The Legislative category represents the legislative branch of Washington state government including the two houses of the Legislature along with those agencies which provide support services directly to the Legislature.

The agencies providing support services to the Legislature, both during and between legislative sessions, are: the Legislative Budget Committee, the Legislative Transportation Committee, the Legislative Evaluation and Accountability Program, the Office of the State Actuary, the Joint Legislative Systems Committee and the Statute Law Committee.

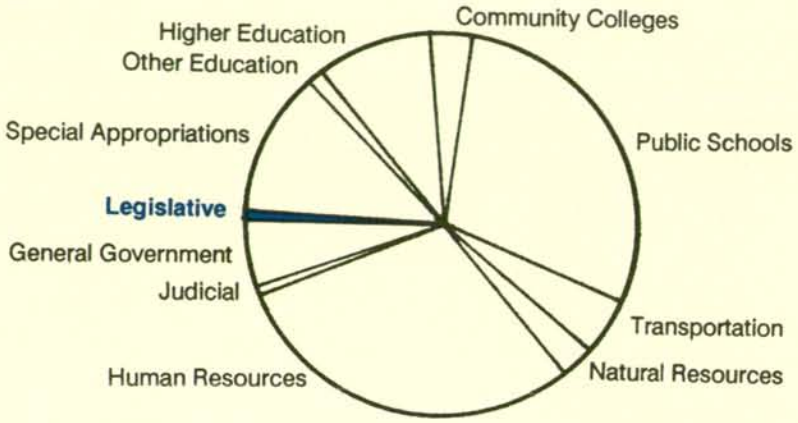
The 1987-89 budget included two policy initiatives related to legislative agencies:

1) **Legislative Aides.** The budget includes an increase in funding in order to provide a Legislative aide for each member of the House of Representatives consistent with the current policy in the Senate.

2) **Office of the State Actuary.** Funding for the State Actuary is no longer provided by the state general fund. Since the Actuary's services are directly related to Retirement Systems, the Legislature determined the cost of such services should be borne by Retirement Systems expense fund.

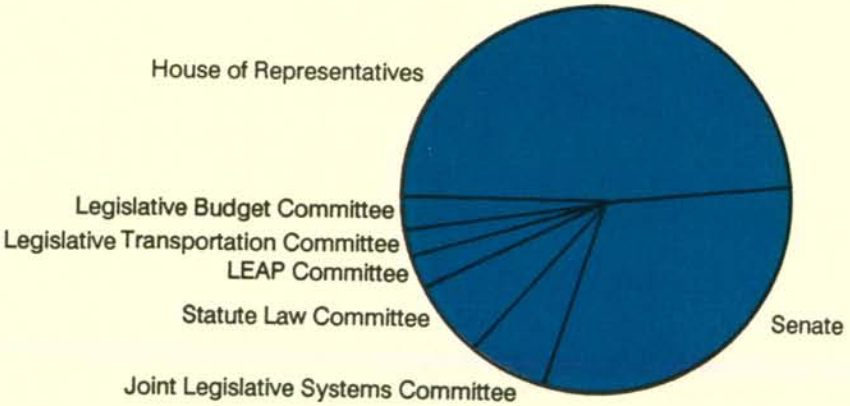
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	**92.1**	**.5%**
Judicial	66.3	.4%
General Government	947.3	5.4%
Human Resources	5,477.9	31.2%
Natural Resources	562.3	3.2%
Transportation	852.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	2,061.1	11.7%
Other Education	91.9	.5%
Special Appropriations	1,726.6	9.8%
Total	**17,567.8**	**100.0%**



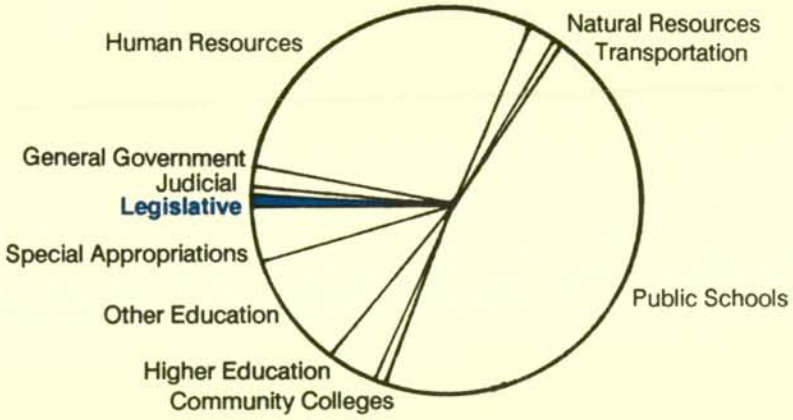
1987-89 Operating Budget
Legislative
Dollars in millions

All Funds		
House of Representatives	44.4	48.2%
Senate	29.7	32.2%
Joint Legislative Systems Committee	5.5	6.0%
Statute Law Committee	5.8	6.3%
LEAP Committee	2.5	2.7%
Legislative Transportation Committee	2.3	2.5%
Legislative Budget Committee	1.9	2.0%
Legislative	**92.1**	**100.0%**



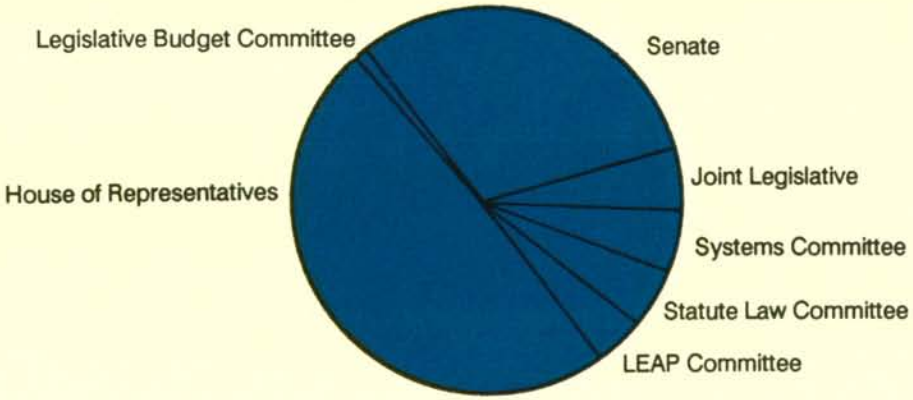
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	**89.4**	**.9%**
Judicial	47.5	.5%
General Government	143.1	1.4%
Human Resources	2,865.1	28.2%
Natural Resources	232.3	2.3%
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	1,082.6	10.6%
Other Education	67.4	.7%
Special Appropriations	342.0	3.4%
Total	**10,176.4**	**100.0%**



1987-89 Operating Budget
Legislative
Dollars in millions

General Fund - State		
House of Representatives	44.4	49.7%
Senate	29.7	33.2%
Joint Legislative Systems Committee	5.5	6.2%
Statute Law Committee	5.4	6.0%
LEAP Committee	2.5	2.8%
Legislative Budget Committee	1.9	2.1%
Legislative	**89.4**	**100.0%**



House of Representatives
($000)

Section 101

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	35,024		35,024

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Legislative Aides & assoc. cost		36,300	0	36,300	36,300	0	36,300
		0	0	0	8,049	0	8,049
	Total	**36,300**	**0**	**36,300**	**44,349**	**0**	**44,349**
Other Legislation							
2. ESSB 5901		0	0	0	50	0	50
	Total	**36,300**	**0**	**36,300**	**44,399**	**0**	**44,399**

Comments:

1. Funding provided for staffing levels per member consistent with the Senate. The 107 additional FTE's & associated dollars also includes 8 days of training and wrap up for session staff as well as a contingency in case of prolonged sessions in 1988 or 1989.

2. ESSB 5901 appropriates $50,000 to each house of the legislature for consultant services to aid the Joint Committee on the State Convention and Trade Center to complete a report addressing alternative organizational structures for the operation and future financing of the center. The report is due December 15, 1987.

Governor's Vetoes::

None.

Senate
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	27,328		27,328

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		29,631	0	29,631	29,631	0	29,631
	Total	**29,631**	**0**	**29,631**	**29,631**	**0**	**29,631**
Other Legislation ESSB 5901		0	0	0	50	0	50
	Total	**29,631**	**0**	**29,631**	**29,681**	**0**	**29,681**

Comments:

1. ESSB 5901 appropriates $50,000 to each house of the legislature for consultant services to aid to Joint Committee on the State Convention and Trade Center to complete a report addressing alternative organizational structures for the operation and future financing of the center. The report is due December 15, 1987.

Governor's Vetoes:

None.

Legislative Budget Committee
($000)

Section 103

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	1,425		1,425

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		1,537	0	1,537	1,537	0	1,537
1. Compensation & organiz. plan changes		147	0	147	114	0	114
2. Increased goods & services, & travel		16	0	16	16	0	16
3. Replace boiler & upgrade electrical system		13	0	13	13	0	13
4. Add school related information study		0	0	0	200	0	200
	Total	**1,713**	**0**	**1,713**	**1,880**	**0**	**1,880**

Provisoes:

Section 103 (1). Requires the Legislative Budget Committee (LBC) to conduct an analysis of what improvements, if any, can be made in state-wide common school related information. LBC must report its recommendations to the House and Senate Ways and Means Committee at the beginning of the 1989 session. Provides $200,000 for this purpose. (See item 4 above.)

Governor's Vetoes:

None.

Legislative Evaluation & Accountability Program
($000)

Section 104

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	1,805		1,805

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		2,138	0	2,138	2,138	0	2,138
1. Telecommunication & Data Processing oversite studies		79	0	79	79	0	79
2. Inflation adjustment		72	0	72	72	0	72
3. New Leap software		64	0	64	64	0	64
4. Add school data & class size study		0	0	0	150	0	150
	Total	2,353	0	2,353	2,503	0	2,503

Provisoes:

Section 104. The Legislative Evaluation and Accountability Program (LEAP) is required to conduct a study of the common school data reporting system including information on class size. $100,00 must be used for a contract with the University of Washington's Institute for Public Policy and Management. LEAP is required to report its recommendations to the Legislature by December 1, 1988. (See item 4 above.)

Governor's Vetoes:

None.

Joint Legislative Systems Committee
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	4,026		4,026

		Governor Request			Legislative Budget		
1987-89 Biennium		GF-State	Other	Total	GF-State	Other	Total
Current Policy		0	18,953	18,953	5,524	0	5,524
	Total	0	18,953	18,953	5,524	0	5,524

Comments:

The Governor's budget mistakenly requested the Joint Legislative Systems Committee budget be funded from a dedicated account which did not have sufficient revenue to fund the operation of the committee.

The 1986 Legislature created the Joint Legislative Systems Committee. The increase in staff and dollars in 1987-89 is a result of funding the committee's functions for a full biennium instead of just one fiscal year.

The Joint Legislative Systems Committee originally requested $18.9 million based upon the out right purchase of new computer hardware and systems development. Their request was revised based upon the decision to lease/purchase the new computer thus stretching the cost over several years and reducing the amount needed for the 1987-89 biennium.

Governor's Vetoes:

None.

Statute Law Committee
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	3,820	387	4,207

		Governor Request			Legislative Budget		
1987-89 Biennium		GF-State	Other	Total	GF-State	Other	Total
Current Policy		5,394	448	5,842	5,394	448	5,842
	Total	5,394	448	5,842	5,394	448	5,842

Governor's Vetoes:

None.

Office of State Actuary
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	376		376

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		437	0	437	0	0	0
1. Add staff/proposed pension committee		229	0	229	0	0	0
2. Actuarial audit & consulting		60	0	60	0	0	0
3. Miscellaneous data processing equipment		16	0	16	0	0	0
	Total	**742**	**0**	**742**	**0**	**0**	**0**

Comments:

No longer funded by the general fund. Funding is now provided through the Department of Retirement Systems expense fund.

Provisoes:

See the proviso under the Deaprtment of Retirement Systems in Section 136 (2). The appropriation to the Department of Retirement Systems provides up to $877,000 for the Office of State Actuary expenses.

Governor's Vetoes:

None.

Five state agencies form the judicial branch component of the General Government functional area. These judicial agencies are: the Supreme Court, the Court of Appeals, the Commission on Judicial Conduct, the State Law Library and the Office of the Administrator for the Courts.

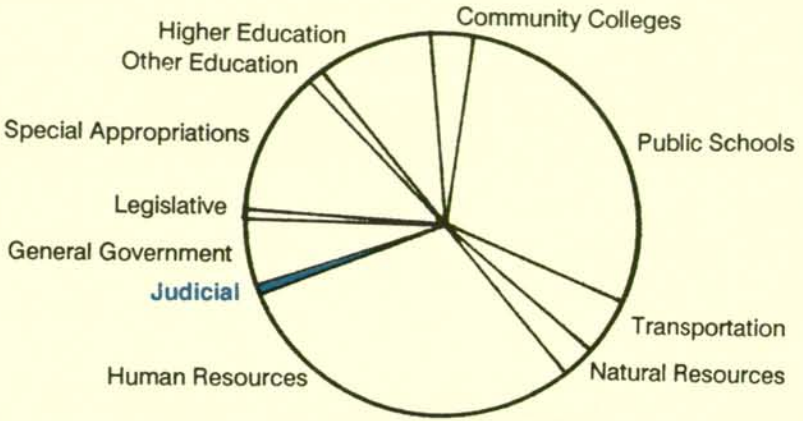
The entire Judicial branch of Washington state is organized in four levels: district and municipal courts, Superior Court, the Court of Appeals and the Supreme Court. The district and municipal courts are financed at the local level, yet receive some support services through the Administrator for the Courts which serves all court levels.

The Superior Court receives state support for one-half the salary and all fringe benefits costs of the Superior Court judges in the state. Local governments pay the remaining costs.

A major budget issue relating to the judicial branch is funding for the Judicial Information System (JIS). The Office of the Administrator for the Courts requested an $8.1 million increase above current policy for the Judicial Information system. Of the requested increase, $3.2 million was from the Public Safety and Education Account (PSEA) and $4.9 million from the state general fund. The Legislature maintained the current policy of funding JIS from the Public Safety and Education Account only and did not provide general fund state money for the JIS. Since an updated revenue forecast was made near the close of session, the Public Safety and Education Account appropriation was increased by $2.2 million thus providing a total increase above current policy of $5.4 million. The PSEA increase is sufficient to convert the district court sub-system to a mainframe computer compatible with the other sub-systems within the JIS.

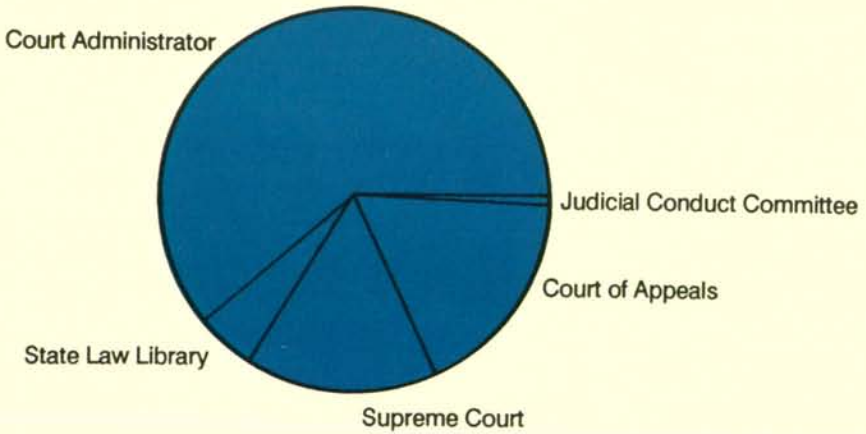
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	92.1	.5%
Judicial	**66.3**	**.4%**
General Government	947.3	5.4%
Human Resources	5,477.9	31.2%
Natural Resources	562.3	3.2%
Transportation	852.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	2,061.1	11.7%
Other Education	91.9	.5%
Special Appropriations	1,726.6	9.8%
Total	**17,567.8**	**100.0%**



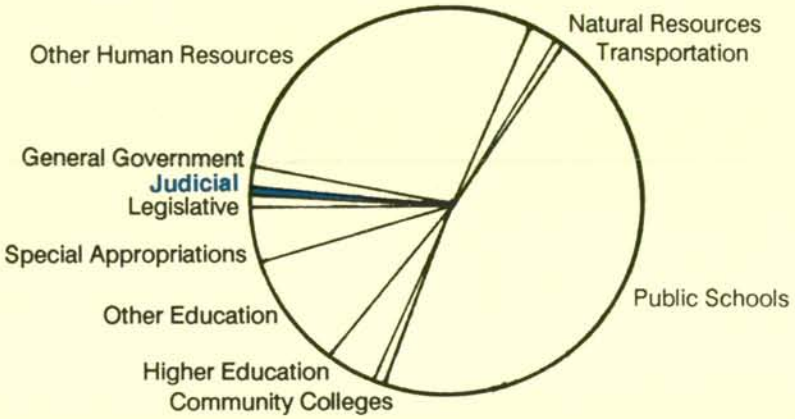
State of Washington
1987-89 Operating Budget
Judicial
Dollars in millions

All Funds		
Court Administrator	40.6	61.2%
Court of Appeals	12.0	18.1%
Supreme Court	10.7	16.1%
State Law Library	2.6	3.9%
Judicial Conduct Committee	.5	.7%
Judicial	**66.3**	**100.0%**



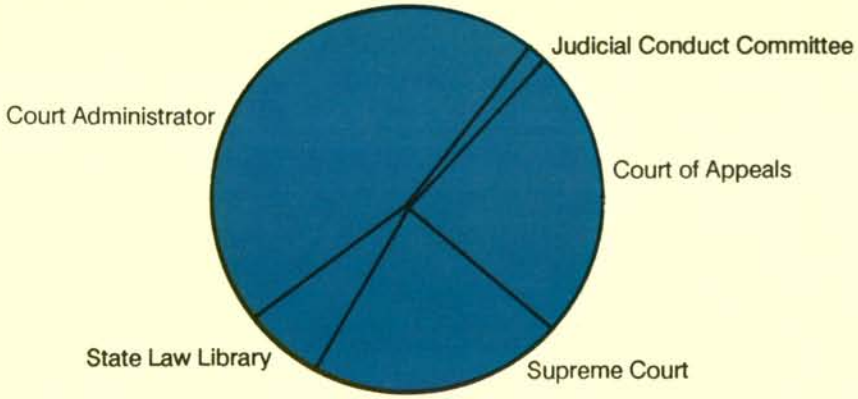
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	89.4	.9%
Judicial	**47.5**	**.5%**
General Government	143.1	1.4%
Human Resources	2,865.1	28.2%
Natural Resources	232.3	2.3%
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	1,082.6	10.6%
Other Education	67.4	.7%
Special Appropriations	342.0	3.4%
Total	**10,176.4**	**100.0%**



State of Washington
1987-89 Operating Budget
Judicial
Dollars in millions

General Fund - State		
Court Administrator	21.7	45.8%
Court of Appeals	12.0	25.3%
Supreme Court	10.7	22.5%
State Law Library	2.6	5.4%
Judicial Conduct Committee	.5	1.0%
Judicial	**47.5**	**100.0%**



Supreme Court
($000)

Section 107

1985-87 Biennium	GF-State	Total
Current Policy	**9,188**	**9,188**
1. Supplemental budget/Indigent appeals	300	300
Total	**9,488**	**9,488**

	Governor Request		Legislative Budget	
1987-89 Biennium	**GF-State**	**Total**	**GF-State**	**Total**
Current Policy	10,315	10,315	10,315	10,315
2. New staff commissioner office	69	69	69	69
3. New staff reporters office	48	48	0	0
4. Miscellaneous maintenance	11	11	0	0
5. Reinstate education	70	70	0	0
6. New equip commissioners office	34	34	0	0
7. New equip clerks office	14	14	0	0
8. General equipment upgrade	300	300	300	300
9. Lease change	5	5	5	5
10. Microfilm project	160	160	80	80
11. Adjustment to current level	0	0	(91)	(91)
Total	**11,026**	**11,026**	**10,678**	**10,678**

Comments:

8. Funds provided for personal computers and word processing automation.

11. Items were reduced in current level which did not meet the current policy criteria.

Provisoes:

Section 107 (2). Creates a public defender task force to develop a program for delivering legal services for indigents. Requires recommendations be made to the 1989 Legislature including how to determine who is eligible, an estimate of costs at each court level and whether mandatory participation by private attorneys is appropriate.

Governor's Vetoes:

Section 107 (2) was vetoed.

State Law Library
($000)

1985-87 Biennium		GF-State	Total
Current Policy	Total	2,350	2,350

1987-89 Biennium		Governor Request GF-State	Governor Request Total	Legislative Budget GF-State	Legislative Budget Total
Current Policy					
1. Facilities increase		2,488	2,488	2,488	2,488
2. Additional staff to move		43	43	43	43
3. Leased auto to accommodate move		15	15	15	15
4. Furniture for new area		7	7	7	7
5. Adjustments to increase current level		8	8	0	0
		188	188	21	21
	Total	2,749	2,749	2,574	2,574

Comments:

1., 2. and 3. An increase is provided for facilities needed as the Temple of Justice is remodeled.

5. Adjustments to increase current level which were not funded include: replacing equipment, new continuations and completing addition of titles.

Governor's Vetoes:

None.

Court of Appeals
($000)

Section 109

1985-87 Biennium		GF-State	Other	Total
Current Policy	**Total**	**10,523**	**0**	**10,523**

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		11,122	0	11,122	11,122	0	11,122
1. Full time pro tem judge		344	0	344	172	0	172
2. New staff for commissioner Division 2		233	0	233	233	0	233
3. New staff for clerks office Division 2		118	0	118	59	0	59
4. Reinstate education		115	0	115	0	0	0
5. New office equipment Division 2		245	0	245	123	0	123
6. New staff Division 2		207	0	207	122	0	122
7. New staff Division 3		239	0	239	120	0	120
8. New carpet Division 3		25	0	25	0	0	0
9. Microfilming equipment		30	0	30	30	0	30
10. Automation of judges Division 3		72	0	72	72	0	72
11. One time reductions		(40)	0	(40)		(40)	0
	(40)						
	Total	**12,710**	**0**	**12,710**	**12,013**	**0**	**12,013**

Comments:

Items **1-3** and **6-8** are provided to accommodate caseload in each division as originally forecast, if workload shifts between divisions then the Court of Appeals has the managerial discretion to reallocate funds accordingly.

9. The Legislature provided funds for microfilming equipment in order to reduce the volume of storage needed and to automate retrieval of court documents.

10. Computer support for judges and commissioners office in Division 3.

Governor's Vetoes:

None.

Administrator for the Courts
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	19,405	12,890	32,295

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	19,760	13,290	33,050	19,760	13,290	33,050
1. New personnel assistant	48	0	48	0	0	0
2. Research projects	72	0	72	0	0	0
3. Office automation equipment	14	0	14	0	0	0
4. Court Services equipment	85	0	85	0	0	0
5. Equipment for Public information office	2	0	2	0	0	0
6. Miscellaneous office equipment	20	0	20	0	0	0
7. Support services staff	104	0	104	0	0	0
8. Equipment for public information	16	0	16	0	0	0
9. Equipment request - bar code scanner	25	0	25	0	0	0
10. Increase printing	18	0	18	0	0	0
11. Projects - Court Video	14	0	14	0	0	0
12. TASC increase to meet current workload	824	0	824	824	0	824
13. TASC expansion	1,206	0	1,206	0	0	0
14. 10% increase in cases FY 88	99	0	99	99	0	99
15. Rate increase in line charges	0	135	135	0	135	135
16. Weekend support	0	160	160	0	160	160
17. PC's for Non discis sites	0	355	355	0	0	0
18. PC support for Information System Division staff	0	367	367	0	0	0
19. Non-Discis site revenue collection system	0	350	350	0	0	0
20. Convert Discis to compatible hardware	4,416	0	4,416	0	4,417	4,417
21. Implement 12 new discis sites	543	0	543	0	543	543
22. Info center on Mainframe	0	538	538	0	0	0
23. Implement data administrative model	0	226	226	0	0	0
24. Local area network	0	1,059	1,059	0	0	0
25. Dedicated OAC support	0	107	107	0	0	0
26. Support Info System Division staff expansion	163	0	163	163	0	163
27. DPA service charge	0	14	14	0	14	14
28. Implement data administrative model	0	142	142	0	0	0
29. Additional judge participation	0	76	76	0	76	76
30. Educational expansion	0	193	193	0	193	193
31. Increase Thurston County	5	0	5	5	0	5
32. 10% Increase in cases FY 89	59	0	59	59	0	59
33. Requested increase in current level	678	0	678	678	0	678
34. Dispute resolution center project	0	0		150	0	150
Total	**28,171**	**17,012**	**45,183**	**21,738**	**18,828**	**40,566**

Comments:

12. Additional funds are provided for the Treatment Alternatives to Street Crimes program to fund existing workload in existing counties.

14. A 10% increase in the Superior Court caseload is projected and the corresponding state costs have been provided for each fiscal year.

20. The highest priority request from the Office of the Administrator For the Courts was to convert the District Court/Municipal Court Information System (Discis) to new hardware which is compatible with the other subsystems within the Judicial Information System. While this was originally requested from the general fund, sufficient funds were available within the Public Safety and Educational Account to pay for the conversion. FTE's associated with this conversion are considered onetime costs and therefore should not be carried forward in current policy next biennium.

Provisoes:

Section 110 (1) Provides $4,162,000 to be used solely for the Treatment Alternatives to Street Crimes program in Pierce, Snohomish, Clark, King, Spokane and Yakima counties (see item 12).

Section 110 (2). Provides $296,000 for the Thurston County Superior Court to relieve the impact of litigation involving the State of Washington.

Section 110 (3). Requires the Administrator for the Courts to take appropriate action to prevent gender and minority bias in the courts.

Section 110 (4). Provides $150,000 for dispute resolution center demonstration projects in King and Snohomish counties. Requires the Administrator for the Courts to submit a report on the result of the project by December 1, 1989.

Governor's Vetoes:

None.

Judicial Qualifications Commission/Commission on Judicial Conduct ($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**359**	**0**	**359**
1. Supplemental Budget/major case	76		76
Total	**435**	**0**	**435**

	Governor Request			Legislative Budget		
1987-89 Biennium	**GF-State**	**Other**	**Total**	**GF-State**	**Other**	**Total**
Current Policy	368	0	368	368	0	368
2. Cost of Supreme Court case	97	0	97	47	0	47
3. SJR 136 passage	87	0	87	43	0	43
4. Word processing equipment	5	0	5	5	0	5
5. Part-time clerical	14	0	14	14	0	14
Total	**571**	**0**	**571**	**477**	**0**	**477**

Comments:

The Judicial Qualifications Commission, revised by the passage of SJR 136, is now called the Commission on Judicial Conduct. The Commission's jurisdiction is expanded to court commissioners and magistrates at all court levels. Previously only judges were under their jurisdiction. SJR 136 also requires certain hearings be conducted publicly and increased the members on the Commission by two. Additional funds were provided to accommodate these changes.

Governor's Vetoes:

None.

The General Government functional area of Washington State government includes a large collection of state agencies whose functions are primarily related to the administrative or regulatory activities. Also included in this functional area are the expenses of the executive branch state elected officials: Governor, Lieutenant Governor, Secretary of State, State Treasurer, State Auditor, Attorney General, and the Insurance Commissioner.

Several agencies in this category provide administrative services to other state agencies in which cost of the service is paid through the use of revolving funds rather than a general fund appropriation. This method of financing explains why general government represents ~~5.2%~~ 5.4% of the total state budget but only ~~1.3%~~ 1.4% of the state general fund budget.

The major policy and budget items in the general government area are: (1) the creation of the Department of Information Services, and (2) funding for legal services augmentation.

Department Of Information Services

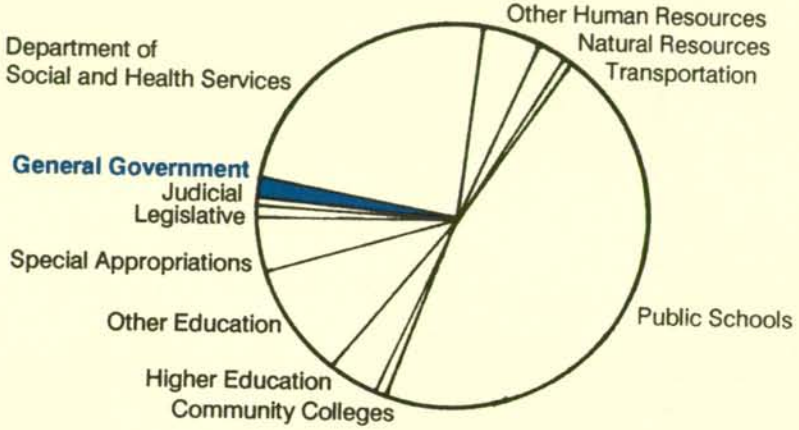
With the passage of 2SSB 5555, statewide functions related to telecommunications and data processing within the Department of General Administration and the Department of Licensing were combined with the functions of the Data Processing Authority to form a new agency called the Department of Information Services. The purpose of the new agency is to provide for coordinated planning and management of the state's information and computer related services.

Legal Services Augmentation

Because of difficulties in maintaining well qualified attorney's within the Attorney General's Office and because of increased litigation against the state and various state agencies, the Legislature provided approximately $10.2 million for legal services augmentation. On the basis of a recently completed compensation study by Price Waterhouse, approximately $4.0 million is for salary increases to make assistant attorney's general salaries comparable to those in the private sector, $5.0 million is for additional funding for tort actions and the remainder is for additional legal services for specific state agencies. The Attorney General receives an appropriation from the Legal Services Revolving Fund and all agencies receiving legal services from the Attorney General must pay into the revolving fund according to services received. Agency budgets contain funds to pay for legal services. In order to pay for the higher costs of legal services which will result from augmentation, a special appropriation is made to the Governor for distribution to agencies. The general fund-state portion of the legal services augmentation special appropriation is approximately $2.5 million.

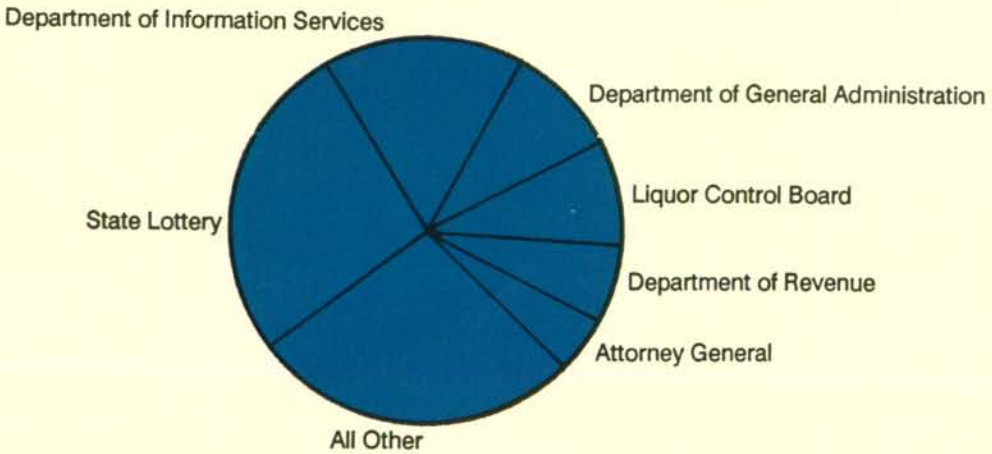
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	92.1	.5%
Judicial	66.3	.4%
General Government	**947.3**	**5.4%**
Human Resources	5,477.9	31.2%
Natural Resources	562.3	3.2%
Transportation	852.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	2,061.1	11.7%
Other Education	91.9	.5%
Special Appropriations	1,726.6	9.8%
Total	**17,567.8**	**100.0%**



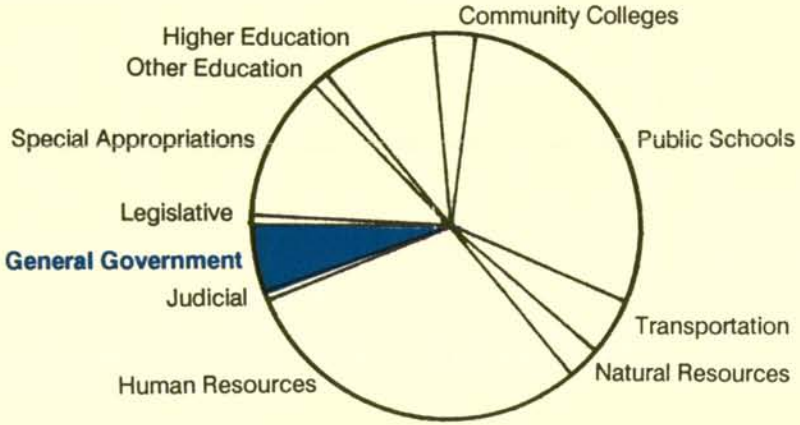
1987-89 Operating Budget
General Government
Dollars in millions

All Funds		
State Lottery	246.0	26.0%
Department of Information Services	163.3	17.2%
Department of General Administration	90.4	9.5%
Liquor Control Board	87.8	9.3%
Department of Revenue	68.0	7.2%
Attorney General	53.6	5.7%
All Other	238.2	25.1%
Total	**947.3**	**100.0%**



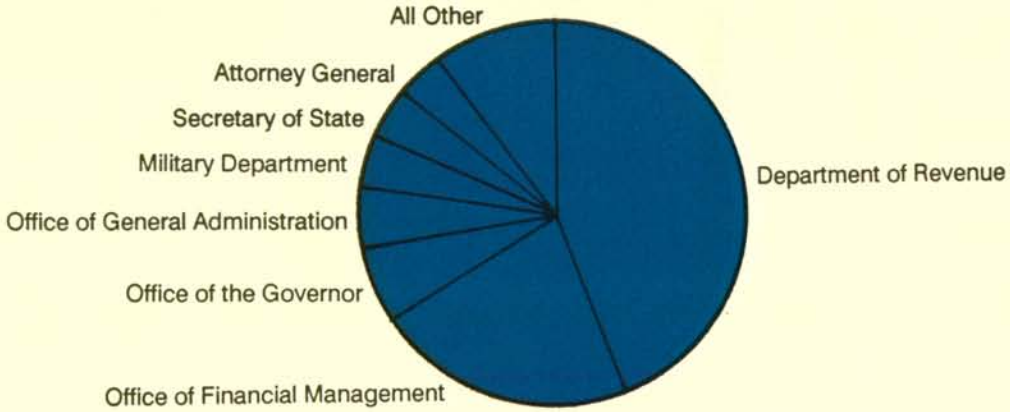
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	89.4	.9%
Judicial	47.5	.5%
General Government	**143.1**	**1.4%**
Human Resources	2,865.1	28.2%
Natural Resources	232.3	2.3%
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	1,082.6	10.6%
Other Education	67.4	.7%
Special Appropriations	342.0	3.4%
Total	**10,176.4**	**100.0%**

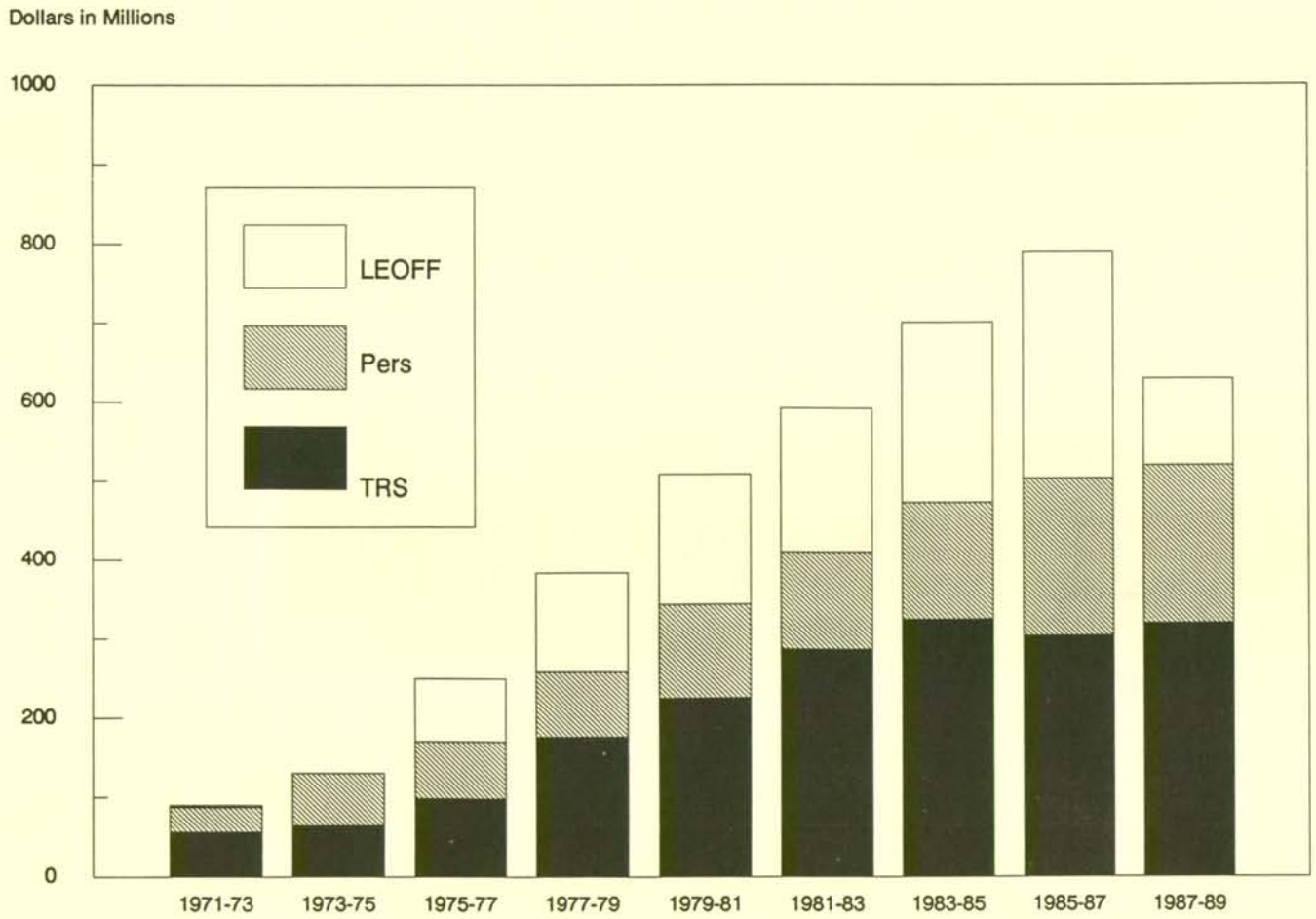


1987-89 Operating Budget
General Government
Dollars in millions

General Fund - State		
Department of Revenue	63.7	44.5%
Office of Financial Management	28.8	20.1%
Office of the Governor	9.9	6.9%
Office of General Administration	8.3	5.8%
Military Department	7.8	5.4%
Secretary of State	6.4	4.5%
Attorney General	5.1	3.6%
All Other	13.2	9.2%
Total	**143.1**	**100.0%**



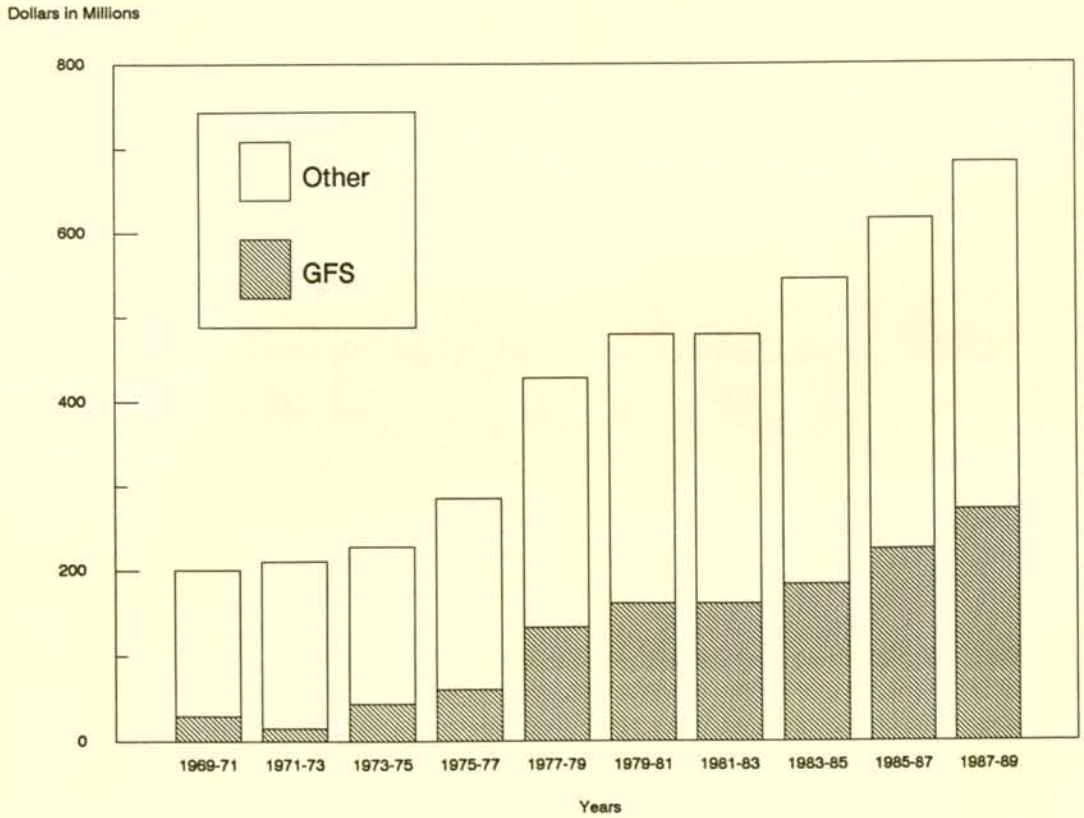
Retirement Contributions
Biennial Appropriations Total All Funds



	1971-73	1973-75	1975-77	1977-79	1979-81	1981-83	1983-85	1985-87	1987-89
TRS	56.0	64.1	98.1	175.9	225.0	286.5	324.3	303.0	318.8
Pers	30.9	65.3	72.0	82.2	118.3	123.3	148.1	200.0	200.3
LEOFF	2.9		79.3	125.2	164.7	182.0	227.9	286.0	110.0
Total	89.8	129.4	249.4	383.3	508.0	591.8	700.3	789.0	629.1
***% of Recommendation**	**57.2%**	**60.5%**	**99.9%**	**88.1%**	**95.2%**	**69.0%**	**72.9%**	**76.9%**	**61.0%**

*Recommendations are from the State Actuary and, if funded at the recommended level each year, would result in eliminating "unfunded liability" within a 25 to 40 year period based on the individual system.

Washington State - Operating Budget
State Revenues for Distribution



GFS	29.3	15.4	43.8	60.1	106.2	133.3	161.2	183.5	224.5	270.7
Other	172.2	195.4	184.0	224.7	275.5	294.2	317.9	361.4	391.9	411.7
Total	**201.5**	**210.7**	**227.8**	**284.8**	**381.7**	**427.5**	**479.1**	**544.9**	**616.3**	**682.4**

Office of the Governor
($000)

Section 112

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	5,558	100	5,658

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		5,260	0	5,260	5,260	0	5,260
1. Governor's Alliance on Drugs		0	500	500	0	500	500
	Total	5,260	500	5,760	5,260	500	5,760

Comments:

1. Federal Funding to coordinate anti-drug activities.

Governor's Vetoes:

None.

Lieutenant Governor
($000)

Section 113

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	281	0	281

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		363	0	363	363	0	363
	Total	363	0	363	363	0	363

Governors Vetoes:

None.

Secretary of State
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**5,812**	**2,138**	**7,950**
1. 1987 Supplemental Budget			
Election costs	(56)		(56)
Initiatives/referendum costs	237		237
Legal Costs (polling place statutes)	204		204
Handicapped access/polling places	77		77
Total	**6,274**	**2,138**	**8,412**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	6,375	2,334	8,709	6,374	2,334	8,708
2. Replace telephone system	55	0	55	0	0	0
3. Charitable solicit, position	59	0	59	0	0	0
4. Revise accounting system	19	0	19	0	0	0
5. Archives prog workload growth	0	196	196	0	196	196
6. Electronic voting validation	4	0	4	0	0	0
7. Equip. - Vote reg. and polling locs.	6	0	6	0	0	0
8. Employ sugg/incentive pay	0	0	0	0	0	0
Total	**6,518**	**2,530**	**9,048**	**6,374**	**2,530**	**8,904**
Other Legislation						
9. SSB 5717	0	0	0	24	0	24
Total	**6,518**	**2,530**	**9,048**	**6,398**	**2,530**	**8,928**

Comments:

8. Productivity Board Incentive Pay and Employee Suggestion Program activities supported by interagency agreements with the Department of Personnel.

9. Study of reporting requirements for not-for-profit corporations and charities.

Provisoes:

Section 114 (3) $60,000 of the archives and records management account is for a project to evaluate the need for storage and potential archival requirements of data stored on magnetic media, such as tapes and disks.

Governor's Vetoes:

None.

Hispanic Affairs Commission
($000)

Section 115

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	209	0	209

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		231	0	231	231	0	231
1. Workload - federal immigration		0	0	0	49	0	49
	Total	231	0	231	280	0	280

Comments:

1. Funding for additional workload resulting from the federal Immigration Reform and Control Act.

Provisoes:

Section 115. Funding is provided to meet additional workload associated with the Federal Immigration Reform and Control Act.

Governor's Vetoes:

None.

Asian American Affairs Commission
($000)

Section 116

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	264	0	264

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		285	0	285	285	0	285
	Total	285	0	285	285	0	285

Governor's Vetoes:

None.

Office of Indian Affairs
($000)

Section 117

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	216	0	216

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		241	0	241	241	0	241
	Total	241	0	241	241	0	241

Governor's Vetoes:
None.

State Treasurer
($000)

Section 118

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	2	8,055	8,057

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Public Deposit Protection Comm. change		0	8,218	8,218	0	8,218	8,218
2. Compensating balance fee chge		0	57	57	0	57	57
		0	850	850	0	850	850
	Total	0	9,125	9,125	0	9,125	9,125

Comments:

1. Additional position for Public Deposit Protection Commission changes.

2. Fee for service to be used instead of compensating balances to pay for bank processing of state funds.

Governor's Vetoes:

None.

State Auditor
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	814	22,548	23,362

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		832	2,658	23,490	832	22,658	23,490
1. Single audit Act resources		0	608	608	0	608	608
2. Approp. curr. bien. unanti. receipts		0	157	157	0	157	157
3. New audit workloads		0	294	294	0	294	294
4. PCs for field audit efficiency		0	363	363	0	363	363
5. Equipment replacement		0	44	44	0	44	44
6. Computing service costs		0	41	41	0	41	41
7. Training for specialized audits		0	20	20	0	20	20
8. Vehicle replacement		0	13	13	0	13	13
9. multi-agency audits		0	0	0	0	80	80
10. Deferred audits		0	0	0	0	100	100
	Total	**832**	**4,198**	**25,030**	**832**	**24,378**	**25,210**

Comments:

3. Audit workload for new agencies and statewide financial, accounting, personnel, and property management systems.

7. Consultation and training in specialized areas of auditing and accounting.

9. Multi-agency audits of fixed assets, capital construction projects, and lease acquisitions.

10. Deferred audits of state agencies.

Provisoes:

Section 119 (1). $180,000 of the auditing services revolving fund is to be used for multi-agency audits and deferred audits of state agencies.

Section 119 (2). $609,000 of the audit services revolving fund is for workload associated with the Federal Single Audit Act.

Governor's Vetoes:

None.

Attorney General
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	4,843	31,016	35,859

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy							
1. Legal Services enhancement		5,112	35,406	40,518	5,112	35,406	40,518
2. Water quality implementation		0	0	0	0	10,233	10,233
3. L & I litigation		31	0	31	31	0	31
		0	0	0	0	840	840
	Total	**5,143**	**35,406**	**40,549**	**5,143**	**48,479**	**51,622**
Other Legislation							
4. ESSB 5502		0	0	0	0	2,000	
	Total	**5,143**	**35,406**	**40,549**	**5,143**	**48,479**	**51,622**

Comments:

1. Provides salary increases to assistant attorneys general and additional legal services to specified state agencies.

2. Funding for agency's activities in support of implementation of the Puget Sound Water Quality Plan.

3. Additional attorneys to respond to expected increases in the number of cases resulting from an increase in the number of industrial appeals board staff.

4. Motor Vehicle warranties.

Provisoes:

Section 120 (1). $840,000 for additional attorneys to respond to expected increases in the number of cases resulting from an increase in the number of industrial appeals board staff.

Section 120 (2). $10,233,000 is provided for legal services augmentation. A maximum of $3,933,000 of the appropriation is for salary increases for assistant attorneys general consistent with the Price Waterhouse recommendation of March 19, 1987. $500,000 is for defense of tort actions. The remainder is for increased legal services to specified state agencies.

Section 120 (3). The Attorney General is required to submit a report by January 1, 1988 on the agency's progress in meeting its affirmative action goals. Subsequent progress reports are to be submitted by January 1 of every year thereafter.

Governor's Vetoes:

None.

Office of Financial Management
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	15,166	1,639	16,805

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		16,868	1,916	18,784	16,868	1,916	18,784
1. Staff for workload growth		577	0	577	577	0	577
2. Personal Service Contract (MIDAS)		195	0	195	195	0	195
3. Electronic mail		103	0	103	0	0	0
4. Interagency reimbursement & fund shift		208	100	308	208	100	308
5. Common schools account. project		300	0	300	0	0	0
6. Corrections Standards		0	0	0	143	780	983
7. Actuarial Consultant		0	0	0	40	0	40
8. School facility inventory		0	0	0	250	0	250
	Total	**18,251**	**2,016**	**20,267**	**18,281**	**2,796**	**21,137**
Other Legislation							
9. SHB 327		0	0	0	0	200	200
	Total	**18,251**	**2,016**	**20,267**	**18,281**	**2,996**	**21,337**

Comments:

1. Additional staff for Budget, Agency Support Services, Executive Support, and Accounting and Fiscal Services.

2. Personal service contract for work on the MIDAS computer system.

4. Small agency reimbursement and shift from General Fund to Motor Vehicle Fund.

5. Project to develop accountability indices comparing actual school district practices with common school funding allocations and formulas.

6. Transfer of some Corrections Standards Board functions to OFM as specified in SHB 738.

7. Provides funds for actuarial consultant to review Department of Labor and Industries data.

8. Statewide school facility inventory to facilitate decisions on school construction projects.

Provisoes:

Section 121 (1). Provides funding for the services of an actuarial consultant (see item 7 above).

Section 121 (2). Requires that reports to be submitted to the Legislature be submitted by the dates specified. OFM may require agencies under the authority of the Governor to submit draft reports for OFM review prior to submission of the report to the Legislature.

Section 121 (3). Requires OFM to prepare a report describing a system to control acquisition and replacement of furniture and equipment by state agencies. Due date for the report is January 1, 1988.

Section 121 (4). Provides funds for a state-wide inventory of school facilities to be developed jointly and in cooperation with the State Board of Education and the Superintendent of Public Instruction (see item 8 above).

Section 121 (5). Provides funds for implementing OFM's responsibilities under SHB 738 concerning the Corrections Standards Board (see item 6 above).

Section 121 (6). Requires OFM, in cooperation with the State Board for Community College education, to study the cost of community college faculty increments and to identify the faculty salary increment policy at each college district. Findings and recommendations are to be reported to the 1989 regular session of the Legislature.

Governor's Vetoes:

Section 121 (2) and **Section 121 (3).**

Office of Administrative Hearings
($000)

Section 122

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	8,587	8,587

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		0	8,643	8,643	0	8,643	8,643
1. UTC interagency agreement		0	109	109	0	109	109
	Total	0	8,752	8,752	0	8,752	8,752

Comments:

1. An FY 87 interagency agreement with Utilities and Transportation Commission is included in the appropriated base.

Governor's Vetoes:

None.

State Investment Board
($000)

Section 123

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	0	0	1,584	1,584

1987-89 Biennium		Governor Request GF-State	Governor Request GF-Fed	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget GF-Fed	Legislative Budget Other	Legislative Budget Total
Current Policy		0	0	1,714	1,714	0	0	1,714	1,714
1. Financial database services		0	0	15	15	0	0	15	15
2. Investor Respons. Research Council		0	0	0	0			7	7
	Total	0	0	1,729	1,729	0	0	1,736	1,736

Comments:

1. Subscriptions to additional financial database services.

2. Services of the Investor Responsibility Research Council concerning corporate investment in South Africa.

Special Provisoes:

Section 123. $7,000 is provided for the services of the Investor Responsibility Research Council (see item 2 above).

Department of Personnel
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	19,031	19,031

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy						
1. Wellness program	0	19,312	19,312	0	19,312	19,312
2. State Internship program	0	492	492	0	492	492
3. Management Development Program CEP	0	97	97	0	97	97
4. Consolidate DOP Officers	0	549	549	0	549	549
5. Incentive Pay program	0	445	445	0	445	445
6. Employee suggestion program	0	86	86	0	86	86
7. Increase HMO/PPO inquiries	0	44	44	0	44	44
8. Health care cost containment study	0	102	102	0	102	102
9. Eligibility system revision	0	102	102	0	102	102
10. Mandated management training	0	150	150	0	150	150
	0	0	0	0	28	28
Total	**0**	**21,379**	**21,379**	**0**	**21,407**	**21,407**

Comments:

1. Funds a state employee Wellness Program as created in ESB 5217.

2. Staff and funding for the State Internship program.

3. Creates a Management Development Core Program for the Career Executive Program.

4. Consolidation of DOP at a single location.

5. Funds Productivity Board Incentive Pay program through interagency agreement with the Secretary of State.

6. Funds Productivity Board Employee Suggestion program through interagency agreement with Secretary of State.

7. Additional State Employees Insurance Board (SEIB) staff to respond to increased inquiries about Health Maintenance and Preferred Provider Organizations.

8. Funds for SEIB study of health care cost containment.

9. Revision of the automated insurance eligibility and accounting system.

10. Funds 20 additional entry level management training courses.

Provisoes:

Section 124. $150,000 of the state employees' insurance fund appropriation is for revision of the automated insurance eligibility system.

Governor's Vetoes:

None.

Committee for Deferred Compensation
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	1,021	1,021

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Staff for increased enrollment		0	765	765	0	765	765
2. Dependent care program		0	87	87	0	87	87
		0			354		354
	Total	**0**	**852**	**852**	**354**	**852**	**1,206**

Comments:

2. Provides funds for implementation of ESHB 844 which creates a payroll deduction program designed to assist employees in financing dependent care.

Governor's Vetoes:

None.

Personnel Appeals Board
($000)

Section 126

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	741	0	741

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		807	0	807	807	0	807
	Total	807	0	807	807	0	807

Governor's Vetoes:
None.

Data Processing Authority
($000)

Section 127

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	1,071	1,071

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		0	1,268	1,268	0	1,268	1,268
	Total	0	1,268	1,268	0	1,268	1,268

Comments:
DPA is part of the new Department of Information Services created by 2SSB 5555. Its appropriation is part of the DIS budget.

Governor's Vetoes:
None.

Washington State Lottery
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	221,965	221,965

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Sales increase - prizes		0	225,212	225,212	0	225,212	225,212
2. Sales increase - cost of goods		0	9,650	9,650	0	9,650	9,650
3. New game - operations cost		0	1,851	1,851	0	1,851	1,851
4. New game - prizes		0	800	800	0	800	800
5. New game - cost of goods		0	6,300	6,300	0	6,300	6,300
6. Move, operate own DP system		0	1,300	1,300	0	1,300	1,300
7. Telecommunications network manager		0	917	917	0	894	894
8. Telecommunications savings		0	75	75	0	75	75
		0	(75)	(75)	0	(75)	(75)
	Total	**0**	**246,030**	**246,030**	**0**	**246,007**	**246,007**

Comments:

1 and **2**. As Lottery game sales increase, prize payments will also rise, in accordance with the statutory requirement that 45% of Lottery revenue be awarded as prizes. The cost of producing tickets, paying retailers and other volume-dependent expenses will also rise. These enhancements are from the non-appropriated state Lottery account.

3, 4 and **5**. The Lottery plans to add a new game, either a new on-line (computer) game or a second weekly Lotto drawing. This new game will go into operation around January 1988. A new game, like a sales increase, will increase prize and volume-dependent expenses. In addition, it will increase overhead operating expenses. Enhancement 3 is from the appropriated Lottery administration account, while 4 and 5 are from the non-appropriated state Lottery account.

6. Lottery headquarters will move to a new facility due to non-renewal of its current lease. This enhancement covers both the cost of the move and higher rent at the new location. Money for moving computers and increased data processing costs is deleted from Governor's recommendations because the new building is inadequate for computer operations.

7 and **8**. The Lottery will add a staff person to coordinate design and operation of the telecommunications network used in the on-line game. The cost of this position will be covered by the savings it generates.

Provisoes:

Section 128. The Legislature appropriates only the administrative expenses of the Lottery. Prize payments to game winners, discounts given to sales outlets, advertising and ticket printing costs are non-appropriated expenses. ESHB 26, which reauthorized the Lottery through 1992, expanded the Legislature's appropriation authority to include sales discounts, advertising and ticket production costs. As a result of ESHB 26, the Lottery's appropriation was increased by $27,300,000 to cover these previously non-appropriated expenses. However, the provision in ESHB 26 increasing the portion of Lottery expenses that must be appropriated was vetoed by the Governor. Consequently, the budget bill requires that $27,300,000 of the $43,697,000 appropriation lapse, leaving a $16,397,000 appropriation for operating costs of the Lottery.

Governor's Vetoes:

None.

Department of Revenue
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**61,025**	**4,026**	**65,051**
1. 1987 Supplemental Budget	350		350
Total	**61,375**	**4,026**	**65,401**

	Governor Request			Legislative Budget		
1987-89 Biennium	**GF-State**	**Other**	**Total**	**GF-State**	**Other**	**Total**
Current Policy	58,219	4,070	62,289	58,219	4,070	62,289
2. Upgrade audit, micrographics	4,528	0	4,528	4,528	0	4,528
3. Increase enforcement	797	0	797	0	0	0
4. Streamline appeals	573	0	573	370	0	370
5. Equipment for Unclaimed	0	0	0	0	0	0
Property Division	0	88	88	0	88	88
6. Equipment for the Timber Tax Division	0	180	180	0	180	180
7. Senior Citizen Tax Deferral	450	0	450	450	0	450
8. Increase research staff	0	0	0	100	0	100
Total	**64,567**	**4,338**	**68,905**	**63,667**	**4,338**	**68,005**

Comments:

1. A. In the supplemental budget, $350 thousand is provided for the senior citizens' tax deferral. As the availability of a property tax deferral for senior citizens became well known, use increased more than expected. $400 thousand was originally budgeted for the 1985-1987 biennium for reimbursements to counties required under this program.

B. The Governor requested an additional $14.8 million for utility tax refunds to businesses required under the court decision in *Washington Water Power Company vs State of Washington.* The Legislature instead reflected the decision by lowering the state's revenue estimate by this amount.

2. Funding is provided for a micrographic processor that will convert paper files to electronic ones and allow audit personnel on-line access to taxpayer records, making audits by headquarters staff easier. $1.9 million of this increase is a one-time-only cost. The Department expects $8 million in additional revenue during the 1987-89 biennium due to this enhancement.

3. The Legislature did not fund this increase in enforcement staff aimed at relieving field audit and collection personnel of clerical duties. Greater ease in performing headquarters audits will free up staff for this area. The Department forecasts that this effort will increase revenue by $5.16 million during the 1987-1989 biennium. The Department has the managerial discretion and responsibility to minimize the revenue impact of this reduced enhancement by accomplishing it through reprioritization of other agency activities, as the Director deems appropriate.

4. The Legislature funded 65% of the appeals staff increase in the Governor's request. More speedy appeals are forecast to bring in $13.26 million during the 1987-1989 biennium that would otherwise not be collected until later. The Department may handle this reduced enhancement through reprioritization of other agency activities, as the Director deems appropriate.

5. One position to develop on-line computer access to information on unclaimed property is provided from non-appropriated funds.

6. One position is funded from the timber tax distribution account to fully automate the timber tax field inspection program. The Department forecasts a $230,000 increase in timber tax revenue during the 1987-1989 biennium due to this enhancement.

7. Funding for the senior citizen tax deferral is increased due to increased use of this program (see 1).

8. Funding is provided for one additional research staff person to do tax data compilation and analysis.

Provisoes:

Section 129 (1): If SHB 434 had been enacted, the hazardous waste control and elimination account appropriation would have lapsed, as the bill provided another source of funding for collecting hazardous waste fees. However, the bill was not enacted.

Section 129 (3): Beginning on the day SSB 5293 goes into effect, the Department shall not collect business and occupations tax from adult family homes.

Governor's Vetoes:

None.

Board of Tax Appeals
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	**Total**	**1,116**	**0**	**1,116**

		Governor Request			Legislative Budget		
1987-89 Biennium		**GF-State**	**Other**	**Total**	**GF-State**	**Other**	**Total**
Current Policy		1,128	0	1,128	1,128	0	1,128
1. Computer Support		6	0	6	6	0	6
2. Travel		8	0	8	28	0	28
3. Addtl ½ Admin Law Judge		0	0	0	52	0	52
	Total	**1,142**	**0**	**1,142**	**1,214**	**0**	**1,214**

Comments:

1. The Legislature added funds to maintain a computer installed in the Board's headquarters during the 1985-1987 biennium.

2. Travel funding was increased: Tax Appeals Board members and administrative law judges must travel to conduct hearings outside the Olympia area. Also, travel to conferences is required for Board members and administrative law judges to maintain expertise in property tax law.

3. An additional administrative law judge was added for FY 1988 to accommodate an anticipated increase in the number of appeals heard during that year.

Provisoes:

Section 130: The budget provides that the $72 thousand enhancement in funding above the level requested by the Governor be used to handle increased appeals from audits and King county board of equalization assessments and to conduct appeals in eastern Washington and other parts of the state.

Trends:

The Board of Tax Appeals hears appeals of decisions related to property, excise, and boat taxes made by county boards of equalization, the Department of Revenue and the Department of Natural Resources. Caseloads vary due to changes in the number of cases heard by these bodies and in the portion that are appealed. During 1985-1987, caseloads were low due to an unusually low volume of hearings in King county. Appeals are forecast to rise by 33% in the 1987-1989 biennium. The 1987-1989 budget provides a 7.6% increase above the level needed to maintain current services.

Governor's Vetoes:

None.

Department of General Administration
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	7,643	187,119	194,762

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		7,966	195,442	205,031	7,966	195,442	205,031
1. Increase Capital budget staff		151	0	151	151	0	151
2. Capitol tour program expansion		0	74	74	0	74	74
3. Internal auditor		86	0	86	86	0	86
4. Administrative officer		88	0	88	88	0	88
5. Motor pool vehicle replacement		0	3,896	3,896	0	3,896	3,896
6. Proprietary programs sales increase		0	13,652	13,652	0	13,652	13,652
7. Claims against the state		20	0	20	20	0	20
8. Mail vehicle replacement		0	63	63	0	63	63
	Total	**8,311**	**213,127**	**223,061**	**8,311**	**213,127**	**223,061**
Other Legislation							
9. 2SSB 5555		0	0	0	0	(131,831)	(131,831)
	Total	**8,311**	**213,127**	**223,061**	**8,311**	**81,296**	**91,230**

Comments:

6. Based on projected increases in sales and service in Central Stores, Surplus property, Donable foods and Service Center. Expenditures are from non-appropriated revolving funds.

7. Claims against the state transferred from the Office of Financial Management to General Administration.

9. Service Center I and Telecommunications were transferred to the newly created Department of Information Services under 2SSB 5555.

Governor's Vetoes:

None.

Office of Minority and Women's Business Enterprises
($000)

Section 132

1985-87 Biennium	GF-State	Other	Total
Current Policy	1,545	0	1,545

	Governor Request			Legislative Budget		
1987-89 Biennium	GF-State	Other	Total	GF-State	Other	Total
Current Policy	1,780	0	1,780	1,780	0	1,780
1. Certification workload staff	78	0	78	78	0	78
2. Monitoring	74	0	74	74	0	74
3. Business structure training	5	0	5	5	0	5
Total	1,937	0	1,937	1,937	0	1,937

Comments:

1. Increased staff for certification of minority and women owned businesses.

2. Staff for monitoring compliance and assisting agencies with program implementation.

3. Contracted specialized training in business structure.

Governor's Vetoes:

None.

Presidential Electors
($000)

Section 133

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	0	0

	Governor Request			Legislative Budget		
1987-89 Biennium	GF-State	Other	Total	GF-State	Other	Total
Current Policy	1	0	1	1	0	1
Total	1	0	1	1	0	1

Governor's Vetoes:

None.

Office of the Insurance Commissioner
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	3,544	4,856	8,400

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Accountant		0	8,704	0	0	8,704	8,704
2. Audit surplus line broker		0	77	77	0	77	77
3. Company organizational analyst		0	43	43	0	43	43
4. Insurance examiner		0	94	94	0	94	94
5. Agent investigations		0	81	81	0	81	81
6. Regulation development specialist		0	83	83	0	162	162
7. Insurance complaints advisor		0	94	94	0	94	94
8. Senior health care brochures		0	83	83	0	149	149
9. Insurance complaints advisor - HMOs		0	40	40	0	40	40
10. Clerical support		0	65	65	0	65	65
11. Computer equipment/communications		0	0	0	0	142	142
12. Management training		0	0	0	0	73	73
13. Research Analyst		0	0	0	0	76	76
14. Insurance education		0	0	0	0	80	80
15. Regulation Review Specialist		0	0	0	0	149	149
16. Insurance policy and rate analyst		0	0	0	0	99	99
		0	0	0	0	77	77
	Total	0	9,364	9,364	0	10,205	10,205

Comments:

The Office of the Insurance Commissioner is now funded entirely from fees paid by insurance companies, health care conractors, and HMOs. Due to increasing premium volume, fee rates will go down even with these enhancements.

1. Funding is provided to increase from five to six accountants handling revenue projections and collections, audit of premium tax returns, regulatory fee billing and collections, budget preparation and monitoring, payroll and other functions.

2. The Legislature provides for auditing of surplus line brokers; insurance brokers who collect premium tax but are not now audited, as are authorized insurance companies.

3. Funding is provided for analysis to ensure that insurance companies are organized and operate in conformity with regulations.

4. An additional insurance examiner is provided to reduce the backlog of companies awaiting an audit of financial solvency.

5. An additional investigator is provided to look into complaints of illegal actions by insurance agents, brokers or adjusters. There are currently two investigators.

6. A regulation development specialist is provided to develop rules implementing newly enacted insurance statutes.

7. An additional insurance complaints advisor is provided to investigate conflicts that arise between people or organizations that are insured and insurance companies.

8. Funds are provided to increase the number of senior health care brochures printed. These brochures advise senior citizens about insurance needed to supplement Medicare, and help prevent fraudulent or excessive sales of Medicare supplement insurance.

9. An additional complaints advisor is provided to investigate conflicts that arise between people or organizations that are health care service contractor (HCSC) policyholders or subscribe to HMOs and the HCSCs or HMOs themselves.

10. Increased clerical staff are provided for both the commercial insurer and health care regulation programs.

11. Personal computers and terminals and communications equipment are provided to link three field offices with the Olympia headquarters.

12. Funding is provided for technical and management training for regulatory personnel.

13. A research analyst is provided to organize and interpret data regarding insurance company financial solvency and operations, and policy terms and rates.

14. Two staff are provided to implement and monitor policies on continuing and pre-licensing education requirements for insurance agents and brokers.

15. A regulation review specialist is provided to assess regulation and monitoring of newly emerging health care delivery systems.

16. An insurance policy and rate analyst is provided to study and work on the contracts for health care filed by HCSCs and HMOs.

Governor's Vetoes:

None.

Public Disclosure Commission
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	1,000	0	1,000

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		1,122	0	1,122	1,122	0	1,122
1. Office Remodel		0	0	0	21	0	21
2. Data Use Plan		0	0	0	86	0	86
	Total	1,122	0	1,122	1,229	0	1,229

Comments:

2. Develop data base of major contributors to state-level and large county candidates and issue campaigns. Produce campaign record keeping/reporting software.

Governor's Vetoes:

None.

Department of Retirement Systems
($000)

1985-87 Biennium			GF-State	Other	Total
Current Policy	Total	176.0	13	15,871	15,884

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Increased Service Center Costs		0	16,998	16,998	0	16,998	16,998
2. New facilities/Agency consolidation		0	860	860	0	860	860
3. Actuary's expenses billed to DRS		0	888	888	0	888	888
4. Portability administration		0	0	0	0	685	685
5. Project staff to permanent		0	0	0	0	554	554
6. Employer audits		0	0	0	0	435	435
7. PERS/LEOFF balancing		0	0	0	0	177	177
8. Research/stat program		0	0	0	0	46	46
		0	0	0	0	23	23
	Total	**0**	**18,746**	**18,746**	**0**	**20,666**	**20,666**

Comments:

1. Funds additional service center costs resulting from operation of newly developed computer systems.

2. Consolidates DRS into a single building instead of the three locations currently in use.

3. Expenses for the Actuary's services to the state's retirement systems are to be billed to DRS.

4. Funds the administrative expenses associated with implementation of portability legislation (ESSB 5150).

5. Converts FY 87 project staff to permanent staff.

6. Auditing of employer's retirement practices and procedures to verify member data, accounts receivable, and retirement calculations.

7. Monthly balancing of PERS and LEOFF disbursement systems.

8. Funds staff for research and statistics work in FY 89.

Provisoes:

Section 136 (1). $554,000 is for implementing portability legislation (ESSB 5150). (See item 4 above.)

Section 136 (2). $877,000 may be spent for expenses of the Office of the State Actuary. This includes $685,000 for the Actuary's services to the state's retirement systems and $192,000 for services to DRS. (See item 3 above.)

Governor's Vetoes:

None.

Municipal Research Council
($000)

1985-87 Biennium			GF-State	Other	Total
Current Policy	Total	0	1,835	0	1,835

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		1,909	0	1,909	1,909	0	1,909
1. Increase in requests		165	0	165	165	0	165
2. Increase in publication capacity		15	0	15	15	0	15
3. Upgrade library system		15	0	15	15	0	15
	Total	**2,104**	**0**	**2,104**	**2,104**	**0**	**2,104**

Comments:

1. Funding is provided for the various costs associated with responding to an increased number of requests for information and research from cities and towns.

2. Funds are provided to increase the number of publications written and distributed to cities and towns each year from fifteen to seventeen.

3. Funding is provided for the final stage of converting the research programs's municipal library from a manual to an automated system. Computer equipment, software, and data entry services will be purchased.

Funds for the Municipal Research Council come from the cities' portion of motor vehicle excise tax. Any funds from this sources not appropriated to the Municipal Research Council must be returned to the cities.

Governor's Vetoes:

None.

Uniform Legislation Commission
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	29	0	29

		Governor Request			Legislative Budget		
1987-89 Biennium		GF-State	Other	Total	GF-State	Other	Total
Current Policy		36	0	36	36	0	36
	Total	36	0	36	36	0	36

Governor's Vetoes:

None.

Board of Accountancy
($000)

Section 139

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	346	523	869

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		415	571	986	415	571	986
1. Competency monitoring		110	0	110	0	0	0
	Total	525	571	1,096	415	571	986

Comments:

1. Monitoring of continuing professional education for certified public accountants.

Governor's Vetoes:

None.

Boxing Commission
($000)

Section 140

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	88	0	88

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		105	0	105	105	0	105
1. Answering machine		1	0	1	0	0	0
2. Increase travel/increase events		2	0	2	0	0	0
	Total	108	0	108	105	0	105

Comments:

2. Increase the size and complexity of events staged.

Governor's Vetoes:

None.

Cemetery Board
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	0	124	124

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	0	143	143	0	143	143
Total	0	143	143	0	143	143

Governor's Vetoes:

None.

Horse Racing Commission
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	3,961	3,961

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Investigations for Capital Downs		0	4,213	4,213	0	4,213	4,213
2. Revised estimate 34 fewer race days		0	17	17	0	17	17
3. Increased security staff		0	(167)	(167)	0	(167)	(167)
4. Drug Testing		0	0	0	0	110	0
5. Ex-officio commissioners		0	0	0	0	50	0
		0	0	0	0	10	10
	Total	**0**	**4,063**	**4,063**	**0**	**4,233**	**4,233**

Comments:

1. Funding is given for investigations required prior to the opening of the Capital Downs track.

2. Expenses are reduced because of a lower estimate of the number of days of racing during the 1987-1989 biennium. This lower estimate is noted in the Governor's budget addendum.

3. Funding is provided for increased security staff at and around racing tracks.

4. Funding is provided for drug testing of jockeys and other race track personnel.

5. Funding is provided for three ex-officio, non-voting legislator Commissioners under the provisions of EHB 831.

Provisoes:

Section 142 (1): If there are more than 698 racing days during the 1987-1989 biennium, the Governor may allocate additional money from the Horse Racing Commission Account to the Horse Racing Commission as he deems necessary.

Section 142 (2): No Horse Racing Commission funds may be used for certification of Washington-bred horses under the provisions of RCW 67.16.075.

Section 142 (3 & 4): Money for increased security, drug testing and ex-officio Commissioners is provided contingent on passage of EHB 831. This bill increases the portion of the state's share of horse racing wagering revenue that goes to the Horse Racing Commission Account. The increase over the biennium to the Horse Racing Commission Account, and corresponding decrease to general fund deposits, is expected to be between $360 and $390 thousand.

Governor's Vetoes:

None.

Liquor Control Board
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	84,879	84,879

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Reprint liquor regulation book		0	87,531	87,531	0	87,531	87,531
2. Chemist		0	47	47	0	47	47
3. Warehouse floor repair		0	63	63	0	63	63
4. Payroll system		0	75	75	0	75	75
		0	0	0	0	60	60
	Total	**0**	**87,716**	**87,716**	**0**	**87,776**	**87,776**

Comments:

1. Funding is provided for complete reprinting and distribution of 12,000 liquor law and regulation books. Books are given to all businesses with liquor licenses as well as state and local law enforcement officials, liquor suppliers and others. Multiple updates make a reprint necessary.

2. A chemist is provided for chemical analysis of liquor products as required by statute. The University of Washington's resources have been used for this purpose in the past.

3. Funds are provided to repair the floor of the 243,200 square foot liquor distribution facility. Land shifts have caused the floor to sink.

4. Computer programming necessary to put the Board staff on the state payroll system is provided.

Provisoes:

Section 143 (1): When the lease expires on a state liquor store located anywhere except an incorporated city in which there is more than one liquor store, a calculation shall be made of each such stores' gross bottle sales during the preceding 12 months. If gross sales during the preceding 12 months are less than 80,000 bottles, that store must be closed and an agency may be established in its place.

Governor's Vetoes:

None.

Pharmacy Board
($000)

Section 144

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	1,204	401	1,605

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		1,342	426	1,768	1,342	426	1,768
1. Move Health Professions Account to Dept of Licensing			(426)	(426)	0	(426)	(426)
	Total	1,342	0	1,342	1,342	0	1,342

Governor's Vetoes:

None.

Utilities and Transportation Commission
($000)

Section 145

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	85	22,487	22,572

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		0	24,109	24,109	0	24,109	24,109
1. Consumer complaint staff		0	96	96	0	96	96
2. Truck inspection staff		0	253	253	0	253	253
	Total	0	24,458	24,458	0	24,458	24,458

Comments:

1. Staff to analyze and resolve consumer complaints pertaining to utilities.

2. Staff to inspect heavy truck safety compliance at the Bow Hill Port of Entry.

Governor's Vetoes:

None.

Board for Volunteer Firemen
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	213	213

		Governor Request			Legislative Budget		
1987-89 Biennium		GF-State	Other	Total	GF-State	Other	Total
Current Policy		0	233	233	0	233	233
	Total	0	233	233	0	233	233

Governor's Vetoes:

None.

Military Department
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**7,273**	**2,767**	**12,197**
1. 1987 Supplemental Budget Attorney General Costs	40		40
Total	**7,313**	**2,767**	**12,237**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	7,544	0	7,544	7,544	0	7,544
2. Reallocate maintenance positions	80	0	80	80	0	80
3. Assistant to Director	99	0	99	99	0	99
4. Eliminate public affairs officer	(62)	0	(62)	(62)	0	(62)
5. Lease armories temporarily	193	0	193	193	0	193
6. Eliminate uniform allowance	(69)	0	(69)	(69)	0	(69)
7. Change dishwasher funding	(16)	0	(16)	(16)	0	(16)
Total	**7,769**	**0**	**7,769**	**7,769**	**0**	**7,769**

Comments:

Current policy includes $30,000 for the Office of Employer Support.

2. Reallocates five positions from caretaker to maintenance to meet the need for additional craftsmen.

5. Short-term leasing of armories, which will be assumed by the federal government, to increase the authorized strength of the National Guard.

Governor's Vetoes:

None.

Public Employment Relations Commission
($000)

Section 148

1985-87 Biennium	GF-State	Other	Total
Current Policy	1,627	0	1,627

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	1,719	0	1,719	1,719	0	1,719
Total	1,719	0	1,719	1,719	0	1,719

Governor's Vetoes:
None.

Citizens' Commission on Salaries for Elected Officials
($000)

Section 149

1985-87 Biennium	GF-State	Other	Total
Current Policy	125	0	125

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy						
1. Fund half of '85-87 appropriation	0	0	0	125	0	125
	0	0	0	(62)	0	(62)
Total	0	0	0	63	0	63

Comments:
The Commission was funded for the first time through an appropriation in HB 315. As a newly created commission the appropriation was based on an estimate of the startup costs for the five months it would be in operation at the end of the '85-87 biennium.

Governor's Vetoes:
None.

Department of Information Services
($000)

2SSB 5555

1985-87 Biennium	GF-State	Other	Total
Current Policy	0	0	0

	Governor Request			Legislative Budget		
1987-89 Biennium	GF-State	Other	Total	GF-State	Other	Total
Current Policy	0	0	0	0	0	0
1. Create new department	0	0	0	0	162,440	162,440
Total	**0**	**0**	**0**	**0**	**162,440**	**162,440**

Comments:

1. Department of Information Services was created under 2SSB 5555. It includes: 1) the Data Processing Authority, 2) Washington Data Processing Service Center (Service Center 1) and Telecommunications from the Department of General Administration, and 3) Service Center 3 from the Department of Licensing.

With the exception of the $1,268,000 appropriated from the Data Processing Revolving Fund to the Data Processing Authority, all of the funds in Information Services are in non-appropriated revolving funds.

Governor's Vetoes:

None.

Gambling Commission
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	0	7,837	7,837

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	0	8,235	8,235	0	8,235	8,235
1. Gambling stamp increase	0	21	21	0	21	21
2. Minor goods, services, equip increase	0	21	21	0	21	21
Total	**0**	**8,277**	**8,277**	**0**	**8,277**	**8,277**

Comments:

All Gambling Commission funds are non-appropriated funds.

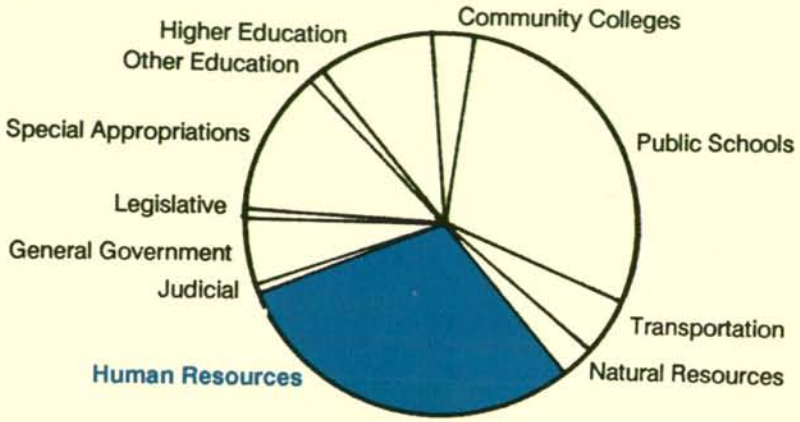
Governor's Vetoes:

None.

The human services section of the appropriations act is separated into two sections to better explain the programs included in the budget. The two sections are the Department of Social and Health Services and Other Human Resources. The Department of Social and Health Services budget is displayed by program in order to give better visibility to the cost of services provided by the Department. The Other Human Resources section, in contrast, displays budgets by individual agency, and includes the Department of Corrections, Department of Labor and Industries, Employment Security Department and the other human services related agencies.

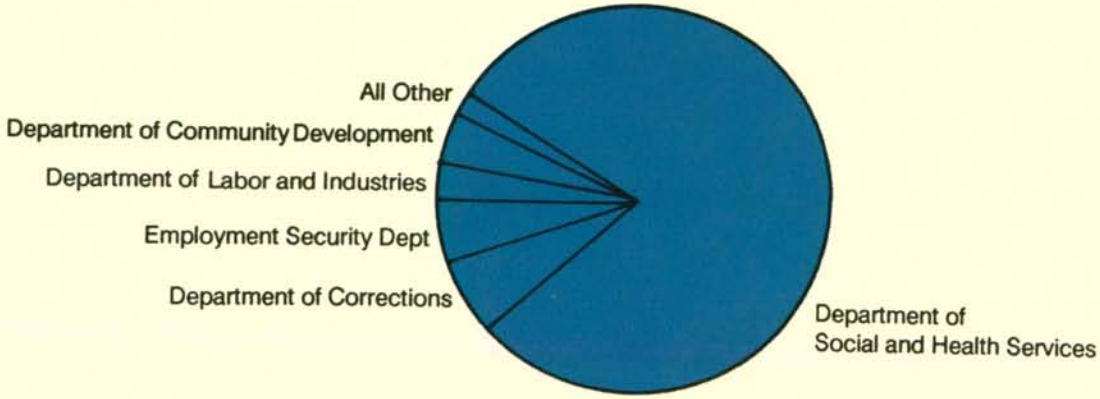
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	92.1	.5%
Judicial	66.3	.4%
General Government	947.3	5.4%
Human Resources	5,477.9	31.2%
Natural Resources	562.3	3.2%
Transportation	852.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	2,061.1	11.7%
Other Education	91.9	.5%
Special Appropriations	1,726.6	9.8%
Total	**17,567.8**	**100.0%**



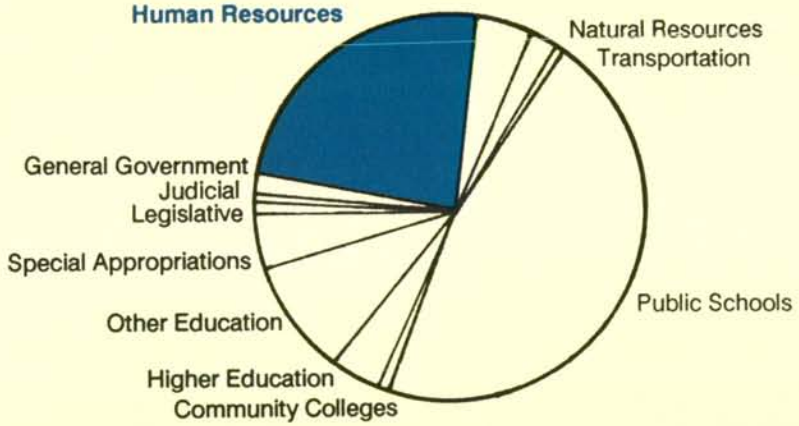
1987-89 Operating Budget
Human Resources
Dollars in millions

All Funds		
Department of Social and Health Services	4,349.3	79.4%
Department of Corrections	350.0	6.4%
Employment Security Dept	296.5	5.4%
Department of Labor and Industries	200.1	3.7%
Department of Community Development	193.8	3.5%
All Other	88.2	1.6%
Total	5,477.9	100.0%



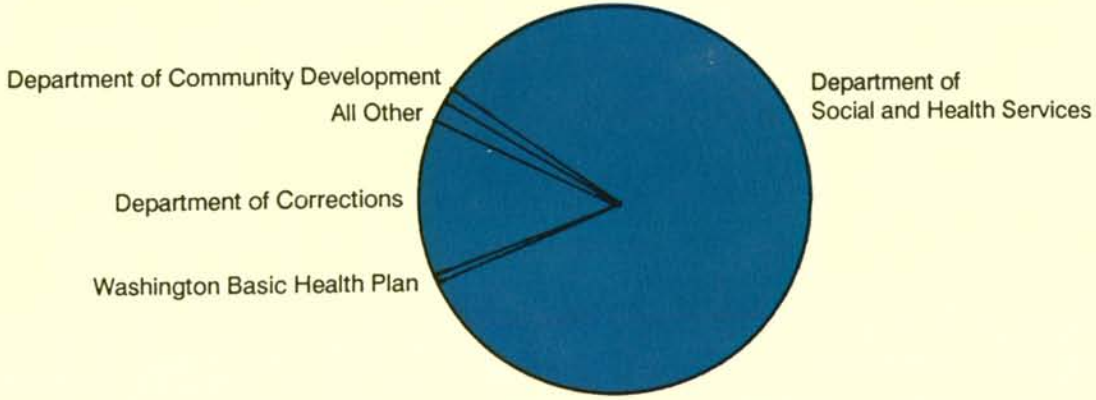
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	89.4	.9%
Judicial	47.5	.5%
General Government	143.1	1.4%
Human Resources	**2,865.1**	**28.2%**
Natural Resources	232.3	2.3%
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	1,082.6	10.6%
Other Education	67.4	.7%
Special Appropriations	342.0	3.4%
Total	**10,176.4**	**100.0%**



1987-89 Operating Budget
Human Resources
Dollars in millions

General Fund - State		
Department of Social and Health Services	2,419.2	84.4%
Department of Corrections	349.7	12.2%
Department of Community Development	32.8	1.1%
Washington Basic Health Plan	19.1	.7%
All Other	44.3	1.5%
Total	**2,865.1**	**100.0%**



Policy Initiatives

The 1987 Legislature addressed the major social policy issues concerning welfare and health care. Significant attention was given to the policies governing the Aid to Families with Dependent Children program. Since 1980, income and medical assistance (AFDC, Title XIX) caseloads have risen dramatically,consistently requiring supplemental appropriations to cover the additional costs of these unexpected caseloads. The steady climb in caseloads is not unique to Washington and has generated much discussion in other states and the Federal government. The discussion has focused on the fact that the Aid to Families with Dependent Children program has not alleviated poverty and perhaps has actually increased welfare dependency. In our state, the Department of Social and Health Services (DSHS) has not been able to satisfactorily identify and articulate the factors that have caused the dramatic increases in our income and medical assistance caseloads. The Legislature's approach to the welfare dependency problem includes both long and short term solutions.

Family Independence Program (FIP)

The long term solution is the adoption of Second Substitute House Bill 448, the Governor's proposed Family Independence Program (FIP). 2SHB 448 contains four objectives: (1) to reduce the number of children in poverty; (2) to provide opportunities for parents to enter the economic mainstream; (3) to provide financial incentives for entering employment or participating in education, training and work programs; and (4) to provide basic financial and medical assistance for those unable to participate. The Family Independence Program will be implemented at the earliest, March 1, 1988. For more detail on ESHB 448, see the **Final Legislative Report** of the Fiftieth Washington State Legislature.

1987-89 Legislative Budget

The short term solution was established by the Legislature in the 1987-89 Appropriations Act. The guiding welfare policy in the appropriations act was to help people get off public assistance as soon as possible and keep the working poor from returning or becoming new public assistance recipients. Several budget initiatives were adopted that support this legislative policy.

Low Wage Earner Salary Increase

The first initiative is the Low Wage Earner salary increase. Currently, many social services providers contracting with the state pay their employees less than the amount given to welfare recipients. There is little or no financial incentive for welfare recipients to seek these jobs. The 1987 Legislature provided funding to bring salaries of nurse aides, chore service providers and others to the income assistance need standard of $4.76 per hour in Fiscal Year 1988 and to the Family Independence Program standard of $5.15 per hour in Fiscal Year 1989. This action will help individuals in those occupations stay off welfare, as well as providing financially attractive employment for those on welfare.

Opportunities Program

The second initiative is designed to enhance the employability of welfare recipients and reduce long term dependency on public assistance. Studies show that women who begin receiving welfare due to teenage pregnancy are most at risk to become long term welfare recipients and are likely to continue having children. These women, when their children are grown, face the greatest barriers to employment. This is attributed to their lack of job skills or experience and low self-esteem.

The Legislature provided funds to expand the Opportunities Program to focus services on recipients who become mothers as teenagers and on long term recipients with teenaged children. Services directed at teenaged parents

are intended to avert long term dependency. In addition, due to diminished federal support, these state funds will also continue employment and training services for welfare parents in general.

Medical And Dental Services

Three other initiatives relate to expanded Title XIX medical and dental programs and an innovative state funded medical program. Title XIX medical services will be made available to an expanded population of working poor. The Medically Needy Income Level will be expanded by the end of the 1987-89 biennium to 133 percent of the AFDC grant standard so that more people will have access to medical services through the Medical Assistance program. This initiative is designed to keep people working when subjected to a major medical problem. Currently, the only people eligible for medical assistance are those at or below 100 percent of the AFDC grant standard. The result is that many working poor are faced with a major medical problem and often cannot pay the cost of medical services. They then cease working and become welfare recipients. The expansion of the Medically Needy Income Level is a positive incentive to keep people working. The reinstatement of the Adult Dental Program is another incentive to keep people working and to help people who are currently on welfare, get off. Many people who work at low paying jobs cannot afford routine dental care, let alone acute care. Absenteeism and eventual loss of employment can result in people returning to welfare for cash assistance. Many current welfare recipients find it difficult to look their best in job seeking situations. Reliability can also be a problem if chronic suffering is indicated when seeking employment.

To further assist the working poor, the 1987 Legislature adopted Second Substitute House Bill 477, "The Health Care Access Act of 1987". This program is funded entirely from a general fund state appropriation. It is a pilot project directed at persons under 65 years old who are at or below 200 percent of the federal poverty level. Enrollees may continue in the program when their income exceeds 200 percent of poverty, but only if they pay the full premium cost. This full premium payment arrangement is only for a limited time. This new program will assist another segment of the working poor with medical care costs and keep them from falling into or re-entering the welfare cycle.

The Legislature, in an attempt to enable the birth of healthy babies and to avoid future social service program costs, greatly enhanced the current state funded prenatal program and authorized state participation in the federally supported Title 19 SOBRA prenatal program. These initiatives will allow services to low income women and their children under two years old.

"The Alcohol And Drug Addiction Treatment And Support Act"

Another change in the state's welfare system will be instituted under Substitute House Bill 646. Under this legislation, the state will no longer provide cash grants to addicted persons who may use the money to support their addiction. Instead, services in the form of housing, treatment and assessment will be provided. Under the new program, treatment will be optional to the client and those not wishing treatment will receive housing, board and a small amount of cash for incidentals. These changes result from the combination of: (1) alarming caseload increases in this category of the General Assistance-Unemployable (GA-U) program; (2) evidence that the state may have become a magnet, with the allure of cash assistance drawing substance abusers from other areas; (3) criticisms of the policy of providing cash grants to addicted persons; and (4) the requirement that these persons attend treatment programs whether or not they are amenable to treatment. It is expected that the new program will cost less than the current system. At the same time, it will provide greater assurance that this population will have safe housing, adequate meals, and appropriate treatment.

Child Support Collections

A substantial staff increase was provided in the budget to increase child support collection efforts for both welfare families and single parent families not receiving assistance. These additional collections will help offset the costs of welfare grants, and can be key to getting off or staying off welfare for single parents in low paying jobs.

Child Protective Services

Several factors combined to bring legislative focus on child protective services issues in the budget, and statutory changes. Rising levels of reported child abuse and neglect, and the increasingly serious nature of those reports, caused the workloads of child protective service workers and other child welfare caseworkers to far exceed reasonable standards. Availability of suitable foster or group homes for children was diminishing, and resources were unavailable for providing necessary community services to maintain families without removing children from their homes. Finally, the tragic death of a child while under the supervision of Child Protective Services prompted both legislative and executive branch investigations.

The Governor's Child Protective Services Review Team Report dated March, 1987, made some 80 recommendations for improvements, which can be categorized as follows:

1. Changes to Chapters 26.44 and 13.34 RCW, designed to more clearly define child abuse, clarify the rights of the child and the role of the caseworkers, establish a risk assessment model allowing caseworkers to refer low risk cases to community services, and otherwise facilitate responses to child abuse cases.

2. Service improvements, including sufficient additional caseworkers to reflect reasonable workload standards, additional resources such as therapeutic day care and public health nurses, and other improvements.

3. Proposals relating to internal program management, organization of childrens' services, training and salaries of caseworkers and supervisors and better management information systems.

Many of the recommendations relating to funding of services, service delivery methods, and statutory clarifications and revisions were considered by the Legislature. All sought to reduce the incidence of child abuse, and provide the tools necessary to improve the state's responses to such abuse. Reduced caseloads for child protective service caseworkers was perhaps the major childrens' funding issue of the 1987 session.

The appropriations act responds to these concerns in three ways:

1. Expanding resources - Funds were provided to lower the workloads of caseworkers, both by increasing the number of caseworkers, and by adding other staff such as clerical aides, attorneys and financial workers. Equipment was also provided to help caseworkers use their time more efficiently. In addition, expanded community resources such as public health nurses, family counseling, and therapeutic day care are provided. Funds are provided for training and support services to families providing foster care, to help assure that foster care families will continue to be available in the numbers needed.

2. New service delivery models - Funds are provided to implement SHB 586 which requires pilot projects in three areas of the state. These projects will be located in Kent, Spokane and Chehalis. In each of these locations, a full continuum of services will be available to children, and a risk assessment model will be used to prioritize child abuse and neglect cases. Those cases determined to have a low risk of reoccurrence of abuse will be referred to community resources.

3. Expanding prevention efforts - Funds are provided to develop and establish a coordinated child abuse and neglect primary prevention education and training program as required by SSB 5252. Training will be provided to both school-age and preschool children through the schools, day care facilities, and Head Start as well as other preschool programs. In addition, training will be developed for teachers, parents, day care providers and others.

Other Children Services Legislation

A wide variety of legislation was adopted affecting child protective services, the crime of child abuse, minors and substance abuse, child support and parenting, and other issues relating to children. The **Final Legislative Report** for the 1987 Regular and Special Sessions provides detailed descriptions of all adopted legislation relating to children. Following is a listing of the major pieces:

Bill No.	Chap.	Short title
SHB 48	187	Parenting and child custody
HB 110	204	Alcohol sales to minors, penalties
SHB 413	430	Child support modifications
SHB 418	440	Child Support Schedule Commission
SHB 419	441	Expanding paternity establishment efforts
SHB 420	435	Establishing a child support registry
2SHB 480	170	Indian child welfare
SHB 506	351	Childrens Trust Fund, funding
E2SHB 586	503	Childrens protective services
2SHB 684	456	Criminal sentencing provisions
HB 734	396	Erotic material, access by minors
HB 753	224	Criminal mistreatment/penalties
2SHB 813	473	Governor's Commission on Children
HB 1204	131	Multiple sexual offenses, sentencing
HB 1228	458	Substance abuse, dealers, penalties
E2SSB 5063	486	Child abuse info., disclosure to employers
SSB 5089	187	Establishing crime of homicide by abuse
E2SSB 5252	489	Child abuse primary prevention training
SSB 5254	101	Liquor sales to minors, penalties
ESB 5546	324	Assault, children under 12, unborn
E2SSB 5659	524	Child prot. services statute revisions
ESSB 6013	329	Establishing child care resource coord.

Up to this point, the policy problems and solutions in the welfare and childrens' services areas have been described in summary form to show how the various initiatives support the guiding policy directions chosen by the Legislature. The subsequent paragraphs will take some of the initiatives previously mentioned and provide more detail specific to the social problem the initiative is intended to address.

Medically Needy Income Level

The eligibility threshold for participation in the Medicaid program is defined as the Medically Needy Income Level (MNIL). The MNIL is defined as a percentage of the Aid to Families with Dependent Children (AFDC) grant level. Under federal law, the MNIL can be set no lower than 100%, or higher than 133 1/3 percent of the AFDC grant level. During the 1985-87 biennium, the MNIL in Washington was set at varying amounts between 100% and 133 1/3% of the AFDC grant level. Funds were provided in the 1987-89 biennial budget to expand the MNIL level to the maximum of 133 1/3 percent for all family sizes.

Estimates provided by the Department of Social and Health Services (DSHS) indicate that 65,574 additional persons will be covered by this expansion. Of these, 57,232 are families and children.

Family Size	AFDC Monthly Grant Level	1985-87 MNIL as a % of AFDC Grant	1987-89 MNIL as a % of AFDC Grant
1	$314	116.2%	133.3%
2	$397	133.0%	133.3%
3	$492	112.4%	133.3%
4	$578	100.0%	133.3%
5	$666	100.0%	133.3%
6	$756	100.0%	133.3%
7	$873	100.0%	133.3%
8	$966	100.0%	133.3%
9	$1,061	100.0%	133.3%
10 or more	$1,153	100.0%	133.3%

The characteristics of these families with children are very consistent with the characteristics of the population to be served by the Washington Basic Health Plan:

* Over 70% are uninsured
* 90% have some income
* Over 50% have a current or recent
* connection with the work force.

The 1987-89 biennial budget appropriates $8,338,000 general fund-state and $9,823,000 general fund-federal to raise the Medically Needy Income Level to the maximum allowed by the Federal Government. The expansion will be phased in over the 1987-89 biennium and will reach the maximum 133 1/3 percent for all family sizes by June 30, 1989.

Adult Dental Care

In 1981 dental care for adult Medicaid recipients was eliminated. The 1987-89 biennial budget restores dental care for adults who qualify for the Categorically Needy or Medically Needy medical programs or meet the federal definition of a refugee. The Department of Social and Health Services estimates that the average monthly number of persons eligible for adult dental care in Fiscal Year 88 is 346,979. In Fiscal Year 89, the number is expected to grow to 367,979. The budget provides $13,864,000 general fund-state and $16,927,000 general fund-federal to provide dental care to eligible adults. Dental services will be available beginning January 1, 1988.

Basic Health Plan

During the 1986 Legislative Session, ESHB 2021 was enacted, establishing the Washington Health Care Project Commission. The Commission's charge was to address the issue of persons without health insurance in Washington state. The recommendations of the Commission formed the basis for 2SHB 477, which was enacted during the 1987 Legislative Session.

The Commission found that 720,000 persons under the age of 65 in Washington do not have health insurance. The uninsured were found to be largely young, white, and employed.

To address the needs of this group, the Washington Basic Health Plan was established. The plan may, after July 1, 1988, enroll up to 30,000 individuals eligible for subsidies who: (1) are all under the age of 65; (2) are residents of an area served by the plan; (3) have gross family income not exceeding 200 percent of the federal poverty level; (4) choose to obtain basic health care coverage from a particular managed health care system participating in the plan; and (5) remain current in payment of premiums. The plan will be offered in sites in at least five congressional districts.

The 1987-89 biennial budget provides a $19,100,000 general fund-state appropriation for the operation of the Basic Health Plan. This will allow the Plan to serve up to 30,000 persons in fiscal year 1989.

Prenatal Care

A number of vital statistics regarding perinatal care have shown disturbing trends in recent years. Statewide vital statistics indicate that the number of women appearing for delivery with one or no prenatal visits has increased from 625 in 1979 to 1,022 in 1984. The infant mortality rate is five times higher for this population than the statewide total. In 1985, there were 3,700 low birthweight babies born (weighing less than 5.5 pounds). Low birthweight is the leading cause of infant mortality as well as the major contributing factor for health and development problems during childhood and adulthood. Women with one or no prenatal visits have three times the low birthweight rate of the total population.

To address these concerns, the Legislature provided funds to expand the existing prenatal care program and created a new prenatal care program eligible for federal financial participation. Hopefully, through expanded awareness and utilization of services, participating women will give birth to healthier children and avoid the need for future government supported social services.

State Funded Prenatal Care

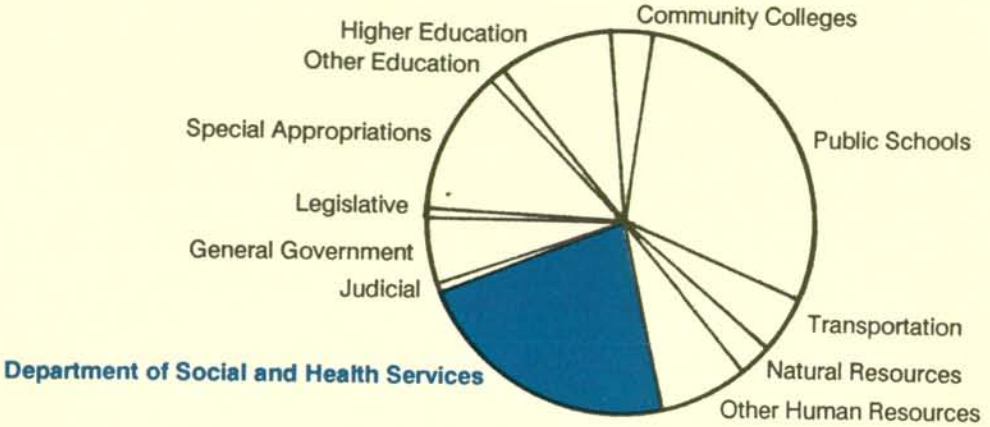
Funds were provided in the 1987-89 biennial budget to expand the existing prenatal program. The base funding of $4,000,000 was enhanced by an additional $1,500,000. This will allow the program to provide care to more low income high risk pregnant women. Program eligibility is set at 200% of the poverty level.

SOBRA Prenatal Care

During Fall, 1986, Congress included prenatal care as a service eligible for Medicaid reimbursement if a state elects to include it in the state's Medicaid program. Dubbed the "SOBRA option" (sixth Omnibus Reconciliation Act), this program may serve pregnant women and their children under age 5 with income equal to or less than 90% of the poverty level. The 1987-89 biennial budget provides $8,338,000 in state funds and $9,823,000 in federal funds for this service. The program approved by the 1987 Legislature covers children under age two.

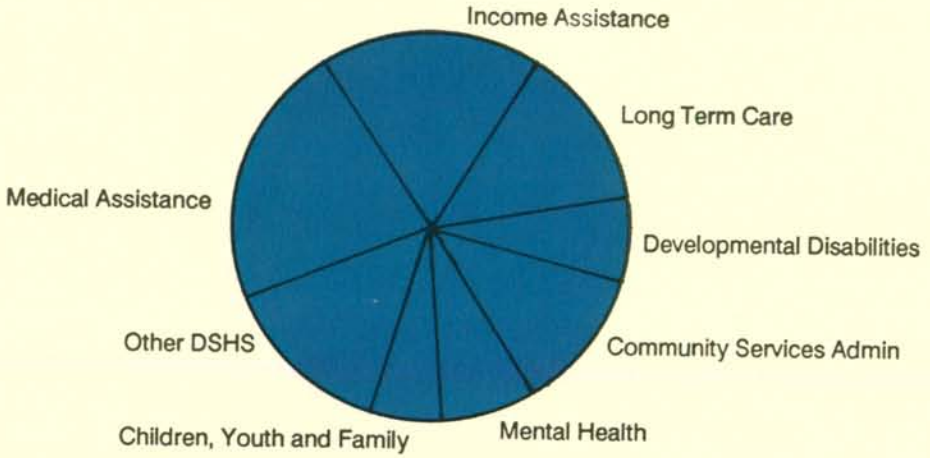
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	92.1	.5%
Judicial	66.3	.4%
General Government	947.3	5.4%
Department of Social and Health Services	**4,349.3**	**24.8%**
Other Human Resources	1,128.5	6.4%
Natural Resources	562.3	3.2%
Transportation	852.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	2,061.1	11.7%
Other Education	91.9	.5%
Special Appropriations	1,726.6	9.8%
Total	**17,567.8**	**100.0%**



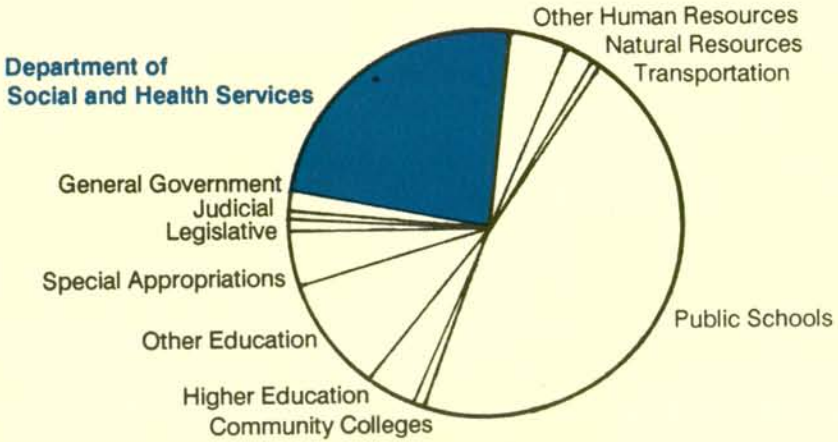
1987-89 Operating Budget
Department of Social and Health Services
Dollars in millions

All Funds		
Medical Assistance	1,010.2	23.2%
Income Assistance	907.7	20.9%
Long Term Care	658.1	15.1%
Developmental Disabilities	342.3	7.9%
Community Services Admin	331.3	7.6%
Mental Health	325.2	7.5%
Children, Youth and Family	223.6	5.1%
Other DSHS	550.9	12.7%
Total DSHS	**4,349.3**	**100.0%**



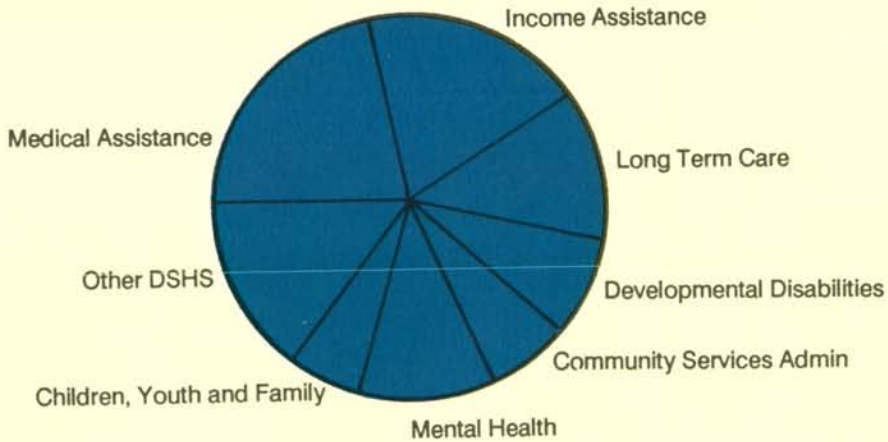
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	89.4	.9%
Judicial	47.5	.5%
General Government	143.1	1.4%
Department of Social and Health Services	**19.2**	**23.8%**
Other Human Resources	445.9	4.4%
Natural Resources	232.3	2.3%
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	1,082.6	10.6%
Other Education	67.4	.7%
Special Appropriations	342.0	3.4%
Total	**10,176.4**	**100.0%**



1987-89 Operating Budget
Department of Social and Health Services
Dollars in millions

General Fund - State		
Medical Assistance	528.3	21.8%
Income Assistance	465.4	19.2%
Long Term Care	326.5	13.5%
Developmental Disabilities	183.7	7.6%
Community Services Admin	156.6	6.5%
Mental Health	272.6	11.3%
Children, Youth and Family	165.0	6.8%
Other DSHS	321.2	13.3%
Total DSHS	**2,419.2**	**100.0%**



Department of Social and Health Services
Children and Family Services
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**134,542**	**51,566**	**0**	**186,108**
1. 1987 Supplemental Budget				
Increased CPS/CWS staff	900			900
Increased federal funds	(900)	900		
Reduced foster care, day care	(1,200)	(900)		(2,100)
Sexual assault grant		40		40
Reduced administrative staff	(1,310)			(1,310)
Total	**132,032**	**51,606**	**0**	**183,638**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	155,405	53,329	0	208,734	155,405	53,329	0	208,734
2. Revised day care caseload/inflation	0	0	0	0	(4,756)	(34)	0	(4,790)
3. CPS/CWS staff/training/equip.	4,500	0	0	4,500	5,075	0	0	5,075
4. Improved Title IV B & E Recoveries	0	0	0	0	(3,702)	5,000	0	1,298
5. CPS/CWS community support services	0	0	0	0	3,560	0	0	3,560
6. Indian child welfare caseworkers	500	0	0	500	500	0	0	500
7. Sexual assault victims counseling	300	0	0	300	300	0	0	300
8. Foster care family support	1,000	0	0	1,000	1,000	0	0	1,000
9. Contracted foster care services	0	0	0	0	600	0	0	600
10. Vendor rate/low wage earner increase	3,744	256	0	4,000	4,383	257	0	4,640
11. Primary child abuse prevention	0	0	0	0	125	0	0	125
12. Child care resource coordinator	0	0	0	0	94	0	0	94
13. Child Protective Services pilot project	0	0	0	0	2,425	0	0	2,425
Total	**165,449**	**53,585**	**0**	**219,034**	**165,009**	**58,552**	**0**	**223,561**

Comments:

3. Sufficient funds are provided to add approximately 45 child protective services and child welfare services staff, 24 clerical staff, and 6 attorneys, as well as productivity equipment for caseworkers, such as dictaphone machines.

4. Approximately 22 staff are provided to improve federal Title IV foster care recoveries. These staff will assure that federal foster care funds are utilized to the maximum extent possible for eligible children. An additional $5 million in federal funds is assumed.

5. Includes $2.16 million for approximately 45 public health nurses; $1.0 million to expand therapeutic day care to 200 additional children; and $.4 million for expanded community services such as family reconciliation, home-based, or other contracted community services.

6. Increases the number of Indian reservations with which DSHS will contract for child protection and child welfare services.

7. Provides for long term treatment of child victims of sexual abuse.

8. Training and support services for parents accepting foster children.

9. Approximates a 40% rate increase for private foster care agencies.

10. Vendor increases of 2% on September 1, 1987 and 4% on September 1, 1988, are provided for all vendors. In addition, low wage earner increases to $4.76/hour on September 1, 1987 and $5.15/hour on September 1, 1988 are provided for employees in seasonal and therapeutic day care programs, group homes, and domestic violence shelters.

11. Implements 2SSB 5252, establishing a primary prevention training program for preschool and school age children, teachers, parents and daycare providers.

12. Implements 2SSB 6013, establishing a child care coordinator.

13. Funding for pilot childrens' services projects in Kent, Spokane and Chehalis, to be established in accordance with SHB 586.

Provisoes:

Section 203(2). Requires a report to the Legislature by January 15, 1988, on the uses and effectiveness of the enhancements funded in Section 203.

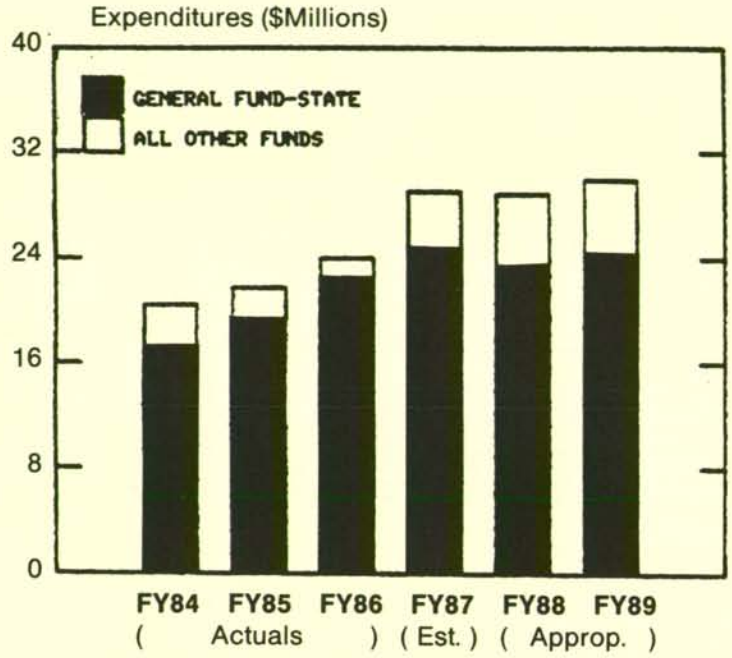
Governor's Vetoes:

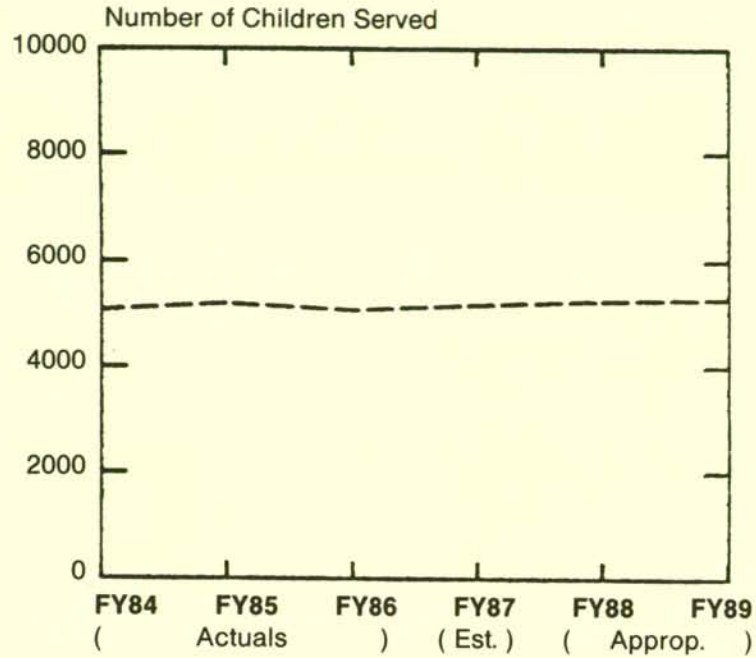
None.

Workload Assumptions/History:

See next three pages for foster care, day care and child protective services.

Operating Budgets
Children & Family Services
Foster Care





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	20.4	17.0	5,076	4,021	3,353	4,021	3,353
85	21.7	19.3	5,194	4,184	3,723	4,039	3,594
86	24.0	22.5	5,072	4,732	4,436	4,439	4,162
87	29.0	24.7	5,183	5,595	4,766	5,118	4,359
88	28.8	23.4	5,262	5,473	4,447	4,784	3,887
89	29.9	24.2	5,286	5,656	4,578	4,715	3,816

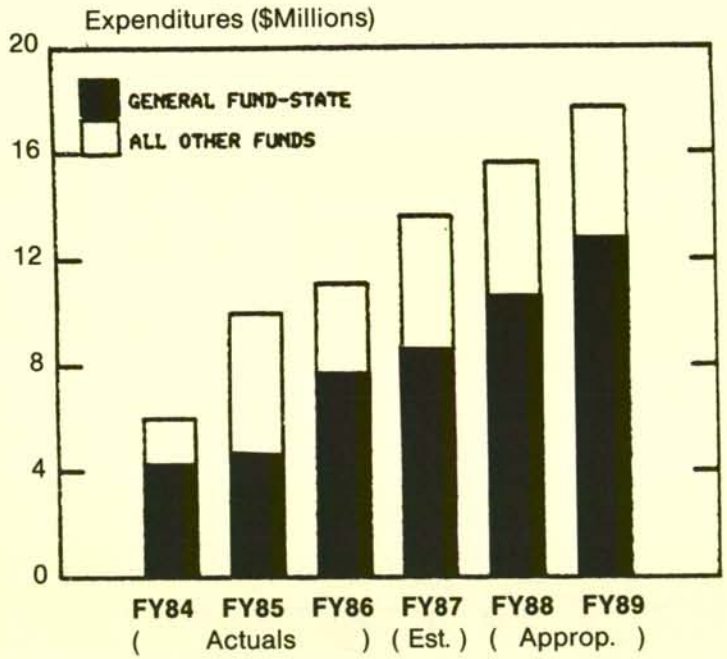
***Units:** Number of Children Served

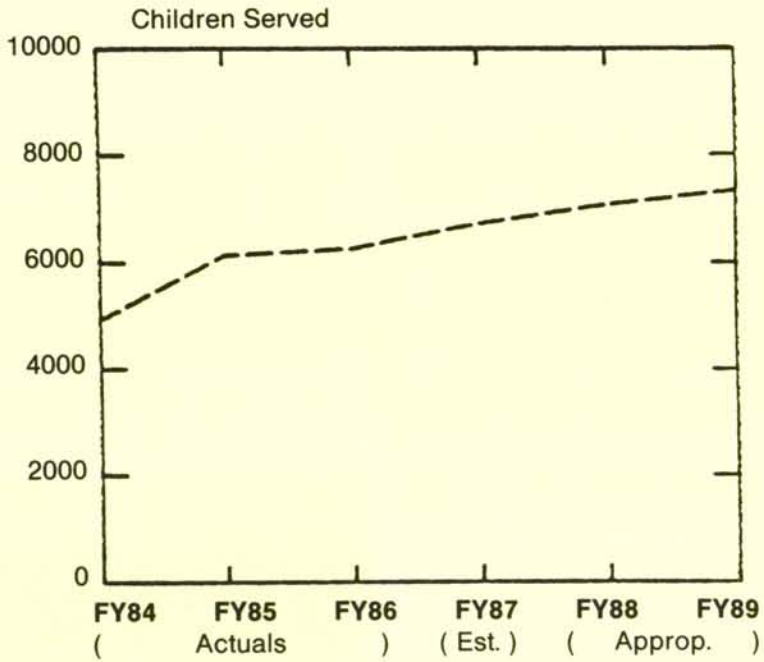
Although the foster care caseload is relatively constant, alternative services such as therapeutic day care, in-home services, and intensive family counseling have grown steadily. The units reflected here do not include children served in these alternative programs.

Group home rates were also increased in FY86 and FY87.

Source: LEAP

Operating Budgets
Children & Family Services
Day Care





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	6.0	4.2	4,937	1,215	851	1,215	851
85	10.0	4.6	6,145	1,627	749	1,571	723
86	11.1	7.7	6,254	1,775	1,231	1,665	1,155
87	13.6	8.6	6,713	2,026	1,281	1,853	1,172
88	15.6	10.6	7,062	2,209	1,501	1,931	1,312
89	17.7	12.7	7,321	2,418	1,735	2,015	1,446

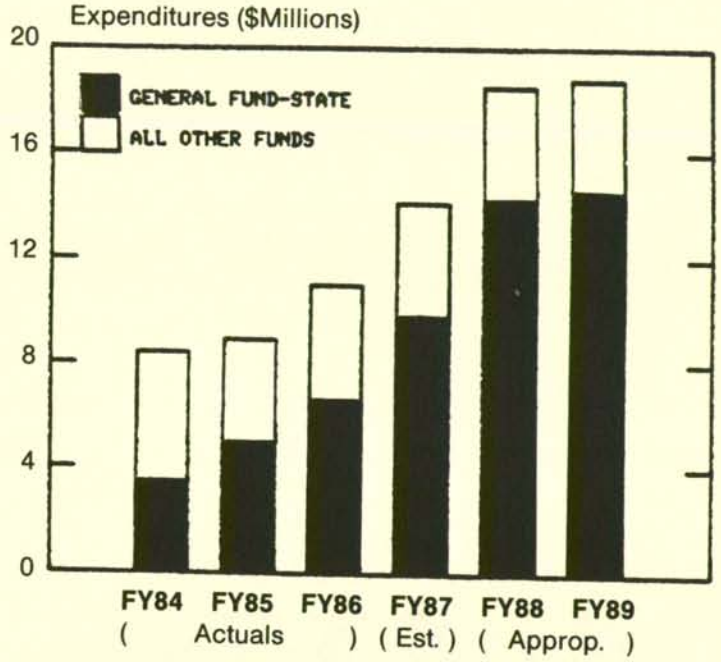
***Units:** Children Served

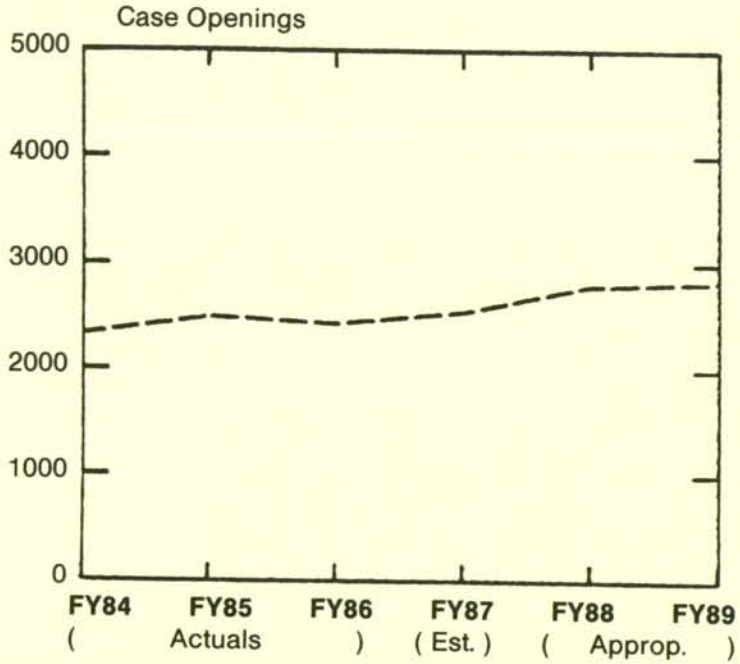
Caseload increases reflect more low income, employed parents needing day care, and greater use of therapeutic day care as an alternative to foster care.

Higher unit costs reflect vendor rate increases, more hours of care per child, and an increasing use of therapeutic day care for abused and neglected children.

Source: LEAP

Operating Budgets
Children & Family Services
Child Protective Services





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	8.4	3.4	2,332	3,602	1,458	3,602	1,458
85	8.9	4.9	2,490	3,574	1,968	3,450	1,900
86	11.0	6.6	2,431	4,525	2,715	4,245	2,547
87	14.1	9.8	2,548	5,534	3,846	5,062	3,518
88	18.5	14.2	2,799	6,610	5,073	5,777	4,434
89	18.8	14.5	2,835	6,631	5,115	5,528	4,264

***Units:** Case Openings

Continued growth is projected in the number of Child Protective Services case openings due to increased public awareness and reporting.

Higher costs per case reflect both an increasing ratio of workers to caseload and increases in contracted services such as public health nurses.

Source: LEAP

Department of Social and Health Services
Juvenile Rehabilitation
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**75,364**	**968**	**94**	**76,426**
1. 1987 Supplemental Budget				
Cost increases-Institutions	600			600
Reduced community contracts	(1,100)			(1,100)
Staff savings-Administration	(200)			(200)
Total	**74,664**	**968**	**94**	**75,726**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	75,624	968	0	76,592	75,624	968	0	76,592
2. Under-utilized group home beds	0	0	0	0	(701)	0	0	(701)
3. Special transition services	298	0	0	298	0	0	0	0
4. Mentally ill program—Echo Glen	536	0	0	536	536	0	0	536
5. Vendor rate increase	562	0	0	562	433	0	0	433
6. Low wage earner salary increase	14	0	0	14	144	0	0	144
7. Population decline	(396)	0	0	(396)	(396)	0	0	(396)
8. FLSA overtime	86	0	0	86	0	0	0	0
9. Inflation adjustment	0	0	0	0	(479)	0	0	(479)
Total	**76,724**	**968**	**0**	**77,692**	**75,161**	**968**	**0**	**76,129**

Comments:

2. Reduce Governor's recommended number of private group home beds by 20 to eliminate under-utilization.

4. Provides funds to support special programming for 16 mentally ill juveniles at Echo Glen School.

5. Vendor rate increases of 2% effective September 1, 1987 and 4% effective September 1, 1988.

6. Low wage earner salary increases of $4.76/hr on September 1, 1987 and $5.15 on September 1, 1988 are provided for private group home employees.

7. The juvenile offender population is forecast to decline. One cottage at Echo Glen School will be closed as will four private group home beds.

Provisoes

Section 204 (2)(b). Requires the Department to develop a ten year plan for the Green Hill School to house level 1 and 2 juvenile offenders.

The plan shall include both capital and operating outlays. Due date for the plan is January 15, 1988.

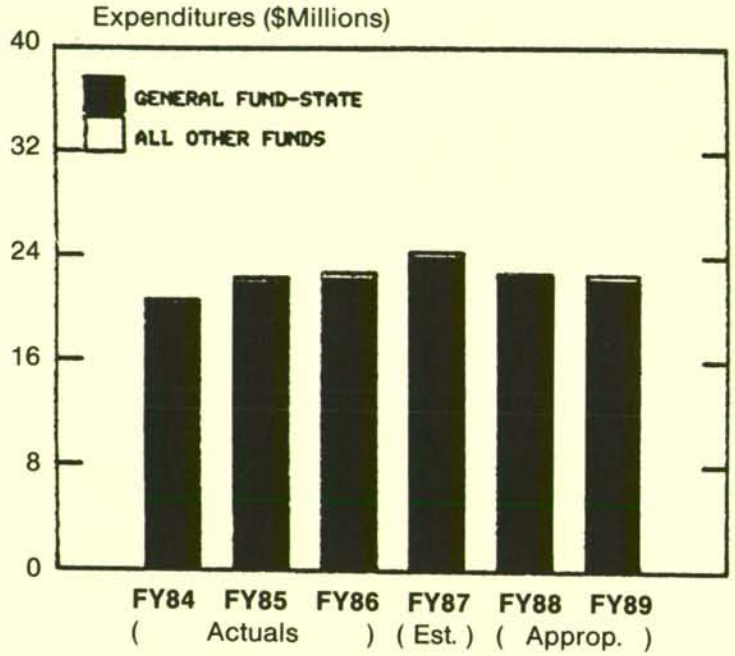
Governor's Vetoes:

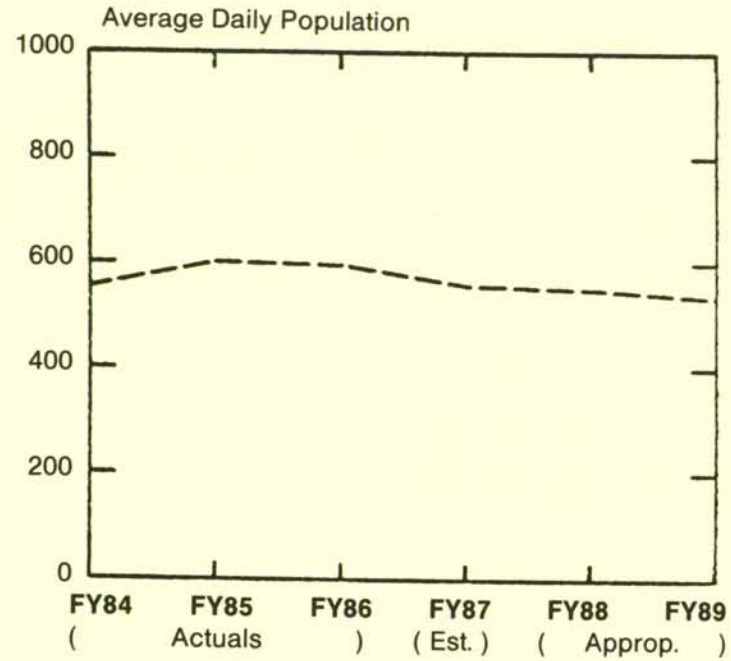
None.

Workload Assumptions/History:

See next page.

Operating Budgets
Juvenile Rehabilitation
Group Homes





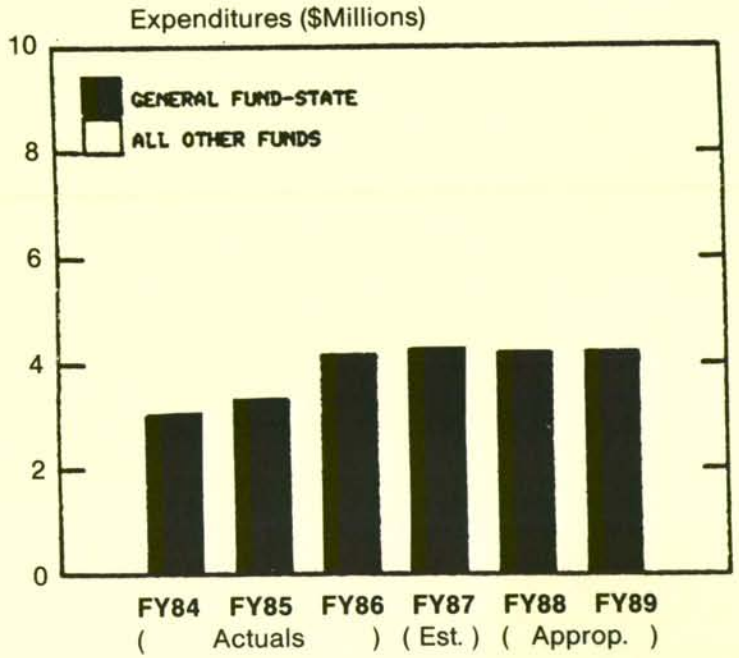
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	3.0	3.0	209	14,343	14,343	14,343	14,343
85	3.3	3.3	210	15,714	15,714	15,171	15,171
86	4.2	4.1	234	17,836	17,590	16,733	16,502
87	4.3	4.2	235	18,149	17,983	16,601	16,449
88	4.2	4.2	216	19,458	19,278	17,008	16,850
89	4.2	4.2	212	19,887	19,703	16,578	16,424

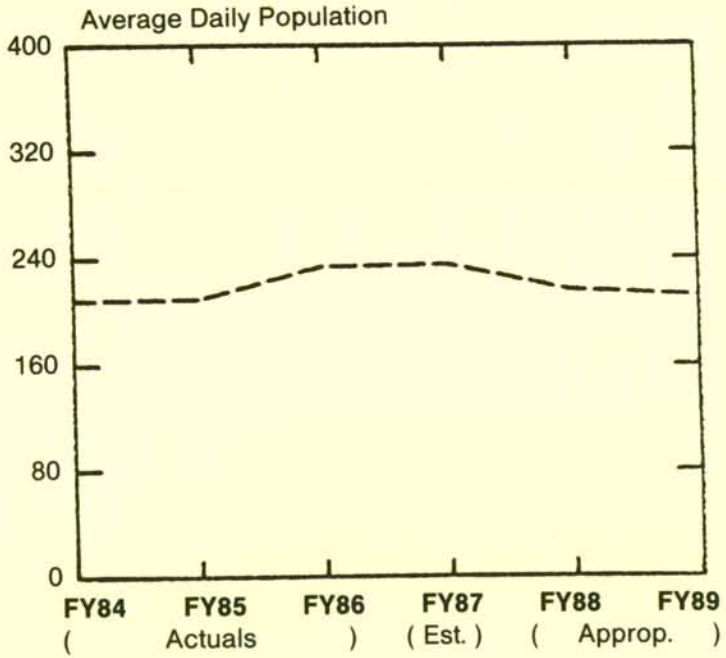
***Units:** Average Daily Population

The Legislature funds 106 state-operated group home beds and handles the remaining demand for community placements through privately contracted group home beds.

Source: LEAP

Operating Budgets
Juvenile Rehabilitation
Institutions





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	20.6	20.2	554	37,184	36,462	37,184	36,462
85	22.3	21.9	602	37,043	36,379	35,764	35,122
86	22.7	22.2	596	38,087	37,248	35,732	34,945
87	24.3	23.8	558	43,548	42,652	39,835	39,015
88	22.7	22.3	551	41,198	40,472	36,010	35,375
89	22.6	22.1	535	42,243	41,308	35,214	34,434

***Units:** Average Daily Population

One 16 bed cottage at Echo Glen School will be closed as of June 30, 1988.

Source: LEAP

Department of Social and Health Services
Mental Health
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**247,558**	**45,816**	**1,580**	**294,954**
1. 1987 Supplemental Budget				
Invol Treatment Act	4,400	2,360		6,760
Savings-Institutions	(1,850)			(1,850)
Delayed community contracts	(2,000)			(2,000)
Total	**248,108**	**48,176**	**1,580**	**297,864**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	264,964	50,688	1,580	317,232	264,964	50,688	1,580	317,232
2. Plant maintenance ESH	0	0	0	0	(101)	0	0	(101)
3. Reduce one-time costs	0	0	0	0	(40)	0	0	(40)
4. Inflation adj-Institutions	0	0	0	0	(500)	(154)	0	(654)
5. Revise institution ADP	0	0	0	0	(2,422)	(76)	0	(2,498)
6. Grant-In-Aid admin set aside	0	0	0	0	(1,690)	(1,499)	0	(3,189)
7. Expand residential beds	1,000	0	0	1,000	0	0	0	0
8. Increase adult Grant-In-Aid	0	0	0	0	500	0	0	500
9. Childrens mental health	2,000	0	0	2,000	2,000	0	0	2,000
10. Vendor rate increase	3,454	984	0	4,438	2,990	985	0	3,975
11. Low wage earner salary increase	138	0	0	138	1,418	0	0	1,418
12. ITA Kitsap case mgmt	0	0	0	0	443	57	0	500
13. ITA case mgmt Project	0	0	0	0	3,500	875	0	4,375
14. ITA County Administration	1,000	0	0	1,000	1,000	0	0	1,000
15. Increase CSTC staffing	214	211	0	425	214	211	0	425
16. PORTAL Expansion (16 beds)	0	0	0	0	300	0	0	300
Total	**272,770**	**51,883**	**1,580**	**326,233**	**272,576**	**51,087**	**1,580**	**325,243**

Comments:

2. Coordinated plant maintenance at Medical Lake complex shall be funded from within existing appropriations.

5. Assume an average daily population of 25 less than projected based on current biennium experience.

6. Two percent of participating counties administrative funds are set aside to help fund the ITA Case Management Pilot Project (2SSB 5074).

8. Enhance adult community mental health funding to help serve more clients.

9. Funds outpatient treatment for a minimum of 325 additional children through the community mental health system.

10. Vendor rate increases of 2% effective September 1, 1987 and 4% effective September 1, 1988.

11. Low wage earner salary increases of $4.76/hr on September 1, 1987 and $5.15 on September 1, 1988 are provided for community mental health centers and congregate care facility employees.

13. Provides additional funding to support full cost of ITA Case Management Pilot project (2SSB 5074).

14. Provides 9.5 annual FTEs and operating funds to utilize all 48 beds in new cottages at the Child Study and Treatment Center.

16. Provides FTEs and operating funds for two additional cottages at the Program offering Rehabilitation, Training and Adult Living (PORTAL) on the grounds of Northern State Hospital.

Provisoes:

Section 205 (1)(b). Identifies funds for Kitsap Mental Health Services Residential Treatment Alternatives Project. The daily reimbursement rate may not exceed $200/day and no referrals of Kitsap County residents may be made to Western State Hospital. Reimbursement to Kitsap County hospitals is lidded at $250/day per client. Funds are provided to start a case management program to provide a wider continuum of services and to reduce recidivism.

Section 205 (1)(c). Identifies funds for a state-wide pilot demonstration project as authorized in 2SSB 5074. The purpose of the project is to test alternative, less restrictive methods of handling involuntarily committed people. Reduced recidivism resulting in lessened pressure on state and local facilities or the ability to serve more people is desired. The Department is to develop a plan that implements and evaluates the project. The plan is due September 1, 1987. The project will run from January 1, 1988 to June 30, 1989.

Section 205 (1)(d). A $1.0 million GFS enhancement is provided for county involuntary Treatment Act administration. This covers approximately 36% of an identified shortfall.

Section 205 (1)(e). Requires the Mental Health Division to work with counties and others to develop a fair and equitable formula for distributing Involuntary Treatment Act funding to counties. The proposed formula is to be presented to Senate and House Ways and Means Committees by November 15, 1987. Implementation may take effect no later than January 1, 1988. No county allocation may be less than the prior year and counties must continue to provide local funding at prior year levels.

Section 205 (2)(a). The Department is required to prepare a transition plan for moving clients served in the Program for Adaptive Living (PALS) at Western State Hospital into community residential placements beginning July 1, 1988. The intent of the Legislature is to provide community residential placements in local noninstitutional settings.

Section 205 (2)(b). $.3 million GFS is provided for equipment and operating costs of two additional cottages on the grounds of Northern State Hospital. Of this amount, $44,000 may be used to contract with local community mental health centers to provide services to clients who have exited the PORTAL program who reside locally.

Section 205 (2)(c). The Legislative Budget Committee is charged with evaluating the PORTAL program regarding its treatment outcomes and effectiveness.

Governor's Vetoes:

Section 205 (2)(a) PALS Transition Plan. The Governor agrees with the Legislature's concern and indicates no community residential programs should be established on the grounds of state mental hospitals without legislative consultation and Office of Financial Management approval.

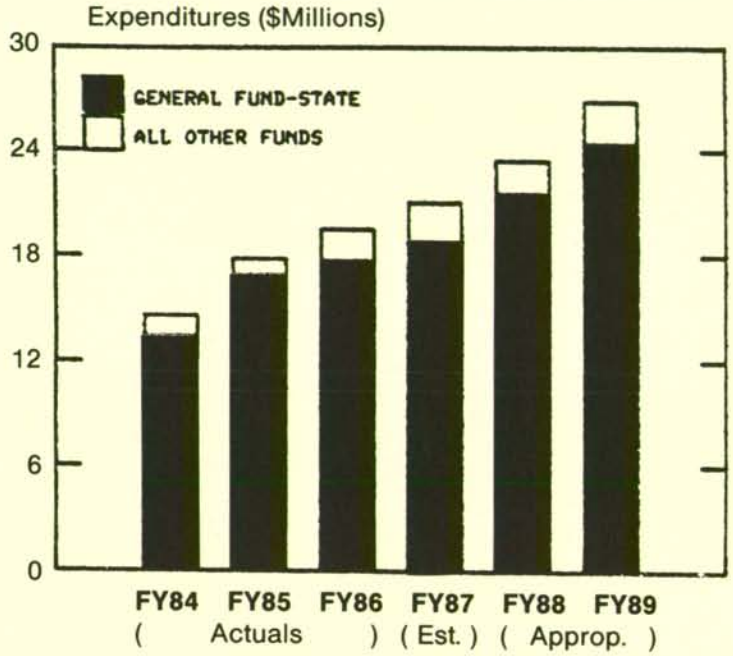
Workload Assumptions/History:

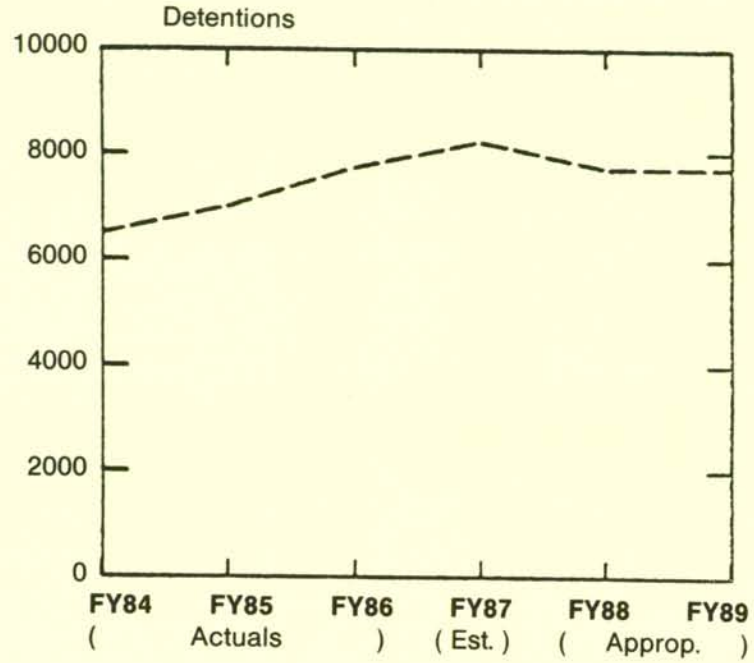
Average Daily Population By Treatment Unit

	FY 1986	FY 1987	FY 1988	FY 1989
Adult Psychiatric	443	481	490	526
Gero-Psychiatric/Medical	199	211	214	217
Mentally Ill Offenders	212	218	221	224
Sex Offenders	173	120	84	54
PALS	79	90	102	*102
Western State Hospital	**1,106**	**1,120**	**1,111**	**1,123**
Adult Psychiatric	133	146	160	173
Geo-Psychiatric/Medical	124	127	127	128
Mentally Ill Offenders	92	90	90	90
Sex Offenders	52	40	29	17
PALS	0	0	0	0
Eastern State Hospital	**401**	**403**	**406**	**408**
PORTAL	122	128	144	144
Child Study & Trmt Cntr	40	40	48	48
Institutions Total	**1,669**	**1,691**	**1,709**	**1,723**

* Client population should decline by transitioning to community programs

Operating Budgets
Mental Health
Involuntary Treatment





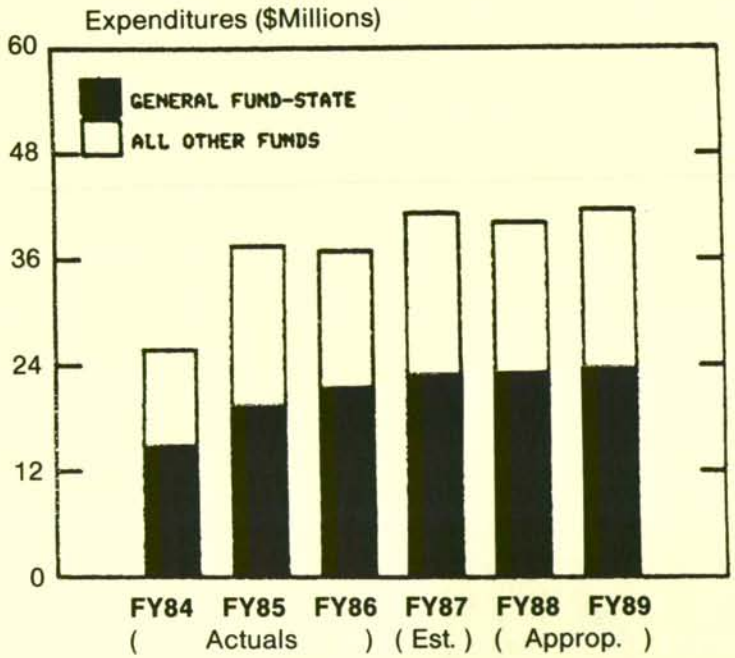
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	14.6	13.4	6,495	2,248	2,063	2,248	2,063
85	17.8	16.9	6,998	2,544	2,415	2,456	2,332
86	19.5	17.7	7,729	2,523	2,290	2,367	2,148
87	21.0	18.8	8,222	2,554	2,287	2,336	2,092
88	23.4	21.5	7,700	3,039	2,792	2,656	2,441
89	26.9	24.4	7,700	3,494	3,169	2,912	2,624

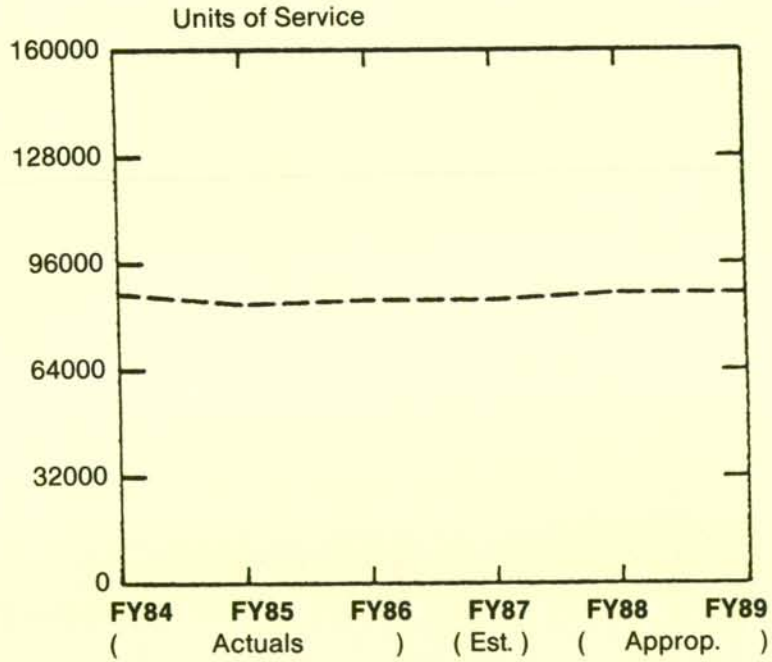
***Units:** Detentions

The units desplayed are involuntary detentions. Investigations which precede, but do not necessarily result in, involuntary commitments are also funded from these appropriations. Funds for a new case management pilot project are also provided during the 1987-89 biennium.

Source: LEAP

Operating Budgets
Mental Health
Other Community Mental Health





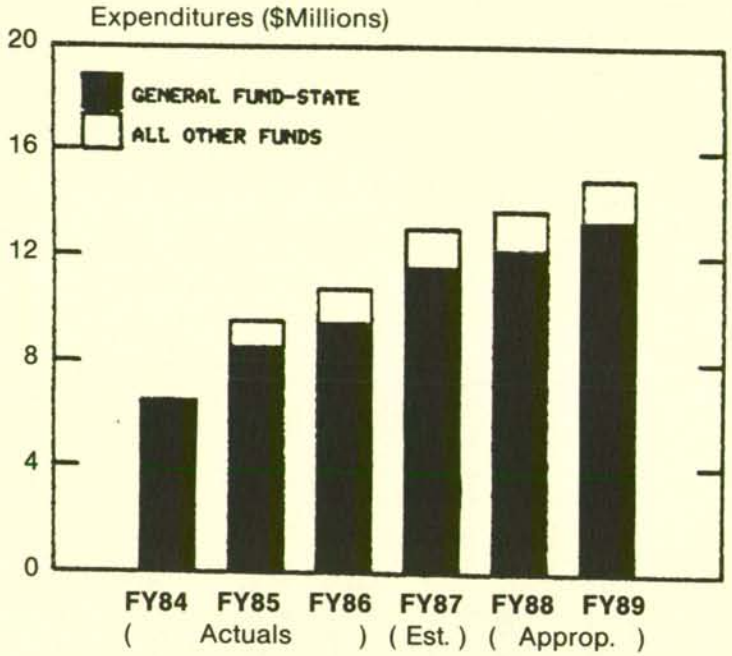
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	25.8	14.8	86,795	297	171	297	171
85	37.5	19.4	83,909	447	231	431	223
86	36.9	21.5	84,995	434	253	407	237
87	41.2	22.9	85,000	485	269	443	246
88	40.2	23.1	87,123	461	265	403	232
89	41.6	23.7	87,123	477	272	398	227

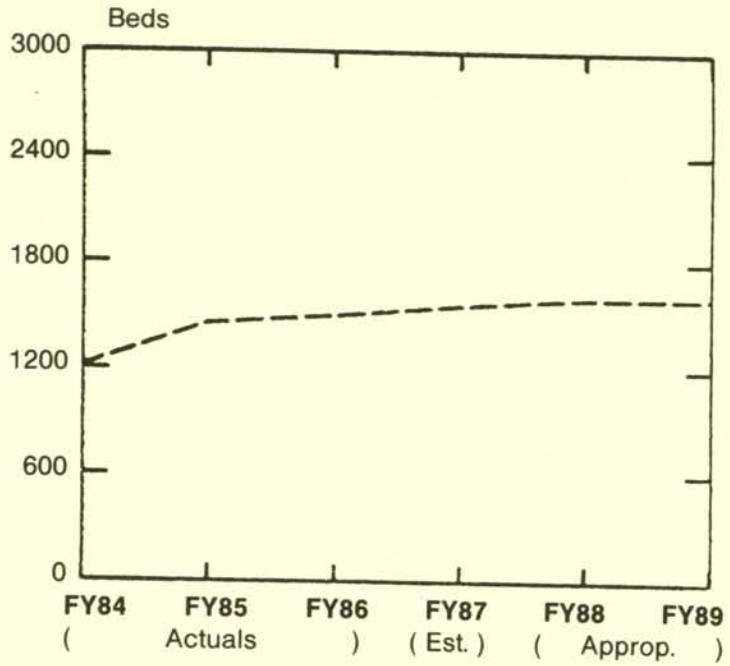
***Units:** Units are defined as patient/doctor contact hours provided by community mental health centers.

"Other Community Mental Health" includes funding for the support of 62 community mental health centers, 850 children's acute care residential bed days for children during each year of the 1987-98 biennium.

Source: LEAP

Operating Budgets
Mental Health
Residential Services





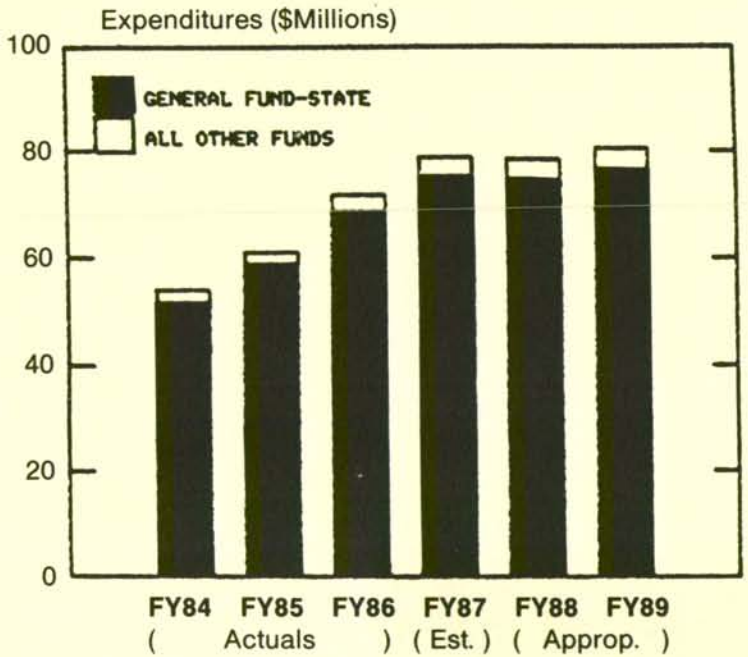
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	6.5	6.5	1,215	5,350	5,350	5,350	5,350
85	9.5	8.5	1,456	6,525	5,838	6,299	5,636
86	10.7	9.4	1,501	7,129	6,262	6,688	5,875
87	13.0	11.5	1,558	8,344	7,381	7,633	6,725
88	13.7	12.2	1,600	8,563	7,625	7,484	6,665
89	14.9	13.3	1,600	9,313	8,313	7,763	6,929

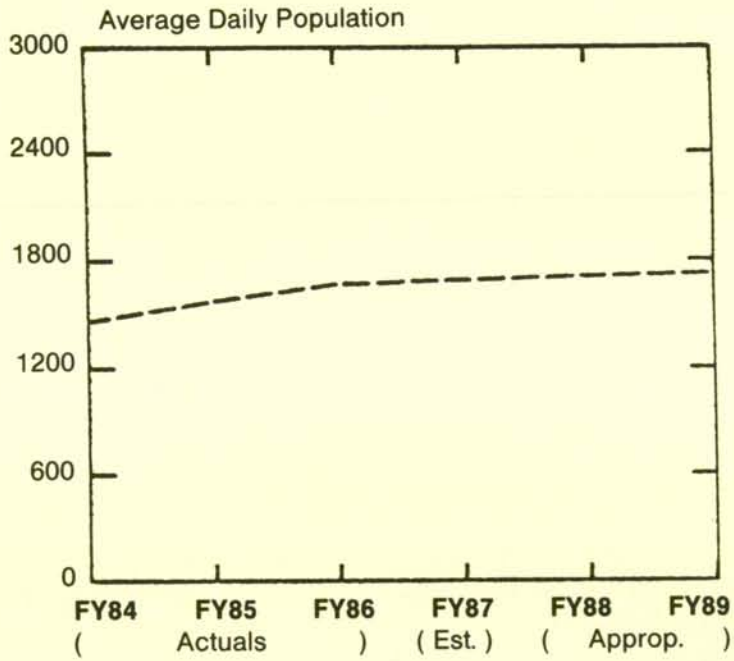
***Units:** Beds

The Legislature provided funds for residential services to support 905 congregate care facility beds, 300 semi-independent living beds, 250 adult residential/rehabilitation beds and 50 children's long-term care beds during each fiscal year of the 1987-89 biennium.

Source: LEAP

Operating Budgets
Mental Health
Institutions





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	54.1	51.8	1,464	36,954	35,383	36,954	35,383
85	61.0	58.8	1,578	38,657	37,262	37,321	35,975
86	71.7	68.5	1,669	42,960	41,043	40,303	38,505
87	78.7	75.1	1,691	46,541	44,412	42,572	40,625
88	78.3	74.4	1,709	45,816	43,534	40,047	38,052
89	80.4	76.3	1,723	46,663	44,283	38,898	36,914

***Units:** Average Daily Population

Both Eastern and Western State Hospitals are funded and staffed at levels that meet Joint Commission on Acceditation of Hospitals (JCAH) and Medicare survey standards.

The caseload for the portal program at the Northern State hospital includes 16 new clients.

Source: LEAP

Department of Social and Health Services
Division of Developmental Disabilities
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**157,480**	**148,724**		**306,204**
1. 1987 Supplemental Budget				
Community	1,100	45		1,145
Institutions	1,150	700		1,850
2. Fund Transfer to Deaf School	(180)			(180)
Total	**159,550**	**149,469**	**0**	**309,019**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	177,343	158,205	0	335,548	177,343	158,205	0	335,548
2. Cap case management	944	356	0	1,300	189	71	0	260
3. Family support	500	0	0	500	500	0	0	500
4. Unserved adults (Day Program)	550	97	0	647	550	97	0	647
5. Vendor rate increase	3,160	1,442	0	4,602	2,862	1,402	0	4,264
6. Low wage earner salary increase	30	4	0	34	328	44	0	371
7. Adult training series	0	0	0	0	(571)	(551)	0	(1,122)
8. Personnel reclassification	0	0	0	0	(685)	(560)	0	(1,245)
9. Replacement equipment	0	0	0	0	(520)	(396)	0	(916)
10. DDD Group Homes	0	0	0	0	1,169	0	0	1,169
11. Adult day program rates	0	0	0	0	2,185	385	0	2,570
12. UW Decod Program	0	0	0	0	112	0	0	112
13. Disallow FY87 inflation	0	0	0	0	(151)	(146)	0	(297)
14. Technical adjustment	0	0	0	0	357	77	0	434
Total	**182,527**	**160,104**	**0**	**342,631**	**183,667**	**158,628**	**0**	**342,295**

Comments:

2. Funds are provided for an additional 4 annual FTEs to provide case management services to clients in the Community Alternative Program (CAP).

10. Provides funds to contract for 24 new group home beds.

11. Provides additional funds to raise sheltered workshop vendor rates/wage supplements.

Provisoes:

Section 206(1)(b) $2,185,000 GF-S and $385,000 GF-F are provided to increase rates for employment services for developmentally disabled adults to stabilize the financial situation faced by contractors providing direct services to eligible persons. None of the funds provided in this subsection may be deducted by counties for administrative services. (See item #11 above.)

Section 206(1)(e) $1,169,000 is provided to contract with the Good Shepard Home for 24 group home beds in King County. One half of the clients served will come from community placements and one half will come from institutional placements. (See item #10 above.)

Section 206(1)(f) Funds are provided for vendor rate increases of 2% on 9/1/87 and 4% on 9/1/88 for vendors who provide direct services to eligible clients.

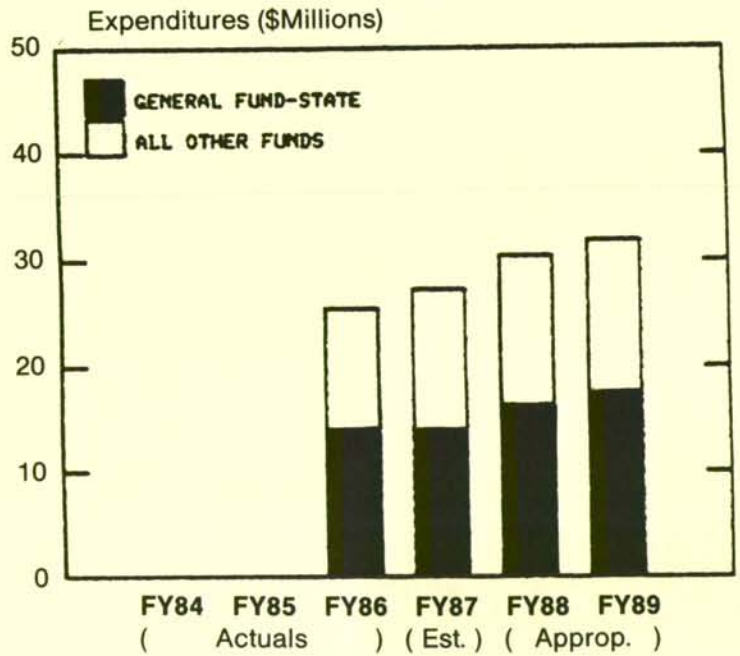
Governor's Vetoes:

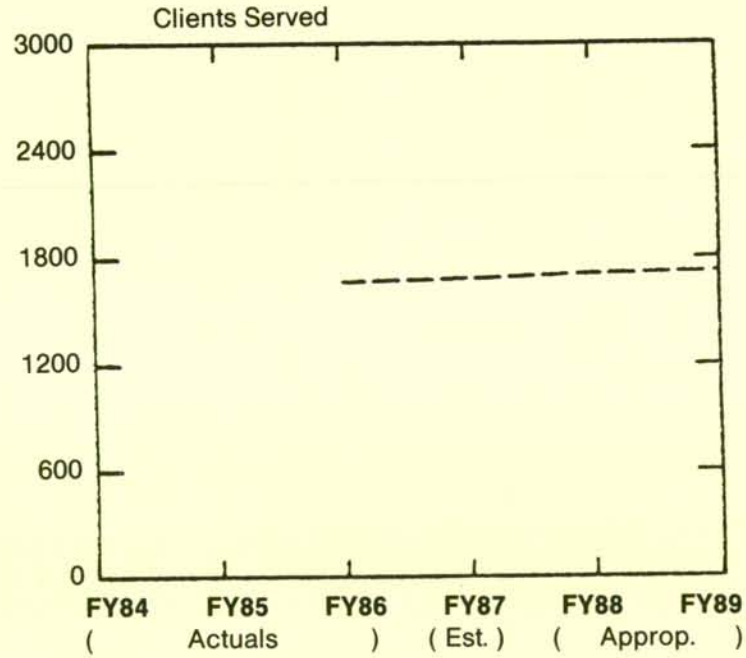
None.

Workload Assumptions/History:

See next page.

Operating Budgets
Developmental Disabilities
Residential Programs





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84							
85							
86	25.5	13.9	1,668	15,288	8,333	14,342	7,818
87	27.3	13.9	1,682	16,231	8,264	14,847	7,559
88	30.4	16.3	1,710	17,778	9,532	15,539	8,332
89	31.9	17.6	1,722	18,526	10,221	15,442	8,520

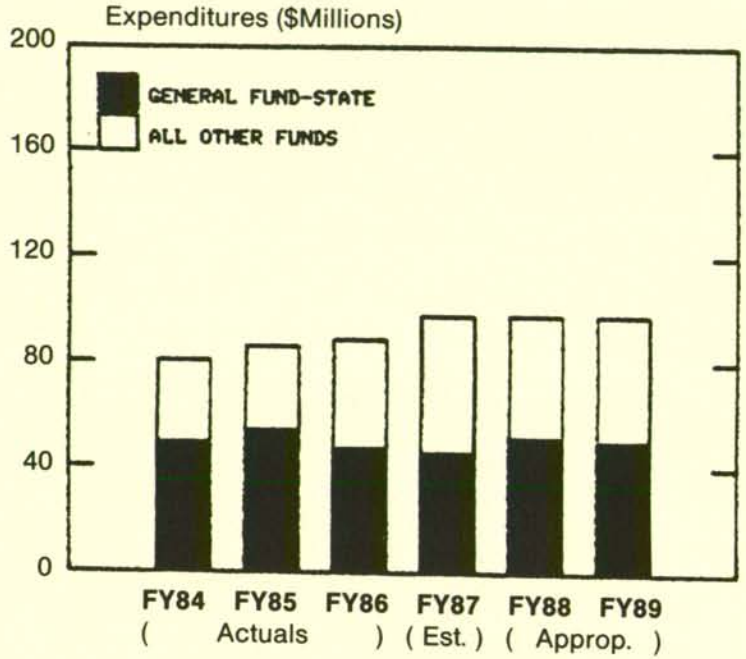
***Units:** Clients Served

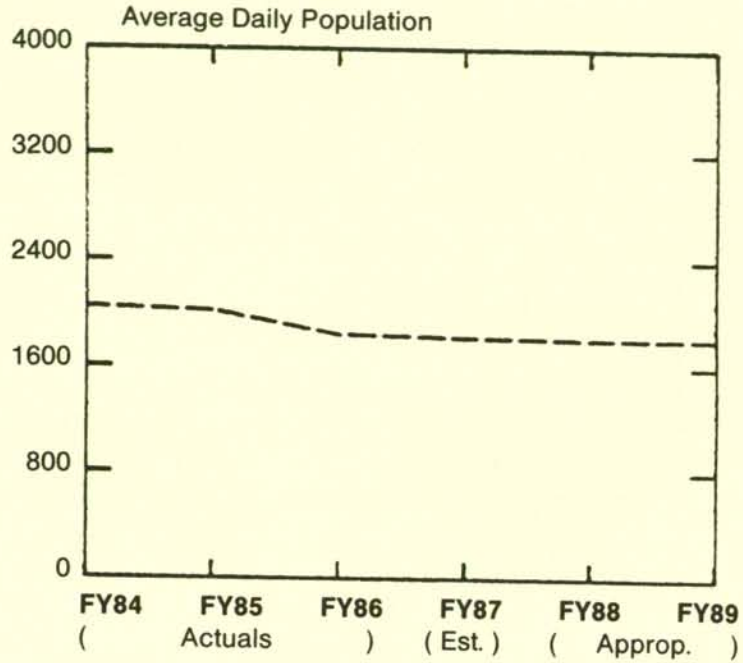
Legislation was passed in the 1986 session that increased the number of community group home placements by 58 clients. Forty-three of those clients were to come from Rainier School with the remainder coming from elsewhere.

The 1987 Legislature provided funds to operate 24 more group home beds in King County during the 1987-89 biennium.

Source: LEAP

Operating Budgets
Developmental Disabilities
Institutions





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	80.6	48.9	2,048	39,355	23,877	39,355	23,877
85	85.8	53.7	2,023	42,412	26,545	40,947	25,628
86	88.5	46.9	1,847	47,916	25,393	44,953	23,822
87	97.7	45.1	1,827	53,476	24,685	48,916	22,580
88	97.8	51.0	1,815	53,884	28,099	47,099	24,561
89	97.8	49.7	1,815	53,884	27,383	44,918	22,826

***Units:** Average Daily Population

The reduction in population results from legislation passed in the 1985 legislative session transferring the Schools for the Deaf and Blind from DSHS to themselves, as individual operating entities.

In addition, the 1986 Legislature required the closure of a 43 resident living unit at the Rainier School in Buckley.

Source: LEAP

Department of Social and Health Services
Long Term Care Program
($000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**276,853**	**256,172**	**0**	**533,025**
1. 1987 Supplemental Budget				
Nursing home caseload increase	1,800			1,800
Reduced chore, congregate care	(1,200)			(1,200)
Revised federal matching rate	(4,000)	4,000		
Block grant award	(1,400)	1,400		
Total	**272,053**	**261,572**	**0**	**533,625**

	Governor Request				Legislative Budget			
1987-89 Biennium	**GF-State**	**GF-Fed**	**Other**	**Total**	**GF-State**	**GF-Fed**	**Other**	**Total**
Current Policy	314,920	326,656	0	641,576	314,920	326,656	0	641,576
2. Increase nursing home survey staff	376	274	0	650	376	274	0	650
3. Expand respite care	1,000	0	0	1,000	0	0	0	0
4. Laundry services/nursing home patients	0	0	0	0	312	338	0	650
5. Grant standards increase	355	285	0	0	76	0	0	76
6. Vendor rate increase	4,440	0	0	4,440	2,646	0	0	2,646
7. Low earner wage increase	1,422	730	0	2,152	11,889	4,318	0	16,207
8. Adult resident care (SSI Cola adjustment)	0	0	0	0	(700)	0	0	(700)
9. Chore/Adult resident caseload revision	0	0	0	0	(3,000)	0	0	(3,000)
10. Other	0	0	0	0	27	0	0	27
Total	**322,513**	**327,945**	**0**	**649,818**	**326,546**	**331,586**	**0**	**658,132**

Comments:

2. Eight additional staff will provide additional on-site nursing home inspections and respond to complaints.

4. Reimbursement to nursing homes for providing free laundry services for nursing home patients.

5. Grant increases of 2% effective September 1, 1987, and 4% effective September 1, 1988, are provided for adult residential care clients.

6. Vendor rate increases of 2% effective September 1, 1987 and 4% effective September 1, 1988, are provided for adult residential care, contracted chore services, adult day health and Senior Citizens Services Act programs.

7. In addition to vendor increases, low wage earner salary increases to $4.76/hr on September 1, 1987 and $5.15/hr on September 1, 1988, are provided for contracted chore service workers. Wages are increased to $4.76/hr beginning January 1, 1988 and $5.15/hr beginning January 1, 1989, for nursing home employees. Monthly rates for attendant care workers in the chore and Community Options (COPES) programs are increased to levels equivalent to $4.76/hr for full time employment beginning September 1, 1987, and $5.15/hr beginning September 1, 1988 (see veto explanation.)

Provisoes:

Section 207(1) Requires that an integrated system of long term care services be provided in the least restrictive and most cost-effective manner appropriate for individual clients.

Section 207(3) Identifies the Legislature's provision of salary increases of $4.76/hour effective September 1, 1987 and $5.15/hour on September 1, 1988 to chore service workers and nursing home workers.

Section 207(4) Requires nursing home rate inflation adjustments of 3.7% beginning July 1, 1987, and 3.6% beginning July 1, 1988.

Section 207(8) Requires an initial allotment for the Senior Citizens Services Act (SCSA) of $14,766,000, and requires 7% of SCSA funds to be used for volunteer chore services.

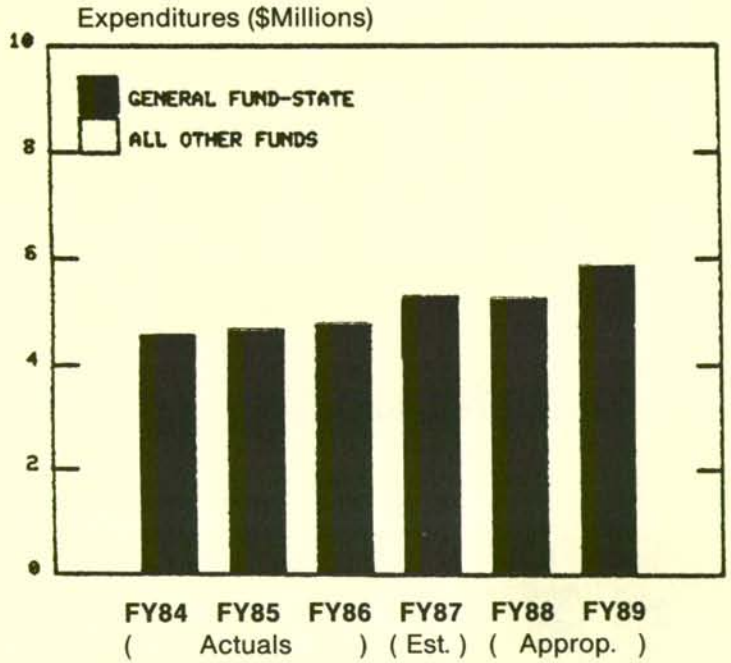
Governor's Vetoes:

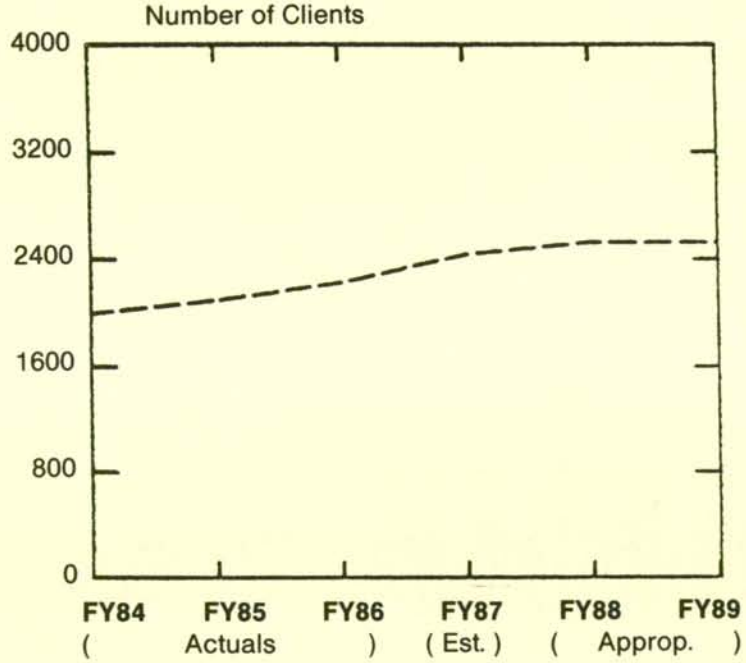
Section 207(3) Was vetoed due to revised estimates of costs related to providing salary increases to attendant care workers in the chore services program. The Governor indicated his intent to provide attendant care workers with a salary increase equivalent to the percentage increase to be given to contracted chore service employees. Under the Governor's plan, maximum monthly rates for attendant care workers will increase from $555/month to $690/month beginning September 1, 1987, and to about $750/month beginning September 1, 1988. This subsection also included language requiring nursing homes to increase employee salaries as indicated in Comment 7. Although the legal mandate to nursing homes is removed by this veto, it is expected that the intended salary increases will be provided on schedule through good faith negotiations, contracting between DSHS and the various nursing homes, or by legislative action to address the Governor's veto.

Workload Assumptions/History:

See following pages.

Operating Budgets
Long Term Care Program
Adult Residential (CCF & Adult Family Homes)





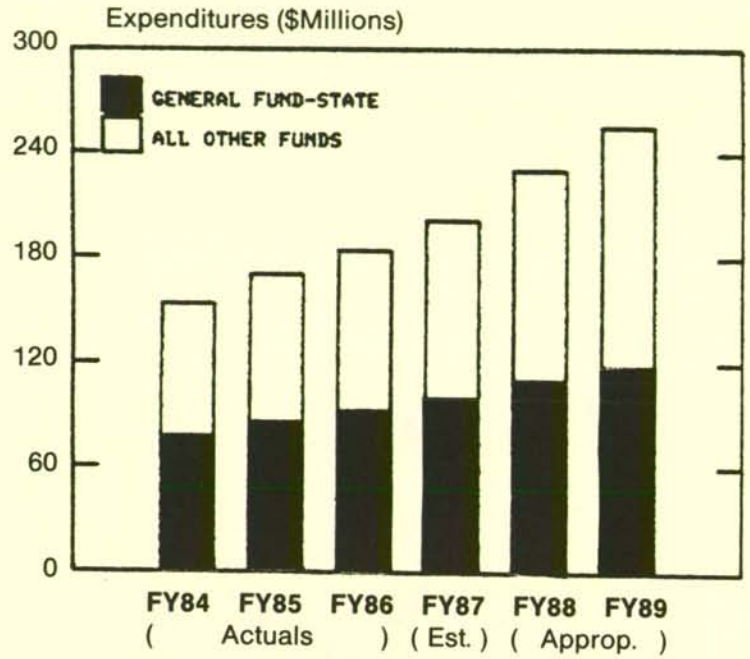
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	4.6	4.6	1,998	2,284	2,278	2,284	2,278
85	4.7	4.6	2,098	2,229	2,178	2,152	2,103
86	4.8	4.8	2,228	2,148	2,145	2,015	2,012
87	5.3	5.3	2,434	2,173	2,173	1,988	1,988
88	5.3	5.3	2,524	2,083	2,083	1,821	1,821
89	5.9	5.9	2,524	2,320	2,320	1,934	1,934

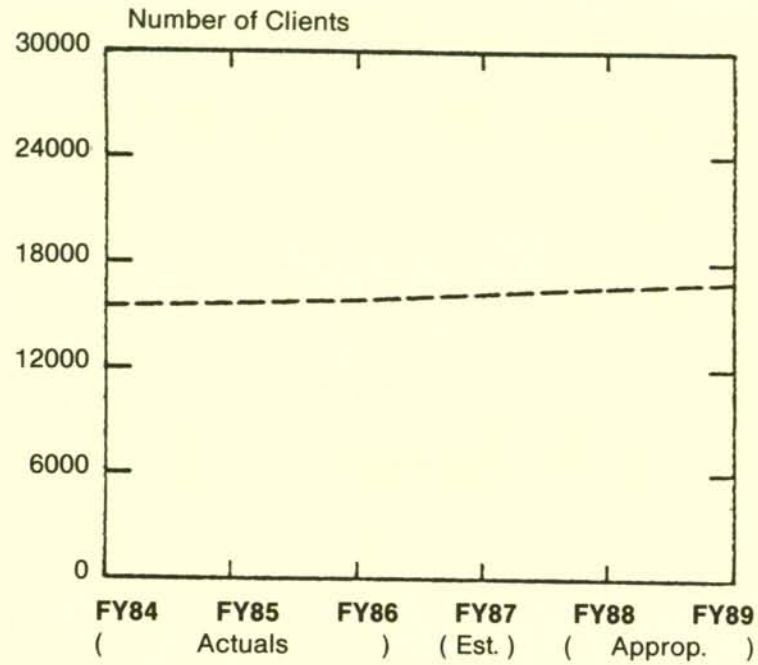
***Units:** Number of Clients

The Governor's budget indicated $5.1 million was spent for this purpose in FY87. The reason for this difference appears to be the transfer of funds into another budget unit.

Source: LEAP

Operating Budgets
Long Term Care Program
Nursing Home





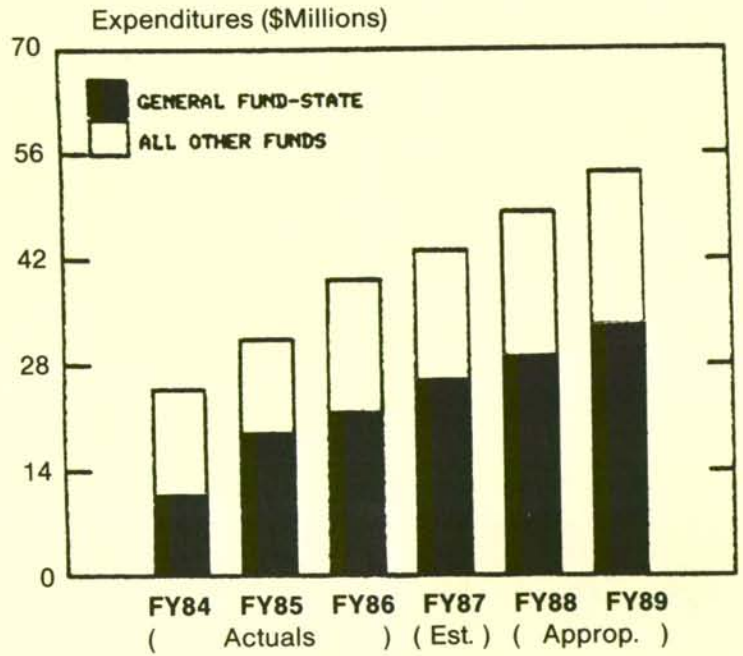
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	153.4	77.2	15,483	9,908	4,987	9,908	4,987
85	170.2	85.6	15,632	10,887	5,476	10,511	5,287
86	183.9	92.3	15,850	11,603	5,823	10,885	5,463
87	201.3	99.7	16,239	12,396	6,140	11,339	5,616
88	230.1	110.4	16,616	13,848	6,644	12,104	5,808
89	255.1	118.1	16,918	15,079	6,981	12,569	5,819

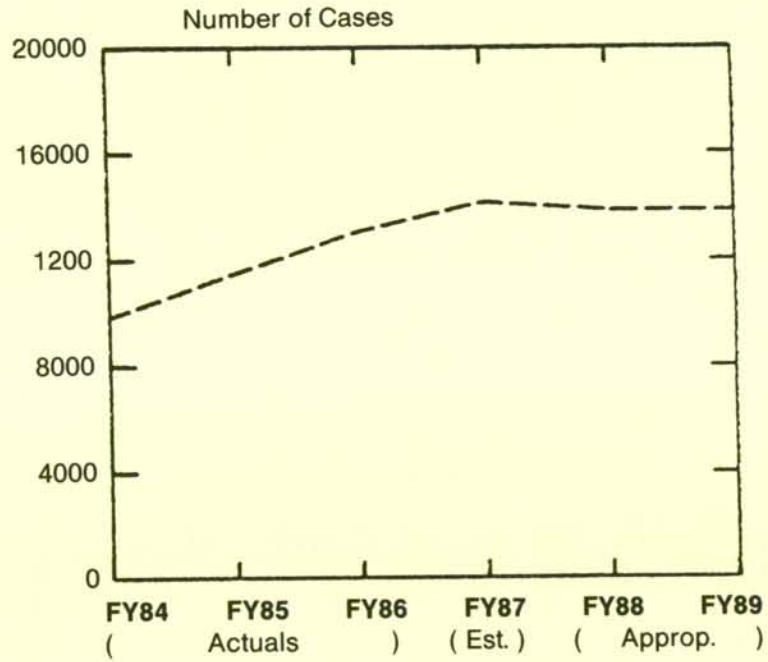
***Units:** Number of Clients

Mandatory prospective and retrospective inflation adjustments, a steady increase in beds, and heavier care patients have resulted in a steady growth in nursing home expenditures.

Source: LEAP

Operating Budgets
Long Term Care Program
Chore Services (Incl Copes)





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	24.8	10.7	9,843	2,542	1,085	2,542	1,085
85	31.4	18.9	11,485	2,737	1,646	2,642	1,589
86	39.3	21.7	13,069	3,010	1,664	2,824	1,561
87	43.2	26.0	14,122	3,059	1,841	2,798	1,684
88	48.2	29.1	13,803	3,492	2,108	3,052	1,843
89	53.4	33.2	13,803	3,869	2,405	3,225	2,005

***Units:** Number of Cases

Copes (community options program) provides federally matched in-home or community-based care for nursing home eligible clients. Copes began in FY85.

Salary increases for chore workers cause higher FY88 and FY89 unit costs.

Special note: Not shown here is the action taken in the August 1987 Special Legislative Session which increased the appropriation by $4.5 million ($3.0 GF-S) to serve an additional 450 clients per month above the original 1987-89 budgeted workload levels.

Source: LEAP

Department of Social and Health Services
Income Assistance
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**463,714**	**379,242**	**0**	**842,956**
1. 1987 Supplemental				
AFDC caseload increase	12,777	4,471		17,248
Revised federal match	(7,300)	7,300		0
Gen. Asst. caseload increase	4,669	(2,459)		2,210
Other caseload increases	1,654	(1,633)		21
Total	**475,514**	**386,921**	**0**	**862,435**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	498,492	443,316		941,808	498,492	443,316	0	941,808
2. Opportunities program	2,658	2,658	0	5,316	2,658	2,658	0	5,316
3. No single person standard	(106)	112)	0	(218)	(106)	(112)	0	(218)
4. Consolidated assistance units	(891)	(891)	0	(1,782)	(891)	(891)	0	(1,782)
5. GA-U Drug/Alcohol (SHB 646)	(12,000)	0	0	(12,000)	(29,845)	0	0	(29,845)
6. Grant increase	23,047	21,911	0	44,958	0	0	0	0
7. Vendor increase	353	0	0	353	353	0	0	353
8. SSI Case Management	(708)	0	0	(708)	(2,700)	0	0	(2,700)
9. Revised caseload projections	0	0	0	0	(2,600)	(2,600)	0	(5,200)
Total	**510,845**	**466,882**	**0**	**977,727**	**465,361**	**442,371**	**0**	**907,732**

Comments:

2. Opportunities program is expanded to focus services toward very young parents and those with teenagers, as well as continuing current service levels.

5. $24.6 million is transferred to the Community Social Services program to establish the Alcohol and Drug Addiction Treatment and Support Program under SHB 646. In addition, the general assistance grant program is reduced by $5.3 million due to reduced service demand estimated to result from implementation of SHB 646.

7. Vendor rate increases of 2% effective September 1, 1987, and 4% effective September 1, 1988 are provided.

8. Caseload reduction is due to increased movement of general assistance clients to the Supplemental Security Income program which results from implementation of SHB 665 establishing a pilot Supplemental Security Income referral program.

Provisoes:

Section 208(2) Requires continuation of the Aid to Families with Dependent Children-Employable program.

Section 208(3) Continues existing requirements that DSHS use clear medical criteria in determining eligibility for the General Assistance-Unemployable program, that opinions of health care professionals be considered, and that terminations of eligibility based on clear showings of improvement.

Section 208(5) Identifies the amount of income assistance grants which are designated for energy costs.

Section 208(6) Requires that persons who are unemployable due to alcohol or substance abuse be referred to the program established by SHB 646.

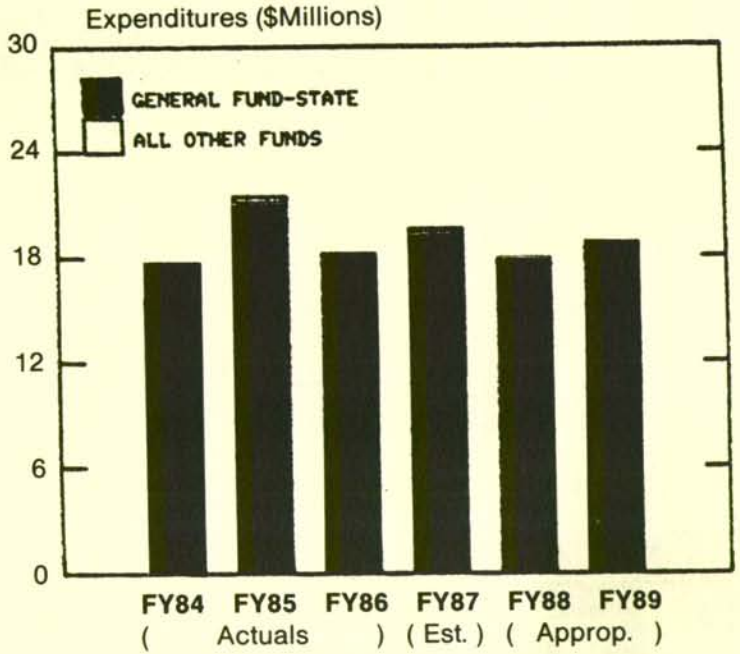
Governor's Vetoes:

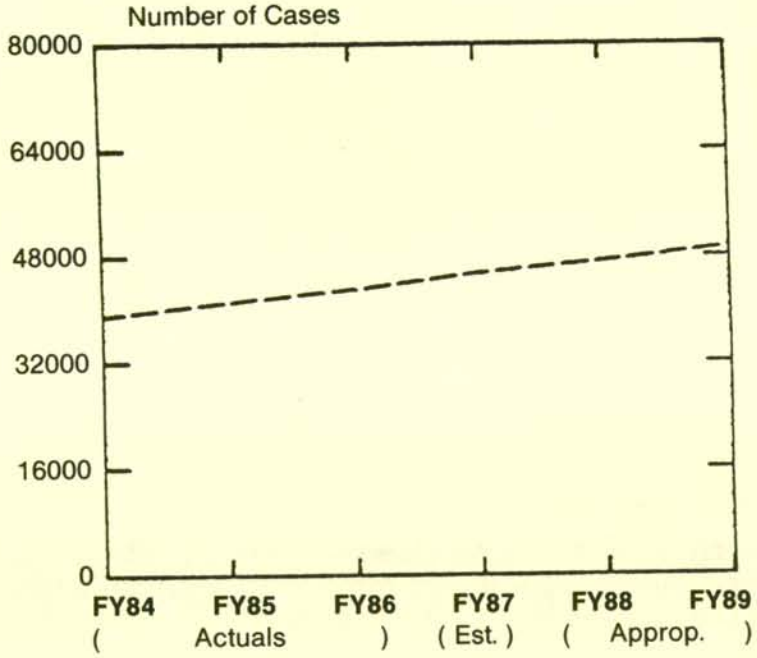
None.

Workload Assumptions/History:

See following pages.

Operating Budgets
Income Assistance
SSI Supplement





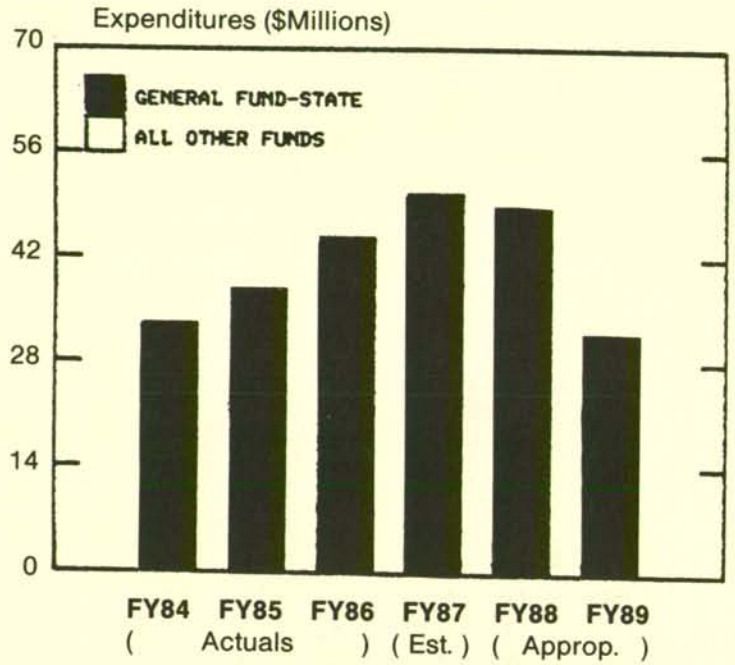
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	17.7	17.6	39,106	453	451	453	451
85	21.4	21.1	41,211	520	512	502	494
86	18.2	18.0	43,012	432	418	397.	393
87	19.6	19.4	45,465	431	427	394	390
88	17.9	17.8	47,240	379	377	331	329
89	18.8	18.6	49,362	381	377	317	314

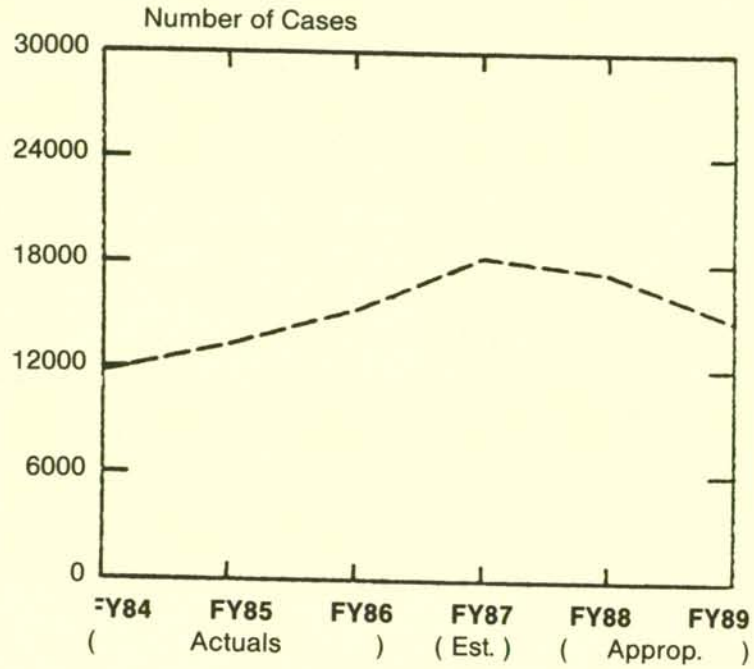
***Units:** Number of Cases

Washington State reduced its grant level in conjunction with the federal cost of living adjustment in January, ary, 1986.

Source: LEAP

Operating Budgets
Income Assistance
Continuing General Assistance (GA-U & GA-S)





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	33.0	32.7	11,712	2,814	2,791	2,814	2,791
85	37.6	37.4	13,277	2,833	2,815	2,735	2,718
86	44.5	44.2	15,299	2,909	2,889	2,729	2,710
87	50.4	50.1	18,326	2,750	2,734	2,516	2,501
88	48.6	48.2	17,480	2,780	2,757	2,430	2,410
89	31.7	31.3	14,761	2,148	2,120	1,790	1,768

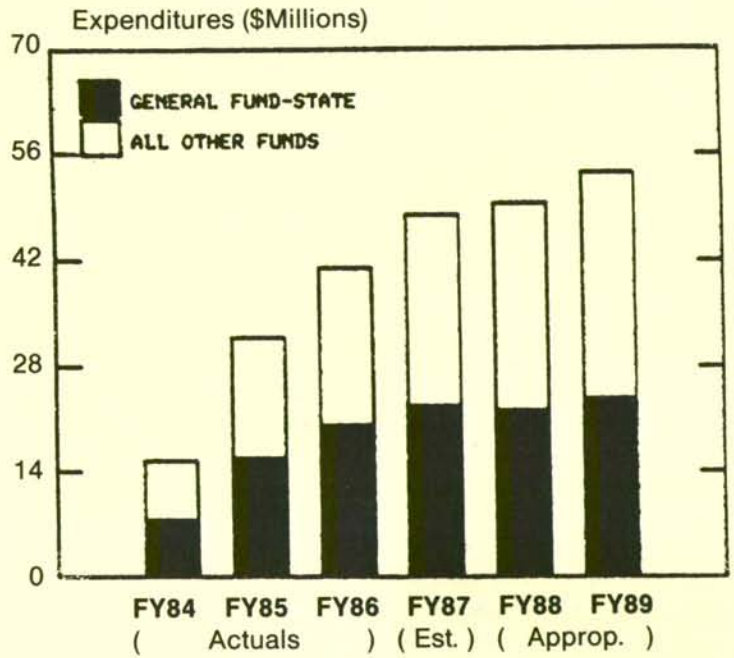
***Units:** Number of Cases

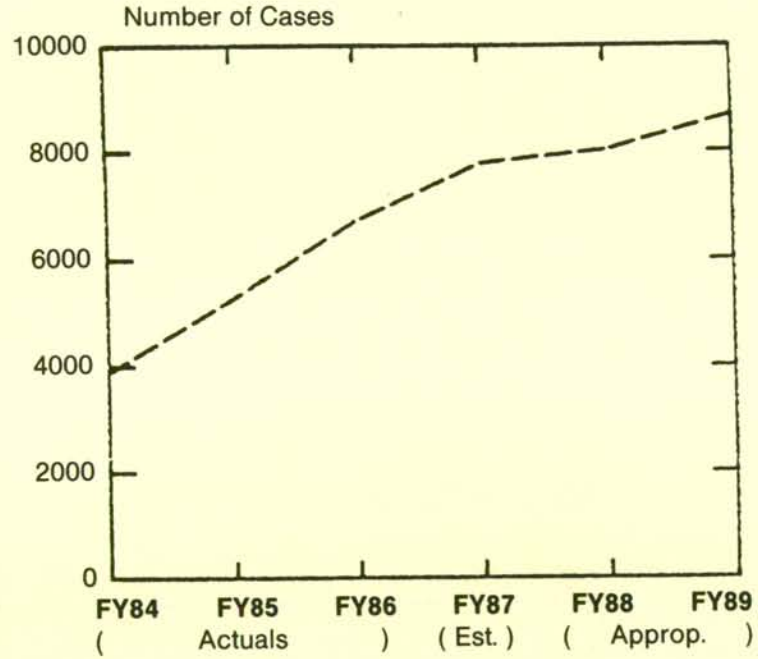
Reduced caseload projections for FY88 and FY89 result from a program change removing alcohol and substance abuse as a qualifying disability for receipt of general assistance.

Unit costs are lower during FY89 due to SSI recoveries.

Source: LEAP

Operating Budgets
Income Assistance
AFDC - Employable





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	15.4	7.5	3,881	3,960	1,935	3,960	1,935
85	31.8	15.7	5,285	6,027	2,975	5,818	2,873
86	41.0	20.1	6,723	6,098	2,990	5,721	2,805
87	48.0	22.7	7,778	6,171	2,918	5,645	2,670
88	49.5	22.1	8,013	6,177	2,758	5,400	2,411
89	53.5	23.7	8,674	6,168	2,732	5,141	2,278

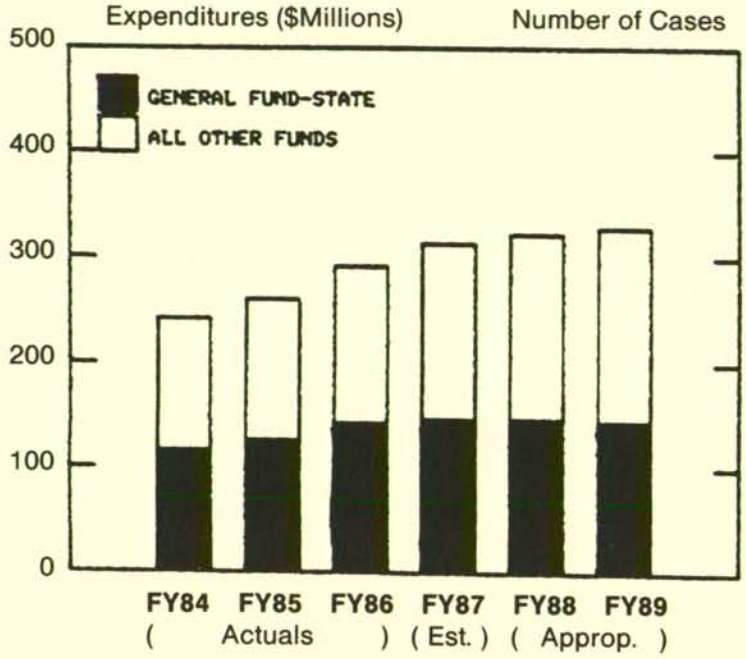
***Units:** Number of Cases

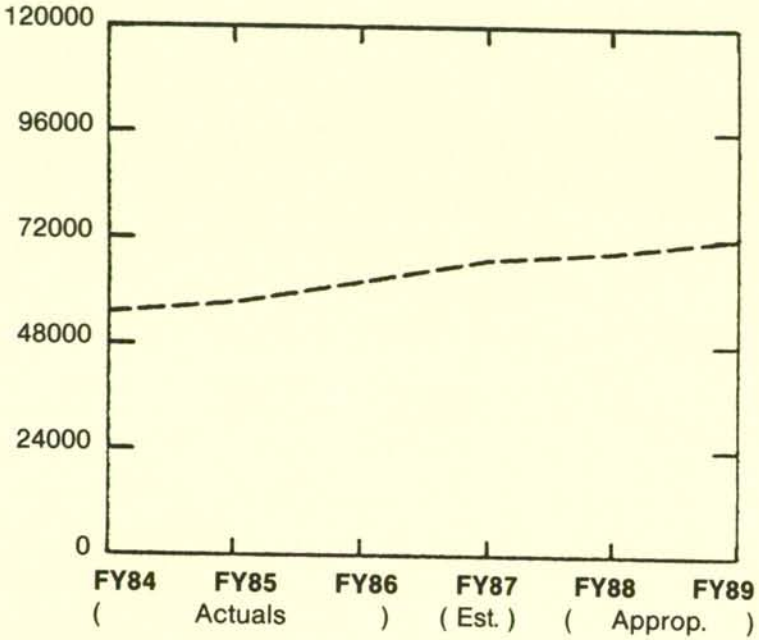
Program was discontinued in 1981 and restored in late 1983. Much of the caseload growth up to FY86 is related to restarting the program.

Unit costs level off in the 1987-89 biennium because no grant increases were provided.

Source: LEAP

Operating Budgets
Income Assistance
AFDC - Regular





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	241.6	115.6	55,227	4,374	2,094	4,374	2,094
85	260.7	125.0	57,518	4,532	2,172	4,375	2,097
86	291.1	141.7	62,384	4,666	2,271	4,378	2,131
87	313.1	146.0	67,317	4,651	2,169	4,255	1,984
88	322.5	146.3	69,039	4,671	2,119	4,083	1,852
89	328.4	143.9	72,236	4,546	1,992	3,790	1,661

***Units:** Number of Cases

FY88 and FY89 appropriation reflects reduced state costs due to an increased federal matching rate. The federal match increases as the state' per capita personal income. Decreases in relation to the national average.

Unit costs level off in fiscal years 1987, 1988, and 1989 because no grant increases were provided. In addition, there is an offset due to increased child support collections.

Source: LEAP

Department of Social and Health Services
Community Social Services
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**35,980**	**16,965**	**165**	**53,110**
1. 1987 Supplemental Budget				
Reduced alcohol treatment beds	(1,200)			(1,200)
Increased detoxification grant		450		450
Increased refugee service grant		4,900		4,900
Total	**34,780**	**22,315**	**165**	**57,260**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	36,272	16,170	165	52,607	36,272	16,170	165	52,607
2. Anti-drug abuse allocation	0	666	0	666	0	666	0	666
3. Vendor rate increase	1,548	31	0	1,579	1,548	31	0	1,579
4. Drug/Alcohol Shelter/Treatment Program	0	0	0	0	24,565	0	0	24,565
5. Small county Drug/Alcohol funding	0	0	0	0	195	0	0	195
6. Rounding	0	0	0	0	0	(1)	1	0
Total	**37,820**	**16,867**	**165**	**54,852**	**62,580**	**16,866**	**166**	**79,612**

Comments:

2. Federal Anti-Drug Abuse funds which will provide treatment to youth and young adults.

3. Provides vendor rate increases of 2% effective September 1, 1987, and 4% effective September 1, 1988.

4. SHB 646 eliminates general assistance eligibility (GA-U) for drug and alcohol clients & creates new program. Overall savings $9.6 Million. (The Governor's request provides funding for this program in the Division of Income Assistance.)

5. Base funding for drug and alcohol treatment in small counties is raised from $33,900 to $40,000 per year.

Provisoes

Section 209 (4) Acquires shelter services under the Alcohol and Drug Treatment Act to be provided as an entitlement.

Section 209 (5) Requires a report to the Legislature by January 5, 1988, on implementation of the Alcohol and Drug Addiction Treatment and Shelter Act.

Governor's Vetoes:

Section 209 (4) Requires shelter services to be provided under SHB 646 as an entitlement. This subsection was vetoed on the basis that SHB 646 limits drug and alcohol treatment services on the basis of funds available, and that the demand for shelter services in relation could exceed funded levels.

Workload Assumptions/History:

Alcohol and Drug Addiction Treatment and Support Program average monthly caseload:

	FY 1988	FY 1989	Biennial Average
Residential treatment	776	748	762
Shelter services	1,022	1,666	1,344
	1,798	**2,414**	**2,106**
Assessments:	1,000	500	750

Department of Social and Health Services
Medical Assistance
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**448,837**	**316,787**	**0**	**765,624**
1. 1987 Supplemental Budget:				
Increase caseload	8,889	37,057		45,946
Medically fragile	900	600		1,500
Revised federal match	(8,300)	8,300		
Total	**450,326**	**362,744**	**0**	**813,070**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	505,697	452,317	0	958,014	505,697	450,383	0	956,080
2. Reduce hospital inflation	(14,019)	(11,767)	0	(25,786)	(14,019)	(11,767)	0	(25,786)
3. Vendor rate increase	6,919	7,075	0	13,994	6,919	7,075	0	13,994
4. Grant standard increase	1,572	1,941	0	3,513	0	0	0	0
5. Addendum caseload revision	11,000	12,500	0	23,500	0	0	0	0
6. GA-U medical reduction	0	0	0	0	(4,266)	0	0	(4,266)
7. Adult dental program	0	0	0	0	13,864	16,927	0	30,791
8. MNIL expansion	0	0	0	0	8,755	9,485	0	18,240
9. SOBRA prenatal	0	0	0	0	8,338	9,823	0	18,161
10. Charity care	0	0	0	0	3,000	0	0	3,000
Total	**511,169**	**462,066**	**0**	**973,235**	**528,288**	**481,926**	**0**	**1,010,214**

Comments:

2. The reduction in hospital inflation assumes that a revised hospital reimbursement system which becomes effective 1/1/88 will hold inflation increases to 3% in FY88 and 3% in FY89.

5. The Governor submitted a revised estimate of the 1987-89 medical assistance caseload on 3/12/87. The Legislative Budget did not incorporate the Governors' revised estimate.

4. Additional funds to cover medical care for the increase in the Aid to Families with Dependent Children (AFDC) cases expected to result from a proposed 3% annual increase in the AFDC grant standard were not provided because the higher grant standard was not approved by the Legislature.

7. Restores adult dental services under Title XIX Medical Assistance program. Adult dental costs were based on DSHS estimates of 2/3/87.

Provisoes:

Section 210(1) Adult dental program costs are based on the DSHS estimate of 2/3/87. The program will be implemented January 1, 1988. Adult dental services will be available for pesons who qualify for the Categorically Needy and Medically Needy medical programs administered by DSHS.

Section 210(2) The Medically Needy Income Level (MNIL) expansion is based on the DSHS estimate of 4/13/87. However, full state funding was not provided in the final budget. The Legislature assumes that DSHS will phase in the MNIL expansion and reach the maximum level allowed by the Federal Government by 6/30/89.

Section 210(3) Establishes a program for pregnant women and children up to age two whose household income does not exceed 90 percent of the federal poverty level. Any funds not used for this purpose may be applied to the Medically Needy

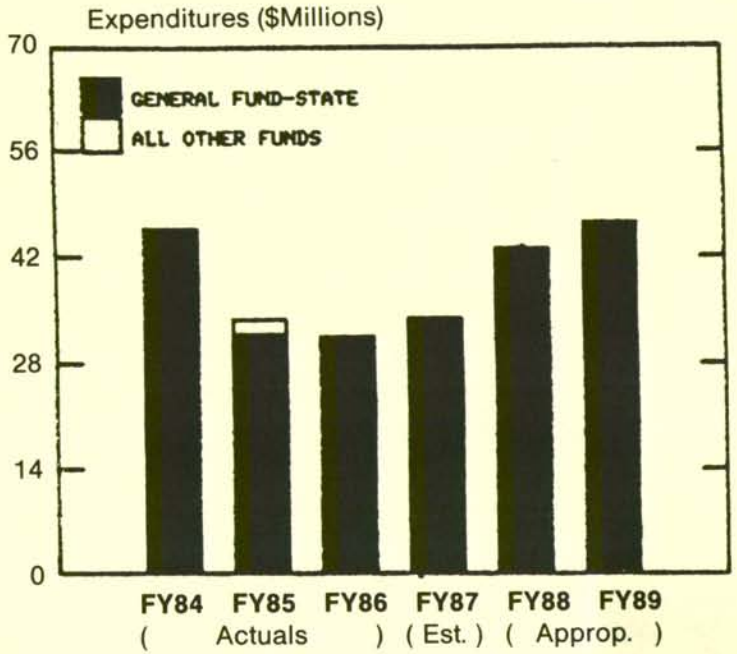
Governor's Vetoes:

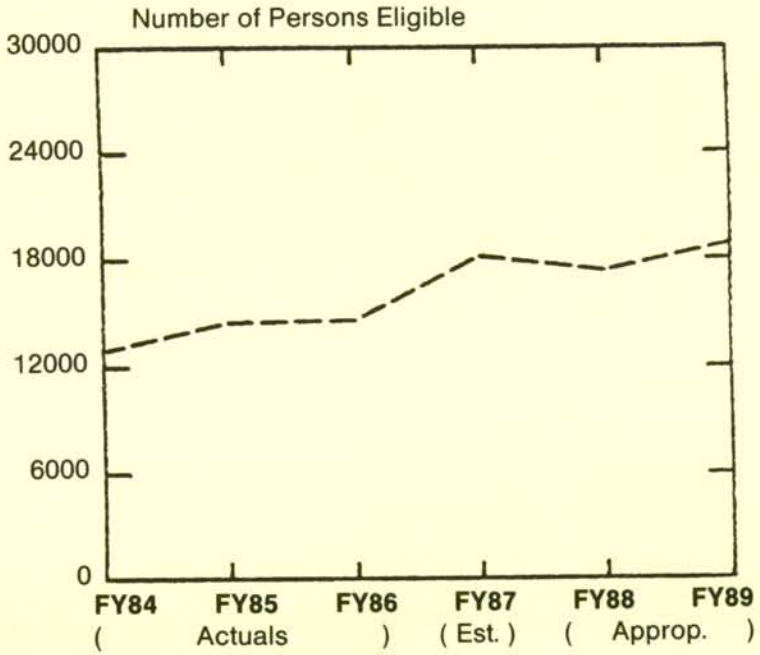
None.

Caseload:

See next page.

Operating Budgets
Medical Assistance
State Only--GA-U





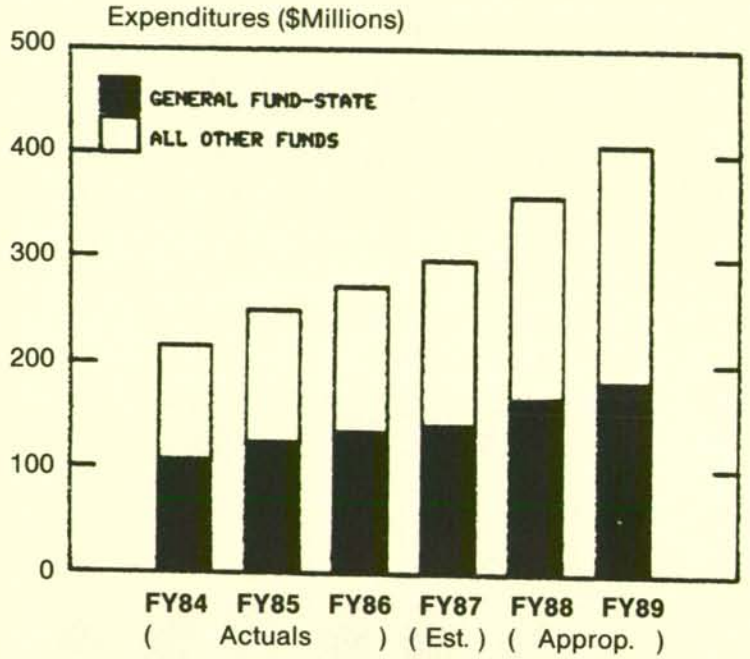
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	45.6	45.5	12,894	3,538	3,526	3,538	3,526
85	33.7	31.7	14,499	2,323	2,187	2,243	2,111
86	31.4	31.3	14,604	2,150	2,143	2,017	2,011
87	33.8	33.7	18,144	1,863	1,857	1,704	1,699
88	42.9	42.7	17,434	2,474	2,462	2,162	2,152
89	46.4	46.2	18,834	2,464	2,453	2,054	2,045

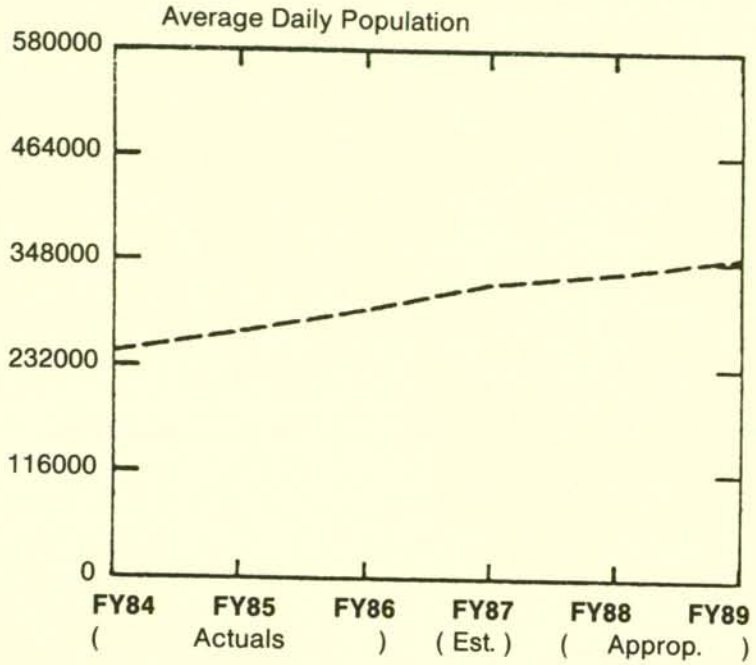
***Units:** Number of Persons Eligible

FY88 drop in caseload results from a program change in the general assistance program for alcoholics.

Source: LEAP

Operating Budgets
Medical Assistance
Categorically Needy





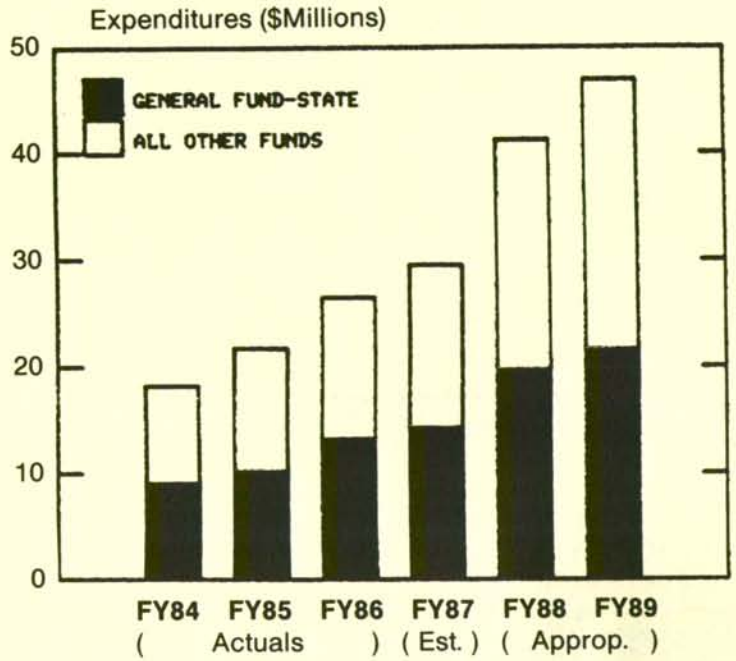
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	215.7	106.8	246,952	873	432	873	432
85	249.5	123.9	269,737	925	459	893	443
86	271.5	134.4	294,390	922	457	865	428
87	297.1	140.9	322,765	920	437	842	399
88	359.7	167.7	335,177	1,073	500	938	437
89	407.8	183.6	353,971	1,152	519	960	432

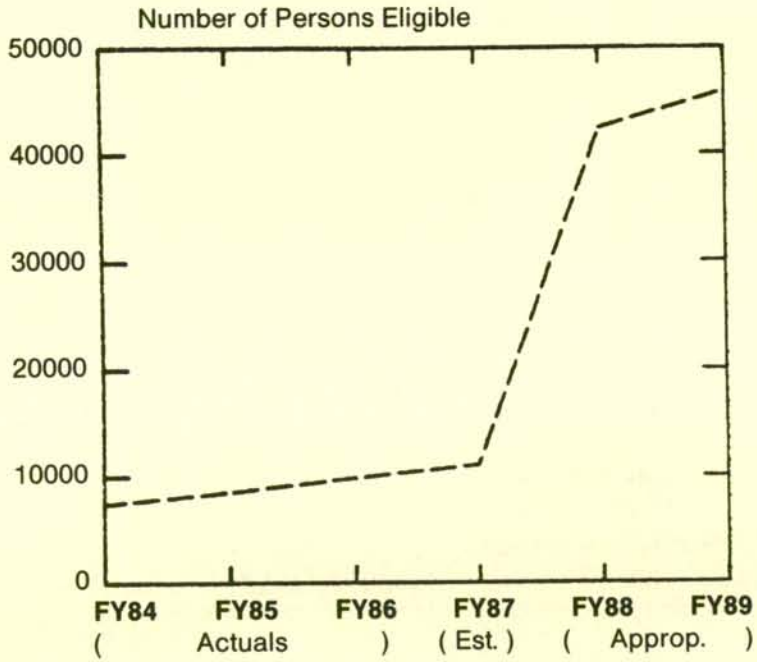
***Units:** Number of Persons Eligible

Categorically eligible caseload includes AFDC and SSI recipients and related persons who meet criteria specified by the federal government.

Source: LEAP

Operating Budgets
Medical Assistance
Medically Needy





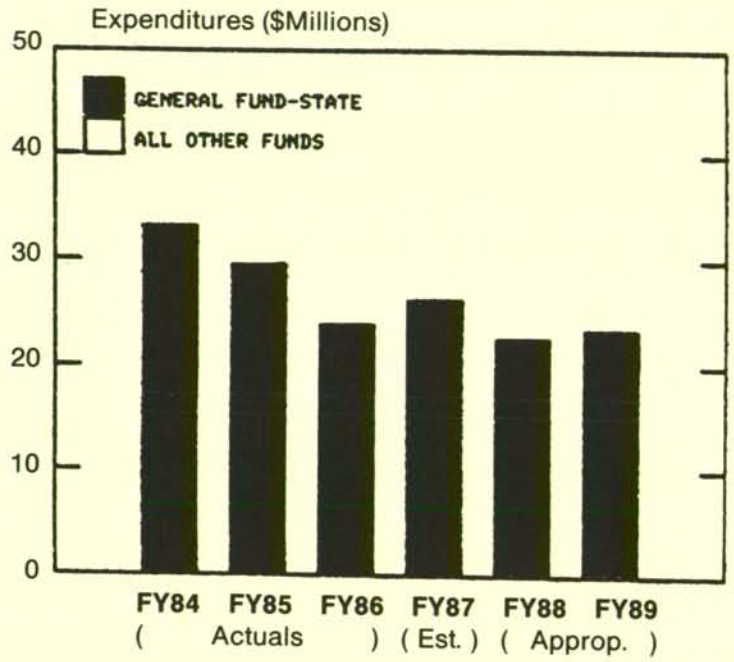
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	18.2	9.1	7,400	2,464	1,223	2,464	1,223
85	21.7	10.2	8,495	2,560	1,199	2,472	1,158
86	26.5	13.2	9,880	2,682	1,336	2,516	1,253
87	29.5	14.2	11,044	2,671	1,286	2,443	1,176
88	41.2	19.7	42,392	972	465	849	406
89	46.9	21.6	45,782	1,024	472	854	393

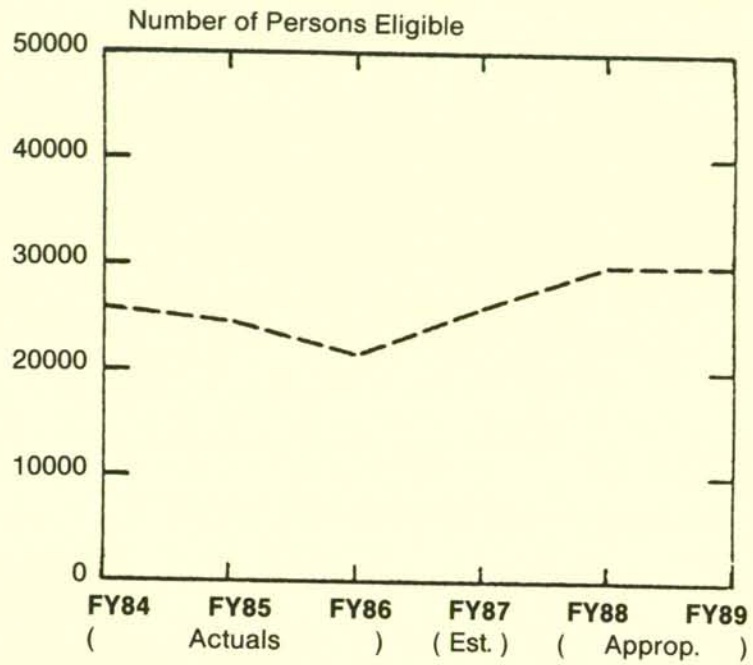
***Units:** Number of Persons Eligible

Medically needy caseload includes persons who meet all the non-financial criteria of the categorically needy program except their income is too high. The medically needy income level (MNIL) was expanded to the maximum level authorized by the federal Government. This results in a large increase in the number of eligible recipients. It is anticipated that new recipients will receive smaller benefit ammounts. This is attributed to eligibility restrictions pertaining to allowable monthly income levels.

Source: LEAP

Operating Budgets
Medical Assistance
State Only - Medically Indigent





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	33.1	32.9	2,068	16,008	15,912	16,008	15,912
85	29.5	29.3	1,971	14,966	14,865	14,449	14,351
86	23.9	23.7	1,723	13,871	13,755	13,013	12,904
87	26.3	26.1	2,083	12,626	12,530	11,549	11,462
88	22.6	22.5	2,395	9,436	9,395	8,248	8,212
89	23.5	23.3	2,398	9,800	9,716	8,169	8,100

***Units:** Number of Persons Eligible

As of October, 1985, expenditures were reduced due to an increase in the rateable reductions applied to reimbursement levels for Inpatient Hospital Care. The rateable reduction was increased from 12.7% to 38.0% thus reducing state reimbursement to hospitals providing services to eligible clients.

Source: LEAP

Department of Social and Health Services
Public Health Program
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**45,731**	**70,085**	**17,917**	**133,733**
1. 1987 Supplemental Budget:				
Lab utilities	100			100
Radiation inspection fee	600			600
Administrative reduction	(75)			(75)
Total	**46,456**	**70,085**	**17,917**	**134,358**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	52,954	72,531	49,186	174,671	52,954	72,531	8,025	133,510
2. Lower radiation inspection fees	1,200	0	(1,200)	0	0	0	0	0
3. Dietary treatment - PKU	41	0	0	41	41	0	0	41
4. Prenatal enhancement	3,122	0	0	3,122	1,500	0	0	1,500
5. Increase WIC funding	300	1,200	0	1,500	300	1,200	0	1,500
6. High risk infant tracking	300	0	0	300	300	0	0	300
7. Vendor rate increase	279	0	0	279	279	0	0	279
8. Water quality	0	0	0	0	1,919	0	0	1,919
9. GA-U dental services in base	0	0	0	0	0	0	0	0
10. Transfer DDD decod	0	0	0	0	(112)	0	0	(112)
11. Kidney dialysis caseload increase	0	0	0	0	748	0	0	748
12. AIDS education	0	0	0	0	200	0	0	200
13. FY87 inflation adjustment	0	0	0	0	(32)	(90)	0	(122)
14. Technical adjustment	0	0	0	0	80	(90)	0	(10)
Total	**58,196**	**73,731**	**47,986**	**179,913**	**58,177**	**73,551**	**8,025**	**139,753**

Comments:

4. Increases funding for the state-only prenatal program begun in 1986.

5. Increases funding for dietary supplements for women, infants, and children experiencing nutritional deficiencies.

8. Funds a portion of the Puget Sound water quality plan.

Provisoes:

Section 211 (2) The funds available for dental services provided through community health clinics will be targeted at persons not eligible for the dental services authorized in the medical assistance budget.

Section 211 (5) Funds are transferred from the public health program to the division of children and family services to complete a DSHS reorganization initiated by the Secretary in July, 1986.

Governor's Vetoes:

None.

Department of Social and Health Services
Vocational Rehabilitation
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**12,908**	**30,658**	**0**	**43,566**
1. 1987 Supplemental Budget				
Basic support grant	4,500		4,500	0
Administrative reductions	(65)			(65)
Total	**12,843**	**35,158**	**4,500**	**48,001**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	13,490	32,654	0	46,144	13,490	32,654	0	46,144
2. Vendor rate increase	93	0	0	93	93	0	0	93
Total	**13,583**	**32,654**	**0**	**46,237**	**13,583**	**32,654**	**0**	**46,237**

Comments:

2. Vendor rate increases of 2% effective September 1, 1987 and 4% September 1, 1988.

Provisoes:

None.

Governor's Vetoes:

None.

Department of Social and Health Services
Administration and Supporting Services
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**41,780**	**30,091**	**54**	**71,925**
1. 1987 Supplemental Budget:				
Administrative reductions	(1,495)			(1,495)
Child Abuse Council	43		43	0
Total	**40,285**	**30,134**	**54**	**70,473**

	Governor Request				Legislative Budget			
1987-89 Biennium	**GF-State**	**GF-Fed**	**Other**	**Total**	**GF-State**	**GF-Fed**	**Other**	**Total**
Current Policy	46,475	32,048	78	78,601	46,475	32,048	78	78,601
2. Eliminate Project Startup	0	0	0	0	(449)	(153)	0	(602)
3. Eliminate goods & services adjustment	0	0	0	0	(371)	(181)	0	(552)
4. Eliminate admin control unit	0	0	0	0	(375)	(231)	0	(606)
5. Secretarys' research projects	1,000	0	0	1,000	0	0	0	0
6. Accounting Project	1,000	562	0	1,562	1,000	562	0	1,562
Total	**48,475**	**32,610**	**78**	**81,163**	**46,280**	**32,045**	**78**	**78,403**

Comments:

2. Eliminates additional research projects not specifically authorized by the Legislature.

3. Eliminates additional support for Department advisory committees.

4. Eliminates the Administrative Control Unit. Paperwork control will be the responsibility of the appropriate division manager.

5. Legislature does not provide additional funds for discretionary research.

6. Legislature funds accounting project at level requested by the Governor.

Provisoes:

Section 213(1). Requires the transfer of 2 FTEs from Constituent Relations to the long-term care ombudsman program.

Section 213(2). Authorizes the transfer of $2 million from children and family services, income assistance, medical assistance, administration & supporting services, and community social services to fund evaluations of the Aid to Families with Dependent Children program and the Family Independence Program.

Governor's Vetoes:

None.

Department of Social and Health Services
Community Services Administration
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**129,390**	**153,860**	**732**	**283,982**
1. 1987 Supplemental Budget:				
Additional field staff	1,300	1,110	0	2,410
Administration reductions	(1,225)	(570)		(1,795)
COSMOS implementation delay	(700)	(1,838)		(2,538)
Random moment time sample	(800)	800		
SSI case management	54			54
Adult services reorganization	300			300
Opportunities program	800			800
Total	**129,119**	**153,362**	**732**	**283,213**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	146,374	166,309	705	313,388	146,374	166,309	705	313,388
2. Opportunities program expansion	2,461	2,461	0	4,922	2,461	2,461	0	4,922
3. Additional caseload staff	8,816	5,010	0	13,826	7,454	5,010	0	12,464
4. Adult services reorg./workload	2,947	253	0	3,200	0	0	0	0
5. SSI case management	708	0	0	708	708	0	0	708
6. GA-U incapacity exams	0	0	0	0	(1,000)	0	0	(1,000)
7. Categorically needy prenatal care	0	0	0	0	283	270	0	553
8. Case mgmt staff, discharge planning	0	0	0	0	69	70	0	139
9. Inflation adjustment	0	0	0	0	(129)	(91)	0	(220)
10. Regional health councils	0	0	0	0	350	0	0	350
Total	**161,306**	**174,033**	**705**	**336,044**	**156,570**	**174,029**	**705**	**331,304**

Comments:

2. Opportunities program is expanded to focus services toward very young parents and those long-term recipients with teenagers, as well as continuing current service levels.

3. An additional 169 full time equivalent staff are added due to higher income assistance caseloads. The average number of individuals and families receiving assistance is projected to increase by over 10,000 during the 1987-89 biennium.

5. An additional 9 staff are provided to assist general assistance clients in applying for and receiving supplemental security income benefits.

7. Administrative costs for provision of medical assistance to categorically needy pregnant women and children up to age two. Nine staff are provided.

8. Two additional staff are provided to assist nursing home clients in discharge planning.

10. Matching funds are provided for regional health planning councils.

Provisoes:

Section 214(5) Authorizes transfer of funds and staff related to the social services payments system.

Section 214(7) Requires a plan by January 15, 1988, detailing the manner in which services will be provided to clients in downtown Seattle.

Governor's Vetoes:

None.

Department of Social and Health Services
Revenue Collections
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**16,259**	**33,067**	**200**	**49,526**
1. 1987 Supplemental Budget:				
Revised federal match	700	(700)		
Administrative reductions	(30)			(30)
Total	**16,929**	**32,367**	**200**	**49,496**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	19,493	36,849	200	56,542	19,493	36,849	200	56,542
2. Support enforcement staff (207 (FTE)	6,724	14,286	0	21,010	6,724	14,286	0	21,010
3. Paternity funds included in SHB 419	0	0	0	0	(468)	0	0	(468)
Total	**26,217**	**51,135**	**200**	**77,552**	**25,749**	**51,135**	**200**	**77,084**

Comments:

2. Assumptions in the Legislative budget are that this additional staff will generate: $6.7 million to the state general fund from federal incentive payments, $22 million in AFDC offsets, and $42 million in child support collections for families not receiving AFDC.

3. SHB 419 includes an appropriation of $468,000 for increased paternity determination, bringing the total appropriation to $77,552,000.

Governor's Vetoes:

None.

Department of Social and Health Services
Payments to Other Agencies
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	20,816	10,597	0	31,413

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		28,259	13,945	0	42,204	28,259	13,945	0	42,204
	Total	28,259	13,945	0	42,204	28,259	13,945	0	42,204

Comments:

Funds program at Governor request level. Includes substantial funding increases for data processing and attorney general services.

Provisoes:

None.

Governor's Vetoes:

None.

Department of Corrections
($000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**331,268**	**58**	**304**	**331,630**
1. 1987 Supplemental Budget				
One-time impact	(160)		160	0
Total	**331,108**	**58**	**464**	**331,630**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	345,013	0	317	345,330	345,013	0	317	345,330
2. Inflation adjustment	0	0	0	0	(664)	0	0	(664)
3. Clallam Bay impact funds	(422)	0	0	(422)	(422)	0	0	(422)
4. Reduce Jail Contract funds	0	0	0	0	(1,422)	0	0	(1,422)
5. Close protection custody unit-WSR	0	0	0	0	(612)	0	0	(612)
6. Close Rainier unit-MICC	0	0	0	0	(274)	0	0	(274)
7. Delay opening of Clearwater/Olympic	0	0	0	0	(270)	0	0	(270)
8. Wa State Reformatory Hospital staff	1,049	0	0	1,049	1,049	0	0	1,049
9. Replacement equipment	2,833	0	0	2,833	2,833	0	0	2,833
10. Sex Offender transferred from DSHS	0	0	0	0	2,579	0	0	2,579
11. Increase comm corr officers	261	0	0	261	261	0	0	261
12. Prison population adjustment	(301)	0	0	(301)	(301)	0	0	(301)
13. Work release pop increase	888	0	0	888	888	0	0	888
14. Institutional Industries GFS subsidy	1,000	0	0	1,000	1,000	0	0	1,000
Total	**350,321**	**0**	**317**	**350,638**	**349,658**	**0**	**317**	**349,975**

Comments:

4. Reduce county jail bed funding due to lessened demand for state prison beds.

5. Close protective custody unit at Washington State Reformatory as a result of renovation and redistribution of inmates.

6. Reduced population pressure and the construction of new co-located housing units enable the closing of Rainier unit.

7. Minimum security inmates will remain at Clallam Bay longer to achieve operating economies.

8. Permits hiring of medical staff and full operation of newly completed inpatient floor at the Monroe Reformatory hospital.

10. Reflects funds necessary to operate the Sex Offender Treatment programs for offenders transferred from Western and Eastern State Hospitals.

11. Increases community corrections staff to address workload resulting from Sentencing Reform Act.

13. Supports Department policy to expand work release placements as an alternative to incarceration.

Provisoes:

Section 201 (1)(a). Specifies $23,884,000 GFS for the operating and/or contracting of work release facilities. This was done to establish a benchmark to assess potential growth in community programs. This amount may be spent for state operated or privately contracted facilities.

Section 201 (1)(b). Identifies $2,071,000 GFS for the office of the community services director in order to clearly distinguish program funds from administration funds.

Section 201 (1)(d). Specifies $854,000 GFS for the implementation of the community based portion of the sex offender program. This is part of the program transferred from the Dept. of Social and Health Services. 2SHB 1251 is also referenced requiring the Department to conduct presentence investigation reports on all sex offenders.

Section 201 (2)(a). Specifies $1,725,000 GFS for the implementation of the institutional portion of the Sex Offender Treatment program. This is the other component of the program transferred from the Dept. of Social and Health Services.

Section 201 (2)(c). Specifies $2,071,000 GFS for the office of the division of prisons director in order to clearly distinguish program funds from administration funds.

Section 201 (3)(b). Establishes a maximum amount of $1,258,000 that may be transferred to the Tort Claims Revolving Fund from the General Fund State. The Department is required to report tort claim activity to the Senate and House Ways and Means Committees January 1, 1988 and quarterly thereafter.

Section 201 (3)(c). Specifies $1,000,000 GFS to be spent on contracting for drug and alcohol treatment services for inmates.

Governor's Vetoes:

Section 201 (1)(a). The Governor indicates that this proviso is restrictive and precludes the Department from using its own cost-effective resources. In addition, the language was interpreted to require the Department to contract the entire amount with non-profit corporations.

Section 201 (1)(d). The Governor's position was that 2SHB 1251 failed to pass the Legislature and this budget language became inconsistent with current law.

Section 201 (3)(c). This language changes current practice by precluding the use of state employees and instead requiring contracting with private providers only. In addition, it was felt that the Department's ability to provide drug and alcohol treatment in the most efficient manner was unnecessarily restricted.

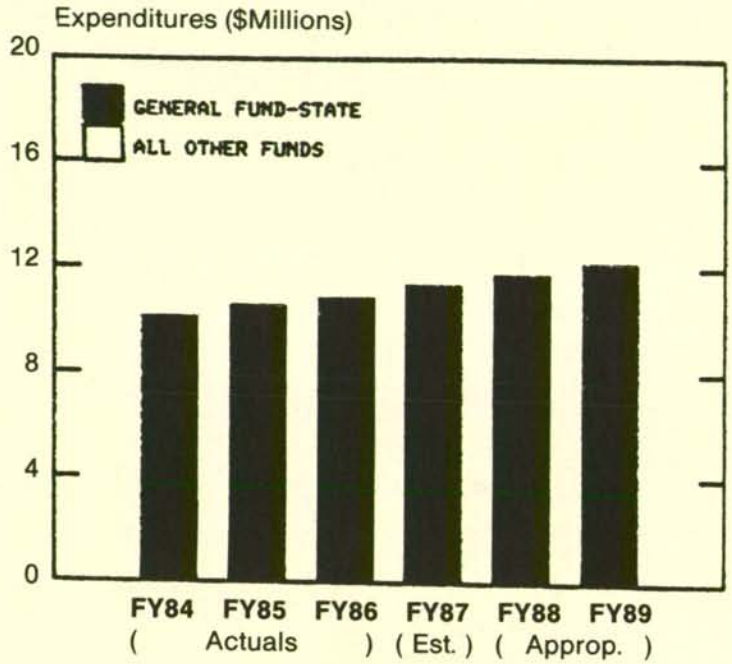
Workload Assumptions/History:

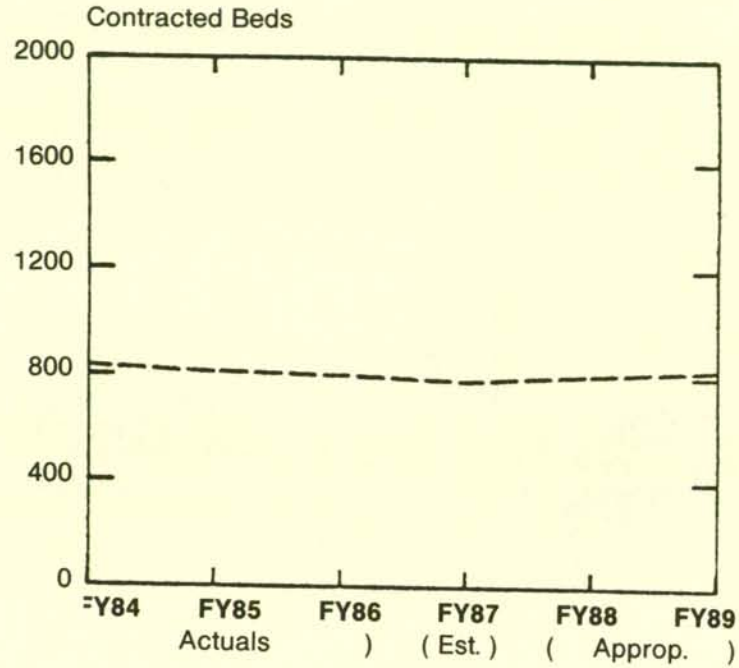
Average Daily Prison Population

	FY 1986	FY 1987	FY 1988	FY 1989
YEAR END	6,477	6,266	6,668	6,791
AVERAGE ANNUAL	6,438	6,295	6,480	6,734

- Year End is the population on June 30 of each year.
- Average Annual is the sum of the month end population divided by twelve.

Operating Budgets
Department of Corrections
Work Release





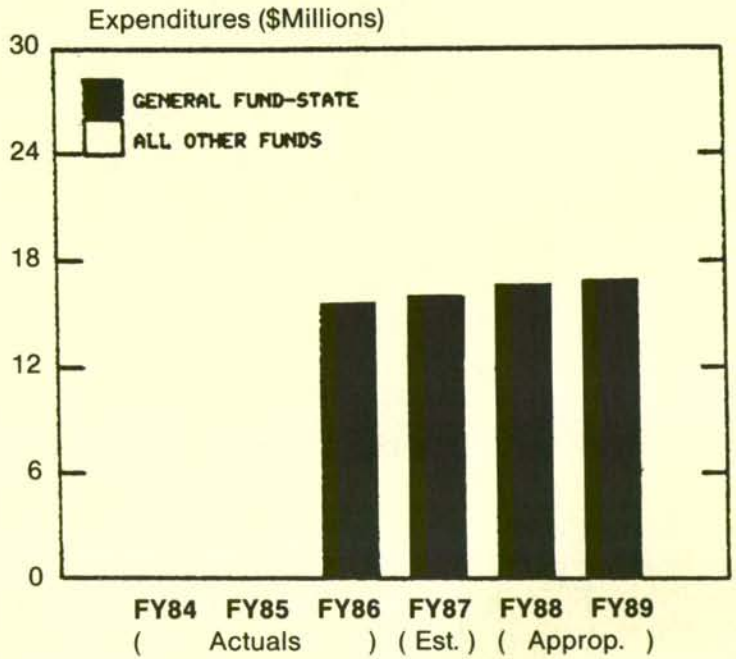
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	10.1	10.1	832	12,101	12,101	12,101	12,101
85	10.5	10.5	812	12,940	12,940	12,943	12,943
86	10.8	10.8	800	13,500	13,500	12,665	12,665
87	11.3	11.3	782	14,450	14,450	13,218	13,218
88	11.7	11.7	806	14,533	14,533	12,703	12,703
89	12.2	12.2	828	14,698	14,698	12,252	12,252

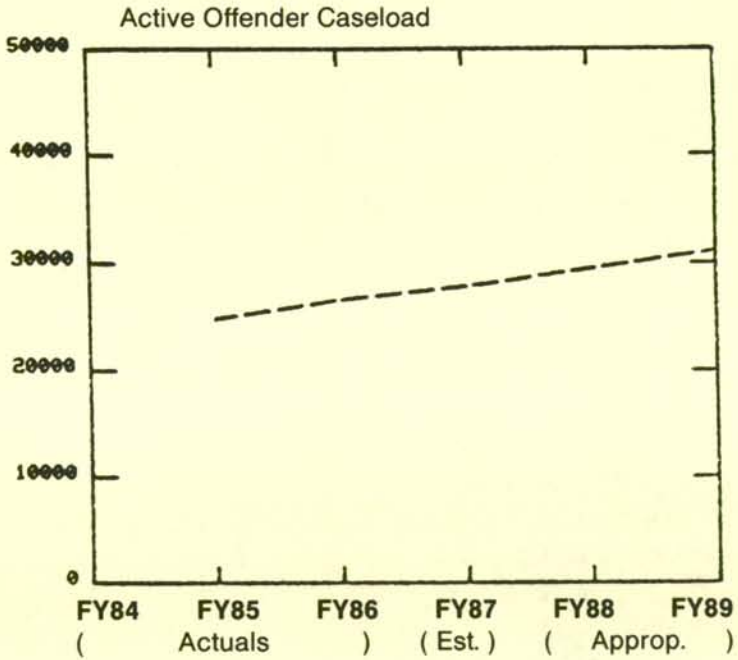
***Units:** Contracted Beds

Following four years of decline in the utilization of work release facilities, the Department's policy during the 1987-89 biennium is to increase the utilization of community programming, including work release facilities.

Source: LEAP

Operating Budgets
Department of Corrections
Community Supervision





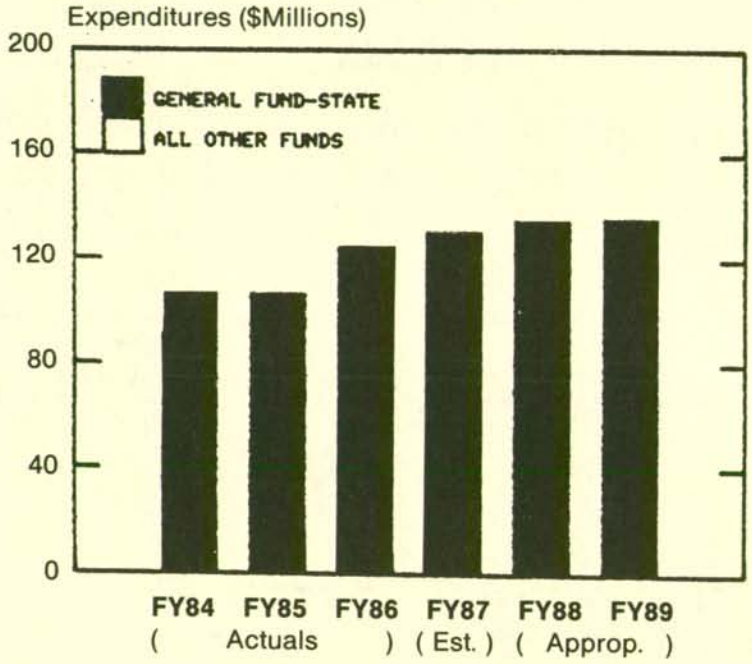
Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84							
85			24,868				
86	15.5	15.5	26,600	584	584	548	548
87	16.0	16.0	27,860	573	573	524	524
88	16.6	16.6	29,480	563	563	492	492
89	16.9	16.9	31,100	542	542	452	452

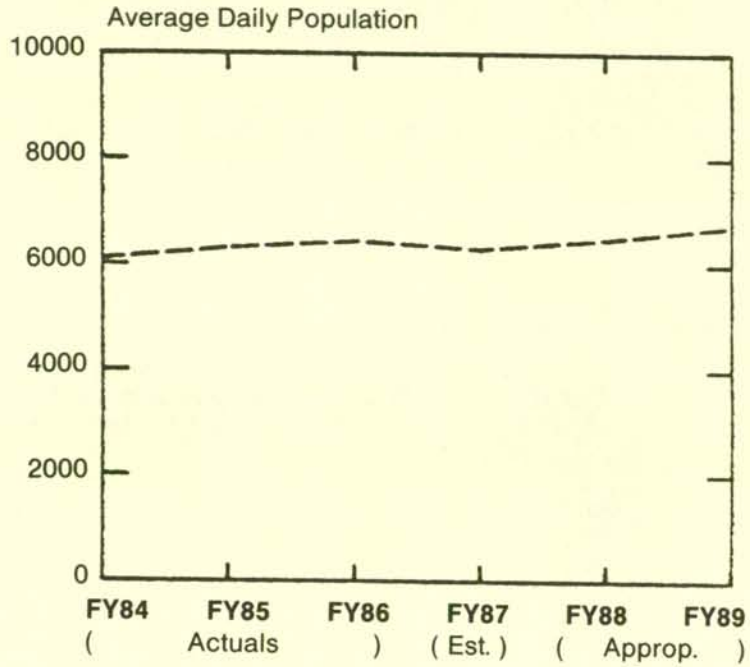
***Units:** Total Cases Supervised by Community Corrections Officers

Caseloads reflect offenders under the supervision of Community Corrections Officers. This includes parolees sentenced under the old indeterminate sentencing law and those offenders sentenced to community sanctions under the sentencing Reform Act that went into effect July 1, 1984.

Source: LEAP

Operating Budgets
Department of Corrections
Institutions





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	98.9	98.9	6,107	16,188	16,186	16,188	16,186
85	112.1	111.9	6,308	17,766	17,743	17,152	17,130
86	123.9	123.9	6,438	19,245	19,245	18,055	18,055
87	130.0	130.0	6,295	20,651	20,651	18,890	18,890
88	134.5	134.5	6,484	20,748	20,748	18,135	18,135
89	135.3	135.3	6,735	20,088	20,088	16,745	16,745

***Units:** Average Daily Population

The prison population is projected to increase but not to the extent that additional prison beds will be required. The Clallam Bay Prison will be fully operational during the 1987-89 biennium bringing the inmate population into conformance with rated statewide prison facility capacity.

Source: LEAP

Department of Community Development
($000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**20,886**	**153,107**	**18,608**	**173,993**
1. 1987 Supplemental Budget	1,279			1,279
Subtotal	**22,165**	**153,107**	**18,608**	**175,272**

1987-89 Biennium	Governor Request				Legislative Budget				
	GF-State	GF-Fed	Other	Total	FTEs	GF-State	GF-Fed	Other	Total
Current Policy	23,450	143,844	35,468	202,762	224.6	23,756	143,844	747	168,347
2. Increase emergency food & shelter	878	0	0	878	1.0	776	0	0	776
3. Local government circuit rider	338	0	0	338	0	0	0	0	0
4. Downtown revitalization	280	0	0	280	0.0	0	0	0	0
5. Increase Public Works Approp Authority	0	0	251	251	0.0	0	0	0	0
6. Developmental Disabilities Planning Council	40	95	0	135	1.0	40	95	0	135
7. Early childhood education	6,734	0	0	6,734	3.0	6,336	0	0	6,336
8. Reduce US Geological Survey contract	(40)	0	0	(40)	0	(40)	0	0	(40)
9. Eliminate bordertown grants	(250)	0	0	(250)	0	0	0	0	0
10. Reduce Heritage Council	(26)	0	0	(26)	0	(26)	0	0	(26)
11. Reduce administration	(40)	0	0	(40)	0	(115)	0	0	(115)
12. Public broadcasting	1,500	0	0	1,500	0	750	0	0	750
13. Vocational Center planning grant	0	0	0	0	0	325	0	0	325
14. Increase Building Code Council	0	0	0	0	2.0	0	0	160	160
15. No change to bordertown grants	250	0	0	250	0	0	0	0	0
16. Video telecommunications study	0	0	0	0	2.0	173	0	0	173
17. Local reemployment centers	0	0	0	0	0	360	0	0	360
18. Employee cooperatives	0	0	0	0	1.0	100	0	0	100
19. Child abuse prevention (E2SSB 5252)	0	0	0	0	0	25	0	0	25
20. Fishing impact study	0	0	0	0	0	118	0	0	118
21. Okanogan/winter sports	0	0	0	0	1.0	187	0	0	187
22. Weatherization grants	0	0	0	0	2.0	0	0	4,000	4,000
Subtotal	**33,114**	**143,939**	**35,719**	**212,772**	**237.6**	**32,765**	**143,939**	**4,907**	**181,653**
Rural Development Studies (ESHB 373)	0	0	0	0	0	42	0	0	42
Housing Trust Fund (SHB 164)	0	0	0	0	2.0	0	0	0	0
Substance Abuse (Special Appropriations to the Governor)	0	0	0	0	3.0	0	0	0	0
Total	**33,114**	**143,939**	**35,719**	**212,772**	**242.6**	**32,807**	**143,939**	**4,970**	**181,695**

Comments:

1. Funding was provided for a state 12.5% match for federal disaster funds needed for the breach in the Spokane Upriver Dam, and flooding in Cowlitz County and other western Washington areas.

2. Funding for grants to nonprofit organizations for food banks, food distribution centers and emergency shelters is increased from $3 million to $3.6 million. Funding for administration of these grants is increased from $100 thousand to $200 thousand if the Department receives at least $1 million in additional federal funding under U.S. House of Representatives Resolution 558.

3. The Legislature did not provide funding for the local government circuit rider program, an expansion of technical and managerial assistance to cities and counties.

4. The Legislature did not increase funding for downtown revitalization, an extension of the Main Street concept to larger and smaller towns.

5. All funding for the Public Works Trust Fund program, including this enhancement to cover the program's share of Department overhead and $34 million within the current policy level was transferred to the capital budget. Funding for the 1987 cycle of Public Works Trust Fund loans was appropriated in SB 5022 and reappropriated in the capital budget.

6. State and federal funds for the Developmental Disabilities Planning Council are increased. The additional funds will be used to prepare a master plan coordinating several state programs that help people with developmental disabilities obtain training and jobs.

7. The Legislature increased funding for the Early Childhood Education and Assistance Program from $5.8 million to $12.1 million to serve 2,000 children, double the number served in 1985-87. The reduction from the level of funding proposed by the Governor is to be accomplished through lower per-child spending on administration and training.

8. Funding for contracts with the U.S. Geological Survey to monitor Mt. St. Helens seismic and geologic activity is reduced because construction of a tunnel at Spirit Lake and increased stability in the area have reduced the danger of sudden water- or mud-flows.

9 and **15.** Grants to towns along the Canadian border to offset the increased cost of police and other public services associated with this location are retained. The Governor originally requested elimination of these grants in his budget proposal, but called for their retention in his budget addendum.

10. Heritage Council funding is substantially reduced. Its functions, primarily planning and coordination for the state historical societies, will be handled through cooperation among the societies themselves.

11. A general reduction of $40 thousand is achieved through reduced funding for administrative expenses such as services, travel and equipment. In addition, the Legislature did not fund $75 thousand for administrative costs associated with the 1985-87 merge of the Fire Marshall's Office, the Department of Emergency Management and the Office of Archaeology and Historic Preservation into the Department of Community Development.

12. Funds are provided for grants to public broadcast radio and television stations under the provisions of ESSB 5285.

13. Funds are provided for development and pilot demonstration of programs for teaching vocational skills in Lewis County.

14. Funding for the Building Code Council is increased. This increase, funded from a building permit surcharge, will enable the council to repay $40 thousand of $96 thousand outstanding on a loan from the general-fund and cover operating expenses. The Council adopts and periodically modifies uniform building, mechanical and fire codes and reviews local modifications to these codes, as required by laws enacted during the 1985 legislative session.

16. Funding is provided for a study of the potential for a state-wide video telecommunications network. The department is required to submit a report recommending a plan for using video telecommunications in state government and assessing the potential for a state-wide television network broadcasting programs on state government. The study may include a pilot project funded in part by contributions from the cable industry.

17. The Legislature funded matching grants to three non-profit organizations or local government agencies for local reemployment centers. One reemployment center must be in King County; one in a southwest Washington county and one in an eastern Washington standard metropolitan statistical area. In both the latter two areas, the unemployment rate must have exceeded the state rate by 20% during the calendar year preceding the month in which the grant is made. The centers shall provide direct and referral services, supplementing those available at job centers run by the Employment Security Department. Services provided at centers may include job search assistance, medical services, substance abuse, marital, and financial and credit counseling and any other assistance deemed appropriate to aid the unemployed in obtaining work.

18. The Legislature provided funds to establish an employee ownership program under SHB 430. This program is to include technical assistance to cooperatives, education on employee-ownership and self-management and development and maintenance of a listing of firms and individuals with expertise in employee-ownership.

19. Funding is provided to implement child abuse and neglect prevention training for preschool age children participating in the federal head start program or the early childhood education and assistance program under E2SSB 5252. Parent, teacher and child education are all permitted.

20. Funding is provided for an independent study of the economic impacts of sport and commercial fishing.

21. Funding is provided for technical assistance to Okanogan County for preparation of plans and permits needed to develop winter sports facilities in the area.

22. Funding from oil overcharge money allocated to the state is provided to weatherize low-income homes and to encourage utilities, landlords and others to increase their commitment to low-income weatherization. This weatherization program is aimed at increasing energy efficiency of low-income homes in the state.

23. In ESHB 373, funding is given to study the potential for using rural telecommunications infrastructure for office jobs in rural areas.

The Department's current services level is nearly $17 million above what was spent during the 1985-1987 biennium. Less than $3 million of this increase is general fund state. The major components of this change are increases to account for full-biennium funding of the early childhood education and assistance and public works programs, both of which operated only during FY 1987, and substantial decreases in federal grants. The Legislature added $306 thousand to current services level for audit costs increase erroneously deleted.

Provisoes

Section 217 (3) The Department is required to provide Early Childhood Education and Assistance Program services to at least 2000 children during the biennium.

Section 217 (4) The Department must assess the need for and availability of affordable housing around the state. A preliminary study, with recommendations for legislative action, must be submitted to the House Housing and the Senate Commerce and Labor committees by the end of calendar year 1987. A final report is required by the end of 1988.

Section 217 (7) The Department is required to review the needs of low-income migrant and seasonal workers. The Legislature encourages the Department to give special attention to the needs of this group.

Section 217 (14) An additional building code fee is imposed, bringing the total fee up from $1.50 to $3.50. This increase will increase the Building Code Council Account balance by $160,000.

Governor's Vetoes:

None.

Department of Veterans Affairs
($000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	17,265	3,764	5,250	26,278

1987-89 Biennium		Governor Request				Legislative Budget			
		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		17,656	3,843	5,569	27,068	17,656	3,843	5,569	27,068
1. Nursing care conversion		0	447	344	792	0	447	344	792
2. Equipment		(28)	0	0	(28)	(28)	0	0	(28)
3. Cost containment project		29	0	0	29	29	0	0	29
4. PTSD counseling		200	0	0	200	200	0	0	200
5. Comp med records		0	100	0	100	0	100	0	100
6. Facility staff		0	51	110	160	0	51	110	160
7. Light nursing care conversion		56	149	48	253	56	149	48	253
8. Clerical support		0	0	37	37	0	0	37	37
9. Equipment		76	0	0	76	76	0	0	76
10. Assume medicare savings		0	0	0	0	(100)	100	0	0
	Total	17,989	4,590	6,108	28,688	17,889	4,690	6,109	28,687

Comments:

4. Funds expansion of the Delayed Stress counseling program.

7. Funds the conversion of domiciliary beds to light nursing care beds at the Soldiers Home.

Provisoes:

None.

Governor's Vetoes:

None.

Human Rights Commission
($000)

Section 219

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	3,043	1,062	0	4,105

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		3,199	964	0	4,163	3,199	964	0	4,163
	Total	3,199	964	0	4,163	3,199	964	0	4,163

Comments:

1. Maintains current level.

Governor's Vetoes:

None.

Death Investigation Council
($000)

Section 220

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	0.0	3	0	3

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		0.0	5	0	5	0.0	5	0	5
	Total	0.0	5	0	5	0.0	5	0	5

Governor's Vetoes:

None.

Board of Industrial Insurance Appeals
($000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**0**	**0**	**7,803**	**7,803**
1. 1987 Supplemental Budget				
Additional adjudication budget			350	350
Total	**0**	**0**	**8,153**	**8,153**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	0	0	7,927	7,927	0	0	7,927	7,927
2. Additional adjudication staff	0	0	1,160	1,160	0	0	1,160	1,160
3. Data processing increase	0	0	100	100	0	0	100	100
4. Addendum caseload increase	0	0	3,019	3,019	0	0	3,019	3,019
Total	**0**	**0**	**12,206**	**12,206**	**0**	**0**	**12,206**	**12,206**

Comments:

1. Funds are provided to allow the Board to handle increasing appeals in an expeditious fashion.

2. Funds are provided in the 1987-89 biennium to carry forward the increased staff authorized in the 1987 Supplemental Budget.

3. Funds are provided for data processing support for the additional adjudication staff.

4. Funds an additional request by the Governor on 3/12/87 for increased adjudication staff.

Provisoes:

None.

Governor's Vetoes:

None.

Criminal Justice Training Commission
($000)

Section 222

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	4	0	6,870	6,874

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		0	0	7,098	7,098	0	0	7,098	7,098
1. Expand training hours		0	0	314	314	0	0	314	314
2. Uniform crime report modify		0	0	68	68	0	0	68	68
3. Attorney in-service training		0	0	176	176	0	0	176	176
4. Supervisor/Mgmt training		0	0	242	242	0	0	242	242
	Total	0	0	7,898	7,898	0	0	7,898	7,898

Comments:

1. Current union contracts call for 160 hours of training as opposed to 80 hours for correctional officers. This is the result of an administrative decision made by the Commission.

2. Improves the current crime reporting system by providing more complete information. A Federal match is required for this improvement to occur.

3. Provides funding for in-service training for prosecutors, public defenders and municipal attorneys.

4. Provides funding for new correctional supervisors/managers training within the first six months of employment.

Provisoes:

Section 222. Prohibits state funding from being spent on the Uniform Crime Reporting system modification if Federal matching funds are not received.

Governor's Vetoes:

None.

Department of Labor and Industries
($000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**8,095**	**0**	**162,803**	**170,898**
1. 1987 Supplemental Budget:				
Health care			400	400
Industrial insurance admin			500	500
Total	**8,095**	**0**	**163,703**	**171,798**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	8,042	0	169,373	177,415	8,042	0	169,373	177,415
2. Management Services	0	0	3,645	3,645	0	0	3,645	3,645
3. Claims administration	0	0	4,717	4,717	0	0	4,717	4,717
4. Health care cost containment	0	0	3,902	3,902	0	0	3,902	3,902
5. Industrial insurance admin	0	0	4,680	4,680	0	0	4,680	4,680
6. Industrial safety & health	0	0	1,801	1,801	0	0	1,801	1,801
7. Building & construction safety	344	0	1,632	1,976	344	0	1,632	1,976
8. Employment stan/apprent/crime victim	180	0	160	340	0	0	0	0
9. Legal services	0	0	390	390	0	0	390	390
10. Addendum appeals increase	0	0	0	0	0	0	2,147	2,147
11. Technical adjustment	0	0	0	0	(2)	0	0	(2)
Total	**8,566**	**0**	**190,300**	**198,866**	**8,384**	**0**	**192,287**	**200,671**

Comments:

2. Funds are provided for an additional 60 annual FTEs to increase accuracy and efficiency in processing workers' compensation benefit claims.

3. Seventeen annual FTEs are provided to increase efforts to control rising health care costs.

8. Funds are provided to increase the number of staff processing crime victim compensation claims.

Provisoes:

Section 233 (1), (2), (3), & (4). The Department is required to study an independent ombuds office, the vocational rehabilitation program, a state minimum wage standard, and workers' compensation caseload data. A report to the Legislature is due by January 11, 1988.

Governor's Vetoes:

None.

Indeterminate Sentence Review Board
($000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy	**2,936**			**2,936**
1. 1987 Supplemental Budget: Increased workload (HB 1400)	483			483
Total	**3,419**	**0**	**0**	**3,419**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	3,149	0	0	3,149	3,149	0	0	3,149
2. Add Board members (1.5)	196	0	0	196	196	0	0	196
3. Add Hearings Officer (1.5)	134	0	0	134	134	0	0	134
4. Add clerical staff (1.0)	50	0	0	50	50	0	0	50
5. Attorney reimbursement	166	0	0	166	166	0	0	166
6. Data processing	97	0	0	97	97	0	0	97
7. Attorney General	250	0	0	250	250	0	0	250
Total	**4,042**	**0**	**0**	**4,042**	**4,042**	**0**	**0**	**4,042**

Comments:

1. Increased workload attributable to changes in sentencing laws from indeterminate to determinate.

2., 3., 4., 6. Additional staffing and data processing resources to review all remaining indeterminate cases for sentencing consistency with new determinate sentencing laws.

5. Increases fees paid to attorneys representing indigent parolees from $25 per hour to $40 per hour. There is a six hour representation limit.

7. Reflects workload increases associated with litigation resulting from transition to new sentencing law.

Provisoes:

Section 224 (1). Specifies $166,000 GFS for private attorney fee increases.

Section 224 (2). Specifies $727,000 GFS for addressing inmate litigation resulting from the change in the sentencing laws.

Section 224 (3). Places one-half of the $727,000 enhancement in reserve pending legislative release. Release of these funds is contingent upon the Board achieving completion of one-half of identified workload. The stringent workload requirement results from the Legislature's intent to have the Board terminate June 30, 1989. Any remaining functions will transfer at that time to the Department of Corrections or the Judiciary.

Governor's Vetoes:

None.

Hospital Commission
($000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	1,717	0	1,329	3,046

1987-89 Biennium		Governor Request				Legislative Budget			
		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy									
		1,884	0	1,420	3,304	1,884	0	1,420	3,304
1. Process of special requests		64	0	0	64	64	0	0	64
	Total	1,948	0	1,420	3,368	1,948	0	1,420	3,368

Comments:

1. Funds development of a data base to track and determine the impact of variable hospital reimbursement rates.

Provisoes:

None.

Governor's Vetoes:

None.

Employment Security Department
($000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	5,464	267,200	13,402	286,066

1987-89 Biennium		Governor Request				Legislative Budget			
		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		5,230	265,934	18,373	289,537	5,230	265,934	18,373	289,537
1. Increased OASI collections		14	0	26	40	0	0	0	0
2. Occupational information system		130	0	0	130	130	0	0	130
3. Labor market information		90	0	0	90	90	0	0	90
4. Claimant placement program		0	3,960	0	3,960	0	24	0	24
5. County economic development		145	0	0	145	145	0	0	145
6. Agriculture, forestry and fishing		105	0	0	105	105	0	0	105
7. Reemployment project		0	0	0	0	0	120	0	120
	Total	5,714	269,894	18,399	294,007	5,700	266,078	18,373	290,151

Comments:

2. Provides funding to continue provision of occupational demand and supply data.

3. Requires the development of current industry employment estimates.

4. Claimant placement program is continued through funding contained in SHB 656, which appropriates $6,350,000, for a total appropriation of $296,501,000.

5. Requires development of local labor market and economic information packages for distressed counties.

6. Provides funding to develop data on employment in the agriculture, fishing and forestry industries.

7. Evaluation funds for a reemployment bonus demonstration project, if federal or private funds become available for that project.

Provisoes:

Section 226(1) Requires the Department to develop a plan for continuation of full services at its office on Second Avenue in Seattle.

Section 226(3) Requires the Department to prepare a detailed annual state economic report, incorporating information on seasonality, cyclicity, etc.; plant closures, layoffs, etc.; dislocated workers.

Section 226(4) Establishes a pilot counter-cyclical employment program to provide employment for longer term unemployed forest products workers. Pilot program is to be conducted at two locations in the state; employees are to receive compensation of at least $8/hour with benefits the same as state employees. No one is to be employed for more than 6 months; the program is triggered after 2 quarters of below-average employment in the forest production industry.

Governor's Vetoes:

None.

Department of Services for the Blind
($000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	2,285	4,110	660	7,055

1987-89 Biennium		Governor Request				Legislative Budget			
		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		2,357	4,251	684	7,292	2,357	4,251	684	7,292
1. Revenue adjustment		0	100	0	100	0	100	0	100
2. Vocational Rehab. fund adjustment		0	511	0	511	0	511	0	511
	Total	2,357	4,862	684	7,903	2,357	4,862	684	7,903

Comments:

1. Total appropriation $7,219,000. $684,000 is identified for the Business Enterprise Revolving Fund, but is not appropriated.

Provisoes:

Section 227 Identifies $22,000 of the appropriation to support the Deaf-Blind Service Center.

Governor's Vetoes:

None.

Corrections Standards Board
($000)

Section 228

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	709	81	29,883	30,673

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		744	80	1,562	2,386	185	20	0	205
	Total	744	80	1,562	2,386	185	20	0	205

Comments:

The Board is funded for six months as a result of the Legislature passing SHB 738 which terminates the Board on December 31, 1987 and transfers the prison standard setting and inspections to the Dept. of Corrections and the Criminal Justice Information Act (jail reporting etc.) responsibilities to the Office of Financial Management. Jail standard setting and inspection activities are terminated. Remaining jail construction funding is contained in the capital budget under the jurisdiction of the Office of Financial Management.

Governor's Vetoes:

None.

Sentencing Guidelines Commission
($000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	505	0	0	505

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		525	0	0	525	525	0	0	525
	Total	525	0	0	525	525	0	0	525

Comments:
Continues the Commission's current level of operation.

Governor's Vetoes:
None.

Basic Health Plan
($000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	0	0	0	0

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		0	0	0	0	0	0	0	0
1. Basic Health Plan		0	0	0	0	17,970	0	0	17,970
2. Administrative staff		0	0	0	0	874	0	0	874
	Total	0	0	0	0	19,109	0	0	19,109

Comments:

1. Funds are provided to serve uninsured persons beginning in FY 1989. The appropriation is sufficient to phase in service delivery for up to 30,000 persons by June 30, 1989.

2. Funds provided to administer the Basic Health Plan as specified in E2SHB 477.

Provisoes:

None.

Governor's Vetoes:

None.

The Natural Resources functional area of Washington State government primarily includes agencies whose functions are related to managing, enhancing or protecting the state's environmental resources. The major natural resources agencies are: the Departments of Agriculture, Ecology, Fisheries, Natural Resources, and Wildlife, the State Energy Office and the Parks and Recreation Commission.

This functional area historically has included economic development agencies as well. These agencies are: the Department of Trade and Economic Development, the Washington Centennial Commission, the Economic Development Board and the State Convention and Trade Center.

Many natural resource agencies rely on both general fund - state and dedicated fund revenues to support their operations. For instance, 25% of the Department of Natural Resources budget is supported from general fund- state revenues while the remaining 75% is provided by income from fees charged for agency services. In this case, these fees are actually a percentage of the proceeds from timber sales made on state owned trust lands.

The major policy and budget items in the natural resource area are described in the following section entitled "Policy Initiatives" which covers: the Timber, Fish, Wildlife agreement, hazardous waste regulation and cleanup, the Puget Sound Water Quality Plan and statewide water quality activities, the creation of the Department of Wildlife, Natural Resource Conservation, and a mix of economic development items.

Policy Initiatives

The Timber, Fish, Wildlife Agreement

In 1974, the Forest Practices Act was passed by the Legislature in order to prevent environmental degradation from timber activity in the state. Regulations developed to enforce the act have been in dispute ever since. The Department of Natural Resources drafted new regulations in 1986. Concern over the draft regulations prompted representatives from the forest industry, Indian tribes, environmental organizations and the Departments of Natural Resources, Fisheries, Game and Ecology, to begin a dialogue which resulted in a new approach to regulating forest practices now known as the Timber, Fish, Wildlife agreement or TFW. The TFW agreement proposes a case by case or "adaptive management" policy toward regulating forest practices, including rule changes that incorporate regional differences. In agreeing to these rules, industry will not log certain environmentally sensitive or significant areas, for the most part along streams and rivers known as riparian zones, and in turn the environmental organizations will not dispute logging in less environmentally sensitive areas. Interdisciplinary teams will work to recommend measures to mitigate potential problems. Basin planning will also take place to allow coordinated timber harvesting by landowners while at the same time protecting habitat and riparian areas.

The Legislature adopted the policies proposed by TFW in two ways: 1) the passage of SSB 5845 which amended current law regarding abandoned logging roads and other time lines in the permit process and 2) providing $4.5 million above current policy for the following agencies.

Department	GF-State Appropriation
Ecology	$ 553,000
Fisheries	587,000
Game/Wildlife	711,000
Natural Resources	2,649,000
Total	**$4,500,000**

The additional funding provides staff needed to do the case by case analysis of forest practice permits and to do the follow up monitoring and evaluation called for in TFW.

Hazardous Wastes Regulation and Cleanup

E2SHB 434, the Toxics Control Act, was a major piece of legislation introduced during the 1987 session to address the issue of hazardous waste regulation and cleanup. The Toxics Control Act did not pass, thus leaving the financing of hazardous waste activities an unresolved issue. E2SHB 434 would have granted the Department of Ecology clear authority to require the cleanup of hazardous waste sites and the funding necessary to do so when a responsible party was unable or unwilling to clean up a site themselves. E2SHB 434 would have provided Ecology approximately $21.0 million from imposing a tax on the first sale of hazardous substances in the state. Sufficient funds would have been available to help clean up approximately 158 state and federal hazardous waste sites. E2SHB 434 also provided a funding

mechanism for Ecology's hazardous waste regulatory program and for financial assistance to local governments in preventing and cleaning up hazardous waste sites.

The financing of the Governor's water quality initiatives and the Department of Ecology's budget was also an integral part of the hazardous waste debate since the Governors budget was predicated on the policy that general fund-state money should not be spent cleaning up industrial and municipal waste problems. Thus, a reduction of $9.2 million to the Hazardous Waste Cleanup program within the Ecology's current policy budget was proposed to offset the cost of implementing the Puget Sound water quality plan and other enhancements. The passage of E2SHB 434 would have replaced the $9.2 million reduction and provided additional funds from new dedicated revenues. Even though E2SHB 434 did not pass, the Legislature agreed with the policy not to spend state general fund money on cleaning up past industrial practices and therefore a reduction to the hazardous waste clean up program was also assumed in the final Legislative budget.

Puget Sound Water Quality Plan and Statewide Water Quality Activities

In 1985 the Legislature created the Puget Sound Water Quality Authority and directed the Authority to develop a management plan to maintain and improve the quality of Puget Sound waters. The plan was adopted by the Authority in December 1986 and presented to the Legislature during the 1987 session. The plan identifies problems, recommends specific actions to remedy the problems and specifies target dates for completion of each action. To carry out the action plan requires a substantial increase in staff and financial resources at the state and local levels. Fifteen state agencies are required to do specific tasks related to the major elements of the plan:

- Nonpoint source pollution
- Shellfish protection
- Municipal and industrial dischargers
- Contaminated sediments and dredging
- Stormwater and combined sewer overflows
- Laboratory support
- Wetland protection
- Oil spill response planning
- Research
- Education and public involvement
- Household hazardous waste
- Legal and personnel support

Because of the timing of the final adoption of the plan, the Governor was unable to include specific budget recommendations regarding plan implementation in his budget document submitted in December. However, he did set aside $10.0 million for water quality purposes. Later, through the Office of Financial Management, an informal recommendation was made on the $10.0 million set aside. The following represents the outcome of the $10.0 million in state general fund dollars.

	Governor's Proposal	Final Legislative Budget
Ecology		
PSWQ Plan	7,780	5,655
Water Quality Non-Plan	4,298	3,673
Other Enhancements	2,491	2,702
Hazardous Wastes Cleanup	(9,200)	(7,700)
Ecology Total	**5,369**	**4,330**
Other Water Quality Agencies	5,846	2,996
Total Water Quality Only	17,564	12,324
Net Impact to GF-S	**10,855**	**7,326**

As indicated, the final Legislative budget allocated $12.3 million for water quality purposes providing for implementation of the plan and for enhancements to statewide water quality activities.

Agency	Amount
Ecology	$ 9,328,000
Social & Health services	1,869,000
Parks & Recreation Commission	416,000
Dept of Natural Resources	268,000
Conservation Commission	182,000
Fisheries	106,000
Game	59,000
Agriculture	48,000
Attorney General	31,000
Environmental Hearings Board	17,000
Total	**$12,324,000**

While the Legislature endorsed the plan and related statewide activities by providing funding, one major recommendation of the Authority regarding funding was not successful:

The Water Quality Discharge Permit Fee bill (HB 447) did not pass. HB 447 would have provided an additional $5.0 million in new revenues dedicated to water quality permit and compliance activities within Ecology. Under the bill, industrial dischargers would pay fees based on the actual cost of the issuing a permit, monitoring and evaluating permit compliance, and of related laboratory and administrative support.

The Department Of Wildlife

The 1987 Legislature made major changes to the Department of Game in 2SHB 758. The name of the Department was changed to the Department of Wildlife, the Governor was given authority to appoint the director of the Department, and the Department received an $8,000,000 general fund-state appropriation. The Wildlife Commission (formerly the Game Commission) continues to establish the time, place, manner and species of animals for which hunting and fishing is permitted.

The Legislature regards all residents of the state as beneficiaries of the state's wildlife resource. In appropriating general fund monies to the Department for the first time, it was the intent of the Legislature to recognize this widespread benefit and to provide a broader funding base than that previously provided by hunting and fishing license sales alone. In authorizing the Governor to appoint the director of the Department, it was the Legislature's intent that the Governor have direct managerial control over departments receiving general fund dollars.

The Department and Commission must prepare a series of reports. The first, due November 1, 1987, will contain comprehensive and detailed analyses and management plans pertaining to agency programs, license fees, organization, land management practices and landowner relations. The second, due October 1, 1988, will address the state's wildlife and wildlife recreation needs, innovative management methods and alternative methods of increasing agency revenues. In the third, due June 30, 1989, the Commission must prepare an annual report to the public and periodically review the Department's basic goals and objectives.

In addition to the above reports, the Governor must submit a comprehensive spending plan to the Legislature by December 31, 1987. If this plan is rejected by the 1988 Legislature, $4.5 million of the $8 million general fund appropriation will revert to the general fund. The Department is authorized to spend the remaining $3.5 million without regard to the comprehensive plan.

Natural Resource Conservation

With the passage of SSB 5911, the Legislature continues a policy of preserving lands for present and future generations. Such preservation is desired so that unique natural or ecologic resources will remain available for public purposes and are not converted to incompatible or ecologically irreversible uses.

Specifically the Department of Natural Resources (DNR) is authorized to purchase and manage certain properties as natural resource conservation areas. $7.9 million is appropriated to obtain property for and establish the following conservation areas: Mount Si in King County, Cypress Island in Skagit County, Woodard Bay in Thurston County and Dishman Hills in Spokane County.

$4.0 million is appropriated for purchasing property or acquiring less than fee interest in property for natural areas preserves. Natural area preserves are areas identified by DNR and the Natural heritage advisory council as having critical habitat and special plant and animal species and are a part of the Natural Heritage plan. Of the $4.0 million, approximately $2.0 million will be used for wetland acquisition and the remaining $2.0 million for upland sites. The appropriation for natural area preserves must be matched by a 25% private contribution.

The acquisitions authorized in SSB 5911 are supported by a real estate excise tax surcharge of 0.06 percent. This surcharge is effective for two years expiring July 1,1989. For other tax aspects contained in SSB 5911 see the summary of revenue legislation.

Economic Development

History

After three biennia of substantial growth in state funding for economic development effort, the 1987 legislative session saw fewer new efforts in this area and emphasis on consolidation and enhancement of existing programs.

Traditional economic development programs focus on assistance to businesses and to communities. Between the 1981-1983 and the 1985-1987 biennia, state spending on these sorts of economic development programs increased more than five fold, from $13.8 million to $74 million. In recent years, efforts to improve the quality of the state's workforce, such as spending on vocational education and skills have come to be counted among economic development efforts. State and local spending for vocational and skill training was over $415 million in the 1981-1983 biennium and grew to over $539 million by 1985-1987, a increase of $124 million, or about 30%. Economic development spending increased at a slower rate between the 1985-87 and 1987-89 biennia.

Major Budget Enhancements

Washington Technology Center
Funding for the Washington Technology Center, a basic and applied research institute located at the University of Washington that has a special focus on transfer of technology from the University to business applications, is increased from $3.6 million in 1985-87 to $7 million 1987-89. As in the past, state funding must be matched dollar for dollar by money from other sources. In addition to this operating increase, $14.9 million is provided in the capital budget for construction of a new building to house the Center.

Super-Colliding Superconductor
A total of $400 thousand (including $175 thousand in the 1985-1987 supplemental budget) is provided for geo-technical study, and review of layout, infrastructure and environmental requirements for locating the super-colliding superconductor in Washington state. If warranted, funds may also be used for work on a proposal to the U.S. Department of Energy that the super-collider be located in the state.

Business Assistance Center
Funding is provided for the Business Assistance Center created in SSB 5530. The Center is directed to serve as the state's lead agency for small business assistance and to provide a comprehensive business assistance referral service. The Center will house one staff person from each of the four state agencies with greatest involvement in business assistance, the Department of Trade and Economic Development's business ombudsman, hotline, and current business assistance programs, as well as new staff. The Center is directed to develop a system for reporting the work and results of the state's business assistance programs and must submit reports to the Legislature each year outlining the accomplishments of these programs. $600 thousand is provided for the Center in the Department of Trade and Economic Development budget.

Counter-cyclical Employment Program
An employment program for unemployed timber workers during downturns in the forest products industry is established in the Employment Security Department. The Department of Natural Resources is directed to create jobs that provide economic benefit to state trust lands and pay at least eight dollars an hour, for a total of 200 people, 50 each for a period of six months, under the provisions of this program.

Other Enhancements

Labor Market and Economic Information
The Employment Security Department is directed to produce labor market information packages for the state's economically distressed counties and an annual state economic report. $470 thousand is provided to the Department for enhanced labor market and economic information.

Reemployment Centers
The Legislature funds grants of $120 thousand each to three non-profit organizations or local government agencies for local Reemployment Centers to provide the unemployed with referral and assistance in overcoming obstacles to finding work.

Employee Cooperatives
A program of employee ownership is established in the Department of Community Development to provide education on employee ownership and technical assistance to worker cooperatives. $100 thousand is provided for this purpose.

Master License System
Funding is provided in the Department of Licensing for expansion of the Master License System. This system will eventually incorporate nearly all state business licenses.

Uniform Business Identifier
$3.5 million is provided for a joint effort among state agencies to develop a common business identification number. This project is aimed at improving state interaction with businesses regarding taxes, unemployment insurance, licensing and other forms of regulation and assistance.

Centennial Celebration
A total of $9.9 million is provided for state and local centennial celebrations and the development of lasting memorials of the anniversary. These events and projects are expected to both draw out of state visitors and foster community spirit.

Economic Development Board
$666 thousand is provided for the Economic Development Board to devise a long-term economic development plan for the state by 1989.

Development Loan Fund
In the capital budget, $3 million is provided in additional capitalization for the Development Loan Fund. The Development Loan Fund, through transfer of federal funds, assists in business loans.

Gray's Harbor Dredging
$10 million, only $5 million of which may be spent this biennium, is provided in the capital budget for Gray's Harbor dredging, dike construction, bridge relocation and related expenses. This effort will facilitate the development of Gray's Harbor into a major west coast port. This funding is contingent on $50 million being provided from non-state sources.

Public Works Trust Fund
In the capital budget, $34 million is provided for loans for local public works projects. Specific projects will be approved during the 1988 and 1989 sessions of the Legislature.

Community Economic Revitalization Board
In the capital budget, $10.8 million is provided in additional capitalization for the loan and grant fund administered by the Community Economic Revitalization Board (CERB). The CERB Public Facilities program is funded by bonds authorized by the Legislature. It is used for loans and grants to local governments for public works projects aimed at promoting economic development.

Agricultural Trade Center
$6.5 million is provided for an agricultural trade complex at Yakima.

The Washington State Convention And Trade Center

The Legislature enacted SSB 5901, a measure that increases the appropriation and borrowing authority of the Washington State Convention and Trade Center, mandates a surcharge on the special hotel/motel tax to cover operating deficits, and calls for a study of future mechanisms for finance and governance of the Center.

Appropriation and Borrowing Authority
The bill increases the Convention Center's appropriation by $64 million. Of this amount, approximately $5 million is for actual cost increases. The remaining $59 million represents the private portion of the project. The bill gives the Convention Center the right to borrow from the treasury pending receipt of these funds, with the approval of the Director of Financial Management in consultation with the chairs of the Ways and Means Committees. Of the $59 million, $30 million is being paid, in thirteen monthly installments begun in March 1987, by a company that insured the Convention Center against its original private partner's bankruptcy. The remaining $29 million is to come from an anticipated agreement with a new private partner.

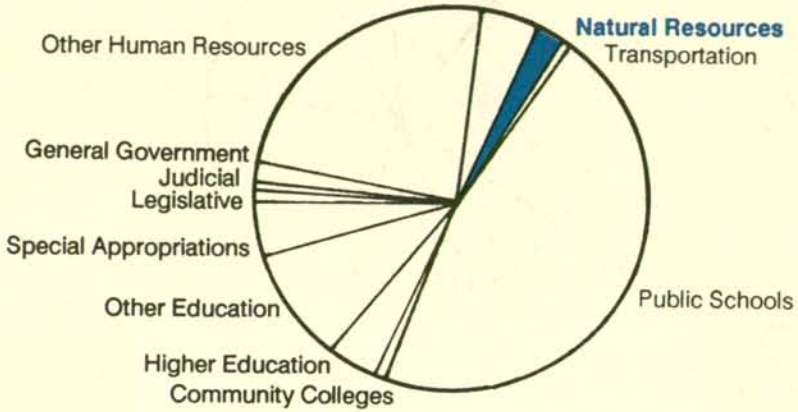
Hotel/Motel Taxes
Beginning October 1, 1993, SSB 5901 institutes a surcharge on the special hotel/motel tax. This additional tax is to be set at the rate needed to meet the Center's operating deficit, with a ceiling of 2% in Seattle and .8% in the rest of King County.

Two other special hotel/motel tax are available. One may be used only by big cities, other than Seattle, in populous counties, for convention and trade facilities. Another is available generally to counties for stadium, convention and art facilities. The bill forbids use of revenues from these taxes to buy land or buy, build or operate facilities used by a professional sports franchise.

Study of Convention Center Future
A Joint Committee on the Convention Center is created. It is to comprise two members of both caucuses of both houses, including the Ways and Means Committee chairs or their designees. This group is directed to study alternative methods for the future finance and governance of the Convention Center, and report to the Legislature by December 1987. The Committee is to work in consultation with the Convention Center board of directors and a representative of the hotel/motel industry,

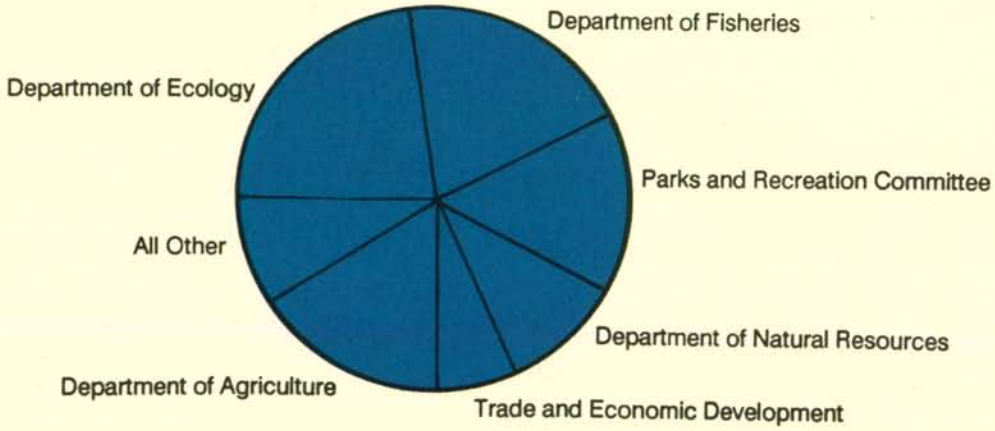
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	89.4	.9%
Judicial	47.5	.5%
General Government	143.1	1.4%
Human Resources	2,865.1	28.2%
Natural Resources	**232.3**	**2.3%**
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	1,082.6	10.6%
Other Education	67.4	.7%
Special Appropriations	342.0	3.4%
Total	**10,176.4**	**100.0%**



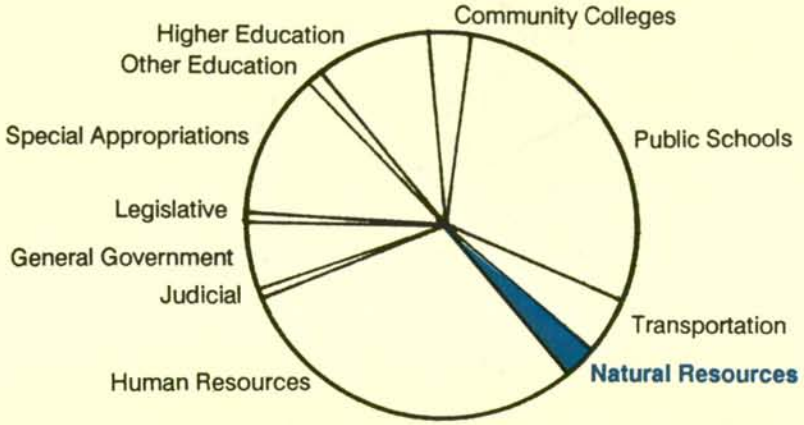
1987-89 Operating Budget
Natural Resources
Dollars in millions

General Fund - State		
Department of Ecology	51.7	22.2%
Department of Fisheries	47.5	20.4%
Parks and Recreation Committee	35.3	15.2%
Department of Natural Resources	36.2	15.6%
Trade and Economic Development	23.7	10.2%
Department of Agriculture	16.0	6.9%
All Other	22.1	9.5%
Natural Resources	**232.3**	**100.0%**



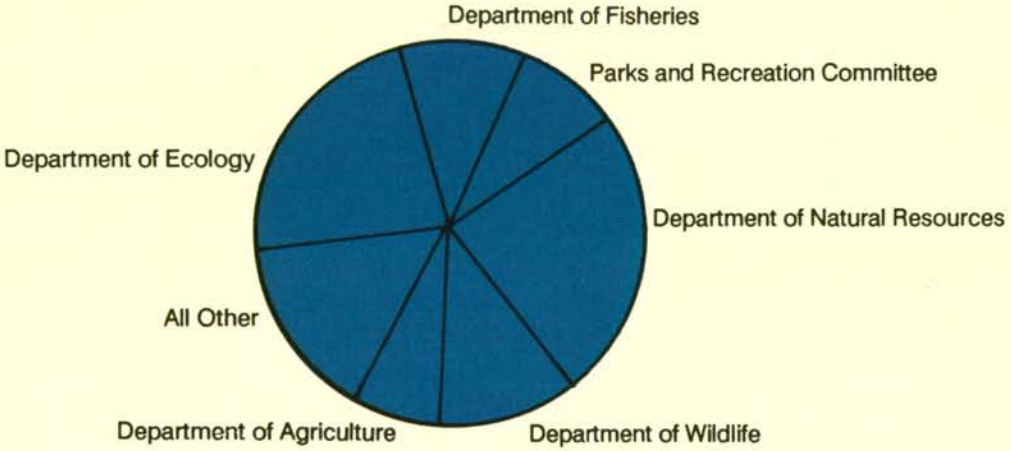
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	92.1	.5%
Judicial	66.3	.4%
General Government	947.3	5.4%
Human Resources	5,477.9	31.2%
Natural Resources	**562.3**	**3.2%**
Transportation	852.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	2,061.1	11.7%
Other Education	91.9	.5%
Special Appropriations	1,726.6	9.8%
Total	**17,567.8**	**100.0%**



1987-89 Operating Budget
Natural Resources
Dollars in millions

All Funds		
Department of Ecology	133.7	23.8%
Department of Fisheries	65.6	11.7%
Parks and Recreation Committee	48.2	8.6%
Department of Natural Resources	132.1	23.5%
Department of Wildlife	63.3	11.3%
Department of Agriculture	44.1	7.8%
All Other	75.4	13.4%
Natural Resources	**562.3**	**100.0%**



Washington State Energy Office
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**1,656**	**23,815**	**25,471**
1. Supplemental Budget	210		210
Total	**1,866**	**23,815**	**25,681**

	Governor Request			Legislative Budget		
1987-89 Biennium	**GF-State**	**Other**	**Total**	**GF-State**	**Other**	**Total**
Current Policy	1,788	20,859	22,647	1,788	20,859	22,647
2. Match	46	554	600	46	554	600
3. Adjustments to other federal programs	0	(3,555)	(3,555)	0	(3,555)	(3,555)
4. Hydropower development study	0	0	0	40	0	40
5. Building code revenue increase	0	0	0	0	195	195
Total	**1,834**	**17,858**	**19,692**	**1,874**	**18,053**	**19,927**

Comments:

2. The general fund state increase of $46,000 is necessary to match U.S. Dept of Energy funds for the state energy conservation program. Oil overcharge funds will also be administered through this program.

5. Revenue available from Building Code Account is provided for the University of Washington model building project to collect a second year of thermal data, and to conduct a heat loss study for basements.

Provisoes:

Section 301. Requires the State Energy Office to contract with the Institute for Public Policy at The Evergreen State College to conduct a comprehensive state hydropower study which makes recommendations on balancing the protection and development needs of the state's waterways. The due date for the study is December 1, 1987. (See Item 4 above.)

Governor's Vetoes:

None.

The Columbia River Gorge Commission
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	107	83	190

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		115	89	204	115	115	230
1. Additional staff to comply with creation of National Scenic area		222	222	444	222	222	444
2. WA members compensation & travel		62	0	62	62	0	62
3. Studies required by the federal legislation		131	131	262	131	131	262
4. Reduction to phase in staff		0	0	0	(67)	0	(67)
	Total	**530**	**442**	**972**	**463**	**468**	**931**

Comments:

The Legislature provided a $26,000 increase for current level expenses from "other" funds assuming Oregon will contribute an amount equal to the current policy general fund-state figure.

1. Congress created the Columbia River Gorge National Scenic Area in late 1986. To comply with the Congressional Act, the Legislature provided additional staff and financial resources to the Commission and ratified the Interstate compact contained in 2SHB 426.

3. Several tasks are required to implement the scenic area management plan including: an inventory of resources, an economic opportunity study, a recreation assessment and developing a means to apply land use designations.

4. The Legislature reduced the Governor's recommendation for staff increases assuming not all staff would be on board July 1, 1987.

Governor's Vetoes:

None.

Department of Ecology
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**43,708**	**42,475**	**86,183**
1. Supplemental Budget	375		375
Total	**44,083**	**42,475**	**86,558**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	47,337	43,568	90,905	47,337	43,568	90,905
2. Puget Sound Water Quality Plan	7,780	0	7,780	5,655	0	5,655
3. Water quality non-plan	4,298	0	4,298	3,673	0	3,673
4. Other enhancements/reductions	1,636	0	1,636	1,636	0	1,636
5. Hazardous Waste cleanup reduction	(9,200)	0	(9,200)	(7,700)	0	(7,700)
6. Timber Fish Wildlife	855	0	855	553	0	553
7. Oil spill activities/2SSB 5986	0	0	0	225	50	275
8. Other funds/federal superfund/nuclear	0	32,015	32,015	0	38,366	38,366
9. Incinerator Ash	0	0	0	288	0	288
rounding	0	0	0	(1)	0	(1)
Total	**52,706**	**75,583**	**128,289**	**51,666**	**81,984**	**133,650**

Comments:

1. The 1987 supplemental budget allowed Ecology to begin implementing the Puget Sound Water Quality Management plan, and to continue the state's litigation concerning the U.S. Department of Energy high level nuclear waste site designation.

2. The Puget Sound Water Quality Authority's action plan for Puget Sound requires Ecology to take additional measures to protect and enhance the Sound's water quality, sediment quality, fish and shellfish, and wetlands. The plan calls for additional resources to do a better job of enforcing current water quality laws as well as requiring new activities. While additional resources are earmarked to be spent on these activities, the increase has been offset by a reduction in the hazardous waste cleanup and the Washington Conservation Corps programs. While approximately $5.7 million is indicated above for this purpose, depending on the reduction to hazardous waste and other programs, an amount greater to the $5.7 million may be spent to implement the plan.

3. In order for the Department to have a consistent and comprehensive statewide water quality program additional resources were required in areas not covered in the Puget Sound Water Quality Management plan.

4. Other enhancements were provided for: administrative services $776,000, continuing the Padilla Bay Interpretive Center $302,000, solid waste management $715,000, shorelands enforcement $62,000, water resources investigations $268,000, the air monitoring network $357,000, asbestos enforcement $83,000, the geologic information system $129,000, and agricultural hazardous waste $95,000. These enhancements were offset by reductions in the Low Level Nuclear Waste program ($300,000) the shorelands program ($150,000) and the Washington Conservation Corps ($700,000).

5. A substantial reduction was made to the current Hazardous Waste Cleanup program based on the policy that the state general fund should not bear the cost of cleaning up past industrial problems or practices. The Legislature in agreeing to this reduction did not specify an exact amount. However, as indicated in Section 303 (12), the Legislature requires that state sites be properly phased down and that sufficient funds be available for emergency purposes. While the final budget assumed a $7.7 million reduction, the reduction could be more if the constraint regarding the phase down of state site is met. It is also understood that sufficient funds remain within the current policy level after the reduction to continue an appropriate level of hazardous waste cleanup staff to encourage responsible parties to cleanup sites and to match federal funds on approximately 28 sites which qualify for federal "superfund" cleanup money.

Reducing the general funds-state support to the Hazardous Waste Cleanup program partially offset the cost of implementing the water quality initiatives and the other budget enhancements. The Legislature intended to address these priority programs with the least impact to the state general fund. While this approach saved state general fund money for the 1987-89 biennium, the cost will bow wave into the 1989-91 biennium as the additional staff, hired in place of the hazardous waste cleanup contracts, is continued for a full biennium. Ecology will be hiring approximately 150 new people over the course of the 1987-89 biennium primarily associated with implementing the Puget Sound Water Quality plan. The cost of the maintaining the increased staff in 1989-91 is estimated to require $3.8 million more than in 1987-89.

8. A substantial increase in federal funding is anticipated for Ecology in 1987-89. The federal "superfund" program, which funds the cleanup of hazardous waste sites that meet the national priority list criteria, will increase by approximately $13.4 million providing a total of $32.0 million. Approximately 28 sites qualify. As these sites get beyond the research, investigation, and planning stages and approach the actual cleanup stage, increased federal spending will occur. Again, sufficient state dollars are available to match this increase in federal money even with the reduction to the state hazardous waste cleanup program mentioned in item 5 above.

The High Level Nuclear Waste program will increase by $18.5 million for a total of $23.1 million. Since the federal Department of Energy selected Hanford as one of three possible sites in the nation for a high level nuclear waste repository, a substantial increase in funding is provided by the Department of Energy to expand the site evaluation process. Intensive study will take place over the next few years so, by 1992, a site selection can be made based upon the most accurate scientific data available.

Provisoes:

Section 303 (1). Requires Ecology to implement the Nisqually River Task force recommendations and provides that $150,000 within current policy be used for that purpose.

Section 303 (2). Provides that $75,000 within current policy be spent on a wetlands restoration project to be matched by a minimum of $150,000 in federal, local or private money.

Section 303 (3). Requires $985,000 be allocated to local air pollution control authorities.

Section 303 (4). Provides $366,000 from the Woodstove Public Education Account contingent upon the passage of SHB 16 which did pass.

Section 303 (5). Requires that at least $9,250,000 be spent solely on water quality enhancements both in the Puget Sound area, according to the Puget Sound Water Quality Management plan, and statewide. This corresponds to items 2. and 3. above.

Section 303 (6). Provides $715,000 be used solely for solid waste management activities including the update of the state's solid waste management plan, increasing inspections and enforcement actions and providing technical assistance.

Section 303 (7). Provides $553,000 to be used solely to implement the Timber, Fish, Wildlife agreement.

Section 303 (8). If HB 434 (the Toxics Control Act) was enacted, the hazardous waste control and elimination account appropriation would have lapsed since the account was repealed in the bill.

Section 303 (9). Requires Ecology to contract with the University of Washington college of ocean and fisheries sciences to develop a methodology for determining natural resource damages caused by hazardous spills. Requires Ecology to contract with the Department of Community Development to design a model spill contingency plan for future use by local entities. This subsection funds activities consistent with 2SSB5986. (See item 7 above.)

Section 303 (10). Requires Ecology to adopt regulations for waste disposal permit violations based upon the severity and frequency of violation.

Section 303 (11). Provides $302,000 to be used solely for operating the Padilla Bay interpretive center.

Section 303 (12). To implement the reduction to the Hazardous Waste cleanup program, Ecology is required to phase down cleanup at state hazardous waste sites currently underway and to maintain sufficient funds for emergency purposes. (See item 5 above.)

Section 303 (13). Provides $288,000 to be used solely to implement ESSB 5570 regarding the regulation of incinerator ash. (See item 9 above.)

Governor's Vetoes:

Section 303 (2).

Energy Facility Site Evaluation Council
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	2,468	2,468

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		0	2,783	2,783	0	2,783	2,783
	Total	0	2,783	2,783	0	2,783	2,783

Comments:

The Energy Facility Evaluation Council budget assumes the current level of site certification agreements.

Governor's Vetoes:

None.

State Parks and Recreation Commission
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	34,957	11,622	46,579

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		34,842	12,174	47,016	34,842	12,174	47,016
1. Hazardous materials & safety		89	0	89	0	0	0
2. Operate capital projects 85-87		287	0	287	0	287	287
3. Restore interpretive program 1/89		30	0	30	0	0	0
4. Trust purchase acct - haz materials		0	0	0	0	64	64
5. Dedicated fund increase		0	416	416	0	416	416
6. Puget Sound Water Quality plan		416	0	416	416	0	416
	Total	35,664	12,590	48,254	35,258	12,941	48,199

Comments:

2. The Legislature shifted the request to operate capital projects completed during the 1985-87 biennium to the trustland purchase account instead of the general fund.

4. Provides for the initiation of a Hazardous materials & safety program with trust land purchase account funds.

Provisoes:

Section 303. Provides $416,000 for Parks to implement the Puget Sound Water Quality plan recommendations regarding boating activities in the Sound. (See item 6 above.)

Governor's Vetoes:

None.

Interagency Committee for Outdoor Recreation
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total		10,263	10,263

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Annualize ORV staff & adj. to revenue		0	15,520	15,520	0	1,638	1,638
		0	3,455	3,455	0	108	108
	Total	**0**	**18,975**	**18,975**	**0**	**1,746**	**1,746**

Comments:

Grants totaling $17.2 million to local governments provided by the Interagency Committee for Outdoor Recreation were shifted to the capital budget. The shift was made to be consistent with similar grant programs for local capital type projects which were appropriated in the capital budget.

1. The Off Road Vehicle (ORV) program was authorized an additional staff position during the later part of the 1985-87 biennum. An increase was provided to fund the staff for the entire 1987-89 biennium.

Provisoes:

Section 306. Requires the Interagency Committee for Outdoor Recreation to prepare a comprehensive guide of recreation trails in Washington. The committee shall submit a plan on the production and distribution of the guide by January 1, 1988.

Governor's Vetoes:

None.

Environmental Hearings Office
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	789	0	789

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		825	0	825	825	0	825
1. Puget Sound Water Quality plan		17	0	17	17	0	17
	Total	**842**	**0**	**842**	**842**	**0**	**842**

Comments:

1. Additional funds were provided to the Environmental Hearings Office to complete enforcement guidelines called for in the Puget Sound Water Quality plan.

Governor's Vetoes:

None.

Conservation Commission
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	380		380

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		410	0	410	410	0	410
1. Vehicle replacement		10	0	10	10	0	10
2. Puget Sound Water Quality plan		182	0	182	182	0	182
	Total	**602**	**0**	**602**	**602**	**0**	**602**

Provisoes:

Section 308. Provides $182,000 for the Commission's responsibilities contained in the Puget Sound Water Quality plan primarily regarding non-point source pollution.

Governor's Vetoes:

None.

Puget Sound Water Quality Authority
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	2,733		2,733

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Authority activities to oversee implementation of Puget Sound Water Quality plan		2,910	0	2,910	2,910	0	2,910
2. Implement the Puget Sound plan for education projects		2,490	0	2,490	0	0	0
		0	1,100	1,100	0	1,100	1,100
	Total	**5,400**	**1,100**	**6,500**	**2,910**	**1,100**	**4,010**

Comments:

1. The Puget Sound Water Quality Authority had requested an increase in GF-S above current policy for their activities in implementing the Puget Sound Water Quality plan. The Legislature considered it a higher priority to fund the other agencies which have direct operational responsibilities under the plan.

2. Funds were provided from the Water Quality Account to implement education projects.

Governor's Vetoes:

None.

Department of Fisheries
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	44,392	16,638	61,030

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy						
1. Federal & Local project adjustments	45,432	16,050	61,482	45,432	16,050	61,482
2. Department requested enhancements	0	1,979	1,979	0	1,979	1,979
3. Reductions to fund enhancements	1,633	0	1,633	1,633	0	1,633
4. Timber Fish Wildlife	(1,299)	0	(1,299)	(1,299)	0	(1,299)
5. Puget Sound Water Quality Plan	1,875	0	1,875	587	0	587
6. Mayfield Dam fish bypass	165	0	165	106	0	106
7. Hoodcanal shellfish enforcement	0	0	0	40	0	40
8. Grays Harbor salmon survival	0	0	0	150	0	150
9. Stream Rehabilitation	0	0	0	400	0	400
10. Toutle River fish collection	0	0	0	266	0	266
11. EIS on salmon net pens	0	0	0	150	0	150
12. Federal & ALEA adjustments	0	0	0	0	150	150
	0	0	0	0	(46)	(46)
Total	**47,806**	**18,029**	**65,835**	**47,465**	**18,133**	**65,598**

Comments:

2. The Department proposed approximately $1.6 million in enhancements above current policy for a variety of items: $355,000 for tribal shellfish management, $200,000 for Queets river salmon hatchery operations, $194,000 for Deschutes fish food, $60,000 for subtidal shellfish enhancement, $240,000 for marine habitat, $300,000 for adding regional habitat managers, $65,000 for accounting & budget system costs, $76,000 for administrative support, $50,000 for increased fisheries conference costs, $48,000 to shift project staff to permanent positions, and $45,000 to increase the Puget Sound resource survey.

3. At the same time the Department proposed an equal amount of reductions to current policy to fund the enhancements including the following decreases: ($122,000) razor clam hatchery closure, ($202,000) in the artificial reef program, ($26,000) in the Columbia code tag program, ($180,000) to salmon statistical analysis, ($206,000) to salmon

4.-12. In addition, the Legislature provided funds for items 4-12 as listed above.

Provisoes:

Section 310 (1). Provides $106,000 to implement the Puget Sound Water Quality Plan. (See item 5 above.)

Section 310 (2). Provides $40,000 for reintroducing an early Coho salmon run to the Tilton River and Winston Creek. (See item 6 above.)

Section (3). Provides $587,000 to implement the Timber, Fish, Wildlife agreement. (See item 4 above.)

Section (4). Provides $150,000 to hire 2 additional field officers for Hoodcanal shellfish enforcement. (See item 7 above.)

Section (5). Provides $150,000 of the Aquatic Lands Enhancement account to be used for an Environmental Impact Statement on the salmon net pen guidelines issued jointly by the Departments of Agriculture, Ecology, Fisheries Natural Resources. (See item 11 above.)

Section (6). Requires a report to the Legislature on the Departments' watershed plan identifying the benefits associated with the Queets hatchery and Indian Tribal agreements.

Section (7). Up to $194,000 may be expended for additional feed for the Deschutes hatchery.

Section (8). Requires a study be conducted to determine what is affecting the survival of salmon in the Grays Harbor area. Provides $400,000 for the study and specifies that the study be done in conjunction with the University of Washington and the Grays Harbor Community College. (See item 8 above.)

Section (9). Provides $150,000 to be used solely to maintain and operate the Toutle river fish collection facility. (See item 10 above.)

Governor's Vetoes:

None.

Department of Wildlife
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	68	55,394	55,462

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy							
1. Increase fed. sport fish funds		0	60,173	60,173	0	60,173	60,173
2. Nongame program enhancement		0	1,214	1,214	0	1,214	1,214
3. Wells wildlife habitat project		0	617	617	0	617	617
4. Reduction to match avail. rev.		0	67	67	0	67	67
5. Reduce Aqua. lands enhance accnt		0	(6,740)	(6,740)	0	(6,740)	(6,740)
		0	0	0	0	(43)	(43)
	Total	**0**	**55,331**	**55,331**	**0**	**55,288**	**55,288**
Other Legislation							
6. 2SHB 758		0	0	0	8,000	0	8,000
	Total	**0**	**55,331**	**55,331**	**8,000**	**55,288**	**63,288**

Comments:

1. Additional revenue from the Federal Dingell-Johnson program.

2. Covers 4 areas: database management, urban biology, raptor research, and general non-game education.

3. Equipment purchase to meet the Department's obligations under Wells Wildlife Area mitigation plan.

4. Reduction of State Game Fund to match lower anticipated revenue from hunting and fishing licenses in 87-89.

5. Reduction of Aquatic Lands Enhancement Account to match anticipated revenue.

6. 2SHB 758 created the Department of Wildlife and provided an $8,000,000 General Fund-State appropriation.

Provisoes:

Section 311 (1) (a and b). The Department in carrying out its responsibilities under the Timber, Fish, and Wildlife agreement is required to: 1) research and monitor differences between eastern and western Washington as they pertain to implementation of the TFW agreement, and 2) study the Department's cooperative road closure program and landowner education program in eastern Washington.

Section 311 (2). $711,000 of the $8,000,000 General Fund-State appropriation in 2SHB 758 is for implementation of the Timber, Fish, and Wildlife agreement. $59,000 of the GF-S appropriation in 2SHB 758 is for carrying out the Puget Sound water quality plan.

Governor's Vetoes:

None.

Department of Natural Resources
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**38,397**	**90,474**	**128,871**
1. Supplemental budget 1987			
Fire suppression	600	900	
Litigation	200		
Spruce budworm control	600		
	39,797	**91,374**	**131,171**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	32,357	91,414	123,771	32,357	91,414	123,771
2. Fire suppression/Landowner Contingency	0	600	600	0	600	600
3. Increase forest land management	0	1,017	1,017	0	1,017	1,017
4. Eastern WA permanent plot remeasure	0	223	223	0	223	223
5. Increase resource mapping & quality control	0	234	234	0	234	234
6. Analyze/mitigate geologic hazards	95	0	95	0	0	0
7. Timber Fish Wildlife agreement	3,770	0	3,770	2,649	0	2,649
8. Puget Sound Water Quality plan	270	0	270	270	0	270
9. Interim move	0	0	0	100	0	100
10. Dredge monitoring	0	0	0	193	106	299
11. Fire protection	0	0	0	600	0	600
12. Countercyclical employment program	0	0	0	0	2,329	2,329
rounding	0	0	0	1	7	8
Total	**36,492**	**93,488**	**129,980**	**36,170**	**95,930**	**132,100**

Comments:

The current policy level is below the 1985-87 biennium general fund - state expenditures because of the unusually high fire suppression costs during the 1985 fire season (FY86).

The supplemental budget request to control the spread of the spruce budworm will not be spent since the adjacent landowners decided not to participate in the control program thereby negating it's effectiveness.

7. A significant enhancement of $2,649,000 is provided for implementing the Timber Fish Wildlife agreement (TFW). TFW is described in more detail as policy initiative in the introductory portion of the Natural Resource section.

8. Funds are provided to carry out tasks mandated in the Puget Sound Water Quality plan primarily related to shellfish and wetland protection.

10. Additional funds are provided for dredge monitoring activities consistent with the passage of ESSB 5501. Funds are provided from the general fund until such time as sufficient revenue is available from fees authorized in the bill.

11. The fire protection program is receiving a general fund state increase over the 1985-87 biennium of $1,157,000 or 13%. While the state general fund contribution has increased, federal funds have declined by 69% and dedicated funds from landowner assessments declined by 18%. The decline in dedicated funds is a result of DNR spending the previously available surplus and is now limited to income from the assessments. Therefore the total provided for the protection program in 1987-89 is $1,140,000 less than the 1985-87 biennium. Because of the decline in these other funds DNR had requested an even greater increase in state general fund support as their top priority request. The Governor, however, did not recommend any additional state general funds above what is normally provided for salary increases and inflation. Concern was expressed by DNR that the Governor's recommendation was insufficient to continue the current level of protection because additional funds were needed to offset the loss of other funds. At the same time concern was expressed by landowners not to increase assessments and not to increase state general fund support until DNR had implemented the recommendations of the Forest Fire Advisory Board. The Boards recommendations, adopted in November of 1986, were designed to make the fire protection program more cost effective. Of the $1,157,000 general fund increase $557,000 was a part of current policy adjustments for salaries & inflation and $600,000 was provided specifically by the Legislature as a one time measure to transition toward implementing the recommendations of the Forest Fire Advisory board.

Provisoes:

Section 312 (1). To assure sufficient funds are available for fire suppression, $2.7 million is provided solely for suppression purposes.

Section 312 (2). Provides $2,649,000 to implement the Timber, Fish, Wildlife agreement. Requires the Department to reorganize existing staff (approximately 50 FTE's) so that the staff positions are dedicated to regulating forest practices and are not responsible for timber sales or other state land management activities. (See item 7 above.)

Section 312 (3). Provides $270,000 to be used solely to implement the Department's tasks outlined in the Puget Sound Water Quality plan. (See item 8 above.)

Section 312 (4). To benefit the trustlands while at the same time providing jobs to unemployed timber workers the Department is required to employ 200 people (50 people working six months at a time) doing work to enhance state lands such as thinning, slash removal, reforestation, trail maintenance, irrigation repair and building shellfish beds. The Employment Security Department, in another section of the budget, is directed to coordinate the employment of these workers and determine who meets the eligibility requirements. Workers are to be paid at least $8.00 per hour. (See item 12 above.)

Section 312 (5). Provides $193,000 in GF-S and $106,000 in dedicated funds for dredge monitoring activities. (See item 10 above.)

Section 312 (6). Provides $100,000 for relocation of DNR staff currently in the John A. Cherberg building. The Cherberg building is being remodeled to accommodate the Senate's needs. Further, the Department is required to vacate the building by February 29, 1988. (See item 9 above.)

Governor's Vetoes:

None.

Department of Agriculture
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**15,274**	**27,521**	**42,795**
1. Supplemental budget 1987	25	81	106
Total	**15,299**	**27,602**	**42,901**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	15,241	27,482	42,723	15,241	27,482	42,723
2. Dedicated fund adjustments	0	509	509	0	509	509
3. Increase dairy lab inspectors	76	0	76	76	0	76
4. Tokyo office cost for a full biennium	118	0	118	118	0	118
5. Increase overseas travel	72	0	72	0	0	0
6. Aquaculture market development	160	0	160	80	0	80
7. Eliminate GF-S support of meat & horticulture	(160)	85	(75)	(160)	85	(75)
8. Financial consulting for farmers	90	0	90	0	0	0
9. Poultry diagnostic equipment	0	0	0	20	0	20
10. Puget Sound Water Quality plan	48	0	48	48	0	48
11. Marketing WA bred horses	0	0	0	200	0	200
12. Noxious weeds	0	0	0	200	0	200
13. Agricultural hazardous waste	0	0	0	50	0	50
14. Brucellosis vaccination program	0	0	0	120	0	120
15. Starling control	0	0	0	28	0	28
Total	**15,645**	**28,076**	**43,721**	**16,021**	**28,076**	**44,097**

Comments:

12. The enhancement provided by the Legislature for noxious weed control was in addition to maintaining current level of expenditures for grants to locals. Specifically $524,000 is intended for noxious weed control grants as a part of current level carried forward and $200,000 is for implementing ESHB 648.

Provisoes:

Section 313

(1). Provides $48,000 for the Department to carry out it's tasks under the Puget Sound Water Quality plan. (See item 10 above.)

(2). Provides $53,000 for the control of starlings. Of this amount $25,000 is a part of current policy and $28,000 is provided in new money. (See item 15 above.)

(3). Provides $20,000 for the purchase of poultry diagnosis equipment through an agreement with Washington State University. (See item 9 above.)

(4). Provides $120,000 for the continuation of the Brucellosis vaccination program. (See item 14 above.)

(5). Provides $200,000 to enhance the noxious weed control program consistent with the passage of ESHB 648. (See item 12 above.)

(6). Provides $50,000 for developing a program for the disposal of agricultural hazardous wastes. (See item 13 above.)

(7). Provides $200,000 to initiate a marketing program for Washington bred horses. (See item 11 above.)

(8). Provides $80,000 for the aquaculture marketing program. (See item 6 above.)

Governor's Vetoes:

Section 313 (6). Regarding Agricultural hazardous wastes disposal program.

Department of Trade and Economic Development
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**20,451**	**1,098**	**21,549**
1. 1987 Supplemental Budget	175		175
Total	**20,626**	**1,098**	**21,724**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	19,380	1,603	20,983	19,380	1,603	20,983
2. Expand domestic export program	157	0	157	0	0	0
3. Increase film/video program	56	0	56	0	0	0
4. Special marketing - Centennial	1,139	0	1,139	0	0	0
5. Sister State relations support	142	0	142	0	0	0
6. Washington Technology Center	1,642	0	1,642	3,395	0	3,395
7. Increase Business Assist. Service	164	0	164	0	0	0
8. Small Business Export Finance	(200)	0	(200)	225	0	225
9. Delete Economic Development Bd.	(175)	0	(175)	(175)	0	(175)
10. Business Assistance Center	769	0	769	600	0	600
11. Small Bus. Devt. Cntr. increase	195	0	195	0	0	0
12. Supercolliding Superconductor	225	0	225	225	0	225
13. No reduction in Small Business Export Finance Center	200	0	200	0	0	0
Total	**23,694**	**1,603**	**25,297**	**23,650**	**1,603**	**25,253**

Comments:

1. Funding is provided in the supplemental budget for geo-technical study, and review of layout, infrastructure and environmental requirements for locating the super-colliding superconductor in Washington state. If warranted, funds may also be used for preliminary work on a proposal.

2. The Legislature did not fund additional staff for a program aimed at increasing domestic trade.

3. The Legislature did not fund a third staff person for the film and video program. This division works to increase use of Washington state as a location for movie and video production.

4. The Legislature did not provide special funding for tourism promotion tied to the centennial celebration. This deletion does not affect the tourism program's mission, part of which is to publicize events in the state, such as the centennial celebration, that will attract visitors.

5. The Legislature did not fund a proposed increase in activities to support Sister State relationships.

6. The level of grant to the Washington Technology Center is increased. The Center does basic and applied research, with a focus on transfer of technology from the university to business applications.

7 and **10.** Funding is provided for a Business Assistance Center. The Center will house one staff person each from Department of Community Development, Employment Security Department, Small Business Development Center (SBDC) and the Department, in addition to the Department's business ombudsman, hotline, and current business assistance staff and new staff. The Center will aid businesses using a case tracking and follow-up method and also refer them to other agencies and organizations.

8 and **13.** Funding for the Small Business Export Finance Center is increased. The Export Finance Center assists businesses that want to sell abroad but lack the technical expertise to do so.

9. The Economic Development Board is funded in a separate budget, so its 1985-1987 appropriation is deleted from the Department's budget base.

11. Funding from within current agency resources is provided for contracts with Washington State University SBDC programs. SBDCs give management assistance to businesses at several locations around the state.

12. Funding is provided for preparation, if warranted, of a proposal that the federal government's proposed supercolliding superconductor be located in Washington state.

Provisoes:

Section 314 (1). The Business Assistance Center shall develop a system for reporting the work and results of the state's business assistance programs. The Center must submit reports to the Legislature each year, detailing the number of jobs created, investment generated, assistance provided and other measures of the activity of state business assistance programs.

Section 314 (2) State funds for SBDC programs in Lewis county shall not be reduced from the level provided in the 1985-1987 biennium.

Section 314 (3) At least $100 thousand of the $625 thousand provided for the Small Business Export Finance Center shall be used by the Department and the Export Finance Center to develop, working with users and other suppliers of trade services, a coordinated outreach program for trade information and export finance services.

Section 314 (4) The Department shall analyze and publish reports on market trends and investment opportunities in at least eight key Washington industries.

Section 314 (5) State money provided for the Washington Technology Center and the Center for International Trade in Forest Products must be matched by equal amounts, including in-kind contributions, from non-state sources.

Governor's Vetoes:

None.

Economic Development Board
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	175	0	175

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		666	100	766	666	100	766
	Total	666	100	766	666	100	766

Comments:

The Board was not in operation until midway through the 1985-1987 biennium and received $180 thousand in the Governor's emergency funds in order to operate through the end of FY 1987. The $666 thousand budget reflects full biennial funding of the Board at a current services level. The increase in costs from the 1985-1987 level to the current services level includes additional staff, contracts for special economic development studies, travel to meetings and hearings for Board members and staff, supplies and equipment and accounting and attorney general services. These costs are not expected to continue beyond the 1987-1989 biennium, as the Board is scheduled to expire at the end of FY 1989.

Governor's Vetoes:

None.

Centennial Commission
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**1,527**	**0**	**1,527**
1. 1987 Supplemental Budget		350	350
Total	**1,527**	**350**	**1,877**

	Governor Request			Legislative Budget		
1987-89 Biennium	**GF-State**	**Other**	**Total**	**GF-State**	**Other**	**Total**
Current Policy	1,547	0	1,547	1,547	0	1,547
2. Public participation programs	5,512	500	6,012	5,512	500	6,012
3. St-wide & County pass-through funding	221	2,040	2,261	221	2,040	2,261
4. Magnificent Voyagers exhibit	70	0	70	0	0	0
5. Freeway material	0	140	140	0	0	0
6. Administration staff	97	0	97	97	0	97
Total	**7,447**	**2,680**	**10,127**	**7,377**	**2,540**	**9,917**

Comments:

1. In the supplemental budget, funds available from the sale of centennial license plates, begun in January 1987, are provided for distribution to counties and for grants for projects of statewide significance.

2. Staff and goods and services are provided to support centennial celebrations around the state.

3. Funds, primarily revenue generated from centennial license plate sales, are provided for distribution to counties and for grants for projects of statewide significance.

4. Money for Magnificent Voyagers exhibit is included in the budget for the Washington State Historical Society, host to the exhibit.

5. Money for inserts in Washington State maps directing visitors to centennial celebrations is included in the Department of Transportation budget.

6. Funding is provided for two additional administrative staff for the Commission.

Provisoes:

Section 316 (1) State agencies may develop programs or activities related to the centennial at the request of the Centennial Commission. Agencies that do this cannot charge the Commisison for overhead or administrative expenses.

Section 316 (2) The Commission may contract with Pacific Celebration '89 for promotion of the state's future trade and economic ties with nations of the Pacific Rim. The contracts must require 1) that every state dollar be matched by $1.60 from non-state sources and 2) that net revenues from Pacific Celebration be maximized and be used to reimburse the general fund (for money spent on these contracts) according to a financial plan approved by the Commission.

Section 316 (3) It is the intent of the Legislature that this appropriation be the final state contribution to the funding of Centennial Commission projects. Additional funding for administrative expenses may be required for the final months of calendar year 1989.

Governor's Vetoes:

None.

Washington State Convention and Trade Center
($000)

Section 317*

1985-87 Biennium		GF-State	Other	Total
Current Policy*	Total	0	4,885	4,885

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy*							
1. Increased rent & insurance costs		0	4,885	4,885	0	4,885	4,885
2. Increase in workload (before opening)		0	457	457	0	457	457
3. Increased marketing and building operations (after opening)		0	589	589	0	589	589
4. Other		0	3,112	3,112	0	3,112	3,112
		0	277	277	0	277	277
	Total	**0**	**9,320**	**9,320**	**0**	**9,320**	**9,320**

Comments:

***1, 2, 3 & 4.** There are substantial funding and staffing increases within this current policy budget, because the Convention Center is scheduled to begin operations in June, 1988. Among these are $589 thousand and 6.7 full time equivalent (FTE) staff for increased marketing and operations in the months before the Convention Center opens, $457 thousand for increased rent and insurance payments beginning when the Center opens, and $3,112 million and 23.7 FTE staff for marketing and building maintenance and operations costs beginning when the Center opens.

Governor's Vetoes:

ESSB 5901 repeals the Convention Center operating appropriation, from the State Convention and Trade Center Account, and appropriates the same amount from the State Convention and Trade Center Operating Account, created in the bill. This change is to separate construction and operating expenses and makes it easier to differentiate between borrowing for bond repayment or other construction related costs and borrowing for operating costs. The Governor vetoed the Convention Center operating appropriation in the budget and the section in SSB 5901 that repealed the appropriation. Together, these vetoes just reinforce what had been done in the legislation.

Winter Recreation Commission
($000)

1985-87 Biennium		GF-State	Other	Total	
Current Policy	Total	0	0	0	0

		Governor Request			Legislative Budget		
1987-89 Biennium		GF-State	Other	Total	GF-State	Other	Total
Current Policy		0	0	0	0	0	0
1. ESSB 5081 reestablished the Commission		0	0	0	27	0	27
	Total	0	0	0	27	0	27

Comments:

In addition to declaring the state's folk song to be "Roll On Columbia Roll On", ESSB 5081 reestablished the Winter Recreation Commission in order to study and identify potential sites for new winter recreation development and facilitate land exchanges between the state and federal government for recreational purposes.

Governor's Vetoes:

None.

Nine agencies are included in the transportation portion of the general government functional area. Transportation agencies are: the Board of Pilotage Commissioners, the County Road Administration Board, the Washington State Patrol, the Traffic Safety Commission, the Transportation Commission, the Department of Transportation, the Urban Arterial Board and the Department of Licensing.

The majority of the transportation agencies' operating and capital expenses are supported by the gas tax and dedicated highway related funds. The discussion in this section refers only to the operating budget, the state general fund amounts, and the non-highway dedicated funds appropriated to the Department of Licensing and the Washington State Patrol.

The Legislative Transportation Committee is the legislative authority for the remaining transportation elements.

A major policy initiative in the transportation area is the funding of an automated fingerprint identification system in the Washington State Patrol budget.

Washington State Patrol

Automated Fingerprint Identification System
Acquisition of an automated fingerprint identification system (AFIS) began with the passage of ESSB 4710 during the 1986 legislative session. The State Patrol was directed to develop a plan for and implement an AFIS, and to report to the Legislature on the proposed system by January 1, 1987. $25,000 was appropriated to the Patrol for the purpose of this work.

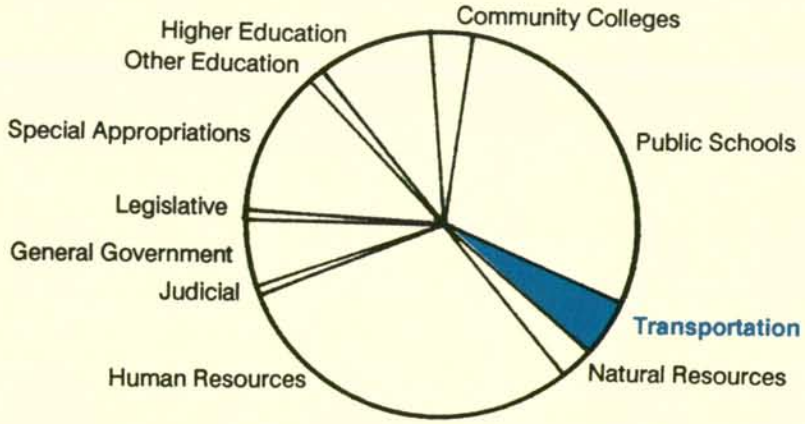
Following the Patrol's report on its vendor bid evaluation, which recommended the system produced by NEC Corporation, the 1987 Legislature approved the lease/purchase of an AFIS in SHB 1065. The system is to consist of a main computer located in State Patrol facilities in Olympia, two remote tenprint and latent input systems, and at least twelve remote terminals. One of the remote systems is to be located in eastern Washington and one in western Washington, provided that the local jurisdiction in western Washington pays 30 percent of the system's purchase cost. The Patrol will pay the purchase costs of the twelve remote terminals but the recipients of the terminals must pay all personnel, operating, installation and maintenance costs associated with the terminals.

$5,451,000 was appropriated from the state general fund to establish and operate the AFIS. This appropriation is to be reduced by the amount of any grants from the Federal Bureau of Justice Assistance which are expected to be about $849,000.

The lease/purchase option chosen for system acquisition will require additional payments over the next two biennia. Payments for principal and interest are estimated to be $3,075,000 for 1989-91 and $1,537,000 for 1991-93. Operating expenses are in addition to these costs.

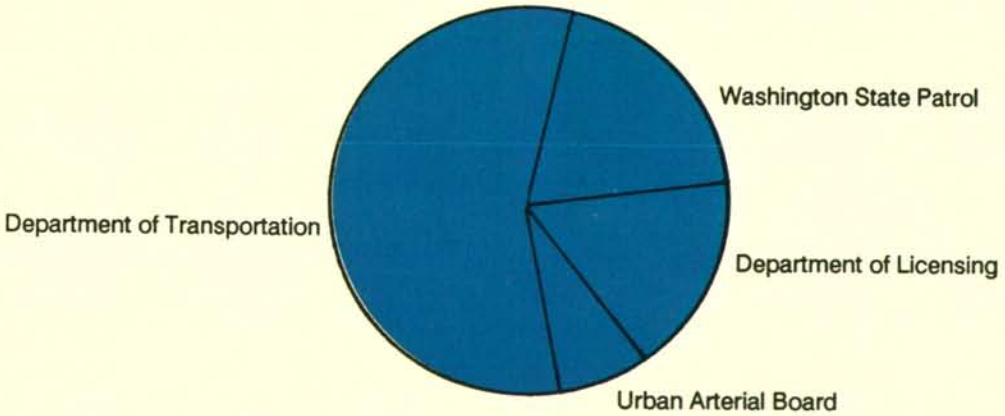
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	92.1	.5%
Judicial	66.3	.4%
General Government	947.3	5.4%
Human Resources	5,477.9	31.2%
Natural Resources	562.3	3.2%
Transportation	852.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	2,061.1	11.7%
Other Education	91.9	.5%
Special Appropriations	1,726.6	9.8%
Total	**17,567.8**	**100.0%**



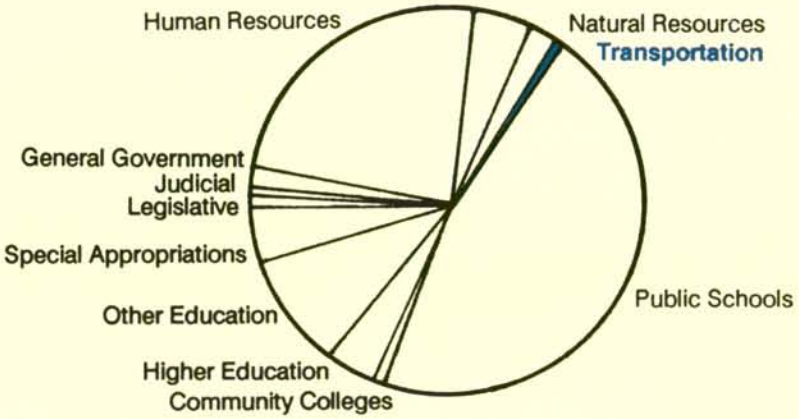
1987-89 Operating Budget
Natural Resources
Dollars in millions

All Funds		
Washington State Patrol	165.9	19.5%
Department of Licensing	137.3	16.1%
Urban Arterial Board	61.5	7.2%
Dept. of Transportation	459.3	53.9%
Total Transportation	852.1	100.0%



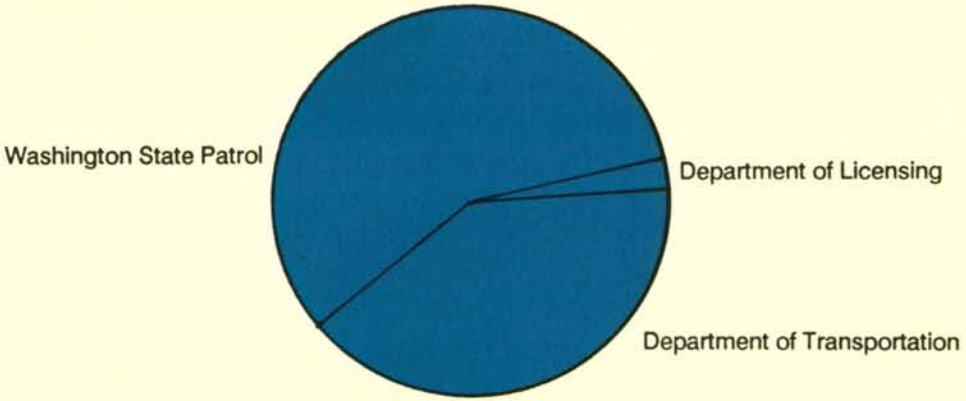
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	89.4	.9%
Judicial	47.5	.5%
General Government	143.1	1.4%
Human Resources	2,865.1	28.2%
Natural Resources	232.3	2.3%
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	1,082.6	10.6%
Other Education	67.4	.7%
Special Appropriations	342.0	3.4%
Total	**10,176.4**	**100.0%**



1987-89 Operating Budget
Transportation
Dollars in millions

General Fund - State		
Washington State Patrol	22.4	57.6%
Department of Licensing	15.9	40.9%
Department of Transportation	.6	1.5%
Total Transportation	38.9	100.0%



Washington State Patrol
($000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	14,149	142	126,733	141,024

1987-89 Biennium		Governor Request				Legislative Budget			
		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		14,072		127,485	141,557	14,072	136	127,485	141,693
1. Narcotics task forces		0		471	471	471	1,414	0	1,885
2. Crime labs		0		0	0	471	1,424	0	1,895
3. PICS phase I operation costs		0		989	989	177	0	0	177
4. ACCESS upgrade/training		0		406	406	203	0	203	406
5. Bomb suits		0		18	18	18	0	0	18
6. Exec. protec. travel/equip.		0		95	95	95	0	0	95
7. AFIS		0		3,947	3,947	0	0	0	0
8. State Patrol Services Account		(14,072)		14,072	0	0	0	0	0
9. 2SSB 5063 - Child & adult abuse		0		0	0	431	0	0	431
10. Major crimes unit		0		0	0	1,000	0	0	1,000
	Subtotal	**0**		**147,483**	**147,483**	**16,938**	**2,974**	**127,688**	**147,600**
Other Legislation									
11. Items funded in Transportation Budget				14,238	14,238	0	0	12,871	12,871
12. SHB 1065 (AFIS)		0		0	0	5,451	0		5,451
	Total	**0**		**161,721**	**161,721**	**22,389**	**2,974**	**140,559**	**165,922**

Comments:

3. Operation costs for phase I of the Patrol Information Collection System.

4. Provides funds for equipment upgrade and training of users of the teletypewriter communications network (access). The General Fund - State appropriation is matched by local funds.

5. Provides additional funds for travel and equipment for the Executive Protection Unit.

7. Automated fingerprint identification system (AFIS). (See item 12.)

9. Background information on job applicants as relates to records of child and adult abuse.

10. Creates a separate unit for investigation of major crimes and maintains capabilities developed by the Green River Task Force.

11. Enhancements funded in the Transportation Budget, not in the appropriations act.

12. Provides funds for lease purchase of an Automated Fingerprint Identification System, including remote tenprint and latent input systems and remote terminals.

Provisoes:

Section 401 (1). The Legislature intends that crime labs are a higher priority than are narcotics task forces and are to be funded first even in the instance of a shortfall in anticipated federal moneys. At least $471,000 of the General Fund - State appropriation is to be spent on crime labs. Federal narcotics enforcement grants of $2,836,000 are anticipated during the biennium. Of this amount, $1,424,000 is for crime labs. If the state does not receive the federal grant moneys, the Patrol is required to spend an additional $471,000 GF-S on crime labs. If this additional $471,000 is spent on crime labs, the expenditure for the narcotics section is not to exceed the expenditures for the narcotics section during the 1985-87 biennium.

Section 401 (2). $431,000 GF-S is provided for implementation of 2SSB 5063. Fees charged by the Patrol for discrimination of records concerning job applicants record regarding child and adult abuse are to be placed in the state general fund.

Section 401 (3). $1,000,000 GF-S is for establishing a major crimes investigation unit and for providing assistance to law enforcement entities throughout the state. The Patrol is to develop a computer data to store crime scene information for major crime investigations. The Chief of the State Patrol is to contract with the Green River Task Force to develop the expertise. A maximum of $100,000 may be spent for the contract.

Governor's Vetoes:

Section 401 (1). Vetoed major crime unit.

Department of Licensing
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	13,645	132,561	146,206*

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total*	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total*
Current Policy		14,344	136,887	151,231	14,344	136,887	151,231
1. Service Center processing costs		162	0	162	162	0	162
2. Vehicle/Vessel licensing staff		54	0	54	0	0	0
3. Uniform commercial code backlog reduction		144	0	144	0	0	0
4. Increase bus. and professional investigations		191	1,822	2,013	191	1,822	2,013
5. Professional licensing staff		135	597	732	135	597	732
6. Master license expansion		1,500	0	1,500	750	0	750
7. Fee study adjustment		–114	114	0	–114	114	0
8. Increased securities regulation (EHB 713)		0	0	0	42	0	42
	Subtotal*	**16,416**	**139,420**	**155,836**	**15,508**	**139,420**	**154,928**
Other Legislation							
2SSB 5515-Vessel dealers registration		0	0	0	314	0	314
HB 435-Professionals reg sunrise review		0	0	0	84	0	84
	Total*	**16,416**	**139,420**	**155,836**	**15,906**	**139,420**	**155,326**

Comments:

* The entire Department of Licensing 1985-1987 and current policy level budget is listed. However, only those enhancements that come from funds appropriated by the Ways and Means Committees of the Legislature are shown (i.e., General Fund and various professional fund enhancements are given, but those from the Motor Vehicle Fund, Highway Safety Fund and various other transportation funds are not).

1. Funding is provided for the general fund portion of new data processing costs associated with laws passed in the 1986 Legislative session.

2. No general fund money is provided for additional clerical staff in the vehicle/vessel licensing division.

3. No additional funding is given to the uniform commercial code division.

4 and **5.** Funds are appropriated for increased investigations, testing of applicants, inspection of professional schools, improvements in automated licensing systems and other enhancements to the Business and Professional Licensing program. These enhancements are requested by professional boards and will be covered entirely by increased business and professional fees, including the portions listed as coming from the general fund.

6. $750 thousand is provided for expansion of the Master License System. This system will eventually consolidate nearly all state business licenses, making the licensing process easier for new and expanding businesses.

7. In accord with results of a study conducted by DOL, funding of overhead costs is reallocated. The General Fund portion is decreased as other funds are increased.

8. Funding is provided to increase the level of scrutiny given debenture companies.

9. In 2SSB 5515, funding is provided for implementing new vessel dealer registration requirements and penalties. After the 1987-89 biennium, fees shall be set at the level needed to cover the cost of this program.

10. In HB 435, funding is provided to initiate an analytical review of proposed new or expanded business professions regulation.

Provisoes:

Section 402(1) Up to $426 thousand of the Health Professions Account appropriation may be used to contract with the Board of Pharmacy for drug-related investigations regarding licensed health care professionals. This $426 thousand was in the Governor's budget request for the Board of Pharmacy. The Legislature transferred it to DOL to provide greater management control.

Expansion of the Master License System is contingent on receipt of $547.5 thousand in inter-agency transfers from agencies that have licenses incorporated into the Master License System during the biennium. In addition, $202.5 thousand is reduced from the Governor's budget request for this expansion to cover DOL licenses incorporated into the Master License System. DOL doesn't yet know what licenses will be incorporated during the 1987-1989 biennium. The Office of Financial Management is given authority to decide how much money or in-kind contribution comes from what agencies.

Governor's Vetoes:

Funding for the second year increase in business and professional licensing staff and investigations was to be placed in reserve pending reappropriation by the Legislature during the 1988 session. DOL was required to submit a report explaining and justifying its methods for setting professional fees. However, the Governor vetoed this section; noting in his veto message that DOL and the Office of Financial Management would work with the Legislative budget committees to resolve issues related to business and professions fees.

K-12 Budget Enhancements to Current Policy Level
(Dollars in Thousands)

	Governor's Proposal	Legislative Appropriation
Program Enhancements		
Reduce K-3 class size	61,323	28,005
In-service training	16,786	---
Levy equalization	15,000	5,000
Early childhood education	6,734 *	6,336 *
Drop -out prevention and retrieval	5,500	5,500
"Schools for the 21st Century"	2,020	2,020
Adult literacy ("Even Start")	1,600	1,600
Voc. Education		
Seattle Tech Ctr	---	3,000
Other Voc-Tech's	---	5,990
Block Grants	---	49,500
Other	3,137	2,940
Subtotal	112,100	109,891
Compensation Enhancements		
Five additional contract days	80,219	---
Salary increases	196,868	131,892
Health benefit increases	5,195	---
Subtotal	282,282	131,892
Total Enhancements	**$394,382**	**$241,783**

*Funded through the Department of Community Development

Note: A fuller comparison of the Governor's proposals and legislative budget enactments is contained on the program worksheets.

Expenditure Growth from 1985-87 to 1987-89 (General Fund State)
(Dollars in Millions)

1985-87 Estimated Expenditures, Total:	**$4,301.8**
1987-89 Current Policy Level:	
Enrollment growth/workload	$132.0
Carry forward 9/86 salary increases	$71.6
Inflation	$31.5
Carry forward 86-87 formula enhancements	$14.0
Other changes	$3.7
Sub-total; Expenditures to maintain Current Policy Level	$252.8
1987-89 Changes to Current Policy Level	
Program enhancements	$103.6*
Salary increases	$131.9
Pension funding (Revenue Accrual Acct)**	[55.1]
Subtotal; Changes to Current Policy Level	$180.4
Total; 1987-89 Legislative Appropriations	**$4,735.0**

*Does not include $6.3 million for Early Childhood Education which is included in the Dept. of Community Development's budget.

** The Revenue Accrual Account is derived from fund balances remaining in the State's General Fund at the close of each biennium, and is dedicated to pension funding.

Policy Initiatives

Governor Gardner introduced to the Legislature a package of education improvements addressing the three main areas of financial stability of schools, readiness to learn, and quality classrooms. The Legislature enacted the majority of these new initiatives in HB 455, HB 456, and SB 5479, and provided approximately $48.5 million to fund the Governor's proposed program enhancements. In addition, the Legislature appropriated funds to expand vocational education opportunities, both by establishing a new vocational center in Seattle, and by enhancing offerings at the five existing Vocational-Technical Institutes. To provide additional funds for local discretionary purposes, the Legislature appropriated $49.5 million for block grants distributed to school districts on a per capita basis.

Financial Stability (School Levies)
A major element of the Governor's school finance package was a proposal to address the school levy issue. In 1977, the Legislature enacted a plan to limit school districts' maintenance and operations levies to a maximum of ten percent of state allocations. Although this goal was retained for many years, the phase-down to ten percent was never completed in many school districts due to its effect on district purchasing power and educational programs. As a result of 1985 legislation, all school districts received levy authority of at least eighteen percent. The phase-down was scheduled to begin again in 1989, however, with all districts limited to a ten percent levy by calendar year 1993.

HB 455 amended this statute and established for the long term a levy lid equivalent to twenty percent of both state and federal allocations. Districts which currently have higher levy percentages are "held harmless" at levy capacities up to thirty percent. However, if the state enhances school funding formulas, these enhancements will apply to reduce "grandfather" levy percentages down to twenty percent. There is no specified time-line for completion of this phase-down to twenty percent.

HB 455 also addressed differences in taxing power among school districts. Currently, the same property tax rate may raise quite different numbers of dollars per pupil in different districts. To assist those districts with small property tax bases, HB 455 established a new program of state matching funds for levy equalization, effective in calendar year 1989. When fully implemented, this program will enable all districts to raise the equivalent of a ten percent levy at the statewide average ten percent levy rate. The Legislature appropriated $5 million in HB 455 for levy equalization for the first half of calendar year 1989, funding the equalization formula at approximately 23 percent. Full implementation in the 1989-91 biennium is projected to cost over $80 million.

Readiness to Learn (Programs for younger children and "students-at-risk")

HB 455 also includes an increase in the staffing formula for enrollment in grades K-3. While the Governor proposed an increase to 55 certificated staff per thousand students in K-3, the Legislature enacted an increase to 52:1000 in 1987-88 and 53:1000 in 1988-89.

The Governor also proposed a major expansion of programs for students "at risk" of failure. These proposals were combined into HB 456, and included expansion of the state-funded Early Childhood Education program, establishment of an adult literacy program for early childhood program parents, grants for drop-out prevention and retrieval, and a federally-funded substance abuse prevention program. The state appropriation for Early Childhood Education (funded through the Department of Community Development) will support a doubling of the current workload in that program from 1,000 to 2,000 children served, in addition to those served through the federally-funded Head Start program.

The Legislature also enacted a major restructuring of state-funded remediation programs. SB 5632 repealed the former Remediation Assistance statute and replaced it with the Learning Assistance Program. Both programs serve students who are below grade level in basic skills achievement. The major policy changes are that the funds no longer must be used only for tutoring in groups of five students or fewer, and that the program is expanded to serve grades K through 9. Formerly, the statute established a program for grades 2 through 6 only, although the Legislature also funded grades 7 through 9 in the 1985-87 biennium. Under the new statute, Learning Assistance funds may be used to support services within the student's regular classroom, or for consultant teachers or in-service training in addressing learning problems, as well as for traditional "pull-out" programs.

Building Quality Classrooms (Innovation, Teacher preparation, and Staffing requirements)

SB 5479 establishes a six year pilot program known as "Schools for the 21st Century". Twenty-one schools will be chosen to receive grants for developing innovative educational programs, and may apply for waivers from statutory and regulatory requirements in order to implement these programs. SB 5479 also requires a masters degree for a continuing teaching certificate (initial certificates may under certain conditions be valid for up to seven years after beginning teaching). This requirement is effective for certificates earned after August 31, 1992.

The Legislature also took action to mandate that certain state basic education funds be spent in the classroom. In HB 455, the basic education formula of 50 certificated staff per thousand students is split into 46 instructional staff and 4 administrators, with additional instructional staff for grades K-3. Previously, this formula had been for allocation purposes only, with districts receiving their full allocation regardless of their actual staffing levels. Now, however, HB 455 requires school districts to have at least 46 basic education instructional staff per thousand students, beginning in the 1988-89 school year. "Instructional staff" are defined as non-supervisory certificated employees and may include counselors and librarians, for example. This provision simply establishes a minimum standard, and districts often exceed these staffing levels if they have special levy funds.

School Employee Compensation

HB 455 also made major changes in state policy on school employee compensation. For the first time, average instructional staff salaries are computed separately from administrative salaries in state allocation formulas. The bill establishes a plan to base instructional salary allocations on a statewide salary allocation schedule, established in the appropriations bill. While districts are not required to pay individual employees according to this schedule, the state controls both the

district's average instructional salary, and the minimum salaries these staff receive. HB 455 prohibits districts from increasing their average instructional salary above the level funded by the state, unless the increase is provided by a one-year supplemental contract for additional time, responsibilities, or incentives. Also, districts may not pay any certificated instructional employee less than the first step on the statewide salary schedule (in 1987-89, this is $17,050 for the 1987-88 school year, and $17,600 for the 1988-89 school year); and instructional employees with masters degrees must receive at least the schedule amount for an employee with a MA and zero years of experience ($20,000 in 1987-88 and $20,645 in 1988-89).

For the 1987-89 biennium, the Legislature appropriated funds to phase-in the salary allocation schedule, thus equalizing instructional salaries in low-paying districts up to the schedule level. Those districts which continue to be above the schedule level in each year will be granted a 2.1% increase in their average instructional salary in September 1987, and again in September 1988. As the schedule is phased in, there will be approximately 66 districts above the schedule in the 1987-88 school year, and approximately 30 districts above the schedule in 1988-89. The highest-paying district, Everett, will still be approximately 6 percent above the schedule level in 1988-89.

Because of the additional increases granted to low-paying districts, the average instructional salary increase funded statewide is approximately 2.75 percent in each year.

While mandating that certain state basic education funding be spent for instructional staff, HB 455 removes state salary controls for administrators and classified school employees. Funding for administrative salaries for 1987-89 was not based on actual salary levels but on amounts necessary to hold districts harmless at 1986-87 state allocation levels for certificated salaries. To fund administrative salary increases for 1987-89, these administrative salary allocations were increased by 2.1% of the statewide average in September 1987 and again in September 1988.

Classified school employees received the same average increase as certificated employees, or approximately 2.7 percent each September. These increases are to be distributed by increasing each district's average classified salary by 2.7 percent of the statewide average.

Increases To Maintain Current Policy Level

For the 1987-89 biennium, an increase of approximately $252.8 million was needed to maintain common school funding at the program level achieved in the 1986-87 school year. Most of this increase is attributable to growth in K-12 enrollment, which is projected to continue at slightly over one percent per year. The overall enrollment increase drives increases in both basic education and categorical programs. The legislative budget appropriations were based on the assumption that handicapped enrollments and pupil transportation workloads will grow proportionally to total K-12 enrollment.

Other costs of maintaining 1986-87 program levels include costs of extending mid-biennium salary and formula improvements over a full twenty-four month period. In September 1986, staffing allocations were increased to fifty-one certificated staff per thousand students in grades K-3. Also, the vocational staffing ratio for high school programs was increased from one certificated staff per 18.3 full-time-equivalent students, to one per 17.5. The final improvement needing to be "carried forward" was the September 1986 salary increase for school employees, including the additional increases to implement a $16,500 minimum teacher's salary.

In the program detail contained in these budget notes, there are some differences between the Governor's and the legislative figures for Current Policy Level. This is because, between the development of the Governor's budget in the fall of 1986 and the legislative budget in the spring of 1987, additional information became available for updating cost projections. The legislative budget reflects revised assumptions on categorical program workloads. Also, because of lower actual inflation in Fiscal Year 1987, the Legislature applied lower inflation adjustments to allocations for non-employee related costs (NERC).

School Construction Referendum

For both years of the 1985-87 biennium, eligible school construction projects exceeded the funding capacity of the Common School Construction Fund. By the end of the biennium, a backlog had developed which totalled approximately $300 million in unfunded projects which already had both State Board of Education approval and local matching funds. This backlog continues to grow, as additional school districts pass local bond levies and apply for the state match.

By comparison, timber sales from school trust land, the primary revenue source for the Common School Construction Fund, are projected

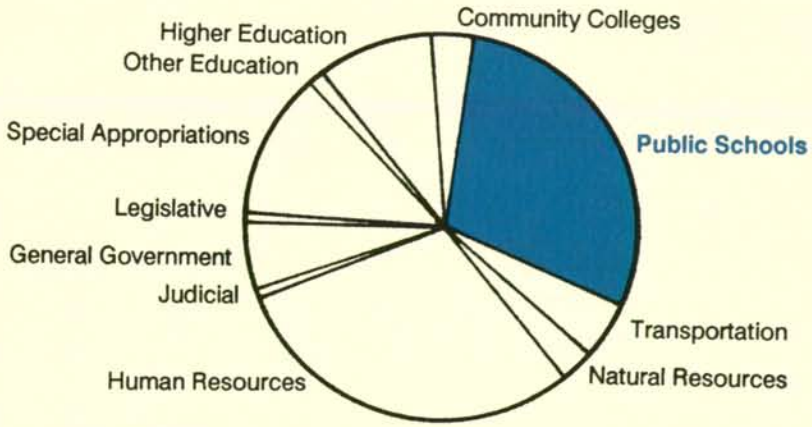
to yield less than $50 million per year in upcoming years. Trust revenues have fallen to approximately half the peak level reached during 1979-81, first as a result of defaults on timber contracts and more recently as a result of lower bids on new timber sales. At the same time, anticipated enrollment growth and aging facilities may increase demand for school construction monies. There is some concern that timber revenues will continue to fall short of meeting the growth in demand for school construction monies, creating larger and larger backlogs of projects.

The 1987 Legislature took two steps to supplement trust revenues for school construction. First, the Legislature authorized $30 million in state general obligation bonds, the first general fund support for school construction since 1969. Second, the Legislature passed House Joint Resolution 4220, which submits a constitutional amendment to the voters to authorize an additional state property tax dedicated to school construction. This state property tax is exempted from the one percent constitutional limitation on regular property taxes, but may not exceed a rate of 35 cents per $1000 assessed valuation or be levied for more than fifteen years.

If approved by the voters in November 1987, the additional property tax would be implemented for taxes due in calendar year 1988. The following portions of the additional property tax would be dedicated to the Permanent School Fund, an investment fund generating interest earnings for school construction: 10% of proceeds from 1988 through 1992, 40% from 1993 through 1997, and 90% form 1998 through 2002. The Permanent School Fund is a constitutional endowment which cannot be appropriated by the Legislature for other purposes. Remaining proceeds of the fifteen-year property tax would be available for distribution as state matching funds for school construction projects. Altogether, HJR 4220 both provides cash to alleviate the immediate backlog of projects, and establishes an endowment generating funds to supplement school trust revenues in the long term.

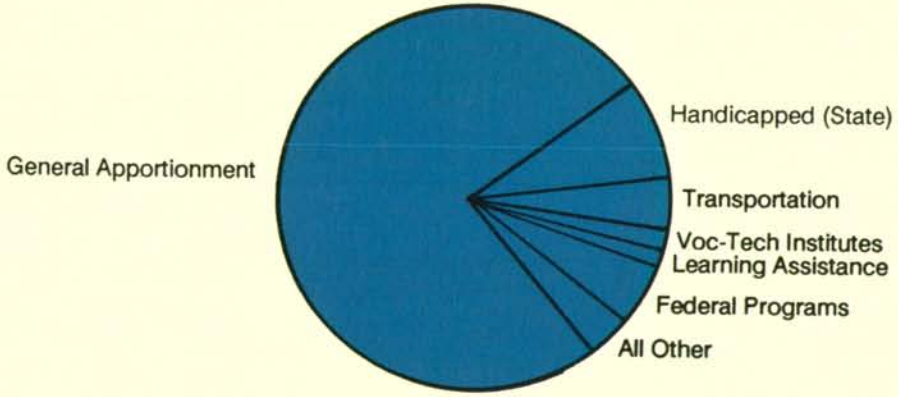
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	92.1	.5%
Judicial	66.3	.4%
General Government	947.3	5.4%
Human Resources	5,477.9	31.2%
Natural Resources	562.3	3.2%
Transportation	852.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	2,061.1	11.7%
Other Education	91.9	.5%
Special Appropriations	1,726.6	9.8%
Total	**17,567.8**	**100.0%**



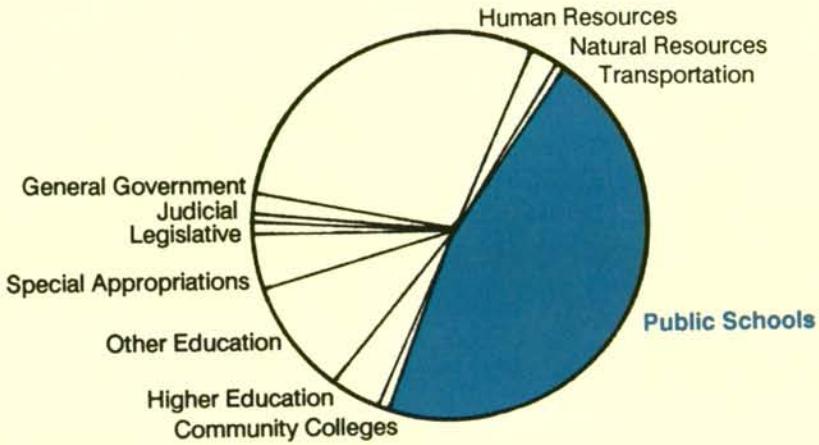
1987-89 Operating Budget
All Funds
Dollars in millions

All Funds		
General Apportionment	3,861.0	75.8%
Handicapped (State)	419.8	8.2%
Transportation	221.5	4.3%
Voc-Tech Institutes	76.9	1.5%
Learning Assistance	49.7	1.0%
Federal Programs	288.0	5.7%
All Other	177.0	3.5%
Public Schools	5,093.9	100.0%



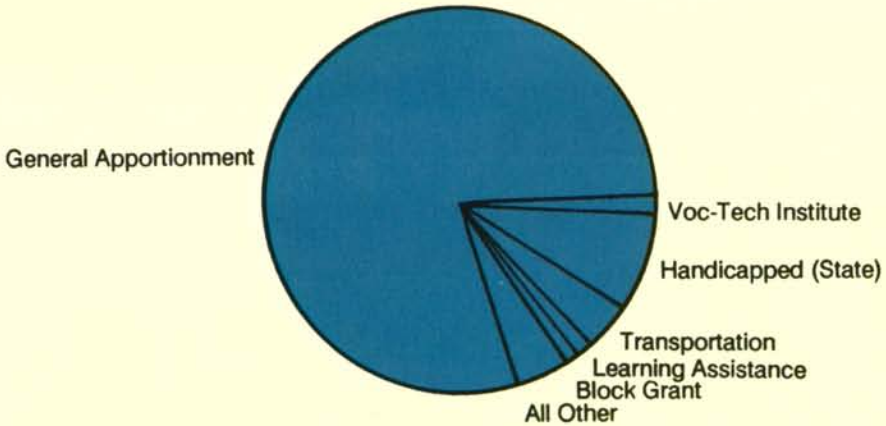
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	89.4	.9%
Judicial	47.5	.5%
General Government	143.1	1.4%
Human Resources	2,865.1	28.2%
Natural Resources	232.3	2.3%
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	1,082.6	10.6%
Other Education	67.4	.7%
Special Appropriations	342.0	3.4%
Total	**10,176.4**	**100.0%**



1987-89 Operating Budget
Public Schools
Dollars in millions

General Fund - State		
General Apportionment	3,805.9	80.3%
Handicapped (State)	419.8	8.9%
Transportation	221.5	4.7%
Learning Assistance	49.7	1.0%
Block Grant	49.5	1.0%
Voc-Tech Institute	76.9	1.6%
All Other	113.7	2.4%
Total Public Schools	4,735.0	100.0%



Superintendent of Public Instruction
State Office Administration
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	19,476	6,084	2,058	27,618

1987-89 Biennium	Governor Request				Legislative Budget			
	GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy	21,580	9,562	456	31,598	21,537	10,683	456	32,676
1. International educ./teacher exchange	314	0	0	314	364	0	0	364
2. Expand data processing contract	200	0	0	200	0	0	0	0
3. Nationwide testing program	150	0	0	150	0	0	0	0
4. Move mentor teacher program to Special & Pilot programs	0	0	0	0	(2,900)	0	0	(2,900)
5. Eliminate one-time grants	0	0	0	0	(1,500)	0	0	(1,500)
6. Hispanic drop-out programs	0	0	0	0	50	0	0	50
7. Environmental education	0	0	0	0	18	0	0	18
8. Horticulture project	0	0	0	0	35	0	0	35
9. Multi-ethnic/multi-cultural instructional materials	0	0	0	0	43	0	0	43
10. AIDS education	0	0	0	0	54	0	0	54
Subtotal	22,244	9,562	456	32,262	17,701	10,683	456	28,840
Other legislation								
HB 786: Development of educational outcome measures					50			50
SB 5977: Joint study with Higher Education Coordinating Board of education telecommunications needs					50			50
				Total	**17,800**	**10,683**	**456**	**28,939**

Comments:

1. Includes $50,000 to expand international education / exchange programs to include Latin America, and adds a coordinator for the teacher exchange programs.

5. Deletes funds to continue 1985-87 pilot projects on "time on task" inservice and school-based management.

8. Provides funds for a greenhouse within the Sequim School District.

Provisoes:

Subsection 501 (1) requires that funds from the Public Safety and Education Account be used solely for administration of traffic safety education programs, including inservice training related to instruction in the risks of drunk driving.

Subsection 501 (6) requires the Superintendent of Public Instruction, jointly with the State Board for Community College Education, to develop a state plan for vocational education, and a reliable and consistent vocational education database which includes information on enrollments, costs, program activities, and job placement.

Governor's Vetoes:

None:

Superintendent of Public Instruction
Educational Service Districts
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	9,657	0	61	9,718

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		10,010	0	0	10,010	9,966	0	0	9,966
Compensation increases (Section 505)		368	0	0	368	226	0	0	226
	Total	10,378	0	0	10,378	10,192	0	0	10,192

Provisoes:

The nine Educational Service Districts are required to continue to furnish financial services as required by the Superintendent of Public Instruction and RCW 28A.21.088 (3) and (4).

Governor's Vetoes:

None

Superintendent of Public Instruction
General Apportionment (Basic Education)
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	3,492,291	0	8,080	3,500,371

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy									
1. Reduce class size in grades K-3		3,727,271	0	0	3,727,271	3,722,081	0	0	3,722,081
2. Remote island schools		61,323	0	0	61,323	28,005	0	0	28,005
3. Classified staff data errors		312	0	0	312	372	0	0	372
4. Pension funding/Revenue Accrual Acct.		0	0	0	0	162	0	0	162
5. Compensation increases		0	0	0	0	(55,100)	0	55,100	0
		243,042	0	0	243,042	110,343	0	0	110,343
	Total	**4,031,636**	**0**	**0**	**4,031,636**	**3,805,863**	**0**	**55,100**	**3,860,963**

Comments:

1. The Governor's request provided 55 certificated staff per 1000 students in grades K-3, but did not include additional allocations for non-employee-related costs (NERC). The Legislative budget provided 52 certificated staff/1000 in 1987-88 and 53/1000 in 1988-89, with NERC allocations.
2. See proviso: Subsection 503 (12)
3. Corrects errors in current funding attributable to inaccurate reporting of staff experience levels.
4. See proviso: Subsection 503 (11)
5. The Governor's proposed compensation increases included five additional contract days for certificated staff and an increase in health benefits, as well as costs of implementing a statewide salary schedule for teachers. (See table on page ~~10)~~ 221

Provisoes:

Subsection 503 (2) establishes the state allocation formula for certificated staff. The base formula is separated into 46 instructional staff and 4 administrative staff per thousand FTE students (for a total of 50 certificated units per thousand). Grades K through 3 receive an enhanced allocation of 48 instructional staff per thousand in 1987-88 and 49 per thousand in 1988-89. There are also additional allocations of both instructional and administrative staff for small districts and remote schools. Vocational education programs are funded at one certificated staff per 17.5 FTE students, and one per 16.67 in skills center programs.

Subsections 503 (3) through (6) establish the funding formula for classified staff, fringe benefits, and nonemployee-related costs. There are increases in NERC allocations proportional to the increases in instructional staff for grades K through 3.

Subsection 503 (7) allocates funds for costs of substitute teachers at a rate of $275 per basic education classroom teacher per year.

Subsection 503 (8) provides a total of $684,000 for payments to fire protection districts, $2,234,000 for summer skills center programs, and $272,000 for school district emergencies.

Subsection 503 (9) states that, pursuant to HB 455, increases in K-3 staff and NERC allocations from 1987-89 formula levels shall apply to reduce "grandfather" levy capacity in school districts down to twenty percent.

Subsection 503 (10) notes that, to adjust school district levy capacity to a "current year" basis pursuant to HB 455, the factor to apply to a district's base for levies collected in calendar year 1988 is 2.75 percent, and for levies collected in 1989 the adjustment is 3.52 percent.

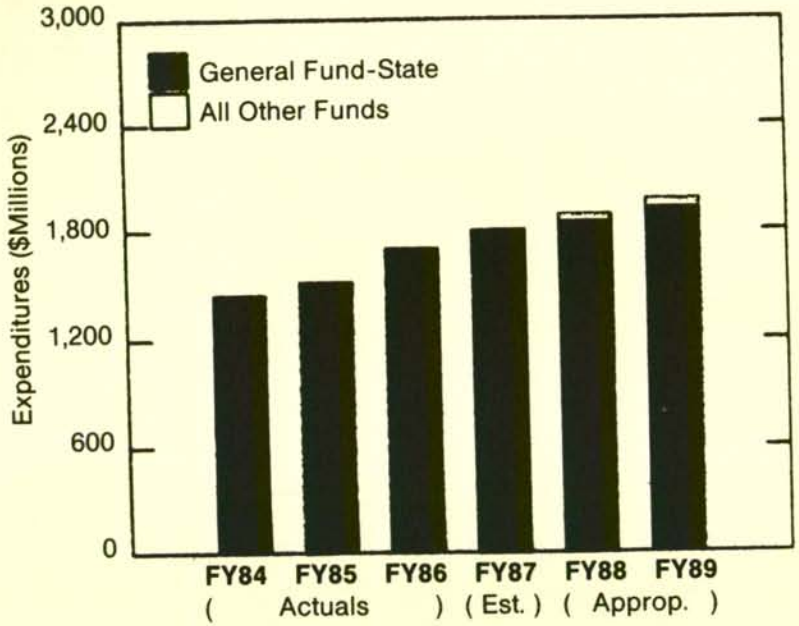
Subsection 503 (12) provides an additional $372,000 to enhance funding for remote and necessary schools on islands without scheduled public transportation. The larger districts which operate the remote schools must show that the additional allocation and funds generated by the remote school formula are used solely for programs serving students enrolled in the remote schools. SPI shall conduct a study of remote school funding and report to the Legislature by December 1, 1988.

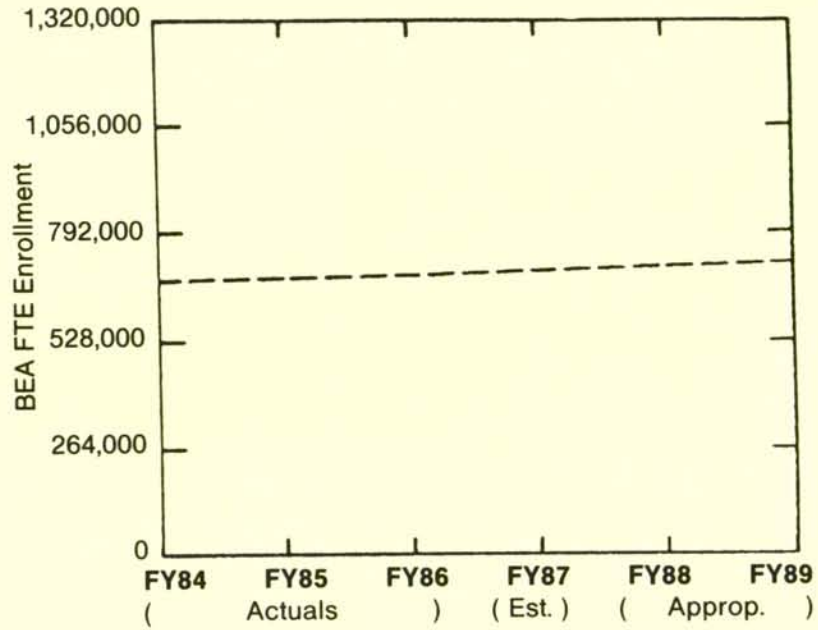
Governor's Vetoes:

None:

Workload Assumptions/History:
See next page.

Operating Budgets
Public Schools, General Apportionment





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	1,444.1	1,444.1	675,871	2,137	2,137	2,137	2,137
85	1,516.2	1,516.2	681,606	2,224	2,224	2,148	2,148
86	1,698.9	1,698.9	687,725	2,470	2,470	2,318	2,318
87	1,801.5	1,793.4	698,886	2,578	2,566	2,362	2,351
88	1,887.0	1,859.4	708,932	2,662	2,623	2,354	2,319
89	1,974.4	1,946.4	717,406	2,752	2,713	2,314	2,281

***Units:** Basic Education FTE Enrollment

Expenditures for FY84 and FY85 do not include contributions to the Teachers Retirement System. In 1986-87, K-3 ratios were increased to 51 certs/1000, and vocational staffing ratios were increased from one certificated staff per 18.3 FTE students to one per 1.75. For 1987-89, K-3 ratios are increased to 52:1000 in 1987-88 and 53:1000 in 1988-89. Budgeted increases in salary and benefit levels are lower than 1987-89 projected inflation rates.

Source: LEAP

Superintendent of Public Instruction
Local Education Program Enhancement Funds (Block Grants)
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	0	0	0	0

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy									
1. Establish new program		0	0	0	0	0	0	0	0
		0	0	0	0	49,500	0	0	49,500
	Total	**0**	**0**	**0**	**0**	**49,500**	**0**	**0**	**49,500**

Comments:

1. Provides a new program of grants to address the locally determined educational needs of each school district. Grants shall be distributed on a school year basis, with districts receiving the equivalent of $67.50 per full-time-equivalent student for the biennium. There are minimum grants provided for small districts.
(See provisoes)

Provisoes:

Subsection 506 (4) requires each school board to assess its district's needs, assign priority to addressing these needs, and to develop an evaluation methodology for the use of the block grants.

Subsection 506 (8) itemizes the various activities which may be funded using the block grants, including:

(a) Innovative programs to increase the adult -pupil ratio without increasing the number of certificated staff;

(b) Drop-out prevention and retrieval programs;

(c) Early childhood development;

(d) In-service training programs for staff development; and

(f) Programs that develop and promote logical reasoning and improved analytical skills.

Subsection 506 (10) authorizes the block grants to be used for cooperative programs among small or rural districts.

Subsection 506 (11) requires SPI to report to the Legislature on the use and benefits of the block grant program by January 31, 1989.

Governor's Vetoes:

Removed the subsection requiring school boards to prepare a comprehensive two-year plan for use of the grant funding (subsection 506 (4) (c)).

Deleted subsection 506 (6) which stated that use of the block grant funds shall not be subject to collective bargaining.

Removed subsections 506 (7) and (9), relating to salary increases and stipends provided from block grant funds. These subsections are linked to salary control statutes which were repealed by HB 455 and replaced with new controls on instructional salaries.

Superintendent of Public Instruction
Handicapped Education Programs
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	370,780	30,153	763	401,696

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy									
1. Deferred 86-87 entitlement costs		408,972	40,231	0	449,203	405,209	45,318	0	450,527
2. Add 1.66 FTE at Children's Hospital		0	0	0	0	2,121	0	0	2,121
		0	0	0	0	146	0	0	146
	Subtotal	408,972	40,231	0	449,203	407,476	45,318	0	452,794
Compensation Increases (Section 505)		26,990	0	0	26,990	12,291	0	0	12,291
	Total	**435,962**	**40,231**	**0**	**476,193**	**419,767**	**45,318**	**0**	**465,085**

Comments:

1. Handicapped enrollments for the 1986-87 school year exceeded budget assumptions.
2. Increases staffing at Children's Orthopedic Hospital and Medical Center to 4.66 FTE teachers.

Provisoes:

Subsection 507 (2) requires that SPI distribute funds according to school districts' actual handicapped enrollments and the staffing allocation model established in LEAP Document 9 (draft dated April 27, 1987).

Subsection 507 (3) itemizes $411,000 of state funds for education of children at Children's Orthopedic Hospital and Medical Center. These funds are in lieu of money provided through other home/hospital education funding or the handicapped allocation formulas.

Subsecton 507 (4) requires SPI to grant $130,000, from state or federal appropriations, for the Early Childhood Home Instruction program (ECHI) for families of deaf infants.

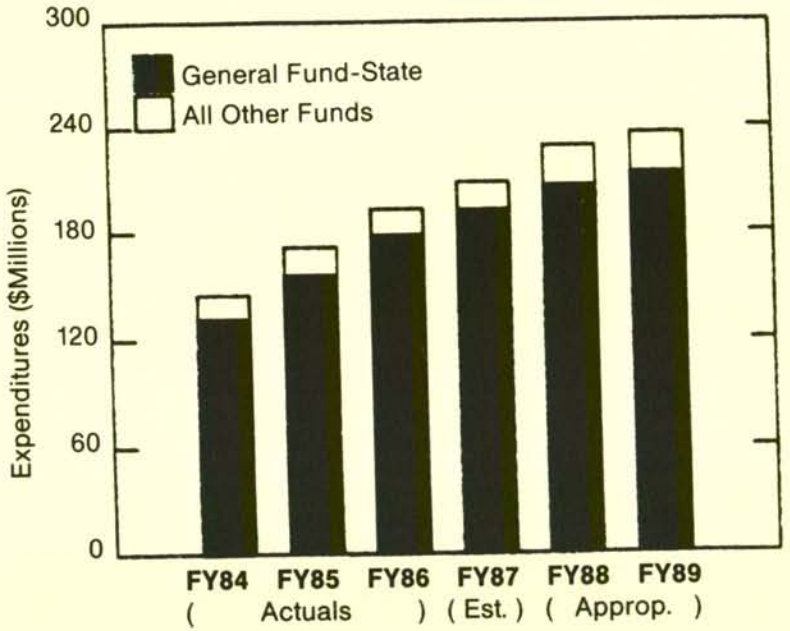
Governor's Vetoes:

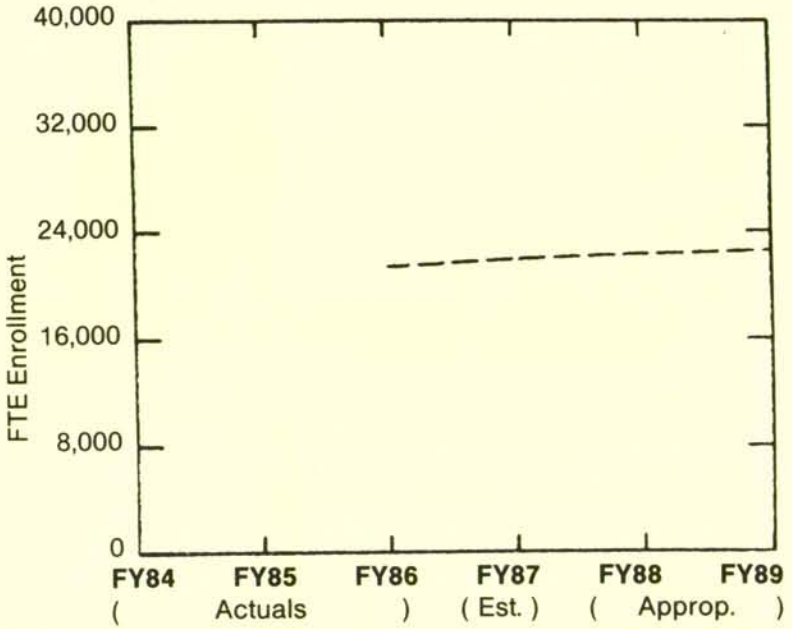
None.

Workload Assumptions/History:

See next page.

Operating Budgets
Public Schools, Handicapped





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	145.2	131.4					
85	171.9	155.5					
86	193.3	178.2	21,367	9,046	8,341	8,487	7,825
87	208.4	192.6	21,911	9,511	8,788	8,715	8,053
88	228.8	206.2	22,278	10,272	9,255	9,083	8,183
89	236.3	213.6	22,544	10,480	9,474	8,811	7,966

***Units:** Handicapped FTE Enrollment

Handicapped FTE Enrollments are not shown for FY84 and FY85 because Full-Time Equivalent Handicapped Enrollements for those years were calculated using a different formula. Staffing ratios used for state allocations are the same in 1985-87 and 1987-89.

Source: LEAP

Superintendent of Public Instruction
Institutional Education Programs
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	21,218	6,663	64	27,945

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy									
1. For enrollment variations or other program needs		20,127	7,034	0	27,161	19,968	7,034	0	27,002
		0	0	0	0	153	0	0	153
	Subtotal	20,127	7,034	0	27,161	20,121	7,034	0	27,155
Compensation Increases (Sec. 505)		1,314	0	0	1,314	601	0	0	601
	Total	**21,441**	**7,034**	**0**	**28,475**	**20,722**	**7,034**	**0**	**27,756**

Comments:

1. The Superintendent of Public Instruction may allocate these additional funds to address variations of actual enrollment levels from the budget assumptions, or for other program needs, including increases in summer school programs. May be used to supplement the maximum per pupil funding rates provided by category of institution.

Provisoes:

Subsection 503 (2) establishes the following maximum funding amounts for the 1987-88 school year by category of institution (state funds only):

Handicapped institutions — $4,128,000, distributed at a maximum average rate of $10,294 per FTE pupil

Delinquent institutions — $2,978,000, distributed at a maximum average rate of $5,405 per FTE pupil

Delinquent group homes — $370,000, distributed at a maximum average rate of $3,492 per FTE pupil

Juvenile Parole Learning Centers — $564,000, distributed at a maximum average rate of $1,395 per FTE pupil

County Detention Centers — $2,054,000, distributed at a maximum average rate of $4,012 per FTE pupil

Subsection 508 (3) establishes the following maximum funding amounts for the 1988-89 school year by category of institution (state funds only):

Handicapped institutions — $3,735,000, distributed at a maximum average rate of $10,296 per FTE pupil

Delinquent institutions — $2,894,000, distributed at a maximum average rate of $5,410 per FTE pupil

Delinquent group homes — $371,000, distributed at a maximum average rate of $3,502 per FTE pupil

Juvenile Parole Learning Centers — $560,000, distributed at a maximum average rate of $1,387 per FTE pupil

County Detention Centers — $2,059,000, distributed at a maximum average rate of $4,022 per FTE pupil

NOTE: These rates do not include the additional funds provided for salary increases under section 505.

Governor's Vetoes:

None.

Superintendent of Public Instruction
Transitional Bilingual Instruction
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	**Total**	**10,311**	**0**	**0**	**10,311**

		Governor Request				Legislative Budget			
1987-89 Biennium		**GF State**	**GF-Fed**	**Other**	**Total**	**GF-State**	**GF-Fed**	**Other**	**Total**
Current Policy		11,294	0	0	11,294	11,294	0	0	11,294
	Subtotal	11,294	0	0	11,294	11,294	0	0	11,294
Compensation Increases (Section 505)		895	0	0	895	373	0	0	373
	Total	**12,189**	**0**	**0**	**12,189**	**11,667**	**0**	**0**	**11,667**

Provisoes:

Subsection 509 (2) establishes an annual funding rate of $420 per pupil.

NOTE: This rate does not include the additional funds provided for salary increases under section 505.

Governor's Vetoes:

None.

Superintendent of Public Instruction
Learning Assistance Program (Remediation)
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	29,979	0	429	30,408

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy									
		47,864	0	0	47,864	48,011	0	0	48,011
Compensation Increases (Sec. 505)		1,817	0	0	1,817	1,695	0	0	1,695
	Total	49,681	0	0	49,681	49,681	0	0	49,681

Comments:

The large increase over 1985-87 expenditures is attributable to the recent re-norming of the statewide basic skills tests. The new test shows more students scoring in the lowest quartile when compared with an up-to-date sample of students nationwide.

Provisoes:

Subsection 510 (2) establishes the allocation formula for distribution of funds to school districts, based upon the district's enrollment in grades K through 9, and the percentage of students scoring in the lowest national quartile on the statewide basic skills tests. Students identified as learning disabled and served through the handicapped education program are not counted in distributing Learning Assistance funding. The 1987-89 formula is based upon SSB 5632; although it differs from the formula used in the 1986-87 school year for the Remediation Assistance Program, both formulas would generate approximately the same number of enrollment units statewide.

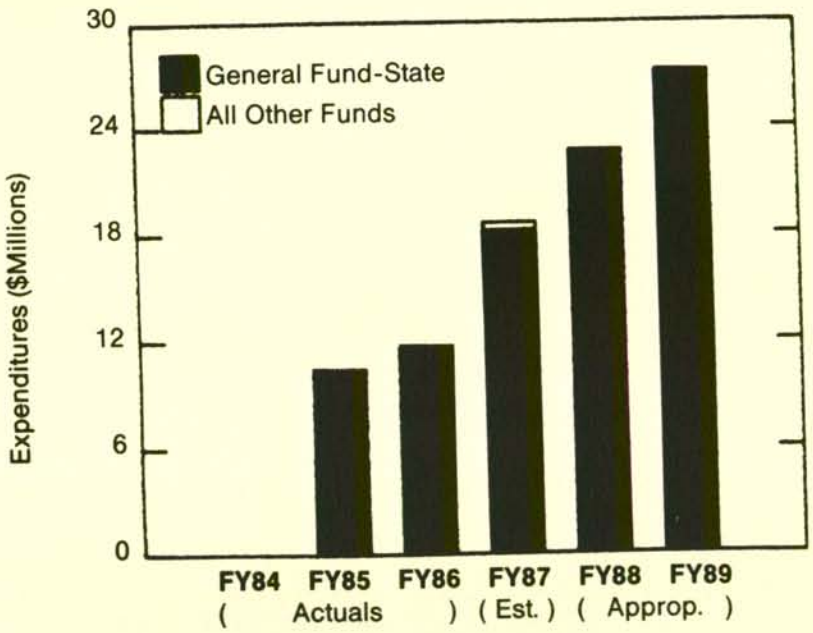
For allocation purposes, the Superintendent of Public Instruction shall use the average of the district's fourth grade statewide test scores from the prior five years, and the average of the district's eighth grade statewide test scores since that test was established in 1984-85.

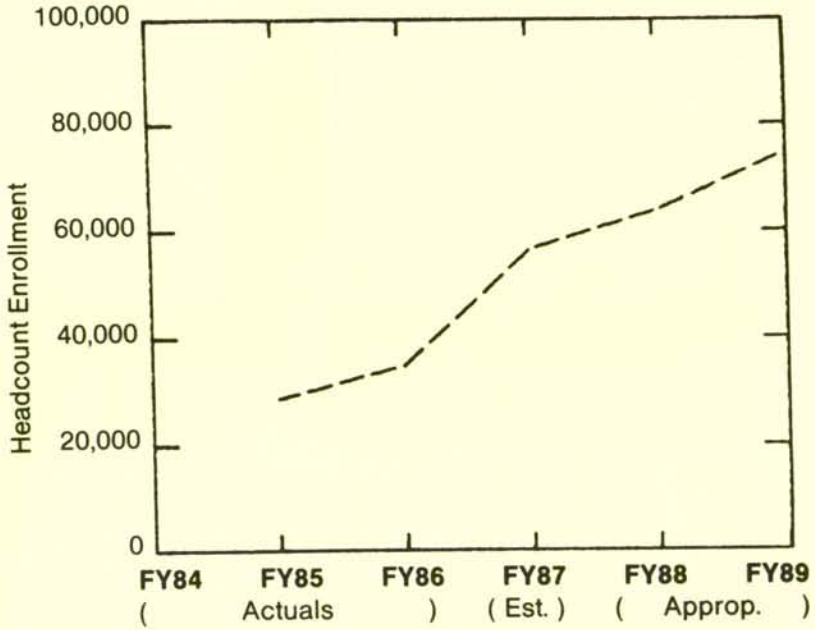
The proviso also establishes a per pupil funding rate of $356 per year. **NOTE:** This rate does not include the additional funds provided for salary increases under section 505.

Governor's Vetoes:
None.

Workload Assumptions/History:
See next page.

Operating Budgets
Public Schools, Learning Assistance





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84							
85	10.5	10.5	28,618	366	366	354	354
86	11.7	11.7	34,808	337	337	316	316
87	18.7	18.3	56,595	330	323	302	296
88	22.6	22.6	63,780	355	355	314	314
89	27.1	27.1	74,670	363	363	305	305

***Units:** Headcount Enrollment

See explanation of enrollment growth on previous page. The Dollars per Unit shown do not match amounts in budget provisoes because budget provisoes apply to school years, which start two months later than the State Fiscal Year.

Source: LEAP

Superintendent of Public Instruction
Education of Highly Capable Students
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	4,915	0	0	4,915

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy									
1. Increase Fort Worden contract		5,248	0	0	5,248	5,218	0	0	5,218
		0	0	0	0	54	0	0	54
	Subtotal	5,248	0	0	5,248	5,272	0	0	5,272
Compensation Increases (Section 505)		297	0	0	297	121	0	0	121
	Total	**5,545**	**0**	**0**	**5,545**	**5,393**	**0**	**0**	**5,393**

Comments:

1. Increases contract for Fort Worden gifted programs to a total of $340,000.

Provisoes:

Allocations for school district programs are to be based upon one percent of a district's full-time-equivalent enrollment. **Subsections 511 (2) and (3)** establish per pupil funding rates of $338 for the 1987-88 school year, and $341 for the 1988-89 school year. **NOTE:** These rates do not include the additional funds provided for salary increases under section 505.

Governor's Vetoes:

None.

Superintendent of Public Instruction
Other Federal Programs
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	0	105,685	0	105,658

		Governor Request				Legislative Budget			
1987-89 Biennium		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		0	123,866	0	123,866	0	123,866	0	123,866
	Total	0	123,866	0	123,866	0	123,866	0	123,866

Comments:

Includes: $120,544,000 for the Education Consolidation and Improvement Act (primarily remediation funding); $290,000 for Indian Education; and $3,022,000 for Adult Basic Education.

Superintendent of Public Instruction
Vocational-Technical Institutes and Adult Education
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	**Total**	**63,847**	**0**	**118**	**63,965**

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		66,426	0	0	66,426	66,148	0	0	66,148
1. Modernize vocational equipment		0	0	0	0	2,000	0	0	2,000
2. Voc-tech enrollment increase		0	0	0	0	3,990	0	0	3,990
3. Inst. of Applied Technology (Seattle)		0	0	0	0	3,000	0	0	3,000
	Subtotal	66,426	0	0	66,426	75,138	0	0	75,138
Compensation Increases (Section 505)		2,828	0	0	2,828	1,719	0	0	1,719
	Total	**69,254**	**0**	**0**	**69,254**	**76,857**	**0**	**0**	**76,857**

Comments:

2. Provides for an increase in Voc-Tech enrollment from 11,255 FTE in 1986-87, to 12,050 FTE in 1987-88 and 1988-89.

3. Provides for the establishment and operation of a Washington Institute of Applied Technology in the Seattle area, administered jointly by the Seattle School District, the community college district, and representatives of the Seattle business community (ESB 5996).

Provisoes:

Subsections 513 (1) and (2) establish Voc-Tech funding rates of $2,888 per FTE student for 1987-88, and $2,930 per FTE for 1988-89. **Subsections 513 (3) and (4)** set funding rates for adult basic education programs offered by Voc-Tech Institutes at $1.40 per hour of student service for 1987-88, and $1.41 per hour for 1988-89.

NOTE: These rates do not include additional funds provided for salary increases under section 505.

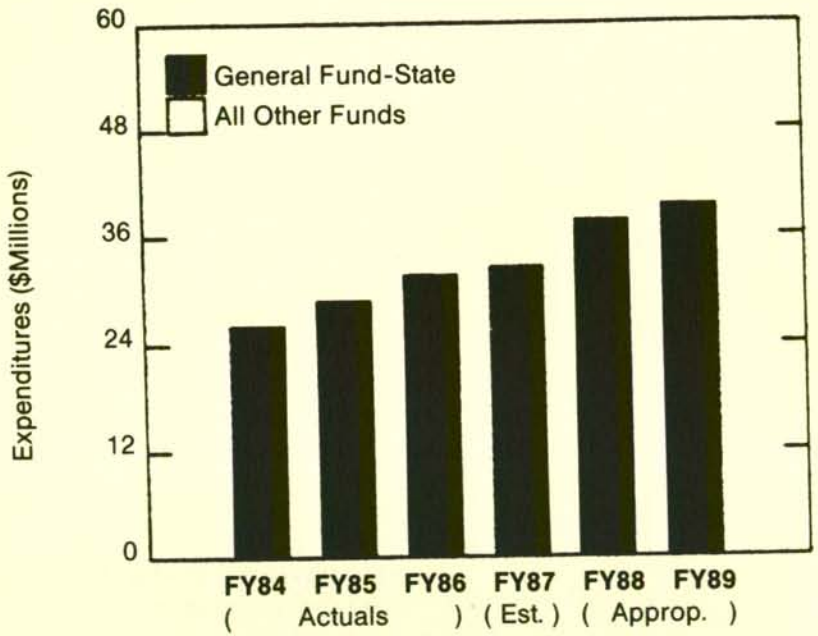
Governor's Vetoes:

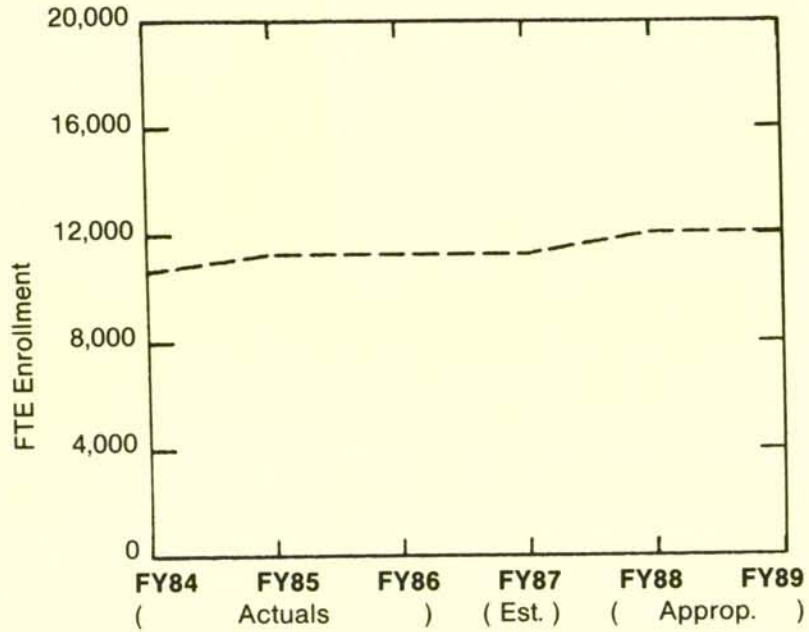
None.

Workload Assumptions/History:

See next page.

Operating Budgets
Public Schools, Voc-Tech Institutes





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	26.0	26.0	10,638	2,441	2,441	2,441	2,441
85	28.7	28.7	11,255	2,551	2,551	2,463	2,463
86	31.5	31.5	11,255	2,800	2,800	2,627	2,627
87	32.5	32.3	11,255	2,884	2,873	2,642	2,633
88	37.6	37.6	12,050	3,118	3,118	2,757	2,757
89	39.3	39.3	12,050	3,260	3,260	2,741	2,741

***Units:** FTE Enrollment

Enrollment for 1988 and 1989 does not include approximately 700 additional FTE students at the new Washington Institute of Applied Technology in Seattle.

Source: LEAP

Superintendent of Public Instruction
Special and Pilot Programs
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	3,958	0	0	3,958

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy									
1. Dropout prevention grants (HB 456)		4,355	0	0	4,355	4,355	0	0	4,355
2. Adult Literacy (Even Start) (HB 456)		5,500	0	0	5,500	5,500	0	0	5,500
3. Drug and Alchohol Education and abuse prevention programs (HB 456)		1,600	0	0	1,600	1,600	0	0	1,600
4. Schools for the 21st Century (SB 5479)		1,587	4,413	0	6,000	0	4,413	0	4,413
5. Principal preparation (SB 5479)		2,020	0	0	2,020	2,020	0	0	2,020
6. Student Teaching pilot programs		886	0	0	886	0	0	0	0
7. Child abuse education (SB 5252)		0	0	0	0	250	0	0	250
8. Inservice training		0	0	0	0	225	0	0	225
9. Move mentor teacher program from SPI Office prog		16,786	0	0	16,786	0	0	0	0
10. Increase contract with Pacific Science Center		0	0	0	0	2,900	0	0	2,900
11. Move Pacific Science Center inservice programs to School District Support program		0	0	0	0	393	0	0	393
12. Move Drug and Alchohol inservice to School District Support program		0	0	0	0	(145)	0	0	(145)
13. Move computer demonstration centers to School District Support program		0	0	0	0	(877)	(413)	0	(1,290)
14. Delete dropout prevention pilot projects		0	0	0	0	(2,129)	0	0	(2,129)
		0	0	0	0	(658)	0	0	(658)
	Total	32,734	4,413	0	37,147	13,434	4,000	0	17,434

Comments:

1. Provides grants to the twenty-five percent of the state's school districts which have the highest drop-out rates.
2. May be used only for grants to assist parents of children in Headstart, Early Childhood Education and Assistance, and state and federal remediation programs, to enroll in adult literacy programs. May be used for child care or transportation costs as well as instruction. Priority is for the use of existing adult basic education and literacy programs, rather than the establishment of new ones.
4. Funds innovative projects in 21 schools, including at least one small district. Districts may receive waivers of certain state requirements, and must provide at least ten inservice days per year for staff. Projects begin in 1988-89.
6. Funds selected projects to provide for additional training and cooperation among supervisors of student teachers.
8. The Governor's request was for five days of inservice training per school district employee, or $125 per employee per year. (NOTE: This item includes training costs only; additional contract days for employees are shown in compensation increases.)
9. Continues current program level of $1,600 per mentor/beginning teacher team, for approximately 900 such teams.
14. Fourteen districts received grants for drop-out prevention pilot projects in 1985-87. These are replaced by the grants program established in HB 456 (see item #1).

Provisoes:

Subsection 514 (1) requires the Pacific Science Center to work towards an equitable distribution of program activities statewide, and directs the Center to study the distribution of need for science enrichment outreach programs, and the means of reaching underserved schools. These findings and recommendations are due to the Legislature by July 1, 1988.

Subsection 515 (2) itemizes $84,000 for continuation of a contract with the Cispus learning center for environmental education programs.

Governor's Vetoes:

None.

Superintendent of Public Instruction
Educational Clinics
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	2,104	0	0	2,104

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		2,212	0	0	2,212	2,212	0	0	2,212
1. Expand current programs		0	0	0	0	553	0	0	553
2. Unserved Counties		0	0	0	0	635	0	0	635
	Total	2,212	0	0	2,212	3,400	0	0	3,400

Comments:

1. Increases Governor's current policy budget by 25 percent.
2. Adds clinics in several unserved counties, based on SPI's report to the Legislature (chapter 434, Laws of 1985).

Provisoes:

Section 515 (2) earmarks $635,000 to extend services to counties that were not served by educational clinics during the 1985-1987 biennium.

Governor's Vetoes:

The proviso in section 515 (2) was vetoed (see Provisoes)

Superintendent of Public Instruction
Pupil Transportation
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	208,477	0	1,780	210,257

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		217,872	0	0	217,872	216,956	0	0	216,956
1. Compensation Increases		4,713	0	0	4,713	4,523	0	0	4,523
	Total	222,585	0	0	222,585	221,479	0	0	221,479

Comments:

The legislative budget applies a specific inflation factor for fuel costs, based on current and projected changes in gasoline prices. For that reason, the legislative appropiation to maintain current policy level is lower than the Governor's proposal.

Provisoes:

Sections 516 (3) and (4) itemize $800,000 for regional transportation coordinators, and $60,000 for bus driver training.

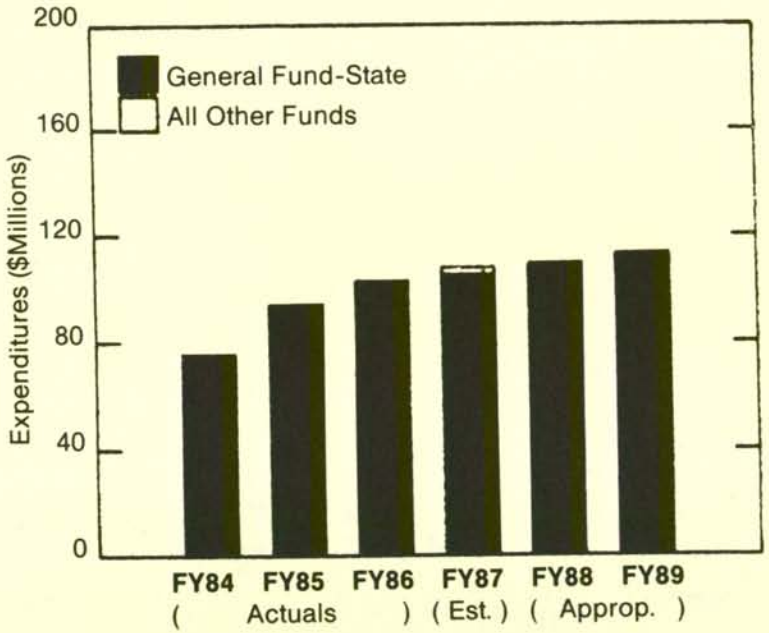
Governor's Vetoes:

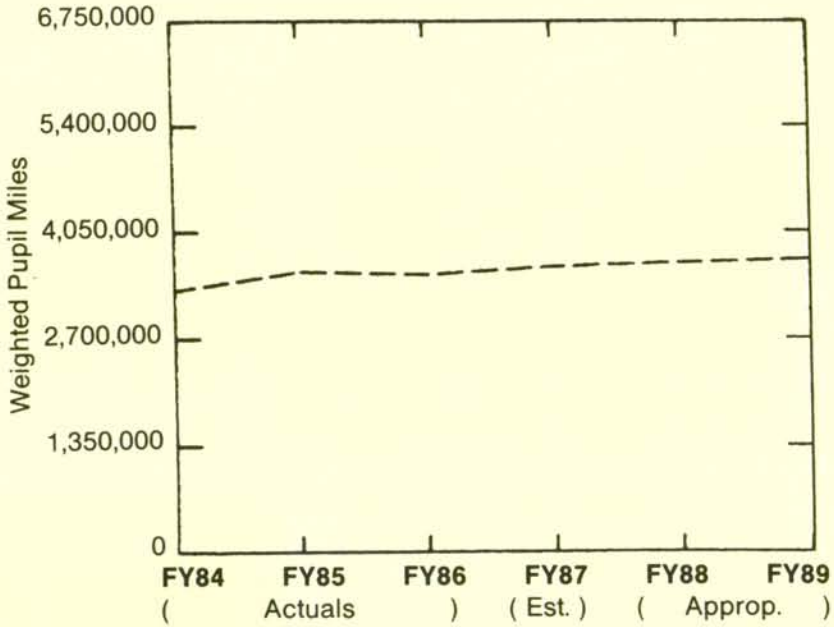
None.

Workload Assumptions/History:

See next page.

Operating Budgets
Public Schools, Transportation





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GFS
84	75.4	75.4	3,310,636	23	23	23	23
85	93.8	93.8	3,545,124	26	26	26	26
86	102.4	102.4	3,503,985	29	29	27	27
87	107.9	106.1	3,600,939	30	29	27	27
88	108.8	108.8	3,651,619	30	30	26	26
89	112.6	112.6	3,693,684	30	30	26	26

***Units:** Weighted Pupil Miles

Workload growth for 1987-89 is projected to be proportional to the growth in the number of students.

Source: LEAP

Superintendent of Public Instruction
Traffic Safety Education
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	0	0	13,876	13,876

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		0	0	13,391	13,391	0	0	13,391	13,391
	Total	0	0	13,391	13,391	0	0	13,391	13,391

Comments:

1. This program is funded from the Public Safety and Education Account.

Provisoes:

$565,000 is itemized to continue support for regional traffic safety education coordinators. These coordinators, operating through the Educational Service Districts, also provide technical assistance to school district traffic safety education programs.

Governor's Vetoes:

None.

Superintendent of Public Instruction
School Food Services
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	6,000	60,722	0	66,722

		Governor Request				Legislative Budget			
1987-89 Biennium		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		6,000	68,154	0	74,154	6,000	68,154	0	74,154
	Total	6,000	68,154	0	74,154	6,000	68,154	0	74,154

Provisoes:

None.

Governor's Vetoes:

None.

Superintendent of Public Instruction
School District Support
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	255	2	3,638	3,895

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy									
1. Pacific Science Center inservice		269	4,264	0	4,533	269	4,264	0	4,533
2. Drug and alchohol inservice		0	0	0	0	145	0	0	145
3. Computer demonstration centers		0	0	0	0	832	413	0	1,245
		0	0	0	0	2,129	0	0	2,129
	Total	269	4,264	0	4,533	3,375	4,677	0	8,052

Comments:

1. Moved from Special & Pilot Programs. Continues SPI contract with the Pacific Science Center for teacher training workshops.

2. Moved from Special & Pilot Programs. Continues current inservice program in drug and alcohol education (reduced from Governor's level).

3. Moved from Special & Pilot Programs. Provides computer demonstration and information centers operated by each Educational Service District.

Provisoes:

Subsection 519 (1) itemizes $269,000 to continue current service level of inservice training in math, science, and computer technology.

Subsection 519 (4) notes that drug and alcohol education funds include $300,000 from beer license fees which are dedicated to juvenile drug and alcohol prevention programs.

Governor's Vetoes:

None.

Superintendent of Public Instruction
Encumbrances of Federal Grants
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	0	(24,085)	0	(24,085)

		Governor Request				Legislative Budget			
1987-89 Biennium		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		0	24,085	0	24,085	0	24,085	0	24,085
	Total	0	24,085	0	24,085	0	24,085	0	24,085

Comments:

This program includes funds used to reimburse school districts for costs from the 1986-87 school year. These funds were obligated but not disbursed in the 1985-87 biennium.

Provisoes:

None.

Governor's Vetoes:

None.

School For the Deaf
($ 000)

1985-87 Biennium	GF-State	GF-Fed	Other	Total
Current Policy				
1. Fund Transfer	9,388	148	0	9,536
	180	0	0	180
Total	**9,568**	**148**	**0**	**9,716**

1987-89 Biennium	Governor Request				Legislative Budget			
	GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy								
2. Revolving Fund Charges	9,581	148	0	9,729	9,581	148	0	9,729
	32	0	0	32	32	0	0	32
Total	**9,613**	**148**	**0**	**9,761**	**9,613**	**148**	**0**	**9,761**

Comments:

1. Funds were transferred in June 1987 from the Division of Developmental Disabilities, DSHS, to the School for the Deaf to avert a possible over-expenditure in the 1985-87 Biennium.

Provisoes:

None.

Governor's Vetoes:

None.

School For the Blind
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	5,057	0	0	5,057

1987-89 Biennium		Governor Request				Legislative Budget			
		GF State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		5,121	0	0	5,121	5,121	0	0	5,121
1. Revolving Funds Adjustments		80	0	0	80	80	0	0	80
	Total	5,201	0	0	5,201	5,201	0	0	5,201

Comments:

1. Purchased services from other state agencies are maintained at their current level.

Provisoes:

None.

Governor's Vetoes:

None.

The 1987-89 legislative budget addressed several major policy issues for higher education in Washington. The reason being that faculty salary levels were considerably below the levels of similar institutions in other states, and that the overall state support for higher education, as measured by the percent of the state budget, had decreased during the past ten years.

In attempt to reverse this situation, the 1987 Legislature provided over $152 million worth of enhancements, up to approximately 12% over the previous biennium, to the six four year institutions of higher education and the twenty seven Community College campuses.

Among the 1987-89 legislative initiatives, faculty salaries were viewed as top priority. The largest share of the legislative improvement funds went to increase faculty salaries, with the primary goal of enabling the state's universities and colleges to compete on equal terms with other states in attracting and retaining quality faculty. Among community colleges, the Legislature moved to equalize disparate salaries among college districts, bringing the bottom salaries to within 2% of the statewide community college average.

A second legislative priority was instructional support—money for the upkeep of facilities, the addition of support staff, and the replacement of outdated and worn out equipment. Extra instructional support monies also provided the means to add state-of-the-art technology and instructional tools.

Closely related to improved instructional quality was the distinguished professorship program. The 1987-89 budget added approximately $5 million to create twenty new distinguished professorships, a program which builds on academia's partnership with private industry to provide a long-term commitment to nationally distinguished faculty.

As well as qualitative issues, the 1987 Legislature focused on quantitative remedies, to broaden a student's educational opportunity.

With increased potential programming brought about by new technologies, the Legislature invested in the higher educational telecommunications network. The program expands higher educational services to meet the growing demand within the Vancouver, Spokane, and Tri-cities areas.

In recognizing the heavily increased demand of the Puget Sound area, the 1987 Legislature reaffirmed its commitment to the Evergreen State College (TESC), permitting enrollment increases of 300 students to 2900 full-time equivalent students. This growth allows TESC to continue to fulfill its original enrollment projections and to maximize use of existing facilities.

The 1987-89 budget also improved educational opportunity through a major policy initiative to increase the number of minority students attending post-secondary schools. The initiative also provided retention monies, to be used for improving minorities' chances of graduation.

Another legislative decision focused on improved student financial aid packages. Funding for financial aid programs was increased 25% over current budget levels, providing some $10 million to assist students in paying for the increased cost of higher education.

Rounding out its initiatives in higher education, the 1987 Legislature funded a variety of other projects designed to focus on major state issues and to improve classroom quality. The 1987-89 budget provided over $1 million for a center at The Evergreen State College to study both undergraduate education and labor issues statewide, for a health science research center in Spokane, and for a pilot undergraduate assessment program at Western Washington University.

The table on the following page itemizes the various budget increases (state funds only) approved by the 1987 Legislature:

The operating budgets for institutions of higher education are financed by a variety of sources other than the state general fund. These sources include general local funds, dedicated local funds, federal funds, and grant and contract funds. All these fund sources are non-appropriated and are lumped together in the other funds column in the budget detail sheets. In addition to these other fund sources, the institutions have agency funds, budgeted by the Legislature and therefore do not appear in the budget notes.

Higher Education Agencies
State General Fund
($000)

	1985-87 Budget	1987-89 Current Policy	1987-89 Budget	Increase Over Current Policy $	Increase Over Current Policy %	Increase Over 1985-87 Budget $	Increase Over 1985-87 Budget %
University of Washington	448,655	461,457	516,799	55,342	12.0%	68,144	15.2%
Washington State University	256,446	261,107	287,150	26,043	10.0%	30,704	12.0%
Eastern Washington University	73,481	74,501	81,688	7,187	9.6%	8,207	11.2%
Central Washington University	63,212	62,726	68,969	6,243	10.0%	5,757	9.1%
The Evergreen State College	35,043	35,633	40,269	4,636	13.0%	5,226	14.9%
Western Washington University	78,631	79,504	87,675	8,171	10.3%	9,044	11.5%
Community Colleges	494,947	501,910	531,174	29,264	5.8%	36,227	7.3%
Higher Education Coordinating Board	36,164	36,252	52,344	16,092	44.4%	16,180	44.7%
Total	1,486,579	1,513,090	1,666,068	152,978	10.1%	179,489	12.1%

Higher Education Enhancements to Current Policy Budget

	Governor's Recommendation	Legislative Budget
Faculty Salary Increases	$97,168,162	$63,380,000
Classified Salary Increases	14,222,059	11,105,000
Instructional Support & Equip	52,113,659	45,100,000
Student Financial Aid	11,600,000	10,000,000
Distinguished Professorships	5,000,000	5,000,000
Plant Maintenance	10,000,000	4,385,000
Full Summer Term Funding	0	5,014,000
Minority Recruitment	1,646,000	1,235,000
CC Faculty Salary Equalization	0	1,129,000
WHETS Communication System	0	750,000
Spokane Health Center	0	577,000
SW Joint Center for Education	0	500,000
TESC Enrollment Growth	860,000	1,433,000
Basic Skills/Adult Literacy	5,000,000	480,000
HECB Information System	400,000	400,000

	Governor's Recommendation	Legislative Budget
Center-Undergraduate Educ	400,000	400,000
Offshore Exploration Study	0	400,000
Displaced Homemaker Program	0	314,000
CWU Business School	0	310,000
Teacher Scholarships	0	300,000
National Faculty	300,000	300,000
Labor Center	279,000	200,000
Everett CC Fire	0	170,000
Value Added Testing	96,000	96,000
WSU Faculty Mix	1,500,000	0
Challenge Grants	5,00,000	0
Research	3,00,000	0
Pacific Rim Studies	1,504,000	0
Teachers Masters Program	1,700,000	0
School Leaderships	500,000	0
Total	$212,288,880	$152,978,000

Policy Initiatives

Student Quality Standard

Two biennia ago, in the 1983-85 budget, the Legislature used bench marks to establish minimum expenditure levels per student at each institution of higher education. The intent of the new practice was to provide budget information which focused more on indicators which make up "educational quality" rather than on numbers of competitive enrollment growth which dominated the earlier "formula" budgeting approach.

The 1987-89 budget expands on the minimum student expenditure concept in two significant ways:

(1) The "student quality standard" was expanded to include all program expenses — excepting plant maintenance — required for the operation of an institution rather than just the instructional program. The block of program funds is divided by enrollment to get the cost-per-student, or the minimum expenditure level to attain a "quality" education. (Note: In the case of Washington State University, agricultural research and extension are also excluded from the pool of money required to determine the student quality standard; the salary increase funds for agricultural research and extension are included in the student quality standard).

The more aggregated approach for the student quality standard is intended to improve the higher education budgeting process in the following ways:

- It will allow the Legislature to focus more on the outputs, or the university system's "quality of product" rather than on the inputs, or appropriating funds by program and listing line item activities of the institution;
- It will provide the institutions more management flexibility in allocating resources among the various programs in order to produce a quality educational experience for the student;
- It will provide a dollar amount per student which can easily be used to compare one year's budget to another or to compare Washington's expenditures in higher education with that of other states, similar to the "peer group" comparisons done on faculty salaries.

(2) The student quality standard was "equalized" for all the regional universities to bring each regional's student quality standard to the same level. For the first time, Central Washington University, Eastern Washington University, Western Washington University and The Evergreen State College are all given the same dollar amount per student. In order to develop an equal dollar amount per student at the regional universities, the Legislature adopted a marginal cost concept. The theory of marginal cost assumes that once the basic administrative and educational structures are in place, it will cost less to educate an additional student. The 1987-89 budget appropriates $5,974 per student for the first 3000 students and $3,895 for each additional student over 3000.

Outcome/Performance Measures

The appropriations act requires each four-year institution and the community college system to report back to the Legislature on how the institutions were able to improve the following areas:

a. Minority student enrollments
b. Women in managerial and senior-level positions
c. Quality of undergraduate and graduate educational programs
d. Off-campus educational programs
e. Student admission standards
f. Evaluation of student performance
g. Programs operated jointly with another public or private institution
h. Faculty and staff recruitment and retention
i. Faculty turnover rates
j. Instructional equipment

The reporting of performance measures, when combined with the student quality standard, is intended to develop a new budgeting process and establish a new accountability between the institutions of higher education and the Legislature. For its part, the Legislature identifies policy direction for the institutions, which can either be explicitly stated in the budget language or implicitly incorporated in the budget amounts. Once policy is determined, the Legislature appropriates funds to higher education institutions to carry out the policy directions. For their part in the new relationship, the institutions are responsible for administering the resources to meet school needs, for managing the resources to attain a determined level of quality, and for reporting to the Legislature how the policy directives were accomplished.

The new budget process will have the following advantages over the past budget practices:

- The Legislature controls the policy agenda for the state's higher education system.
- The Legislature will set the standard of educational quality as expressed in dollars per student.
- The institutions are accountable for the Legislature's policy agenda.
- The Legislature will have a standard for assessing the relative cost between higher education and other state services.
- The Legislature will have a mechanism for comparing the performance between institutions both within the state and among "peer institutions".

Faculty Salary Increase

In the early 1960's, the Legislature adopted a policy of comparing Washington's faculty salaries with the average faculty salary found in other states which have similar institutions to those in Washington. For many years this comparison was known as the "seven state survey". However, the scope of the comparison has been broadened and today is referred to as the "peer institution survey".

Peer institutions provide data to the state in a variety of items, including faculty salaries. The difference between Washington's average salary and the peer institutions is the "salary gap". The salary gap appears as a percentage amount which usually represents the salary increase requested by Washington's institutions. The most recent peer faculty salary survey was based on the 1986-87 school year and was adjusted for two years of inflation to estimate a salary gap at the end of the 1988-89 school year. An inflationary adjustment was made in order to have the salary data correspond with the state's biennial budget cycle. The Governor, in his budget recommendation, also averaged the salary gap for the regional universities into one percentage amount for all four regional universities.

Table one below lists the salary gap for each institution, the adjusted salary gap which averaged the four regional universities together and included 3.6% and 3.7% for inflation during the upcoming biennium, and the legislatively approved faculty salary increase levels for higher education:

The 1987 Legislature funded the approved faculty salary increase in four steps: Step 1) The 1987 supplemental budget was the first installment for the salary increase. The supplemental budget salary increase took effect on March 1, 1987 and elapsed on July 1, 1987 with the start of the biennial budget; Step 2) The 1987-89 biennial budget carried forward the supplemental budget's faculty salary increase to February 29, 1988, at which point the supplemental "bridge" money ended; Step 3) The biennial budget provided an additional salary increase effective March 1, 1988. The percentage increase totaled 8.5% for the University of Washington, 8.2% for Washington State University, 7.6% for the regional universities and 6.3% for the community colleges. The total faculty salary increase for March 1, 1988, in effect contained two parts: continuation of the supplemental increase plus the additional salary increase. In order to provide an actual salary increase, the supplemental increase ending on February 29, 1988, had to continue without interruption. The reason for allowing the supplemental salary increase to lapse and re-combining the percentages in the new March 1, 1988 salary increase was based on a change in the definition of persons eligible to receive the increase. For example, four-year institution's part time faculty were ineligible to receive the 1987 supplemental salary increase, but under the biennial appropriations act, they became eligible for the full increase given to exempt employees' effective March 1, 1988; Step 4) The biennial budget provided an additional salary increase effective January 1, 1989.

Table two below shows the percentage amounts and the effective dates of the faculty salary increases provided by the 1987 Legislature for each institution:

Table One.

	1986-87 Peer Gap	1987-89 Gap Adjusted for Inflation	Percent of Gap Funded	Legislative Authorized Salary Increase
UW	15.9%	24.5%	72%	17.6%
WSU	15.2%	23.7%	72%	17.0%
EWU	23.8%	25.1%	63%	15.8%
CWU	15.0%	25.1%	63%	15.8%
TESC	20.0%	25.1%	63%	15.8%
WWU	10.6%	25.1%	63%	15.8%
CC's	12.8%	21.2%	60%	12.7%

Faculty Salary Increase

Table Two.

	3/1/87	3/1/88	1/1/89	**Total**
UW	5.0%	3.5%	8.4%	**17.6%**
WSU	5.0%	3.2%	8.1%	**17.0%**
EWU	4.5%	3.1%	7.6%	**15.8%**
CWU	4.5%	3.1%	7.6%	**15.8%**
TESC	4.5%	3.1%	7.6%	**15.8%**
WWU	4.5%	3.1%	7.6%	**15.8%**
CC's	4.0%	2.3%	6.0%	**12.7%**

Exempt Staff Salary Increase

The 1987 Legislature funded exempt staff salary increases in four steps: Step 1) The 1987 supplemental budget was the first installment for most exempt staff salary increases. The supplemental budget salary increase took effect for certain defined exempt employees on March 1, 1987 and elapsed on July 1, 1987 with the start of the biennial budget; Step 2) The 1987-89 biennial budget carried forward the supplemental budget's exempt salary increase through February 29, 1988, at which point the supplemental "bridge " money ended; Step 3) The biennial budget approved a new salary increase equal to the supplemental percentage increase amounts on March 1, 1988. In effect, the March 1988 salary increase simply continued the 1987 supplemental percentage salary increase. The reason for reenacting the supplemental salary increase was based on the supplemental's limited definition of persons eligible for an increase. The supplemental budget excluded the following persons from receiving the salary increase: presidents, chancellors, chief executive officers, provosts, vice-presidents, deans, senior administrative officials at the four year institutions who report directly to these individuals, and part time faculty at the four-year institutions. All these excluded persons were eligible to receive the exempt salary increase on March 1, 1988 except academic deans who receive the same increase as faculty; Step 4) The biennial budget provided an additional percentage salary increase effective January 1, 1989.

The table below shows the percentage amounts and the effective dates of the exempt salary increase provided by the 1987 Legislature for each institution.

Classified Employee Salary Increase

The 1987 Legislature provided two salary increases for higher education classified employees. The first salary increase, effective January 1, 1988, provides a 2.65% or $50 increase, whichever is higher. It is anticipated that a majority of classified employees will receive the $50 amount, therefore making the actual salary increase closer to a 3.1% increase. The second salary increase, effective January 1, 1989, is a 3% salary increase.

Community College Faculty Equalization

In addition to the salary increases mentioned above, the State Board for Community College Education received $1,129,000 to reduce the disparity in full time faculty salaries among college districts. These additional moneys were intended to insure that no college district's full time faculty average salary would be more than two percent below the district's hypothetical average salary based upon the system-wide costs for experience and education levels. The eight districts which were designated to receive the equalization funds and the amounts for each district are listed below:

Community College Faculty Equalization

Spokane Community College	$533,000
Shoreline Community College	242,000
Lower Columbia College	124,000
Skagit Valley College	115,000
Community College District 12	52,000
Highline Community College	27,000
Walla Walla Community College	18,000
Whatcom Community College	18,000

Definitions and Assumptions for Faculty and Exempt Salary Increase

1. For the first time exempt staff were given a different percentage salary increase than faculty. In order to distinguish between exempt staff and faculty, the following definitions were adopted for purposes of granting salary increases:

"Faculty" were described as instructional and research faculty, academic deans, departmental chairpersons, and community college librarians and counselors who are not classified employees.

"Exempt" staff were described to include presidents, chancellors, vice presidents, administrative deans and professional personnel and four-year institution librarians and counselors who are not classified employees.

Exempt Staff Salary Increase

	3/1/87	3/1/88	1/1/89	Total
UW	5.0%	(those excluded	3.0%	**8.2%**
WSU	5.0%	from the 3/1/87	3.0%	**8.2%**
EWU	4.5%	salary increase	3.0%	**7.6%**
CWU	4.5%	were eligible	3.0%	**7.6%**
TESC	4.5%	to receive the	3.0%	**7.6%**
WWU	4.5%	increase)	3.0%	**7.6%**
CC's	4.0%		3.0%	**7.1%**

2. RA's and TA's : The biennial and supplemental budgets provided teaching and research assistants the same percentage salary increase as full time faculty.

3. Part time faculty: The 1987 supplemental budget provided community college part time faculty the same increase as full time faculty but provided no salary increase for part time faculty at four year institutions. The biennial budget provided community college and four year institution part time faculty the same percentage salary increase as exempt employees.

4. WSU federally funded employees: The biennial budget includes the cost of salary increases for WSU employees who are supported by the various federal programs enacted to benefit land grant institutions.

5. Librarians and Counselors: The librarians and counselors at the four-year institutions were defined as exempt employees and were funded at the same percentage salary increase as exempt employees. However, they may be given the same percentage salary increase as full time faculty if the institution is able to fund the higher salary increase out of the existing salary increase funds. In other words, if an institution has vacancies or gives a lower percentage salary increase to faculty or exempt employees, the funds may be used to grant a higher salary increase to librarians and counselors. As noted above, community college librarians and counselors were defined as faculty.

Salary Increase Controls

In order to prevent institutions of higher education from granting salary increases larger than those funded by the Legislature, the appropriations act included a penalty for exceeding the salary increase approved by the Legislature. Any institution that grants an average salary increase in excess of the amounts authorized in the appropriations act must forfeit the entire salary increase appropriation. The restriction refers to an average salary increase to allow institutions the flexibility to give differential percentage salary increases among individual employees so long as the total increase is within the percentage level approved by the Legislature. The controlling factor for the compliance section is the dollar value of the salary increase. An institution can not exceed the dollar amount appropriated for salary increases.

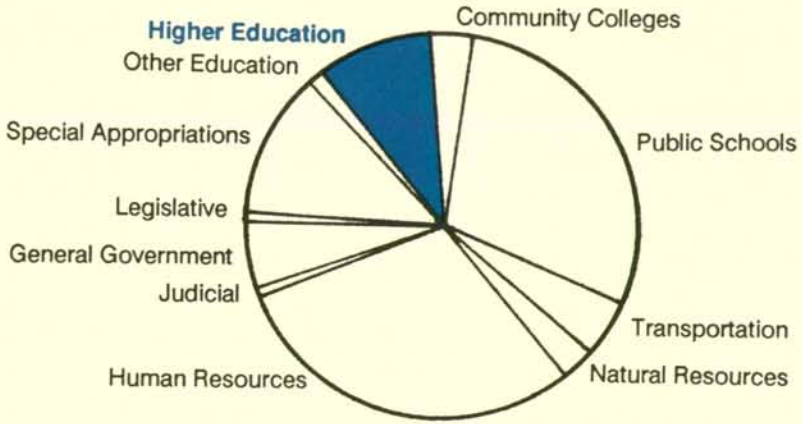
Peer Institutions

Listed below are the peer institutions and their 1986-87 average compensation levels (salaries plus benefits):

Research Universities:	
U of Washington	$48,085
Univ of Arizona	$54,744
U Cal-Berkley	70,424
U Cal-Los Angeles	65,989
U of Illinois	50,494
U of Iowa	47,180
U of Michigan	56,156
U of N Carolina	50,715
U of Oregon	46,303
Wash State Univ	$42,436
U Cal-Davis	$62,963
U Cal-Santa Barbara	65,503
U of Illinois	50,494
Purdue University	47,483
Iowa State University	40,219
Michigan State Univ	49,203
N Carolina State Univ	48,161
Oregon State Univ	45,360
Regional Universities	
Central Washington Univ	$40,601
Eastern Washington Univ	39,218
Eastern Washington Univ	40,730
The Evergreen State College	41,409
N Arizona University	$42,703
Cal-State Chico	58,790
Cal-State Hayward	58,822
Western Illinois Univ	35,790
Univ of N Iowa	37,288
N Michigan University	44,104
Portland State University	43,839
Western Carolina University	40,456
Community Colleges	
Wash. Comm. Col. System	$35,341

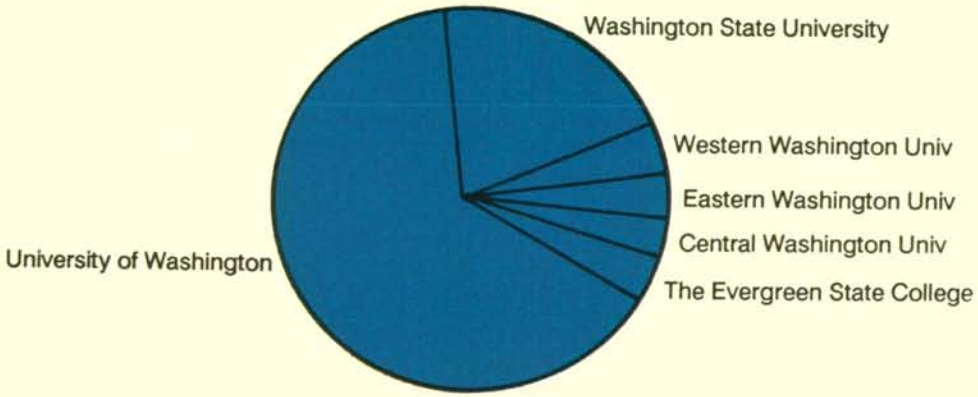
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	92.1	.5%
Judicial	66.3	.4%
General Government	947.3	5.4%
Human Resources	5,477.9	31.2%
Natural Resources	562.3	3.2%
Transportation	852.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	**2,061.1**	**11.7%**
Other Education	91.9	.5%
Special Approps,	1,726.6	9.8%
Total	**17,567.8**	**100.0%**



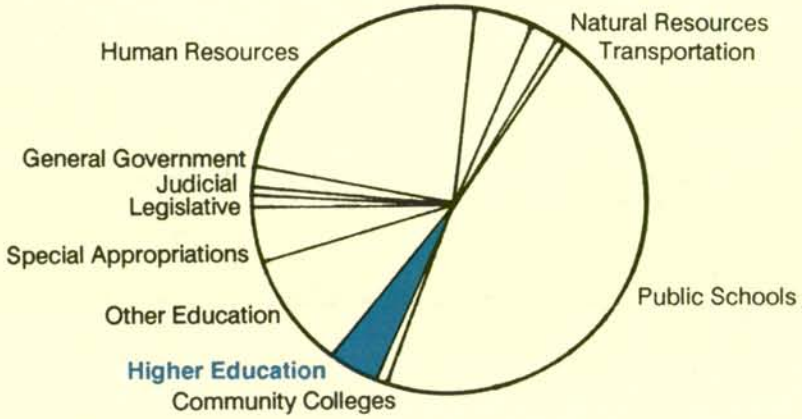
1987-89 Operating Budget
Higher Education
Dollars in millions

All Funds		
University of Washington	1,339.9	64.7%
Washington State University	417.7	20.3%
Western Washington Univ	95.9	4.7%
Eastern Washington Univ	89.6	4.3%
Central Washington Univ	80.4	3.9%
The Evergreen State College	43.5	2.1%
Total	**2,061.1**	**100.0%**



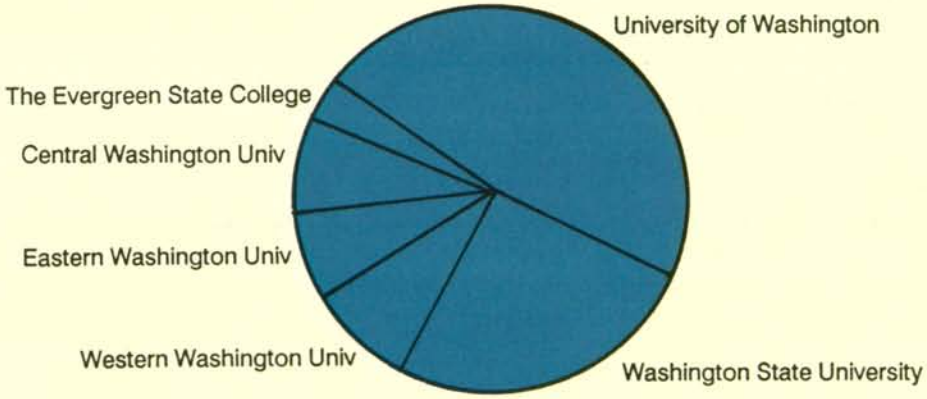
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	89.4	.9%
Judicial	47.5	.5%
General Government	143.1	1.4%
Human Resources	2,865.1	28.3%
Natural Resources	232.3	2.3%
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	**1,082.6**	**10.6%**
Other Education	67.4	.7%
Special Approps,	342.0	3.4%
Total	**10,176.4**	**100.0%**



1987-89 Operating Budget
Higher Education
Dollars in millions

General Fund - State		
University of Washington	516.8	47.7%
Washington State University	287.2	26.5%
Western Washington Univ	87.7	8.1%
Eastern Washington Univ	81.7	7.5%
Central Washington Univ	69.0	6.4%
The Evergreen State College	40.3	3.7%
Total	**1,082.6**	**100.0%**



State Board for Community College Education
($ 000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**492,556**	**60,566**	**553,122**
1. 1987 Supplemental Budget	2,130		2,130
7. Everett CC fire	261		261
Total	**494,947**	**60,566**	**555,513**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy	501,910	65,014	566,924	501,910	65,014	566,924
1. 1987 Supplemental Budget	0	0	0	10,677	0	10,677
2. Faculty salary increase	26,908	0	26,908	7,642	0	7,642
3. Classified salary increase	4,062	0	4,062	3,166	0	3,166
4. Basic skills/adult literacy	5,000	0	5,000	480	0	480
5. Equipment/instructional support	10,000	0	10,000	6,000	0	6,000
6. Plant maintenance & operations	3,119	0	3,119	0	0	0
7. Everett CC fire	0	0	0	170	0	170
8. Faculty salary equalization	0	0	0	1,129	0	1,129
Total	**550,999**	**65,014**	**616,013**	**531,174**	**65,014**	**596,188**

Comments:

The budget assumed an enrollment level of 83,300 FTE students each year of the biennium.

1. The 4% faculty salary increase in the supplemental budget was effective March 1, 1987. The amount for the 1987-89 legislative budget is the carry forward cost of the supplemental salary increase.

2. In addition to the supplemental salary increase faculty will receive a 2.3% salary increase on March 1, 1988 and 6.0% increase on January 1, 1989 (see salary increase policy).

3. The classified staff will receive a salary increase of 2.65% or $50, whichever is greater, on January 1, 1988 and a 3% increase on January 1, 1989.

4. Allocates $480,000 to extend the adult literacy coordination project and its volunteer tutoring efforts throughout the state.

5. The $6 million may be used for equipment or instructional support.

7. The supplemental budget included $261,000 for clean up of the fire site and the 1987-89 budget authorized $170,000 for Everett Community College to acquire temporary facilities and staff during the rebuilding phase of the college's library and student center damaged by fire.

8. The faculty equalization funds are to bring the eight lowest paid colleges up to 98% of the district's average hypothetical salary schedule (based upon education and teaching experience).

Provisoes:

Section 601. The budget sets the student quality standard or expenditures per FTE student at $2,793 for the 1987-89 biennium.

Section 121 (6). The Office of Financial Management is to conduct a study and make recommendations on faculty salary increments.

Section 601. Lists reporting requirements and contains salary increase conditions for the community college system.

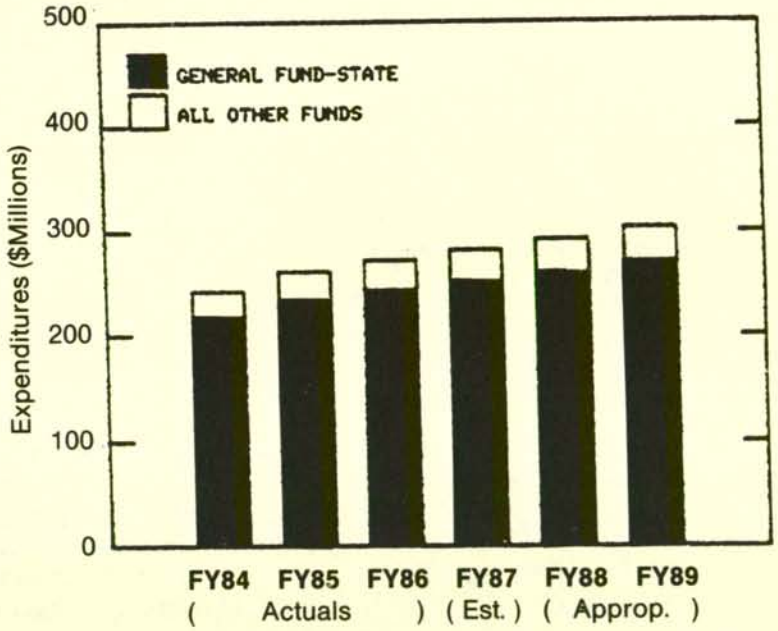
Governor's Vetoes:

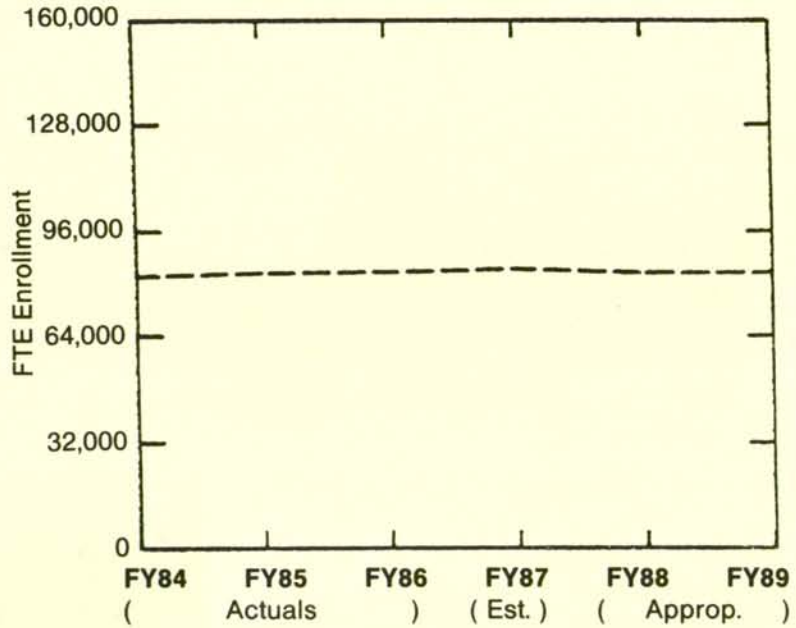
None.

Workload Assumptions/History:

See next page.

Operating Budgets
Community College System





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GF-S
84	243.1	217.8	82,317	2,953	2,646	2,953	2,646
85	262.2	233.8	83,239	3,150	2,810	3,041	2,713
86	272.9	243.6	83,555	3,266	2,915	3,064	2,735
87	282.6	251.4	84,406	3,349	2,978	3,063	2,724
88	292.5	260.2	83,300	3,511	3,124	3,069	2,730
89	303.7	271.0	83,300	3,646	3,253	3,039	2,712

***Units:** FTE Enrollment

The system has managed enrollment, through planned program offerings, to meet the budgeted levels. The community colleges have the highest rate of part-time students (53%) in the higher education system. The enrollment trend is fewer students taking vocational courses and more taking academic and basic skill courses.

Source: LEAP.

University of Washington
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy			
1. 1987 Supplemental Budget	**446,485**	**731,363**	**1,177,848**
	2,170		2,170
Total	**448,655**	**731,363**	**1,180,018**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy						
1. 1987 Supplemental Budget	461,457	816,420	1,277,877	461,457	816,420	1,277,877
2. Faculty salary increase	0	0	0	11,936	0	11,936
3. Classified salary increase	37,300	0	37,300	11,223	0	11,223
4. Instructional support	4,509	0	4,509	3,501	0	3,501
5. Equipment	25,000	0	25,000	24,000	0	24,000
6. Plant maintenance & operations	2,081	0	2,081	1,560	0	1,560
7. Pacific Rim Studies	3,002	0	3,002	2,200	0	2,200
8. Research	1,504	0	1,504	0	0	0
9. Minority recruitment	3,000	0	3,000	0	0	0
10. Offshore study	695	0	695	522	0	522
11. Worker & environment research	0	0	0	400	0	400
	0	701	701	0	701	701
Total	**538,548**	**817,121**	**1,355,669**	**516,799**	**817,121**	**1,333,920**

Comments:

The budget assumed an enrollment level of 29,885 FTE students for the regular academic session during each year of the 1987-89 biennium. Included in the enrollment total are 385 students at the Tri-City University Center. The University is designated fiscal agent for the Center and, therefor has all the enrollment and funding for the Center.

1. The supplemental budget included a 5% salary increase for faculty and exempt employees on March 1, 1987. The amount in the 1987-89 legislative budget is the carry forward cost of the supplemental increase.

2. In addition to the supplemental salary increase faculty were given a 3.5% salary increase on March 1, 1988 and a 8.4% increase on January 1, 1989 (see salary increase policy section).

3. Classified employees will receive a 2.65% or $50, whichever is greater, salary increase on January 1, 1988 and a 3% increase on January 1, 1989.

4-6. Program enhancements above the current policy budget level which may be used to improve faculty and support staff levels, library resources, research, academic computing, and other instructional related activities.

9. The appropriation to improve minority student retention and recruitment includes $147,000 for the Math, Engineering, and Science Achievement program to develop two new centers.

10. The offshore study is to assess the economical, social, and environmental impact of oil and gas development on the state's outer continental shelf.

11. The medical aid and accident funds are to provide increased levels of research in the occupational health area.

Provisoes:

Section 601 Sets the student quality standard at $7,763 per FTE student.

Section 601 Lists the reporting requirements and contains salary increase conditions for the University.

Section 603 (4) Requires the University to spend at least $75,000 from any appropriated funds for research on the health and safety hazards of video display terminals in the work place.

Section 603 (2) Requires the University to spend $75,000 to identify spaces for child day care centers for classified employees and for start-up cost of the day care centers.

Section 206 (c) Provides $224,000 through the developmental disabilities program in DSHS for the DECOD dental program at the University.

Provisoes: (Continued)

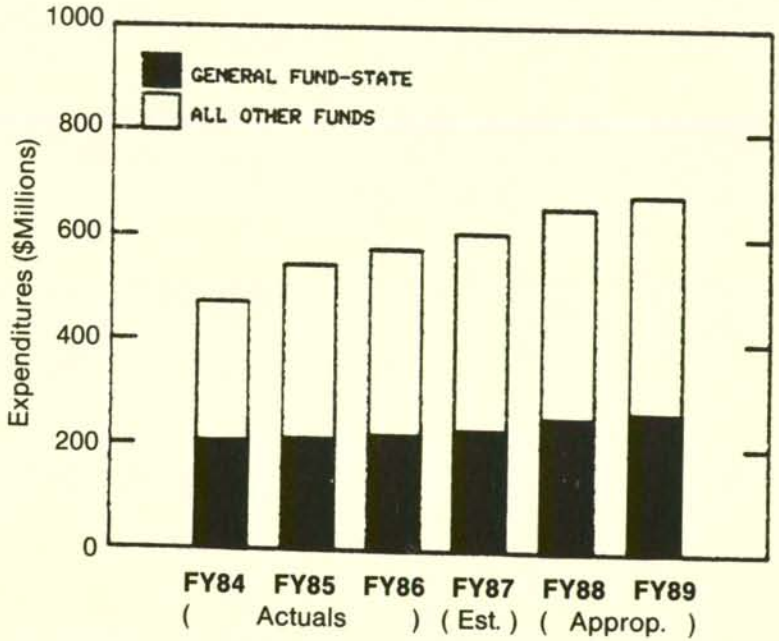
Section 507 (4) Provides $130,000 through the handicapped education program in the Superintendent of Public Instruction for the early childhood home instruction program for hearing impaired infants.

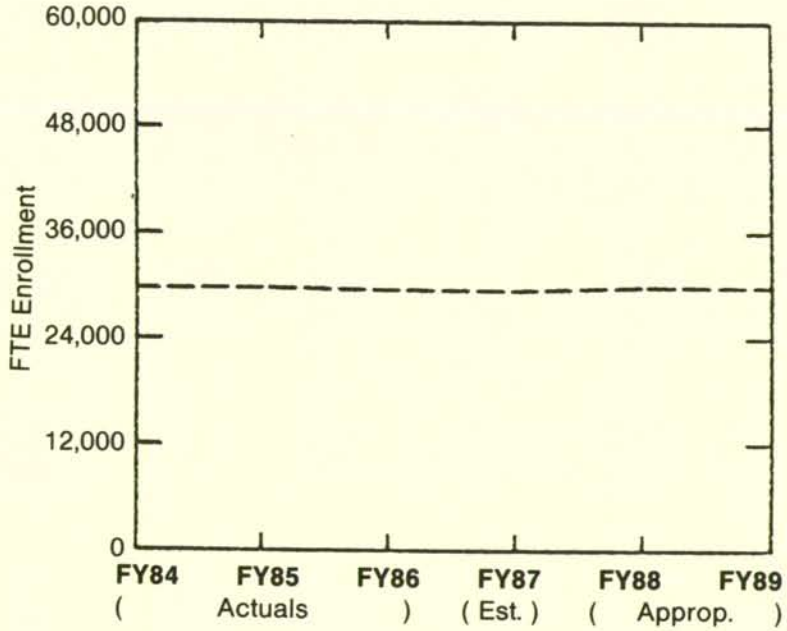
Governor's Vetoes:

None.

Workload Assumptions/History:

See next page.





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GF-S
84	472.4	202.9	29,772	15,867	6,816	15,867	6,816
85	544.2	210.6	29,836	18,241	7,060	17,611	6,816
86	574.5	219.1	29,608	19,403	7,400	18,203	6,942
87	605.5	229.6	29,512	20,518	7,779	18,769	7,115
88	654.1	252.4	29,885	21,888	8,447	19,132	7,383
89	679.8	264.4	29,885	22,747	8,846	18,962	7,374

***Units:** FTE Enrollment

Enrollment has been relatively constant during the indicated fiscal years as the university manages to the 29,500 student level appropriated by the Legislature. The enrollment increase for FY88 and FY89 is the result of consolidating all enrollment for the Tri-Cities University Center at the University.

Source: LEAP.

Washington State University
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy			
1. 1987 Supplemental Budget	**255,431**	**129,414**	**384,845**
	1,015		1,015
Total	**256,446**	**129,414**	**385,860**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy						
1. 1987 Supplemental Budget	260,868	130,593	391,461	261,107	130,593	391,700
2. Faculty salary increase	0	0	0	5,948	0	5,948
3. Classified salary increase	18,561	0	18,561	5,628	0	5,628
4. Instructional support	2,815	0	2,815	2,365	0	2,365
5. Equipment	8,500	0	8,500	8,100	0	8,100
6. Plant maintenance & operations	929	0	929	700	0	700
7. Faculty rank mix	1,946	0	1,946	1,400	0	1,400
8. Minority recruitment	1,500	0	1,500	0	0	0
9. SWJCE	300	0	300	225	0	225
10. WHETS	0	0	0	500	0	500
11. Spokane Health Center	0	0	0	750	0	750
	0	0	0	427	0	427
Total	**295,419**	**130,593**	**426,012**	**287,150**	**130,593**	**417,743**

Comments:

The budget assumed a student enrollment level of 15,884 students for each year of the 1987-89 biennium. The current policy level was adjusted by $239,000 in the legislative budget for Attorney General Costs.

1. The supplemental budget included a 5% salary increase for faculty and exempt employees on March 1, 1987. The amount in the 1987-89 legislative budget is the carry forward cost of the supplemental increase.

2. In addition to the supplemental salary increase faculty were given a 3.2% increase on March 1, 1988 and 8.1% on January 1, 1989. The salary increase appropriation included money for salary increase costs of state employees who are supported by federal land grant formula funds (see salary increase policy section).

3. Classified employees will receive a 2.65% or $50, whichever is greater, salary increase on January 1, 1988 and 3% increase on January 1, 1989.

4-6. Program enhancements above the current policy budget level which may be used to improve faculty and support staff levels, library resources, computing services, and other instructional related activities.

9. The increase for the Southwest Washington Joint Center for Education in Vancouver is to provide additional upper division and graduate level programs.

10. The additional money for the Washington Higher Education Telecommunications System will double the program capacity of the system, with $637,000 to be applied to construction costs and $113,000 to operational costs.

11. The $427,000 appropriation is to develop an interdisciplinary health research and education center in Spokane.

Provisoes:

Section 601. Sets the student quality standard at $6,549 per FTE student.

Section 601. Lists the reporting requirements and contains salary increase conditions for WSU.

Washington State University is required to continue the Yakima Nursing Center program without additional money added to the budget specifically for the program.

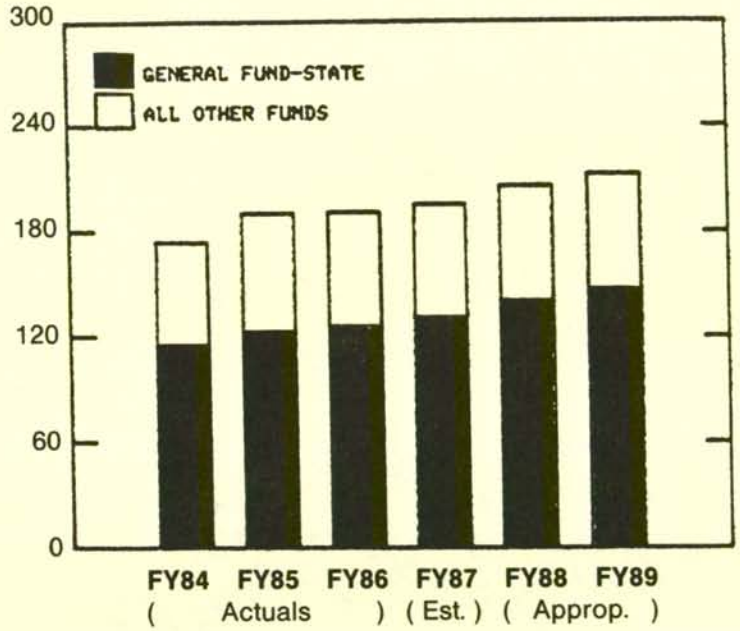
Governor's Vetoes:

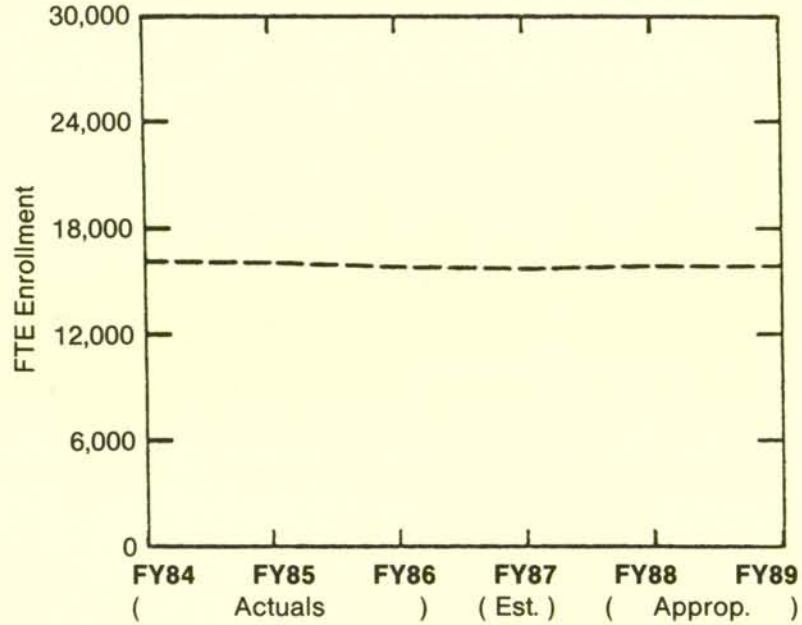
None.

Workload Assumptions/History:

See next page.

Operating Budgets
Washington State University





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GF-S
84	173.7	114.7	16,134	10,768	7,109	10,768	7,109
85	190.1	122.4	16,067	11,832	7,617	11,423	7,354
86	190.7	125.8	15,791	12,076	7,966	11,328	7,473
87	195.1	130.6	15,739	12,397	8,299	11,340	7,591
88	205.5	140.4	15,884	12,938	8,836	11,308	7,723
89	212.2	146.8	15,884	13,362	9,242	11,138	7,704

***Units:** FTE Enrollment
The budgeted enrollment level has been relatively constant during the indicated fiscal years. However, actual enrollments during 1985-87 were 280 students below the funded level. The 1987-89 enrollment maintains the prior budget levels with 120 students at the Tri—Cities Center transferred to the UW as part of the consolidation of the center.

Source: LEAP.

Eastern Washington University
($000)

1985-87 Biennium	GF-State	Other	Total
Current Policy			
1. 1987 Supplemental Budget	73,204	9,305	82,509
	277		277
Total	**73,481**	**9,305**	**82,786**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy						
1. 1987 Supplemental Budget	74,501	9,477	83,978	74,501	9,477	83,978
2. Faculty salary increase	0	0	0	1,536	0	1,536
3. Classified salary increase	4,118	0	4,118	1,422	0	1,422
4. Instructional support	751	0	751	583	0	583
5. Equipment	1,000	0	1,000	1,241	0	1,241
6. Plant maintenance & operations	228	0	228	170	0	170
7. Minority recruitment	519	0	519	210	0	210
8. Summer term	200	0	200	150	0	150
9. Spokane Health Center	0	0	0	1,725	(1,532)	193
	0	0	0	150	0	150
Total	**81,317**	**9,477**	**90,794**	**81,688**	**7,945**	**89,633**

Comments:

The budget assumed an enrollment level of 7,000 for each year of the 1987-89 biennium.

1. The supplemental budget included a 4.5% salary increase for faculty and exempt employees on March 1, 1987. The amount in the 1987-89 legislative budget is the carry forward cost of the supplemental increase.

2. In addition to the supplemental salary increase faculty will receive a 3.1% increase on March 1, 1988 and a 7.6% increase on January 1, 1989 (see salary increase policy section).

3. Classified employees will receive a 2.65% or $50, whichever is greater, salary increase on January 1, 1988 and 3% on January 1, 1989.

4-6. Program enhancements above the current policy budget level which may be used to improve faculty and support staff levels, library resources, academic computing, and other instructional related activities.

8. The $1.7 million provides full state support for summer school with the provision that summer term tuition fee revenue be turned back to the State Treasury.

9. The $150,000 is for Eastern's part in the development of a health research and education center in Spokane with Washington State University.

Provisoes:

Section 601. The budget sets the student quality standard at $5,974 for the first 3,000 FTE students and $3,895 for each student over 3,000.

Section 601. Lists reporting requirements and contains salary increase conditions for EWU.

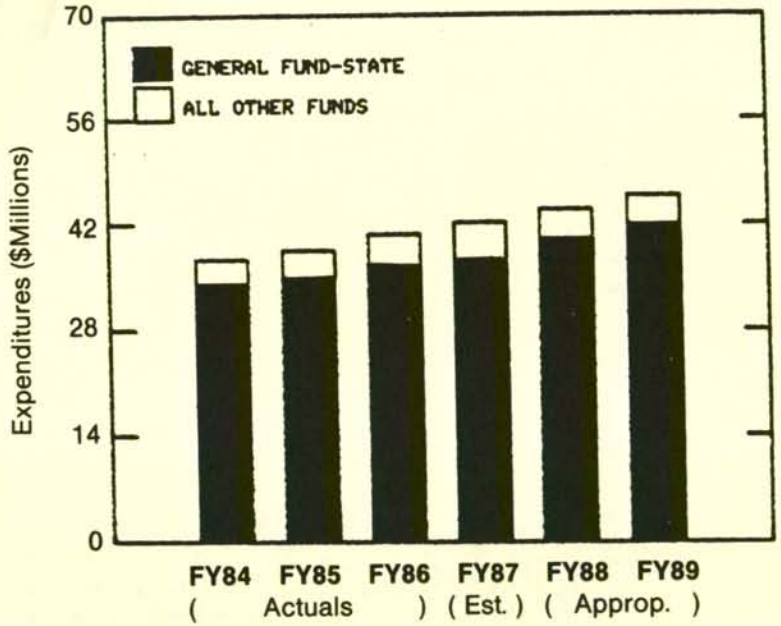
Governor's Vetoes:

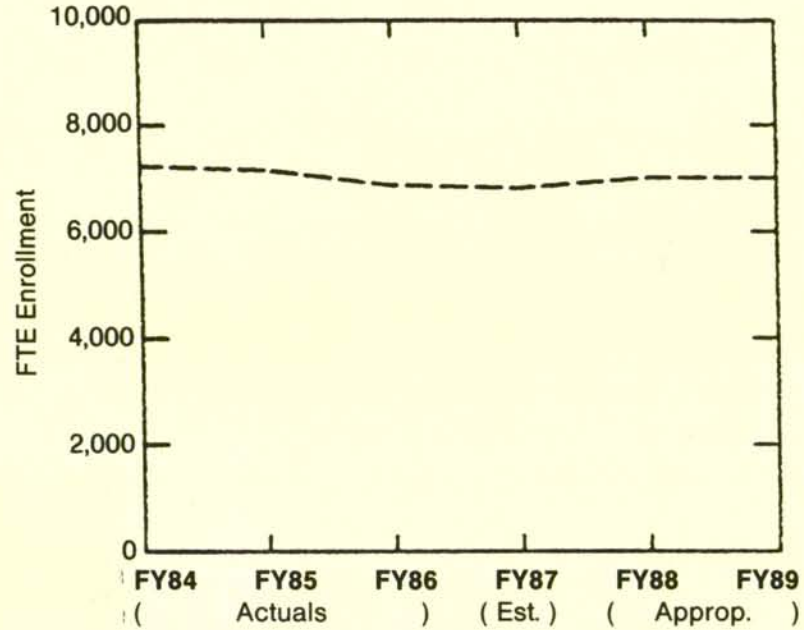
None.

Workload Assumptions/History:

See next page.

Operating Budgets
Eastern Washington University





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GF-S
84	37.3	33.9	7,220	5,160	4,702	5,160	4,702
85	38.5	34.9	7,144	5,384	4,881	5,198	4,713
86	40.6	36.4	6,871	5,912	5,298	5,546	4,970
87	42.2	37.1	6,809	6,193	5,446	5,665	4,981
88	43.9	39.9	7,000	6,270	5,707	5,481	4,988
89	45.7	41.7	7,000	6,535	5,963	5,447	4,971

***Units:** FTE Enrollment

Enrollment between FY84 and FY87 declined by 411 students. The decline was in the main campus as enrollment at the Spokane Center increased. The budgeted enrollment level for the 1987-89 biennium remains at the 7,000 level in anticipation of higher enrollment levels on the main campus.

Source: LEAP

Central Washington University
($ 000)

1985-87 Biennium	GF-State	Other	Total
Current Policy			
1. 1987 Supplemental Budget	62,972	11,849	74,821
	240		240
Total	**63,212**	**11,849**	**75,061**

1987-89 Biennium	Governor Request			Legislative Budget		
	GF-State	Other	Total	GF-State	Other	Total
Current Policy						
1. 1987 Supplemental Budget	62,726	12,767	75,493	62,726	12,767	75,493
2. Faculty salary increase	0	0	0	1,278	0	1,278
3. Classified salary increase	3,796	0	3,796	1,286	0	1,286
4. Instructional support	618	0	618	478	0	478
5. Equipment	1,000	0	1,000	911	0	911
6. Plant maintenance & operations	200	0	200	150	0	150
7. Minority recruitment	544	0	544	220	0	220
8. Telecommunications	150	0	150	113	0	113
9. Summer term	2,000	0	2,000	0	0	0
10. Business School accreditation	0	0	0	1,497	(1,300)	197
	0	0	0	310	0	310
Total	**71,034**	**12,767**	**83,801**	**68,969**	**11,467**	**80,436**

Comments:

The budget assumed an enrollment level of 5,877 for each year of the 1987-89 biennium.

1. The supplemental budget included a 4.5% salary increase for faculty and exempt employees on March 1, 1987. The amount in the 1987-89 legislative budget is the carry forward cost of the supplemental increase.

2. In addition to the supplemental salary increase faculty will receive a 3.1% increase on March 1, 1988 and a 7.6% increase on January 1, 1989 (see salary increase policy section).

3. Classified employees will receive a 2.65% or $50, whichever is greater, salary increase on January 1, 1988 and 3% on January 1, 1989.

4-6. Program enhancements above the current policy level budget which may be used to improve faculty and support staff levels, library resources, computing services, and other instructional related activities.

8. The telecommunications project was moved from the operating budget to the legislative capital budget.

9. The summer term funding provides full state support for the summer quarter. Student's fees are to be deposited in the state treasury (see Sec. 601 (6)).

Provisoes:

Section 601. The budget sets the student quality standard at $5,974 for the first 3,000 FTE students and $3,895 for each student over 3,000.

Section 601. Lists reporting requirements and contains salary increase conditions for CWU.

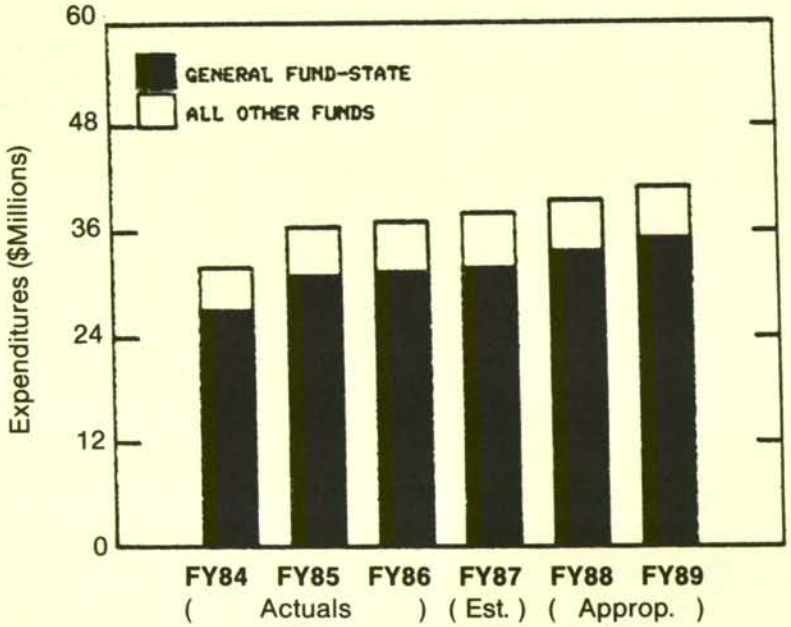
Governor's Vetoes:

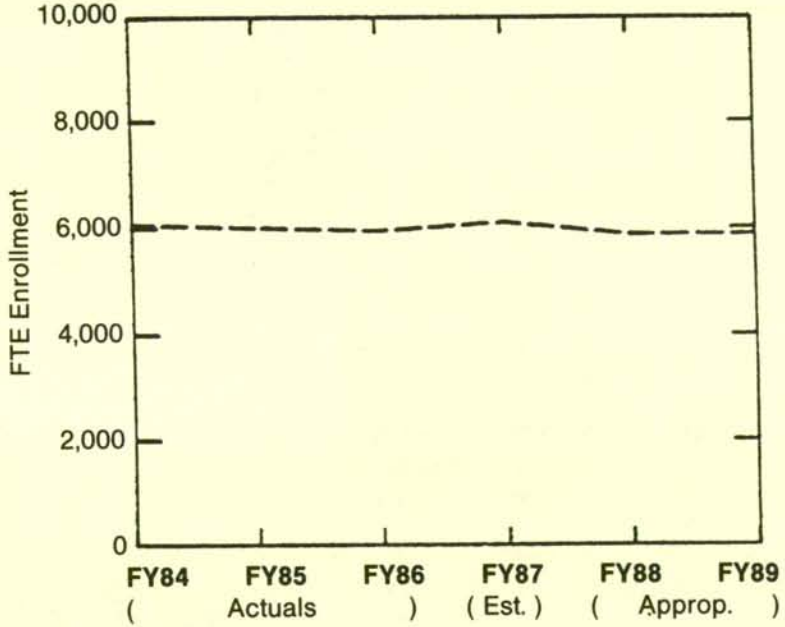
The Governor removed the restriction on the use of the $310,000 for business school accreditation thus allowing the university the flexibility to determine the best uses of the equal dollar amount per student provided to each regional university.

Workload Assumptions/History:

See next page.

Operating Budgets
Central Washington University





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GF-S
84	31.9	27.1	6,068	5,263	4,461	5,263	4,461
85	36.5	31.0	6,003	6,075	5,160	5,865	4,982
86	37.1	31.4	5,942	6,236	5,283	5,850	4,956
87	38.0	31.8	6,093	6,238	5,222	5,706	4,777
88	39.5	33.8	5,877	6,717	5,746	5,871	5,022
89	41.0	35.2	5,877	6,970	5,990	5,810	4,993

***Units:** FTE Enrollment

CWU experienced a small enrollment decline in FY86 which quickly increased as programs in the Puget Sound area were expanded. The lower enrollment level for 1987-89 is the result of transferring 78 students from the Tri-Cities Center to the University of Washington.

Source: LEAP

The Evergreen State College
($ 000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**34,826**	**3,459**	**38,285**
1. 1987 Supplemental Budget	217		217
Total	**35,043**	**3,459**	**38,502**

	Governor Request			Legislative Budget		
1987-89 Biennium	**GF-State**	**Other**	**Total**	**GF-State**	**Other**	**Total**
Current Policy	35,633	3,263	38,896	35,633	3,263	38,896
1. 1987 Supplemental Budget	0	0	0	712	0	712
2. Faculty salary increase	1,622	0	1,622	569	0	569
3. Classified salary increase	434	0	434	337	0	337
4. Instructional support	0	0	0	315	0	315
5. Equipment	182	0	182	150	0	150
6. Plant maintenance & operations	357	0	357	145	0	145
7. Minority recruitment	100	0	100	75	0	75
8. Center for Undergraduate Education	400	0	400	400	0	400
9. Labor Center	279	0	279	200	0	200
10. National Faculty	300	0	300	300	0	300
11. Enrollment increase	860	0	860	1,433	0	1,433
Total	**40,167**	**3,263**	**43,430**	**40,269**	**3,263**	**43,532**

Comments:

1. The supplemental budget included $85,000 for a tort claim and $132,000 for a 4.5% salary increase for faculty and exempt employees on March 1, 1987. The amount in the 1987-89 legislative budget is the carry forward cost of the supplemental increase.

2. In addition to the supplemental salary increase faculty were given a 3.1% increase on March 1, 1988 and a 7.6% increase on January 1, 1989 (see salary increase policy section).

3. Classified employees will receive a 2.65% or $50, whichever is greater, salary increase on January 1, 1988 and a 3% increase on January 1, 1989.

4-6. Program enhancements above the current policy budget level which may be used to improve faculty and support staff levels, library resources, computing, and other instructional related activities.

8. The $400,000 appropriation will provide permanent staff for the center and expand the number of faculty seminars and exchanges between public, private, four-year and community colleges to contribute to faculty development and, ultimately, improve student learning.

9. The appropriation will establish a labor center which is to serve as a mechanism for offering self-supporting educational program which focus on short courses and seminars about labor related issues.

10. The appropriation will establish the regional center for the National Faculty of Humanities, Arts and Sciences to conduct summer seminars to focus on the improvement of teaching in Washington's primary and secondary schools.

11. Increased regular session enrollment to 2,800 FTE students for fiscal year 1988 and 2,900 students in fiscal year 1989, allowing for a 200 FTE student growth in the first year and an additional 100 FTE student growth in the second year. The legislative budget increased the enrollment growth 100 students per year above the level recommended in the Governors budget with the understanding that The Evergreen State College would modify its admission standards to admit the best qualified students rather than the current practice of first-come/first-served.

Provisoes:

Section 601. Sets the student quality standard at $5,974 per FTE student.

Section 601. Lists reporting requirements and contains salary increase conditions for the College.

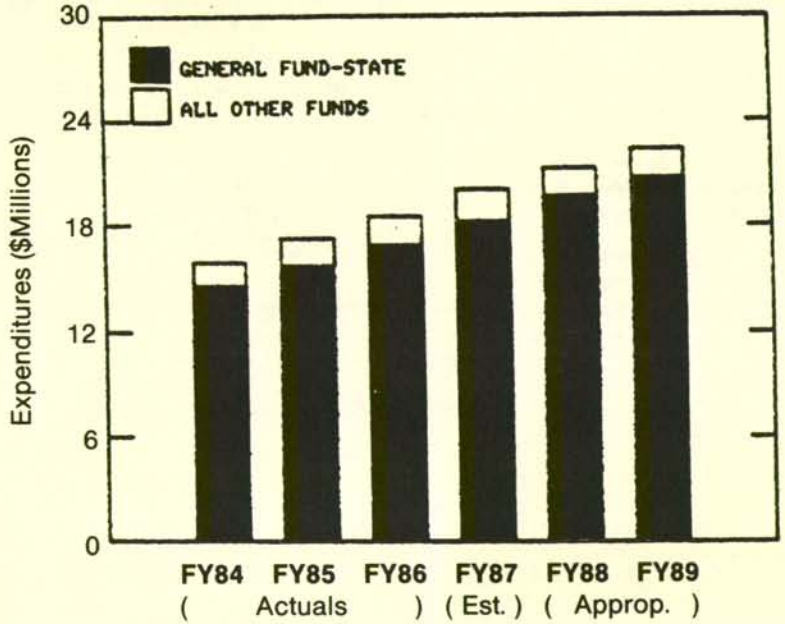
Governor's Vetoes:

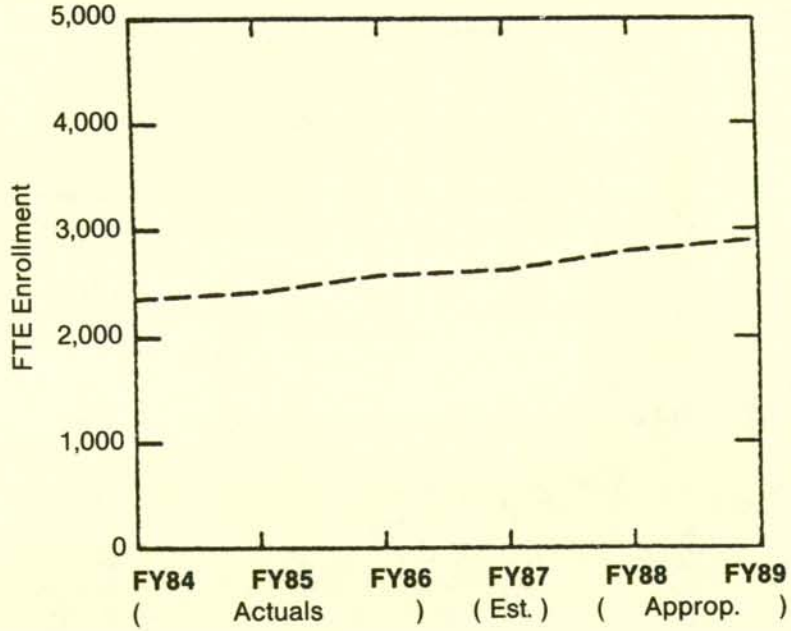
None.

Workload Assumptions/History:

See next page.

Operating Budgets
The Evergreen State College





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GF-S
84	15.9	14.6	2,365	6,716	6,175	6,716	6,175
85	17.2	15.7	2,426	7,103	6,486	6,858	6,261
86	18.5	16.9	2,582	7,160	6,530	6,717	6,126
87	20.0	18.2	2,628	7,616	6,919	6,967	6,329
88	21.2	19.6	2,800	7,574	6,998	6,620	6,117
89	22.3	20.7	2,900	7,698	7,129	6,417	5,943

***Units:** FTE Enrollment

Evergreen's enrollment has steadily grown during the indicated fiscal years. The growth has been at the entering freshman level as well as transfer students. In the 1985-87 biennium Evergreen restricted admissions in order to prevent the college from exceeding the funded enrollment level.

Source: LEAP

Western Washington University
($ 000)

1985-87 Biennium	GF-State	Other	Total
Current Policy	**78,309**	**9,195**	**87,504**
1. 1987 Supplemental Budget	322		322
Total	**78,631**	**9,195**	**87,826**

	Governor Request			Legislative Budget		
1987-89 Biennium	**GF-State**	**Other**	**Total**	**GF-State**	**Other**	**Total**
Current Policy	79,504	9,766	89,270	79,504	9,766	89,270
1. 1987 Supplemental Budget	0	0	0	1,667	0	1,667
2. Faculty salary increase	4,862	0	4,862	1,801	0	1,801
3. Classified salary increase	838	0	838	652	0	652
4. Instructional support	2,500	0	2,500	1,521	0	1,521
5. Equipment	494	0	494	282	0	282
6. Plant maintenance & operations	512	0	512	210	0	210
7. Minority recruitment	200	0	200	150	0	150
8. Value-added testing	96	0	96	96	0	96
9. Summer term	0	0	0	1,792	(1,567)	225
Total	**89,006**	**9,766**	**98,772**	**87,675**	**8,199**	**95,874**

Comments:

The budget assumed an enrollment level of 8,250 for each year of the 1987-89 biennium.

1. The supplemental budget included a 4.5% salary increase for faculty and exempt employees on March 1, 1987. The amount in the 1987-89 legislative budget is the carry forward cost of the supplemental increase.

2. In addition to the supplemental salary increase faculty will receive a 3.1% increase on March 1, 1988 and a 7.6% increase on January 1, 1989 (see salary increase policy section).

3. Classified employees will receive a 2.65% or $50, whichever is greater, salary increase on January 1, 1988 and 3% on January 1, 1989.

4-6. Program enhancements above the current policy level budget which may be used to improve faculty and support staff levels, library resources, academic computing, and other instructional related activities.

8. Value-added testing is a pilot program to measure the progress of student's skills upon entrance, during enrollment, and at the completion of studies, focusing particularly on math and english skills.

9. Provides full state funding of summer term with the provision that the tuition and fee revenues be deposited in the state treasury.

Provisoes:

Section 601. Sets the student quality standard at $5,974 for the first 3,000 FTE students and $3,895 for each student over 3,000.

Section 601. Lists reporting requirements and contains salary increase conditions for WWU.

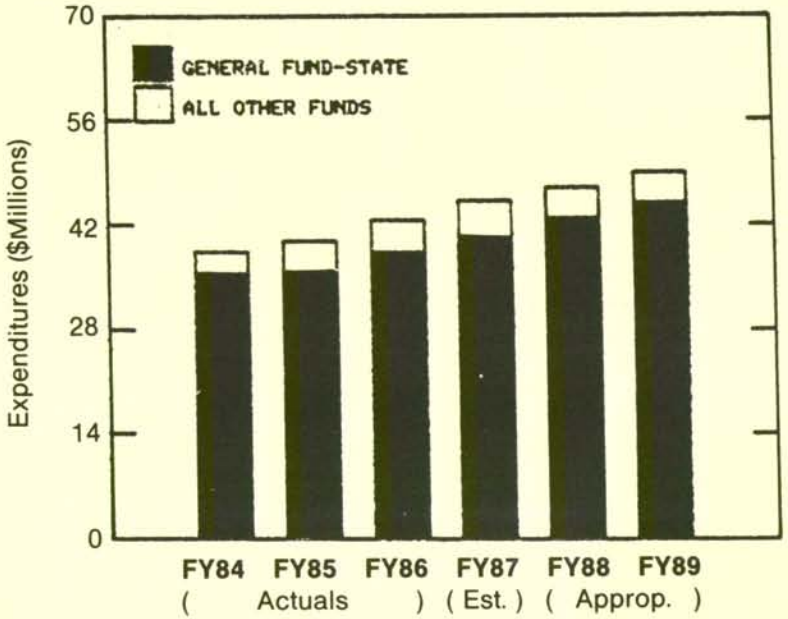
Governor's Vetoes:

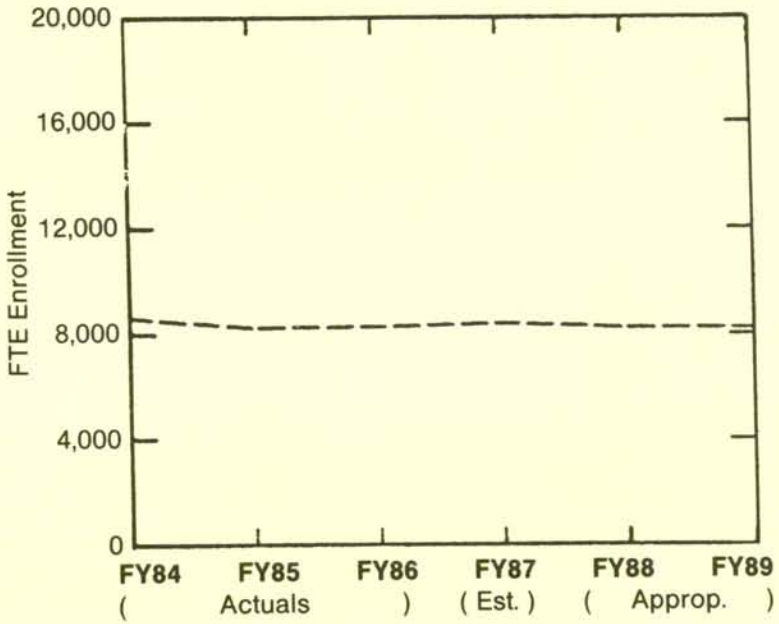
None.

Workload Assumptions/History:

See next page.

Operating Budgets
Western Washington University





Fiscal Year	Total $ ($Million)	GF-S ($Million)	Units*	Total $/ Unit*	GF-S/ Unit*	Constant $/Unit* (FY 84 IPD=1) Total	GF-S
84	38.4	35.5	8,605	4,463	4,129	4,463	4,129
85	39.9	35.8	8,266	4,823	4,330	4,656	4,181
86	42.6	38.4	8,297	5,139	4,626	4,821	4,339
87	45.2	40.3	8,410	5,373	4,786	4,971	4,578
88	46.9	42.8	8,250	5,687	5,192	4,971	4,538
89	49.0	44.8	8,250	5,934	5,435	4,947	4,531

***Units:** FTE Enrollment

WWU has managed student admissions in order to maintain enrollment consistent with legislative funding levels.

Source: LEAP

The Other Education category includes various state agencies that perform functions related to education and cultural enrichment activities.

Included in this group of agencies are the Higher Education Coordinating Board, State Library, Higher Education Personnel Board, Arts Commission, the three state Historical Societies, and the Commission for Vocational Education. The largest agency in this group is the Higher Education Coordinating Board whose budget includes over $43 million for student financial aid.

The 1987-89 biennial budget contained four policy initiatives in the Other Education group of agencies:

1) **Termination of the Commission for Vocational Education**. The Commission for Vocational Education (CVE) was allowed to sunset on June 30, 1987 and was not reauthorized by substantive legislation. The funding for the Commission, however, was included in the budget under the special appropriations to the Governor. The Governor was to use the money to transfer the CVE's vocational education responsibilities and programs to another agency or agencies designated by executive order.

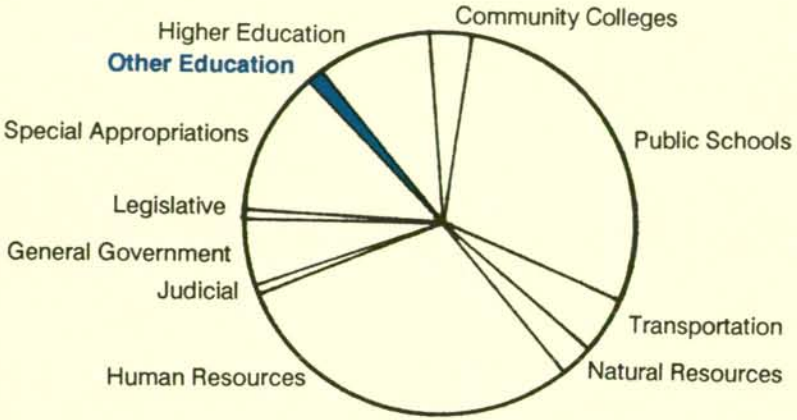
2) **Increases Student Financial Aid.** The budget included a $10 million improvement to the state's financial aid program. $4.6 million of the improvement was related to the statutory requirement that 24% of the revenue from a tuition increase be used for student financial aid and the remaining $5.4 million was program improvement funding.

3) **Arts Stabilization.** The budget appropriated $600,000 in the special appropriations to the Governor to be used to provide economic stabilization for the major art organizations around the state.

4) **Washington Library Network.** The Legislature reduced the state subsidy for overhead costs of the Washington Library Network establishing the policy that the network be self-supporting.

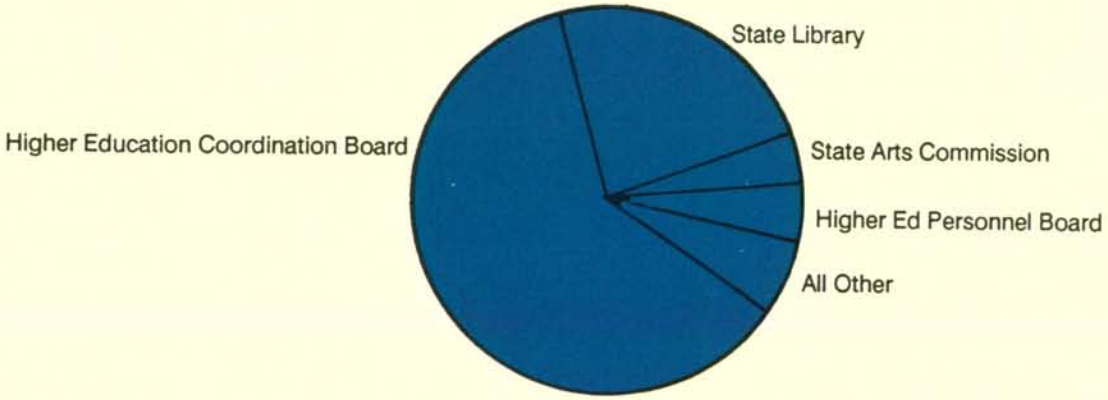
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	92.1	.5%
Judicial	66.3	.4%
General Government	947.3	5.4%
Human Resources	5,477.9	31.2%
Natural Resources	562.3	3.2%
Transportation	852.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	2,061.1	11.7%
Other Education	**91.9**	**.5%**
Special Appropriations	1,726.6	9.8%
Total	**17,567.8**	**100.0%**



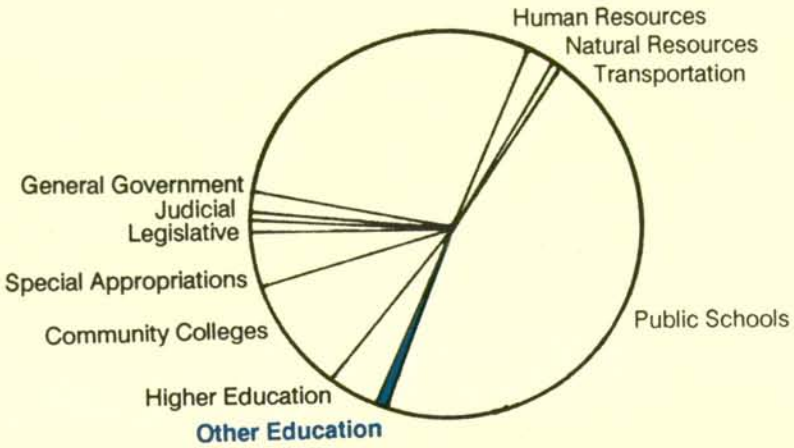
1987-89 Operating Budget
Other Education
Dollars in millions

General Fund - State		
Higher Education Coordination Board	55.9	60.8%
State Library	26.9	29.2%
State Arts Commission	4.2	4.6%
Higher Ed Personnel Board	1.9	3.3%
All Other	3.1	3.3%
Other Education	**91.9**	**100.0%**



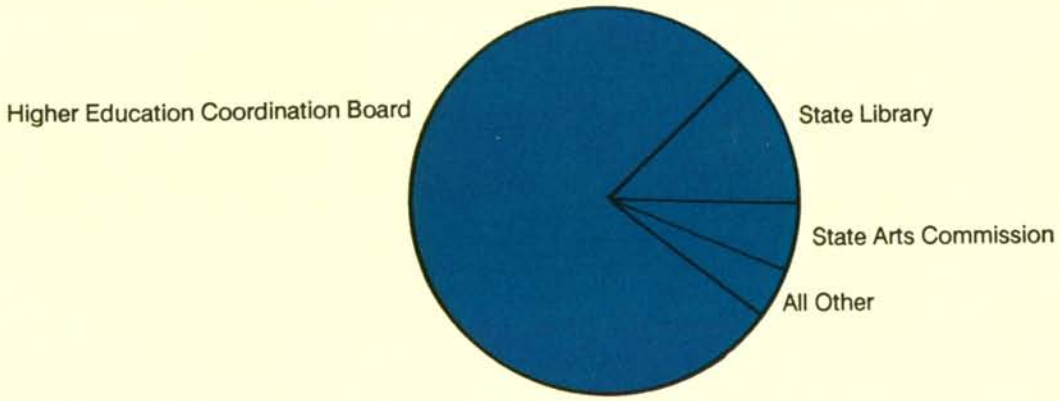
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	89.4	.9%
Judicial	47.5	.5%
General Government	143.1	1.4%
Human Resources	2,865.1	28.2%
Natural Resources	232.3	2.3%
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	1,082.6	10.6%
Other Education	**67.4**	**.7%**
Special Appropriations	342.0	3.4%
Total	**10,176.4**	**100.0%**



1987-89 Operating Budget
Other Education
Dollars in millions

General Fund - State		
Higher Education Coordination Board	52.4	77.7%
State Library	9.3	13.8%
State Arts Commission	3.4	5.1%
All Other	2.4	3.5%
Other Education	**67.4**	**100.0%**



Higher Education Coordinating Board
($ 000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	36,164	4,037	40,201

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Salary increase		36,252	3,510	39,762	36,252	3,511	39,763
2. Student financial aid		196	0	196	78	0	78
3. Information system		11,600	0	11,600	10,000	0	10,000
4. Challenge Grants		400	0	400	400	0	400
5. Master's for teachers		5,000	0	5,000	0	0	0
6. Distinguished Professor		1,700	0	1,700	0	0	0
7. School leadership		5,000	0	5,000	5,000	0	5,000
8. Displaced Homemaker Program		500	0	500	0	0	0
9. Teacher scholarships		0	0	0	314	0	314
		0	0	0	300	0	300
	Subtotal	60,648	3,510	64,158	52,344	3,511	55,855
Other Legislation							
HB 1021 Higher Ed Opportunities					20	0	0
	Total	60,648	3,510	64,158	52,364	3,511	55,875

Comments:

1. Exempt employees are to receive a 3% salary increase on March 1, 1988 and a 3% January 1, 1989. Classified employees are to receive a 2.65% or $50 increase, whichever is greater on January 1, 1988 and a 3% increase on January 1, 1989.

2. $4,653,000 of the financial aid improvements are related to the statutory requirement that 24% of the revenue from a tuition increase be used for student financial aid and the remaining $5,347,000 is program improvement funding. The biennial total of $43,392,000 for student financial aid is separated into two programs: $18,100,000 for the work study program and $25,292,000 for need grants.

3. The $400,000 is to establish and implement a state system for collecting and analyzing and distributing information. Included in this amount is $310,000 for automated system development, $40,000 for completion of the master plan in 1988, and $50,000 for office relocation expenses or increased rent for current facility.

6. The distribution of the $5 million for distinguished professorships among the four year institutions is contained in HB 339.

8. The additional funding for displaced homemaker program brings the total program costs to $900,000 for that biennium. This total amount represents the estimated revenue from the increase in marriage license fee dedicated for this purpose in SB 5253.

9. The $300,000 is to be used as forgivable loans to teachers as stipulated by the teachers conditional scholarship program in HB 857.

Governor's Vetoes:

None.

State Library
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	8,815	4,153	11,385	24,353

1987-89 Biennium		Governor Request				Legislative Budget			
		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		9,250	4,100	12,403	25,753	9,250	4,100	12,403	25,753
1. Shift Library Network overhead costs		0	0	0	0	(110)	0	110	0
2. Adjust Library Network fee revenue		0	0	677	677	0	0	677	677
3. Adjust federal revenue		0	299	0	299	0	299	0	299
4. Move computer services from WSU to Lacey		0	0	850	850	0	0	0	0
5. Increase support for services to the blind and physically handicapped		0	0	0	0	127	0	0	127
6. Workload and equipment		0	0	0	0	13	0	0	13
	Total	9,250	4,399	13,930	27,579	9,280	4,399	13,190	26,759

Comments:

1. A Legislative Budget Committee study of the Washington Library Network recommended gradual elimination of General Fund subsidy of WLN overhead costs.

5. Increases the total contract for services to the blind and physically handicapped to $2,016,920 for the 1987-89 biennium.

Provisoes:

None.

Governor's Vetoes:

None.

Compact for Education
($ 000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	0	0

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy		84,500	0	84,500	85,000	0	85,000
	Total	**84,500**	**0**	**84,500**	**85,000**	**0**	**85,000**

Comments:

The Legislative budget funds Washington's membership in the Compact for the 1987-89 biennium. The Legislature did not fund the Compact in the 1985-87 biennium so the dues were paid from the Governor's emergency fund.

Governor's Vetoes:

None.

Higher Education Personnel Board
($ 000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	0	1,781	1,781

1987-89 Biennium		Governor Request GF-State	Governor Request Other	Governor Request Total	Legislative Budget GF-State	Legislative Budget Other	Legislative Budget Total
Current Policy		0	1,947	1,947	0	1,947	1,947
	Total	0	1,947	1,947	0	1,947	1,947

Governor's Vetoes:

None.

Washington State Arts Commission
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	3,577	975	5	4,557

1987-89 Biennium		Governor Request				Legislative Budget			
		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		3,189	703	0	3,892	3,189	780	0	3,969
1. Restore FY 86 grants levels		0	0	0	0	220	0	0	220
	Total	**3,189**	**703**	**0**	**3,892**	**3,409**	**780**	**0**	**4,189**

Comments:

1. During 1985-87, the agency's legislative appropriation included a higher funding level for grants programs in FY 86 which was not continued in the second year of that biennium.

Special appropriations to the Governor also include $600,000 for a stabilization program for major arts institutions during 1987-89.

Provisoes:

None.

Governor's Vetoes:

None.

Washington State Historical Society
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	668	0	307	975

1987-89 Biennium		Governor Request				Legislative Budget			
		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		710	0	343	1,053	710	0	343	1,053
1. "Magnificent Voyagers" exhibit		0	0	60	60	70	0	60	130
2. Assistant Director position		0	0	0	0	83	0	0	83
	Total	**710**	**0**	**403**	**1,113**	**780**	**0**	**403**	**1,183**

Comments:

1. The Governor's budget showed $70,000 GF-State for the "Magnificent Voyagers" (a Smithsonian exhibit) in the Centennial Commission's budget. The historical society plans to raise some funds for this exhibit via admission charges and private contributions.

Provisoes:

Subsection 614 (2) itemizes $83,000 to hire an assistant director to assist in the implementation of the Society's long-range plan. The plan includes higher fund-raising goals, national accreditation, and improvement of current programs.

Governor's Vetoes:

None.

Eastern Washington State Historical Society
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	651	92	75	818

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		685	88	75	848	685	88	75	848
	Total	685	88	75	848	685	88	75	848

Governor's Vetoes:

None.

State Capital Historical Association
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	580	0	114	694

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		746	0	117	863	746	0	117	863
	Total	746	0	117	863	746	0	117	863

Comments:

The major cost increase from the 1985-87 biennium is due to a change in revolving fund charges for buildings and grounds maintenance. GA had previously classified the museum site as a "common use area" and spread the costs among all capitol campus agencies.

Provisoes:

None.

Governor's Vetoes:

None.

Commission for Vocational Education
($ 000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	4,578	23,031	1	27,610

1987-89 Biennium		Governor Request				Legislative Budget			
		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		4,531	22,562	0	27,093	0	0	0	0
1. Private voc school oversight		76			76	0	0	0	0
	Total	**4,607**	**22,562**	**0**	**27,169**	**0**	**0**	**0**	**0**

Comments:

The Commission for Vocational Education was sunsetted and not reauthorized by the Legislature. However, the Legislature provided the funds recommended by the Governor to carry on the Commission's programs in a special appropriation to the Governor (see Special Appropriation section for details).

Governor's Vetoes:

None.

Compensation Adjustments

The 1987 Legislature provided two salary increases for classified and exempt employees of the State Personnel Board. The first salary increase, effective January 1, 1988, provides 2.65%, or $50/month, whichever is greater. The cost of the increase, when applied across all employee jurisdictions, is equivalent to a 3% across the board increase. The second salary increase, effective January 1, 1989, is a 3% increase.

Commissioned officers of the Washington State Patrol will receive a salary increase of 3%, effective January 1, 1988, and a second increase of 3%, effective January 1, 1989.

Salary increases were granted to higher education classified employees but the appropriations were placed in the higher education institution budgets. They are discussed in the section covering higher education salaries.

Monthly state contributions for insurance benefits are not to exceed $167/month per eligible employee. This represents a continuation of 1985-87 contribution levels.

Pension Funding

Most of the state's retirement systems are funded on an actuarial basis which means that benefits which are paid to retired employees are funded during the working lives of those retirees. Prior to each biennium, the State Actuary develops payroll contribution rates sufficient to pay for benefits earned by employees. The contribution rates also include an amount necessary to eliminate the unfunded liability in the pension systems. These contribution rates represent the Actuary's recommendation to the Legislature for pension funding.

The 1987 Legislature, however, funded pensions at 61% of the Actuary's recommended contribution rate. This level of funding is sufficient to pay for the benefits earned by employees in each of the state's retirement systems during the biennium, but does not make any payment towards the unfunded liability of the systems.

Historically, the Legislature has funded various percentages of the Actuary's recommendation. As shown in Figure 1, these range from a low of 57% in 1971-73 to a high of 99.9% in 1975-77. In recent biennia the legislatively appropriated level of funding has shown an upward trend, increasing from 69% in 1981-83 to 76% in 1985-87. The 61% funding level for 1987-89 is a significant change in the recent improving pattern of funding and is the lowest level of funding since 1973-75.

Figures 2 and 3 and their accompanying Tables show pension funding levels for the Actuary's Recommendation, Current Level (76%), Governor's Recommendation, and the 1987-89 Legislative Budget.

The Governor's budget recommended:
(1) A contribution rate sufficient to cover "earned benefits" (about 61% of the Actuary's recommendation) for PERS and TRS. "Earned benefits" is defined as the amount of money needed today that will grow with interest to pay for the increase in retirement benefits earned during the biennium.
(2) Funding LEOFF contributions at the earned benefits level ($110 mil.) with $106.5 million appropriated from the Revenue Accrual Account (1985-87 ending fund balance).
(3) An additional contribution of $136 million from the 1987-89 ending fund balance which in combination with the earned benefits contribution rates would have reached 76% of the Actuary's recommendation. The $136 million was part of the expected ending fund balance based on the Governor's proposed $510 million tax increase.

The 1987-89 Legislative Budget funded pensions at the "earned benefits" level (61%). However, the earned benefits level was funded in part by the revenue accrual account (1985-87 ending fund balance). This account, for the first time, was used to offset an equal amount of state general fund appropriations to reach the earned benefits. The revenue accural account provided the total $110 million contribution to the LEOFF retirement system and $55.1 million for the TRS contribution.

The total amount of state funds appropriated for the pension systems is not included in the special appropriations section of the budget. The state funding for employee retirement is included in each agency's budget as an employee benefit rather than identified in a single appropriation.

In addition to the pension funding for earned benefits, the Legislature appropriated $600,000 in the budget for PERS and $2 million for TRS to fund the pension portability benefit created by ESSB 5150.

Cost-of-living-adjustments To Pensions

The 1987 Legislature provided a cost-of-living-adjustment (COLA) for PERS I and TRS I retirees in SB 5380. SB 5380 increased the minimum pension benefit from $13.00 to $13.50 per month per year of service effective July 1, 1987. Beginning July 1, 1988 this minimum will be automatically indexed to inflation as measured by the Consumer Price Index, with maximum annual adjustment limited to 3 percent. The special pension benefit received by teachers not receiving Social Security was increased from $7 to $10 per month per year of service. $7.1 million was appropriated in SB 5380 to fund the pension adjustments.

By focusing on the minimum monthly benefit level, SB 5380 targets these new COLA dollars to retirees who are likely to be the most needy. Generally, retirees at the minimum pension benefit are those who retired prior to 1973 under the then-existing (and much less generous) 1% benefit formula. Indexing the minimum to inflation, with a 3 percent annual limit, is intended to provide the same degree of protection against inflation for this group as is provided to PERS II and TRS II members.

The special pension benefit increase for teachers not receiving social security also targets dollars and is intended to provide a minimum supplement for teachers who were never eligible for Social Security and do not receive survivor benefits.

% Funding of Actuary's Recommendation

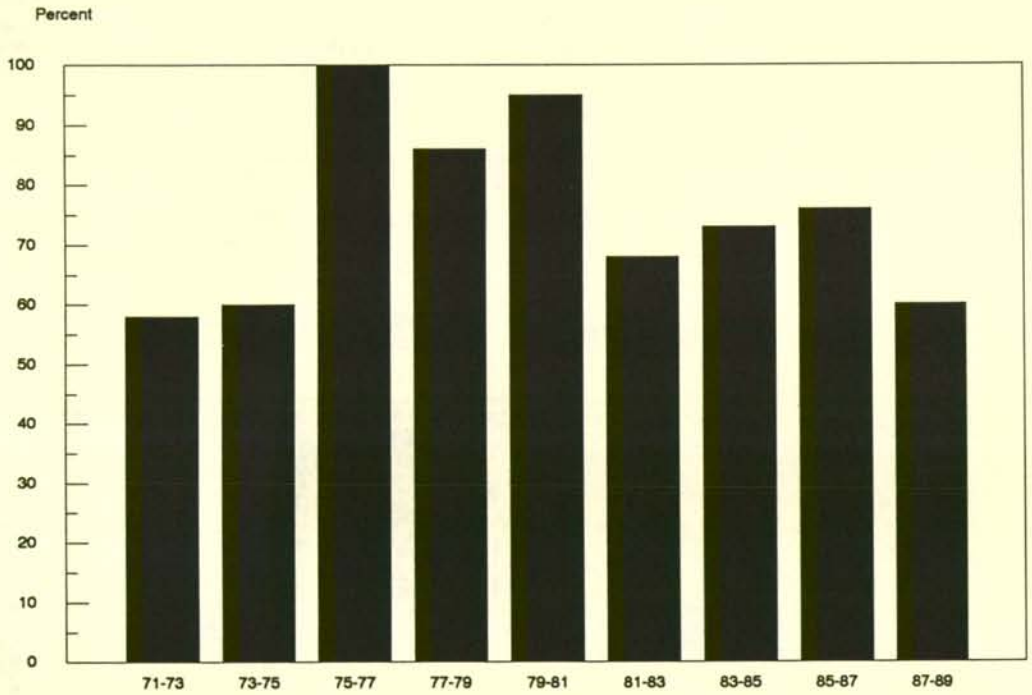
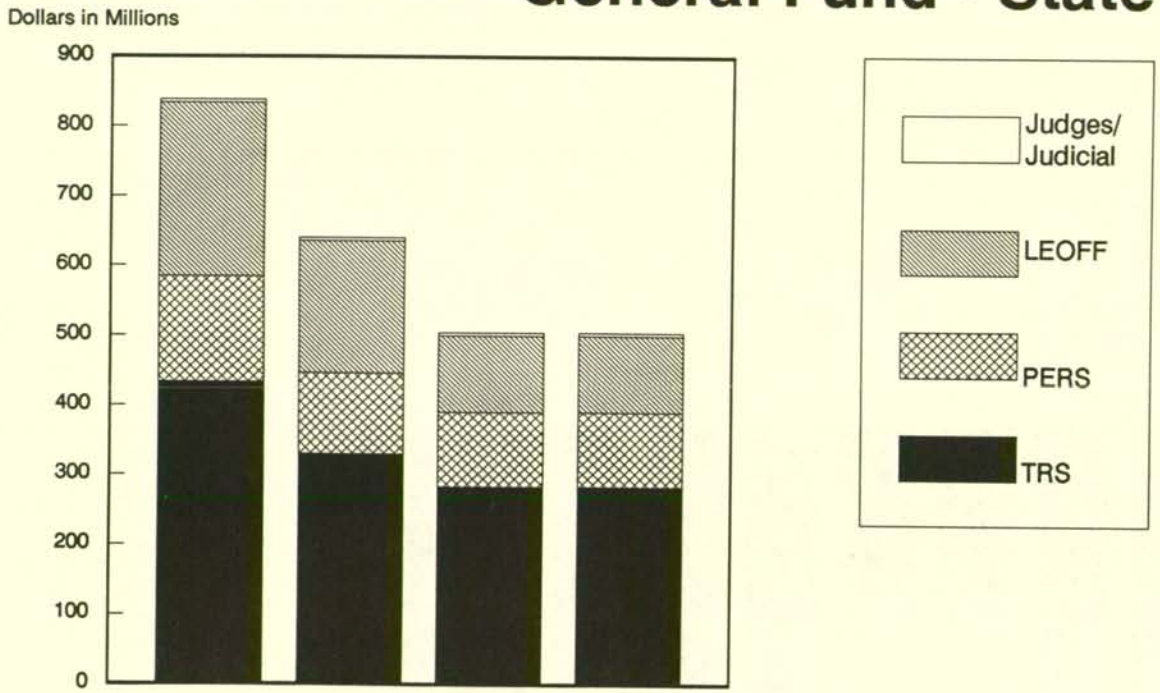


Figure 1

1987-89 Biennium Pension Contributions

General Fund - State[a]

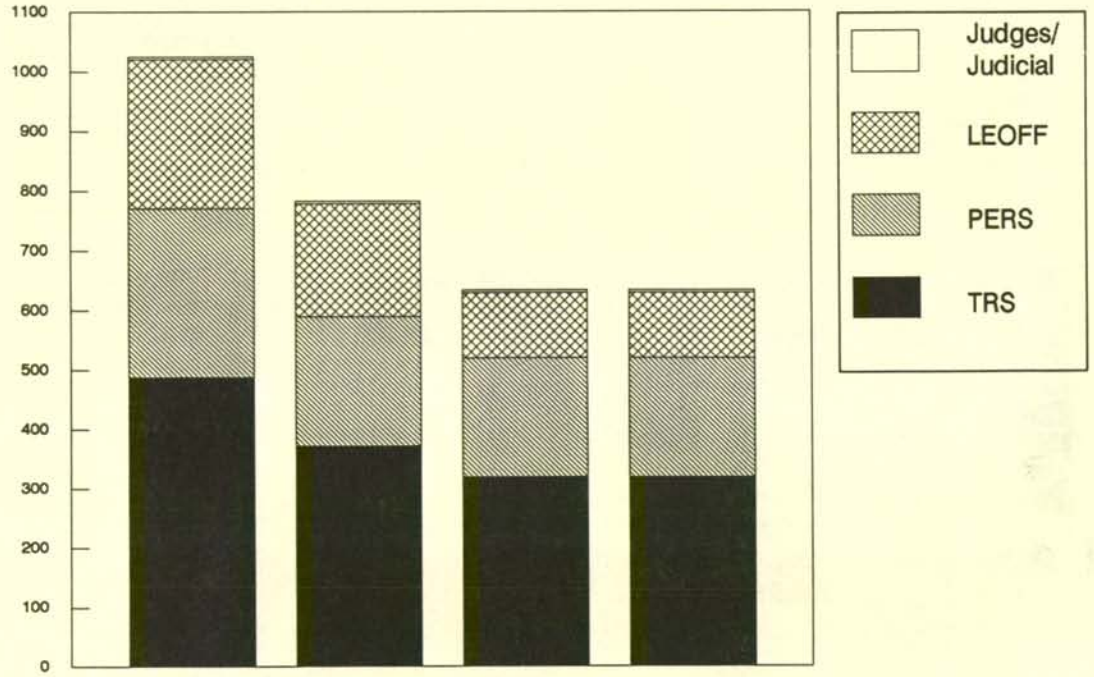


	Actuary's Rec.	85-87 Current Policy (76%)	Governor's Rec. (61%)(b)	Legislative Budget (61%)
TRS	433.4	330.6	283.4	283.4 (c)
PERS	151.4	115.7	106.9	106.9
LEOFF	249.4	189.5	110.0(d)	110.0(e)
Judges/ Judicial(f)	4.3	4.3	4.3	4.3
Total	838.5	640.1	504.6	504.6

(a) Administrative expenses of .16% of salary are not included.
(b) Governor's recommendation includes funding at earned benefits level (61%) plus $136 million from the 1987-89 ending fund balance to reach 76% of the Actuary's recommendation. The contribution from the ending fund balance was dependent on the Governor's proposed $510 million tax increase.
(c) Includes $55.1 million from Revenue Accrual Account (85-87 ending fund balance).
(d) Includes $106.5 million from Revenue Accrual Account (85-87 ending fund balance).
(e) The total LEOFF contribution is from the Revenue Accrual Account (85-87 ending fund balance).
(f) The Judges and Judicial Retirement Systems are funded on a pay-as-you-go basis.

Figure 2

1987-89 Biennium Pension Contributions
Total All Funds[a]

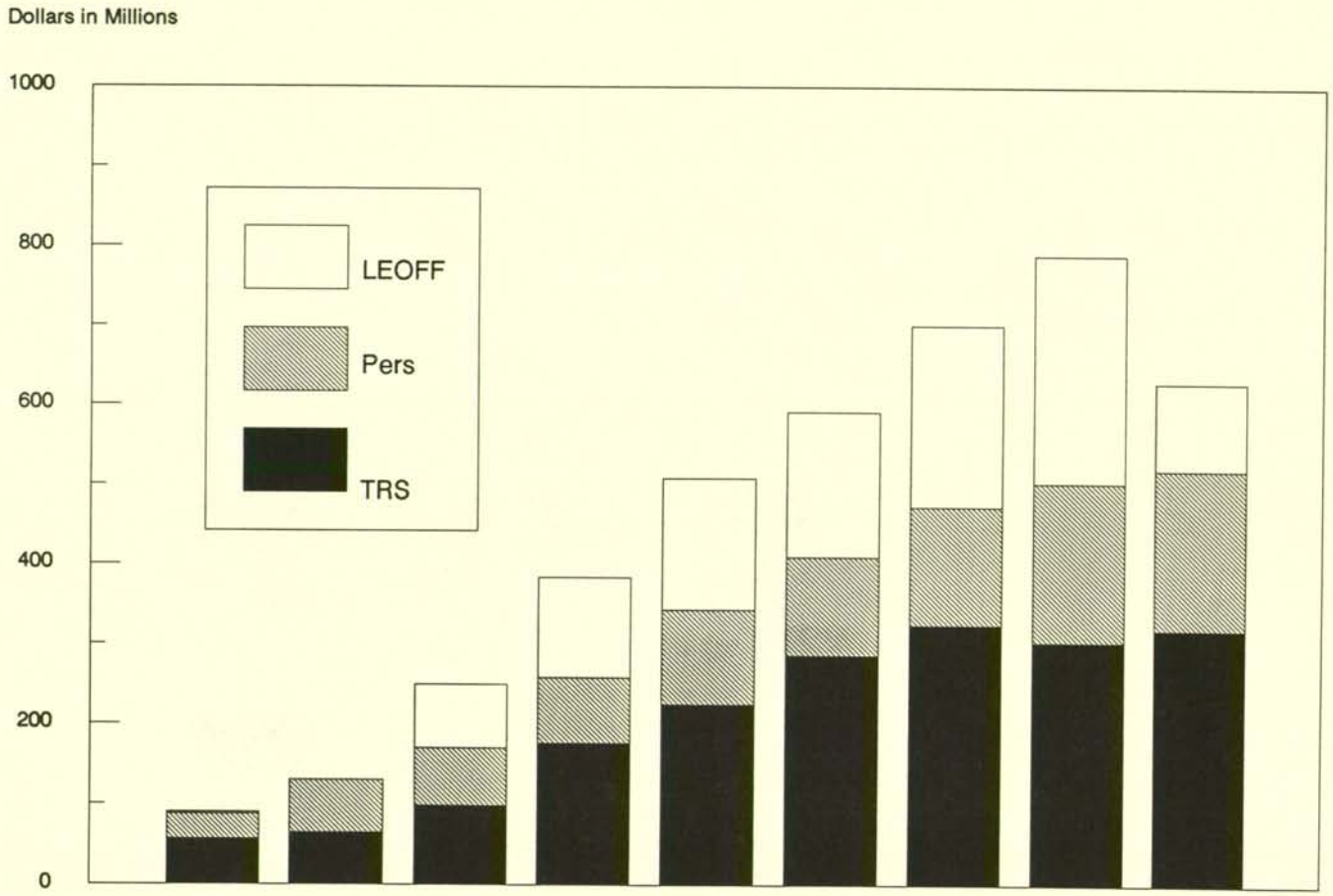


	Actuary's Rec.	85-87 Current Policy (76%)	Governor's Rec. (61%)(b)	Legislative Budget (61%)
TRS	487.6	372.0	318.8	318.8(c)
PERS	283.0	216.9	200.3	200.3
LEOFF	249.4	189.5	110.0(d)	110.0(e)
Judges/ Judicial(f)	4.3	4.3	4.3	4.3
Total	1024.3	782.7	633.4	633.4

(a) Administrative expenses of .16% of salary are not included.
(b) Governor's recommendation includes funding at earned benefits level (61%) plus $136 million from the 1987-89 ending fund balance to reach 76% of the Actuary's recommendation. The contribution from the ending fund balance was dependent on the Governor's proposed $510 million tax increase.
(c) Includes $55.1 million from Revenue Accrual Account (85-87 ending fund balance).
(d) Includes $106.5 million from Revenue Accrual Account (85-87 ending fund balance).
(e) The total LEOFF contribution is from the Revenue Accrual Account (85-87 ending fund balance).
(f) The Judges and Judicial Retirement Systems are funded on a pay-as-you-go basis.

Figure 3

Retirement Contributions
Biennial Appropriations Total All Funds

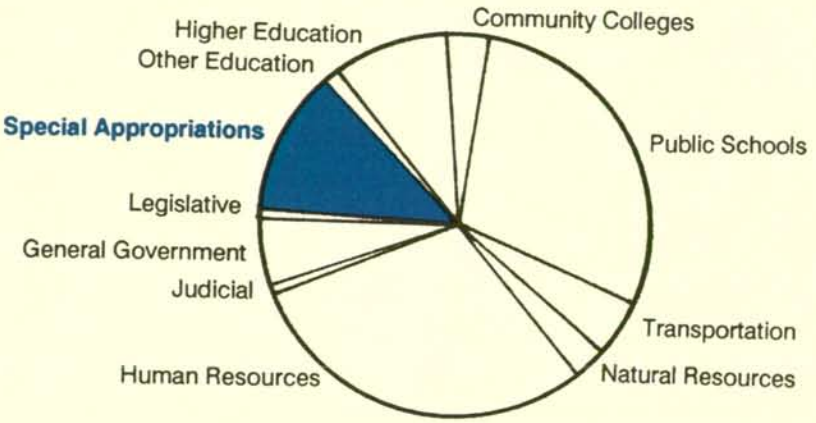


	1971-73	1973-75	1975-77	1977-79	1979-81	1981-83	1983-85	1985-87	1987-89
TRS	56.0	64.1	98.1	175.9	225.0	286.5	324.3	303.0	318.8
Pers	30.9	65.3	72.0	82.2	118.3	123.3	148.1	200.0	200.3
LEOFF	2.9		79.3	125.2	164.7	182.0	227.9	286.0	110.0
Total	89.8	129.4	249.4	383.3	508.0	591.8	700.3	789.0	629.1
***% of Recommendation**	**57.2%**	**60.5%**	**99.9%**	**88.1%**	**95.2%**	**69.0%**	**72.9%**	**76.9%**	**61.0%**

*Recommendations are from the State Actuary and, if funded at the recommended level each year, would result in eliminating "unfunded liability" within a 25 to 40 year period based on the individual system.

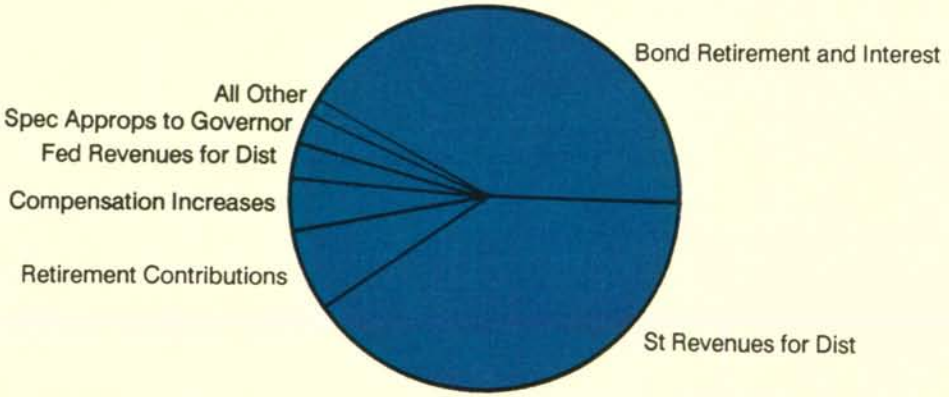
State of Washington
1987-89 Operating Budget
Dollars in millions

All Funds		
Legislative	92.1	.5%
Judicial	66.3	.4%
General Government	947.3	5.4%
Human Resources	5,477.9	31.2%
Natural Resources	562.3	3.2%
Transportation	52.1	4.9%
Public Schools	5,093.9	29.0%
Community Colleges	596.2	3.4%
Higher Education	2,061.1	11.7%
Other Education	91.9	.5%
Special Appropriations	**1,726.6**	**9.8%**
Total	**17,567.8**	**100.0%**



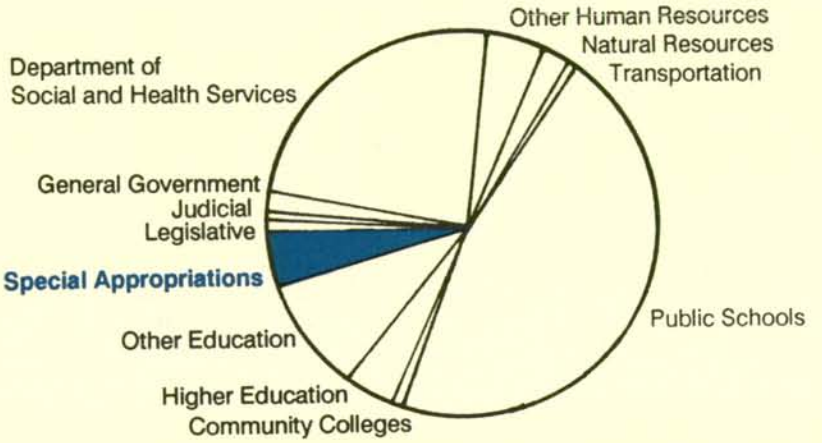
1987-89 Operating Budget
Special Appropriations
Dollars in millions

General Fund - State		
Bond Retirement and Interest	749.7	43.4%
St Revenues for Dist	682.4	39.5%
Retirement Contributions	122.1	7.1%
Compensation Increases	92.3	5.3%
Fed Revenues for Dist	58.8	3.4%
Spec Approps to Governor	20.0	1.2%
All Other	1.4	.1%
Total	**1,726.6**	**100.0%**



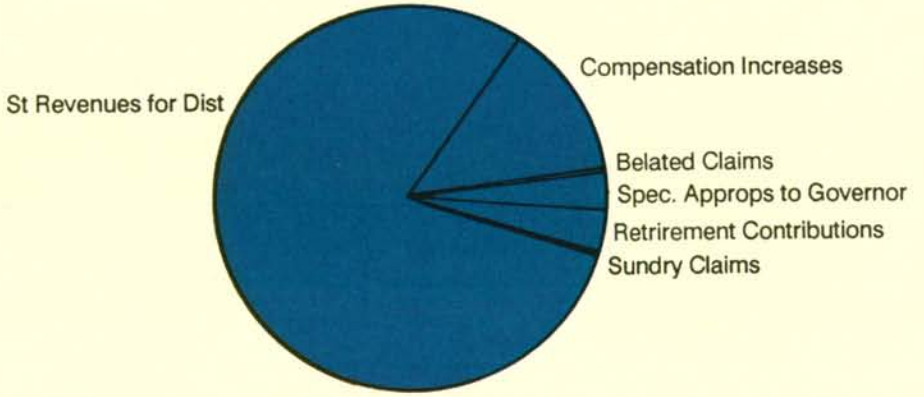
State of Washington
1987-89 Operating Budget
Dollars in millions

General Fund - State		
Legislative	89.4	.9%
Judicial	47.5	.5%
General Government	143.1	1.4%
Human Resources	2,865.1	28.3%
Natural Resources	232.3	2.3%
Transportation	38.9	.4%
Public Schools	4,737.0	46.5%
Community Colleges	531.2	5.2%
Higher Education	1,082.6	10.6%
Other Education	67.4	.7%
Special Appropriations	**342.0**	**3.4%**
Total	**10,176.4**	**100.0%**



1987-89 Operating Budget
Special Appropriations
Dollars in millions

General Fund - State		
St Revenues for Dist	270.7	79.1%
Compensation Increases	45.8	13.4%
Spec. Approps to Governor	12.1	3.5%
Retrirement Contributions	12.0	3.5%
Belated Claims	1.1	.3%
Sundry Claims	.2	.1%
Total	**342.0**	**100.0%**



Special Appropriations to the Governor
($000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	0	0	0	0

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		0	0	0	0	0	0	0	0
1. Unified business identifier		2,984	0	561	3,545	2,984	0	562	3,546
2. Co-location implementation		225	0	0	225	0	0	0	0
3. Mental health study		100	0	0	100	0	0	0	0
4. Small business improvement council		112	0	0	112	0	0	0	0
5. Legal services augmentation		5,079	0	7,236	12,315	2,520	0	3,780	6,300
6. Pacific Celebration		2,000	0	0	2,000	0	0	0	0
7. Everett Homeport		10,470	1,169	1,459	13,098	0	0	0	0
8. Controlled substances		0	3,557	0	3,557	0	3,557	0	3,557
9. Governor's emergency fund		2,000	0	0	2,000	2,000	0	0	2,000
10. Potential Puyallup Indian tribe claims		0	0	0	0	4,000	0	0	4,000
11. Arts stabilization		0	0	0	0	600	0	0	600
12. Vocational education		0	0	0	0	4,607	22,562	0	27,169
	Subtotal	**22,970**	**4,726**	**9,256**	**36,952**	**16,711**	**26,119**	**4,342**	**47,172**
Other Legislation									
13. ESHB 611 (Everett Homeport)		0	0	0	0	10,470	1,169	1,458	13,097
14. SSB 5880 (Tuition Recovery Fund)		0	0	0	0	26	0	0	26
	Total	**22,970**	**4,726**	**9,256**	**36,952**	**27,207**	**27,288**	**5,800**	**60,295**

Comments:

1. Development of a common business and vendor identification number to improve management of business-related delivery systems.

5. Provides funds for distribution to agencies to pay for legal services enhancements authorized for the Office of the Attorney General.

7. Funded in ESHB 611.

8. Controlled substances enforcement assistance provides federal funds for drug enforcement.

10. Provides for settling claims of the Puyallup Indian tribe to lands formerly lying beneath the Puyallup river.

11. Provides funds for a state-wide arts stabilization program.

12. Provides funds to carry out functions previously under the Commission for Vocational Education, which was terminated June 30, 1987.

Provisoes:

Puyallup Indian Tribe Claims:

Section 705 (1). Before June 30, 1988, the Governor, in consultation with the Attorney General, may use any or all of the $4,000,000 appropriation to settle claims of the Puyallup Indian tribe to lands formerly lying beneath the Puyallup river.

Section 705 (2). On and after July 1, 1988, the Governor may provide for purchasing any land for which the tribal claim remains unsettled, subject to conditions specified in subsections (a) through (d).

Arts Stabilization:

Section 709. The appropriation is a state-wide arts stabilization program for arts organizations which have annual budgets exceeding $200,000.

Vocational Education and Training:

Section 710 (1). The appropriations are to carry out functions previously maintained by the Commission for Vocational Education.

Section 710 (2). The Governor is authorized to designate the agency or agencies necessary to maintain and continue the availability of federal funds and the programs operated under those funds, such as the Carl Perkins vocational act, the federal job training and partnership act, and federal veterans administration approval of schools.

Section 710 (3). The Governor is authorized to designate an agency or agencies to carry out programs which were previously administered by the Commission such as the private vocational schools act, the job skills program and the Washington award for vocational excellence.

Governor's Vetoes:

None.

Contributions to Retirement Systems
($000)

1985-87 Biennium		GF-State	Other	Total
Current Policy	Total	280,195	9,105	289,300

1987-89 Biennium		Governor Request			Legislative Budget		
		GF-State	Other	Total	GF-State	Other	Total
Current Policy							
1. Law Enforce. Off. & Firefight. Ret. Sys.		0	0	0	0	0	0
2. Judges' Retirement System		3,500	106,500	110,000	0	110,000	110,000
3. Judicial Retirement System		1,600	0	1,600	1,600	0	1,600
4. Portability		2,700	0	2,700	2,700	0	2,700
		0	0	0	2,600	0	2,600
	Subtotal	**7,800**	**106,500**	**114,300**	**6,900**	**110,000**	**116,900**
Other Legislation							
5. SB 5380 (Cost of Living Adjustment PERS I & II)		0	0	0	7,100	0	7,100
6. HB 248 (State Patrol retirement allowances/surviving spouses)		0	0	0	0	51	51
	Total	**7,800**	**106,500**	**114,300**	**14,000**	**110,051**	**124,051**

Comments:

Contributions to the Public Employees' Retirement System and the Teachers' Retirement System are included in individual agency appropriations as part of employee benefits. For additional information on pension funding see the discussion on pension policy.

Governor's Vetoes:

None.

State Employee Compensation Adjustment
($000)

1985-87 Biennium		GF-State	GF-Fed	Other	Total
Current Policy	Total	0			0

		Governor Request				Legislative Budget			
1987-89 Biennium		GF-State	GF-Fed	Other	Total	GF-State	GF-Fed	Other	Total
Current Policy		0	0	0	0	0	0	0	0
1. General salary increase		55,741	12,877	49,683	118,301	30,845	9,645	37,218	77,708
2. Comparable worth increase		15,000	0	12,000	27,000	15,000	0	12,000	27,000
3. Insurance contribution increase		3,239	568	2,269	6,076	0	0	0	0
	Total	**73,980**	**13,445**	**63,952**	**151,377**	**45,845**	**9,645**	**49,218**	**104,708**

Comments:

The Governor's request provides salary increases at 3% September 1987 and an additional 3% September 1988.

1. Governor's request includes GF-S monies for Higher Education Personnel Board and Higher Education Coordinating Board Employees. In the Legislative budget, funding for employees in these jurisdictions is provided in the higher education section of the budget. Other funds include non-appropriated funds.

2. Funds comparable worth salary increases and associated benefits.

3. The Governor proposed a $3.90/month contribution increase (to $170.90/month).

Provisoes:

Section 701 (1). Funds are provided for salary increases for classified and exempt employees of the State Personnel Board. Salary increases are 2.65% or $50/month, whichever is greater, effective January 1, 1988, and an additional 3.0% increase January 1, 1989.

Section 701 (2). Funds are provided for salary increases for Higher Education Personnel Board classified and exempt employees employed by the Higher Education Coordinating Board and the Higher Education Personnel Board. Salary increases are 2.65% or $50/month, whichever is greater, effective January 1, 1988, and an additional 3.0% increase January 1, 1989.

Section 701 (3). Funds are provided for salary increases for the State Patrol of 3.0% effective January 1, 1988, and an additional 3.0% salary increase effective January 1, 1989.

Section 701 (4). Provided funds for continued implementation of the Comparable Worth agreement.

Section 701 (5). Monthly contributions for insurance benefits are not to exceed $167.00 per eligible employee. Funds returned due to favorable claims experience are to be held in reserve until appropriated by the Legislature. Funds provided under this section are not to be used to increase insurance benefits over the level of services provided on the effective date the budget is enacted.

Section 701 (8). No salary increase may be paid under this section of the budget to any person whose salary has been Y-rated.

Governor's Vetoes:

None.