

Governmental Operations

Department of Community, Trade, and Economic Development

The amount of \$1 million is provided for the acquisition of equipment to preserve donated perishable goods. These funds are in addition to the existing level of state food assistance of \$7.4 million per biennium.

The amount of \$200,000 is provided to assist industrial workers who have been displaced by energy-related plant closures in rural counties. Grants will be provided to meet the displaced workers' basic needs including, but not limited to, emergency medical and dental services, family and mental health counseling, food, energy costs, mortgage, and rental costs.

An additional \$880,000 is provided for community-based legal advocates to assist sexual assault victims with both civil and criminal justice issues.

Utilities and Transportation Commission

Following the passage of the Washington State Pipeline Safety Act of 2000, funding is provided for the Utilities and Transportation Commission to implement an interstate and intrastate natural gas and hazardous liquid pipeline safety program.

Military Department

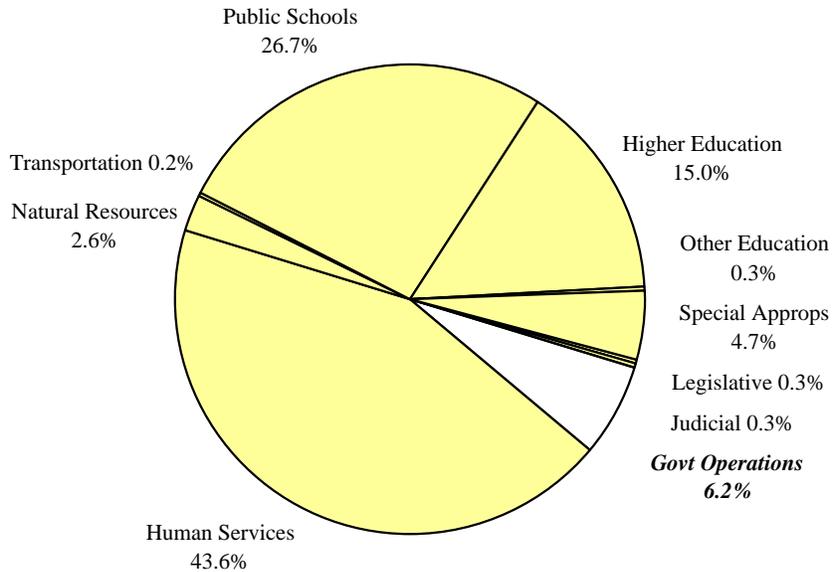
The budget provides \$37.9 million in state funds and \$157.8 million in federal funds for costs associated with the response and recovery activities as a result of the February 28, 2001, earthquake. The funding provided is sufficient to cover the entire state match for state agency costs and one-half of the local match required for Federal Emergency Management Agency reimbursement.

2001-03 Washington State Operating Budget

Total Budgeted Funds

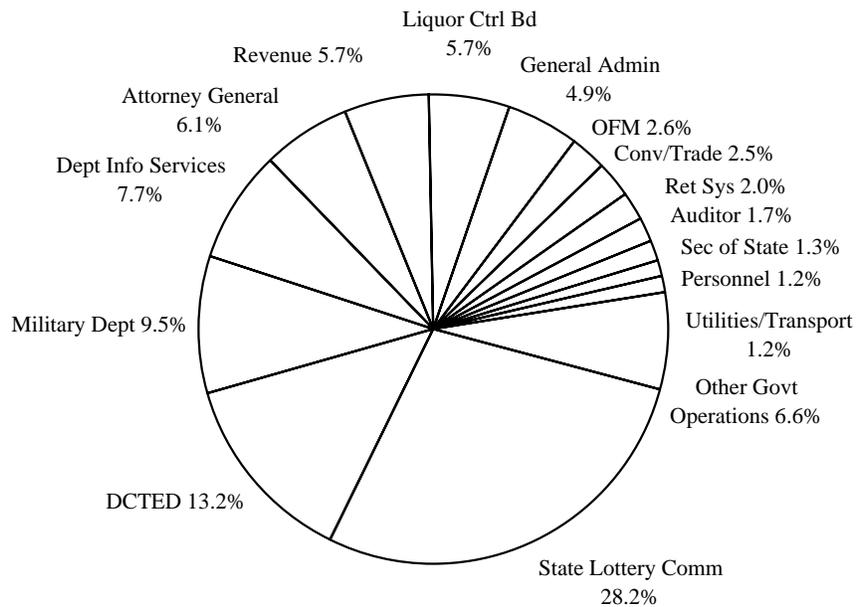
(Dollars in Thousands)

Legislative	139,285
Judicial	141,697
Governmental Operations	2,707,559
Human Services	18,911,595
Natural Resources	1,123,648
Transportation	104,494
Public Schools	11,571,857
Higher Education	6,502,726
Other Education	116,415
Special Appropriations	2,036,571
Statewide Total	43,355,847



Washington State

Lottery Commission	763,162
Comm/Trade/Econ Dev	357,893
Military Department	257,367
Dept Information Services	209,488
Attorney General	164,806
Department of Revenue	155,498
Liquor Control Board	153,229
Dept General Administration	133,029
Office of Financial Mgmt	69,226
Convention & Trade Center	67,734
Dept Retirement Systems	52,917
State Auditor	44,940
Secretary of State	34,561
Dept of Personnel	33,693
Utilities & Transpo Comm	31,235
Other Govt Operations	178,781
Governmental Operations	2,707,559

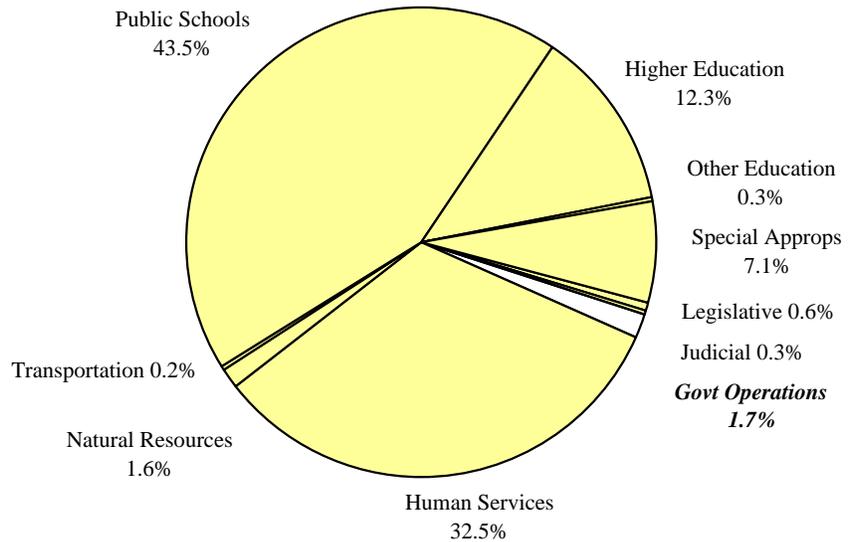


Governmental Operations

2001-03 Washington State Operating Budget General Fund-State

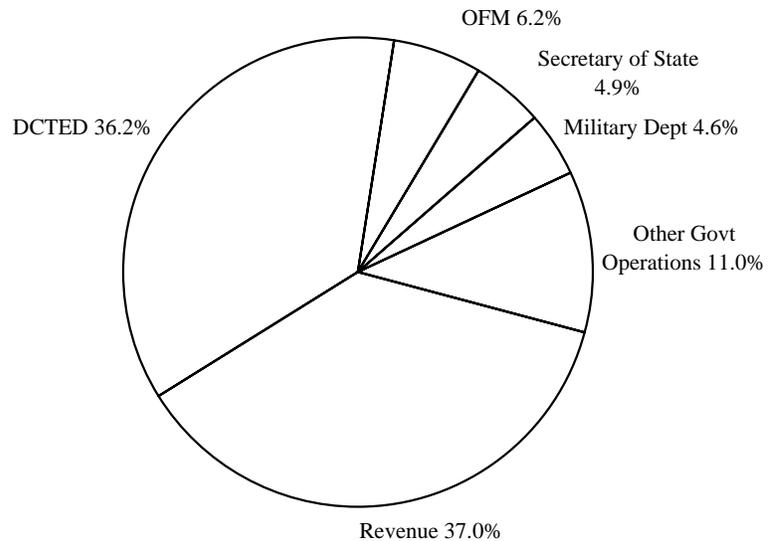
(Dollars in Thousands)

Legislative	133,124
Judicial	71,679
Governmental Operations	392,304
Human Services	7,415,303
Natural Resources	355,477
Transportation	40,722
Public Schools	9,903,086
Higher Education	2,800,460
Other Education	59,988
Special Appropriations	1,611,095
Statewide Total	22,783,238



Washington State

Department of Revenue	145,207
Comm/Trade/Econ Dev	141,957
Office of Financial Mgmt	24,480
Secretary of State	19,220
Military Department	18,144
Other Govt Operations	43,296
Governmental Operations	392,304



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	11,482	909	12,391
2001-03 Maintenance Level	12,065	923	12,988
Policy Changes			
1. Data Management Coordinator	200	0	200
2. Puget Sound Action Team Funding	-3,204	3,204	0
Total 2001-03 Biennium	9,061	4,127	13,188
Fiscal Year 2002 Total	4,537	2,054	6,591
Fiscal Year 2003 Total	4,524	2,073	6,597

Comments:

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

Office of the Lieutenant Governor

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	686	160	846
2001-03 Maintenance Level	747	0	747
Policy Changes			
1. General Inflation	-3	0	-3
2. Salary Administration Fund	34	0	34
3. Technical Support	18	0	18
4. Director of Agency Affairs Position	104	0	104
Total 2001-03 Biennium	900	0	900
Fiscal Year 2002 Total	449	0	449
Fiscal Year 2003 Total	451	0	451

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Salary Administration Fund** - Funding is provided for compensation increases to reflect professional development and advancement. The Personnel Board does not administer exempt salary ranges for the staff of statewide elected officials.
3. **Technical Support** - Funding for staff travel is increased. Staff will provide on-site technical and administrative support to the Lieutenant Governor for public appearances.
4. **Director of Agency Affairs Position** - Funding is provided to establish the position of Director of Agency Affairs.

Public Disclosure Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	3,921	0	3,921
2001 Supplemental *	137	0	137
Total 1999-01 Biennium	4,058	0	4,058
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2001-03 Maintenance Level	3,819	0	3,819
Policy Changes			
1. General Inflation	-6	0	-6
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Total 2001-03 Biennium	3,813	0	3,813
Fiscal Year 2002 Total	1,910	0	1,910
Fiscal Year 2003 Total	1,903	0	1,903

Comments:

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

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Office of the Secretary of State

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	22,442	12,921	35,363
2001 Supplemental *	1,371	396	1,767
Total 1999-01 Biennium	23,813	13,317	37,130
2001-03 Maintenance Level	19,353	12,851	32,204
Policy Changes			
1. General Inflation	-133	-90	-223
2. Eastern Regional Archives Move	0	1,824	1,824
3. Archives Records Center Space	0	641	641
4. Southwest Regional Archives Rent	0	115	115
Total 2001-03 Biennium	19,220	15,341	34,561
Fiscal Year 2002 Total	10,513	7,014	17,527
Fiscal Year 2003 Total	8,707	8,327	17,034

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, other funds)
2. **Eastern Regional Archives Move** - One-time and ongoing funding and staff are provided to move into, then operate, the new Eastern Washington Regional Archives building, which is included in the Governor's 2001-03 capital budget. Once completed, the building will include the State Electronic Data Archives, a facility designed to store official public records that originate as digital records and which, by statute or regulation, must be stored for longer than six years. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)
3. **Archives Records Center Space** - One-time funding is provided for temporary staff and costs associated with a capital budget project expanding the State Records Center, and ongoing funding is provided for staff to operate the expanded facility. The State Records Center provides temporary storage of state agencies' records. (Archives and Records Management Account-State)
4. **Southwest Regional Archives Rent** - Funding is provided for a rent increase associated with expanded space for the Southwest Records Archive Center. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Governor's Office of Indian Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	520	0	520
2001-03 Maintenance Level	553	0	553
Policy Changes			
1. General Inflation	-2	0	-2
Total 2001-03 Biennium	551	0	551
Fiscal Year 2002 Total	269	0	269
Fiscal Year 2003 Total	282	0	282

Comments:

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

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	430	0	430
2001 Supplemental *	6	0	6
Total 1999-01 Biennium	436	0	436
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2001-03 Maintenance Level	469	0	469
Policy Changes			
1. General Inflation	-3	0	-3
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Total 2001-03 Biennium	466	0	466
Fiscal Year 2002 Total	233	0	233
Fiscal Year 2003 Total	233	0	233

Comments:

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

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Office of the State Treasurer

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	14,244	14,244
2001-03 Maintenance Level	0	12,918	12,918
Policy Changes			
1. General Inflation	0	-48	-48
Total 2001-03 Biennium	0	12,870	12,870
Fiscal Year 2002 Total	0	6,434	6,434
Fiscal Year 2003 Total	0	6,436	6,436

Comments:

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

Office of the State Auditor

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	2,156	41,015	43,171
2001-03 Maintenance Level	2,229	43,379	45,608
Policy Changes			
1. General Inflation	-17	-341	-358
2. Local Government Finance Project	0	100	100
3. Demonstration Performance Audits	600	0	600
4. Remove Third Runway Audit Funding	-410	0	-410
5. Governor Veto	-600	0	-600
Total 2001-03 Biennium	1,802	43,138	44,940
Fiscal Year 2002 Total	778	21,599	22,377
Fiscal Year 2003 Total	1,024	21,539	22,563

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Local Government Finance Project** - Funding is provided for ongoing maintenance of the Local Government Finance Project. (Municipal Revolving Account-Non-Appropriated)
3. **Demonstration Performance Audits** - Funding is provided to conduct three performance audits as demonstration audits for state and local governmental agencies. Each audit shall include a financial history and shall identify and review performance measures, benchmarks, quality management practices, and efficiencies achieved. The State Auditor shall report findings from these audits to legislative committees by December 1, 2002.
4. **Remove Third Runway Audit Funding** - Funding is removed for a performance and financial audit of the Port of Seattle's third runway project, and the requirement that an audit be conducted is also eliminated.
5. **Governor Veto** - The Governor vetoed Section 123(3) of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153), which earmarked \$600,000 General Fund-State for the State Auditor to conduct performance audits of three governmental entities.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Office of the State Auditor's budget is shown in the Transportation Budget Section of this document.

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	195	0	195
2001 Supplemental *	5	0	5
Total 1999-01 Biennium	200	0	200
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2001-03 Maintenance Level	235	0	235
Policy Changes			
1. General Inflation	-3	0	-3
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Total 2001-03 Biennium	232	0	232
Fiscal Year 2002 Total	80	0	80
Fiscal Year 2003 Total	152	0	152

Comments:

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

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Office of the Attorney General

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	8,636	148,823	157,459
2001 Supplemental *	-30	0	-30
Total 1999-01 Biennium	8,606	148,823	157,429
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2001-03 Maintenance Level	9,643	147,902	157,545
Policy Changes			
1. General Inflation	-26	-608	-634
2. Labor & Industries Support Staff	0	672	672
3. Water Resources	0	318	318
4. New Retirement System	0	79	79
5. Sexually Violent Predators	0	1,253	1,253
6. Medicaid Fraud	0	480	480
7. Criminal Litigation Capability	0	334	334
8. Children's Services Litigation	0	672	672
9. Endangered Species Act	0	147	147
10. Nuclear Waste	0	382	382
11. Network Equipment	0	276	276
12. Office/Windows 2000 Upgrade	0	662	662
13. Tobacco Litigation	0	277	277
14. Indeterminate Sentence Review Board	0	83	83
15. Industrial Insurance Appeals Judge	0	1,372	1,372
16. Labor & Industries Cases	0	888	888
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Total 2001-03 Biennium	9,617	155,189	164,806
Fiscal Year 2002 Total	4,811	78,549	83,360
Fiscal Year 2003 Total	4,806	76,640	81,446

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
2. **Labor & Industries Support Staff** - Funding is provided to hire support staff for the Attorney General's Labor and Industries Division. The new hires will be directly employed by the Office of the Attorney General rather than by the Department of Labor and Industries. (Legal Services Revolving Account)
3. **Water Resources** - Additional legal services will be provided to the Department of Ecology in support of the water allocation issues. (Legal Services Revolving Account)
4. **New Retirement System** - Additional legal services will be provided to the Department of Retirement Systems to support the new Public Employees' Retirement System 3. (Legal Services Revolving Account)
5. **Sexually Violent Predators** - The addition of two assistant attorneys general and support staff will enable the Sexually Violent Predator Unit in the Office of the Attorney General to decrease the wait time for cases and the number of cases awaiting initial commitment trial and assume cases currently being handled by the Snohomish County Prosecutors Office. (Legal Services Revolving Account)
6. **Medicaid Fraud** - The Office of the Attorney General's Medicaid Fraud Control Unit will increase the number of fraud and resident abuse investigations by 20 percent and will examine a larger portion of the Medicaid budget. (General Fund-Federal, Public Safety and Education Account)
7. **Criminal Litigation Capability** - Additional investigative and prosecutorial assistance will be provided to local governments when a conflict of interest occurs or in complex criminal cases where additional expertise is needed. (Public Safety and Education Account)
8. **Children's Services Litigation** - Implementation of the federal Child Abuse Prevention and Treatment Act (CAPTA) by the Department of Social and Health Services has increased legal hearings. Under CAPTA, anyone who has been found to have committed an act of child abuse or neglect through a Child Protective Services investigation has the right to an administrative fair hearing. Assistant attorneys general represent the state in these proceedings. (Legal Services Revolving Account)
9. **Endangered Species Act** - Additional legal services will be provided to the Department of Fish and Wildlife to address

Office of the Attorney General

issues regarding the listing of salmon and other fish species under the Endangered Species Act. (Legal Services Revolving Account)

10. **Nuclear Waste** - Legal services will be provided to the Department of Ecology to assist with regulation of the United States Department of Energy cleanup activities at Hanford. (Legal Services Revolving Account)
11. **Network Equipment** - Funding is provided to replace network equipment on a three-year lease purchase cycle. (Legal Services Revolving Account)
12. **Office/Windows 2000 Upgrade** - Funding is provided to upgrade Microsoft software, train staff to use software, and replace desktop computers. (Legal Service Revolving Account)
13. **Tobacco Litigation** - The Office of the Attorney General will enforce a statute which requires manufacturers not participating in the Tobacco Master Settlement Agreement to deposit funds in an escrow account based on cigarette product sales in Washington State. If costs are recovered from tobacco manufacturers, funds will be returned to the Tobacco Prevention and Control Account. (Tobacco Prevention and Control Account)
14. **Indeterminate Sentence Review Board** - Cases heard by the Indeterminate Sentence Review Board have become more complex and involve offenders who have committed serious offenses, creating a need for additional legal services from the Office of the Attorney General. (Legal Services Revolving Account)
15. **Industrial Insurance Appeals Judge** - Additional legal services will be provided to the Board of Industrial Insurance Appeals to address the increased workload associated with the addition of Hearing and Mediation Judges. (Legal Services Revolving Account)
16. **Labor & Industries Cases** - One-time funding for FY 2002 is provided for costs of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits. The Department of Labor and Industries is to develop and recommend statutory language to the Legislature by October 1, 2001, that provides greater certainty and simplicity in the calculation of workers' compensation benefits. (Legal Services Revolving Account)

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Caseload Forecast Council

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	910	0	910
2001-03 Maintenance Level	1,083	0	1,083
Policy Changes			
1. General Inflation	-3	0	-3
2. Employee Compensation	170	0	170
Total 2001-03 Biennium	1,250	0	1,250
Fiscal Year 2002 Total	631	0	631
Fiscal Year 2003 Total	619	0	619

Comments:

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

2. **Employee Compensation** - Funding is provided for one new full-time staff person to take on the responsibility of forecasting the 14 MAA caseloads and to improve the analytical ability to explain deviations from the forecasts.

Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	145,442	214,619	360,061
2001 Supplemental *	0	5,000	5,000
Total 1999-01 Biennium	145,442	219,619	365,061
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2001-03 Maintenance Level	142,743	211,955	354,698
Policy Changes			
1. Vendor Rate Increase	1,681	0	1,681
2. General Inflation	-223	-88	-311
3. Housing Initiative	0	680	680
4. Transfer SIRTI Funding	-3,496	0	-3,496
5. Protect Archaeological Sites	266	0	266
6. Growth Management Updates	3,000	0	3,000
7. WMS Rural & Environmental Expansion	200	0	200
8. Emergency Food Assistance Program	1,000	0	1,000
9. Energy Facilities Siting Council	0	996	996
10. Displaced Worker Assistance	200	0	200
11. Economic Development Administration	0	0	0
12. Rural Development Council	-34	0	-34
13. Archaeology Grant Funding	0	1,400	1,400
14. QuickSites Initiative	150	0	150
15. King County Public Health	-2,347	0	-2,347
16. Reemployment Support Center	-12	0	-12
17. Developmental Disabilities Endowment	460	113	573
18. WSU Technical Services Agreement	-36	0	-36
19. Foreign Office Contract - Japan	0	0	0
20. Technology Improvements	200	0	200
21. Reduce Washington Technology Center	-394	0	-394
22. SIRTI Reduction	-223	0	-223
23. Visitors Information Centers	-126	0	-126
24. Sexual Assault Legal Advocate	0	880	880
25. Senior Games	45	0	45
26. Youth Shelters	240	0	240
27. Business Retention and Expansion	100	0	100
28. Rural Opportunity Fund	-360	0	-360
29. Mortgage & Rental Assistance	-1,221	0	-1,221
30. Washington State Film Office	144	0	144
31. Business Information Hotline	0	0	0
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Total 2001-03 Biennium	141,957	215,936	357,893
Fiscal Year 2002 Total	71,084	109,604	180,688
Fiscal Year 2003 Total	70,873	106,332	177,205

Comments:

1. **Vendor Rate Increase** - Funding is provided to increase vendor payments by 2.1 percent in FY 2002 and 2.3 percent in FY 2003.
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. **Housing Initiative** - Funds are provided for low-income housing technical assistance, neighborhood mediation, and the development of an affordable housing guidebook. (Housing Assistance Account)
4. **Transfer SIRTI Funding** - In prior biennia the Office of Community Development (OCD) passed state funds through to the Spokane Intercollegiate Research and Technology Institute (SIRTI) for its operation. This reduction reflects a transfer of appropriation directly to SIRTI.
5. **Protect Archaeological Sites** - Additional funds are provided to the Office of Archaeology and Historic Preservation to investigate claims of vandalism or damage to archaeological sites and to monitor activities relating to archaeological permits.
6. **Growth Management Updates** - Local governments planning under the Growth Management Act are required to

Department of Community, Trade, & Economic Development

review and/or update their comprehensive plans including critical areas ordinances. Funds are provided as grants to local governments to help pay for the costs to update local critical areas ordinances.

7. **WMS Rural & Environmental Expansion** - Washington Manufacturing Services (WMS) works with Washington-based manufacturers to enhance their competitiveness in the global market place. Additional funding is provided to establish a rural manufacturers assistance program in collaboration with the Economic Development Councils to promote rural economic development in Washington.
8. **Emergency Food Assistance Program** - Funding is provided for infrastructure improvements, such as cold storage, in order to increase the capacity of food distribution centers to transport and store food, especially perishable items.
9. **Energy Facilities Siting Council** - Expenditure authority is provided for fees collected pursuant to Chapter 214, Laws of 2001 (EHB 2247 - State Energy Supply).
10. **Displaced Worker Assistance** - Funding is provided for distribution to community agencies that assist industrial workers who have been displaced by energy-related plant closures. Funds shall be used for the purpose of meeting the displaced workers' basic needs including, but not limited to, emergency medical and dental services, family and mental health counseling, food, energy costs, mortgage, and rental costs.
11. **Economic Development Administration** - Funding for travel for on-site technical assistance to rural communities and funding for staff training in the Economic Development Division is reduced.
12. **Rural Development Council** - The remaining general fund resources for the Rural Development Council are eliminated. The Council will continue to receive federal and local funds which make up the bulk of the current funding.
13. **Archaeology Grant Funding** - The Office of Archaeology and Historic Preservation has received additional federal funds which will be used to increase the grants awarded to local governments. Required matching funds will be from local participation and existing state appropriations. (General Fund-Federal)
14. **QuickSites Initiative** - QuickSites is an economic development program to assist communities in offering development-ready industrial sites to prospective business investors. Funding is provided to establish a database and industry site profiles.
15. **King County Public Health** - In order to consolidate all replacement of local public health funding associated with Initiative 695, funding for King County Public Health is transferred from the Department of Community, Trade, and Economic Development's (DCTED) budget to Special Appropriations to the Governor.
16. **Reemployment Support Center** - Reemployment Support Centers provide counseling and referral services to persons displaced in the timber and salmon industry. The Centers received federal funding through an interagency agreement with the Employment Security Department. General Fund-State funding is eliminated for this program.
17. **Developmental Disabilities Endowment** - Funds are provided for the support of the governing board and for program startup costs. Startup costs are assumed to be a loan from the state general fund and will be repaid from program administrative fees. The governing board may use state appropriations to implement a sliding scale fee waiver for families earning below 150 percent of the state median family income. The director of DCTED may implement fees to support the program as provided under RCW 43.330.152.
18. **WSU Technical Services Agreement** - Funding is reduced for the service contract between the Energy Policy Division and Washington State University (WSU) for technical assistance and support on energy-related issues.
19. **Foreign Office Contract - Japan** - Funding is maintained for the Japan contract for promotion of Washington State and its products.
20. **Technology Improvements** - Funding is provided for information technology enhancements designed to improve the delivery of agency services to customers.
21. **Reduce Washington Technology Center** - Funding is reduced for the Washington Technology Center at the University of Washington. The reduction leaves \$6.17 million in general fund support for the Center through DCTED.
22. **SIRTI Reduction** - Funding for SIRTI is reduced. An appropriation of \$3.496 million from the state general fund is made directly to SIRTI in 2001-03 for support of technology research.
23. **Visitors Information Centers** - Of the 200 visitor information centers in Washington, the state provides funding to six highway information stops. State funding is eliminated for the highway information centers beginning in FY 2003.
24. **Sexual Assault Legal Advocate** - Funds are provided for community-based legal advocates to assist sexual assault victims with both civil and criminal justice issues.
25. **Senior Games** - Funding for the Washington Senior Games is continued for 2002 and 2003. It is anticipated that in future biennia alternative sources of funding will be found to replace state aid.

Department of Community, Trade, & Economic Development

26. **Youth Shelters** - Funding for licensed youth shelters is continued for 2002 and 2003. It is anticipated that in future biennia alternative sources of funding will be found to replace state aid.
27. **Business Retention and Expansion** - Additional funds are provided for business retention and expansion efforts in rural areas.
28. **Rural Opportunity Fund** - Resources in the Rural Opportunity Fund are redirected for other targeted, economic development expenditures.
29. **Mortgage & Rental Assistance** - The Mortgage and Rental Assistance Program provides money to displaced timber and fishing workers in four counties. This program sunsets on June 30, 2001.
30. **Washington State Film Office** - Ongoing state general funds are provided to replace emergency funds utilized by the program in the 1999-01 biennium.
31. **Business Information Hotline** - Funding for the Business Information Program in the Office of Trade and Economic Development's Business Technical Assistance Unit is continued.

Economic & Revenue Forecast Council

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	947	0	947
2001-03 Maintenance Level	1,033	0	1,033
Policy Changes			
1. General Inflation	-7	0	-7
Total 2001-03 Biennium	1,026	0	1,026
Fiscal Year 2002 Total	512	0	512
Fiscal Year 2003 Total	514	0	514

Comments:

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

Office of Financial Management

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	25,808	38,455	64,263
2001 Supplemental *	142	288	430
Total 1999-01 Biennium	25,950	38,743	64,693
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2001-03 Maintenance Level	24,698	34,950	59,648
Policy Changes			
1. Transfer to Health Care Authority	-208	0	-208
2. Financial Information Systems Pool	0	9,287	9,287
3. Reduction of Expenditures	-504	0	-504
4. Statewide Jail Booking System	0	229	229
5. AmeriCorps Funds	198	600	798
6. Fiscal Analyst Recruitment	296	0	296
7. Head Start Collaboration Project	0	-345	-345
8. Audit of Whistleblower Program	0	25	25
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Total 2001-03 Biennium	24,480	44,746	69,226
Fiscal Year 2002 Total	12,456	21,493	33,949
Fiscal Year 2003 Total	12,024	23,253	35,277

Comments:

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| <ol style="list-style-type: none"> 1. Transfer to Health Care Authority - Funding is shifted from the Office of Financial Management (OFM) to the Health Care Authority for two new positions to staff the Health Care Policy Subcabinet. 2. Financial Information Systems Pool - Funding is provided for enhancements to selected financial information systems and technology upgrades as determined by OFM. (Data Processing Revolving Account) 3. Reduction of Expenditures - OFM will reduce general fund operating expenditures by approximately 2 percent. 4. Statewide Jail Booking System - Funding is provided for OFM to contract with the Washington Association of Sheriffs and Police Chiefs for the maintenance and operation of the statewide jail booking and reporting system. (Violence Reduction and Drug Enforcement Account) 5. AmeriCorps Funds - Funding is provided for schools in Seattle and Yakima to initiate recreation projects for at-risk youth, provide tutoring assistance, and oversee homework clubs through the AmeriCorps program. (General Fund-State, General Fund-Federal) 6. Fiscal Analyst Recruitment - Funding is provided to OFM to implement a Fiscal Analyst Recruitment Program to increase the pool of people with financial management knowledge, skills, and experience available for middle to upper-level management positions in Washington State government. 7. Head Start Collaboration Project - The Head Start Collaboration Project is transferred to the Department of Social and Health Services. (General Fund-Federal) | <ol style="list-style-type: none"> 8. Audit of Whistleblower Program - Funding is provided for OFM to contract for one performance audit of the Washington State Employee Whistleblower Program pursuant to RCW 42.40.110. (Auditing Services Revolving Account) <p>* Please see the 2001 Supplemental Operating Budget Section for additional information.</p> |
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Office of Administrative Hearings

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	20,799	20,799
2001 Supplemental *	0	131	131
Total 1999-01 Biennium	0	20,930	20,930
<hr/>			
2001-03 Maintenance Level	0	22,027	22,027
Policy Changes			
1. General Inflation	0	-95	-95
2. Purchase Personal Computers	0	56	56
<hr/>			
Total 2001-03 Biennium	0	21,988	21,988
Fiscal Year 2002 Total	0	10,951	10,951
Fiscal Year 2003 Total	0	11,037	11,037

Comments:

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

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

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Department of Personnel

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	33,629	33,629
2001 Supplemental *	0	393	393
Total 1999-01 Biennium	0	34,022	34,022
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2001-03 Maintenance Level	0	33,402	33,402
Policy Changes			
1. General Inflation	0	-270	-270
2. Human Resources Systems Project	0	561	561
<hr/>			
Total 2001-03 Biennium	0	33,693	33,693
Fiscal Year 2002 Total	0	17,082	17,082
Fiscal Year 2003 Total	0	16,611	16,611

Comments:

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

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

* Please see the 2001 Supplemental Operating Budget Section for additional information.

State Lottery Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	796,297	796,297
2001-03 Maintenance Level	0	763,445	763,445
Policy Changes			
1. General Inflation	0	-283	-283
Total 2001-03 Biennium	0	763,162	763,162
Fiscal Year 2002 Total	0	379,995	379,995
Fiscal Year 2003 Total	0	383,167	383,167

Comments:

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

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	441	0	441
2001 Supplemental *	9	0	9
Total 1999-01 Biennium	450	0	450
<hr/>			
2001-03 Maintenance Level	464	0	464
Policy Changes			
1. General Inflation	-4	0	-4
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Total 2001-03 Biennium	460	0	460
Fiscal Year 2002 Total	226	0	226
Fiscal Year 2003 Total	234	0	234

Comments:

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

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Washington State Commission on African-American Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	378	0	378
2001 Supplemental *	9	0	9
Total 1999-01 Biennium	387	0	387
<hr/>			
2001-03 Maintenance Level	422	0	422
Policy Changes			
1. General Inflation	-2	0	-2
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Total 2001-03 Biennium	420	0	420
Fiscal Year 2002 Total	211	0	211
Fiscal Year 2003 Total	209	0	209

Comments:

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

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Personnel Appeals Board

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	1,602	1,602
2001-03 Maintenance Level	0	1,687	1,687
Policy Changes			
1. General Inflation	0	-8	-8
Total 2001-03 Biennium	0	1,679	1,679
Fiscal Year 2002 Total	0	836	836
Fiscal Year 2003 Total	0	843	843

Comments:

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

Department of Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	49,365	49,365
2001 Supplemental *	0	54	54
Total 1999-01 Biennium	0	49,419	49,419
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2001-03 Maintenance Level	0	52,301	52,301
Policy Changes			
1. General Inflation	0	-178	-178
2. Locating Entitled Inactive Members	0	120	120
3. Modify Retiree Return-to-Work Rules	0	117	117
4. Implement WSPRS Plan 2	0	440	440
5. LEOFF Plan 1 Survivor Benefits	0	101	101
6. Public Pension Systems	0	100	100
7. LEOFF Plan 1 Restructuring	0	744	744
8. TRS & PERS Retire/Rehire	0	17	17
9. Lapse	0	-845	-845
<hr/>			
Total 2001-03 Biennium	0	52,917	52,917
Fiscal Year 2002 Total	0	27,302	27,302
Fiscal Year 2003 Total	0	25,615	25,615

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Department of Retirement Systems Expense Account)
2. **Locating Entitled Inactive Members** - Funding is provided to the Department of Retirement Systems (DRS) to identify and centralize inactive accounts of former retirement system members who have left funds in their accounts. DRS will take administrative steps to attempt to notify the former members of their account balances, in compliance with IRS requirements that members begin receiving distributions no later than after they reach age 70 and one-half. (Department of Retirement Systems Expense Account)
3. **Modify Retiree Return-to-Work Rules** - Funding is provided for DRS to make information system changes to implement the provisions of Chapter 10, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 5937 - Changing Post-Retirement Employment Restrictions) that change the current limits on post-retirement employment for the Teachers' Retirement System (TRS) Plans 1, 2, and 3, the Public Employees' Retirement System (PERS) Plans 1 and 2, and the School Employees' Retirement System Plans 2 and 3. (Department of Retirement Systems Expense Account)
4. **Implement WSPRS Plan 2** - Funding is provided for the implementation of the Washington State Patrol Retirement System (WSPRS) Plan 2, created by Chapter 329, Laws of 2001, Partial Veto (ESB 5143 - Modifying WSPRS Retirement and Survivor Benefits), including modifications to computer systems and program information. (Department of Retirement Systems Expense Account)
5. **LEOFF Plan 1 Survivor Benefits** - Funding is provided to DRS to implement SB 5144 (Law Enforcement Officers' and Fire Fighters' [LEOFF] Plan 1) regarding survivor benefits for spouses of post-retirement marriages to LEOFF Plan 1 retirees. See Lapse item below as SB 5144 was not enacted. (Department of Retirement Systems Expense Account)
6. **Public Pension Systems** - Funding is provided for DRS to assist the Pension Funding Council (PFC) with acquiring actuarial advice as provided by Chapter 11, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6167 - Public Pension Systems). (Department of Retirement Systems Expense Account)

Due to the Governor's veto of section 18 of ESSB 6167, the Department will not need the appropriation authority provided under this item since the language requiring it to retain actuarial services for the PFC was part of the vetoed section.
7. **LEOFF Plan 1 Restructuring** - Funding is provided for DRS to implement 2ESSB 6166 (LEOFF Plan 1 Restructuring), including development of a comprehensive communications plan to inform all LEOFF Plan 1 active members, retirees, and surviving spouses of the changes to the Plan. Funding is also provided for an application process and for temporary staff to perform service credit audits related to implementation of the bill. See Lapse item below as 2ESSB 6166 was not enacted. (Department of Retirement Systems Account)

Department of Retirement Systems

8. **TRS & PERS Retire/Rehire** - One-time funding is provided to DRS to adopt rules related to post-retirement employment as provided by Chapter 10, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 5937 - Changing Post-Retirement Employment Restrictions). The amount of \$117,000 for the corresponding information system modifications is provided in the Modify Retiree Return-to-Work Rules item. (Department of Retirement Systems Expense Account)
9. **Lapse** - LEOFF Plan 1 Survivor Benefits - SB 5144 would have required the Department of Retirement Systems to modify member information systems and develop a communications plan to advise members of the new option regarding survivor benefits for spouses of post-retirement marriages to LEOFF Plan 1 retirees. Because the bill was not enacted, the funding will lapse. (Department of Retirement Systems Expense Account)

LEOFF Plan 1 Restructuring - 2ESSB 6166 would have required the Department of Retirement Systems to develop a comprehensive communications plan to inform all LEOFF Plan 1 active members, retirees, and surviving spouses of changes to the plan, and perform service credit audits related to implementation of the bill. Because the bill was not enacted, the funding will lapse. (Department of Retirement Systems Expense Account)

* Please see the 2001 Supplemental Operating Budget Section for additional information.

State Investment Board

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	11,137	11,137
2001-03 Maintenance Level	0	12,486	12,486
Policy Changes			
1. General Inflation	0	-24	-24
2. New Leased Facility	0	97	97
3. Private Equity Transaction Mgmt	0	317	317
Total 2001-03 Biennium	0	12,876	12,876
Fiscal Year 2002 Total	0	6,422	6,422
Fiscal Year 2003 Total	0	6,454	6,454

Comments:

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

2. **New Leased Facility** - One-time funding is provided for the State Investment Board (SIB) to contract with the Department of General Administration to pursue a Request For Proposal process and other leasing issues which may ensue, up to, but not including, the signing of a lease. Funding for proposed lease rate increases, space increases, and moving and equipment costs will be reviewed in the 2002 Supplemental Budget process when costs and options are better identified. (State Investment Board Expense Account)

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

Department of Revenue

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	138,169	9,917	148,086
2001 Supplemental *	-1,015	0	-1,015
Total 1999-01 Biennium	137,154	9,917	147,071
<hr/>			
2001-03 Maintenance Level	144,197	10,297	154,494
Policy Changes			
1. General Inflation	-429	-6	-435
2. Efficiency Savings	-609	0	-609
3. Tax Collections - DOL/Customs	300	0	300
4. Tax Collections - Contract Auditors	1,430	0	1,430
5. Tax Structure Study	318	0	318
<hr/>			
Total 2001-03 Biennium	145,207	10,291	155,498
Fiscal Year 2002 Total	72,820	5,149	77,969
Fiscal Year 2003 Total	72,387	5,142	77,529

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
2. **Efficiency Savings** - The Department of Revenue (DOR) has achieved efficiencies through implementation of information technology projects and process improvements. Staff positions have been eliminated as a result of the document imaging project for excise tax returns and process improvements within the Miscellaneous Tax Section. Further planned efficiencies include the revision of the Local Tax Distribution System and quality review of the Audit Standard and Procedures work processes. The Aberdeen Field Office will be closed and alternate service delivery methods will be employed to assist customers. (General Fund-State)
3. **Tax Collections - DOL/Customs** - Funding is provided for DOR's plan to better utilize the Department of Licensing (DOL) vehicle licensing system and its own automated collection system to improve collections of taxes due on recreational vehicles and vessels. Funding is also provided to increase enforcement of use tax collections through the U.S. Customs. Funding is provided to shift audit effort to put a higher emphasis on tax discovery and high dollar accounts. These tax compliance efforts are expected to generate an additional \$15 million General Fund-State during the biennium and an additional \$2.2 million for local governments. (General Fund-State)
4. **Tax Collections - Contract Auditors** - Additional out-of-state independent contractors will be hired to perform audits of businesses that conduct operations in Washington, but are located out-of-state. This will generate an additional \$12.8 million in general fund revenue for the biennium and an additional \$1.9 million for local governments. (General Fund-State)
5. **Tax Structure Study** - Funding is provided for the costs of conducting the Tax Structure Study. DOR is directed to create a Committee on Taxation to study the elasticity, equity, and adequacy of the state's tax system. The Committee is to determine how well the current tax system functions and how it might be changed to better serve the citizens of the state in the 21st century. The Committee must develop multiple alternatives to the existing tax system designed to increase the harmony between the tax system of this state and the surrounding states, encourage commerce and business creation, and encourage home ownership. (General Fund-State)

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Board of Tax Appeals

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	1,856	0	1,856
2001-03 Maintenance Level	2,138	0	2,138
Policy Changes			
1. General Inflation	-5	0	-5
2. Tax Referee Funding	60	0	60
3. Seattle Hearing Room Relocation	38	0	38
Total 2001-03 Biennium	2,231	0	2,231
Fiscal Year 2002 Total	1,193	0	1,193
Fiscal Year 2003 Total	1,038	0	1,038

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Tax Referee Funding** - Funding is provided for a part-time tax referee position to be increased to full-time. This staff person will provide assistance on cases involving complex legal issues.
3. **Seattle Hearing Room Relocation** - Funding is provided to relocate the Seattle hearing room. Funding is also provided for information technology improvements to provide communication access between the Seattle hearing room and the Board's office in Olympia.

Municipal Research Council

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	1,766	2,380	4,146
2001-03 Maintenance Level	0	4,264	4,264
Policy Changes			
1. Compensation Adjustment	0	317	317
2. Agency Relocation	0	130	130
3. General Inflation	0	-136	-136
Total 2001-03 Biennium	0	4,575	4,575
Fiscal Year 2002 Total	0	2,184	2,184
Fiscal Year 2003 Total	0	2,391	2,391

Comments:

1. **Compensation Adjustment** - Funds are provided for cost-of-living adjustments and recruitment and retention issues for contractual staff. (County Research Services Account, City and Town Research Services Account)

2. **Agency Relocation** - The current lease agreement expires July 31, 2002, and new space is being solicited. Funds are provided for increased lease rates and one-time moving costs. (County Research Services Account, City and Town Research Services Account)

3. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (County Research Services Account, City and Town Research Services Account)

Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	2,546	2,546
2001-03 Maintenance Level	0	2,412	2,412
Policy Changes			
1. Management & Tracking System	0	204	204
Total 2001-03 Biennium	0	2,616	2,616
Fiscal Year 2002 Total	0	1,306	1,306
Fiscal Year 2003 Total	0	1,310	1,310

Comments:

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

Department of General Administration

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	901	126,504	127,405
2001-03 Maintenance Level	1,181	130,151	131,332
Policy Changes			
1. General Inflation	-2	-987	-989
2. Capitol Facilities Maintenance	0	344	344
3. Transfer of Property Management	0	-1,372	-1,372
4. Service Based Funding on New Leases	0	0	0
5. Procurement Contract Management	0	0	0
6. Claims Database Management	0	60	60
7. The Ultimate Purchasing System	0	3,411	3,411
8. Consolidate Energy Programs	0	243	243
Total 2001-03 Biennium	1,179	131,850	133,029
Fiscal Year 2002 Total	549	66,414	66,963
Fiscal Year 2003 Total	630	65,436	66,066

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Administration Services Account)
2. **Capitol Facilities Maintenance** - Funding is provided to improve Capitol Campus maintenance. A fire/safety and insulation specialist is added to perform preventive maintenance on fire suppression systems and asbestos abatement. A Capitol Campus Building Exterior Maintenance Program is initiated to maintain all brick, cement, and sandstone building exteriors. (General Administration Services Account)
3. **Transfer of Property Management** - Property management of the Washington State Training and Conference Center is transferred from the Department of General Administration to the Criminal Justice Training Commission per Chapter 166, Laws of 2001 (HB 1066). (General Administration Services Account-Non-Appropriated)
4. **Service Based Funding on New Leases** - The methodology used by the Division of Real Estate Services to charge its clients for new leases is changed from a cost allocation basis to a fee for actual services performed basis. The new cost recovery method is based upon actual services provided to the client agencies to procure new leases. (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)
5. **Procurement Contract Management** - As provided in Chapter 292, Laws of 2001 (SSB 5474), the Procurement Contract Administration (PCA) funding is changed from appropriated to non-appropriated status. (General Administration Services Account-State, General Administration Services Account-Non-Appropriated)
6. **Claims Database Management** - Additional funds are provided to link the State Attorney General's Office and the State Office of Risk Management for tort claims administration and claims payments. (General Administration Services Account)
7. **The Ultimate Purchasing System** - In the 1999-01 biennium, the Department initiated an electronic procurement system, The Ultimate Purchasing System (TUPS). This system streamlines purchasing processes from product request through payment. Additional funding is provided for the 2001-03 biennium for three FTE staff and ongoing goods and services to directly support the implementation of TUPS. Funds are also provided to develop cross-operability between the Office of Procurement's contract management system and TUPS and between Central Stores' warehouse management system and TUPS. (General Administration Services Account-Non-Appropriated)
8. **Consolidate Energy Programs** - Activities for the Energy Program have been funded through two accounts: the Energy Efficiency Services Account on an appropriated basis and the General Administration Services Account on a non-appropriated basis. Per Chapter 292, Laws of 2001 (SSB 5474), the Energy Efficiency Services Account is eliminated and all funding for the Energy Program is consolidated in the General Administration Services Account. In addition, 1.3 FTE positions are transferred from the Capital Budget to the Operating Budget. (General Administration Services Account-Non-Appropriated, Energy Efficiency Services Account)

Department of Information Services

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	216,173	216,173
2001-03 Maintenance Level	0	209,188	209,188
Policy Changes			
1. General Inflation	0	-649	-649
2. K-20 Network Private Colleges	0	804	804
3. K-20 Network Private K-12 Schools	0	145	145
Total 2001-03 Biennium	0	209,488	209,488
Fiscal Year 2002 Total	0	104,801	104,801
Fiscal Year 2003 Total	0	104,687	104,687

Comments:

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

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

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

Office of the Insurance Commissioner

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	25,670	25,670
2001-03 Maintenance Level	0	26,695	26,695
Policy Changes			
1. General Inflation	0	-104	-104
2. Consumer Advocacy Workload	0	132	132
3. Monitor Auxiliary Lines Companies	0	821	821
4. Third-Party Administrators	0	45	45
5. Holding Companies	0	164	164
6. Access to Insurance Information	0	409	409
7. Insurance e-Commerce Regulation	0	184	184
8. Insurance Examiner Salaries	0	412	412
9. Consolidation and Co-Location Costs	0	693	693
10. HelpLine Volunteer Network	0	224	224
Total 2001-03 Biennium	0	29,675	29,675
Fiscal Year 2002 Total	0	14,804	14,804
Fiscal Year 2003 Total	0	14,871	14,871

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Consumer Advocacy Workload** - An increase in insurance inquiries and complaints from the public have increased the workload in the Consumer Advocacy Division. Funding is provided for one staff position to be added to the Consumer Advocacy Division. (Insurance Commissioner's Regulatory Account)
3. **Monitor Auxiliary Lines Companies** - Funding is provided for examination and financial analysis of auxiliary line companies. (Insurance Commissioner's Regulatory Account)
4. **Third-Party Administrators** - Funding is provided for a study of the use and possible regulation of third-party administrators. (Insurance Commissioner's Regulatory Account)
5. **Holding Companies** - Funding is provided to implement Chapter 179, Laws of 2001 (SHB 1792), which creates a holding company act for health care service contractors and health maintenance organizations. (Insurance Commissioner's Regulatory Account)
6. **Access to Insurance Information** - Funding is provided to facilitate direct access to a variety of insurance information, including ratings, complaint data, and company profiles via the Internet. Funding will also be used to address increased internal agency demands for information service support functions. (Insurance Commissioner's Regulatory Account)
7. **Insurance e-Commerce Regulation** - Funding is provided to allow the Office of the Insurance Commissioner to work with industry representatives, the National Association of Insurance Commissioners, and stakeholders to recommend changes to the insurance code that would allow the industry to use the Internet to conduct business, address electronic commerce issues, and maintain consumer protection. (Insurance Commissioner's Regulatory Account)
8. **Insurance Examiner Salaries** - Funding is provided for salary reclassifications for insurance examiners. (Insurance Commissioner's Regulatory Account)
9. **Consolidation and Co-Location Costs** - Funds are provided to consolidate and renovate facilities for the co-location of Olympia-area staff of the Office of the Insurance Commissioner. The actual expenditure level, within this appropriation, shall be determined jointly with the Department of General Administration. (Insurance Commissioner's Regulatory Account)
10. **HelpLine Volunteer Network** - State Health Insurance Benefits Advisors (SHIBA) HelpLine volunteers serve consumers statewide. Additional funding is provided for 25 sponsoring organizations to continue coordination and administration of the SHIBA volunteer and community networks. (Insurance Commissioner's Regulatory Account)

State Board of Accountancy

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	1,254	1,254
2001-03 Maintenance Level	0	1,371	1,371
Policy Changes			
1. General Inflation	0	-10	-10
2. Revise Public Accountancy Act	0	355	355
Total 2001-03 Biennium	0	1,716	1,716
Fiscal Year 2002 Total	0	920	920
Fiscal Year 2003 Total	0	796	796

Comments:

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

2. **Revise Public Accountancy Act** - Funding is provided for the Board of Accountancy to conduct rulemakings, set license fees, and distribute consumer alert/public protection information in accordance with Chapter 294, Laws of 2001 (E2SSB 5593). (Certified Public Accountants' Account)

Forensic Investigations Council

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	272	272
2001-03 Maintenance Level	0	276	276
Total 2001-03 Biennium	0	276	276
Fiscal Year 2002 Total	0	263	263
Fiscal Year 2003 Total	0	13	13

Comments:

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

Washington Horse Racing Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	4,579	4,579
2001-03 Maintenance Level	0	4,518	4,518
Policy Changes			
1. General Inflation	0	-14	-14
Total 2001-03 Biennium	0	4,504	4,504
Fiscal Year 2002 Total	0	2,252	2,252
Fiscal Year 2003 Total	0	2,252	2,252

Comments:

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

Washington State Liquor Control Board

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	2,577	139,412	141,989
2001 Supplemental *	242	4,135	4,377
Total 1999-01 Biennium	2,819	143,547	146,366
<hr/>			
2001-03 Maintenance Level	2,975	143,811	146,786
Policy Changes			
1. General Inflation	-8	-271	-279
2. Merchandising Business System	0	4,803	4,803
3. Regional Wholesale Center	0	260	260
4. Transition Training	0	108	108
5. Aged Vehicle Replacement	0	556	556
6. Provide Quality Enforcement	0	67	67
7. Agency Commission Increase	0	928	928
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Total 2001-03 Biennium	2,967	150,262	153,229
Fiscal Year 2002 Total	1,483	77,836	79,319
Fiscal Year 2003 Total	1,484	72,426	73,910

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Liquor Revolving Account)
2. **Merchandising Business System** - Funding is provided for a new Merchandising Business System and data marts that will link merchandising, distribution center activities, and financial activities into a fully-automated retail system. (Liquor Revolving Account-State)
3. **Regional Wholesale Center** - Funding is provided for the establishment of a regional wholesale center in Seattle's Store 101. Retail operations and sales will continue at Store 101, but the Store Development Program will be relocated to free up space for the establishment of a wholesale center. (Liquor Revolving Account-State)
4. **Transition Training** - One-time funding is provided for employees within the Board's Information Technology Services Division to receive training in client-server and web-based technology platforms. The Board is transitioning from a mainframe to a client-server platform with web-enabled applications for e-commerce purposes using current technologies. (Liquor Revolving Account-State)
5. **Aged Vehicle Replacement** - One-time funding is provided for the replacement of 32 vehicles when they reach five years and/or 100,000 miles of service. (Liquor Revolving Account-State)
6. **Provide Quality Enforcement** - One-time funding is provided for all enforcement staff to undergo two-day community policing training tailored to liquor enforcement. Eight enforcement officers will receive an additional one-day community policing training session designed to prepare them to serve as instructors. (Liquor Revolving Account-State)
7. **Agency Commission Increase** - Funding is provided for increased commissions, paid to agency liquor vendor stores, to reflect a rate increase of 6 percent. Retail sale of liquor is managed through 157 state-run agency stores and 157 independently-owned agencies that contract to sell liquor. Agency store owners are paid a commission, a portion of which is based upon liquor sales. Currently, sales up to \$10,500 generate 20.914 percent commissions; sales from \$10,500 to \$21,000 generate 7.315 percent commissions; and sales over \$21,000 generate 5.683 percent commissions for agency liquor vendor store owners. The agency liquor vendor store commission rate has not been increased since 1996. (Liquor Revolving Account-State)

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Utilities and Transportation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	27,418	27,418
2001-03 Maintenance Level	0	28,786	28,786
Policy Changes			
1. Cost Accounting System	0	170	170
2. Transportation Process Study	0	134	134
3. Pipeline Safety Program	0	1,962	1,962
4. General Inflation	0	-111	-111
5. Pipeline Safety Program Review	0	294	294
Total 2001-03 Biennium	0	31,235	31,235
Fiscal Year 2002 Total	0	15,638	15,638
Fiscal Year 2003 Total	0	15,597	15,597

Comments:

1. **Cost Accounting System** - Funding is provided for a consultant to study the agency's requirements for regulatory and financial information. The study will include recommendations for integration with existing statewide applications and development of a new application. The new cost accounting system will be implemented following completion of the study. (Public Service Revolving Account)
2. **Transportation Process Study** - Funding is provided for an additional staff person to perform a study of the business processes in the transportation programs and to support development of a new application in the second year of the biennium. (Public Service Revolving Account)
3. **Pipeline Safety Program** - Funding is provided for a Pipeline Safety Program in Washington. With passage of the Washington Pipeline Safety Act 2000, the Commission has taken on additional responsibilities, including interstate pipeline inspection. In July 2000, the Commission signed an agreement with the Federal Office of Pipeline Safety authorizing state inspectors to inspect interstate natural gas and hazardous liquid pipelines. The 2000 Legislature provided funding to implement interstate pipeline safety activities and directed the Commission to develop a proposal to collect a fee from the regulated industries to cover the costs of interstate pipeline safety regulation in the future. This program is supported by the fees that are deposited into the Pipeline Safety Account as directed by Chapter 238, Laws of 2001 (SSB 5182 - Pipeline Safety). (Pipeline Safety Account-State, Pipeline Safety Account-Federal)
4. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Service Revolving Account)
5. **Pipeline Safety Program Review** - One-time funding is provided for an interagency agreement with the Joint Legislative Audit and Review Committee for a review of

staff use, inspection activity, fee methodology, and costs of the hazardous liquid and gas pipeline safety programs. (Pipeline Safety Account-State)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Utilities and Transportation Commission's budget is shown in the Transportation Budget Section of this document.

Board for Volunteer Firefighters

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	573	573
2001-03 Maintenance Level	0	568	568
Policy Changes			
1. General Inflation	0	-2	-2
2. Internet Website	0	3	3
Total 2001-03 Biennium	0	569	569
Fiscal Year 2002 Total	0	280	280
Fiscal Year 2003 Total	0	289	289

Comments:

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

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

Military Department

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	22,233	99,034	121,267
2001 Supplemental *	3,304	10,230	13,534
Total 1999-01 Biennium	25,537	109,264	134,801
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2001-03 Maintenance Level	17,993	43,815	61,808
Policy Changes			
1. General Inflation	-115	-179	-294
2. Information Technology Staff	183	0	183
3. Yakima Armory Support	128	0	128
4. Caretaker Support	125	0	125
5. Reduce Emergency Mgmt Training	-36	-18	-54
6. Reduce Maintenance of Armories	-230	0	-230
7. Reduction in Maintenance and Repair	-24	-74	-98
8. Earthquake Response and Recovery	0	195,679	195,679
9. Emergency Management Compact	120	0	120
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Total 2001-03 Biennium	18,144	239,223	257,367
Fiscal Year 2002 Total	9,165	121,879	131,044
Fiscal Year 2003 Total	8,979	117,344	126,323

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
2. **Information Technology Staff** - Funding is provided for the Military Department to hire an additional information technology staff person to improve the coordination and integration of their information technology activities. The Department currently has three distinct, federally-funded information technology networks that are responsible for the Army National Guard, the Air National Guard, and the Emergency Management Network for state emergencies.
3. **Yakima Armory Support** - Funding is provided for maintenance and operating costs of the new Army National Guard Readiness Center in Yakima, which is planned to open in August 2001.
4. **Caretaker Support** - Currently, the Army National Guard armories are cleaned once each month by Army National Guard soldiers. Funding is provided for contracted janitorial services at 30 armories across the state.
5. **Reduce Emergency Mgmt Training** - The Emergency Management Division of the Military Department will reduce travel reimbursements to approximately 250 students of general emergency management and search and rescue training.
6. **Reduce Maintenance of Armories** - Maintenance and operations expenditures of armories is reduced.
7. **Reduction in Maintenance and Repair** - The Air National Guard of the Military Department will reduce maintenance and repair staff by one position. (General Fund-State, General Fund-Federal)
8. **Earthquake Response and Recovery** - A total of \$195.7 million in state and federal funding is provided for costs associated with the response and recovery activities as a result of the February 28, 2001, earthquake. The funding provided is sufficient to cover the entire state match for state agency costs and one-half of the local match required for Federal Emergency Management Agency reimbursement. Of the Nisqually Earthquake Account-Federal amount, \$157.8 million is provided for the damage to state agencies and local entities. Of the Nisqually Earthquake Account-State amount, \$23.1 million is provided for the damage to state agencies and \$14.8 million is provided for one-half of the match requirements for local entities.

In separate legislation (Chapter 5, Laws of 2001 [HB 2222], Chapter 117, Laws of 2001, [SHB 1314], and Chapter 26, Laws of 2001, 2nd sp.s. [HB 2258]), a total of \$77.3 million is transferred from the Emergency Reserve Fund to the Nisqually Earthquake Account. (Nisqually Earthquake Account-State, Nisqually Earthquake Account-Federal, Emergency Reserve Account)
9. **Emergency Management Compact** - Chapter 288, Laws of 2001 (SB 5256), authorizes the Military Department to enter into interstate compacts for mutual aid during disasters or emergencies. One-time funding is provided for a staff position to assist with the development of these agreements.

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Public Employment Relations Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	4,066	0	4,066
2001-03 Maintenance Level	4,299	0	4,299
Policy Changes			
1. General Inflation	-13	0	-13
2. Office Space Increase	32	0	32
Total 2001-03 Biennium	4,318	0	4,318
Fiscal Year 2002 Total	2,154	0	2,154
Fiscal Year 2003 Total	2,164	0	2,164

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. **Office Space Increase** - Funding is provided for an increase in square footage in the Olympia office.

Growth Management Hearings Board

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	2,799	0	2,799
2001-03 Maintenance Level	3,014	0	3,014
Policy Changes			
1. General Inflation	-11	0	-11
Total 2001-03 Biennium	3,003	0	3,003
Fiscal Year 2002 Total	1,497	0	1,497
Fiscal Year 2003 Total	1,506	0	1,506

Comments:

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

State Convention and Trade Center

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	32,434	32,434
2001-03 Maintenance Level	0	67,734	67,734
Total 2001-03 Biennium	0	67,734	67,734
Fiscal Year 2002 Total	0	33,171	33,171
Fiscal Year 2003 Total	0	34,563	34,563

Comments:

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

Department of Financial Institutions

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	20,359	20,359
2001-03 Maintenance Level	0	21,472	21,472
Policy Changes			
1. General Inflation	0	-90	-90
2. Application Development	0	495	495
3. Broker-Dealer Field Examinations	0	245	245
4. Internet Fraud Program	0	159	159
5. Senior Examiner, Credit Unions	0	90	90
6. Office Assistant, Human Resources	0	85	85
7. Consumer Complaints & Enforcements	0	450	450
8. Electronic Banking Exams	0	212	212
9. Internet & Intranet Development	0	462	462
10. Financial Literacy	0	196	196
11. Fund Consolidation	0	0	0
Total 2001-03 Biennium	0	23,776	23,776
Fiscal Year 2002 Total	0	11,863	11,863
Fiscal Year 2003 Total	0	11,913	11,913

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Banking Examination Account-Non-Appropriated, Credit Unions Examination Account-Non-Appropriated, Securities Regulation Account)
2. **Application Development** - Funding is provided for Phase II of the Department's Database of Licensed Financial Institutions system (DOLFIN). Phase II will develop a comprehensive regulatory database for the storage, retrieval, analysis, and tracking of regulatory information. Phase I was implemented in the 1999-01 biennium. (Banking Examination Account-Non-Appropriated, Securities Regulation Account)
3. **Broker-Dealer Field Examinations** - Funding is provided for the addition of one field examiner and the development of a database module to help target high risk broker-dealer offices. The cycle for examination of securities broker-dealer offices will be reduced from ten years to nine years by the end of the biennium and the examination cycle of high-risk securities offices will be increased. (Securities Regulation Account)
4. **Internet Fraud Program** - Funding is provided for the Securities Division to create an Internet Fraud Program staffed by a technology specialist to respond to the increasing number of complaints of investment fraud on the Internet. The Division will implement the program in FY 2002. (Securities Regulation Account)
5. **Senior Examiner, Credit Unions** - Funding is provided to increase a part-time senior examiner position to full time. The Division of Credit Unions (DCU) implemented a stronger off-site monitoring program in FY 1999 to detect negative financial trends and to undertake earlier review of the status of the DCU-required corrective actions of regulated credit unions. The senior examiner will also assist with credit union field examinations and consumer complaint resolution. (Credit Unions Examination Account-Non-Appropriated)
6. **Office Assistant, Human Resources** - Funding is provided for an Office Assistant in the Department's Human Resources Office to provide services that directly support new strategic plan objectives. (Banking Examination Account-Non-Appropriated, Credit Unions Examination Account-Non-Appropriated, Securities Regulation Account)
7. **Consumer Complaints & Enforcements** - Funding is provided for three new positions, two new Financial Examiner positions and a Securities Examiner position. The new Financial Examiners will conduct examinations and audits of consumer loan companies, check cashiers and sellers (some with "payday lender" small loan endorsements), and escrow agents, allowing the Division of Consumer Services to maintain a reasonable examination schedule and visit all new licensees within the first six months of operation. The Securities Examiner position will provide legal expertise in the conduct of complaint investigations, enforcement actions and in the development of interpretive letters for the Department. (Banking Examination Account-Non-Appropriated)
8. **Electronic Banking Exams** - Funding is provided to allow the DCU to enter into a personal service contract to conduct information systems and electronic-banking examinations of credit unions. The DCU cannot rely on its federal counterpart, the National Credit Union Administration

Department of Financial Institutions

(NCUA), to examine e-banking activities by Washington State credit unions as NCUA has no clear implementation date for an effective e-banking examination. (Credit Unions Examination Account-Non-Appropriated)

9. **Internet & Intranet Development** - Funding is provided for one Web Programmer/Analyst position and for personal services contract(s) to support the Department's intranet efforts and the different divisions' Internet information delivery requirements to their stakeholders and clients. (Banking Examination Account-Non-Appropriated, Credit Unions Examination Account-Non-Appropriated, Securities Regulation Account)
10. **Financial Literacy** - Funding is provided for the temporary financial literacy position to be promoted to a permanent position. This staff position ensures the continuation of the financial literacy assistance program. The Department helps Washington consumers avoid scams and fraud and provides advice to consumers on how to protect themselves in a broad range of financial transactions. (Banking Examination Account-Non-Appropriated, Credit Unions Examination Account-Non-Appropriated, Securities Regulation Account)
11. **Fund Consolidation** - The Department's three funds (Banking Examination Fund-Non-Appropriated, Credit Union Examination Fund-Non-Appropriated, and Securities Regulation Fund-Appropriated) are consolidated into a single dedicated and non-appropriated fund, the Financial Services Regulation Fund. The purpose of this consolidation is to provide the Department with the flexibility to employ its staff to perform regulatory activities across all financial institutions. This new funding framework will allow the Department to develop, train, and fund cross-division teams that have the capacity to regulate all financial institutions. (Financial Services Regulation Fund)

Washington State Gambling Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	27,630	27,630
2001-03 Maintenance Level	0	29,536	29,536
Policy Changes			
1. General Inflation	0	-207	-207
2. Web-Based Services	0	234	234
3. Efficiency through Technology	0	180	180
4. Renton Field Office	0	60	60
Total 2001-03 Biennium	0	29,803	29,803
Fiscal Year 2002 Total	0	14,807	14,807
Fiscal Year 2003 Total	0	14,996	14,996

Comments:

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

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

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

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

