculture in the Strait of Juan de Fuca and along the Pacific Coast.

### **Spartina Control**

The amount of \$50,000 from the Resource Management Cost Account is provided for a field study of the effectiveness of biological control methods for control of spartina in Willapa Bay.

## **Agriculture and Water**

### **Watershed Management**

The supplemental budget provides \$1.1 million from the state general fund to the Department of Ecology to provide technical assistance to local watershed planning groups. The budget also provides \$3.9 million from the state general fund for grants to local watershed planning groups to implement Chapter 247, Laws of 1998, Partial Veto (ESHB 2514).

### **Fertilizer Regulation**

The amount of \$675,000 from the Local Toxics Control Account is provided to the Departments of Agriculture and Ecology to implement Chapter 36, Laws of 1998 (SSB 6474), regulating fertilizers. This includes funding for a study of plant uptake of heavy metals, and a study of the occurrence of dioxins in soils, fertilizers, and soil amendments.

### **Dairy Nutrients**

The amount of \$400,000 from the state general fund is provided to add five inspectors in the Department of Ecology to implement Chapter 26, Laws of 1998, Partial Veto (SSB Bill 6161). Staff will conduct dairy inspections, issue permits, and establish and administer a dairy database. The amount of \$200,000 is provided to the Conservation Commission to assist dairies in developing farm plans.

### **Water Reuse**

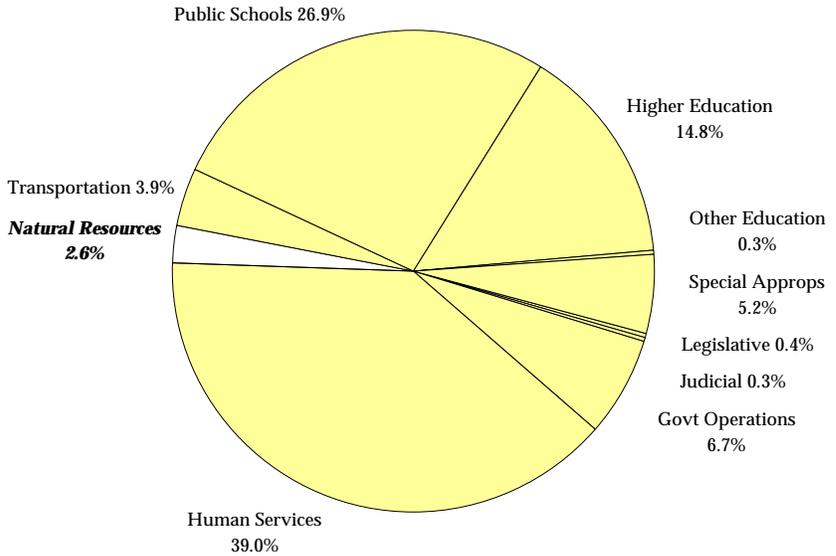
The amount of \$129,000 from the state general fund is provided to the Department of Health to provide technical assistance and permit review for water reuse projects.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

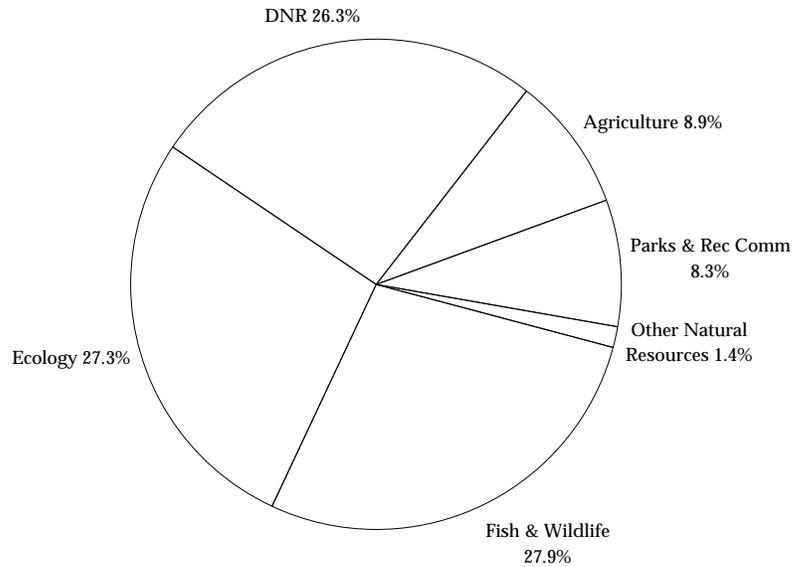
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
<b>Natural Resources</b>	<b>915,743</b>
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

Dept of Fish & Wildlife	255,133
Dept of Ecology	249,949
Dept of Natural Resources	240,424
Dept of Agriculture	81,576
Parks & Recreation Comm	75,960
Other Natural Resources	12,701
<b>Natural Resources</b>	<b>915,743</b>



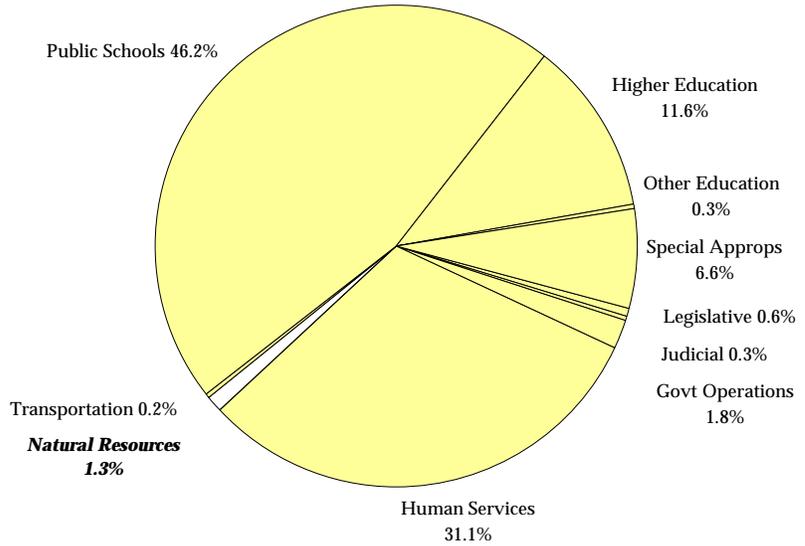
## Natural Resources

# 1997-99 Washington State Operating Budget

## General Fund - State

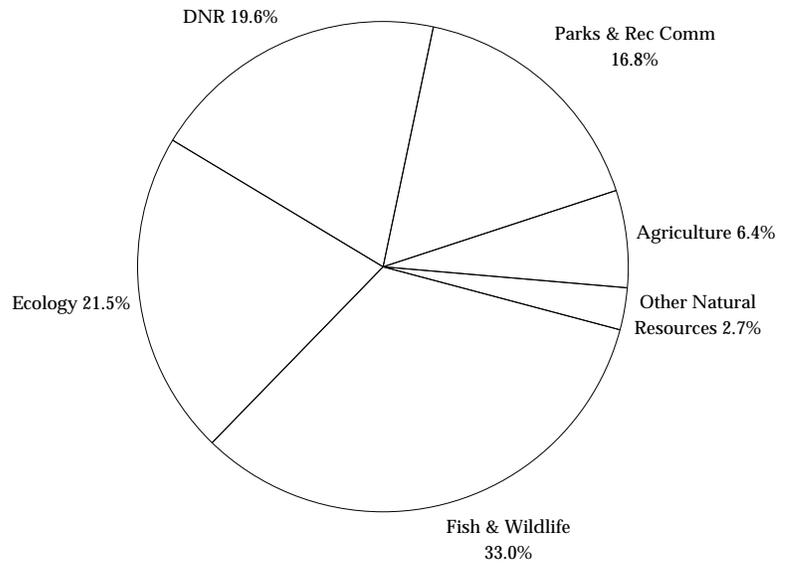
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
<b>Natural Resources</b>	<b>245,199</b>
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



## Washington State

Dept of Fish & Wildlife	80,809
Dept of Ecology	52,769
Dept of Natural Resources	48,126
Parks & Recreation Comm	41,084
Dept of Agriculture	15,745
Other Natural Resources	6,666
<b>Natural Resources</b>	<b>245,199</b>



## Natural Resources

## Columbia River Gorge Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>435</b>	<b>435</b>	<b>870</b>
1998 Supplemental Budget			
1. Adjust to Oregon Fund Level	0	7	7
<b>Total Supplemental Items</b>	<b>0</b>	<b>7</b>	<b>7</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>435</b>	<b>442</b>	<b>877</b>
Fiscal Year 1998 Total	213	214	427
Fiscal Year 1999 Total	222	228	450

**Comments:**

1. ADJUST TO OREGON FUND LEVEL - A technical adjustment is made in the agency's private/local authority to reflect the amount of funds actually appropriated by the state of Oregon for the Commission's operations. (General Fund-Private/Local)

## Department of Ecology

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>51,873</b>	<b>196,336</b>	<b>248,209</b>
1998 Supplemental Budget			
1. Watershed Management	1,100	0	1,100
2. Watershed Planning Grants	3,900	0	3,900
3. Dairy Waste Management	400	0	400
4. Grass Seed Burning Research	0	29	29
5. Increase Private/Local Authority	0	557	557
6. Marine Information System	0	40	40
7. Additional Federal Authority	0	925	925
8. Programmatic Adjustments	0	-1,319	-1,319
9. Pine Hollow Study	300	0	300
10. Wetlands Mitigation Banking	196	0	196
11. Regulatory Reform	24	36	60
12. Fertilizer Regulation	0	417	417
13. Water Rights	200	0	200
14. Watershed Management Grants	-5,000	0	-5,000
15. Underground Storage Tank Program	0	195	195
16. Governor Veto	-224	-36	-260
<b>Total Supplemental Items</b>	<b>896</b>	<b>844</b>	<b>1,740</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>52,769</b>	<b>197,180</b>	<b>249,949</b>
Fiscal Year 1998 Total	25,213	97,509	122,722
Fiscal Year 1999 Total	27,556	99,671	127,227

**Comments:**

1. WATERSHED MANAGEMENT - Funding is provided for 16 FTE staff to provide technical assistance to local watershed planning groups established in accordance with Chapter 247, Laws of 1998, Partial Veto (ESHB 2514 - Integrated Watershed Management). The Department of Ecology (DOE) may provide a portion of these funds to other state agencies to provide technical assistance to local watershed planning groups as needed.
5. INCREASE PRIVATE/LOCAL AUTHORITY - DOE has received additional funding from outside sources to complete various projects. Authority is provided to allow expenditure of these funds. Projects include a water quality study of Budd Inlet, education and research activities at Padilla Bay, and water quality studies related to forest management activities. (General Fund-Private/Local)
2. WATERSHED PLANNING GRANTS - Funding is provided for grants to local watershed planning groups established in accordance with Chapter 247, Laws of 1998, Partial Veto (ESHB 2514 - Integrated Watershed Management).
6. MARINE INFORMATION SYSTEM - The Marine Information System is a vessel information and risk analysis system. Funding is provided to complete the final components of the system, including expanded vessel ownership information and historical enforcement tracking. (Oil Spill Administration Account)
3. DAIRY WASTE MANAGEMENT - Funding is provided to implement Chapter 26, Laws of 1998, Partial Veto (SSB 6161 - Dairy Nutrient Management). Five inspectors will be added to carry out permitting and inspection activities and to establish and administer a dairy database.
7. ADDITIONAL FEDERAL AUTHORITY - DOE has received additional federal funding for three specific projects to be allocated in the following manner: \$600,000 for the Department to integrate its information systems; \$250,000 for grants and contracts to local governments and nonprofit groups to support pollution prevention in the Lake Whatcom and Whatcom Creek watersheds; and \$75,000 for the Pacific Northwest Pollution Prevention Research Center to support a pollution prevention newsletter and their pollution prevention resource network. (General Fund-Federal)
4. GRASS SEED BURNING RESEARCH - An adjustment is made in the appropriation authority for the Grass Seed Burning Research Account. DOE will contract with Washington State University to conduct a grass burning emission study and for additional research to identify economically feasible alternatives to grass seed burning in Eastern Washington. (Special Grass Seed Burning Research Account)

## Department of Ecology

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|--|---|
| <p>8. PROGRAMMATIC ADJUSTMENTS - Funding is reduced for several of DOE's programs due to revenue shortfalls. (Vehicle Tire Recycling Account, Wood Stove Education and Enforcement Account, Solid Waste Management Account, Air Operating Permit Account)</p>  | <p>The Governor vetoed Section 303(5) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.</p> |
| <p>9. PINE HOLLOW STUDY - Funding is provided to conduct a preconstruction analysis of Pine Hollow regarding its suitability as a site for a retainment dam and water storage reservoir. The analysis shall include, but is not limited to, an analysis of the geology and hydrology of the site and appropriate dam design and dynamics, its impact on water-related issues, and its impact on the Yakama Indian Nation and others water rights.</p>                | <p>The Governor vetoed section 302(18) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which redirects existing funding, previously provided to the Department of Ecology for study of coastal erosion in southwest Washington, to the Department of Community, Trade, and Economic Development for coastal erosion project grants.</p>       |
| <p>10. WETLANDS MITIGATION BANKING - Funding is provided for staff to develop rules regarding certification, operation, and monitoring of wetlands mitigation banks in accordance with Chapter 248, Laws of 1998 (E2SHB 2339 - Wetlands Mitigation Banking).</p>   | <p>The Governor vetoed section 302(19) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which directs the Department of Ecology to provide expedited assistance to rural economic development projects, with top priority to projects that have initiated the coordinated permit assistance process.</p>                                       |
| <p>11. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy, and interpretive statements. (General Fund-State, General Fund-Federal, Water Quality Permit, Air Pollution Control)</p>                                  | <p>The Governor vetoed section 302(20) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which directs the Department of Ecology to contract for a scientific review of various permits and studies related to efforts to control aquatic weeds in Lake Steilacoom.</p>   |
| <p>12. FERTILIZER REGULATION - Funding is provided to implement Chapter 36, Laws of 1998 (SSB 6474 - Fertilizer Regulation). DOE responsibilities include a study of the presence of dioxins in soils and fertilizers and review of applications for registration of waste-derived fertilizers. (Local Toxics Control Account)</p>   |   |
| <p>13. WATER RIGHTS - Funding is provided to reopen the water right claim filing period for existing beneficial uses in accordance with ESSB 5703 (Water Rights for Beneficial Uses). This bill was vetoed by the Governor.</p>  |   |
| <p>14. WATERSHED MANAGEMENT GRANTS - The Governor vetoed section 302 (4) of the 1997-99 biennial budget, which provided \$5 million for grants to local watershed planning groups contingent upon enactment of specific sections of 2SHB 2054 (Water Resources Planning). Under a March 20, 1998 decision of the Thurston County Superior Court, the Governor's veto resulted in a lapse of the appropriation, and the moneys are not available for expenditure.</p> |   |
| <p>15. UNDERGROUND STORAGE TANK PROGRAM - Funding is provided to implement Chapter 155, Laws of 1998 (SSB 6130 - Underground Storage Tank Reauthorization). The bill extends the termination of the Underground Storage Tank program to July 2009, adds a requirement for review under the Sunset Act prior to termination, and increases the annual tank licensing fee. (Underground Storage Tank Account)</p>  |   |
| <p>16. GOVERNOR VETO - The Governor vetoed Section 303(4) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided \$200,000 for implementation of ESSB 5703 (Water Rights for Beneficial Uses). ESSB 5703 was vetoed in its entirety. The \$200,000 appropriation lapses.</p>   |   |

## State Parks and Recreation Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>40,861</b>	<b>31,711</b>	<b>72,572</b>
1998 Supplemental Budget			
1. PRSA Investment Authority	0	550	550
2. Cama Beach Caretaker	114	0	114
3. Headquarters Lease Increase	109	0	109
4. Health and Safety Maintenance	0	694	694
5. Snowmobile Program Expansion	0	950	950
6. Northwest Avalanche Center Grant	0	40	40
<b>Total Supplemental Items</b>	<b>223</b>	<b>2,234</b>	<b>2,457</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>41,084</b>	<b>33,945</b>	<b>75,029</b>
Fiscal Year 1998 Total	20,489	15,698	36,187
Fiscal Year 1999 Total	20,595	18,247	38,842

**Comments:**

1. PRSA INVESTMENT AUTHORITY - An adjustment is made in the appropriation authority for the Parks Renewal and Stewardship Account (PRSA) to reflect anticipated revenues from two specific programs: the Environmental Interpretation program and overnight accommodations at Fort Worden. (Parks Renewal and Stewardship Account)
  
2. CAMA BEACH CARETAKER - Funding is provided for a full-time ranger to coordinate park development activities, work with interest groups, respond to fire emergencies, provide security, and organize and supervise volunteers.
  
3. HEADQUARTERS LEASE INCREASE - Funding is provided for increased lease payments necessary to upgrade the heating and ventilation system and repair roof leaks at the existing facility.
  
4. HEALTH AND SAFETY MAINTENANCE - Funding is provided to address the most critical health and safety issues at state parks. Projects include replacing shower meters and electrical systems and repairing water and sewer systems. One-time federal funds from fire mobilization reimbursements are available for these projects. (General Fund-Federal)
  
5. SNOWMOBILE PROGRAM EXPANSION - Funding is provided for trail grooming and replacement of grooming equipment in snowmobile areas across the state. (Snowmobile Account)
  
6. NORTHWEST AVALANCHE CENTER GRANT - Funding is provided for operation of the Northwest Avalanche Center. (Snowmobile Account, Winter Recreation Account)

NOTE: The State Parks & Recreation Commission received an appropriation of \$4,431,000 in the original 1997-99 Transportation Budget.

## Interagency Committee for Outdoor Recreation

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>2,988</b>	<b>2,988</b>
1998 Supplemental Budget			
1. National Recreational Trails	0	11	11
<b>Total Supplemental Items</b>	<b>0</b>	<b>11</b>	<b>11</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>2,999</b>	<b>2,999</b>
Fiscal Year 1998 Total	0	1,567	1,567
Fiscal Year 1999 Total	0	1,432	1,432

**Comments:**

1. NATIONAL RECREATIONAL TRAILS - Funding is provided from a federal grant to administer the U.S. Department of Transportation's National Recreational Trails Program. (General Fund-Federal)

## State Conservation Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>1,678</b>	<b>440</b>	<b>2,118</b>
1998 Supplemental Budget			
1. Conservation Reserve Program	1,000	0	1,000
2. Dairy Nutrients	200	0	200
3. Watershed Assessments	800	0	800
4. Volunteer Initiative	1,000	0	1,000
<b>Total Supplemental Items</b>	<b>3,000</b>	<b>0</b>	<b>3,000</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>4,678</b>	<b>440</b>	<b>5,118</b>
Fiscal Year 1998 Total	838	219	1,057
Fiscal Year 1999 Total	3,840	221	4,061

**Comments:**

1. CONSERVATION RESERVE PROGRAM - Funding is available through the U.S. Department of Agriculture Conservation Reserve Enhancement Program (CREP) for the protection and restoration of riparian zones to benefit salmon and improve water quality. Funding is provided in the operating budget for technical assistance to assist individual landowners in designing restoration projects that meet federal requirements. The state cost share for restoration projects is provided in the capital budget.
2. DAIRY NUTRIENTS - Funding is provided for local conservation districts to provide technical assistance to dairy farmers in accordance with Chapter 26, Laws of 1998, Partial Veto (SSB 6161 - Dairy Nutrient Management).
3. WATERSHED ASSESSMENTS - Funding is provided to assist regional salmon recovery groups in identifying limiting factors for salmonids in accordance with the process established in Chapter 246, Laws of 1998 (SHB 2496 - Salmon Recovery Plan).
4. VOLUNTEER INITIATIVE - Funding is provided to implement a pilot volunteer initiative to train volunteers, conduct public outreach and education, and encourage landowners and land managers to use volunteers for salmon habitat improvements.

## Department of Fish and Wildlife

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS *</b>	<b>72,251</b>	<b>178,581</b>	<b>250,832</b>
1998 Supplemental Budget			
1. Big Game Raffle Authority	0	250	250
2. Columbia River Enforcement Officers	0	-1,878	-1,878
3. License Buy Back Program	1,170	3,500	4,670
4. Deer and Elk Damage Claims	250	0	250
5. Fish Passage Barriers	450	0	450
6. Independent Science Team	50	0	50
7. Salmon Restoration Projects	3,500	750	4,250
8. Watershed Assessments	700	0	700
9. Regulatory Reform	70	0	70
10. Remote Site Incubators	393	0	393
11. Mass Marking of Chinook	1,000	625	1,625
12. Recreational License Database	1,000	0	1,000
13. PSEA Shortfall	0	-4	-4
14. Nonindigenous Aquatic Species	45	0	45
15. Wildlife Fund Shortfall	0	-7,500	-7,500
16. Governor Veto	-70	0	-70
<b>Total Supplemental Items</b>	<b>8,558</b>	<b>-4,257</b>	<b>4,301</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>80,809</b>	<b>174,324</b>	<b>255,133</b>
Fiscal Year 1998 Total	35,869	86,656	122,525
Fiscal Year 1999 Total	44,940	87,668	132,608

**Comments:**

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|---|--|
| <p>1. BIG GAME RAFFLE AUTHORITY - Authority is provided to expend greater than expected revenue collected from big game auctions and raffles in the 1997-99 biennium. The revenue is dedicated to wildlife conservation purposes. (Wildlife Account-State).</p> <p>2. COLUMBIA RIVER ENFORCEMENT OFFICERS - Funding is reduced due to the elimination of federal funds. (General Fund-Federal)</p> <p>3. LICENSE BUY BACK PROGRAM - Funding is provided for a commercial salmon license buy back program. This program allows salmon fishermen the opportunity to sell their licenses back to the state and exit from salmon fisheries. A 25 percent state match is required to access \$3.5 million in federal funds. (General Fund-State, General Fund-Federal)</p> <p>4. DEER AND ELK DAMAGE CLAIMS - Funding is provided for unanticipated deer and elk damage claims.</p> <p>5. FISH PASSAGE BARRIERS - Funding is provided for engineering and technical assistance to local governments and volunteer groups for fish passage barrier removal and to train Department of Transportation (DOT) engineers to provide engineering and technical assistance for fish passage barrier removal, in accordance with Chapter 246, Laws of 1998 (ESHB 2496 - Salmon Recovery Planning).</p> | <p>6. INDEPENDENT SCIENCE TEAM - Funding is provided to create the independent science panel authorized in Chapter 246, Laws of 1998 (ESHB 2496 - Salmon Recovery Planning). The panel will review regional salmon recovery plans at the request of the Governor.</p> <p>7. SALMON RESTORATION PROJECTS - Funding is provided to the Department of Fish and Wildlife (DFW) to provide salmon habitat restoration project grants to local entities according to the process established in Chapter 246, Laws of 1998 (ESHB 2496 - Salmon Recovery Planning). Funds will be distributed by an interagency review team from DFW, the Conservation Commission, and DOT. The interagency review team must provide a summary of expenditures and projects to the Legislature and the Governor each year. (General Fund-State, Regional Fisheries Enhance Group-Federal)</p> <p>8. WATERSHED ASSESSMENTS - Funding is provided for grants to regional lead entities for administrative activities, development of habitat project lists, and limiting factors analysis in accordance with Chapter 246, Laws of 1998 (ESHB 2496 - Salmon Recovery Planning).</p> |
|---|--|

## Department of Fish and Wildlife

9. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy, and interpretive statements.
10. REMOTE SITE INCUBATORS - Funding is provided for the Department of Fish and Wildlife to develop a remote site incubator program to implement Chapter 251, Laws of 1998 (SSB 6324 - Fish Remote Site Incubator).
11. MASS MARKING OF CHINOOK - Funding is provided for the mass marking of hatchery Chinook in accordance with Chapter 250, Laws of 1998 (2SSB 6264 - Chinook Salmon Mass Marking). The mass marking will be jointly funded by state, federal, and private entities. (General Fund-State, General Fund-Federal, General Fund-Local)
12. RECREATIONAL LICENSE DATABASE - Funding is provided for the purchase and development of a recreational license database to facilitate the license reorganization in Chapter 191, Laws of 1998, Partial Veto (2SSB 6330 - Fish and Wildlife Licenses) and to improve the collection and accountability for recreational license revenues.
13. PSEA SHORTFALL - Funding is reduced to reflect a revenue shortfall in the Public Safety and Education Account (PSEA).
14. NONINDIGENOUS AQUATIC SPECIES - Funding is provided to form a task force in accordance with Chapter 153, Laws of 1998 (SSB 6114 - Nonindigenous Aquatic Species) which authorizes the Department to develop recommendations to prevent the spread of zebra mussels and green crabs.
15. WILDLIFE FUND SHORTFALL - Late in the legislative session, the Department notified the Legislature of a \$17 million budget shortfall in the Wildlife Account. Appropriation authority and staff are reduced for programs that receive funds from the wildlife account due to the shortfall. The Department must propose an expenditure reduction plan to the Legislature by April 17, 1998. Preliminary reduction plans submitted by the Department indicate that no more than \$500,000 will be reduced from supporting hatcheries production, and no more than four enforcement officers will be cut. (Wildlife Account-State)
16. GOVERNOR VETO - The Governor vetoed Section 307(34) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

NOTE: \* The 1997-99 Original Appropriations include a \$24,000 appropriation from Chapter 425, Laws of 1997 (SSB 5327), for the Habitat Incentives Program

## Department of Natural Resources

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS *</b>	<b>47,959</b>	<b>192,177</b>	<b>240,136</b>
1998 Supplemental Budget			
1. GIS Inventory	117	0	117
2. Mobile Radio Replacement	0	750	750
3. Regulatory Reform	75	75	150
4. Aquatic Land Lease Rate Study	0	71	71
5. Finfish Netpen Aquaculture Study	50	0	50
6. Spartina Eradication	0	50	50
7. Governor Veto	-75	-825	-900
<b>Total Supplemental Items</b>	<b>167</b>	<b>121</b>	<b>288</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>48,126</b>	<b>192,298</b>	<b>240,424</b>
Fiscal Year 1998 Total	23,779	95,135	118,914
Fiscal Year 1999 Total	24,347	97,163	121,510

**Comments:**

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| <p>1. GIS INVENTORY - Funding is provided for a Geographical Information System (GIS) inventory of Washington sand, gravel, and construction rock resources.</p> <p>2. MOBILE RADIO REPLACEMENT - Funding is provided for radio equipment compatible with the new Federal Communications Commission's (FCC) regulations. Equipment will be purchased for areas where failure to convert to the new channels within one year may result in loss of channel licenses and demonstrated usage of new radio communication channels is necessary to preserve these licenses. (Natural Resources Equipment Account)</p> <p>3. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy, and interpretive statements. (General Fund-State, Forest Development Account-State, Resource Management Cost Account-State)</p> <p>4. AQUATIC LAND LEASE RATE STUDY - Funding is provided to implement Chapter 185, Laws of 1998 (2SSB 6156 - State Aquatic Lands Leases), requiring the Department of Natural Resources to study methods for calculating water-dependent lease rates on state-owned aquatic lands. (Resource Management Cost Account-State)</p> <p>5. FINFISH NETPEN AQUACULTURE STUDY - Funding is provided for a study of potential finfish netpen aquaculture sites along the Strait of Juan de Fuca and the Pacific Coast.</p> | <p>6. SPARTINA ERADICATION - Funding is provided for a field study of the effectiveness of certain biological control methods for the eradication of spartina. (Resource Management Cost Account-State)</p> <p>7. GOVERNOR VETO - The Governor vetoed Section 308(10) of Chapter 346, Laws of 1998, Partial Veto (ESSB6108), which provided \$750,000 from the Natural Resources Equipment Account for the replacement of mobile radios. The \$750,000 appropriation lapses.</p> <p>The Governor vetoed Section 308(11) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.</p> <p>NOTE: * The 1997-99 Original Appropriations include a \$24,000 appropriation from Chapter 425, Laws of 1997 (SSB 5327) for the Habitat Incentives Program.</p> |
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## Department of Agriculture

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>14,604</b>	<b>63,734</b>	<b>78,338</b>
1998 Supplemental Budget			
1. Asian Gypsy Moth	421	361	782
2. Lease and Tenant Improvements	720	1,164	1,884
3. Fertilizer Safety Study	0	258	258
4. Livestock Identification Program	95	95	190
5. Regulatory Reform	50	0	50
6. Governor Veto	-145	-95	-240
<b>Total Supplemental Items</b>	<b>1,141</b>	<b>1,783</b>	<b>2,924</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>15,745</b>	<b>65,517</b>	<b>81,262</b>
Fiscal Year 1998 Total	7,605	31,801	39,406
Fiscal Year 1999 Total	8,140	33,716	41,856

**Comments:**

- |   |   |
|---|---|
| <p>1. ASIAN GYPSY MOTH - Funding is provided for projects to eradicate infestations of Asian Gypsy Moths. (General Fund-State, General Fund-Federal)</p> <p>2. LEASE AND TENANT IMPROVEMENTS - Funding is provided for lease increases and tenant improvements for Department programs in Yakima and Olympia. (General Fund-State, Agricultural Local Account-Non-appropriated)</p> <p>3. FERTILIZER SAFETY STUDY - Funding is provided for a study of plant uptake of heavy metals and implementation of Chapter 36, Laws of 1998 (SSB 6474 - Fertilizer Regulation). (Local Toxics Control Account)</p> <p>4. LIVESTOCK IDENTIFICATION PROGRAM - A one-time General Fund-State appropriation of \$95,000 is deposited in the Livestock Identification Account to implement Chapter 263, Laws of 1998, Partial Veto (ESSB 6204 - Livestock Identification).</p> <p>5. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy, and interpretive statements.</p> | <p>6. GOVERNOR VETO - The Governor vetoed Section 309(6) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.</p> <p>The Governor vetoed Section 309(7) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided \$95,000 for a one-time general fund deposit into the Livestock Identification Account, contingent upon enactment of specific sections of Chapter 263, Laws of 1998, Partial Veto (ESSB 6204 - Livestock Identification). Since the specific sections of ESSB 6204 were vetoed, the \$60,000 appropriation lapses.</p> <p>NOTE: The Department of Agriculture received an appropriation of \$304,000 in the original 1997-99 Transportation Budget.</p> |
|---|---|

## Washington Pollution Liability Insurance Program

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>2,054</b>	<b>2,054</b>
1998 Supplemental Budget			
1. Legal Costs	0	100	100
<b>Total Supplemental Items</b>	<b>0</b>	<b>100</b>	<b>100</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>2,154</b>	<b>2,154</b>
Fiscal Year 1998 Total	0	1,062	1,062
Fiscal Year 1999 Total	0	1,092	1,092

**Comments:**

1. LEGAL COSTS - As a result of a recent Washington Supreme Court ruling, the Washington Pollution Liability Insurance Program will pursue recovery of reinsurance funds spent on groundwater cleanup. New funding covers investigation as well as legal representation and associated costs. (Pollution Liability Insurance Program Trust Account)

# 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 in the amount of \$1.1 million from the state general fund is provided to cover fixed costs associated with data center operations. The data center supports several criminal justice information technology systems. Funding responsibility is shared between the operating and transportation budgets.

## Transportation Budget Items Transferred to General Fund-State

As part of a \$2.4 billion transportation financing package (for additional information, please see page 3), the supplemental operating budget provides \$25.3 million in additional funding for the transportation budget. Of that amount, \$12.7 million is provided as a one-time appropriation and another \$12.7 million is provided as on-going. Using the state general fund for these activities will free up transportation dollars to be used for road construction and other transportation infrastructure projects. The specific activities transferred are summarized on the chart below.

### Transportation Items For Transfer to General Fund-State (Dollars in Thousands)

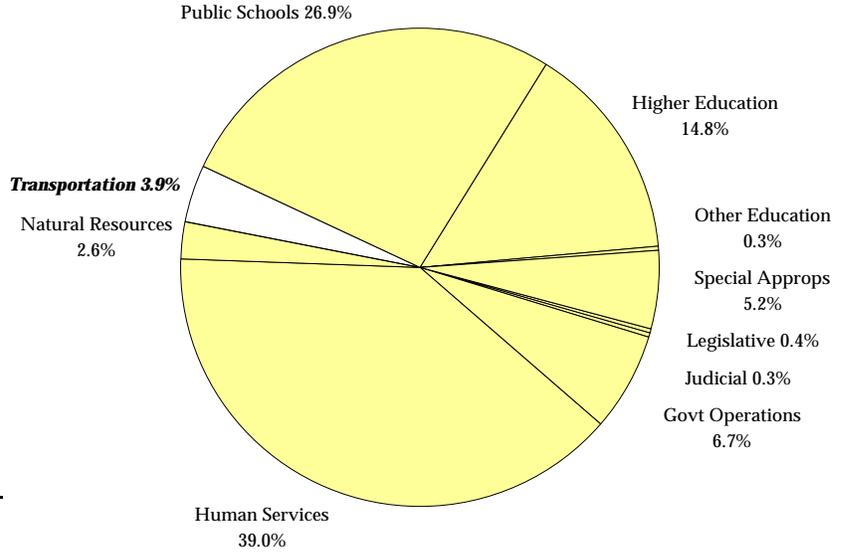
Activity	FY 1999
<b>Washington State Patrol</b>	
Communication Division	3,644
Electronic Services Division	2,391
Associated Administrative Costs	1,989
ACCESS	1,172
Executive Protection Unit	1,008
Crime Labs	948
Identification Section	850
Other	384
<b>Subtotal</b>	<b>12,386</b>
<b>Community, Trade, and Economic Development</b> - Tourist Info Centers	126
<b>Office of Financial Management</b> - Transportation Budget and Policy Analysts	138
<b>Funding of Transferred Programs</b>	<b>12,650</b>
One-Time Appropriations (\$3.0 million in FY 1998 and \$9.65 million in FY 1999)	12,650
<b>Total New GF-S Transportation Funding</b>	<b>25,300</b>

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

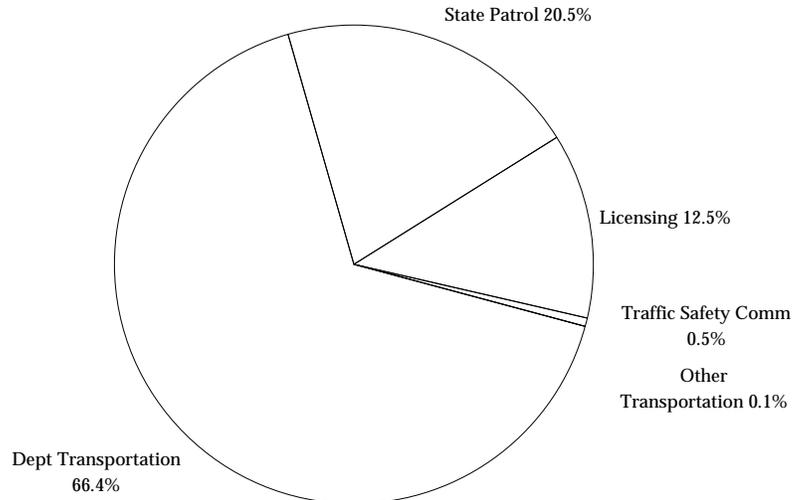
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
<b>Transportation</b>	<b>1,396,695</b>
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

Dept of Transportation	927,178
Washington State Patrol	285,947
Dept of Licensing	175,230
Traffic Safety Commission	6,907
Other Transportation	1,433
<b>Transportation</b>	<b>1,396,695</b>

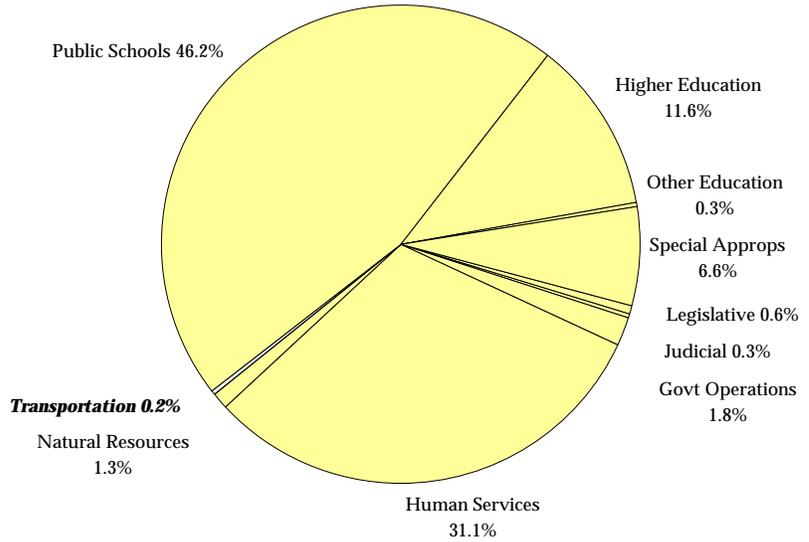


## Transportation

**1997-99 Washington State Operating Budget  
General Fund - State**  
(Dollars in Thousands)

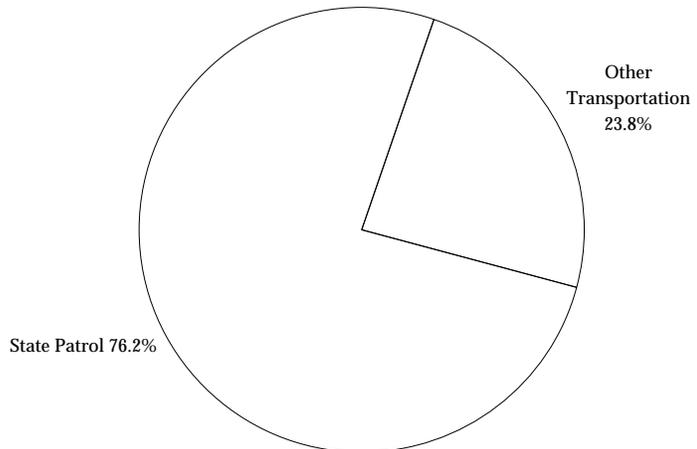
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Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
<b>Transportation</b>	<b>39,506</b>
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



**Washington State**

Washington State Patrol	30,103
Other Transportation	9,403
<b>Transportation</b>	<b>39,506</b>



**Transportation**

## Department of Licensing

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>8,945</b>	<b>22,657</b>	<b>31,602</b>
1998 Supplemental Budget			
1. Overhead Realignment	273	-361	-88
2. Cosmetology Advisory Board	110	0	110
3. Cosmetology Inspections	75	0	75
<b>Total Supplemental Items</b>	<b>458</b>	<b>-361</b>	<b>97</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>9,403</b>	<b>22,296</b>	<b>31,699</b>
Fiscal Year 1998 Total	4,686	11,246	15,932
Fiscal Year 1999 Total	4,717	11,050	15,767

**Comments:**

1. OVERHEAD REALIGNMENT - The Department has re-assessed the overhead billings applied to each program area. This item is an adjustment to the Department's appropriations based upon the new overhead allocation. (General Fund-State, various other accounts)
  
2. COSMETOLOGY ADVISORY BOARD - Funding is provided for Chapter 20, Laws of 1998 (SSB 6507), which permanently extends the Cosmetology, Barbering, Esthetics, and Manicuring Advisory Board.
  
3. COSMETOLOGY INSPECTIONS - Chapter 178, Laws of 1997 (SB 5997) required the Department to conduct additional inspections of cosmetology, barbering, esthetics, and manicuring schools, salons, or shops. Additional funding is provided to fully implement these inspection requirements.

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.

# Washington State Patrol

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>15,562</b>	<b>21,563</b>	<b>37,125</b>
1998 Supplemental Budget			
1. Background Checks	0	138	138
2. WACIC/WASIS Federal Grant Match	665	0	665
3. Narcotics Grant Match	0	454	454
4. Fire Training Academy	0	533	533
5. Data Center	1,054	0	1,054
6. Executive Protection	241	0	241
7. Transfer Certain Programs to GF-S	12,386	0	12,386
8. PSEA Shortfall	137	-169	-32
9. HIDTA Unanticipated Receipt	0	1,621	1,621
10. NCIC Unanticipated Receipt	0	173	173
11. Sex Offender Registration	58	0	58
<b>Total Supplemental Items</b>	<b>14,541</b>	<b>2,750</b>	<b>17,291</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>30,103</b>	<b>24,313</b>	<b>54,416</b>
Fiscal Year 1998 Total	8,312	12,292	20,604
Fiscal Year 1999 Total	21,791	12,021	33,812

**Comments:**

- |   |   |
|---|---|
| <p>1. BACKGROUND CHECKS - Funding is provided to support ongoing background checks of school district employees through the Office of the Superintendent of Public Instruction (OSPI). To support the increased appropriation, fees charged to persons being checked as a condition of their employment will need to be increased. The budget authorizes the Washington State Patrol (WSP) to increase these fees by no more than six dollars. (Fingerprint Identification Account)</p> <p>2. WACIC/WASIS FEDERAL GRANT MATCH - Funding is provided to complete changes to the Washington Crime Information Center (WACIC) and Washington State Identification System (WASIS) systems which, among other goals, will ensure Year 2000 compliance. These system modifications are also supported by \$3 million in federal Byrne and National Criminal History Improvement Program grant monies.</p> <p>3. NARCOTICS GRANT MATCH - WSP receives an annual share of the federal Bureau of Justice Administration Byrne Grant. Funding is provided to support the required 33 percent state match. In the future, non-appropriated drug seizure accounts are expected to support the matching requirement. (Violence Reduction and Drug Enforcement Account, Controlled Substances Non-appropriated Account)</p> <p>4. FIRE TRAINING ACADEMY - The Fire Training Academy has entered into a contract to train firefighters from the United States Navy. The contract is supported by fees which offset the full cost of providing access to the Academy. Additional expenditure authority is provided to support the contracted services. (Fire Service Training Account)</p> <p>5. DATA CENTER - WSP has operated its own data center since the 1970s. The data center supports several criminal justice systems,</p> | <p>including WACIC (criminal history) and WASIS (hot file items such as warrants). In 1990, the Department of Corrections (DOC) transferred their system from the Department of Information Services (DIS) to WSP. In 1997, DOC transferred their system back to DIS citing performance, cost, and long-term planning concerns. When that transfer was made, the operating budget recognized \$1.1 million in savings in DOC resulting from a combination of the transfer and a subsequent DIS rate reduction. However, losing DOC as a customer left WSP unable to cover part of their fixed costs such as staff, facilities, and software maintenance. Funding is provided at a level which supports current operations.</p> <p>6. EXECUTIVE PROTECTION - Additional cadet staffing is provided to improve security coverage of the Governor's mansion and to mitigate overtime requirements of traveling and attending events with the Governor, his family, and the Lieutenant Governor.</p> <p>7. TRANSFER CERTAIN PROGRAMS TO GF-S - Certain programs and portions of programs within WSP were historically funded in the operating budget. In the 1993-95 biennium, funding responsibility for many of these programs was transferred to the transportation budget. The operating budget assumes funding responsibility for these programs along with portions of two new programs, communications and electronic services, beginning in FY 1999. Similar transfers occur in the Department of Community, Trade, and Economic Development and the Office of Financial Management.</p> <p>8. PSEA SHORTFALL - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA). A portion of the reduction is offset with an increase in General Fund-State funding.</p> |
|---|---|

## Washington State Patrol

9. HIDTA UNANTICIPATED RECEIPT - Additional federal funding is provided for narcotics enforcement. The funding is available as a result of the federal High Intensity Drug Trafficking Area (HIDTA) designation. (General Fund-Federal)
10. NCIC UNANTICIPATED RECEIPT - Additional federal funding from the National Crime Information Center (NCIC) is provided for improving and upgrading the state's criminal justice information systems. This funding, along with other federal and state funding, will provide for the changes and improvements to the WACIC and WASIS systems. (General Fund-Federal)
11. SEX OFFENDER REGISTRATION - Funding is provided for the implementation of the Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

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.

# Public Schools

## **Successful Readers Program**

In 1997, the first results from the new fourth grade assessments indicated that 34 percent of students performed significantly below the reading standards. Research has shown that various strategies can be used to increase the number of students meeting the standards. A total of \$17.0 million is provided for these strategies in accordance with Chapter 271, Laws of 1998, Partial Veto (E2SSB 6509). The components are listed below.

### **Beginning Reading Instructional Strategies**

Funds in the amount of \$9.0 million from the state general fund are provided for elementary schools interested in providing professional development and related instructional materials in beginning reading skills for certificated instructional staff that provide direct instructional services to students in grades kindergarten through grade two. The training for teachers in reading instruction will be provided by public or private contractors and must include research-based scientifically proven strategies.

### **Tutoring and Mentoring Grants**

The amount of \$8.0 million from the state general fund is provided for grants to elementary schools interested in providing programs that use volunteer tutors and mentors to assist struggling readers in kindergarten through sixth grade for programs that are research based and have proven effectiveness in improving student performance.

The Superintendent of Public Instruction must notify school districts of the availability of the funds for both programs by April 15, 1998, and the funds must be available by June 1, 1998. Districts in which less than half of the students meet the reading standards will have first priority for funds under both programs prior to June 1, 1998. Thereafter, all school districts are eligible for the funds on a first-come, first-served basis.

## **Workload and Other Adjustments**

Changes in enrollments, staff mix, lower inflation, and other factors result in K-12 budget savings of more than \$67 million. The major items are discussed below.

Public school enrollment growth is lower than anticipated by 7,005 full-time equivalent students in the 1997-98 school year (from 943,019 to 936,014) and an estimated 8,625 in the 1998-99 school year (from 959,507 to 950,882). While this is less than a one percent change in the original forecast in both years, the cost reduction totals \$46.6 million for the biennium.

Staff mix, which is a measure of the experience and education of certificated instructional staff, is also not increasing as fast as expected. This produces \$8.2 million in budget savings.

The original 1997-99 budget provided inflation adjustments for K-12 basic education programs based on estimates of inflation. The inflation forecast for Fiscal Year 1998 has changed from 2.1 percent to 1.6 percent and for fiscal year 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budgets, so no changes are made for the 1997-98 school year.

A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in budget savings of \$5.9 million.

### **Correctional Facilities Education Programs**

The amount of \$1.2 million from the state general fund is provided to implement Chapter 244, Laws of 1998 (ESSB 6600) which transfers responsibility for provision of educational services for juveniles under age 18 in adult correctional facilities to the K-12 system beginning in the 1998-99 school year.

### **Vocational Education Formula Restructure**

The original budget for K-12 vocational education programs in high schools provided funding to maintain a ratio of one certificated staff per 18.3 vocational students. However, beginning with the 1998-99 school year, funding at that ratio would be provided only if districts staffed at that level.

A number of school districts indicated that they would lose vocational funding because they do not staff at the funded ratio. Instead, they use a portion of the staffing funds for such things as contracted services, equipment and supplies. The budget provides funding for such non-personnel costs at a rate of \$15,556 for each allocated certificated staff. Districts that would lose funds under the staffing ratio requirement report that their non-personnel expenditures exceed the state funding rate.

The supplemental budget changes the staffing ratio to one certificated staff per 19.5 students which is a reduction in the staffing ratio and increases the allocation for non-personnel costs from \$15,556 to \$19,775 per allocated certificated staff. This formula change is budget neutral. Districts would still have to maintain a ratio of one certificated staff per 19.5 students in order to receive funding for that ratio. The restructured formula gives districts greater flexibility in how they expend vocational education funds since non-personnel cost allocations may be expended for equipment and supplies, and may also be expended for staffing costs.

### **K-20 Network**

The amount of \$6.9 million from the Education Savings Account is provided in the Department of Information Systems budget to complete the Phase II portion of the K-20 network for school districts.

### **Leadership Internship Program**

The superintendent/principal internship program was created beginning in the 1994-95 school year. The purpose of the program was to provide funds for partial release time for district employees participating in internship programs. Funding for the program was discontinued in the original 1997-99 budget and the funds placed in the block grant program. The 1998 supplemental budget provides \$799,000 from the state general fund for a leadership internship program that is similar to the 1994 superintendent/principal internship program, and the funds for this program are transferred from the block grant program.

### **Washington School Information Processing Cooperative (WSIPC) – \$400,000 General Fund-State**

Most school districts in this state belong to WSPIC which provides financial and student data processing services. Matching funds are provided to improve the software capabilities of the cooperative in order to maintain its membership base.

## **Education Studies**

### **K-12 Finance Study**

The amount of \$340,000 is provided to fund a K-12 finance study to be conducted by the Joint Legislative Audit and Review Committee. This study will examine revenue and expenditure practices of local school districts and the staffing ratios in selected buildings and classrooms. A final report is due to the Legislature by June 30, 1999.

**Skills Centers Definition and Standards**

The Superintendent of Public Instruction is directed to conduct a study and to make recommendations to the 1999 Legislature on a definition of, and standards for, skills centers by November 25, 1998. The budget contains a moratorium on new skills centers pending receipt of the study by the Legislature. This study has no general fund state impact.

**Special Education Requirements Study**

The Superintendent is directed to conduct a study that compares the state's administrative and statutory requirements for special education with the requirements of federal law. The study is due by December 15, 1998. This study has no general fund state impact.

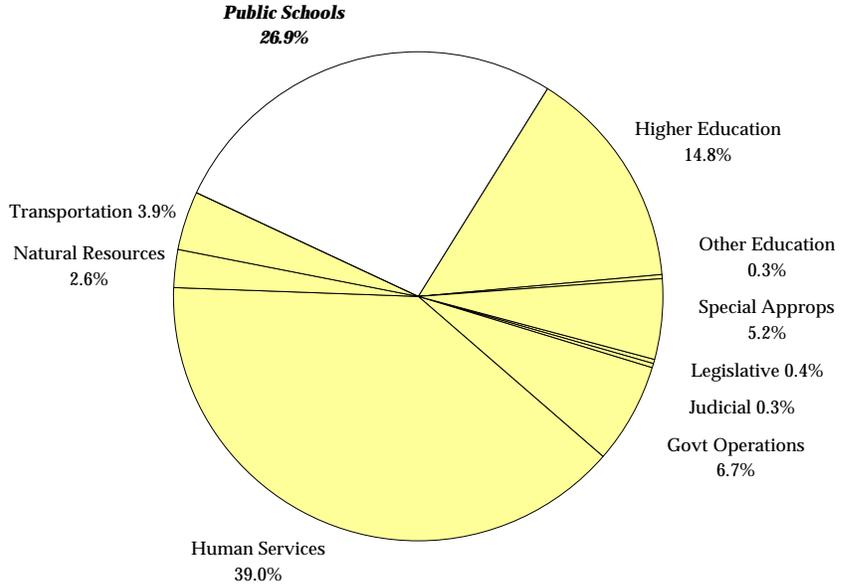
# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

(Dollars in Thousands)

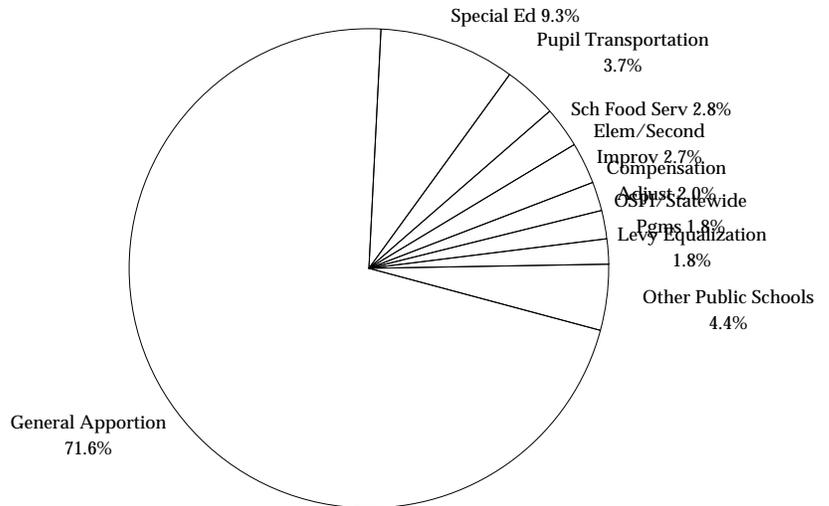
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Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
<b>Public Schools</b>	<b>9,610,676</b>
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

General Apportionment	6,879,248
Special Education	893,198
Pupil Transportation	354,607
School Food Services	265,215
Elem/Second Sch Improve	255,987
Compensation Adj	194,599
OSPI & Statewide Pgms	174,956
Levy Equalization	168,351
Other Public Schools	424,515
<b>Public Schools</b>	<b>9,610,676</b>

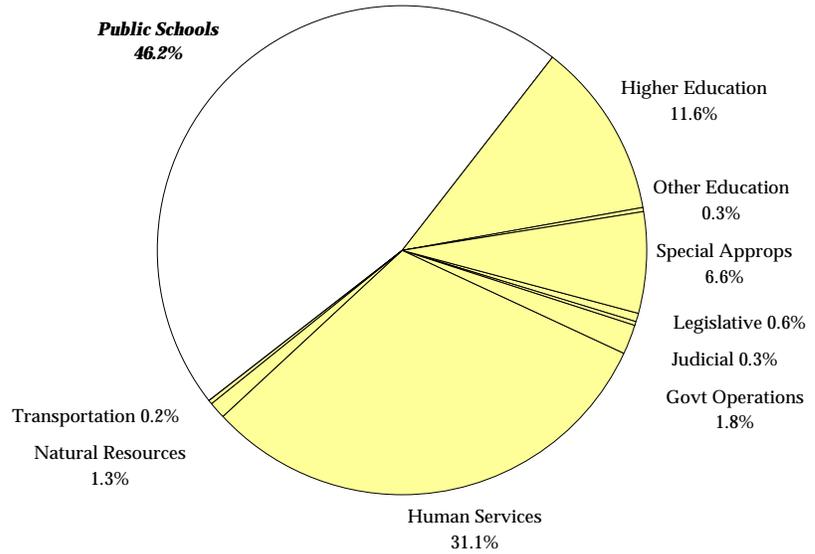


## Public Schools

# 1997-99 Washington State Operating Budget General Fund - State

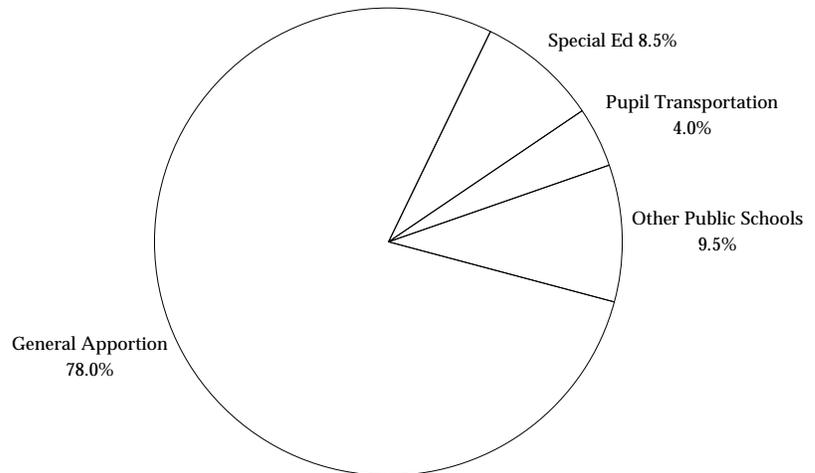
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
<b>Public Schools</b>	<b>8,817,896</b>
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



## Washington State

General Apportionment	6,879,248
Special Education	750,092
Pupil Transportation	354,607
Other Public Schools	833,949
<b>Public Schools</b>	<b>8,817,896</b>



## Public Schools

# Public Schools

## WORKLOAD HISTORY

By School Year

	<b>1989-90</b>	<b>1990-91</b>	<b>1991-92</b>	<b>1992-93</b>	<b>1993-94</b>	<b>1994-95</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Estimate</b>	
									<b>1997-98</b>	<b>1998-99</b>
<b>General Apportionment</b>										
FTE Enrollment	768,619	795,703	823,355	850,426	871,735	886,247	904,133	923,679	936,014	950,882
% Change from prior year		3.5%	3.5%	3.3%	2.5%	1.7%	2.0%	2.2%	1.3%	1.6%
<b>Special Education</b>										
Headcount Enrollment *	80,236	84,808	95,954	102,388	101,463	107,232	108,255	109,126	111,047	113,220
% Change from prior year		5.7%	13.1%	6.7%	-0.9%	5.7%	1.0%	0.8%	1.8%	2.0%
<b>Bilingual Education</b>										
Headcount Enrollment	19,344	23,513	28,156	32,200	36,306	39,888	42,981	45,966	48,102	50,466
% Change from prior year		21.6%	19.7%	14.4%	12.8%	9.9%	7.8%	6.9%	4.6%	4.9%
<b>Learning Assistance Program</b>										
Entitlement Units **	86,749	104,123	106,270	114,909	112,771	117,887	154,933	157,583	159,634	161,401
% Change from prior year		20.0%	2.1%	8.1%	-1.9%	4.5%	31.4%	1.7%	1.3%	1.1%

\* 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 Source:

1989-90 through 1996-97 amounts from SPI/OFM.

1997-98 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>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>60,833</b>	<b>96,362</b>	<b>157,195</b>
1998 Supplemental Budget			
1. Reduce 4th Grade Testing Burden	375	0	375
2. Instructional Materials	-179	0	-179
3. Offenders Prosecuted as Adults	115	0	115
4. Port Angeles Skill Center	50	0	50
5. Data Processing Grant	400	0	400
6. Successful Readers Program	17,000	0	17,000
<b>Total Supplemental Items</b>	<b>17,761</b>	<b>0</b>	<b>17,761</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>78,594</b>	<b>96,362</b>	<b>174,956</b>
Fiscal Year 1998 Total	20,423	47,036	67,459
Fiscal Year 1999 Total	58,171	49,326	107,497

**Comments:**

1. REDUCE 4TH GRADE TESTING BURDEN - Funds are provided to implement Chapter 319, Laws of 1998 (2SHB 2849), which addresses the issue of testing elementary school students. Fourth graders are tested as many as three times during the school year including a standardized statewide test. Under the bill, the fourth grade standardized test is moved to the third grade. Students testing substantially below grade level in reading will be re-tested.
2. INSTRUCTIONAL MATERIALS - The original 1997-99 biennial budget provided \$20.82 per student in the 1998-99 school year for school instructional materials. Since enrollment is lower than anticipated, the cost of this program is reduced by \$179,000. The budget language is changed allowing individual teachers to determine how the funds will be expended.
3. OFFENDERS PROSECUTED AS ADULTS - Funding is provided to implement Chapter 244, Laws of 1998 (ESSB 6600), which requires a study of the educational status and needs of juvenile offenders prosecuted as adults and incarcerated in state correctional facilities and county jails. The study will provide recommendations on appropriate educational programs to the Legislature as required in this bill.
4. PORT ANGELES SKILL CENTER - Funding is provided for a skills center at Pt. Angeles, contingent on meeting standards for skills centers to be developed by the Office of the Superintendent of Public Instruction.
5. DATA PROCESSING GRANT - Matching funds are provided for improving the financial and student database capabilities of the Washington School Information Processing Cooperative. The funding is provided on the condition that at least 267 school districts remain members of the cooperative.
6. SUCCESSFUL READERS PROGRAM - Funding is provided to implement Chapter 271, Laws of 1998, Partial Veto (E2SSB 6509 - Reading Instruction Training). Various strategies will be employed to help improve reading in elementary schools

including: \$9 million for in-service training and related instructional materials; and \$8 million for programs utilizing volunteer tutors and mentors.

NOTE: The Superintendent is directed to conduct a study and make recommendations to the 1999 Legislature on a definition of and standards for skills centers by November 25, 1998, and to prepare a study comparing the state's administrative and regulatory requirements for special education with the requirements of federal law.

## Public Schools General Apportionment

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>6,940,884</b>	<b>0</b>	<b>6,940,884</b>
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-46,600	0	-46,600
2. Staff Ratio Impacts	1,846	0	1,846
3. K-12 Compensation Impacts	-8,019	0	-8,019
4. K-12 Inflation	-4,771	0	-4,771
5. Other Adjustments	-4,097	0	-4,097
6. Vocational Ed Formula Restructure	255	0	255
7. K-12 Audit Resolution Team	-250	0	-250
<b>Total Supplemental Items</b>	<b>-61,636</b>	<b>0</b>	<b>-61,636</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>6,879,248</b>	<b>0</b>	<b>6,879,248</b>
Fiscal Year 1998 Total	3,405,645	0	3,405,645
Fiscal Year 1999 Total	3,473,603	0	3,473,603

**Comments:**

1. ENROLLMENT/WORKLOAD CHANGES - Public school enrollment growth is lower than anticipated by 7,005 FTE students in the 1997-98 school year (from 943,019 to 936,014) and 8,625 in the 1998-99 school year (from 959,507 to 950,882). While this is less than a 1 percent change in the original forecast in both years, the cost reduction totals \$46.6 million for the biennium.
4. K-12 INFLATION - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 1998 has changed from 2.1 percent to 1.6 percent and for FY 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.
2. STAFF RATIO IMPACTS - The budget contains class size reduction funds for grades K-3. For the 4th-12th grades, 46 certificated instructional staff per 1,000 students are provided, (1 staff per 21.74 students). For grades K-3, a maximum of 54.3 certificated staff per 1,000 students are provided, (1 staff per 18.42 students). However, districts only receive the additional K-3 funding to the extent they utilize the additional staff. The budget contains assumptions about how many districts will utilize the maximum staffing. Actual data indicates that more districts than assumed are using the maximum staffing thus requiring a supplemental budget of \$1.8 million.
5. OTHER ADJUSTMENTS - Certain school districts receive federal and state forest funds. These funds are treated as local deductible revenues which means that the state reduces state basic education funds in the amount of federal and state forest funds that districts receive. Receipts of these funds are greater than assumed in the original budget reducing the state general fund cost.
3. K-12 COMPENSATION IMPACTS - The formula for distribution of salary funds for certificated instructional staff in each district contains a "staff mix" factor. Staff mix refers to the education and experience levels of the staff. The higher the levels are the more funds are provided. The budget contains assumptions about changes in the staff mix factor from year to year, and it was assumed that staff mix would increase. Data submitted by school districts through January 1998 indicates that the increase in the staff mix factor is lower than assumed.

## Public Schools General Apportionment

6. VOCATIONAL ED FORMULA RESTRUCTURE - The original 1997-99 biennial budget allocated 1 certificated staff per 18.3 vocational students. That budget contained a proviso specifying that beginning in the 1998-99 school year districts will receive funding at this ratio if they maintain such a ratio.

Because staffing funds were expended on contracted services, supplies, and equipment, school districts will not be able to comply with this budget condition. Normally, this type of expenditure is budgeted as a non employee related cost (NERC) allocation. The original budget provides \$15,344 for NERCs per certificated staff in the 1998-99 school year.

This supplemental budget changes the staffing ratio to 1 certificated staff per 19.5 students which is a reduction in the staffing ratio and increases the NERC from \$15,344 to \$19,775. Districts would still be required to maintain a ratio of 1 to 19.5 in order to receive funding for that ratio. The restructured formula gives districts greater flexibility in how they expend vocational education funds by shifting \$10.1 million from the salary side of the vocational funding formula to the NERC side. NERC funds may also be expended for staffing costs. The formula change is budget neutral when taken together with an offsetting reduction of \$253,000 in the compensation adjustments section of the budget.

7. K-12 AUDIT RESOLUTION TEAM - In the Office of the State Auditor, funds are provided to create a K-12 Audit Team. The purpose of the team is to provide sufficient information to the Office of the Superintendent of Public Instruction to enable recovery of funds whenever audit exceptions are found in regular audits and to conduct special audits when a more comprehensive audit of a district's program is indicated. It is expected that the operations of the audit team will generate savings of \$250,000 in this program.

NOTE: The Superintendent is directed to perform a study to establish a definition of and standards for skills centers and to make recommendations to the 1999 Legislature. Pending receipt of the study, the budget contains a moratorium on new skills centers.

## Public Schools Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>196,276</b>	<b>0</b>	<b>196,276</b>
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-1,510	0	-1,510
2. Staff Ratio Impacts	48	0	48
3. Educate Juveniles in Adult Prisons	38	0	38
4. Vocational Ed Formula Restructure	-253	0	-253
<b>Total Supplemental Items</b>	<b>-1,677</b>	<b>0</b>	<b>-1,677</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>194,599</b>	<b>0</b>	<b>194,599</b>
Fiscal Year 1998 Total	79,412	0	79,412
Fiscal Year 1999 Total	115,187	0	115,187

**Comments:**

1. ENROLLMENT/WORKLOAD CHANGES - The 1997 Legislature granted a 3 percent salary increase for K-12 staff. Since enrollment is lower than anticipated, there are fewer teachers and other staff funded by the state. Therefore, the cost of the salary increase is lower by \$1.5 million.
2. STAFF RATIO IMPACTS - The state provides funds for lower class sizes in grades K-3. Since more districts are utilizing this opportunity for lower class sizes, more teachers are eligible for the 3 percent salary increase granted by the 1997 Legislature. This increases the state's salary increase cost by \$48,000.
3. EDUCATE JUVENILES IN ADULT PRISONS - The 3 percent salary increase granted by the 1997 Legislature is also applied to the additional teachers who will be hired to accommodate the new enrollments for juveniles in adult prison.
4. VOCATIONAL ED FORMULA RESTRUCTURE - As referenced in the apportionment program of the budget, the vocational education formula is being restructured allocating more funds for non employee related costs (NERC) and less staffing funds. This reduces the salary base and requires less salary increase funds in the 1998-99 school year.

**Public Schools  
 Pupil Transportation**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>353,904</b>	<b>0</b>	<b>353,904</b>
1998 Supplemental Budget			
1. Enrollment/Workload Changes	1,251	0	1,251
2. K-12 Inflation	-548	0	-548
<b>Total Supplemental Items</b>	<b>703</b>	<b>0</b>	<b>703</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>354,607</b>	<b>0</b>	<b>354,607</b>
Fiscal Year 1998 Total	175,168	0	175,168
Fiscal Year 1999 Total	179,439	0	179,439

**Comments:**

1. ENROLLMENT/WORKLOAD CHANGES - For the 1997-98 school year, reimbursable mileage is 34,578 miles higher than assumed in the original budget, from 4,056,689 miles to 4,091,267 miles. The increase is 24,721 miles higher for the 1998-99 school year.
2. K-12 INFLATION - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 1998 has changed from 2.1 percent to 1.6 percent and for FY 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**Public Schools  
 School Food Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>6,150</b>	<b>259,040</b>	<b>265,190</b>
1998 Supplemental Budget			
1. Summer Food Service Program	25	0	25
<b>Total Supplemental Items</b>	<b>25</b>	<b>0</b>	<b>25</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>6,175</b>	<b>259,040</b>	<b>265,215</b>
Fiscal Year 1998 Total	3,075	129,519	132,594
Fiscal Year 1999 Total	3,100	129,521	132,621

**Comments:**

1. SUMMER FOOD SERVICE PROGRAM - State funds are provided to address part of the loss of federal funds in the summer food service program for children in low-income areas.

**Public Schools  
 Special Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>744,813</b>	<b>135,106</b>	<b>879,919</b>
1998 Supplemental Budget			
1. Enrollment/Workload Changes	6,011	0	6,011
2. K-12 Inflation	-482	0	-482
3. Other Adjustments	0	8,000	8,000
4. K-12 Audit Resolution Team	-250	0	-250
<b>Total Supplemental Items</b>	<b>5,279</b>	<b>8,000</b>	<b>13,279</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>750,092</b>	<b>143,106</b>	<b>893,198</b>
Fiscal Year 1998 Total	371,687	69,118	440,805
Fiscal Year 1999 Total	378,405	73,988	452,393

**Comments:**

1. ENROLLMENT/WORKLOAD CHANGES - Enrollment in special education programs is higher than anticipated by 343 students in the 1997-98 school year (from 110,704 to 111,047) and is estimated to be higher by 1,522 students in the 1998-99 school year (from 111,698 to 113,220) increasing the cost of the program by \$6.0 million.
2. K-12 INFLATION - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 1998 has changed from 2.1 percent to 1.6 percent and for FY 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.
3. OTHER ADJUSTMENTS - This item reflects revised estimates of federal funding increases for special education. (General Fund-Federal)
4. K-12 AUDIT RESOLUTION TEAM - In the Office of the State Auditor, funds are provided to create a K-12 Audit Team. The purpose of the team is to provide sufficient information to the Office of the Superintendent of Public Instruction to enable recovery of funds whenever audit exceptions are found in regular audits and to conduct special audits when a more comprehensive audit of a district's program is indicated. It is expected that the operations of the audit team will generate savings of \$250,000 in this program.

**Public Schools**  
**Traffic Safety Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>17,179</b>	<b>17,179</b>
1998 Supplemental Budget			
1. Enrollment/Workload Changes	0	-296	-296
<b>Total Supplemental Items</b>	<b>0</b>	<b>-296</b>	<b>-296</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>16,883</b>	<b>16,883</b>
Fiscal Year 1998 Total	0	8,262	8,262
Fiscal Year 1999 Total	0	8,621	8,621

**Comments:**

1. ENROLLMENT/WORKLOAD CHANGES - The state provides \$137.16 per student completing driver education. The number of students completing the course is lower than estimated resulting in a cost reduction of \$296,000. (Public Safety and Education Account)

**Public Schools  
 Levy Equalization**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>173,952</b>	<b>0</b>	<b>173,952</b>
1998 Supplemental Budget			
1. Other Adjustments	-5,601	0	-5,601
<b>Total Supplemental Items</b>	<b>-5,601</b>	<b>0</b>	<b>-5,601</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>168,351</b>	<b>0</b>	<b>168,351</b>
Fiscal Year 1998 Total	82,079	0	82,079
Fiscal Year 1999 Total	86,272	0	86,272

**Comments:**

1. OTHER ADJUSTMENTS - Fewer districts than assumed in the original budget will be eligible for levy equalization resulting in a cost reduction of \$5.6 million for this program.

**Public Schools  
 Institutional Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>37,009</b>	<b>8,548</b>	<b>45,557</b>
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-2,509	0	-2,509
2. K-12 Compensation Impacts	-196	0	-196
3. K-12 Inflation	-7	0	-7
4. Educate Juveniles in Adult Prisons	1,196	0	1,196
<b>Total Supplemental Items</b>	<b>-1,516</b>	<b>0</b>	<b>-1,516</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>35,493</b>	<b>8,548</b>	<b>44,041</b>
Fiscal Year 1998 Total	16,897	4,274	21,171
Fiscal Year 1999 Total	18,596	4,274	22,870

**Comments:**

1. ENROLLMENT/WORKLOAD CHANGES - Enrollment in institutions is lower than anticipated in the original budget reducing costs by \$2.5 million.
2. K-12 COMPENSATION IMPACTS - Actual 1997-98 salaries in institutions are lower than anticipated in the original budget.
3. K-12 INFLATION - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 1998 has changed from 2.1 percent to 1.6 percent and for FY 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.
4. EDUCATE JUVENILES IN ADULT PRISONS - New sentencing laws result in more juveniles incarcerated in adult correctional facilities. The Juvenile Justice Act of 1997 assigned responsibility and funding for educating these juveniles to the Department of Corrections (DOC). The budget provides funds to implement Chapter 244, Laws of 1998 (ESSB 6600) which transfers responsibility for provision of the educational services for juveniles under age 18 in adult correctional facilities to the K-12 system beginning in the 1998-99 school year. This is accomplished through a funding formula similar to that currently used to serve juveniles in detention centers and other state institutions. The appropriation to the DOC is reduced in FY 1999 to reflect this re-assignment.

**Public Schools**  
**Education of Highly Capable Students**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>11,928</b>	<b>0</b>	<b>11,928</b>
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-106	0	-106
<b>Total Supplemental Items</b>	<b>-106</b>	<b>0</b>	<b>-106</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>11,822</b>	<b>0</b>	<b>11,822</b>
Fiscal Year 1998 Total	5,701	0	5,701
Fiscal Year 1999 Total	6,121	0	6,121

**Comments:**

1. ENROLLMENT/WORKLOAD CHANGES - Funding for the highly capable program is provided for up to 2.0 percent of each district's K-12 enrollment. Since enrollment is lower than anticipated \$106,000 less is needed to fund the program.

**Public Schools  
 Education Reform**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>40,773</b>	<b>233</b>	<b>41,006</b>
1998 Supplemental Budget			
1. CSL Assessments Development	-950	0	-950
2. Leadership Internship Program	799	0	799
<b>Total Supplemental Items</b>	<b>-151</b>	<b>0</b>	<b>-151</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>40,622</b>	<b>233</b>	<b>40,855</b>
Fiscal Year 1998 Total	18,605	127	18,732
Fiscal Year 1999 Total	22,017	106	22,123

**Comments:**

1. CSL ASSESSMENTS DEVELOPMENT - State law requires the Commission on Student Learning (CSL) to complete assessments in various grades and subject matters according to specified timelines. As requested by the Commission on Student Learning, the budget assumes a delay of one year in the due date of the high school science assessments. This means that \$950,000 of the funds allocated to the Commission for development of the test will not be needed this biennium but will be needed next biennium.
2. LEADERSHIP INTERNSHIP PROGRAM - The superintendent/principal internship program was created beginning in the 1994-95 school year. The purpose of the program was to provide funds for partial release time for district employees participating in internship programs. Funding for the program was discontinued in the 1997-99 budget and the funds placed in the block grant program. The 1998 supplemental budget provides \$799,000 for a leadership internship program that is similar to the 1994 superintendent/principal internship program and the funds are transferred from the block grant program.

**Public Schools  
 Transitional Bilingual Instruction**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>64,560</b>	<b>0</b>	<b>64,560</b>
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-1,664	0	-1,664
<b>Total Supplemental Items</b>	<b>-1,664</b>	<b>0</b>	<b>-1,664</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>62,896</b>	<b>0</b>	<b>62,896</b>
Fiscal Year 1998 Total	30,711	0	30,711
Fiscal Year 1999 Total	32,185	0	32,185

**Comments:**

1. ENROLLMENT/WORKLOAD CHANGES - New bilingual enrollment forecasts are lower than anticipated reducing the cost of the program by \$1.7 million. Enrollment for 1997-98 is reduced from 48,940 to 48,102 students. For 1998-99 enrollment is reduced from 52,646 to 50,466.

**Public Schools  
 Learning Assistance Program (LAP)**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>121,171</b>	<b>0</b>	<b>121,171</b>
1998 Supplemental Budget			
1. Enrollment/Workload Changes	129	0	129
2. K-12 Inflation	-76	0	-76
<b>Total Supplemental Items</b>	<b>53</b>	<b>0</b>	<b>53</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>121,224</b>	<b>0</b>	<b>121,224</b>
Fiscal Year 1998 Total	60,224	0	60,224
Fiscal Year 1999 Total	61,000	0	61,000

**Comments:**

1. ENROLLMENT/WORKLOAD CHANGES - The Learning Assistance Program provides funds to school districts based on the proportion of low-achieving students in each district. K-12 enrollment is lower than anticipated; however, the number of students scoring in the lowest quartile is slightly higher than anticipated resulting in a net increase of \$129,000 in this program.
2. K-12 INFLATION - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 1998 has changed from 2.1 percent to 1.6 percent and for FY 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**Public Schools  
 Block Grants**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>106,777</b>	<b>0</b>	<b>106,777</b>
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-826	0	-826
2. Leadership Internship Program	-799	0	-799
<b>Total Supplemental Items</b>	<b>-1,625</b>	<b>0</b>	<b>-1,625</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>105,152</b>	<b>0</b>	<b>105,152</b>
Fiscal Year 1998 Total	49,493	0	49,493
Fiscal Year 1999 Total	55,659	0	55,659

**Comments:**

1. ENROLLMENT/WORKLOAD CHANGES - This program contains the block grant program and the student learning incentive grant program. Block grant funds and student learning incentive grants are allocated based on enrollment. Since enrollment is lower than anticipated the cost of this program is reduced by \$826,000.
2. LEADERSHIP INTERNSHIP PROGRAM - The superintendent/principal internship program was created beginning in the 1994-95 school year. The purpose of the program was to provide funds for partial release time for district employees participating in internship programs. Funding for the program was discontinued in the 1997-99 budget and the funds were placed in the block grant program. The 1998 supplemental budget provides \$799,000 for a leadership internship program that is similar to the 1994 superintendent/principal internship program and the funds are transferred from the block grant program to the education reform program. Accordingly, the rate per student is reduced from \$29.86 to \$28.81 for the 1998-99 school year.

# Higher Education

## **Enrollment Adjustment**

Funding for additional enrollments in the 1998-99 academic year is reduced for the Washington State University (WSU) Pullman and WSU Tri-Cities based on the university's enrollment projections conducted in the fall of 1997. The university projected that Pullman enrollments would fall 451 below budgeted levels and that Tri-Cities enrollment would fall 60 students below budget levels resulting in a savings of \$2.7 million of the state general fund.

## **WSU Construction Claims**

State general fund support of \$3.3 million is provided on a one-time basis to pay for the costs of litigation, negotiation, and settlement associated with the Vancouver branch campus and Veterinary Teaching Hospital capital projects. In addition to this appropriation, \$3 million is provided in the capital budget for settlement costs of the Veterinary Teaching Hospital.

## **Internet<sup>2</sup>**

The budget provides \$3.0 million from the state general fund to allow the University of Washington to join in the development of the next generation internet. State funds are provided to establish a gigabit per second network point-of-presence (Gigapop) which will allow the connection to the very high-speed network. The federal government will establish a limited number of hub sites for the new network and the provision of state funds in this fiscal year is necessary to secure a connection in Washington State.

## **Pre-Paid Tuition Program**

The 1997 Legislature established the Advanced College Tuition Payment Program as Chapter 289, Laws of 1997 (E2SHB 1372). Refinements were made to the enabling legislation in the 1998 session under Chapter 69, Laws of 1998 (2SHB 2430). The budget provides \$1.3 million in state general fund as initial capital to allow the program to begin operation in the fall of 1998. It is anticipated that approximately \$1.2 million will be returned to the state general fund in fiscal year 1999 when application fees from tuition contract sales are deposited into the program fund.

## **Aviation Trades Center (Clover Park Technical College)**

As part of the agreement accompanying the transfer of the Clover Park Technical College from the Clover Park School District to the State Board for Community and Technical Colleges, the technical college is moving the aviation trades facility from the campus to Thun airfield. The budget provides \$5.2 million state general fund to begin the move. Funding for Clover Park School District was provided in the original 1997-99 biennial budget.

## **Completion of Cooperative Library Project**

Funds are provided to complete the cooperative library project for the four-year public higher education institutions. The amount of \$810,000 of the state general fund will be distributed through the Higher Education Coordinating Board for this system and used by the University of Washington for one-time equipment acquisition, ongoing support of the system, and for the acquisition of shared electronic journals for use by all the member institutions.

## **Emergent Needs**

The budget provides \$739,000 General Fund-State for a variety of emergent needs, including community and technical colleges revolving funds charges, increased fire protection costs at Central Washington

University, follow-up financial aid study at the Washington State Institute for Public Policy, and space modifications at The Evergreen State College and the University of Washington-Bothell to accommodate increased fiscal year 1999 enrollments.

### **Community and Technical College Technology Equipment**

The supplemental budget provides \$700,000 of the state general fund for a one-time matching program for technology equipment. The community and technical colleges will match this funding with cash donations from private sources. State general funding for this program is transferred from the Cascadia Community College where library resources acquisition is delayed by one year.

### **DO-IT**

The Disabilities, Opportunities, Internetworking, and Technology Program (DO-IT) has provided training and skill development to high school students with disabilities. The program will be forced to terminate unless state funds are provided to replace a federal grant that has expired. The budget provides \$600,000 state general fund to continue the program for Washington residents.

### **Spokane Area Educational Assessment**

The amount of \$250,000 is provided from the state general fund to support the recommendation of the Higher Education Coordinating Board (HECB) to conduct an assessment of the educational and economic needs of Spokane. The study is part of the HECB evaluation and recommendation on the restructuring of governance in the Spokane area.

### **Aquatic Animal Diagnostic Laboratory**

The budget provides \$100,000 of the state general fund for workload increases at the fish disease diagnostic laboratory of Washington State University.

### **Reorganization of Spokane Riverpoint Campus**

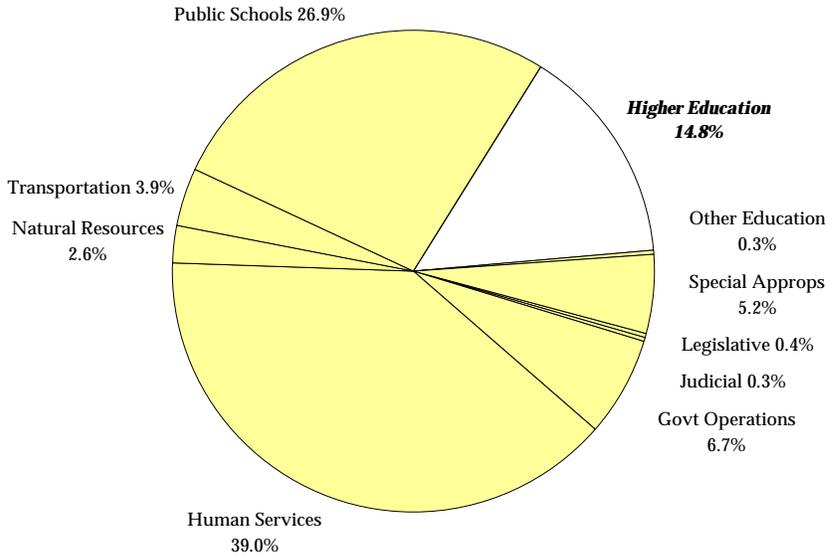
Chapter 344, Laws of 1998, Partial Veto (SSB 6655) transfers the management of the Spokane Riverpoint Higher Education Campus to Washington State University (WSU) and establishes the Spokane Intercollegiate Research and Technology Institute (SIRTI) as a separate entity. Funding for 1999 is removed from the Joint Center for Higher Education (\$1.47 million) and distributed to WSU (\$590,000) and SIRTI (\$944,000). The general fund operating appropriation for SIRTI is distributed through the Department of Community, Trade, and Economic Development (DCTED). DCTED is provided \$21,000 for oversight and participation in SIRTI. The net increased cost is \$85,000.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

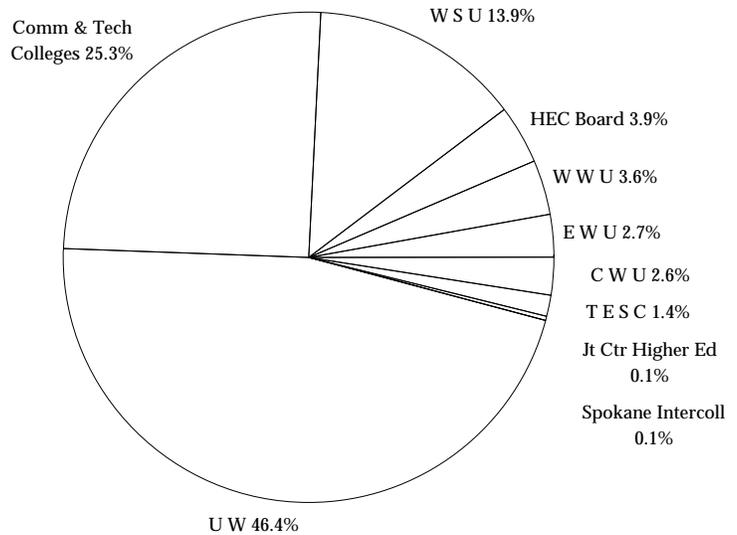
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
<b>Higher Education</b>	<b>5,300,152</b>
Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

Univ of Washington	2,460,196
Community/Tech Colleges	1,338,363
Washington State Univ	737,935
Higher Ed Coord Bd	207,138
Western Washington Univ	190,320
Eastern Washington Univ	143,267
Central Washington Univ	140,422
The Evergreen State Coll	72,639
Jt Ctr for Higher Ed	6,101
Spokane Inter Rsch/Tech	3,771
<b>Higher Education</b>	<b>5,300,152</b>



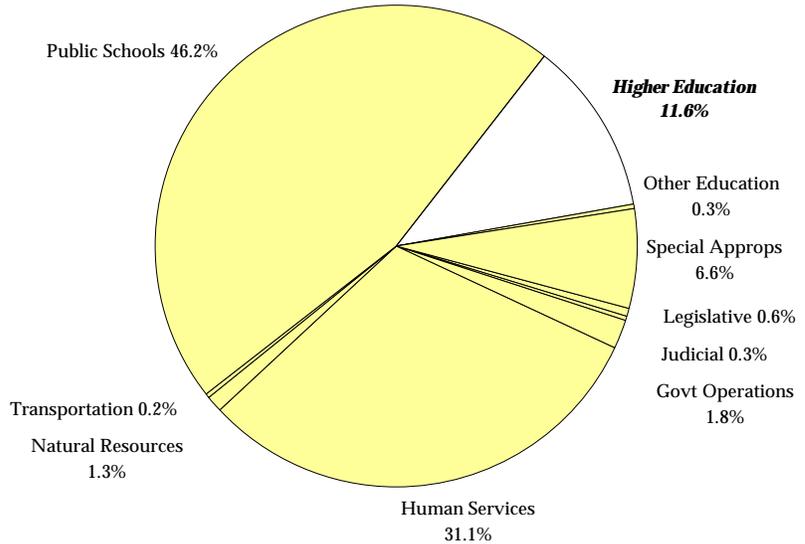
## Higher Education

# 1997-99 Washington State Operating Budget

## General Fund - State

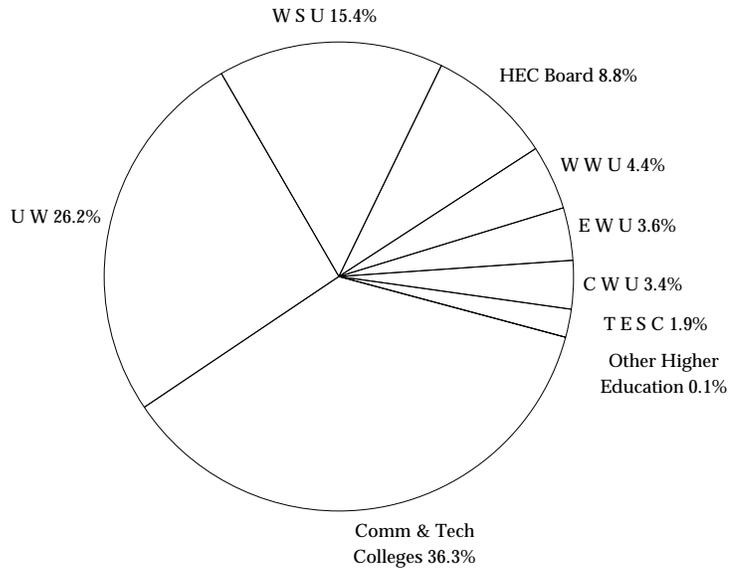
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
<b>Higher Education</b>	<b>2,208,291</b>
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



## Washington State

Community/Tech Colleges	802,092
Univ of Washington	577,911
Washington State Univ	341,019
Higher Ed Coord Bd	193,251
Western Washington Univ	96,773
Eastern Washington Univ	78,774
Central Washington Univ	75,993
The Evergreen State Coll	41,009
Other Higher Education	1,469
<b>Higher Education</b>	<b>2,208,291</b>



## Higher Education

## Higher Education Budgeted Enrollment Increases

By Academic Year

	FTE Student Enrollment				
	Budgeted Level <u>1996-97</u>	Increase for <u>1997-98</u>	Total budgeted <u>1997-98</u>	Increase for <u>1998-99</u>	Total budgeted <u>1998-99</u>
<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>904</b>	<b>81,952</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	79	19,439
Main	17,403	0	17,403	-131	17,272
Spokane	352	0	352	90	442
Tri-Cities	724	30	754	0	754
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>3,004</b>	<b>200,528</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.

## Community & Technical College System

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>803,852</b>	<b>533,503</b>	<b>1,337,355</b>
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	669	0	669
2. Life Insurance Settlement	125	0	125
3. Auditor & Risk Management Billing	214	0	214
4. Work Force Training Enrollment	-2,768	2,768	0
5. Technology Equipment Matching Funds	700	0	700
6. Cascadia Community College Delay	-700	0	-700
<b>Total Supplemental Items</b>	<b>-1,760</b>	<b>2,768</b>	<b>1,008</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>802,092</b>	<b>536,271</b>	<b>1,338,363</b>
Fiscal Year 1998 Total	380,445	279,344	659,789
Fiscal Year 1999 Total	421,647	256,927	678,574

**Comments:**

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.
3. AUDITOR & RISK MANAGEMENT BILLING - Funding is provided for increased State Auditor and risk management costs over the course of the biennium.
4. WORK FORCE TRAINING ENROLLMENT - The fund balance available in the Employment and Training Trust Fund is substituted for General Fund-State for the current budgeted level of FTE students (up to 7,200 FTE students).
5. TECHNOLOGY EQUIPMENT MATCHING FUNDS - One-time funding is provided for a technology equipment matching program. Each college district will match this funding with an equal amount of cash donations from private sources.
6. CASCADIA COMMUNITY COLLEGE DELAY - Funding is reduced at the new Cascadia Community College for acquisition of startup equipment and library materials due to a change in the college's development schedule. These resources will not be required by the college until the 1999-2001 biennium.

# University of Washington

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>573,730</b>	<b>1,881,933</b>	<b>2,455,663</b>
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	397	0	397
2. Life Insurance Settlement	74	0	74
3. Space for New Enrollment in Bothell	150	0	150
4. DO-IT Program	560	0	560
5. State Toxicology Laboratory	0	352	352
6. Internet2/Next Generation Internet	3,000	0	3,000
<b>Total Supplemental Items</b>	<b>4,181</b>	<b>352</b>	<b>4,533</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>577,911</b>	<b>1,882,285</b>	<b>2,460,196</b>
Fiscal Year 1998 Total	283,923	935,341	1,219,264
Fiscal Year 1999 Total	293,988	946,944	1,240,932

**Comments:**

- |   |  |
|---|--|
| <p>1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.</p> <p>2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.</p> <p>3. SPACE FOR NEW ENROLLMENT IN BOTHELL - One-time funding is provided for tenant improvements to additional leased space to accommodate FY 1999 enrollment.</p> <p>4. DO-IT PROGRAM - Funding is provided to continue the Disabilities, Opportunities, Internetworking, and Technology Program (DO-IT) as National Science Foundation funds expire. In accordance with the change in funding, the focus of program will switch from serving a nationwide population to Washington students exclusively. The DO-IT program recruits high school students with disabilities and an aptitude in science, engineering, mathematics, or technology for college training and eventual careers in those fields.</p> <p>5. STATE TOXICOLOGY LABORATORY - Funding is provided for staff and equipment for the state toxicology laboratory to support implementation of quality control procedures and laboratory certification, enhanced screening of sexual assault victims for evidence of chemical incapacitation, blood alcohol and volatile intoxicants analysis, and blood tests for marijuana in driving cases. (Death Investigations Account)</p> <p>6. INTERNET2/NEXT GENERATION INTERNET - Funding is provided to permit the University to connect to the very high performance Backbone Network Service (vBNS) initiated and partially funded by the National Science Foundation. Connection to the vBNS will allow the University, and therefore the state, to directly participate in the research and application of the next generation of telecommunications technologies. Application of those new technologies will provide the networking performance</p> | <p>necessary to deliver education at a distance, such as multimedia instruction on desktop personal computers, and also provide significant commercial opportunities for the state's software and computing industries. Of the amount provided, \$2.5 million represents a one-time investment in equipment.</p> |
|---|--|

# Washington State University

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>339,463</b>	<b>398,115</b>	<b>737,578</b>
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	228	0	228
2. Life Insurance Settlement	43	0	43
3. Enrollment Adjustment	-2,655	-1,541	-4,196
4. Construction Claim Cost	3,250	0	3,250
5. Transfer Riverpoint from JCHE	590	342	932
6. Aquatic Animal Health	100	0	100
<b>Total Supplemental Items</b>	<b>1,556</b>	<b>-1,199</b>	<b>357</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>341,019</b>	<b>396,916</b>	<b>737,935</b>
Fiscal Year 1998 Total	169,894	197,059	366,953
Fiscal Year 1999 Total	171,125	199,857	370,982

**Comments:**

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
  
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.
  
3. ENROLLMENT ADJUSTMENT - Funding is reduced commensurate with reductions in budgeted new FTE student enrollments at the Pullman and Tri-Cities campuses for FY 1999 in order to more accurately reflect expected enrollment patterns. FY 1999 enrollment at Pullman is reduced by 451 FTE students, and FY 1999 enrollment at the Tri-Cities branch campus is reduced by 60 FTE students. (General Fund-State, Institutions of Higher Education-Operating Fees Account)
  
4. CONSTRUCTION CLAIM COST - One-time funding is provided to pay for litigation, negotiation, and settlement costs associated with the Vancouver branch campus and Veterinary Teaching Hospital capital projects. In addition to this appropriation, \$3 million is provided in the capital budget for settlement costs of the Veterinary Teaching Hospital. Washington State University (WSU) will cooperate with the Office of Financial Management and other state agencies to develop a plan to improve management of capital projects and claims avoidance and report back to the Legislature with improved policies and procedures.
  
5. TRANSFER RIVERPOINT FROM JCHE - Funds are transferred from the Joint Center for Higher Education (JCHE), Spokane, pursuant to Chapter 344, Laws of 1998, Partial Veto (SSB 6655 - Changing the Spokane Intercollegiate Research and Technology Institute). These funds allow WSU to manage the Riverpoint campus. (General Fund-State, Institutions of Higher Education-Dedicated Local Account)
  
6. AQUATIC ANIMAL HEALTH - Funds are provided for additional unanticipated workload increases.

## Eastern Washington University

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>78,700</b>	<b>64,493</b>	<b>143,193</b>
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	62	0	62
2. Life Insurance Settlement	12	0	12
<b>Total Supplemental Items</b>	<b>74</b>	<b>0</b>	<b>74</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>78,774</b>	<b>64,493</b>	<b>143,267</b>
Fiscal Year 1998 Total	39,211	31,896	71,107
Fiscal Year 1999 Total	39,563	32,597	72,160

**Comments:**

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
  
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.

## Central Washington University

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>75,830</b>	<b>64,429</b>	<b>140,259</b>
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	62	0	62
2. Life Insurance Settlement	11	0	11
3. Fire Protection Contract	90	0	90
<b>Total Supplemental Items</b>	<b>163</b>	<b>0</b>	<b>163</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>75,993</b>	<b>64,429</b>	<b>140,422</b>
Fiscal Year 1998 Total	37,244	31,787	69,031
Fiscal Year 1999 Total	38,749	32,642	71,391

**Comments:**

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
  
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.
  
3. FIRE PROTECTION CONTRACT - Funding is provided for cost increases in the fire protection contract with the City of Ellensburg Fire Department beginning with the new contract's effective date in January 1998.

## The Evergreen State College

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>40,669</b>	<b>31,630</b>	<b>72,299</b>
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	36	0	36
2. Life Insurance Settlement	7	0	7
3. Space Modifications	250	0	250
4. WSIPP Financial Aid Followup	35	0	35
5. SHB 2556 - Child Abuse Prev/Treat	12	0	12
<b>Total Supplemental Items</b>	<b>340</b>	<b>0</b>	<b>340</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>41,009</b>	<b>31,630</b>	<b>72,639</b>
Fiscal Year 1998 Total	20,413	15,438	35,851
Fiscal Year 1999 Total	20,596	16,192	36,788

**Comments:**

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
  
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.
  
3. SPACE MODIFICATIONS - One-time funding is provided for space modifications necessary to accommodate budgeted enrollment increases.
  
4. WSIPP FINANCIAL AID FOLLOWUP - One-time funds are provided to the Washington State Institute for Public Policy (WSIPP) for financial aid research into student employment and resources. Results of the study will be reported to the Legislature by January 15, 1999.
  
5. SHB 2556 - CHILD ABUSE PREV/TREAT - The Evergreen State College received an appropriation of \$12,000 in Chapter 314, Laws of 1998, Partial Veto (SHB 2556), for the WSIPP to conduct, or contract for, a study regarding the creation of citizen review panels to examine child protection standards.

## Western Washington University

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>96,677</b>	<b>93,547</b>	<b>190,224</b>
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	81	0	81
2. Life Insurance Settlement	15	0	15
<b>Total Supplemental Items</b>	<b>96</b>	<b>0</b>	<b>96</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>96,773</b>	<b>93,547</b>	<b>190,320</b>
Fiscal Year 1998 Total	47,822	46,157	93,979
Fiscal Year 1999 Total	48,951	47,390	96,341

**Comments:**

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.

## Higher Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>190,927</b>	<b>12,654</b>	<b>203,581</b>
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	3	0	3
2. Life Insurance Settlement	1	0	1
3. Pre-Paid Tuition Program	1,260	1,198	2,458
4. Federal Grants	0	23	23
5. Federal and Local Grants	0	12	12
6. Higher Ed Spokane Institutions	250	0	250
7. Cooperative Library Project	810	0	810
<b>Total Supplemental Items</b>	<b>2,324</b>	<b>1,233</b>	<b>3,557</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>193,251</b>	<b>13,887</b>	<b>207,138</b>
Fiscal Year 1998 Total	92,415	6,812	99,227
Fiscal Year 1999 Total	100,836	7,075	107,911

**Comments:**

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.</li> <li>2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.</li> <li>3. PRE-PAID TUITION PROGRAM - Additional one-time funding is provided for startup costs for the pre-paid tuition program. In combination with the original appropriation, total funding provided for the 1997-99 biennium start-up costs is \$1.61 million. It is anticipated that funds from application fees and interest earnings will be available to repay the General Fund-State in the 1999 supplemental budget. (General Fund-State, Advanced College Tuition Payment Program Account)</li> <li>4. FEDERAL GRANTS - Federal carryforward funding is provided for the National Early Intervention Scholarship and Partnership Program. (General Fund-Federal)</li> <li>5. FEDERAL AND LOCAL GRANTS - Federal funding is provided for Veterans' program approval and supervision and carryforward funding for the competency-based admissions standards program. Carryforward funding is provided by the Education Commission of the States for the State Policy and College Learning project. (General Fund-Federal, General Fund-Local)</li> <li>6. HIGHER ED SPOKANE INSTITUTIONS - Pursuant to Chapter 344, Laws of 1998, Partial Veto (SSB 6655 - Changing the Spokane Intercollegiate Research and Technology Institute), one-time funding is provided to conduct studies in Spokane concerning the level of higher education services; quantity, completeness, and affordability of educational offerings; economic and social context of higher education resources; and higher education management and governance.</li> </ol> | <ol style="list-style-type: none"> <li>7. COOPERATIVE LIBRARY PROJECT - Funds are provided to complete the electronic link among the libraries of the four-year public institutions. Funding for earlier phases of this project was provided in 1995 and 1996. The Higher Education Coordinating Board will transfer the funds to complete the system to the University of Washington. Of the total appropriation, \$250,000 is a one-time allocation for equipment and a portion of the ongoing funds will be used for the acquisition of shared electronic journals.</li> </ol> |
|---|---|

## Joint Center for Higher Education

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>2,939</b>	<b>9,267</b>	<b>12,206</b>
1998 Supplemental Budget			
1. Transfer Funding to SIRTl and WSU	-1,470	-4,635	-6,105
<b>Total Supplemental Items</b>	<b>-1,470</b>	<b>-4,635</b>	<b>-6,105</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>1,469</b>	<b>4,632</b>	<b>6,101</b>
Fiscal Year 1998 Total	1,469	4,632	6,101

**Comments:**

1. TRANSFER FUNDING TO SIRTl AND WSU - Funding for the management of the Riverpoint education campus in Spokane is transferred to Washington State University (WSU) pursuant to Chapter 344, Laws 1998, Partial Veto (SSB 6655). Research and grant funds attributable to the Spokane Intercollegiate Research and Technology Institute (SIRTl) are transferred to SIRTl. State general fund resources for the administrative activities at SIRTl are transferred to the Department of Community, Trade, and Economic Development and shall be dispensed to SIRTl through an interagency contractual agreement. (General Fund-State, Institutions of Higher Education-Grants/Contracts Account, Institutions of Higher Education-Dedicated Local Account)

Agency STI

## Spokane Intercollegiate Research & Technical Institute

(Dollars in Thousands)

	GF-S	Other	Total
1998 Supplemental Budget			
1. Transfer Funding From JCHE	0	3,771	3,771
<b>Total Supplemental Items</b>	<b>0</b>	<b>3,771</b>	<b>3,771</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>0</b>	<b>3,771</b>	<b>3,771</b>
Fiscal Year 1999 Total	0	3,771	3,771
<hr/>			

**Comments:**

1. TRANSFER FUNDING FROM JCHE - Research and grant funds are transferred from the Joint Center of Higher Education (JCHE) for the operation of the Spokane Intercollegiate Research and Technology Institute (SIRTI) pursuant to Chapter 344, Laws of 1998, Partial Veto (SSB 6655). The state general fund appropriation for SIRTI administration costs is transferred from JCHE to the Department of Community, Trade, and Economic Development (DCTED). DCTED shall contract with the institute for the expenditure of state-appropriated funds for the operation of the institute. (Institutions of Higher Education-Grants/Contracts Account, Institutions of Higher Education-Dedicated Local Account)

# Other Education

**State School for the Blind**

An additional amount of \$226,000 from the General Fund-Private/Local is provided to expand the educational outreach services to blind and visually impaired children in school districts throughout the state.

**Washington State Library**

Funds in the amount of \$100,000 from the state general fund is provided for enhancement of the library collection.

**Washington State Historical Society**

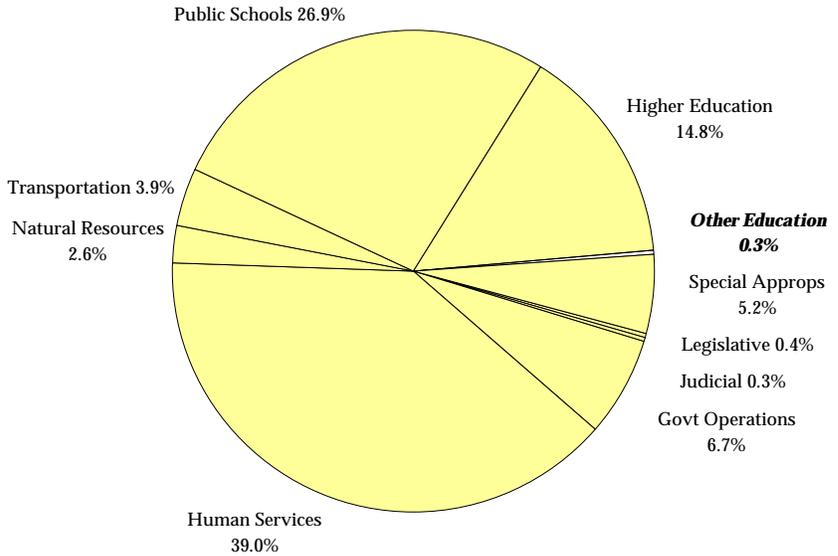
Funds in the amount of \$50,000 from the state general fund is provided for planning, coordination, and development of programs for the bicentennial of Lewis and Clark's expedition to the Northwest.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

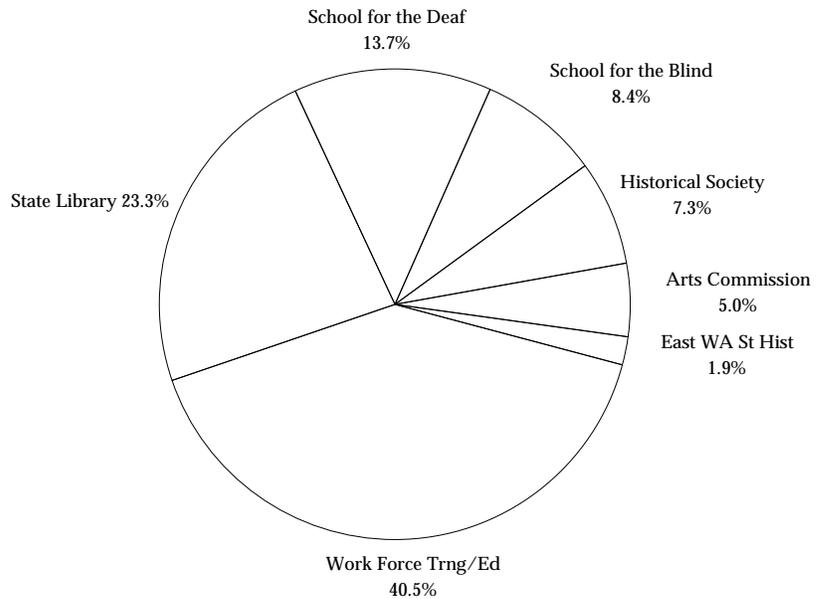
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
<b>Other Education</b>	<b>94,294</b>
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

Work Force Trng & Ed	38,152
State Library	21,981
School for the Deaf	12,935
School for the Blind	7,888
State Hist Society	6,857
State Arts Comm	4,718
East WA State Hist Society	1,763
<b>Other Education</b>	<b>94,294</b>



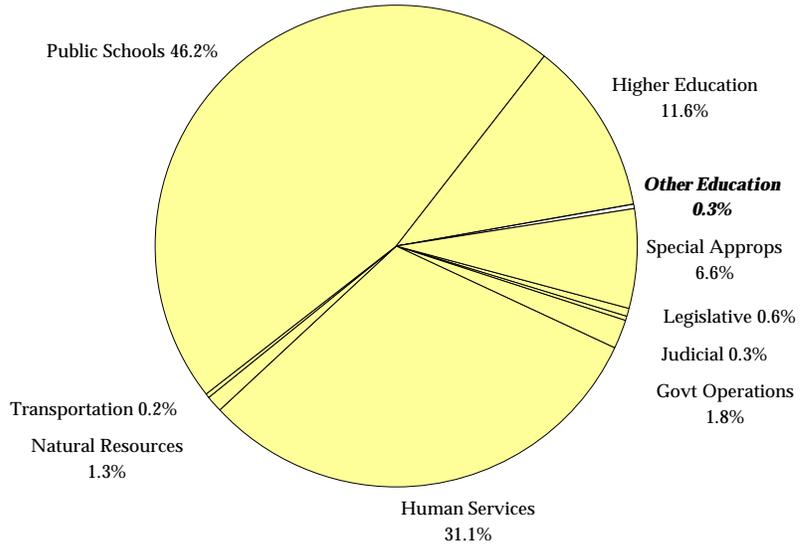
## Other Education

# 1997-99 Washington State Operating Budget

## General Fund - State

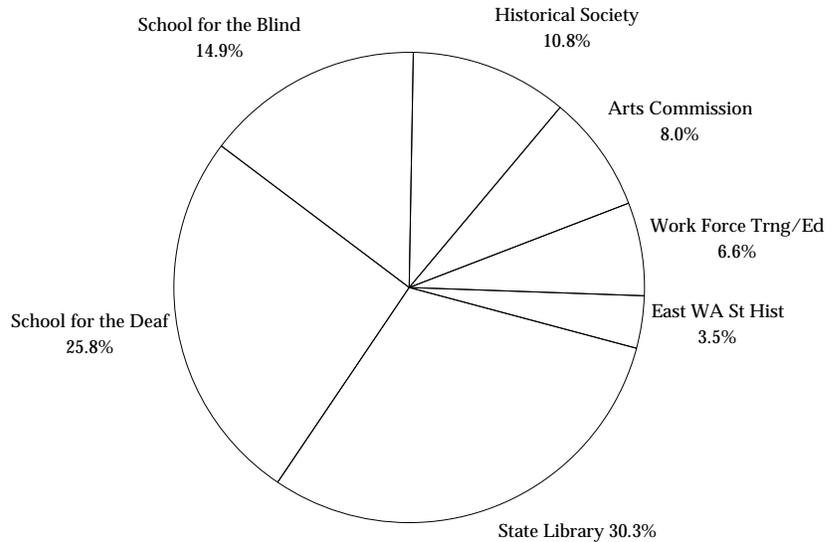
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
<b>Other Education</b>	<b>50,041</b>
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



### Washington State

State Library	15,164
School for the Deaf	12,935
School for the Blind	7,470
State Hist Society	5,403
State Arts Comm	4,028
Work Force Trng & Ed	3,278
East WA State Hist Society	1,763
<b>Other Education</b>	<b>50,041</b>



### Other Education

## State Library

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>14,764</b>	<b>4,847</b>	<b>19,611</b>
1998 Supplemental Budget			
1. Government Info Locator Service	200	0	200
2. Technical Corrections	100	1,970	2,070
3. Collection Enhancement	100	0	100
<b>Total Supplemental Items</b>	<b>400</b>	<b>1,970</b>	<b>2,370</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>15,164</b>	<b>6,817</b>	<b>21,981</b>
Fiscal Year 1998 Total	7,533	1,909	9,442
Fiscal Year 1999 Total	7,631	4,908	12,539

**Comments:**

1. GOVERNMENT INFO LOCATOR SERVICE - Funding is provided to continue the Government Information Locator Service project in FY 1999. The project facilitates electronic public access to government information by arranging it in standard ways so that the public need not know the structure of government to locate needed information.
2. TECHNICAL CORRECTIONS - Additional state funding is provided for a technical adjustment to the capital facilities surcharge. Federal spending authority is provided due to an anticipated increase in federal revenue. (General Fund-State, General Fund-Federal)
3. COLLECTION ENHANCEMENT - One-time funding is provided for the State Library's collection.

## Washington State Historical Society

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>5,033</b>	<b>1,454</b>	<b>6,487</b>
1998 Supplemental Budget			
1. Off-Site Relocation	320	0	320
2. Lewis and Clark Bicentennial	50	0	50
<b>Total Supplemental Items</b>	<b>370</b>	<b>0</b>	<b>370</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>5,403</b>	<b>1,454</b>	<b>6,857</b>
Fiscal Year 1998 Total	2,658	710	3,368
Fiscal Year 1999 Total	2,745	744	3,489

**Comments:**

1. OFF-SITE RELOCATION - One-time funding is provided for a temporary relocation of Research Center operations made necessary by the Center's seismic and infrastructure renovation project, which was funded in the 1997-99 biennial capital budget.
2. LEWIS AND CLARK BICENTENNIAL - Funding is provided for planning, coordination, and development of programs to commemorate the 200th anniversary of Lewis and Clark's journey to the Northwest. The bicentennial will be recognized by trail states between 2003-2006. The commemoration will require national and regional planning.

## State School for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>7,452</b>	<b>192</b>	<b>7,644</b>
1998 Supplemental Budget			
1. Audit Services	18	0	18
2. Outreach Services Program	0	226	226
<b>Total Supplemental Items</b>	<b>18</b>	<b>226</b>	<b>244</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>7,470</b>	<b>418</b>	<b>7,888</b>
Fiscal Year 1998 Total	3,723	96	3,819
Fiscal Year 1999 Total	3,747	322	4,069

**Comments:**

1. AUDIT SERVICES - Funding is provided for audit services. This item corrects funding that was not included in the original 1997-99 biennial budget.
  
2. OUTREACH SERVICES PROGRAM - Local funding is increased to provide educational services to blind and visually impaired children in school districts throughout the state. This program is supported by revenue from contracted services with school districts. (General Fund-Private/Local)

## State School for the Deaf

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>12,917</b>	<b>0</b>	<b>12,917</b>
1998 Supplemental Budget			
1. Audit Services	18	0	18
<b>Total Supplemental Items</b>	<b>18</b>	<b>0</b>	<b>18</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>12,935</b>	<b>0</b>	<b>12,935</b>
Fiscal Year 1998 Total	6,467	0	6,467
Fiscal Year 1999 Total	6,468	0	6,468

**Comments:**

1. AUDIT SERVICES - Funding is provided for auditing services. This item corrects funding that was not included in the original 1997-99 biennial budget.

# Special Appropriations

## **Driving Under the Influence (DUI) Legislation**

Chapter 212, Laws of 1998 (ESHB 6187) increases the reinstatement fee for drivers obtaining their license after a DUI from \$50 to \$150. The additional revenue is then appropriated into the County Criminal Justice Assistance Account (\$720,000) and the Municipal Criminal Justice Assistance Account (\$480,000) to reimburse local governments for their costs in implementing a variety of pieces of legislation that modify the DUI legislation laws. Statutory changes with significant fiscal impact include: reducing the per se blood alcohol concentration (BAC) from 0.10 to 0.08 for DUI; adding electronic monitoring for certain DUI offenders; modifying the five-year washout period for prior DUI convictions; limiting deferred prosecutions to once in a lifetime; making the use of ignition interlocks mandatory for certain DUI offenders; and implementing administrative license suspension for first-time DUI offenders.

## **Life Insurance**

Life Insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 for state and higher education employees, in accordance with the settlement in *Burbage v. Washington State*.

## **Retired State Employees v. State of Washington**

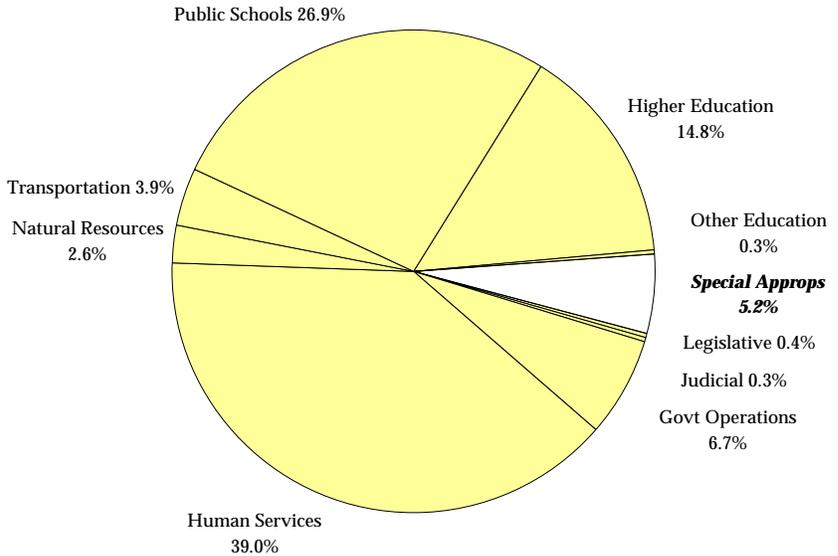
A long-standing disagreement over the calculation of retiree health benefit premiums has been resolved. Up to 19,000 retired state and higher education employees who were Uniform Medical Plan Medicare enrollees at any time from 1988-1994 will be eligible to receive a settlement from the Health Care Authority. Settlement claims will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to rebuild the reserves in the Public Employees' and Retirees' Insurance Account. Health benefits of current employees and retirees will not be impacted by the use of these funds.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

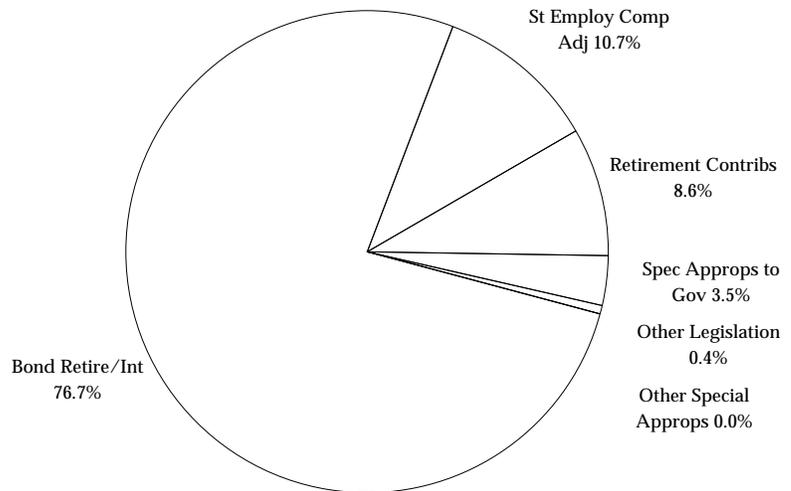
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
<b>Special Appropriations</b>	<b>1,863,566</b>
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

Bond Retirement/Interest	1,429,923
State Employee Comp Adj	200,102
Retirement Contributions	159,600
Special Approps to Governor	66,015
Other Legislation	7,730
Other Special Approps	196
<b>Special Appropriations</b>	<b>1,863,566</b>

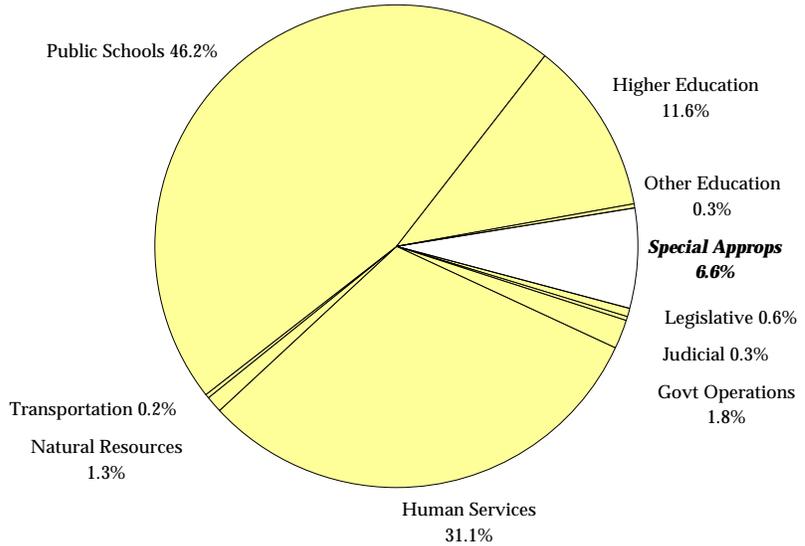


## Special Appropriations

**1997-99 Washington State Operating Budget**  
**General Fund - State**  
(Dollars in Thousands)

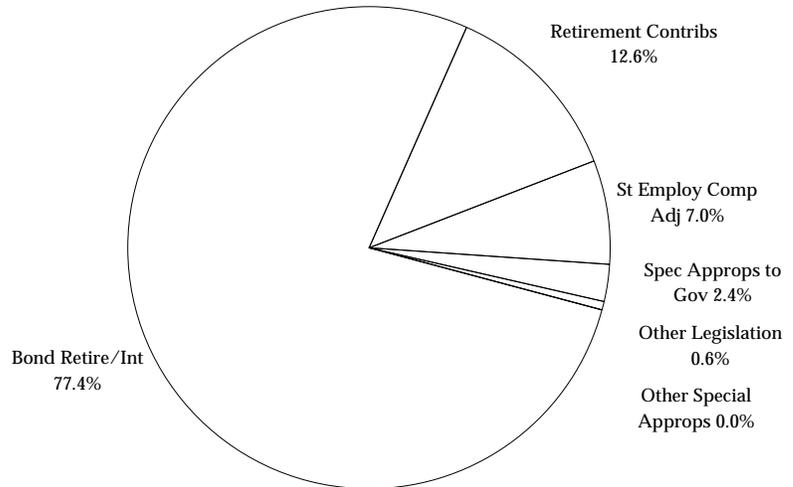
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Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
<b>Special Appropriations</b>	<b>1,268,552</b>
<b>Statewide Total</b>	<b>19,083,722</b>



**Washington State**

Bond Retirement/Interest	982,138
Retirement Contributions	159,600
State Employee Comp Adj	89,061
Special Approps to Governor	29,830
Other Legislation	7,730
Other Special Approps	193
<b>Special Appropriations</b>	<b>1,268,552</b>



**Special Appropriations**

## Bond Retirement & Interest

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>982,009</b>	<b>158,680</b>	<b>1,140,689</b>
1998 Supplemental Budget			
1. Debt Service Update	129	0	129
2. Underwriter's Discount	0	1,549	1,549
3. Technical Correction	0	1,862	1,862
<b>Total Supplemental Items</b>	<b>129</b>	<b>3,411</b>	<b>3,540</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>982,138</b>	<b>162,091</b>	<b>1,144,229</b>
Fiscal Year 1998 Total	472,016	77,658	549,674
Fiscal Year 1999 Total	510,122	84,433	594,555

**Comments:**

1. DEBT SERVICE UPDATE - The appropriations for debt service are updated to reflect the debt service cost on sales that have occurred since April 1997 and more recent interest rate estimates for future sales during the 1997-99 biennium.
2. UNDERWRITER'S DISCOUNT - The government accounting standard practice for reporting the underwriter's discount on a bond sale was revised in July 1997. Previously recorded as a reduction to revenue, the underwriter's discount is now recorded as a debt service expense. This change requires an appropriation for the discount in the debt service funds. (State Building Construction Account, Public Safety Reimbursable Bond Account, Higher Education Construction Account)
3. TECHNICAL CORRECTION - In the 1997 initiative to simplify debt service funds, the debt service for the Natural Resources Building was inadvertently omitted from the budget bill. This action corrects that omission by providing appropriation authority to pay the debt service obligation on that facility. (Debt-Limit Reimbursable Bond Retirement Account)

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.

## Special Appropriations to the Governor

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>15,424</b>	<b>27,695</b>	<b>43,119</b>
1998 Supplemental Budget			
1. Remove Year 2000 GF-S Appropriation	-5,340	-987	-6,327
2. Year 2000 Contingency Pool	5,000	5,000	10,000
3. Year 2000 Conversion	266	4,946	5,212
4. Local Criminal Justice Funding	0	1,200	1,200
5. Approp to the Transportation Fund	12,650	0	12,650
6. Community College Capital Projects	5,200	0	5,200
7. Governor Veto - Regulatory Reform	-3,370	-3,669	-7,039
<b>Total Supplemental Items</b>	<b>14,406</b>	<b>6,490</b>	<b>20,896</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>29,830</b>	<b>34,185</b>	<b>64,015</b>
Fiscal Year 1998 Total	7,390	15,860	23,250
Fiscal Year 1999 Total	22,440	18,325	40,765

**Comments:**

- |   |  |
|---|--|
| <p>1. REMOVE YEAR 2000 GF-S APPROPRIATION - The Governor's veto of Section 702, Chapter 454, Laws of 1997, created duplicate General Fund-State (GF-S) appropriations for Year 2000 computer maintenance projects. This reduction reflects the technical adjustment to eliminate the duplication. Also, the Employment Security Department received unanticipated federal funds for Year 2000 conversion activities which allows a reduction to their original appropriation. (General Fund-State, Administrative Contingency Account-State, Employment Services Administrative Account-State)</p> <p>2. YEAR 2000 CONTINGENCY POOL - Funding is provided for resource needs identified in Phase II of the risk assessment report and ongoing contingencies to avoid the disruption of public services. (General Fund-State, Year 2000 Contingency Revolving Account)</p> <p>3. YEAR 2000 CONVERSION - Additional funding is provided for the Department of Retirement Systems, Department of Licensing, Department of Revenue, Employment Security Department, Department of Health, and the Health Care Authority to address resource shortfalls identified for Year 2000 conversion projects. (General Fund-State, various other accounts)</p> <p>4. LOCAL CRIMINAL JUSTICE FUNDING - Funding is provided to local governments for the costs of implementing drunk driving legislation. Funds will be distributed to local governments through the Municipal Criminal Justice Assistance Account and County Criminal Justice Assistance Account. (Impaired Driving Safety Account)</p> <p>5. APPROP TO THE TRANSPORTATION FUND - This is a one-time appropriation from the General Fund to the Transportation Fund.</p> <p>6. COMMUNITY COLLEGE CAPITAL PROJECTS - Funds are provided for deposit in the Community and Technical Colleges Capital Project Account.</p> | <p>7. GOVERNOR VETO - REGULATORY REFORM - The Governor vetoed portions of Section 719, Chapter 149, Laws of 1997 (the 1997 biennial budget act), which provided \$7.039 million for implementation of regulatory reform legislation. Under a March 20, 1998, decision of the Thurston County Superior Court, the Governor's veto resulted in a lapse of the appropriation, and the moneys are not available for expenditure.</p> <p>NOTE: Special Appropriations to the Governor received an appropriation of \$2 million in the original 1997-99 Transportation Budget.</p> |
|---|--|

## State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>86,963</b>	<b>83,660</b>	<b>170,623</b>
1998 Supplemental Budget			
1. Retiree Lawsuit-Pension Funding	0	25,000	25,000
2. Retiree Lawsuit Settlement	1,768	2,007	3,775
3. Life Insurance Settlement	330	374	704
<b>Total Supplemental Items</b>	<b>2,098</b>	<b>27,381</b>	<b>29,479</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>89,061</b>	<b>111,041</b>	<b>200,102</b>
Fiscal Year 1998 Total	38,393	50,575	88,968
Fiscal Year 1999 Total	50,668	60,466	111,134

**Comments:**

1. RETIREE LAWSUIT-PENSION FUNDING - The \$25 million in the Pension Funding Account is appropriated to the Public Employees' and Retirees' Insurance Account to be used by the Health Care Authority to pay claims resulting from the settlement in Retired State Employees v. State of Washington. (Pension Funding Account)
  
2. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves. Additional funding for this item is provided in the higher education institutions' appropriations. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Account)
  
3. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington. Additional funding for this item is provided in the higher education institutions' appropriations. (General Fund-State, General Fund-Federal, General Fund-Local and Salary and Insurance Increase Revolving Account)

**Sundry Claims**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1998 Supplemental Budget			
1. Self-Defense Claims	193	0	193
2. Deer and Elk Damage Claims	<u>0</u>	<u>3</u>	<u>3</u>
<b>Total Supplemental Items</b>	<b>193</b>	<b>3</b>	<b>196</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>193</b>	<b>3</b>	<b>196</b>
Fiscal Year 1998 Total	193	3	196
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**Comments:**

1. SELF-DEFENSE CLAIMS - On the recommendation of the Division of Risk Management, payment is provided under RCW 9A.16.110 for claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self-defense.
2. DEER AND ELK DAMAGE CLAIMS - On the recommendation of the Division of Risk Management, payment is provided under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. (Wildlife Account-State)