1992 SUPPLEMENTAL OPERATING BUDGET OVERVIEW

The 1992 supplemental operating budget authorized by ESHB 2470 and amended by ESB 5961 and ESSB 6286 totals $24.9 billion. Of that amount, $15.2 billion is from the state general fund and $9.7 billion is from all other funding sources.

In response to lower than anticipated state revenue increases, changing workloads, and unbudgeted funding requirements, the amended supplemental budget reduces the original 1991-93 state general fund appropriation by $515 million. This overall reduction consists of $556 million in budget reductions, $252 million in budget increases, and a $211 million transfer of higher education tuition money out of the general fund and into local tuition accounts at each of the institutions.

Reductions in the budget include reductions in state employment levels of 1,592 full-time equivalent (FTE) staff, savings from an early retirement program and fewer dollars for personal services contracts, travel, printing, and equipment. Other major reductions include savings from K-12 education enrollment changes and lower nursing home caseloads, reductions to vendor rate increases, reductions to welfare grant cost-of-living increases and state general fund reductions through the increased use of federal government matching funds. Original second-year salary increases are reduced for state employees, teachers and higher education faculty.

Major increases in the budget reflect caseload increases in human services for medical assistance, income assistance, and new correctional facilities. The budget provides additional funding for K-12 staff costs due to increased seniority and continuing education (staff mix), higher enrollment in bilingual programs, and increased transportation costs.

The supplemental budget assumes no increase in general state taxes. The Budget Stabilization Account balance is reduced from $260 million to $100 million and the unrestricted cash balance is $79.2 million.

The Governor's partial veto of the supplemental budget restores a total of $66.7 million in General Fund-State appropriations and transfers. The effect of this action reduces the unrestricted reserve balance from $79.2 million to $12.5 million. However, the Governor's veto message indicates that agencies will place $32.4 million in reserve for reversion at the end of the biennium, increasing the ending balance from $12.5 million to $44.9 million.

Budget Highlights

(General Fund–State)
(in millions)

The 1992 Legislature provided the following major changes to government services and funding strategies. Greater detail on all these items and more are contained in the body of the publication.

K–12

Increases:	
Staff Mix	$23.0
Pupil Transportation	7.9
Bilingual Enrollment	5.9
Levy Equalization	2.9
Driver Education	2.2
Decreases:	
Regular and Special Ed Enrollment Changes	($25.3)
Early Retirement	(15.8)
2nd Year Salary Increase	(13.6)
Retirement Contribution Rate	(7.8)

Higher Education

Increases:	
Technical College Transfer	$7.8
CC Faculty Salary Increments	1.2
Decreases:	
GF–S Switch to Local Tuition Fund	($211.1)
2.5 Percent Reduction	(47.0)
2nd Year Salary Increase	(3.7)

Human Services

Increases:	
Medical Assistance Caseload	$40.9
Income Assistance Caseload	22.4
IMR Tax Reimbursement	17.1
SSI Recoveries Below Target	16.0
New Correctional Facilities	10.6
Mental Health Hospital Staffing	8.0
Developmental Disabled Downsizing	6.8
Federal Disaster Funds Match	6.6
Decreases:	
Disproportionate Share Payment	($39.3)
Terminate Hospital Tax	(27.5)
Reduce Grant COLA	(21.7)
Vendor Rate Changes	(19.7)
Nursing Home Underexpenditure	(13.8)
DOC Drug Fund Switch	(12.0)
Interlake Certification	(11.0)
Mental Health – Federal Earnings	(8.7)
DD – Federal Certification Costs	(8.6)
Growth Management	(4.6)

Natural Resources

Increases:	
Trustland Purchase Acct Switch to GF–S	$14.9
Fire Suppression	5.5
Decreases:	
DTED Program Efficiencies	($1.1)
Air Program Fund Shift	(1.0)

General Government

Increases:	
Enhance DOR Audit/Tax Compliance	$5.5
Judges Salary Increase	2.3
Indigent Appeals	1.5
Decreases:	
Shift OFM Funding to Savings Recovery Acct	($5.1)
House of Representatives Operations	(4.0)
Senate Operations	(2.9)

Special Appropriations

Increases:	
Governor's Emergency Staffing Pool	$1.5
Decreases:	
Retirement Contribution Rate	($16.8)
Cost of Debt Service	(9.6)
State Employee 2nd Year Salary Increase	(3.2)