

Omnibus Appropriations Act - Agency Detail

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Legislative

Senate and House of Representatives

Funding from the state general fund is provided for legislative studies, including a study of lake health.

Joint Legislative Audit and Review Committee

Funding from the state general fund is provided for the Joint Legislative Audit and Review Committee to conduct studies of staffing models at Juvenile Rehabilitation Administration residential facilities, supplemental salaries for K-12 staff, rear-engine school buses, and K-12 vocational education. Funding is also provided for a survey of the use of nurses and other health workers in public schools. Also funded is a performance audit of the Job Opportunities and Basic Skills (JOBS) training program.

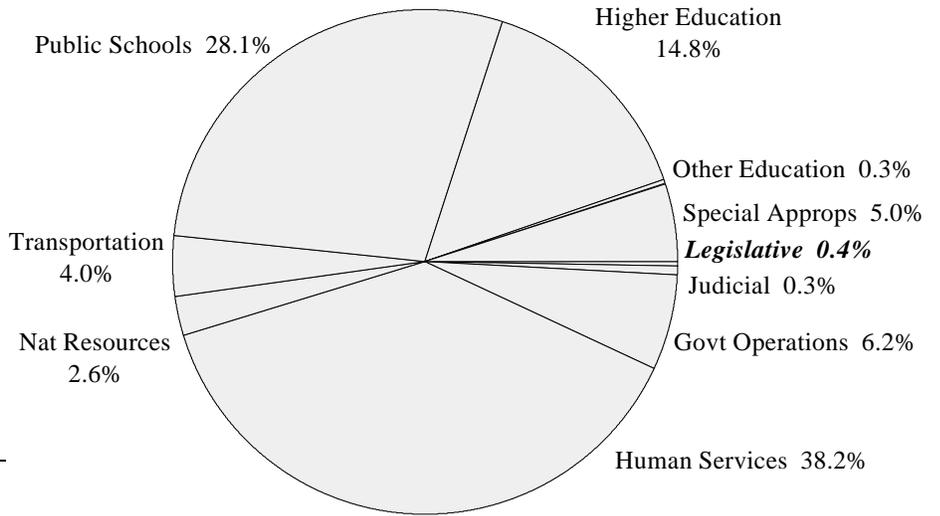
Under Chapter 288, Laws of 1996 (E2SHB 2222), the Legislative Budget Committee (LBC) is replaced by the Joint Legislative Audit and Review Committee (JLARC).

1995-97 Washington State Operating Budget

Total Budgeted Funds

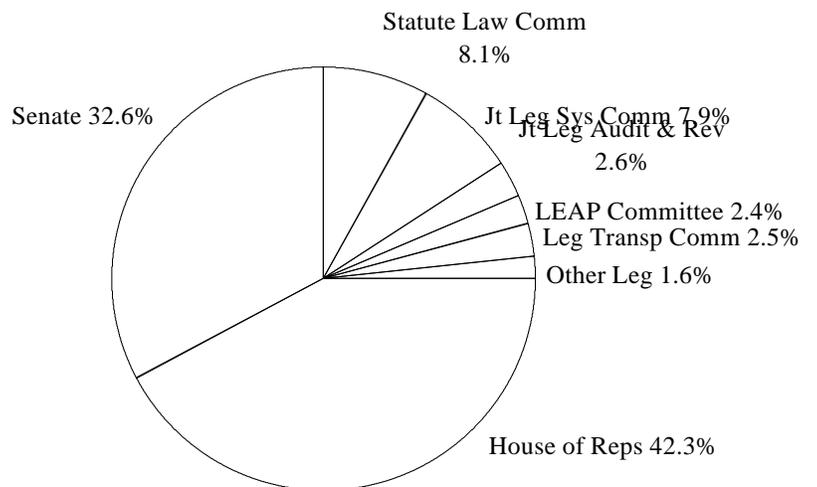
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
Human Services	12,284,095
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

House of Representatives	47,562
Senate	36,710
Statute Law Committee	9,094
Joint Leg Systems Comm	8,940
Jt Leg Audit & Rev Comm	2,928
LEAP Committee	2,734
Leg Transportation Comm	2,778
Other Legislative	1,823
Legislative	112,569



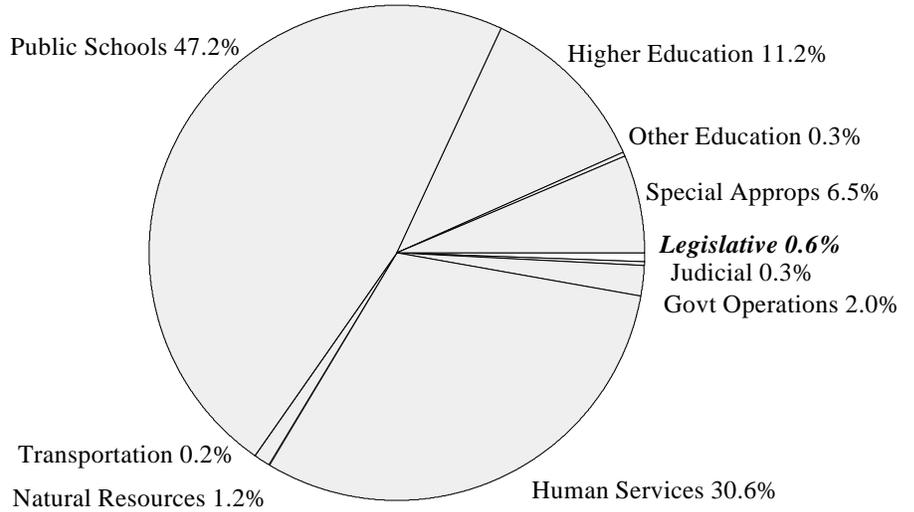
Legislative

1995-97 Washington State Operating Budget

General Fund - State

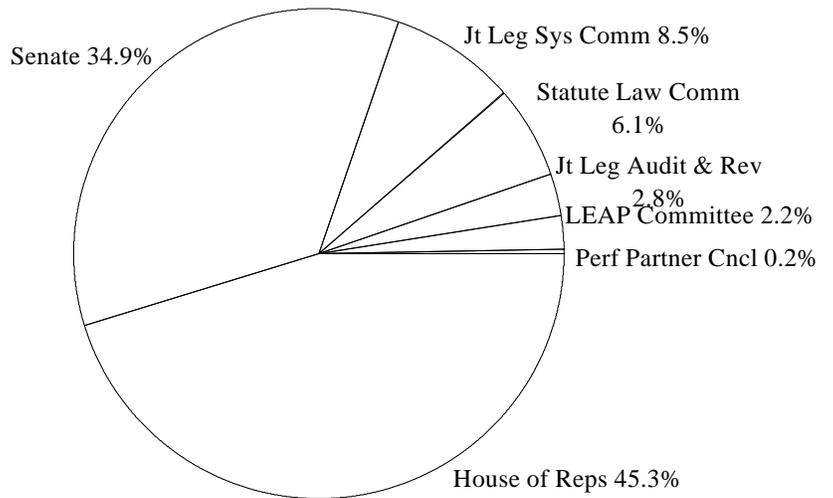
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
Human Services	5,394,546
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

House of Representatives	47,547
Senate	36,695
Joint Leg Systems Comm	8,900
Statute Law Committee	6,432
Jt Leg Audit & Rev Comm	2,928
LEAP Committee	2,324
WA Perform Partner Cncl	250
Legislative	105,076



Legislative

House of Representatives

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	47,547	0	47,547
1996 Supplemental Budget			
1. Lake Health Study (ESSB 6666)	<u>0</u>	<u>15</u>	<u>15</u>
Total Supplemental Items	0	15	15
<hr/>			
1995-97 REVISED APPROPRIATIONS	47,547	15	47,562
Fiscal Year 1996 Totals	23,862	0	23,862
Fiscal Year 1997 Totals	23,685	15	23,700

Comments:

LAKE HEALTH STUDY (ESSB 6666) - Funding is provided for a legislative study of lake health issues as required by Chapter 316, Laws of 1996 (ESSB 6666). (Water Quality Account)

Senate

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	36,595	0	36,595
1996 Supplemental Budget			
1. Lake Health Study (ESSB 6666)	0	15	15
2. Legislative Studies	100	0	100
Total Supplemental Items	100	15	115
1995-97 REVISED APPROPRIATIONS	36,695	15	36,710
Fiscal Year 1996 Totals	17,397	0	17,397
Fiscal Year 1997 Totals	19,298	15	19,313

Comments:

LAKE HEALTH STUDY (ESSB 6666) - Funding is provided for a legislative study of lake health issues as required by Chapter 316, Laws of 1996 (ESSB 6666). (Water Quality Account)

2. LEGISLATIVE STUDIES - Funding is provided for interim legislative studies.

Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	2,825	0	2,825
1996 Supplemental Budget			
1. Legislative Directed Studies	45	0	45
2. Performance Audit of JOBS Program	48	0	48
3. Study of School Bus Bids	10	0	10
Total Supplemental Items	103	0	103
1995-97 REVISED APPROPRIATIONS	2,928	0	2,928
Fiscal Year 1996 Totals	1,567	0	1,567
Fiscal Year 1997 Totals	1,361	0	1,361

Comments:

1. LEGISLATIVE DIRECTED STUDIES - One-time funding is provided for four studies:
 1. A study of staffing models and staff deployment in the Juvenile Rehabilitation Administration of the Department of Social and Health Services.
 2. A study of the use of supplemental salaries for K-12 certificated staff.
 3. A study of K-12 vocational education funding.
 4. A survey of school nurses and other health care workers in the public schools.
2. PERFORMANCE AUDIT OF JOBS PROGRAM - Funding is provided for a performance audit of the Jobs Opportunities and Basic Skills (JOBS) training program.
3. STUDY OF SCHOOL BUS BIDS - Funding is provided for a study of the school bus competitive price quote process under RCW 28A.160.195.

Note: Under Chapter 288, Laws of 1996 (E2SHB 2222), the Legislative Budget Committee (LBC) is replaced by the Joint Legislative Audit & Review Committee (JLARC).

Judicial

Court of Appeals

An increase of \$882,000 from the state general fund is provided to the Court of Appeals. A new Court of Appeals judge position and support staff are provided to address the backlog of cases experienced in Division III, in Spokane. Two new law clerks and a judicial secretary will support the new judge. Additional non-judicial staff are provided to address increasing workloads in Division I, Seattle and Division II, Tacoma. Other cost increases are also recognized in the Court of Appeals budget.

Office of the Administrator for the Courts

The amount of \$6.3 million from the Judicial Information System Account is provided for improvements to the various information processing systems comprising the Judicial Information System (JIS). The goal of the Judicial Information System is to integrate the component systems so that judicial decision makers, law enforcement, and other users have access to comprehensive information regarding individuals and activities in the state's judicial system, regardless of court jurisdiction. Improvements include: replacement of aging equipment in local courts; upgrading of the mainframe computer; integration of the Superior Court and Juvenile Court data into the JIS database to meet the provisions of Chapter 246, Laws of 1995, domestic violence prevention; and replacement of the network connecting approximately 200 Washington courts to the host computer in Olympia.

Funding from the state general fund is provided for two new Superior Court judges, one in Thurston County effective July 1, 1996 and one in Chelan/Douglas counties effective January 1, 1997. Four Superior Court judge positions were authorized with the adoption of Chapter 208, Laws of 1996 (SHB 2446); however, one in each jurisdiction will not be filled during the current biennium.

Office of Public Defense

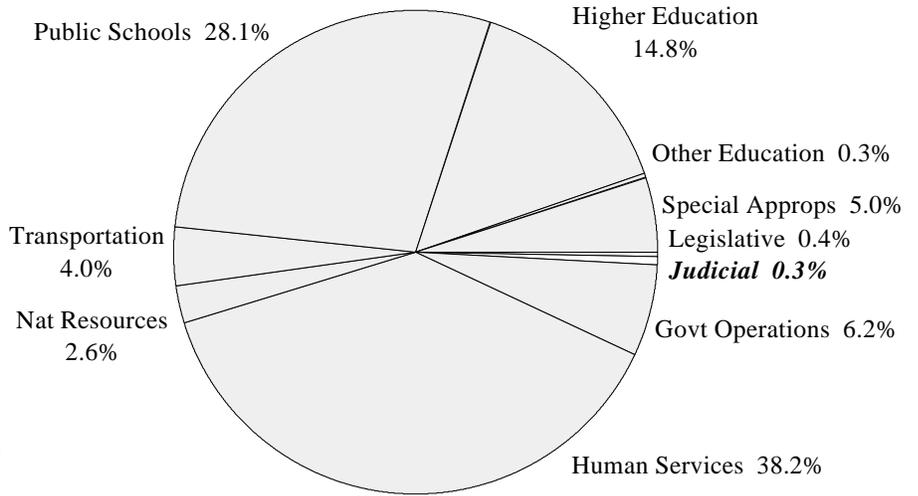
Current funding and staffing for criminal indigent appellate defense are transferred from the Supreme Court and the Office of the Administrator for the Courts to the new Office of Public Defense. The Office is created under Chapter 221, Laws of 1996 (SSB 6189). An amount of \$5.8 million from the Public Safety and Education Account is appropriated to the office for the provision of indigent appellate defense legal services, of which \$5.5 million is a transfer of existing funds from the Supreme Court and the Office of the Administrator for the Courts.

1995-97 Washington State Operating Budget

Total Budgeted Funds

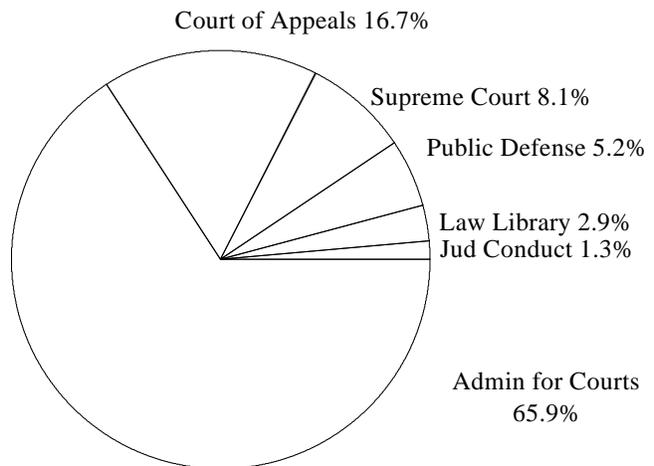
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Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

Admin for the Courts	73,204
Court of Appeals	18,550
Supreme Court	8,955
Office of Public Defense	5,805
State Law Library	3,204
Judicial Conduct Comm	1,401
Judicial	111,119



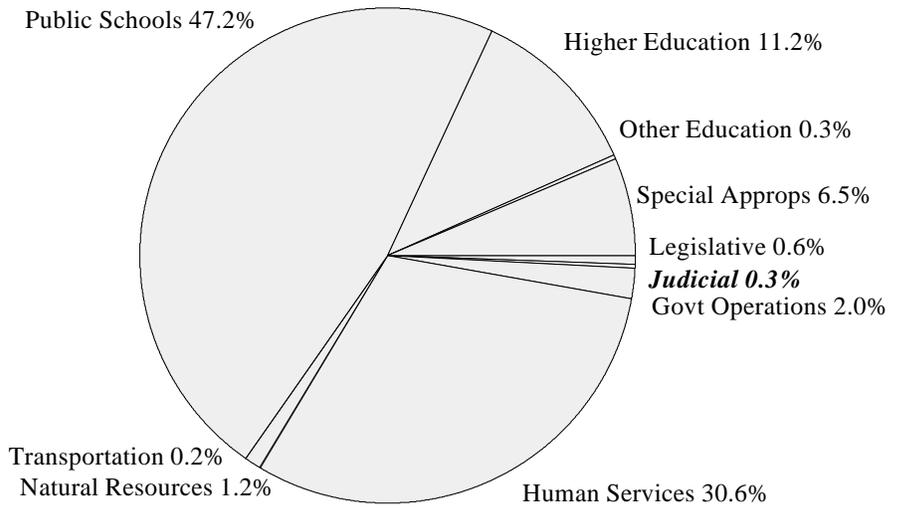
Judicial

1995-97 Washington State Operating Budget

General Fund - State

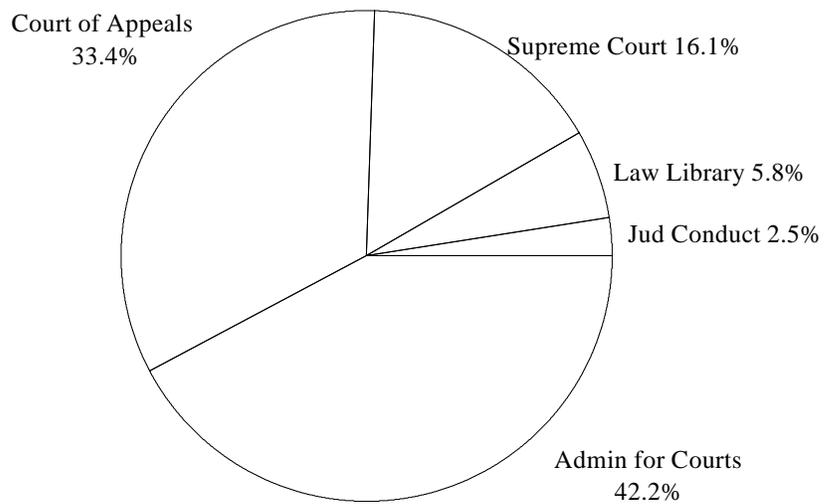
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Washington State

Admin for the Courts	23,490
Court of Appeals	18,550
Supreme Court	8,955
State Law Library	3,204
Judicial Conduct Comm	1,401
Judicial	55,600



Judicial

Supreme Court

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	8,875	0	8,875
1996 Supplemental Budget			
1. Unemployment and Self-Insurance	23	0	23
2. Equipment and Building Maintenance	112	0	112
3. Interagency Billings	17	0	17
4. Transfer of Indigent Defense	-72	0	-72
Total Supplemental Items	80	0	80
1995-97 REVISED APPROPRIATIONS	8,955	0	8,955
Fiscal Year 1996 Totals	4,419	0	4,419
Fiscal Year 1997 Totals	4,536	0	4,536

Comments:

1. UNEMPLOYMENT AND SELF-INSURANCE - Funding is provided for increased unemployment insurance costs. Self-insurance premiums are funded in interagency billings listed below. This corrects an omission from the original 1995-97 budget.
2. EQUIPMENT AND BUILDING MAINTENANCE - Provides funding for additional cleaning services at the Temple of Justice and for equipment repair and replacement.
3. INTERAGENCY BILLINGS - Adjusts funding for interagency billings including self-insurance premiums and campus facility charges. This corrects an omission from the original 1995-97 budget.
4. TRANSFER OF INDIGENT DEFENSE - Existing funds and staff from the Supreme Court are transferred to the new Office of Public Defense created in Chapter 221, Laws of 1996 (SSB 6189).

State Law Library

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	3,215	0	3,215
1996 Supplemental Budget			
1. Interagency Billings	-11	0	-11
Total Supplemental Items	-11	0	-11
1995-97 REVISED APPROPRIATIONS	3,204	0	3,204
Fiscal Year 1996 Totals	1,607	0	1,607
Fiscal Year 1997 Totals	1,597	0	1,597

Comments:

1. INTERAGENCY BILLINGS - Adjusts funding for interagency billings. This corrects an overstatement in the original 1995-97 budget.

Court of Appeals

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	17,668	0	17,668
1996 Supplemental Budget			
1. Leases and Other Obligations	271	0	271
2. Division III Judicial Position	370	0	370
3. Non-Judicial Positions	200	0	200
4. Building Maintenance	10	0	10
5. Unemployment Benefits	31	0	31
Total Supplemental Items	882	0	882
1995-97 REVISED APPROPRIATIONS	18,550	0	18,550
Fiscal Year 1996 Totals	9,000	0	9,000
Fiscal Year 1997 Totals	9,550	0	9,550

Comments:

1. LEASES AND OTHER OBLIGATIONS - Funding is provided for contractually-obligated rent increases in Divisions I and II.
2. DIVISION III JUDICIAL POSITION - Funding is provided for a fifth judicial position in Division III, Spokane. The additional judge and staff will address the backlog of cases. Two law clerks and a judicial secretary are also funded to support the new judge. One-time costs of \$70,000 for equipment and capital costs are also included.
3. NON-JUDICIAL POSITIONS - Funding is provided for non-judicial staff to address the Court of Appeals increased workload. Positions included are one staff attorney and one case manager in Division I (Seattle) and one judicial secretary in Division II (Tacoma). These positions are effective July 1, 1996.
4. BUILDING MAINTENANCE - Funding is provided to paint the building housing Division III of the Court of Appeals in Spokane.
5. UNEMPLOYMENT BENEFITS - Funding is provided for increases in unemployment insurance claims above what the agency is currently paying. This corrects an omission from the original 1995-97 budget.

Commission on Judicial Conduct

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	1,201	0	1,201
1996 Supplemental Budget			
1. Additional Hearings/Investigations	200	0	200
Total Supplemental Items	200	0	200
1995-97 REVISED APPROPRIATIONS	1,401	0	1,401
Fiscal Year 1996 Totals	755	0	755
Fiscal Year 1997 Totals	646	0	646

Comments:

1. ADDITIONAL HEARINGS/INVESTIGATIONS - Funding is provided to cover the unanticipated cost of additional fact finding investigations and hearings experienced in the 1995-97 biennium.

Office of the Administrator for the Courts

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	23,386	47,849	71,235
1996 Supplemental Budget			
1. Replace Court Computer Equipment	0	2,275	2,275
2. Mainframe Computer Upgrade	0	950	950
3. Network Replacement	0	600	600
4. JIS Link Operating Budget	0	600	600
5. JIS Domestic Violence Information	0	1,275	1,275
6. Law Library Automation Project	0	128	128
7. Spokane Co. Clerk Office Conversion	0	100	100
8. Managing Court Proceedings Project	0	150	150
9. Cooperative Automation Projects	0	250	250
10. Court Business Improvement Support	0	157	157
11. Courts/Limited Jurisdiction Project	0	88	88
12. Indigent Appellate Defense	0	726	726
13. Study Child Sexual Abuse	0	35	35
14. Thurston County Superior Ct. Judges	69	0	69
15. Chelan/Douglas Superior Ct. Judges	35	0	35
16. Transfer of Indigent Defense	0	-5,469	-5,469
Total Supplemental Items	104	1,865	1,969
<hr/>			
1995-97 REVISED APPROPRIATIONS	23,490	49,714	73,204
Fiscal Year 1996 Totals	11,658	26,791	38,449
Fiscal Year 1997 Totals	11,832	22,923	34,755

Comments:

- | | |
|--|--|
| <p>1. REPLACE COURT COMPUTER EQUIPMENT - Funding is provided to replace aging computer equipment in local courts. An additional ten courts will be added to the District Court Information System (DISCIS) which will bring the total to 153 courts on the system by the end of FY 97. (Judicial Information Systems Account)</p> <p>2. MAINFRAME COMPUTER UPGRADE - Funding is provided to proceed with a planned upgrade of the court's mainframe computer system. The work is scheduled for FY 97. The upgrade increases capacity and response time. (Judicial Information Systems Account)</p> <p>3. NETWORK REPLACEMENT - Funding is provided for network replacement. This project allows the court to: migrate to an "open" system architecture; implement client server applications now under development; and continue to support existing terminal equipment. The current network connects approximately 200 Washington courts to the host computer in Olympia. (Judicial Information Systems Account)</p> <p>4. JIS LINK OPERATING BUDGET - Funding is provided to allow law enforcement agencies to access computerized court records through the JIS-Link program at no cost. (Judicial Information Systems Account)</p> <p>5. JIS DOMESTIC VIOLENCE INFORMATION - Funding is provided to integrate superior court and juvenile court data into the judicial information system database. Currently, this database contains only courts of limited jurisdiction data. Integration is necessary to meet the</p> | <p>provisions of Chapter 246, Laws of 1995 (Domestic Violence Prevention) requiring all courts to enter protection and no-contact orders into the judicial information system. (Judicial Information Systems Account)</p> <p>6. LAW LIBRARY AUTOMATION PROJECT - Funding is provided for automation of the Supreme Court, Court of Appeals, and Law Library in FY 97. (Judicial Information Systems Account)</p> <p>7. SPOKANE CO. CLERK OFFICE CONVERSION - Funding is provided to convert historical data maintained by the Spokane County clerk to the judicial information system database and to train county staff in the use of the system. Spokane County will contribute \$200,000 toward this project and conversion to the JIS will increase court efficiency and revenues to the Public Safety and Education Account. (Judicial Information Systems Account)</p> <p>8. MANAGING COURT PROCEEDINGS PROJECT - Funding is provided to automate the scheduling of court proceedings to provide more efficient use of court officers, personnel, and facilities. (Judicial Information Systems Account)</p> <p>9. COOPERATIVE AUTOMATION PROJECTS - Funding is provided to support a variety of cooperative projects with local jurisdictions that will ultimately be available to courts on a statewide basis. Local courts are required to contribute funding to these projects. (Judicial Information Systems Account)</p> |
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Office of the Administrator for the Courts

Governor's Vetoes:

10. COURT BUSINESS IMPROVEMENT SUPPORT - Funding is provided for positions left vacant to meet funding reductions made during the 1995 legislative session. Positions include staff in the Information Center, the Court Services section, and the Legal Services section. (Public Safety and Education Account)
11. COURTS/LIMITED JURISDICTION PROJECT - Funding is provided to continue the Courts of Limited Jurisdiction Assessment Project beyond the current March 1996 termination date. (Public Safety and Education Account)
12. INDIGENT APPELLATE DEFENSE - Funding is provided for an increase in court reporter reimbursement costs and one-time case transfer expenses related to the Washington Appellate Defenders Association's decision to terminate indigent defense legal services. Court reporter rates are increased from \$2.25 per page to \$2.75 per page. (Public Safety and Education Account)
13. STUDY CHILD SEXUAL ABUSE - Provides funding for the Office of the Administrator for the Courts to contract with the Washington Institute for Public Policy to conduct a study of protocols and training standards for investigating child sexual abuse. The Institute shall submit a report to the Legislature by December 1, 1996, to include recommendations regarding model protocols and training standards for use by law enforcement agencies. (Violence Reduction and Drug Enforcement Account)
14. THURSTON COUNTY SUPERIOR CT. JUDGES - Provides funding for one new Superior Court judge in Thurston County effective July 1, 1996 as authorized in Chapter 208, Laws of 1996 (SHB 2446). An additional judge position is authorized for Thurston County but will not take effect until July 1, 2000.
15. CHELAN/DOUGLAS SUPERIOR CT. JUDGES - Provides funding for one new Superior Court judge position in Chelan and Douglas counties, effective January 1, 1997 as authorized in Chapter 208, Laws of 1996 (SHB 2446). A second position is authorized for January 1, 1997 but is not expected to be filled during the current biennium.
16. TRANSFER OF INDIGENT DEFENSE - Funds are transferred to the Office of Public Defense, the new agency created by Chapter 221, Laws of 1996 (SSB 6189). Activities related to indigent appellate defense in criminal cases are transferred from the Office of the Administrator for the Courts to the new office. (Public Safety and Education Account)

Superior Court Judges Proviso -- The Governor vetoed section 109(4) of the bill, which identified funding for new Superior Court judges in Thurston, Douglas, and Chelan Counties, contingent on passage of SB 6151 and SB 6495. Because the new judgeships were ultimately authorized by the Legislature in Chapter 208, Laws of 1996 (SHB 2446), the Governor vetoed the proviso, thereby allowing the funding to take effect.

Office of Public Defense

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1996 Supplemental Budget			
1. Transfer of Indigent Defense	0	5,805	5,805
Total Supplemental Items	0	5,805	5,805
<hr/>			
1995-97 REVISED APPROPRIATIONS	0	5,805	5,805
Fiscal Year 1997 Totals	0	5,805	5,805

Comments:

1. TRANSFER OF INDIGENT DEFENSE - Existing funds are transferred from the Supreme Court and the Administrator for the Courts pursuant to Chapter 221, Laws of 1996 (SSB 6189). The office will provide criminal appellate defense services to indigent persons. (Public Safety and Education Account)

Governmental Operations

Office of the Governor

Children's Services

A total of \$1.5 million from the state general fund is provided through the Office of the Governor for improvements to children's services. A portion of the funding will be used to conduct a management improvement project for the Children and Family Services Division of the Department of Social and Health Services. A legislative advisory committee will provide assistance and public input for the project. A portion of the funding will also be used to establish a new Office of the Children's Ombudsman within the Office of the Governor, pursuant to Chapter 131, Laws of 1996 (2SHB 2856). The Governor vetoed portions of the legislative directions regarding use of this funding. (For details, see veto comments on Page 55.)

Puget Sound Plan Coordination

To coordinate the implementation of the Puget Sound plan in accordance with Chapter 138, Laws of 1996 (ESHB 2875), the Office of the Governor is provided with funding to hire the chair and staff of the Puget Sound Action Team and for other administrative expenses. A total of \$1.3 million is provided from the state general fund and \$0.2 million is from federal funds.

Office of the State Auditor

To ensure that special education funds are expended on eligible special education children in the common school system, \$486,000 from the state general fund is provided to conduct audits of special education programs specified for review as a result of the proceedings of the state Special Education Safety Net Committee established in the 1995 Appropriations Act.

Department of Community, Trade, and Economic Development

Early Childhood Education

An amount of \$3.9 million is provided from the state general fund to serve an additional 860 Early Childhood Education and Assistance Program (ECEAP) and Headstart children. The additional funding is intended to serve children currently on the waiting list for each of these programs.

Farmworker Housing

An amount of \$2.0 million is provided to construct and operate farmworker housing in the state. These newly available, one-time federal funds will allow the construction of low-income housing to address the shortfall in available housing for farm workers that currently exists throughout the state.

Services for Victims of Sexual Assault

As an efficiency move and in response to the recommendations of an advisory task force, the Legislature authorized in Chapter 123, Laws of 1996 (SHB 2579), the consolidation of services to sexual assault victims. Sexual assault services and state funding administered by the Department of Social and Health Services are transferred to the Department of Community, Trade, and Economic Development (DCTED) and consolidated with like services administered by DCTED.

Community Action Agencies

An amount of \$1.0 million is provided from the state general fund to Community Action Agencies to replace federal funding declared ineligible for certain "non-entitlement" communities in the state. The Federal Housing and Urban Development agency declared that certain community action agencies were illegally receiving Community

Development Block Grant monies. The state funds will allow community action agencies to continue serving low-income individuals in these ineligible areas.

Headstart for Children

In anticipation of reduced federal funding for Headstart services to children, \$1.0 million is provided from the state general fund to offset the loss of federal funds.

Tourism

An amount of \$1.0 million is provided to the department to expand its tourism marketing efforts at both the national and international levels. The additional funds are for advertising, promotion, and further development of key regional, national, and international markets.

Department of Retirement Systems

An amount of \$650,000 from the Retirement Systems Administrative Expense Fund is provided for development and delivery of detailed employee education information for Teachers Retirement System (TRS) Plan II members who are considering transferring to TRS Plan III.

Department of General Administration

An amount of \$2.5 million is provided from the state general fund to replace lost federal funding and food distributed through the Emergency Food Assistance program. Current levels of food will be purchased and distributed through 330 food banks and 127 soup kitchens throughout the remainder of the 1995-97 biennium.

Liquor Control Board

An amount of \$143,000 is provided from the Liquor Revolving Account for a pilot project testing the effect of credit card use in state liquor stores as directed in Chapter 291, Laws of 1996 (HB 2341). The pilot is limited to 20 stores and is 18 months in duration.

Gambling Commission

In response to the expansion of tribal gambling, \$2.2 million is provided from the Gambling Revolving Account for the increased regulatory workload of the Gambling Commission for casinos. Funding for increased regulatory and enforcement efforts is generated from fees from gambling licensing services and direct billing for field monitoring. An additional \$1.0 million is provided from the state general fund to make up for a revenue shortfall related to regulatory activities for non-casino gambling.

Military Department

Emergency Management Division

In response to the extensive damage caused by recent winter storms and floods, as well as prior disasters, approximately \$23.2 million in state and \$98.2 million in federal disaster assistance is provided for individual assistance, future flood prevention, and reconstruction of public facilities. Historically, the Federal Emergency Management Administration provides funding for 75 percent of eligible disaster related costs while state and local jurisdictions split the remaining 25 percent as a requirement to receive the federal assistance. Given the extraordinary level of damage incurred in some jurisdictions as a result of the February 1996 floods, funding is provided for the local 12.5 percent matching requirement for those locales where the cost of the flood damage is far beyond what the community's budget can support. In addition, \$5.0 million in grants is provided through the Department of Ecology for repairs to local dikes and levees that are not eligible for federal disaster assistance.

Enhanced 911 Telecommunications

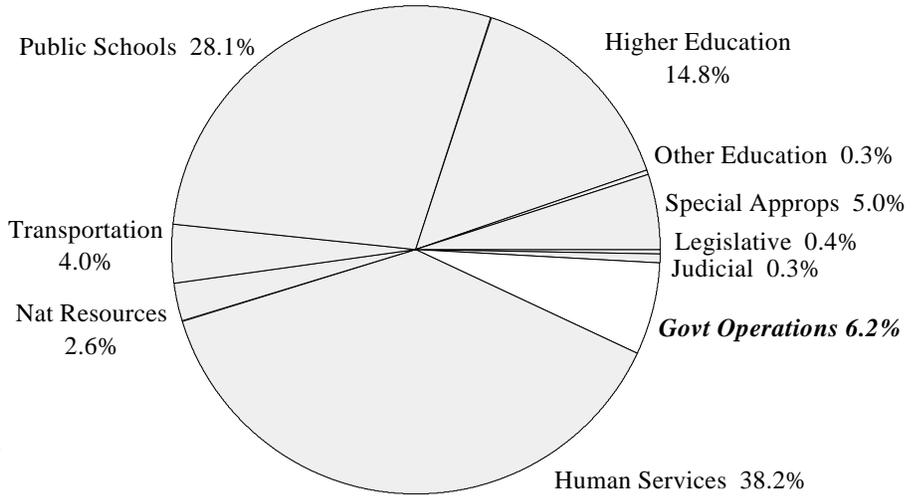
An amount of \$8.2 million is provided from the Enhanced 911 Account to be distributed as grants to counties for implementation of Enhanced 911 telephone systems.

1995-97 Washington State Operating Budget

Total Budgeted Funds

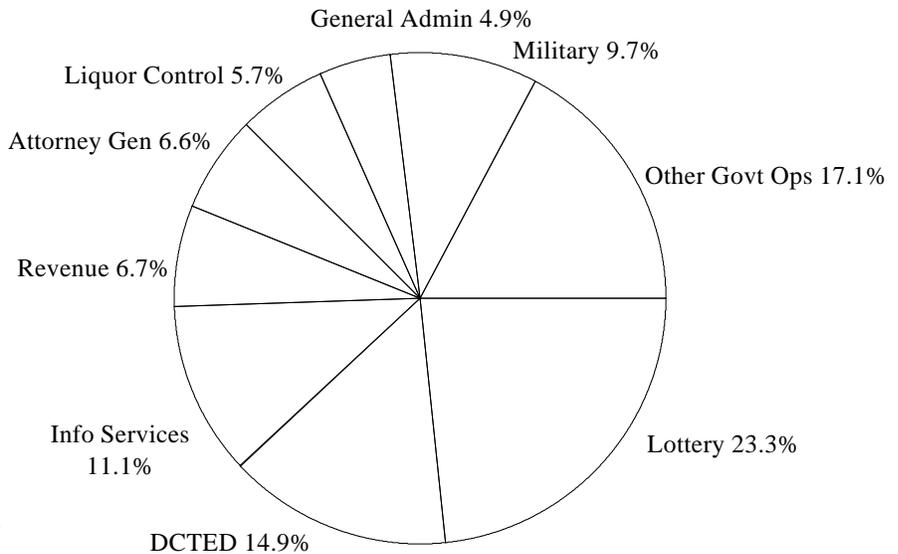
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
Human Services	12,284,095
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

State Lottery Comm	465,718
Comm/Trade/Econ Dev	297,111
Dept of Info Services	222,714
Dept of Revenue	133,831
Attorney General	131,355
Liquor Control Board	113,604
Dept of General Admin	97,737
Military Department	194,639
Other Govt Operations	341,734
Governmental Operations	1,998,443



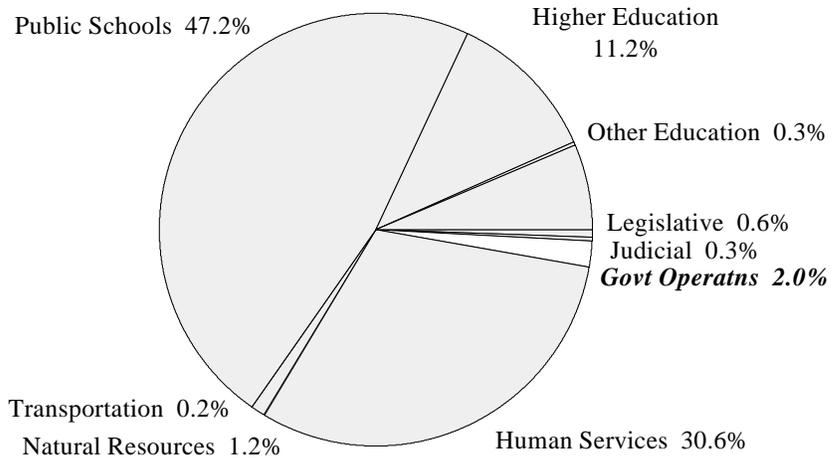
Governmental Operations

1995-97 Washington State Operating Budget

General Fund - State

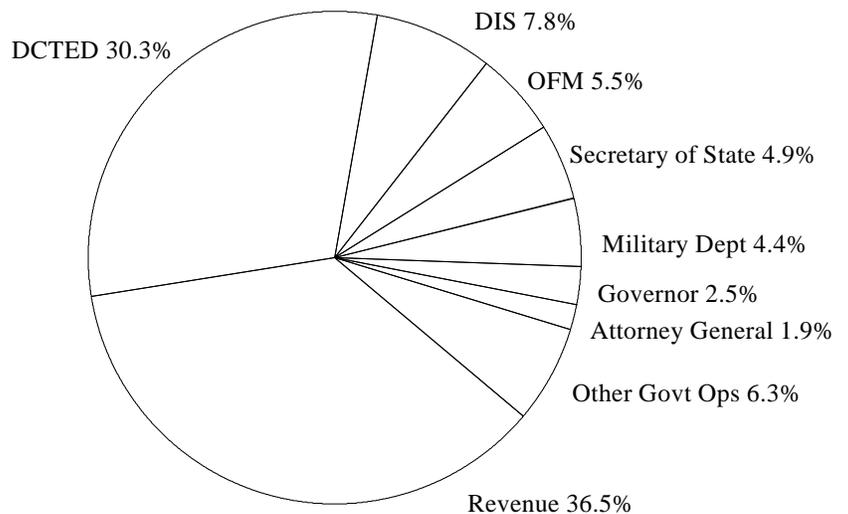
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
Human Services	5,394,546
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

Dept of Revenue	125,712
Comm/Trade/Econ Dev	104,313
Dept of Info Services	27,000
Office of Financial Mgmt	18,870
Secretary of State	16,849
Military Department	15,191
Office of Governor	8,655
Attorney General	6,503
Other Govt Operations	21,606
Governmental Operations	344,699



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	5,797	0	5,797
1996 Supplemental Budget			
1. Children's Services Reorganization	1,100	0	1,100
2. Child, Youth, and Family Ombudsman	418	0	418
3. Puget Sound Plan Coordination	1,340	225	1,565
Total Supplemental Items	2,858	225	3,083
1995-97 REVISED APPROPRIATIONS	8,655	225	8,880
Fiscal Year 1996 Totals	2,899	0	2,899
Fiscal Year 1997 Totals	5,756	225	5,981

Comments:

1. CHILDREN'S SERVICES REORGANIZATION - Funding is provided for the Public Policy Institute at The Evergreen State College to direct a management improvement project for the Division of Children and Family Services. The project shall be undertaken by an expert in the field of organizational structure and process improvement. Activities in the project include an examination of the division's mission, goals, strategic plan, and performance-based outcome measurements. The process shall include managers, supervisors, front-line workers, and clients. The project shall be completed by December 1, 1996 and a report submitted to the Legislature by January 1, 1997. (See Governor's Vetoes)
2. CHILD, YOUTH, AND FAMILY OMBUDSMAN - The staff and funding of the Office of Constituent Relations in DSHS Division of Children and Family Services are transferred to the Office of the Governor to establish the ombudsman's office. Among other duties, the ombudsman shall investigate complaints regarding state children and family services programs and review reports prepared by the Division of Children and Family Services relating to unexpected deaths of children under the care of the department. (See Governor's Vetoes)
3. PUGET SOUND PLAN COORDINATION - Funding is provided to coordinate implementation of the Puget Sound plan pursuant to Chapter 138, Laws of 1996 (ESHB 2875). The funds are provided solely for hiring the chair and staff of the Puget Sound action team and for other administrative expenses necessary to implement Chapter 138, Laws of 1996 (ESHB 2875).

Governor's Vetoes:

Children & Family Services Management Improvement Project - The Governor vetoed a provision requiring allocation of \$1.1 million to the Public Policy Institute at The Evergreen State College to direct a management improvement project for the Division of Children and Family Services. The Governor stated his intent to complete the management improvement project while re-directing some of the funding to other issues relating to children and family services. Specifically, the Governor intends to use some of the funds to (1) examine substance abuse and its impact on the delivery of services to families; (2) implement unspecified modifications to the child welfare system; and (3) create a separate licensing function for entities caring for children.

The Governor also vetoed a separate subsection establishing an oversight group for the management improvement project (consisting of the Attorney General, chief of the State Patrol, the Child, Youth, and Family Ombudsman, and a gubernatorial appointee). The Governor stated his intent to include these persons in a broader oversight group that will include children's services experts from the public and private sector. The legislative advisory group created by the budget bill was retained by the Governor.

The Child, Youth, and Family Ombudsman within the Office of the Governor - The Governor vetoed a proviso that would have required the transferring the Office of Constituent Relations from DSHS to the Governor's office to fund the Ombudsman. The Governor stated his belief the Office of Constituent Relations should not be transferred and that the Ombudsman will be funded without the transfer of the Office of Constituent Relations.

Public Disclosure Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	2,152	1	2,153
1996 Supplemental Budget			
1. Consolidated Mail Services	19	0	19
2. Special Counsel	5	0	5
Total Supplemental Items	24	0	24
1995-97 REVISED APPROPRIATIONS	2,176	1	2,177
Fiscal Year 1996 Totals	1,125	1	1,126
Fiscal Year 1997 Totals	1,051	0	1,051

Comments:

1. CONSOLIDATED MAIL SERVICES - Funds are provided to cover increased consolidated mail charges. Additional funding is necessary to maintain current level of mailings.
2. SPECIAL COUNSEL - One-time funding is provided for costs incurred in retaining a private law firm to investigate two complaints against the Attorney General. While the Office of the Attorney General performs the investigative services for the Public Disclosure Commission (PDC) in other cases, the avoidance of any conflict of interest supports the use of outside counsel.

Office of the Secretary of State

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	14,373	5,755	20,128
1996 Supplemental Budget			
1. Legal Advertising/Voter Hotline	50	0	50
2. Odd Year Election	1,700	0	1,700
3. Presidential Preference Primary	726	0	726
4. Local Government Archive Services	0	885	885
Total Supplemental Items	2,476	885	3,361
1995-97 REVISED APPROPRIATIONS	16,849	6,640	23,489
Fiscal Year 1996 Totals	10,857	2,850	13,707
Fiscal Year 1997 Totals	5,992	3,790	9,782

Comments:

1. LEGAL ADVERTISING/VOTER HOTLINE - Funds unanticipated costs to publish legal advertisements for the constitutional amendment (Substitute Senate Joint Resolution 8210) changing the way Supreme Court Justices are chosen. Also included is \$5,000 to cover the special voter hotline used to provide public information concerning three state offices vacated after the voter pamphlet was prepared.
2. ODD YEAR ELECTION - Funds are provided to reimburse counties for the state's share of the 1995 primary and general elections. State law requires that these costs be reimbursed from appropriations specifically provided for this purpose.
3. PRESIDENTIAL PREFERENCE PRIMARY - Provides funding to reimburse counties for the 1996 Presidential Preference Primary election held in March 1996.
4. LOCAL GOVERNMENT ARCHIVE SERVICES - Provides appropriation authority for increased revenues to the Archives and Records Management Account as authorized by Chapter 245, Laws of 1996 (SB 6718). Increased funding will support archive services to local governments through the state's regional branch archive system.

Office of the State Treasurer

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	0	10,454	10,454
1996 Supplemental Budget			
1. Financial Systems Review	0	200	200
Total Supplemental Items	0	200	200
1995-97 REVISED APPROPRIATIONS	0	10,654	10,654
Fiscal Year 1996 Totals	0	5,190	5,190
Fiscal Year 1997 Totals	0	5,464	5,464

Comments:

1. FINANCIAL SYSTEMS REVIEW - Funds are provided for a personal service contract for expert analysis of the systems and recommendations for more effective means of fulfilling these functions. Of this amount, \$176,000 is for a comprehensive assessment of the agency's information systems and \$24,000 is for a feasibility study addressing three of the smaller systems. (State Treasurer's Service Account)

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

Office of the State Auditor

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	22	36,700	36,722
1996 Supplemental Budget			
1. Special Education Eligibility Audit	486	0	486
Total Supplemental Items	486	0	486
1995-97 REVISED APPROPRIATIONS	508	36,700	37,208
Fiscal Year 1996 Totals	78	19,146	19,224
Fiscal Year 1997 Totals	430	17,554	17,984

Comments:

1. SPECIAL EDUCATION ELIGIBILITY AUDIT - To ensure that state funds are being expended appropriately on eligible special education children in the common school system, \$486,000 is provided to conduct audits of special education programs specified for review as a result of the proceedings of the State Special Education Safety Net Committee established in the 1995 Appropriations Act.

Governor's Office of Indian Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	303	0	303
1996 Supplemental Budget			
1. Agency Director Salary Shortfall	23	0	23
2. Unemployment Compensation	11	0	11
Total Supplemental Items	34	0	34
1995-97 REVISED APPROPRIATIONS	337	0	337
Fiscal Year 1996 Totals	168	0	168
Fiscal Year 1997 Totals	169	0	169

Comments:

1. AGENCY DIRECTOR SALARY SHORTFALL - Additional funding is provided for director's salary costs. A new director was appointed at a higher salary range than what was provided in the 1995 biennial budget.
2. UNEMPLOYMENT COMPENSATION - Additional funds are provided to cover the cost of unemployment compensation.

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	346	0	346
1996 Supplemental Budget			
1. Rent Increase	15	0	15
Total Supplemental Items	15	0	15
1995-97 REVISED APPROPRIATIONS	361	0	361
Fiscal Year 1996 Totals	180	0	180
Fiscal Year 1997 Totals	181	0	181

Comments:

1. RENT INCREASE - Funding is provided to cover the rent and utility increase for the Olympia office where the agency is co-located with the Commissions on Hispanic and African-American Affairs.

Office of the Attorney General

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	6,453	124,852	131,305
1996 Supplemental Budget			
1. Trust Lands Facilitation	50	0	50
Total Supplemental Items	50	0	50
1995-97 REVISED APPROPRIATIONS	6,503	124,852	131,355
Fiscal Year 1996 Totals	3,228	62,624	65,852
Fiscal Year 1997 Totals	3,275	62,228	65,503

Comments:

1. TRUST LANDS FACILITATION - Funds are provided to retain a facilitator to assist the Department of Natural Resources, as trustee, and the state's four-year institutions of higher education, as trust beneficiaries, to develop factual issues relating to habitat conservation plans on public lands.

Department of Financial Institutions

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	0	13,434	13,434
1996 Supplemental Budget			
1. Check Cashier & Seller Assessment	0	6	6
2. Division of Credit Union Fees	0	324	324
Total Supplemental Items	0	330	330
<hr/>			
1995-97 REVISED APPROPRIATIONS	0	13,764	13,764
Fiscal Year 1996 Totals	0	6,655	6,655
Fiscal Year 1997 Totals	0	7,109	7,109

Comments:

1. CHECK CASHIER & SELLER ASSESSMENT - The Department of Financial Institutions (DFI) currently experiences a revenue shortfall in the check cashier and check seller program. Since the accounting for this program was not previously separated from the consumer loan and banking programs, the revenue shortfall had not been identified. Chapter 13, Laws of 1996 (HB 2810) allows the director of DFI to set check cashier and check seller annual assessments and fees at a level sufficient to create a self-supporting program. Funding is provided for the cost of the rule making necessary to implement the legislation. (Banking Examination Account, Non-appropriated)

2. DIVISION OF CREDIT UNION FEES - The Department of Financial Institutions' Division of Credit Unions has experienced unexpected tort defense costs and has operating costs which cannot be met with the current rate structure. In the past, fees would have been increased by a sufficient amount to cover these costs. Authority is provided in the budget bill to increase fees to provide funding for attorney general expenses, operations, and to build a fund balance sufficient to cover tort defense costs. (Credit Unions Examination Account, Non-appropriated)

Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	95,955	182,616	278,571
1996 Supplemental Budget			
1. Clean Washington Center - 2nd Year	0	699	699
2. Tourism Marketing	1,000	0	1,000
3. Community Action Programs	1,000	0	1,000
4. Public Works Trust Fund	0	98	98
5. Manufactured Home Installation	0	100	100
6. Housing Trust Fund	0	3,300	3,300
7. Transfer to Military & State Patrol	-343	-2,748	-3,091
8. Legal Services for the Poor	0	1,000	1,000
9. International Trade	60	0	60
10. Farmworker Housing	-1,050	3,050	2,000
11. Transfer of Energy Functions	839	4,648	5,487
12. Federal Byrne Grant Adjustment	0	-216	-216
13. Victims of Sexual Assault Transfer	1,865	0	1,865
14. Headstart Reductions	1,000	0	1,000
15. Early Childhood Education	3,862	0	3,862
16. PNWER	100	0	100
17. Park Feasibility Study	25	0	25
Total Supplemental Items	8,358	9,931	18,289
<hr/>			
1995-97 REVISED APPROPRIATIONS	104,313	192,547	296,860
Fiscal Year 1996 Totals	49,164	84,352	133,516
Fiscal Year 1997 Totals	55,149	108,195	163,344

Comments:

- | | |
|--|---|
| <p>1. CLEAN WASHINGTON CENTER - 2ND YEAR - Funding is provided to support the center during the second year of the current biennium. (Litter Account, Vehicle Tire Recycling Account)</p> <p>2. TOURISM MARKETING - Funding is provided to expand state tourism marketing activities in national and international markets.</p> <p>3. COMMUNITY ACTION PROGRAMS - After the 1995-97 budget was adopted, the U.S. Department of Housing and Urban Development (HUD) informed the state that Community Action Agencies in "non-entitlement areas" were ineligible for funding from the federal Community Development Block Grant (CDBG) program. State funding is provided to replace CDBG funding in these ineligible areas.</p> <p>4. PUBLIC WORKS TRUST FUND - Funding is provided to hire an additional staff person to evaluate funding requests anticipated as a result of increased capital appropriations for the Public Works Trust Fund program. (Public Works Assistance Account)</p> <p>5. MANUFACTURED HOME INSTALLATION - Reflects increased revenues to the manufactured housing installer training and certification program. This fee-generated revenue will be used to provide installer training on a quarterly basis. (Manufactured Housing Installation Training Account)</p> | <p>6. HOUSING TRUST FUND - Provides the correct level of funding for currently obligated contracts administered by the Housing Trust Fund program. (Housing Trust Account)</p> <p>7. TRANSFER TO MILITARY & STATE PATROL - Funding for earthquake preparedness activities and compensation adjustments is transferred from CTED to the Washington State Patrol and the Military Department as provided in Chapters 369 and 391, Laws of 1995. These adjustments should finalize the funding in support of the transferred activities. (General Fund-State, General Fund-Federal)</p> <p>8. LEGAL SERVICES FOR THE POOR - Funding is provided to help maintain access to legal services and partially offsets federal funding reductions. (Public Safety and Education Account)</p> <p>9. INTERNATIONAL TRADE - Funding is provided for the Globalsoft software trade show and attorney general support related to trade barrier issues.</p> <p>10. FARMWORKER HOUSING - Two million dollars of newly available, one-time federal funding will be used to develop and operate housing for low-income farmworkers. The Department of Community, Trade, and Economic Development will administer the funds through the Housing Assistance Program in cooperation with the Department of Social and Health Services, the Department of Health, and the Department of Labor and Industries. The reduction in General</p> |
|--|---|

Department of Community, Trade, & Economic Development

Fund-State is one-time and replacement funds for this reduction will be necessary next biennium. (General Fund-Federal)

11. TRANSFER OF ENERGY FUNCTIONS - Funding is provided for the Energy Facility Site Evaluation Council and energy policy functions as provided in Chapter 186, Laws of 1996 (4SHB 2009 -- State Energy Office). Transitional funding is also provided to pay unemployment and vacation buyouts of Energy Office employees and for other administrative and accounting close-out activities. (General Fund-State; General Fund-Federal; Energy Account, Non-appropriated)
12. FEDERAL BYRNE GRANT ADJUSTMENT - Adjusts federal funds to what is actually available to the state during FY 97 for the drug control and system improvement formula grant program. (General Fund-Federal)
13. VICTIMS OF SEXUAL ASSAULT TRANSFER - Transfers state funds for services to victims of sexual assault from the DSHS, Division of Children and Family Services to the Department of Community, Trade and Economic Development as provided in Chapter 123, Laws of 1996 (SHB 2579 -- Sexual Abuse Victims).
14. HEADSTART REDUCTIONS - Federal funding for the Headstart program is anticipated to be reduced in the current biennium. State funding is provided to increase the state match for the Headstart program to maintain services to children.
15. EARLY CHILDHOOD EDUCATION - Increased funding is provided for the Early Childhood Education and Assistance Program (ECEAP). These funds will be used to serve 860 children currently on waiting lists for the ECEAP and the Headstart program.
16. PNWER - Funding is provided to the Pacific Northwest Economic Region (PNWER) to cover 1995-97 dues for the state of Washington and to support the CATALIST program.
17. PARK FEASIBILITY STUDY - Pass-through funding is provided to the city of Burien to study the feasibility of purchasing property within the city for park purposes.

Governor's Vetoes:

Asian-Pacific Economic Conference (APEC). The Governor vetoed a proviso in the Department of Community, Trade, and Economic Development that would have required DCTED to allocate \$180,000 from its existing budget to supplement private funding for APEC.

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

Economic & Revenue Forecast Council

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	820	0	820
1996 Supplemental Budget			
1. Economic Climate Council	60	0	60
2. Review OFM Accounting	103	0	103
Total Supplemental Items	163	0	163
<hr/>			
1995-97 REVISED APPROPRIATIONS	983	0	983
Fiscal Year 1996 Totals	422	0	422
Fiscal Year 1997 Totals	561	0	561

Comments:

1. ECONOMIC CLIMATE COUNCIL - Funding is provided to implement Chapter 152, Laws of 1996 (SHB 2758), which requires the Forecast Council to select economic benchmarks, compile a database of variables that measure the state's economic climate, and prepare reports on the benchmarks twice a year.
2. REVIEW OFM ACCOUNTING - Funding is provided for the council to work with the Office of Financial Management to improve methods for estimating cash balances by fund.

Office of Financial Management

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	18,620	23,238	41,858
1996 Supplemental Budget			
1. Performance Measurements	250	0	250
Total Supplemental Items	250	0	250
<hr/>			
1995-97 REVISED APPROPRIATIONS	18,870	23,238	42,108
Fiscal Year 1996 Totals	9,282	11,870	21,152
Fiscal Year 1997 Totals	9,588	11,368	20,956

Comments:

1. PERFORMANCE MEASUREMENTS - Funding is provided for the Office of Financial Management to provide technical assistance to state agencies in the development of performance measurements pursuant to Chapter 317, Laws of 1996 (ESSB 6680 -- Agency Performance Assessments).

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

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	390	0	390
1996 Supplemental Budget			
1. Unemployment Compensation Benefits	15	0	15
Total Supplemental Items	15	0	15
1995-97 REVISED APPROPRIATIONS	405	0	405
Fiscal Year 1996 Totals	206	0	206
Fiscal Year 1997 Totals	199	0	199

Comments:

1. UNEMPLOYMENT COMPENSATION BENEFITS - One-time funding is provided for payment of unemployment compensation benefits.

Washington State Commission on African-American Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	294	0	294
1996 Supplemental Budget			
1. Rent and Utility Increase	<u>7</u>	<u>0</u>	<u>7</u>
Total Supplemental Items	7	0	7
<hr/>			
1995-97 REVISED APPROPRIATIONS	301	0	301
Fiscal Year 1996 Totals	151	0	151
Fiscal Year 1997 Totals	150	0	150

Comments:

1. RENT AND UTILITY INCREASE - Funding is provided to cover the rent and utility increase for the Olympia office where the agency is co-located with the Commissions on Hispanic and Asian-American Affairs. Funds are provided to fully cover the cost of rent and utilities.

Department of Retirement Systems

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	0	31,827	31,827
1996 Supplemental Budget			
1. Audit Annual Financial Report	0	64	64
2. TRS 3 Transfer Consultants	0	650	650
Total Supplemental Items	0	714	714
1995-97 REVISED APPROPRIATIONS	0	32,541	32,541
Fiscal Year 1996 Totals	0	15,242	15,242
Fiscal Year 1997 Totals	0	17,299	17,299

Comments:

1. AUDIT ANNUAL FINANCIAL REPORT - Funding is provided for the audit of the agency's Comprehensive Annual Financial Report (CAFR). The State Auditor's Office has separated the cost of the Department of Retirement Systems CAFR audit from the agency compliance audit, which resulted in additional audit expenses. (Department of Retirement Systems Expense Fund)

2. TRS 3 TRANSFER CONSULTANTS - Funds are appropriated for the provision of detailed employee education information to Teachers Retirement System (TRS) Plan 2 members who are considering transferring to TRS Plan 3. This level of service would continue until the TRS Plan 3 transfer incentive period ends January 1, 1998. Before expending these funds, the department is to issue a request for proposal for employee education services. The department will also convene an advisory committee that includes the Office of Financial Management and representatives of teachers. The advisory committee will review the request for proposal, responses to the request, and any educational plan and materials that are developed. To ensure impartiality of the educational materials, no firm, business, or consultant awarded a contract to provide the education materials and services will be eligible to provide self-directed investment options pursuant to RCW 41.34.060. (Department of Retirement Systems Expense Fund)

State Investment Board

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	0	8,068	8,068
1996 Supplemental Budget			
1. Investment Accounting/TRS Adjust	0	412	412
Total Supplemental Items	0	412	412
<hr/>			
1995-97 REVISED APPROPRIATIONS	0	8,480	8,480
Fiscal Year 1996 Totals	0	4,099	4,099
Fiscal Year 1997 Totals	0	4,381	4,381

Comments:

1. INVESTMENT ACCOUNTING/TRS ADJUST - Funds are provided for an external system of records to support investment accounting and portfolio verification functions, as well as upgrading a staff position to perform necessary investment accounting and portfolio verification functions. Funding is provided to upgrade an existing accountant position for the TRS 3 implementation in FY 97. (State Investment Board Expense Account)

Department of Revenue

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	125,667	8,119	133,786
1996 Supplemental Budget			
1. Warehouse Tax Study (SHB 2708)	45	0	45
Total Supplemental Items	45	0	45
1995-97 REVISED APPROPRIATIONS	125,712	8,119	133,831
Fiscal Year 1996 Totals	62,528	4,060	66,588
Fiscal Year 1997 Totals	63,184	4,059	67,243

Comments:

1. WAREHOUSE TAX STUDY (SHB 2708) - Funding is provided to study how the current tax structure affects warehouse and distribution businesses in this state as directed by Chapter 299, Laws of 1996 (SHB 2708). The bill also specifies that the department cannot spend these funds unless \$45,000 is received from other private and public sources for this study.

Department of General Administration

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	567	93,640	94,207
1996 Supplemental Budget			
1. Emergency Food Assistance	2,500	0	2,500
2. Retrospective Rating	0	134	134
3. Transfer of Energy Functions	0	813	813
4. Garage Security	0	83	83
Total Supplemental Items	2,500	1,030	3,530
1995-97 REVISED APPROPRIATIONS	3,067	94,670	97,737
Fiscal Year 1996 Totals	1,117	46,875	47,992
Fiscal Year 1997 Totals	1,950	47,795	49,745

Comments:

1. EMERGENCY FOOD ASSISTANCE - Federal legislation has reduced the amount of money and food provided to Washington State for the operation of the Emergency Food Assistance Program. This program serves over 330 food banks and 127 soup kitchens across the state. Replacement funds are provided to continue the program at approximately the current level of service.
2. RETROSPECTIVE RATING - Provides expenditure authority to fund additional workplace safety materials and activities. (Industrial Insurance Premium Account)
3. TRANSFER OF ENERGY FUNCTIONS - With the elimination of the Energy Office, the Department of General Administration will assume the responsibility of assuring energy efficient operations in new and existing public facilities. Public facilities subject to energy efficiency efforts are school districts, state agencies, public colleges and universities, and local governments. (General Fund-Federal, Energy Account Non-appropriated, Energy Efficiency Services Account)
4. GARAGE SECURITY - Funding is provided for staffing costs associated with garage security. (Facilities and Services Revolving Account)

Department of Information Services

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	0	180,414	180,414
1996 Supplemental Budget			
1. K-20 Technology Project	27,000	27,300	54,300
2. Governor Veto	0	-12,000	-12,000
Total Supplemental Items	27,000	15,300	42,300
1995-97 REVISED APPROPRIATIONS	27,000	195,714	222,714
Fiscal Year 1996 Totals	27,000	96,200	123,200
Fiscal Year 1997 Totals	0	99,514	99,514

Comments:

1. K-20 TECHNOLOGY PROJECT - Funding is provided for the development of a statewide K-20 education telecommunications network. In accordance with Chapter 137, Laws of 1996 (E2SSB 6705), the department will provide oversight and approval for the acquisition and development of the network. (General Fund-State, Data Processing Revolving Fund-State, State Building Account-State, K-20 Technology Account-State)
2. GOVERNOR VETO - K-20 Technology Improvements -- The Governor vetoed a \$12 million appropriation from the Data Processing Revolving Fund as part of the \$54.3 million total appropriation for the K-20 technology plan Chapter 137, Laws of 1996 (E2SSB 6705).

Washington State Liquor Control Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	0	113,461	113,461
1996 Supplemental Budget			
1. Credit Card Pilot	<u>0</u>	<u>143</u>	<u>143</u>
Total Supplemental Items	0	143	143
1995-97 REVISED APPROPRIATIONS	0	113,604	113,604
Fiscal Year 1996 Totals	0	56,569	56,569
Fiscal Year 1997 Totals	0	57,035	57,035

Comments:

1. CREDIT CARD PILOT - Funding is provided for the Liquor Control Board to conduct a pilot project testing the effect of credit card use in state liquor stores as specified in Chapter 291, Laws of 1996 (HB 2341). The pilot is limited to twenty stores and eighteen months in duration. (Liquor Revolving Account)

Washington State Gambling Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	0	16,727	16,727
1996 Supplemental Budget			
1. Regulate Tribal Casinos	0	2,187	2,187
2. Emergency Funding	1,000	0	1,000
Total Supplemental Items	1,000	2,187	3,187
1995-97 REVISED APPROPRIATIONS	1,000	18,914	19,914
Fiscal Year 1996 Totals	0	9,554	9,554
Fiscal Year 1997 Totals	1,000	9,360	10,360

Comments:

1. **REGULATE TRIBAL CASINOS** - The expansion of tribal gaming has increased the regulatory workload of the Gambling Commission. The increased workload is attributable to three factors: expanded hours of operation from 240 hours each month to 560 hours; an increase in the number of gaming tables; and the addition of three new tribal casinos. Revenue to fund this increase comes from the tribes through fees for licensing services and direct billing for field monitoring. (Gambling Revolving Account, Non-appropriated)
2. **EMERGENCY FUNDING** - Funding is provided to cover an unexpected revenue shortfall. This is a one-time expenditure that will allow the agency to maintain sufficient regulatory and law enforcement activities.

Military Department

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	14,951	47,105	62,056
1996 Supplemental Budget			
1. Matching Funds-Winter Storm Damage	0	22,161	22,161
2. Transfer from CTED	240	2,748	2,988
3. Enhanced 911 Grants	0	8,240	8,240
4. Disaster Recovery	0	4,573	4,573
5. Matching Funds - 1996 Flood Damage	0	94,621	94,621
Total Supplemental Items	240	132,343	132,583
1995-97 REVISED APPROPRIATIONS	15,191	179,448	194,639
Fiscal Year 1996 Totals	7,594	78,838	86,432
Fiscal Year 1997 Totals	7,597	100,610	108,207

Comments:

1. MATCHING FUNDS-WINTER STORM DAMAGE - Funding is provided to the Emergency Services Division's Individual Assistance, Hazard Mitigation, and Public Assistance Programs associated with the 1995 flooding and winter storms of November and December. The Flood Control Assistance Account funds are matching funds required to receive federal funds from the Federal Emergency Management Administration under a Presidential disaster declaration. (Flood Control Assistance Account-State: \$18,543,000, General Fund-Federal: \$3,618,000)
2. TRANSFER FROM CTED - As part of a technical correction, funds are moved from the Department of Community, Trade, and Economic Development (CTED) to complete the transfer of the Emergency Management Division to the Military Department. (General Fund-State, General Fund-Federal)
3. ENHANCED 911 GRANTS - The agency will provide grants to counties that are ready to begin implementation of Enhanced 911 telephone systems. (Enhanced 911 Account)
4. DISASTER RECOVERY - Funding is provided to the Emergency Services Division's Hazard Mitigation and Public Assistance Program and will be used to reimburse local governments for disaster recovery projects. Most of these disasters occurred in previous biennia, but because of delays in receiving federal approval for some projects and weather delays on other projects, federal and state fund payments could not be authorized previously. (Flood Control Assistance Account-State, General Fund-Federal)
5. MATCHING FUNDS - 1996 FLOOD DAMAGE - Funding is provided to the Emergency Services Division's Individual Assistance, Hazard Mitigation, and Public Assistance Programs associated with the flood damage of February 1996. The Flood Control Assistance Account funds are matching funds required to receive federal funds from the Federal Emergency Management Administration under a Presidential disaster declaration. Given the extraordinary level of damage incurred in some jurisdictions as a result of the February 1996 floods, funding is provided for the 12.5 percent local matching requirement for those locales where the cost of the flood damage is far beyond what the community's budget can support. (Flood Control Assistance Account-State: \$18,485,000, General Fund-Federal: \$76,136,000)

Office of Insurance Commissioner

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	0	20,230	20,230
1996 Supplemental Budget			
1. HB 2490 - Reinsured Ceded Risks	<u>0</u>	<u>10</u>	<u>10</u>
Total Supplemental Items	0	10	10
1995-97 REVISED APPROPRIATIONS	0	20,240	20,240
Fiscal Year 1996 Totals		10,231	10,231
Fiscal Year 1997 Totals	0	10,009	10,009

Comments:

1. HB 2490 - REINSURED CEDED RISKS - The Insurance Commissioner received an appropriation of \$10,000 from the Insurance Commissioners Regulatory Account in Chapter 297, Laws of 1996 (HB 2490).

Human Services

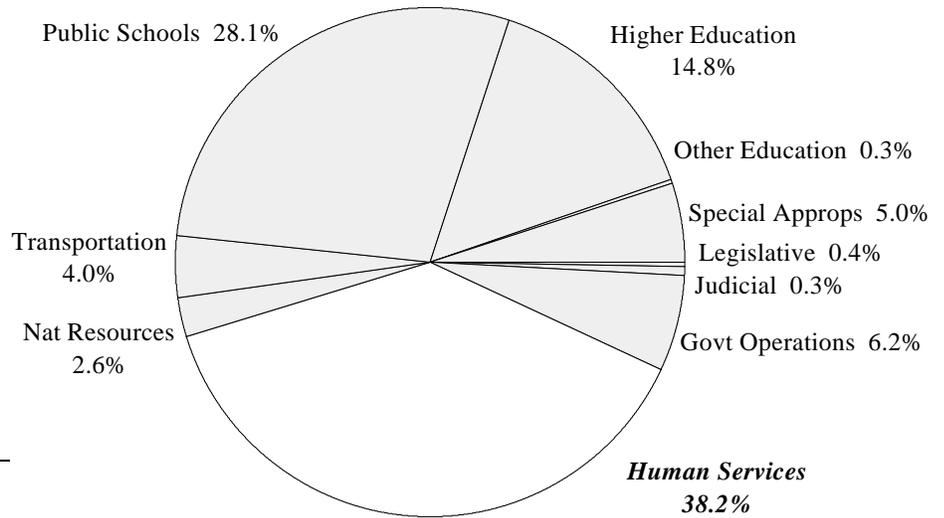
The Human Services area is separated into two sections: The Department of Social and Health Services and Other Human Services. The Department of Social and Health Services budget is displayed by program division in order to better describe the costs of particular services provided by the Department.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

1995-97 Washington State Operating Budget

Total Budgeted Funds

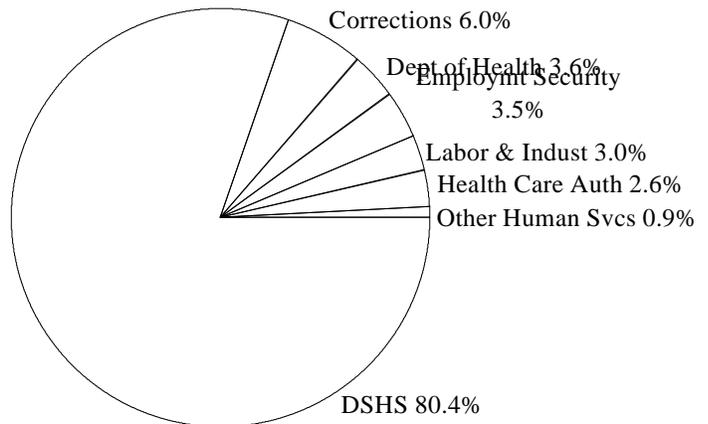
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
Human Services	12,284,095
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

DSHS	9,872,624
Dept of Corrections	741,465
Dept of Health	442,397
Employment Security	427,228
Labor & Industries	365,878
Health Care Authority	325,085
Other Human Services	109,418
Human Services	12,284,095



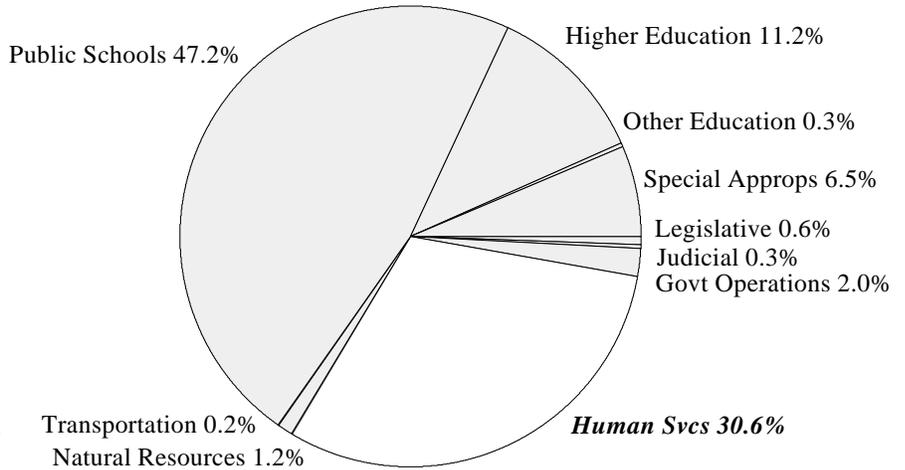
Human Services

1995-97 Washington State Operating Budget

General Fund - State

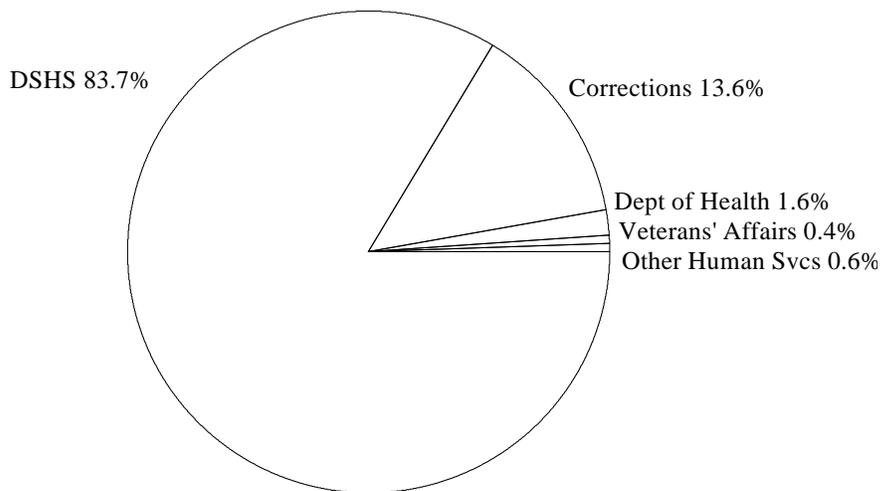
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
Human Services	5,394,546
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

DSHS	4,516,197
Dept of Corrections	735,433
Dept of Health	88,967
Dept of Veterans' Affairs	19,996
Other Human Services	33,953
Human Services	5,394,546



Human Services

Department of Social & Health Services

Children and Family Services

A total of \$5.6 million from the state general fund is provided for enhancements to Child Protective Services, including: 109 additional social workers and associated supervisors and clerical staff to reduce each worker's caseload from 36 families to 32 families; training for new and existing staff on issues including substance abuse, community protection teams, and advanced social worker concepts; and increased caseloads for foster and group homes and child care providers. The Continuum of Care and Street Youth programs are funded for FY 97 at \$2.2 million. To implement Chapter 311, Laws of 1995 (ESSB 5885), additional family preservation services are funded at \$2 million. State match for enhancements to the Case Management Information System (CAMIS) for Child Protective Services is funded at \$1.7 million.

An amount of \$1.1 million from the state general fund is provided to the Office of the Governor for a management improvement project for the Division of Children and Family Services. In addition, the Child, Youth, and Family Ombudsman created by Chapter 131, Laws of 1996 (2SHB 2856) in the Governor's Office is funded at \$418,000. The Governor vetoed portions of the legislative directions regarding use of this funding. (For details, see veto comments on Page 55.)

Funding for at-risk youth programs (\$3.3 million from the state general fund) will provide for assessment services in Crisis Residential Centers, school district truancy board operations, therapeutic child care, family reconciliation services, and placement of runaway youth in staff secure facilities as authorized by Chapter 133, Laws of 1996 (E2SHB 2217 -- 'Becca Too'). In addition, \$2.3 million is provided to local juvenile court administrators and prosecutors for processing at-risk youth, child in need of services, and truancy petitions.

Almost \$10 million in state and federal funding is provided for additional employment child care subsidies, enough to eliminate half of the waiting list for this program.

Juvenile Rehabilitation

A total of \$8.7 million, \$6.8 million from the state general fund and \$1.9 million from federal funds, is provided to the Juvenile Rehabilitation Administration (JRA) Division to serve an increased population. JRA is expected to serve an average daily population of 110.5 beds over the original 1995-97 estimates. In addition to the impact on the institutional programs, the parole program forecast is increased by an average daily population of 172.

A total of \$2.3 million from the state general fund is provided to enhance institutional security and resident health. Enhancements include: additional security staff at all institutions; additional offender supervision staff at Indian Ridge; consistent psychiatric services through a contract with the University of Washington; reinforcement of cottages at Maple Lane; the acquisition of both video and audio surveillance equipment; and institutional and state group home staff training in dealing with resistive youth.

The amount of \$2.35 million from the state general fund is provided for an early intervention program to be administered by counties. Funding will be provided to selected local jurisdictions to implement a proven model for early intervention in the lives of first time or minor offenders.

Mental Health

The forecasted level for voluntary psychiatric hospital care was reduced. This budget provides a total of \$110 million for voluntary psychiatric hospital care this biennium. An additional \$2.5 million is provided for the Regional Support Networks to develop and deliver alternatives to unnecessary psychiatric hospitalizations.

The sum of \$950,000 is provided to continue the Primary Intervention Projects in the 32 school districts in which they currently operate.

Developmental Disabilities

The appropriation is increased by \$12.3 million (\$6.1 million from general fund state, \$6.2 million from federal funds) for both increased enrollments and higher costs per person in the Medicaid personal care program. In addition, \$1.9 million is provided from the state general fund to offset federal earnings which are not being realized.

Long-Term Care

A number of technical adjustments related to forecast revisions are made in the Long-Term Care Services budget. Nursing home caseloads and nursing home rates are less than anticipated in the original appropriation, resulting in savings totaling \$62.9 million (\$31.2 million general fund state) for the remainder of the biennium. Additional funding of \$26.0 million (\$15.0 million from general fund state, \$11.0 million from federal funds) is provided for increased community care and adult day health caseloads. The Governor vetoed a \$9.9 million reduction in the FY 96 General Fund - State appropriation to the Aging and Adult Services Program in DSHS. This veto will make the funds available for transfer to the Juvenile Rehabilitation and Mental Health Programs for use in capital construction projects (in the absence of a supplemental capital budget). The funds will be used for the reconstruction of Green Hill School and a sewer replacement project at Maple Lane.

Economic Services

A savings of \$45.8 million in the state general fund and \$43.6 million in federal funds is forecasted from the original budget for workload and grant programs. The most significant decreases were in the Aid to Families with Dependent Children and Emergency Assistance programs. State general funding is restored (\$5.2 million) to the General Assistance for Pregnant Women (GA-S) program because proposed changes to eligibility were not enacted.

Alcohol and Substance Abuse

The amount of \$1.4 million from the state general fund and \$0.4 million from federal funds is provided for services to at-risk youth. Included are detoxification and stabilization services, Level II inpatient treatment, and recovery house treatment for substance abusing youth. Also, \$1.9 million from the state general fund and \$0.8 million from federal funds is provided for assessment, treatment, and child care for clients of Child Protective Services with substance abuse problems.

Medical Assistance

The number of persons eligible for state medical assistance is projected to be approximately 7 percent lower than originally budgeted in FY 96 and 5 percent lower than originally budgeted in FY 97. This lower enrollment growth is projected to save \$50.0 million in the state general fund and \$59.7 million in federal funds from the original 1995-97 budget. In addition, lower hospital and drug cost inflation and technical adjustments to the federal matching rate are expected to save \$56.7 million in the state general fund from the amounts originally appropriated. These savings, however, are offset by increased costs per eligible person, necessitating additional funding of \$132.1 million (\$61.7 million from general fund state, \$70.4 million from federal funds) beyond the initial appropriation. An enhancement of \$4.6 million is provided from the state general fund to reimburse designated trauma centers at a higher Medicaid rate for severe trauma services.

Child Support

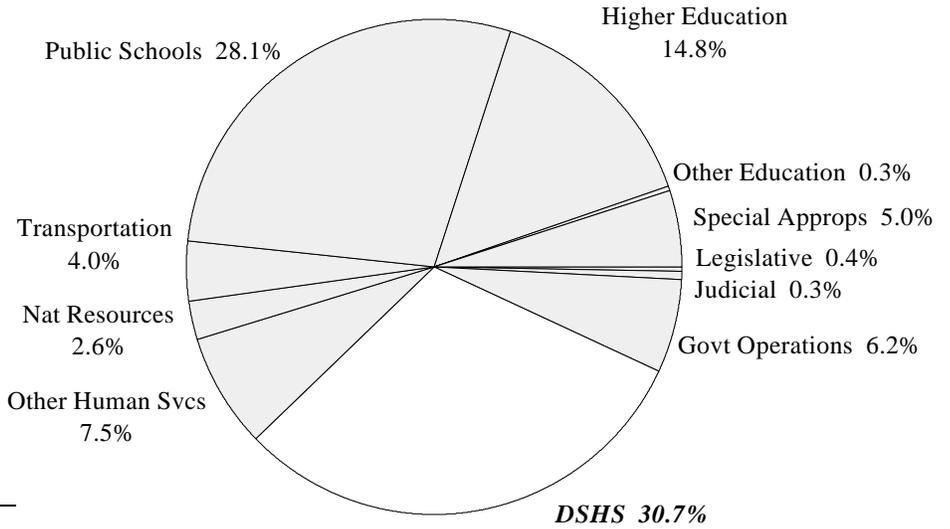
The Child Support Division has shifted much of its legal workload from the Attorney General's Office to county prosecutors in the last few years. Funding for a workload increase at the county level is provided at \$2.2 million (\$0.8 million from general fund state, \$1.2 million from federal funds). Due to lower than expected child support collections, less federal incentive pay will be received by the Division. Approximately \$1 million from the state general fund is used to replace these lost federal funds. The Support Enforcement Management System will be upgraded using about \$2.2 million in federal funds.

1995-97 Washington State Operating Budget

Total Budgeted Funds

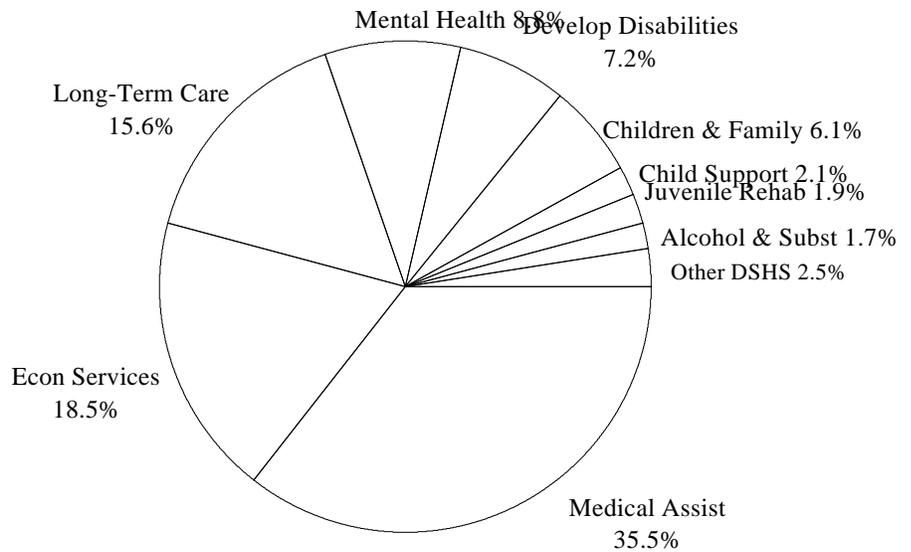
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
DSHS	9,872,624
Other Human Services	2,411,471
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

Medical Assistance	3,508,623
Economic Services	1,828,963
Long-Term Care Svcs	1,544,737
Mental Health	871,688
Develop Disabilities	712,278
Children & Family Svcs	598,411
Child Support Svcs	209,348
Juvenile Rehabilitation	184,552
Alcohol & Substance	170,652
Other DSHS	243,372
DSHS	9,872,624



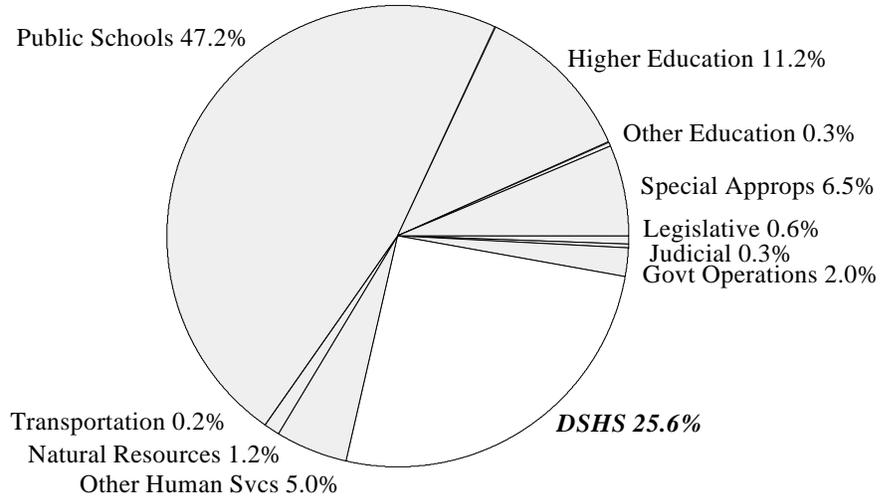
DSHS

1995-97 Washington State Operating Budget

General Fund - State

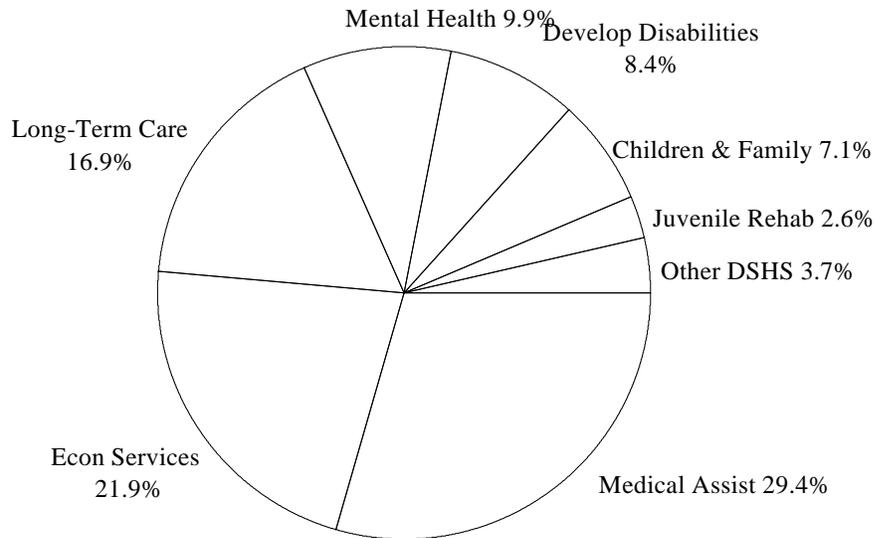
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
DSHS	4,516,197
Other Human Services	878,349
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

Medical Assistance	1,327,503
Economic Services	990,799
Long-Term Care Svcs	764,349
Mental Health	448,668
Develop Disabilities	378,548
Children & Family Svcs	319,913
Juvenile Rehabilitation	119,155
Other DSHS	167,262
DSHS	4,516,197



D S H S

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	296,370	269,962	566,332
1996 Supplemental Budget			
1. Add'l Federal/Technical Corrections	-1,319	-658	-1,977
2. Federal Medical Assistance Percent	-208	208	0
3. Children's Svcs Forecast Revision	6,578	1,501	8,079
4. Reduction in Social Worker Workload	4,320	1,940	6,260
5. Training Enhancements	153	69	222
6. Quality Assurance & Monitoring	1,088	489	1,577
7. Cont. of Care/Street Youth	2,212	0	2,212
8. At-Risk Youth Implementation	5,613	0	5,613
9. Family Preservation Implementation	2,000	0	2,000
10. Employment Child Care	4,987	4,987	9,974
11. Children's Ombudsman	-343	0	-343
12. Victims of Sexual Assault Transfer	-1,865	0	-1,865
13. Public Health and Safety Networks	327	0	327
Total Supplemental Items	23,543	8,536	32,079
1995-97 REVISED APPROPRIATIONS	319,913	278,498	598,411
Fiscal Year 1996 Totals	146,537	140,075	286,612
Fiscal Year 1997 Totals	173,376	138,423	311,799

Comments:

1. ADD'L FEDERAL/TECHNICAL CORRECTIONS - This item has four components:
 (1) Case Management Information System (CAMIS) - The estimated savings from the CAMIS Rehosting Project was counted twice during the 1995 legislative process resulting in a budget shortfall of \$1,660,000 General Fund-State for the project. Funding is provided to correct the error.
 2) Salary and Benefit funding - An error was made in the division's 1995-97 Current Authorized Level (CAL) budget submittal resulting in a shortfall of \$562,000 General Fund-State. Funding is provided to correct the error.
 3) FTE Authority - A 15.8 FTE staff reduction was inadvertently counted twice in the 1995-97 Governor's budget. Additionally, two FTE staff are needed to continue the child care vendor survey work. The federal dollars which fund the additional FTEs (\$168,000) are transferred from the Economic Services Division.
 4) Federal Earnings - The 1995-97 budget assumed federal earnings at 29 percent but current estimates are at 31 percent, resulting in an increase in federal earnings of \$3.44 million. (General Fund-State, General Fund-Federal)
2. FEDERAL MEDICAL ASSISTANCE PERCENT - The federal matching rate for grant programs is estimated to increase to 50.52 percent effective October 1, 1996. The 1995-97 budget assumed a matching rate of 50.19 percent. (General Fund-State, General Fund-Federal).
3. CHILDREN'S SVCS FORECAST REVISION - This item reflects the costs of the increased November 1995 forecast for foster care and adoption support programs. (General Fund-State, General Fund-Federal)
4. REDUCTION IN SOCIAL WORKER WORKLOAD - Funding is provided for additional social workers and related support personnel. Additional front line social workers with related staff will reduce the ratio of cases per worker by four (109 social workers, 11 supervisors and 18 clerical workers). If it is determined that alternative services or staff will better serve Division of Children and Family Services clients, the department is authorized to spend these funds in the most efficient manner possible to reduce caseworker workload and to improve services to children, including increased training, increased contracted services, or hiring home support or clerical workers instead of social workers. (General Fund-State, General Fund-Federal)
5. TRAINING ENHANCEMENTS - Funding is provided for additional training of social workers and supervisors on issues including substance abuse, community protection teams, and advanced social work concepts. (General Fund-State, General Fund-Federal)
6. QUALITY ASSURANCE & MONITORING - Funding is provided for increases in foster care/group home licensors and child care licensors, as follows: (1) additional family foster home licensors, regional group care licensors, and support staff totaling fifteen staff added throughout FY 97; and (2) additional child care home licensors, child care center licensors, and support staff totaling 20 staff added throughout FY 97. (General Fund-State, General Fund-Federal)
7. CONT. OF CARE/STREET YOUTH - Funding is provided for the Continuum of Care and Street Youth projects to be implemented in

Department of Social & Health Services

Children & Family Services

local communities for one additional year. It is anticipated that the Community Health and Safety Networks will accommodate projects of this type in their service offerings when plans are complete, by the end of FY 97. (General Fund-State, General Fund-Federal)

8. AT-RISK YOUTH IMPLEMENTATION - Funding is provided for the implementation of Chapter 312, Laws of 1995 (E2SSB 5439 -- Non-Offender At-Risk Youth) in the following categories: assessment of at-risk youth (\$240,000), local court costs incurred in filing at-risk youth and truancy petitions (\$2.3 million), costs incurred by the truancy boards in local school districts (\$1.0 million), placement of at-risk youth in staff secure facilities as authorized by Chapter 133, Laws of 1996 (E2SHB 2217) (\$1.0 million), therapeutic child care (\$0.5 million), and family reconciliation services (\$0.6 million).
9. FAMILY PRESERVATION IMPLEMENTATION - Funding is provided for the implementation of Chapter 311, Laws of 1995 (ESSB 5885), passed by the Legislature in 1995, to expand intensive family preservation services (\$1.0 million) and create a new category of services called "family preservation services" (\$1.0 million).
10. EMPLOYMENT CHILD CARE - Funding is provided for additional employment child care slots in FY 97. The department is directed to use unspent General Fund-State authority to replace federal social service block grant funds during FY 96, freeing funds in FY 97 to fund employment child care. (General Fund-State, General Fund-Federal)
11. CHILDREN'S OMBUDSMAN - Staff and funding of the Office of Constituent Relations are transferred from the Division of Children and Family Services to the Governor's Office for the Office of the Children's Ombudsman to implement Chapter 131, Laws of 1996 (2SHB 2856).
12. VICTIMS OF SEXUAL ASSAULT TRANSFER - Funding for programs for victims of sexual assault is transferred to the Department of Community, Trade and Economic Development as required by Chapter 123, Laws of 1996 (SHB 2579).
13. PUBLIC HEALTH AND SAFETY NETWORKS - Funding is provided for the cost of operation of the Community Public Health and Safety Networks from the approval of each network's plan through the end of FY 97. Networks may not receive funds until their plan is approved. This funding is intended as one-time and shall end on June 30, 1997.

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

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>Estimate</u>	
									<u>FY96</u>	<u>FY97</u>
Foster Care *										
Avg # Children Served Monthly	5,591	5,873	6,143	6,441	6,734	6,723	6,665	6,762	6,992	6,970
% Change from prior year		5.0%	4.6%	4.9%	4.5%	-0.2%	-0.9%	1.5%	3.4%	-0.3%
Child Care **										
Avg # Children Served Monthly	8,789	9,560	9,955	12,603	14,368	14,548	13,763	14,115	14,698	17,802
% Change from prior year		8.8%	4.1%	26.6%	14.0%	1.3%	-5.4%	2.6%	4.1%	21.1%
Child Protective Services										
Avg Cases Referred Monthly	1,779	3,331	3,644	4,301	5,819	5,699	5,750	6,108	6,475	6,841
% Change from prior year		87.2%	9.4%	18.0%	35.3%	-2.1%	0.9%	6.2%	6.0%	5.7%
Adoption Support										
Avg # Served Monthly	1,105	1,162	1,351	1,598	1,901	2,361	2,843	3,186	3,653	4,089
% Change from prior year		5.2%	16.3%	18.3%	19.0%	24.2%	20.4%	12.1%	14.7%	11.9%

* Includes Family Foster Care and Group Foster Care.

** Includes the following services: Protective/Welfare, Therapeutic, Employment & Teen Parent, Seasonal, and Foster Parent Employm

Data Source:

DSHS Budget Division.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	107,581	63,209	170,790
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-24	24	0
2. Juvenile Offender November Forecast	6,825	1,904	8,729
3. Health and Safety	1,409	0	1,409
4. Comprehensive Substance Abuse Serv	0	260	260
5. County Detention Capacity-Rate Inc	127	0	127
6. Early Intervention	2,350	0	2,350
7. Health and Safety One-Time Funding	887	0	887
Total Supplemental Items	11,574	2,188	13,762
1995-97 REVISED APPROPRIATIONS	119,155	65,397	184,552
Fiscal Year 1996 Totals	55,580	32,050	87,630
Fiscal Year 1997 Totals	63,575	33,347	96,922

Comments:

- FEDERAL MEDICAL ASSISTANCE PERCENT - Funding is provided for a change in the funded federal matching rate for certain community programs from 50.19 percent to 50.52 percent effective October 1, 1996. (General Fund-State, General Fund-Federal)
- JUVENILE OFFENDER NOVEMBER FORECAST - Funding is provided for the cost of an additional 110.5 beds in JRA institutions, an increase of 11.5 percent over the original 1995-97 estimates. Consistent with the original 1995-97 budget, institutional costs are assumed to be eligible for federal Title IV-A money at a rate of approximately 28 percent of total costs. Consistent with assumptions contained in the original 1995-97 budget, biennial average annual institutional bed costs were assumed to be \$47,429 per bed. In addition to the impact on the institutional programs, the parole program forecast is increased by an average daily population of 172. (General Fund-State, General Fund-Federal)
- HEALTH AND SAFETY - Funding is provided for ongoing enhancements to institutional security and resident health. Ongoing funding is provided in this step and one-time funding is provided in item 7 below. Enhancements include additional security staff at all institutions and additional offender supervision staff at Indian Ridge. Consistent psychiatric services will be provided through a contract with the University of Washington.
- COMPREHENSIVE SUBSTANCE ABUSE SERV - Funding is provided for additional substance abuse treatment at Mission Creek and Indian Ridge camps. Day programs will be staffed at both institutions to provide treatment for 65 youth. (Violence Reduction and Drug Education Account - State)
- COUNTY DETENTION CAPACITY-RATE INC - Funding is provided for an increase in the daily rate paid to county detention facilities providing short term 24 hour secure custody for offenders from \$62.40 to \$80.00. The increase is provided to accommodate increases in the cost of county juvenile detention facilities.
- EARLY INTERVENTION - Funding is provided for an early intervention program to be administered by counties. Funding will be provided to selected local jurisdictions to implement a proven model for early intervention in the lives of first time or minor offenders. Funds shall be awarded on a competitive basis to counties which have submitted a plan for implementation of an early intervention program consistent with proven methodologies currently in place in the state. The department will develop criteria for evaluation of plans submitted and a timeline for awarding funding. The department will also assist counties in creating and submitting plans for evaluation.
- HEALTH AND SAFETY ONE-TIME FUNDING - Funding is provided for one-time enhancements to institutional security and staff training. Enhancements include the reinforcement of cottages at Maple Lane, the acquisition of both video and audio surveillance equipment, and institutional and state group home staff training in dealing with resistive youth.

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

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
									Estimate	
Community Residential *										
Avg Daily Population/Month	202	192	199	217	253	314	353	346	431	431
% Change from prior year		-5.0%	3.6%	8.7%	16.6%	24.3%	12.4%	-2.0%	24.6%	0.0%
Institutions										
Avg Daily Population/Month	540	543	588	648	683	720	753	915	1,037	1,109
% Change from prior year		0.5%	8.4%	10.1%	5.4%	5.3%	4.6%	21.5%	13.4%	6.9%

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

Data Sources:

FY88 through FY95 from DSHS Budget Division.

Community Residential for FY96 and FY97 from DSHS Budget Division.

Institutions for FY96 and FY97 from DSHS Juvenile Rehabilitation Administrator.

**Department of Social & Health Services
Mental Health**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	456,545	433,419	889,964
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-808	808	0
2. Replace Local Funds	5,000	-5,000	0
3. Hospital Settlements	4,443	-4,443	0
4. Disproportionate Share Increase	-7,803	8,003	200
5. Special Commitment Center-LRA	247	0	247
6. Forecast Update	-9,906	-9,767	-19,673
7. Restore PIP Funding	950	0	950
Total Supplemental Items	-7,877	-10,399	-18,276
1995-97 REVISED APPROPRIATIONS	448,668	423,020	871,688
Fiscal Year 1996 Totals	219,381	209,847	429,228
Fiscal Year 1997 Totals	229,287	213,173	442,460

Comments:

- FEDERAL MEDICAL ASSISTANCE PERCENT - Funding is adjusted because the Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is expected to increase to 50.52 percent from the current 50.19 percent effective October 1, 1996. (Other Funds: General Fund - Federal; Health Services Account - State)
- REPLACE LOCAL FUNDS - Funding is adjusted to reflect the most recent estimate of funding available from Disproportionate Share Hospital Payments (DSH). The budget for the 1995-1997 biennium assumed a level of General Fund-Local funding from DSH which cannot be earned. This item assumes that \$5 million of the General Fund-Local appropriation will not be earned and replaces it with General Fund-State funding. (Other Funds: General Fund - Local)
- HOSPITAL SETTLEMENTS - Funding is adjusted to reflect the most recent estimate of operating revenues available from federal sources. One-time settlement payments from the federal Medicare and Medicaid programs collected during the 1993-95 biennium were carried forward into the 1995-97 biennial budget. This level of federal funding cannot be earned, and state funding is required to offset the federal shortfall. (Other Funds: General Fund-Federal; General Fund-Private/Local)
- DISPROPORTIONATE SHARE INCREASE - Funding is adjusted to reflect the most recent estimate of funding available from DSH. The federal fund component of DSH is greater for FY 96 than originally anticipated. This increases federal earnings by nearly \$8 million. Of this amount, \$7.8 million is used to supplant state funding thus reducing General Fund-State expenditures by \$7.8 million. The remaining \$0.2 million in federal earnings will be used to address unanticipated costs at Eastern State Hospital and the Child Study Treatment Center. (General Fund-State; General Fund-Federal)
- SPECIAL COMMITMENT CENTER-LRA - Funding is provided to cover the cost of a "less restrictive alternative" (LRA) community placement for one sexually violent predator, as ordered by a Superior Court in accordance with Chapter 216, Laws of 1995. This provides funding for the care and custody of that individual for 18 months.
- FORECAST UPDATE - The forecast used to establish the original 1995-97 budget for voluntary inpatient psychiatric care was too high, in at least two regards. First, based upon the November 1995 medical assistance forecast, approximately 6 percent fewer children and adults are expected to qualify for care than originally budgeted. Second, more complete expenditure data for the 1993-95 biennium indicates that the original forecast significantly over-estimated hospitalization costs per eligible person. The 1996 budget anticipates that voluntary psychiatric hospital care will cost a maximum of \$110 million in 1995-97. The budget also provides \$2.5 million for Regional Support Networks to develop and deliver alternatives to unnecessary psychiatric hospitalizations. (Other Funds: Health Services Account-State; General Fund-Federal)
- RESTORE PIP FUNDING - Funding is provided to continue the Primary Intervention Projects (PIP) in the 32 school districts in which they currently operate. Community Public Health and Safety Networks have not completed their planning processes in time to determine whether to fund these projects from their block grants, as was assumed in the original 1995-97 appropriation.

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

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	Estimate	
									<u>FY96</u>	<u>FY97</u>
Institutions *										
Avg Daily Population/Month	1,634	1,663	1,721	1,731	1,709	1,622	1,428	1,335	1,354	1,354
% Change from prior year		1.8%	3.5%	0.6%	-1.3%	-5.1%	-12.0%	-6.5%	1.4%	0.0%

* Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY95, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

Data Sources:

FY88 through FY95 from LEAP workload data base.

FY96 and FY97 estimates from Legislative Fiscal Committees.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	370,377	327,686	698,063
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-738	738	0
2. Medicaid Personal Care	6,078	6,250	12,328
3. Nurse Delegation	79	79	158
4. State/Federal Adjustment	1,884	-1,884	0
5. Unemployment Compensation	104	106	210
6. RHC IMR Tax Base Increase	739	755	1,494
7. Deaf-Blind Service Center	25	0	25
Total Supplemental Items	8,171	6,044	14,215
1995-97 REVISED APPROPRIATIONS	378,548	333,730	712,278
Fiscal Year 1996 Totals	186,757	162,269	349,026
Fiscal Year 1997 Totals	191,791	171,461	363,252

Comments:

- FEDERAL MEDICAL ASSISTANCE PERCENT - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is expected to increase to 50.52 percent from the current 50.19 percent effective October 1, 1996. (Other Funds: General Fund-Federal; Health Services Account-State).
- MEDICAID PERSONAL CARE - The number of persons with developmental disabilities receiving Medicaid personal care, and the cost per person served, are growing much faster than budgeted in the original biennial appropriation. Children's personal care enrollment is growing by an average of 20 percent per year, rather than by an average of 6 percent per year as budgeted. Costs per child served are growing by an average of 6 percent per year, rather than by an average of 2 percent per year as budgeted. Adult personal care enrollment is growing by an average of 15 percent per year, rather than by an average of 3.5 percent per year as budgeted. Costs per adult served are growing by an average of 18 percent per year, rather than by an average of 2 percent per year as budgeted. (Other funds: General Fund-Federal)
- NURSE DELEGATION - Funds for nurse delegation training and oversight for persons with developmental disabilities are transferred from the Long-Term Care program to the Division of Developmental Disabilities. (Other Funds: General Fund-Federal)
- STATE/FEDERAL ADJUSTMENT - State funding is provided to replace federal funds which are not being collected at the budgeted level. Agency allotments assumed that 43 percent of Field Services expenditures would be covered by federal matching funds. Actual earnings to date indicate that 34 percent is a more realistic estimate. (Other Funds: General Fund-Federal)
- UNEMPLOYMENT COMPENSATION - Unemployment compensation costs have increased as a result of staffing reductions last biennium. The increased costs are funded for the first year of the biennium only since they are not expected to continue for the entire biennium. (Other Funds: General Fund-Federal.)
- RHC IMR TAX BASE INCREASE - A 1995 federal audit of the special excise tax on intermediate care facilities for the mentally retarded (IMRs) determined that departmental indirect costs need to be included in the IMR tax base at the state residential habilitation centers (RHCs). Reimbursing the cost of this tax requires additional state and federal expenditures but will result in a net gain in state revenues. (Other Funds: General Fund-Federal.)
- DEAF-BLIND SERVICE CENTER - Funding is provided for an inflationary increase for the Deaf-Blind Service Center, which has not received such an increase since the project was first funded in 1985.

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

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
									Estimate	
Institutions										
Monthly Bed Population	1,798	1,795	1,758	1,616	1,534	1,477	1,412	1,322	1,307	1,307
% Change from prior year		-0.2%	-2.1%	-8.1%	-5.1%	-3.7%	-4.4%	-6.4%	-1.1%	0.0%
Community Residential Programs *										
Month End Contracted Beds	2,797	2,769	2,849	3,113	3,188	3,282	3,340	3,407	3,447	3,522
% Change from prior year		-1.0%	2.9%	9.3%	2.4%	3.0%	1.8%	2.0%	1.2%	2.2%
Employment and Day Programs										
# in County Programs	5,405	5,751	6,064	6,528	6,133	6,531	6,789	7,049	7,346	7,803
% Change from prior year		6.4%	5.4%	7.7%	-6.1%	6.5%	4.0%	3.8%	4.2%	6.2%
Family Support **										
# Clients Served	883	933	1,054	1,347	1,486	1,674	2,071	2,207	2,511	3,493
% Change from prior year		5.7%	13.0%	27.8%	10.3%	12.6%	23.7%	6.6%	13.8%	39.1%
Adult Personal Care ***										
# Clients Served			1,634	1,908	2,154	2,443	2,844	3,244	3,757	4,129
% Change from prior year				16.8%	12.9%	13.4%	16.4%	14.1%	15.8%	9.9%

* Includes Alternate Living (clients served), Group Homes, intermediate care facilities for the mentally retarded (IMRs), Tenant Support (clients served), and State Operated Living Alternative (SOLA) for FY91 through FY97.

** Family Support includes Children's Personal Care for FY90 through FY97.

*** Adult Personal Care includes Medicaid Personal Care, Chore Services, and Copes. Prior to FY90, developmental disabilities clients enrolled in these programs are counted in the Long Term Care program totals.

Data Sources:

FY88 through FY95 from LEAP workload data base, except Adult Personal Care from Division of Developmental Disabilities.

FY96 through FY97 estimates from Legislative Fiscal Committees.

**Department of Social & Health Services
Long-Term Care Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	772,463	803,135	1,575,598
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-1,740	1,740	0
2. Nurse Delegation	-79	-79	-158
3. Lower Nursing Home Caseloads	-7,492	-7,650	-15,142
4. Lower Nursing Home Rates	-23,670	-24,044	-47,714
5. Delayed Chore Transfer	1,554	-3,294	-1,740
6. Additional Adult Day Health Cases	1,629	1,805	3,434
7. Higher Community Caseloads	11,767	12,526	24,293
8. Home Care Workers BHP	0	-3,751	-3,751
9. Governor Veto	9,917	0	9,917
Total Supplemental Items	-8,114	-22,747	-30,861
1995-97 REVISED APPROPRIATIONS	764,349	780,388	1,544,737
Fiscal Year 1996 Totals	378,972	377,166	756,138
Fiscal Year 1997 Totals	385,377	403,222	788,599

Comments:

- | | |
|--|---|
| <p>1. FEDERAL MEDICAL ASSISTANCE PERCENT - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is expected to increase to 50.52 percent from the current 50.19 percent effective October 1, 1996. (Other Funds: General Fund - Federal; Health Services Account - State)</p> <p>2. NURSE DELEGATION - Funds for nurse delegation training and oversight for persons with developmental disabilities are transferred to the Division of Developmental Disabilities. (Other Funds: General Fund-Federal)</p> <p>LOWER NURSING HOME CASELOADS - A forecast adjustment has reduced the nursing home caseload estimate by 347 for FY 96 and an additional 113 cases for FY 97. The reduced caseload is consistent with the department's efforts to achieve a minimum 1,600 reduction in caseload by the end of FY 97.</p> <p>4. LOWER NURSING HOME RATES - Nursing home rates for both FY 96 and FY 97 are lower than originally estimated. Based on the actual rates which have been set for FY 96, nursing home rates are now expected to increase by an average of 5.5 percent per year in 1995-97 over the 1993-95 level, rather than by an average of 7.6 percent per year as projected in the original budget. Rates are now expected to average \$105.42 per patient day in FY 96, and \$109.13 per patient day in FY 97. (Other Funds: General Fund-Federal)</p> <p>5. DELAYED CHORE TRANSFER - New eligibility guidelines were expected to allow approximately 2,700 chore services recipients to enroll in the Community Options Program Entry System (COPES) by July 1, 1995. Since the Chore services program is fully funded with state funds, and COPES is jointly funded by the state and federal governments, this will result in a General Fund-State savings. However, the transfer is five months behind schedule because the revision of administrative rules and appropriate notification of recipients have taken longer than anticipated. Consequently, General</p> | <p>Fund-State savings are less than originally budgeted. (Other Funds: General Fund-Federal)</p> <p>6. ADDITIONAL ADULT DAY HEALTH CASES - Due to the opening of a number of new centers, enrollment in Medicaid adult day health programs is now expected to grow by an average of approximately 25 percent per year in 1995-97, rather than by an average of 10 percent per year as originally budgeted. The budget additionally includes \$126,000 General Fund-State in FY 97 to provide adult day health services to medically needy persons with AIDS who would otherwise be at high risk of hospitalization, at significantly greater public cost. (Other Funds: General Fund-Federal)</p> <p>7. HIGHER COMMUNITY CASELOADS - Based on recent trends, enrollment in COPES and Medicaid Personal Care programs is now expected to be about 7 percent higher than originally budgeted. The COPES, personal care, and Chore services programs are now expected to assist an average of about 850 more people per month than originally budgeted for FY 96 and an average of 2,100 more people per month than originally budgeted for FY 97. (Other Funds: General Fund-Federal)</p> <p>8. HOME CARE WORKERS BHP - Due to delay in implementation of the enrollment of home care workers in the Basic Health Plan (BHP), a reduction is made to the Health Services Account appropriation.</p> <p>9. GOVERNOR VETO - DSHS Capital Needs -- The Governor vetoed a \$9.9 million reduction in the FY 96 General Fund-State appropriation to the Aging and Adult Services Program in DSHS. This veto will make the funds available for transfer to the Juvenile Rehabilitation and Mental Health Programs for use in capital construction projects (in the absence of a supplemental capital budget). The funds will be used for the reconstruction of Green Hill School and a sewer replacement project at Maple Lane.</p> |
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**Department of Social and Health Services
Long Term Care**

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	Estimate	
									<u>FY96</u>	<u>FY97</u>
Nursing Homes										
# FTE Clients	16,576	16,694	16,953	17,190	17,344	17,445	17,168	16,639	16,024	15,508
% Change from prior year		0.7%	1.6%	1.4%	0.9%	0.6%	-1.6%	-3.1%	-3.7%	-3.2%
Community Care *										
# Clients Served	17,287	17,763	17,119	18,051	19,087	19,587	19,411	19,576	21,408	24,456
% Change from prior year		2.8%	-3.6%	5.4%	5.7%	2.6%	-0.9%	0.9%	9.4%	14.2%

* Includes Chore Services, COPES, and Adult Residential for FY90 through FY95; Personal Care prior to FY90.

Data Sources:

Nursing Homes for FY88 through FY95 from LEAP workload data base.

Community Care for FY88 and FY89, from DSHS Budget Division, includes developmental disabilities clients who are counted under the developmental disabilities program for all subsequent years.

Community Care for FY90 through FY95 from Aging and Adult Services Administration.

FY96 and FY97 estimates from Legislative Fiscal Committees.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	1,032,657	880,029	1,912,686
1996 Supplemental Budget			
1. Add'l Federal/Technical Corrections	0	-168	-168
2. Federal Medical Assistance Percent	-1,564	1,564	0
3. Restore Funding for GA-S Program	5,200	0	5,200
4. Success through Employment Program	330	320	650
5. Economic Services Forecast	-43,623	-41,832	-85,455
6. Financial Services Staff/Caseload	-2,201	-1,749	-3,950
Total Supplemental Items	-41,858	-41,865	-83,723
1995-97 REVISED APPROPRIATIONS	990,799	838,164	1,828,963
Fiscal Year 1996 Totals	492,046	420,401	912,447
Fiscal Year 1997 Totals	498,753	417,763	916,516

Comments:

1. ADD'L FEDERAL/TECHNICAL CORRECTIONS - Funding is provided for two FTE staff in the Division of Children and Family Services to continue child care vendor survey work. The associated federal dollars (\$168,000) are transferred from the Economic Services Division to the Division of Children and Family Services.
2. FEDERAL MEDICAL ASSISTANCE PERCENT - The federal matching rate for grant programs is estimated to increase to 50.52 percent effective October 1, 1996. The 1995-97 budget assumed a matching rate of 50.19 percent. (General Fund-State, General Fund-Federal)
3. RESTORE FUNDING FOR GA-S PROGRAM - Full funding for the General Assistance-Pregnancy (GA-S) program is restored. The original budget made reductions assuming legislative changes according to HB 2083 which did not pass.
4. SUCCESS THROUGH EMPLOYMENT PROGRAM - Funding is provided for evaluation of the Success Through Employment Program (STEP) and system modifications necessary to implement STEP. A federal waiver authorizing STEP was approved in September 1995. The waiver requires that an evaluation of the program be completed over ten years and that budget neutrality be tracked by the Department. In order to implement STEP, the Automated Client Eligibility System (ACES) must be changed. (General Fund-State, General Fund-Federal)
5. ECONOMIC SERVICES FORECAST - Funding is provided for the cost of changes in the forecasted caseload in grant programs as of November 1995. The total caseload is projected to decline approximately 5 percent over the 1995-97 biennium. (General Fund-State, General Fund-Federal)
6. FINANCIAL SERVICES STAFF/CASELOAD - Staff and funding are adjusted to reflect the workload decrease anticipated as a result of the caseload decline projected in the November 1995 forecast. (General Fund-State, General Fund-Federal)

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

WORKLOAD HISTORY

By Fiscal Year

									Estimate	
	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
SSI State Supplement										
# Cases Received	47,748	49,712	52,457	56,818	62,532	69,332	76,518	82,249	86,908	93,423
% Change from prior year		4.1%	5.5%	8.3%	10.1%	10.9%	10.4%	7.5%	5.7%	7.5%
General Assistance - Unemployable										
# Cases Served	14,057	12,927	13,651	13,993	15,251	15,585	16,494	17,167	16,506	16,988
% Change from prior year		-8.0%	5.6%	2.5%	9.0%	2.2%	5.8%	4.1%	-3.9%	2.9%
General Assistance - Pregnant Women										
# Cases Served	1,252	1,439	1,607	1,847	1,955	1,842	1,736	1,657	1,641	1,709
% Change from prior year		14.9%	11.7%	14.9%	5.8%	-5.8%	-5.8%	-4.6%	-1.0%	4.1%
AFDC - Employable										
# Cases Served	7,031	7,611	8,309	10,070	13,784	15,778	16,210	15,866	14,946	15,036
% Change from prior year		8.2%	9.2%	21.2%	36.9%	14.5%	2.7%	-2.1%	-5.8%	0.6%
AFDC - Regular										
# Cases Served	68,298	69,780	72,098	75,880	81,189	84,542	86,545	86,819	85,263	85,751
% Change from prior year		2.2%	3.3%	5.2%	7.0%	4.1%	2.4%	0.3%	-1.8%	0.6%

Data Sources:

FY88 through FY95 from LEAP workload data base.

FY96 and FY97 from DSHS Budget Division.

Department of Social & Health Services
Alcohol & Substance Abuse

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	16,935	149,269	166,204
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-35	35	0
2. At-Risk Youth Implementation	1,387	363	1,750
3. CD Assessment/Treatment - CFS	1,902	796	2,698
Total Supplemental Items	3,254	1,194	4,448
1995-97 REVISED APPROPRIATIONS	20,189	150,463	170,652
Fiscal Year 1996 Totals	8,199	74,010	82,209
Fiscal Year 1997 Totals	11,990	76,453	88,443

Comments:

1. FEDERAL MEDICAL ASSISTANCE PERCENT - The federal matching rate for grant programs is estimated to increase to 50.52 percent effective October 1, 1996. The 1995-97 budget assumed a matching rate of 50.19 percent. (General Fund-State, General Fund-Federal)
2. AT-RISK YOUTH IMPLEMENTATION - Funding is provided for services to at-risk youth, including \$0.7 million for detoxification and stabilization and \$1.0 million for Level II inpatient beds and Recovery House beds. (General Fund-State and General Fund-Federal)
3. CD ASSESSMENT/TREATMENT - CFS - Funding is provided for assessment, treatment, and child care for clients of the Division of Children and Family Services (CFS) who have a chemical dependency (CD) problem. (General Fund-State, General Fund-Federal)

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

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	Estimate	
	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
ADATSA - Outpatient Treatment *										
Avg Monthly Admissions	N/A	N/A	N/A	N/A	N/A	N/A	274	293	277	277
ADATSA - Assessment										
# Assessments	1,317	1,277	1,237	1,411	1,194	1,186	1,158	1,249	1,156	1,156
% Change from prior year		-3.0%	-3.1%	14.0%	-15.4%	-0.7%	-2.4%	7.9%	-7.4%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	610	662	580	571	552	505	489	525	485	485
% Change from prior year		8.5%	-12.3%	-1.6%	-3.4%	-8.5%	-3.2%	7.4%	-7.6%	0.0%

Notes:

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

Workloads in ADATSA services are limited to openings available.

** Data for Outpatient Treatment was converted from number of cases to number of admissions beginning in FY94. Number of admissions is unavailable prior to FY94.*

Data Source:

DSHS Budget Division.

**Department of Social & Health Services
Medical Assistance Payments**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	1,362,807	2,203,101	3,565,908
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-4,386	4,386	0
2. Changes in Inflation Rates	-23,058	-23,825	-46,883
3. Long Term Care System Reform	1,504	1,497	3,001
4. Welfare Fraud	615	618	1,233
5. Managed Care Enrollment/Rates	11,626	9,078	20,704
6. SSI Managed Care	3,039	3,033	6,072
7. Disproportionate Share	22,995	-63,789	-40,794
8. 5 Percent Drug Discount	2,018	2,034	4,052
9. Pharmacy-Drug Utilization Review	-2,580	-2,356	-4,936
10. Pharmacy Lawsuit	411	415	826
11. Caseload Changes	-49,962	-59,680	-109,642
12. Other Fed Med Assist Percent Change	-45,099	45,099	0
13. Other Per Capita Changes	39,427	28,556	67,983
14. Prescription Drugs - Max Allow Cost	-7,134	-6,901	-14,035
15. Managed Care Rate Reduction Change	10,680	10,838	21,518
16. 200 Percent Children Changes	0	21,932	21,932
17. Maintain Medically Indigent Program	0	7,084	7,084
18. Trauma Care	4,600	0	4,600
Total Supplemental Items	-35,304	-21,981	-57,285
1995-97 REVISED APPROPRIATIONS	1,327,503	2,181,120	3,508,623
Fiscal Year 1996 Totals	669,448	1,024,932	1,694,380
Fiscal Year 1997 Totals	658,055	1,156,188	1,814,243

Comments:

- FEDERAL MEDICAL ASSISTANCE PERCENT** - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is expected to increase to 50.52 percent from the current 50.19 percent effective October 1, 1996. (Other Funds: General Fund-Federal; Health Services Account-State)
- CHANGES IN INFLATION RATES** - Inflation rates for Medicare premiums and for hospital inpatient and outpatient services are lower than projected in the original budget, resulting in savings. (Other Funds: General Fund-Federal, Health Services Account-State)
- LONG TERM CARE SYSTEM REFORM** - The 1995-97 appropriations act directed the Medical Assistance program to achieve savings by providing less costly rehabilitation services for some patients in nursing facilities rather than hospitals. The savings are less than originally anticipated because of the need for extensive start-up work regarding facility certification standards, patient selection criteria, and rate-setting. Implementation is scheduled to begin in March 1996, so the budget anticipates that savings will occur during the second year of the biennium as originally budgeted. (Other Funds: General Fund-Federal)
- WELFARE FRAUD** - The 1995-97 appropriations act assumed savings due to the implementation on January 1, 1996 of a welfare fraud reduction program. It now appears that few, if any, cases will have completed the entire adjudication and appeals process before the end of the current biennium, so savings are now not anticipated until the 1997-99 biennium. (Other Funds: General Fund-Federal)
- MANAGED CARE ENROLLMENT/RATES** - Payment rates for medical assistance recipients enrolled in managed care plans are higher than anticipated in the original 1995-97 budget. One reason for this is that price competition was not a primary factor in the selection of 1996 managed care contractors, as had been assumed in the budget. A second reason is that vendor rate increases for some managed care services were inadvertently omitted from the original appropriation. The budget directs the agency to avoid some of these unanticipated costs in calendar year 1997 by: (1) contracting only with those plans which offer the best price, while maintaining acceptable standards of quality; (2) obtaining a federal waiver, if needed, to limit recipients' ability to switch among managed care plans on a monthly basis; and (3) assigning recipients who do not designate a plan preference to the plan which offers the most competitive bid. These changes are expected to result in an actual reduction in managed care payment

Department of Social & Health Services

Medical Assistance Payments

rates between the 1996 and the 1997 contract periods. (Other Funds: General Fund-Federal; Health Services Account-State)

6. SSI MANAGED CARE - As proposed by the agency, the 1995-97 appropriations act assumed that statewide implementation of managed care for Supplemental Security Income (SSI) recipients would begin in July 1995, and that savings would begin at that time. Actual implementation has been more complex and time consuming than originally expected. Implementation began in October 1995. The Governor's supplemental budget proposal anticipated statewide implementation by the end of calendar year 1996, resulting in less savings than originally assumed. The agency has again adjusted implementation plans since preparation of the Governor's supplemental budget, and now does not anticipate full implementation until June 1997. The budget funds the cost of the delay as proposed by the Governor. (Other Funds: General Fund-Federal)
 7. DISPROPORTIONATE SHARE - Under federal regulations, the amount of Disproportionate Share Hospital Payments (DSH) that can go to any one hospital is based on that hospital's amount of uncompensated care. The 1995-97 appropriations act assumed that the amount of uncompensated care would increase by 9 percent per year, which was the average annual cost increase in Washington hospitals during the three years for which actual data were available at the time the original budget was developed. More recent information indicates that hospital inflation decreased significantly in calendar year 1994, resulting in substantial reductions in the anticipated costs used to determine hospital-specific DSH limitations. Lower DSH limits result in less ability to leverage federal funds to offset General Fund-State expenditures. (Other Funds: General Fund-Federal; General Fund-Local)
 8. 5 PERCENT DRUG DISCOUNT - The 1995-97 appropriations act specifically discontinued the supplemental drug discount program. This item restores the savings which had been assumed for that program in the budget base. (Other Funds: General Fund-Federal)
 9. PHARMACY-DRUG UTILIZATION REVIEW - The projected savings from the new prospective drug utilization review program are greater than originally budgeted. This is because drug expenditures on behalf of SSI recipients, and the cost of small claims which would not normally be pursued for third-party recovery, are now included in the base from which savings are estimated. (Other Funds: General Fund-Federal)
- PHARMACY LAWSUIT - In a lawsuit filed by several pharmacists, the state Supreme Court ruled that the payment methodology for prescription drugs was not sufficiently described in Washington Administrative Code. Funding is provided to implement the out-of-court settlement which was reached through a formal mediation process. (Other Funds: General Fund-Federal)
11. CASELOAD CHANGES - The Department of Social and Health Services' November 1995 forecast projects that the number of persons enrolling for medical assistance will be lower than projected in the 1994 forecast upon which the original 1995-97 budget was based. Overall, enrollments are expected to be 7 percent lower than previously forecast for FY 96 and 5 percent lower for FY 97. Enrollments are lower than previously projected in almost all eligibility categories. (Other Funds: General Fund-Federal)
 12. OTHER FED MED ASSIST PERCENT CHANGE - The amount of state funds provided in the original 1995-97 appropriation to offset reductions in the Federal Medical Assistance Percentage was too high due to a technical error in the DSHS forecast. (Other Funds: General Fund-Federal)
 13. OTHER PER CAPITA CHANGES - Costs per person eligible for medical assistance are now expected to be about 10 percent higher for most eligibility categories than was assumed in the original 1995-97 medical assistance forecast. The reason for these cost increases is still being investigated by the agency, but appears to be due primarily to higher than anticipated fee-for-service utilization and costs by groups enrolled in managed care programs. The 1995-96 medical assistance costs are now expected to increase by an average of about 5 percent per enrollee per year for most eligibility categories. (Other Funds: General Fund-Federal)
 14. PRESCRIPTION DRUGS - MAX ALLOW COST - The federal government recently allowed an update for the first time since April 1991 in the maximum allowable cost schedule for certain prescription drugs. The update resulted in the addition of a number of new drugs to the maximum price list and to price reductions for almost all of the drugs previously listed. (Other Funds: General Fund-Federal; Health Services Account-State)
 15. MANAGED CARE RATE REDUCTION CHANGE - The 1994 forecast used to build the original 1995-97 appropriation anticipated that actuarial adjustments to the managed care rate-setting process would result in larger savings than actually occurred. (Other Funds: General Fund-Federal)
 16. 200 PERCENT CHILDREN CHANGES - The average number of children served through medical assistance as a result of the extension of eligibility to children below 200 percent of the federal poverty level is now expected to be about 32 percent lower than previously projected for FY 96 and about 3 percent lower than previously projected for FY 97. However, the total cost of serving these children is now expected to be about 9 percent higher than previously projected because of higher costs per child served and allocation of the costs of caring for newborns to the child rather than the mother. (Other Funds: General Fund-Federal; Health Services Account)
 17. MAINTAIN MEDICALLY INDIGENT PROGRAM - Rather than establishing the emergency uncompensated care pool for FY 97 as anticipated in the original 1995-97 appropriations act, additional funding is provided to continue the Medically Indigent program as it was redesigned in FY 96, through the end of the biennium. Under the redesigned program, services are limited to inpatient hospital, emergency room, emergency transportation, and related physician services for a maximum of three months in any twelve-month period. Additionally, recipients must be indigent and must incur a yearly emergency medical expense of \$2,000 before being eligible for coverage. Federal funding is lower than proposed by the Governor because of correction of a technical error subsequently identified by the agency. (Other Funds: General Fund-Federal; Health Services Account-State).
 18. TRAUMA CARE - Funding is provided to reimburse designated trauma centers at the higher Medicaid rate for severe trauma services provided to medically indigent and general assistance patients. This higher reimbursement is provided as an incentive for hospitals to participate in the statewide trauma care system.

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

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>Estimate</u>	
									<u>FY96</u>	<u>FY97</u>
State General Assistance										
# Persons/Month	14,857	15,824	13,669	13,767	12,291	10,282	10,049	10,961	11,429	9,710
% Change from prior year		6.5%	-13.6%	0.7%	-10.7%	-16.3%	-2.3%	9.1%	4.3%	-15.0%
Categorically Needy *										
# Persons/Month	326,947	341,089	362,022	407,337	475,473	520,668	560,759	618,959	679,739	742,081
% Change from prior year		4.3%	6.1%	12.5%	16.7%	9.5%	7.7%	10.4%	9.8%	9.2%
Medically Needy										
# Persons/Month	14,922	16,164	25,328	15,787	17,592	18,243	17,142	14,265	11,820	10,624
% Change from prior year		8.3%	56.7%	-37.7%	11.4%	3.7%	-6.0%	-16.8%	-17.1%	-10.1%
State Medically Indigent **										
# Persons/Month	2,034	2,097	2,448	2,695	2,473	2,645	2,632	2,397	2,388	2,388
% Change from prior year		3.1%	16.7%	10.1%	-8.2%	7.0%	-0.5%	-8.9%	-0.4%	0%

* *Categorically Needy includes children enrolled in the State-Only Children's Health Program.*

** *Estimate for FY96 and FY97 reflects new limitations placed on the program by the 1995 Legislature.*

Data Sources:

FY88 through FY95 from DSHS Budget Division.

FY96 through FY97 estimates from Legislative Fiscal Committees.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	36,227	168,720	204,947
1996 Supplemental Budget			
1. Prosecuting Attorney	745	1,447	2,192
2. Incentive Pay	943	-943	0
3. Equipment Replacement	-76	2,285	2,209
Total Supplemental Items	1,612	2,789	4,401
1995-97 REVISED APPROPRIATIONS	37,839	171,509	209,348
Fiscal Year 1996 Totals	19,019	86,956	105,975
Fiscal Year 1997 Totals	18,820	84,553	103,373

Comments:

1. PROSECUTING ATTORNEY - Funding is provided for increases in the workload of county prosecuting attorneys who have taken on most of the Division of Child Support cases from the Office of the Attorney General. (General Fund-State; General Fund-Federal)

INCENTIVE PAY - Funding is provided from General Fund-State to replace federal child support collection incentive pay which has decreased due to lower than expected child support collections forecasted for the remainder of 1995-97. (General Fund-State; General Fund-Local)

3. EQUIPMENT REPLACEMENT - Federal funding is provided for additional equipment necessary to meet the federal certification requirements for the Support Enforcement Management System (SEMS). Making the upgrades at this time will enable the Division to acquire equipment at an enhanced federal funding rate of 90 percent instead of the customary 66 percent and to achieve a small General Fund savings. (General Fund-State; General Fund-Federal)

Other Human Services

Health Care Authority

A technical adjustment is made to reduce the Health Services Account appropriation by \$3.8 million due to under-expenditures in Basic Health plan enrollment. An additional appropriation of \$900,000 is provided for enhanced subsidies to enroll childrens' foster families in the Basic Health Plan.

Criminal Justice Training Commission

One-time funding of \$310,000 from the Public Safety and Education Account was provided to expand the basic law enforcement academy by 140 officers per year and to purchase surplus Washington State Patrol vehicles for use in training. A total of \$72,000 was also provided to conduct the study of law enforcement training required by Chapter 203, Laws of 1996 (2SHB 2323) and to collect statistics surrounding the violation of no-contact orders required by Chapter 248, Laws of 1996 (EHB 2472).

Department of Labor and Industries

The settlement of a class action lawsuit (Cox vs. Shell) against suppliers of faulty water pipes used in the construction of manufactured homes, requires the department to conduct timely on-site inspections of the installed replacement pipes. The amount of \$400,000 is provided from the state general fund to conduct these inspections as affected manufactured homes cannot be resold and the consumer cannot be reimbursed for the cost of alterations without a completed inspection. An estimated 6,000 additional inspections are anticipated during FY 97.

Department of Health

The childhood vaccination program is expanded to include vaccination of high risk children against hepatitis B, hepatitis A, influenza, varicella, and pneumococcal; \$2.6 million from the Health Services Account is provided for this enhancement. Over \$200,000 is also provided to stabilize the existing child profile immunization tracking systems in four counties, and the Department of Health is directed to make recommendations for statewide expansion of this program. Using federal funding from the state Legalization and Immigration Assistance Grant program, \$750,000 in start-up costs for a natural health clinic for immigrants is funded.

Department of Corrections

State general fund expenditure reductions for the Department of Corrections total \$6.4 million. They include: an adjustment to the community corrections forecast, delays in opening facilities (Airway Heights), and the receipt of federal funds which partially reimbursed the state for the cost of incarcerating illegal alien offenders. A total of \$1.7 million from the state general fund was appropriated to the department. This included: an adjustment to the inmate forecast; funding to implement Chapter 298, Laws of 1996 (SHB 2533) relating to misdemeanor probation, SHB 2711 relating to illegal alien offender camps, and Chapter 275, Laws of 1996 (SSB 6274) relating to the supervision of sex offenders; funding for the Jail Industries Board; and a recognition of DOC's inability to realize savings from reducing tower guards prior to July 1, 1996.

Sentencing Guidelines Commission

The amount of \$276,000 was appropriated to the Sentencing Guidelines Commission to implement Chapter 232, Laws of 1996 (SB 6253) which expands the powers, duties, and composition of the Commission.

Department of Employment Security

An amount of \$5.4 million is provided from the state general fund for a Summer Youth Employment and Training program for economically disadvantaged youth. This state funding replaces approximately one-third of the funding received under the Federal Summer Youth program (Title II-B, Job Training Partnership Act) that was recently eliminated by Congress. The department will be working with the Workforce Training and Education Coordinating Board and local service delivery entities to design a program that maximizes summer employment and training opportunities for youth.

Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	6,806	320,911	327,717
1996 Supplemental Budget			
1. Expand Basic Health Plan Benefits	0	421	421
2. Fed Title XIX Match-Admin Costs	0	-196	-196
3. Foster Family Enrollment	0	919	919
4. BHP Under-Expenditures	0	-3,776	-3,776
Total Supplemental Items	0	-2,632	-2,632
1995-97 REVISED APPROPRIATIONS	6,806	318,279	325,085
Fiscal Year 1996 Totals	3,403	110,139	113,542
Fiscal Year 1997 Totals	3,403	208,140	211,543

Comments:

1. EXPAND BASIC HEALTH PLAN BENEFITS - Funding is provided to establish an annual limit on Basic Health Plan (BHP) subscribers' out-of-pocket costs. Effective January 1997, the maximum a subsidized BHP subscriber will need to spend for co-pays will be \$600 per individual and \$1,200 per family. (Other Funds: Health Services Account-State)
2. FED TITLE XIX MATCH-ADMIN COSTS - Expenditures for development and implementation of the new Basic Health Plan (BHP) enrollment and billing systems are expected to earn federal Medicaid matching funds, resulting in reduced state expenditures. (Other Funds: Health Services Account-State)
3. FOSTER FAMILY ENROLLMENT - Enhanced subsidies are provided for children's foster families to enroll in the BHP. Under this enrollment option, the state will cover all but \$10 per month of the BHP premium for foster parents with family incomes below 200 percent of the federal poverty level. A total of 2,000 foster parents are expected to be phased into the BHP by June 1997, as part of the 100,000 employer-sponsored enrollment group. (Other Funds: Health Services Account)
4. BHP UNDER-EXPENDITURES - The appropriation is reduced to reflect actual under-expenditures on BHP premiums through March 1996. The budget continues to assume that BHP enrollments will reach 100,000 employer-sponsored enrollees and 100,000 individual enrollees by the end of the biennium. (Other Funds: Health Services Account)

Human Rights Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	3,817	1,746	5,563
1996 Supplemental Budget			
1. Alternative Dispute Resolution	100	0	100
Total Supplemental Items	100	0	100
<hr/>			
1995-97 REVISED APPROPRIATIONS	3,917	1,746	5,663
Fiscal Year 1996 Totals	1,905	872	2,777
Fiscal Year 1997 Totals	2,012	874	2,886

Comments:

1. ALTERNATIVE DISPUTE RESOLUTION - Funding is provided to implement HB 2932 -- Alternative Dispute Resolution.

Governor's Vetoes:

The Governor vetoed a proviso earmarking \$100,000 General Fund-State to implement HB 2932 (alternative dispute resolution). He also vetoed the bill (HB 2932). In his veto message, he directs the Commission to use the funding to reduce its current backlog of discrimination cases.

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	0	11,036	11,036
1996 Supplemental Budget			
1. Law Enforcement Academies	0	286	286
2. Purchase Surplused Vehicles	0	24	24
3. Law Enforcement Training Study	0	45	45
4. Domestic Violence Reporting	0	27	27
Total Supplemental Items	0	382	382
1995-97 REVISED APPROPRIATIONS	0	11,418	11,418
Fiscal Year 1996 Totals	0	5,690	5,690
Fiscal Year 1997 Totals	0	5,728	5,728

Comments:

1. LAW ENFORCEMENT ACADEMIES - One-time funding is provided to expand the basic law enforcement academy by 140 officers per year from the current base of 500. The commission will conduct four additional academies split between Western and Eastern Washington. (Public Safety and Education Account)
2. PURCHASE SURPLUSED VEHICLES - One-time funding is provided to purchase 12 surplused Washington State Patrol vehicles for use in training. (Public Safety and Education Account)
3. LAW ENFORCEMENT TRAINING STUDY - One-time funding is provided to complete the study required in Chapter 203, Laws of 1996 (2SHB 2323). The study will: (1) evaluate the desirability and feasibility of providing law enforcement training to pre-employed law enforcement officer applicants; (2) review the adequacy of the basic law enforcement training program; (3) evaluate the status of supervisory, management, and advanced training programs; and (4) make recommendations regarding sources of funding. (Public Safety and Education Account)
4. DOMESTIC VIOLENCE REPORTING - Funding is provided for the implementation of Chapter 248, Laws of 1996 (EHB 2472), which requires the Washington Association of Sheriffs and Police Chiefs to report on the number of incidents of violations of protection or no-contact orders. (Public Safety and Education Account)

Department of Labor & Industries

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	10,581	349,488	360,069
1996 Supplemental Budget			
1. Employer Accounting System	0	2,832	2,832
2. Electrical Inspection Program	0	804	804
3. Restore Attorney General Funds	0	450	450
4. Construction Trades Procedure	0	8	8
5. Employer Assessments	0	75	75
6. Vocational Rehabilitation Benefits	0	13	13
7. Crime Victims Compensation	0	443	443
8. Family Farm Exemption	0	242	242
9. Drug-Free Work Places	0	542	542
10. Mobile Home Inspections	400	0	400
Total Supplemental Items	400	5,409	5,809
<hr/>			
1995-97 REVISED APPROPRIATIONS	10,981	354,897	365,878
Fiscal Year 1996 Totals	5,270	175,219	180,489
Fiscal Year 1997 Totals	5,711	179,678	185,389

Comments:

- EMPLOYER ACCOUNTING SYSTEM - Provides one-time funding for the improvement and extension of the department's employer accounting system to comply with business requirements and legislative mandates. System changes will meet the State Auditor and the Office of Financial Management recommendations for improved cash management controls and greater integration with the statewide Accounting and Financial Reporting System (AFRS). (Accident and Medical Aid Accounts)
 - ELECTRICAL INSPECTION PROGRAM - Funding and staff are provided to accommodate a 5 percent workload increase in final inspections at all schools and other public buildings to ensure compliance with the National Electrical Code and to audit the accuracy of reported hours worked and other issues related to Apprenticeship and Trainee certification. (Electrical License Account)
 - RESTORE ATTORNEY GENERAL FUNDS - Provides funding to correct a technical error made in the original 1995-97 biennium budget. Staff in the Fraud Control Unit were transferred to the Attorney General's Office and the dollars were eliminated in error. Funding is restored so that L & I can pay the Attorney General's Office. (Accident and Medical Aid Accounts)
 - CONSTRUCTION TRADES PROCEDURE - Provides funding for one-time system modifications to meet the provisions of Chapter 147, Laws of 1996 (SHB 2498). Changes to the citation, appeals, and fee collection processes will require system modifications. (Accident and Medical Aid Accounts)
 - EMPLOYER ASSESSMENTS - Provides funding for one-time automated collection system modifications to meet the provisions of Chapter 60, Laws of 1996 (SB 6225). The legislation authorizes the department to modify, reverse, or change the final notice of assessment when an assessment is incorrect. (Accident and Medical Aid Accounts)
 - VOCATIONAL REHABILITATION BENEFITS - Provides funding for one-time system modifications to meet the provisions of Chapter 59, Laws of 1996 (SB 6224 -- Long-Term Disability Project). Authorized vocational rehabilitation on-the-job training costs per individual per year are increased from \$3,000 to \$6,000 for individuals participating in the pilot projects. (Accident and Medical Aid Accounts)
 - CRIME VICTIMS COMPENSATION - Funds provisions contained in Chapter 122, Laws of 1996 (SHB 2358) modifying the crime victims compensation program. Modifications include: increasing the application deadline; increasing allowable burial benefits; and removing the restriction on benefits due to "consent, provocation, or incitement" for victims of fatal crimes. (Public Safety and Education Account)
- FAMILY FARM EXEMPTION - Funds system modifications to support Chapter 8, Laws of 1996 (HB 2322 -- Workers' Compensation Exemptions) allowing parents to elect to exclude children from mandatory coverage while working in agricultural activities on a family farm. (Accident and Medical Aid Accounts)
- DRUG-FREE WORK PLACES - Funding is provided for system modifications and staff costs pursuant to Chapter 127, Laws of 1996 (2SSB 5516). A 5 percent workers' compensation premium discount is made available to qualified employers who are certified as having a drug free workplace.
 - MOBILE HOME INSPECTIONS - Funding and 12 FTE staff positions are provided to address increased mobile home inspections in the Factory Assembled Structures program. The workload increase is related to meeting the requirements of the class action lawsuit (Cox v Shell). Inspection fees will be charged and deposited in the state General Fund to offset the cost of inspections.

Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	20,453	29,905	50,358
1996 Supplemental Budget			
1. Post Traumatic Stress Disorder	0	104	104
2. Homeless Veterans	355	-355	0
3. Re-Align Fed, State & Local Funds	-990	990	0
4. Increase Services & Equipment	128	0	128
5. Increase PTSD Field Counseling	50	0	50
Total Supplemental Items	-457	739	282
<hr/>			
1995-97 REVISED APPROPRIATIONS	19,996	30,644	50,640
Fiscal Year 1996 Totals	9,900	15,379	25,279
Fiscal Year 1997 Totals	10,096	15,265	25,361

Comments:

1. POST TRAUMATIC STRESS DISORDER - This item recognizes available federal funding for post traumatic stress disorder (PTSD) services being provided at the Retsil facility until March 1996. At that date, this federal program is being transferred to the American Lake facility where it will be continued, funded, and operated by the federal government. (Other Funds: General Fund-Federal)
2. HOMELESS VETERANS - Funds are provided to continue the Homeless Veterans program. Federal funding from the United States Department of Labor was discontinued effective October 1995. This replaces that with state funding for FY 97. (Other Funds: General Fund-Federal)
3. RE-ALIGN FED, STATE & LOCAL FUNDS - This item updates and adjusts projected operating revenues at the Veterans Home and the Soldiers Home to reflect three funding changes: (1) the increase in the Federal Medical Assistance Percentage change from 50.19 percent to 50.52 percent effective October 1996; (2) a higher Medicaid nursing home rate than originally budgeted, resulting in increased federal revenues; and (3) higher resident contributions to their cost of care than originally budgeted, resulting in increased local fund revenues. (Other Funds: General Fund-Federal, General Fund-Private/Local)
4. INCREASE SERVICES & EQUIPMENT - Funds are provided to implement new Medicaid minimum data set requirements at the Soldiers and Veterans homes, and to provide podiatry services, as required by Medicaid, at the Veterans Home.
5. INCREASE PTSD FIELD COUNSELING - This item provides for increased counseling services for PTSD. Funding would be increased or initiated for contracted programs which are targeted at: African-American veterans in King and Pierce counties, female veterans, Native American veterans, and veterans in Okanogan County.

Department of Health

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	88,627	349,278	437,905
1996 Supplemental Budget			
1. Nurse Delegation Study (ESHB 1908)	70	0	70
2. Retrospective Rating Refund	0	62	62
3. Surveillance Enhancement Program	0	403	403
4. Medically Recommended New Vaccines	0	2,565	2,565
5. Health Clinic for Immigrants	0	750	750
6. Immunization Tracking	210	0	210
7. Speech and Hearing Prof. Regulation	0	372	372
8. Medicinal Research	60	0	60
Total Supplemental Items	340	4,152	4,492
1995-97 REVISED APPROPRIATIONS	88,967	353,430	442,397
Fiscal Year 1996 Totals	44,328	171,262	215,590
Fiscal Year 1997 Totals	44,639	182,168	226,807

Comments:

- 1. NURSE DELEGATION STUDY (ESHB 1908) - Funding is provided for a study that determines the effects on the health and safety of residents of facilities that practice nurse delegation as required by Chapter 18, Laws of 1995, 1st sp.s.
- 2. RETROSPECTIVE RATING REFUND - Appropriation authority is provided for expenditure of the department's retrospective rating refund. The Department of Health will use the funds to continue improvements in the agency's employee safety and emergency preparedness and response program. (Industrial Insurance Premium Refund Account-State)
- SURVEILLANCE ENHANCEMENT PROGRAM - Federal appropriation authority is provided for approximately two years of a five year federal grant to improve disease surveillance in Washington State. Systems to collect data, disseminate information, and report the existence of diseases will be developed and implemented under this program. (General Fund-Federal)
- 4. MEDICALLY RECOMMENDED NEW VACCINES - Funding is provided for purchase of vaccines for diseases not currently included in Washington State's childhood vaccination program. These additions are proposed in order to remain consistent with national vaccination standards. Diseases included in this request are hepatitis B, hepatitis A, influenza, varicella, and pneumococcal, and only those children at high risk for the diseases will be vaccinated. (Health Services Trust Account-State)
- 5. HEALTH CLINIC FOR IMMIGRANTS - Federal funding is provided from the state Legalization Immigration Assistance Grant to start a health clinic intended to serve immigrants. The funding is one-time for start up purposes, and the clinic will be managed by a local public health entity. (General Fund-Federal)
- 6. IMMUNIZATION TRACKING - Funding is provided for the development of a plan for analyzing the progress of the four counties with child profile immunization tracking systems and making recommendations for expanding the project to other counties. The department shall make recommendations to the Legislature on the proposed timeline for expansion.
- 7. SPEECH AND HEARING PROF. REGULATION - Funding is provided to implement Chapter 200, Laws of 1996 (ESHB 2309). The bill creates a regulatory program for audiologists and speech pathologists and changes the program for hearing aid fitters and dispensers. All funding is provided through fees charged to members of the profession. (Health Professions Account)
- 8. MEDICINAL RESEARCH - Funding is provided for a study to be performed by the Board of Pharmacy to determine the effects of medicinal tetrahydrocannabinol (THC). This study is to be performed in connection with a Washington State University research project to examine a tamper-free means of cultivating effective and safe THC plants for medicinal purposes.

Governor's Vetoes:

Child Profile Immunization Tracking System - The Governor vetoed a proviso in the Department of Health earmarking \$210,000 for the statewide expansion of the child profile immunization tracking system by July 1, 1997. His veto message directs the department to continue its efforts, with a report to the Legislature due July 1, 1997.

Domoic Acid Testing of Shellfish - The Governor vetoed a proviso requiring the Department of Health to use \$195,000 from its existing budget to test for the toxin domoic acid in shellfish. The department is expected to continue the testing within the constraints of its current budget.

Department of Corrections

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	740,118	5,248	745,366
1996 Supplemental Budget			
1. Retrospective Rating Refund	0	631	631
2. Corrections Advisory Teams	-28	0	-28
3. Education Automation Development	60	0	60
4. Restore Tower Staffing	650	0	650
5. Supervision Workload Forecast	-2,271	0	-2,271
6. Health Services Data Entry	98	0	98
7. Inmate Forecast Revision	621	0	621
8. Supervision of Misdemeanants	72	0	72
9. Supervision of Sex Offenders	116	0	116
10. AHCC Delayed Openings	-1,950	0	-1,950
11. Jail Industries Board	100	0	100
12. Illegal Alien Offender Camp	17	0	17
13. State Criminal Alien Assist Prog	-2,153	153	-2,000
14. Lapse	-17	0	-17
Total Supplemental Items	-4,685	784	-3,901
<hr/>			
1995-97 REVISED APPROPRIATIONS	735,433	6,032	741,465
Fiscal Year 1996 Totals	362,994	4,408	367,402
Fiscal Year 1997 Totals	372,439	1,624	374,063

Comments:

- RETROSPECTIVE RATING REFUND - Appropriation authority for the retrospective rating program rebate monies is provided. This will allow the agency to conduct activities designed to enhance employee safety. (Industrial Insurance Premium Refund Account)
- CORRECTIONS ADVISORY TEAMS - The department received funds in the original 1995-97 biennium budget to implement Section 26 of Chapter 19, Laws of 1995, 1st sp.s. (2E2SHB 2010) which would have required the department to establish corrections advisory teams. The Governor vetoed that section of the bill making the funding of this function unnecessary.
- EDUCATION AUTOMATION DEVELOPMENT - One-time funding is provided to implement a centralized data base for collecting and analyzing offender educational information pursuant to Chapter 19, Laws of 1995, 1st sp.s.
- RESTORE TOWER STAFFING - The Legislature specified that the Department reduce staff and funding for a number of perimeter guard towers in the original 1995-97 budget. A Thurston County Superior Court injunction and an unfair labor practice allegation prevent these reductions from taking place. Funding for FY 96 has been restored with the expectation that the legal actions will be completed before July 1, 1996.
- SUPERVISION WORKLOAD FORECAST - Funding is reduced due to a lower than expected workload in the Community Corrections Division. The major factors resulting in these adjusted projections are: (1) historically, the number of offenders on community placement has increased each year; however, the new trend shows a leveling off; (2) the number of offenders with Immigration and Naturalization Service (INS) detainers has increased; and (3) the number of offenders on bench warrant status has increased.
- HEALTH SERVICES DATA ENTRY - Funds are provided for the clerical staff needed to fully implement the department's centralized health care data system.
- INMATE FORECAST REVISION - Funding is provided for a forecasted increase of 136 annual average daily population (AADP) in FY 96. Funding is reduced for a forecasted reduction of 30 AADP in FY 97.
- SUPERVISION OF MISDEMEANANTS - Funding is provided for the implementation of Chapter 298, Laws of 1996 (SHB 2533) which increases the minimum supervision standards for Superior Court misdemeanor probationers, and establishes the conditions for counties to contract with the state to perform the supervision.
- SUPERVISION OF SEX OFFENDERS - Funding is provided for the implementation of Chapter 275, Laws of 1996 (SSB 6274) which increases supervision of sex offenders from two years to three years community custody and modifies the department's notification requirements.
- AHCC DELAYED OPENINGS - The opening of a 256 bed unit at Airway Heights Correctional Center (AHCC) was delayed from July 1996 until November 1996. There was also a delay in opening up 200 beds in the camp at AHCC. These delays have generated one-time savings of nearly \$2 million.

Department of Corrections

Governor's Vetoes:

11. JAIL INDUSTRIES BOARD - Funding is provided for the Jail Industries Board authorized in RCW 36.110. This will allow the board to better implement its mission of assisting cities and counties in implementing consistent, safe, and efficient offender work programs.
 12. ILLEGAL ALIEN OFFENDER CAMP - Funding is provided for the implementation of SHB 2711. The bill directs the Department of Corrections to open a work camp to house illegal alien offenders. As the bill was not enacted by June 30, 1996, the funding lapsed. (See "lapse" item below.)
 13. STATE CRIMINAL ALIEN ASSIST PROG - The 1995 federal crime bill included a provision allowing states to claim reimbursement for costs incurred in the incarceration of illegal alien offenders. The original 1995-97 budget included a "placeholder" appropriation of \$2 million from General Fund-Federal. There was no offsetting reduction made to the General Fund-State appropriation at that time because the state was unsure of what, if any, amount the state would receive in reimbursement. The state received a one-time reimbursement of \$2.2 million from the federal government in FY 96. (General Fund-State; General Fund-Federal)
 14. LAPSE - Funding was provided in the 1995-97 omnibus appropriations act to implement SHB 2711 (Illegal Alien Offender Camps) contingent on enactment of the bill by June 30, 1996. Because the bill was not passed by the Legislature, the \$17,000 General Fund-State appropriation lapses.
- Supervision of Sex Offenders - The Governor vetoed a proviso in the Department of Corrections earmarking \$78,000 General Fund-State for the supervision of sex offenders under Chapter 275, Laws of 1996 (SSB 6274). The Governor vetoed the proviso because the appropriation is necessary for Chapter 215, Laws of 1996 (SHB 2545).
- Life Skills Program at Purdy - The Governor vetoed a proviso requiring the Department of Corrections to maintain funding for the Life Skills program at the women's correctional center at Purdy.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>Estimate</u>	
									<u>FY96</u>	<u>FY97</u>
Work Release/Pre-Release										
Avg Daily Pop/Month	729	674	683	781	1,021	1,068	997	1,014	1,111	1,231
% Change from prior year		-7.5%	1.3%	14.3%	30.7%	4.6%	-6.6%	1.7%	9.6%	10.8%
Community Supervision										
# Active Offenders	29,480	28,800	33,250	35,655	39,900	42,294	44,713	47,749	50,693	54,034
% Change from prior year		-2.3%	15.5%	7.2%	11.9%	6.0%	5.7%	6.8%	6.2%	6.6%
Institutions										
Avg Daily Pop/Month	5,929	6,474	6,675	7,383	8,327	9,124	9,557	10,016	10,723	10,872
% Change from prior year		9.2%	3.1%	10.6%	12.8%	9.6%	4.7%	4.8%	7.1%	1.4%
Avg Cost Per Inmate *										
Annual	\$21,393	\$21,098	\$23,082	\$22,358	\$21,984	\$21,984	\$22,737	\$23,698	\$24,063	\$23,967
% Change from prior year		-1.4%	9.4%	-3.1%	-1.7%	0.0%	3.4%	4.2%	1.5%	-0.4%

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

Data Sources:

FY88 through FY95 from Division of Management and Budget at Department of Corrections.

FY96 and FY97 estimates reflect all legislation passed during the 1996 session.

Sentencing Guidelines Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	986	0	986
1996 Supplemental Budget			
1. Powers, Duties, and Composition	276	0	276
Total Supplemental Items	276	0	276
1995-97 REVISED APPROPRIATIONS	1,262	0	1,262
Fiscal Year 1996 Totals	517	0	517
Fiscal Year 1997 Totals	745	0	745

Comments:

POWERS, DUTIES, AND COMPOSITION - Funding is provided for Chapter 232, Laws of 1996 (SB 6253) which expands the powers, duties, and composition of the commission. This expansion consists of the following: (1) adding new commission members; (2) absorbing the powers and duties of the Juvenile Disposition Standards Commission a year earlier than scheduled; (3) designing new juvenile disposition standards to recommend to the Governor and Legislature in 1996; and (4) providing comprehensive biennial reports on state sentencing policy, correctional capacity, racial disproportionality, and recidivism.

Department of Employment Security

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	668	420,526	421,194
1996 Supplemental Budget			
1. JTPA Youth Employment	5,445	0	5,445
2. Voluntary Contributions	0	227	
4. Overpayment Collection/Detection	0	225	225
Total Supplemental Items	5,445	589	6,034
1995-97 REVISED APPROPRIATIONS	6,113	421,115	427,228
Fiscal Year 1996 Totals	834	210,752	211,586
Fiscal Year 1997 Totals	5,279	210,363	215,642

Comments:

1. JTPA YOUTH EMPLOYMENT - Federal financial support for the Job Training Partnership Act (JTPA), disadvantaged youth summer employment and training program, has been reduced. Partial restoration is provided with state funds.
2. VOLUNTARY CONTRIBUTIONS - Provides funding for staff and computer programming costs necessary to implement Chapter 322, Laws of 1995 (SHB 1350). Under the act, qualified employers are allowed to buy back benefit charges against their experience rating account to lower their unemployment insurance contributions rate. (Administrative Contingency Account)
3. FRAUD MANAGEMENT SYSTEM ENHANCEMENT - Funding is provided to enhance the Fraud Management System. The project is designed to improve the detection process and to provide more tools to prevent and detect fraud in the Unemployment Insurance program. (Administrative Contingency Account)
4. OVERPAYMENT COLLECTION/DETECTION - Funding is provided to cover the budget shortfall in the Overpayment Collection and Detection program. (Administrative Contingency Account)

Natural Resources

Department of Ecology

Improving Community Air Quality

There are currently 13 areas across the state that do not meet state and federal air quality standards and are, therefore, designated as "nonattainment areas." Many of these areas have seen significant improvements in air quality and are close to achieving designation as attainment areas. The sum of \$2.1 million from the Air Pollution Control Account is appropriated to the Department of Ecology to help expedite compliance with air quality standards and reach attainment status. Of this amount, \$1.1 million is provided to local air agencies.

Information Integration Project

The Department of Ecology recently initiated a project to better integrate computer information systems in programs across the agency. Originally, the systems were designed to meet individual program requirements without regard to what information could be shared. By integrating the computer systems, information can be shared internally as well as with the general public and other federal, state, and local entities.

Tire Pile Clean Up

Funds are provided for the Department of Ecology to award contracts for clean up of several hazardous tire piles across the state. The \$2.5 million appropriated for this purpose represents the remaining funds from a state-authorized tire tax that expired in 1994.

Department of Fish and Wildlife

Fish Hatcheries - One-time emergency funding of \$813,000 is provided to the Department of Fish and Wildlife to help keep federally supported "Mitchell Act" hatcheries on the Columbia River operating through September of 1996. The Mitchell Act hatcheries were originally established to mitigate the impacts of federal dams which prevent fish from migrating up the river. Federal budget reductions would have jeopardized hatchery fish that are not yet ready to be released. Replacement funding is intended to ensure full term rearing of several million Chinook, Coho, and Steelhead smolts. Funding is also provided to keep up with power rate increases at hatcheries across the state and to restore the recently renovated Minter Creek Hatchery to full production.

Department of Natural Resources

Jobs and the Environment - The Department of Natural Resources is provided an increase of \$600,000 from dedicated fund sources to continue habitat and water quality restoration work in priority watersheds identified by the Watershed Coordinating Council. Increased funding for the program is designed to improve habitat for endangered salmon while providing employment opportunities for displaced natural resource workers. This brings the total appropriation for the program to \$13.6 million.

Puget Sound Action Team

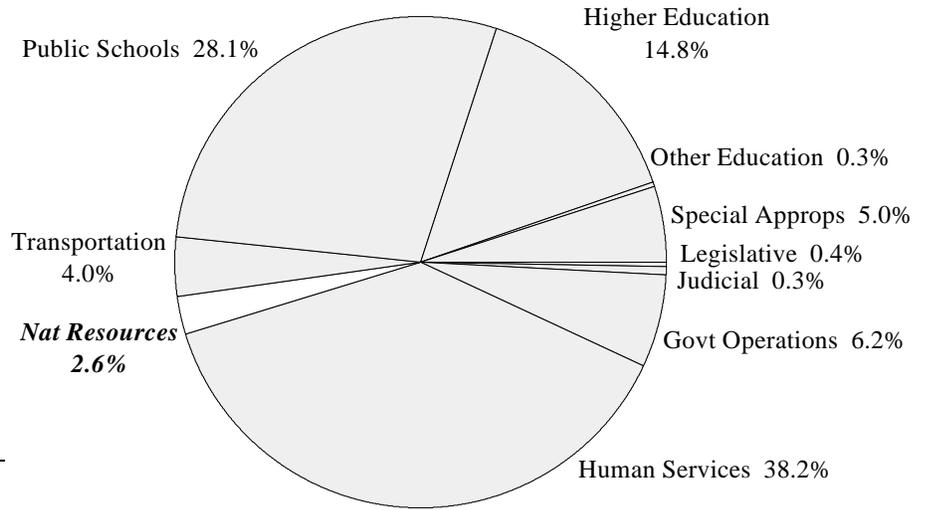
The 1996 Legislature enacted legislation, Chapter 138, Laws of 1996 (ESHB 2875) creating the Puget Sound Action Team to continue efforts to maintain and improve the environmental quality of Puget Sound. An amount of \$1.3 million from the state general fund is provided for the Action Team to develop and implement a work plan and budget for protection of the sound in consultation with the newly created Puget Sound Council. The Action Team is also directed to provide technical assistance to local governments and coordinate water quality monitoring programs. As a part of the legislation, \$1.0 million is provided for grants to local governments for on-site septic system projects identified in local watershed action plans. (See Office of the Governor for detail.)

1995-97 Washington State Operating Budget

Total Budgeted Funds

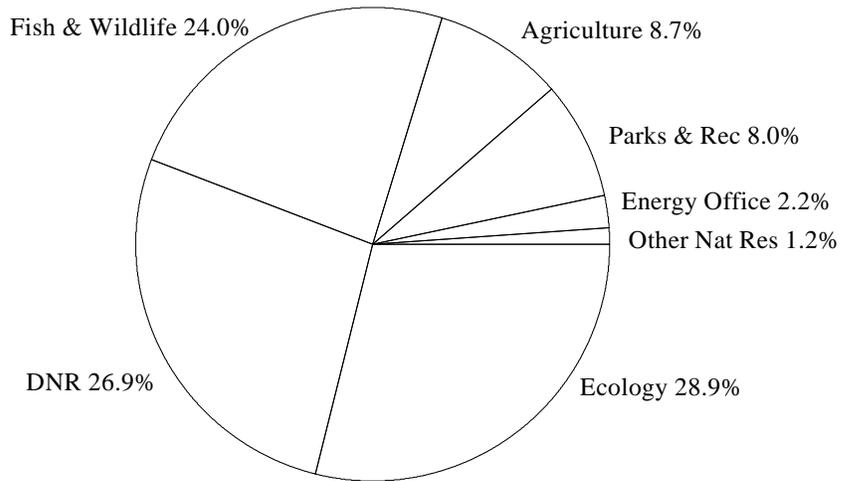
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
Human Services	12,284,095
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

Dept of Ecology	241,089
Dept of Natural Resources	224,928
Dept of Fish & Wildlife	200,365
Dept of Agriculture	72,618
Parks & Recreation	66,703
State Energy Office	18,543
Other Natural Resources	10,431
Natural Resources	834,677



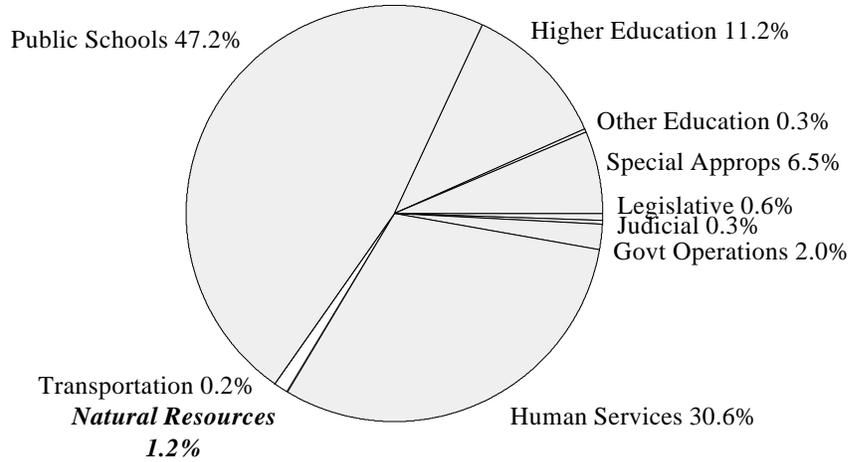
Natural Resources

1995-97 Washington State Operating Budget

General Fund - State

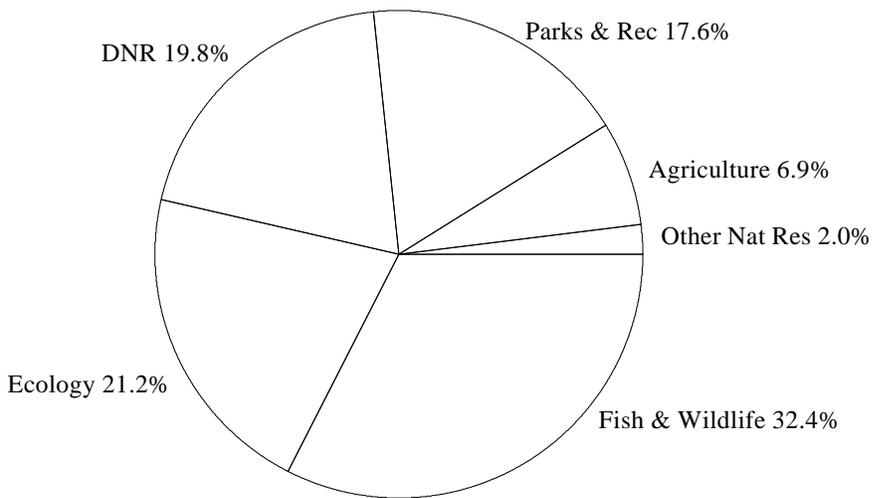
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
Human Services	5,394,546
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

Dept of Fish & Wildlife	66,888
Dept of Ecology	43,698
Dept of Natural Resources	40,749
Parks & Recreation	36,347
Dept of Agriculture	14,277
Other Natural Resources	4,205
Natural Resources	206,164



Natural Resources

Department of Ecology

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	42,764	180,452	223,216
1996 Supplemental Budget			
1. Better Information/Public Access	590	510	1,100
2. Retaining Legal Help	44	-44	0
3. Industrial Insurance Refund	0	189	189
4. Improving Community Air Quality	0	2,100	2,100
5. Cleaning Up Puget Sound Sediments	0	500	500
6. Community Water Quality	0	363	363
7. Combating Aquatic Weeds	0	860	860
8. Coastal Community Stabilization	0	700	700
9. Tire Pile Clean Up	0	2,476	2,476
10. Flood Reduction Plans	0	331	331
11. Attorney's Fees	300		300
12. Yakima Adjudication	0	250	250
13. Flood Assistance	0	5,000	5,000
14. ESHB 2875 - Water Quality Grants	0	1,000	1,000
Total Supplemental Items	934	14,235	15,169
1995-97 REVISED APPROPRIATIONS	43,698	194,687	238,385
Fiscal Year 1996 Totals	22,289	94,831	117,120
Fiscal Year 1997 Totals	21,409	99,856	121,265

Comments:

- | | |
|--|---|
| <p>1. BETTER INFORMATION/PUBLIC ACCESS - Funding is provided to integrate the agency's existing computer systems. The systems were originally designed to meet individual program requirements without regard to what information could be shared between the various programs. By integrating the computer systems, information can be shared internally as well as with the general public and other federal, state and local entities. (State Toxics Control Account, Waste Reduction Recycling and Litter Control Account, Air Pollution Control Account, Water Pollution Revolving Account-Federal)</p> <p>2. RETAINING LEGAL HELP - An adjustment is made to compensate for reductions in federal funds that can be used for administrative purposes. The additional state funds are provided to support Attorney General services. (State Toxics Control Account, Waste Reduction Recycling and Litter Control Account, Air Pollution Control Account, Water Pollution Control Revolving-Federal)</p> <p>3. INDUSTRIAL INSURANCE REFUND - The department is provided funds from Industrial Insurance refunds to implement safety and security plans as well as assess additional agency risk factors. (Industrial Insurance Premium Refund Account)</p> <p>4. IMPROVING COMMUNITY AIR QUALITY - Funding is provided for four specific purposes: 1) grants to local air authorities to assist them in developing a "maintenance plan" for redesignation of "nonattainment areas"; 2) air pollution studies to be conducted through contracts; 3) ambient air monitoring; and 4) additional technical assistance to businesses. (Air Pollution Control Account)</p> | <p>5. CLEANING UP PUGET SOUND SEDIMENTS - State matching funds are provided for phase one of a three-year federal study on the feasibility of developing of a multi-user disposal site for contaminated sediments. (Local Toxics Control Account)</p> <p>6. COMMUNITY WATER QUALITY - Funding is provided for additional technical assistance to small communities in solving water quality problems and financing water quality protection efforts. (Water Quality Account, State Revolving Loan Fund)</p> <p>7. COMBATING AQUATIC WEEDS - Additional grant dollars are provided to local governments to control and prevent invasive fresh water aquatic weeds. Funding is also provided as a grant to the Department of Fish and Wildlife to address Purple Loosestrife. (Freshwater Aquatic Weeds Account)</p> <p>8. COASTAL COMMUNITY STABILIZATION - Funding is provided for the study and abatement of coastal erosion in the region of Willapa Bay, Grays Harbor, and the lower Columbia River. The Department of Ecology will work cooperatively with the United States Geological Service (USGS) on this project. (Flood Control Assistance Account)</p> <p>9. TIRE PILE CLEAN UP - Funding is provided for additional contracts to clean up tire piles in local communities. (Vehicle Tire Recycling Account)</p> <p>10. FLOOD REDUCTION PLANS - Funds are provided to implement flood reduction plans in Mason and Douglas counties. (Flood Control Assistance Account)</p> |
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Department of Ecology

Governor's Vetoes:

11. ATTORNEY'S FEES - Funding is provided for payment of attorney's fees pursuant to the state Supreme Court's decision in Rettkowski v. Washington (Sinking Creek).
12. YAKIMA ADJUDICATION - Funding is provided for additional staff support to the Yakima County Superior Court for costs associated with the Yakima Adjudication. (Water Right Permit Processing)
13. FLOOD ASSISTANCE - Additional grant funding is provided to assist local governments in repair and replacement of dikes and levees damaged in the November 1995 and February 1996 flood events. (Flood Control Assistance Account)
14. ESHB 2875 - WATER QUALITY GRANTS - The Department of Ecology received an appropriation of \$1 million from the Water Quality Account in Chapter 138, Laws of 1996 (ESHB 2875). The legislation directs the Department of Ecology to provide grants to local jurisdictions for on-site sewage system projects. In issuing the grants, priority is to be given to: 1) areas where substantial numbers of low income households are proposed for system upgrades; 2) areas that have created operation and maintenance programs; 3) areas where failing systems have contaminated or threaten to contaminate shellfish growing areas and recreational harvests; and 4) areas that have formed shellfish protection districts.

Water Quality Permit Fee Program - The Governor vetoed a proviso earmarking \$110,000 in the Department of Ecology's existing budget to employ a consultant to develop a water quality permit fee schedule.

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

State Parks and Recreation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	35,897	29,429	65,326
1996 Supplemental Budget			
1. Holiday Pay	200	0	200
2. Historical Structures Assessment	250	0	250
Total Supplemental Items	450	0	450
1995-97 REVISED APPROPRIATIONS	36,347	29,429	65,776
Fiscal Year 1996 Totals	18,145		
Fiscal Year 1997 Totals	18,202	14,726	32,928

Comments:

1. HOLIDAY PAY - Funding is provided to pay rangers for each holiday worked at an overtime rate of time-and-one-half, rather than granting compensatory time.
2. HISTORICAL STRUCTURES ASSESSMENT - Funding is provided for a one-time comprehensive assessment of state parks' historical structures to be completed by a team of experts in historical preservation. The resulting report will make recommendations for the renovation, restoration, or dismantling of these structures and will help the agency prioritize future capital budget requests.

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

State Conservation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	1,662	202	1,864
1996 Supplemental Budget			
1. Attorney General Services	30	0	30
2. Water Quality Account-Operating	0	119	119
Total Supplemental Items	30	119	149
1995-97 REVISED APPROPRIATIONS	1,692	321	2,013
Fiscal Year 1996 Totals	867	101	968
Fiscal Year 1997 Totals	825	220	1,045

Comments:

1. ATTORNEY GENERAL SERVICES - A technical correction is made to provide funding for Attorney General's services for the Conservation Commission. (General Fund-State)
2. WATER QUALITY ACCOUNT-OPERATING - The Conservation Commission is authorized to spend eight percent of its Water Quality Account appropriation for operating costs. For the 1995-97 Biennium, the legislature provided an additional \$3 million to the Commission's capital budget Water Quality Account appropriation to address non-point water quality projects. To administer the increased number of grants, a shift of \$119,000 is made from the Capital budget to support these operating expenses. (Water Quality Account)

Department of Fish and Wildlife

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	64,719	132,218	196,937
1996 Supplemental Budget			
1. Mitchell Act Hatcheries	813	0	813
2. Forest Management	530	0	530
3. Noxious Weeds	145	0	145
4. Problem Wildlife	15	213	228
5. Minter Creek Hatchery	261	0	261
6. Maintain Hatchery Production	260	66	326
7. Commission Transition Costs	145	0	145
8. Warm Water Game Fish Program	0	980	980
Total Supplemental Items	2,169	1,259	3,428
1995-97 REVISED APPROPRIATIONS	66,888	133,477	200,365
Fiscal Year 1996 Totals	33,187	66,273	99,460
Fiscal Year 1997 Totals	33,701	67,204	100,905

Comments:

1. MITCHELL ACT HATCHERIES - In the continuing resolutions passed by Congress to date, federal funding for Mitchell Act hatcheries on the Columbia River has been reduced by 20 percent. Based on this reduction, the department indicates it would be necessary to immediately close three hatcheries and reduce operations in four others. The curtailed operations would impact several million chinook, coho, and steelhead juvenile fish that are not yet ready to be released. Emergency state funding is provided on a one-time basis to keep the hatcheries operating through September when the fish will be ready for release.
2. FOREST MANAGEMENT - Funding is provided for scientific and technical assistance to landowners who develop landowner harvest option plans under the Forest Practices Board spotted owl rule, which is anticipated to be adopted in July 1996.
3. NOXIOUS WEEDS - Additional weed control funding is provided for the department to hire a seasonal four-person crew to control Spartina in Willapa Bay.
4. PROBLEM WILDLIFE - Funds are provided for the Department to pay animal damage claims pursuant to Chapter 54, Laws of 1996 (E2SSB 6146) and to implement problem wildlife preventative activities, including a public safety education program regarding how to deal with bear and cougar in urban and semi-urban areas. (Wildlife Account-State)
5. MINTER CREEK HATCHERY - A technical adjustment is made to restore funding to a hatchery that was under renovation during the 1993-95 biennium. The facility is now fully operational.
6. MAINTAIN HATCHERY PRODUCTION - State-operated hatcheries recently lost their discount under the Bonneville Power Administration's Farm Energy Discount Program. Additional funding is provided to cover the increased cost of electrical power resulting from the elimination of this discount. (Wildlife Account-State, Recreational Fisheries Enhancement Account)
7. COMMISSION TRANSITION COSTS - One-time transition funding is provided for the Fish & Wildlife Commission. With the enactment of Referendum 45, the Commission has new responsibilities. The transition funding will cover additional commission meetings throughout the state, educational briefings for commission members, and a contracted management review of the agency. Costs in the 1997-99 biennium are anticipated to be absorbed.
8. WARM WATER GAME FISH PROGRAM - Chapter 222, Laws of 1996 (4SSB 5159) establishes a warm water game fish enhancement program. Starting in January 1997, a surcharge will be collected on certain game fishing licenses in order to support the program. Funding is provided based on the anticipated revenue that will be generated this biennium. (Warm Water Game Fish Account)

Department of Natural Resources

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	40,599	179,855	220,454
1996 Supplemental Budget			
1. Retrospective Rating Refund	0	62	62
2. Fire Program Review	150	0	150
3. FDA Fund Investment Plan	0	3,662	3,662
4. Jobs and the Environment	0	600	600
Total Supplemental Items	150	4,324	4,474
1995-97 REVISED APPROPRIATIONS	40,749	184,179	224,928
Fiscal Year 1996 Totals	20,325	88,089	108,414
Fiscal Year 1997 Totals	20,424	96,090	116,514

Comments:

1. RETROSPECTIVE RATING REFUND - The Department of Labor and Industries (L&I) retrospective rating refund will be used to enhance safety programs in the agency. (Industrial Insurance Premium Refund Account)
2. FIRE PROGRAM REVIEW - Funding is provided for a comprehensive independent review of the department's wildland firefighting program. In consultation with other affected parties such as industrial and small forest landowners, fire districts, local governments, federal agencies, and tribes, the review is intended to provide recommendations on how the department can best meet its fire protection responsibilities.
3. FDA FUND INVESTMENT PLAN - The management costs of Forest Board lands are provided by the Forest Development Account. The trees on these lands are nearing maturity. Additional appropriation authority is provided from this account to prepare these properties for harvest. To the extent possible, the department is directed to hire unemployed timber workers to perform silviculture activities, address forest health concerns, and repair damages on these lands. (Forest Development Account)
4. JOBS AND THE ENVIRONMENT - The 1995 Legislature originally appropriated \$13 million from a variety of fund sources for the Jobs and the Environment program. However, revenues in support of the program did not materialize as originally estimated requiring a reduction of \$3.4 million in the Watershed Restoration Account appropriation. The decline in revenue is more than offset by a \$4.0 million increase in the Water Quality Account appropriation, thereby bringing the total appropriation for the program to \$13.6 million. From the additional Water Quality Account appropriation, the Department of Natural Resources is to provide a grant to the Department of Ecology to fund the Washington Conservation Corps program in FY 97. (Watershed Restoration Account, Water Quality Account)

Department of Agriculture

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	13,362	57,151	70,513
1996 Supplemental Budget			
1. Asian Gypsy Moth Eradication	724	890	1,614
2. Food Safety Inspections	120	0	120
3. Agriculture Puget Sound Plan	71	0	71
Total Supplemental Items	915	890	1,805
1995-97 REVISED APPROPRIATIONS	14,277	58,041	72,318
Fiscal Year 1996 Totals	7,110	29,209	36,319
Fiscal Year 1997 Totals	7,167	28,832	35,999

Comments:

1. ASIAN GYPSY MOTH ERADICATION - Additional funding is provided on a one-time basis to monitor and eradicate infestations of Asian Gypsy Moths in Western Washington. The specific areas that require spraying are near the ports of Olympia (Black Lake) and Seattle (Madrona Park, North Beacon Hill). (General Fund-Federal)
2. FOOD SAFETY INSPECTIONS - Funding is provided for two additional Food Safety Officers to conduct an additional 500 food processor inspections annually, thereby reducing food safety risks.
3. AGRICULTURE PUGET SOUND PLAN - Funding is restored to the agency's statutorily-required Pesticide Management Program which implements a component of the Puget Sound Water Quality Management Plan. These funds were erroneously reduced in the original 1995-97 biennial budget.

Office of Marine Safety

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1996 Supplemental Budget			
1. Intertanko Lawsuit - AG Costs	0	250	250
Total Supplemental Items	0	250	250
<hr/>			
1995-97 REVISED APPROPRIATIONS	0	250	250
Fiscal Year 1996 Totals	0	125	125
Fiscal Year 1997 Totals	0	125	125

Comments:

INTERTANKO LAWSUIT - AG COSTS - Funding is provided to address increased Attorney General services and expert witness costs resulting from the Intertanko lawsuit that has been filed against the Office of Marine Safety. (Oil Spill Administration Account)

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

Transportation

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

Washington State Patrol

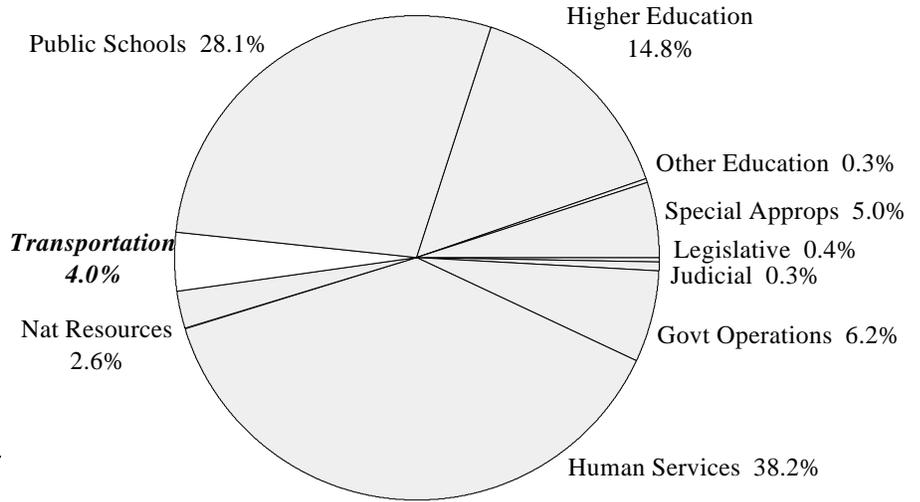
An amount of \$4.1 million is provided to implement the provisions of Chapter 126, Laws of 1996 (2SSB 6272) requiring background checks of employees working in the K-12 system prior to 1992. Since 1992, all new K-12 employees have been subjected to a background check prior to employment. The estimated 61,500 employees who began working in the system prior to 1992 are now subject to the same background check as a requirement of continued employment.

1995-97 Washington State Operating Budget

Total Budgeted Funds

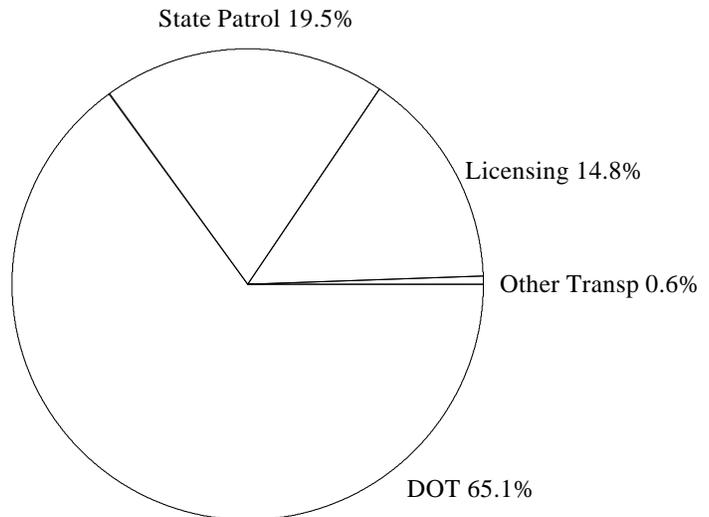
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
Human Services	12,284,095
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

Dept of Transportation	841,735
State Patrol	251,460
Dept of Licensing	191,205
Other Transportation	8,057
Transportation	1,292,457



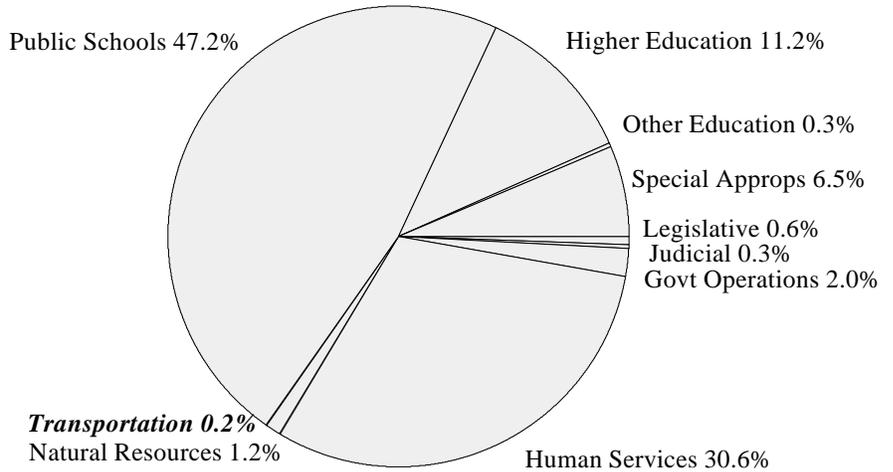
Transportation

1995-97 Washington State Operating Budget

General Fund - State

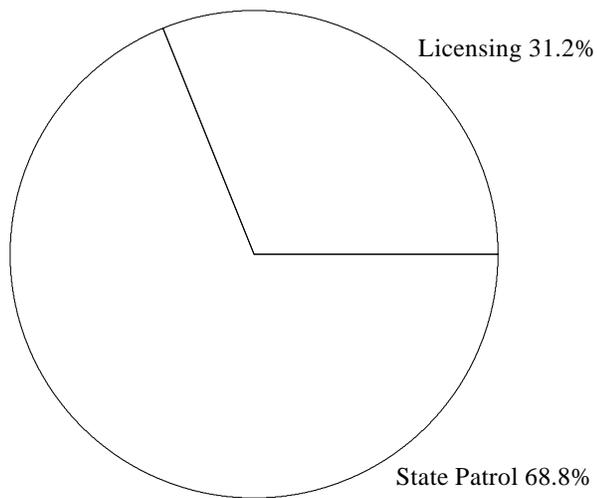
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
Human Services	5,394,546
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

State Patrol	19,243
Dept of Licensing	8,735
Transportation	27,978



Transportation

Department of Licensing

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	8,486	21,181	29,667
1996 Supplemental Budget			
1. Engineers: Cost/Workload Increases	0	85	85
2. Master License System	0	217	217
3. Overhead Funding Realignment	202	-68	134
4. Retrospective Rating	0	24	24
5. Attorney General Salary Increase	7	15	22
6. Attorney General Fund Adjustment	34	99	133
7. Risk Management Costs	6	12	18
8. Limousine Regulation	0	122	122
Total Supplemental Items	249	506	755
1995-97 REVISED APPROPRIATIONS	8,735	21,687	30,422
Fiscal Year 1996 Totals	4,336	10,774	15,110
Fiscal Year 1997 Totals	4,399	10,913	15,312

Comments:

- | | |
|---|--|
| <p>1. ENGINEERS: COST/WORKLOAD INCREASES - Provides funding to meet the requirements of Chapter 356, Laws of 1995 (HB 1534) changing the registration requirements relating to professional land surveyors and engineers. Funding covers: Attorney General services; higher charges from the Department of Natural Resources for copying of survey maps; increased costs for exam development; and the replacement of eight personal computers. (Professional Engineers-State)</p> <p>2. MASTER LICENSE SYSTEM - Provides funding for three FTE staff and equipment to meet requests for adding new types of licenses to the system and to respond to increased utilization of the system by businesses. This program is self-supporting. (Master Licensing Account)</p> <p>3. OVERHEAD FUNDING REALIGNMENT - Agency fund sources are adjusted to correctly allocate the costs of supporting the department's Administration and Information Services divisions. (General Fund-State, Architects-State, Cemetery-State, Professional Engineers-State, Real Estate-State, Master License Account-State, Uniform Commercial Code-State, Funeral Directors-State, Motor Vehicle Fund-State, Transportation Account-State, Motorcycle Safety-State, and Highway Safety Fund-State)</p> <p>4. RETROSPECTIVE RATING - Provides expenditure authority to fund additional workplace safety materials and activities. (Industrial Insurance Premium Account)</p> <p>5. ATTORNEY GENERAL SALARY INCREASE - Provides funding to correct the omission of costs related to the four percent salary increase authorized in the original 1995-97 biennium budget. (General Fund-State, Funeral Directors-State, Real Estate-State, Architects-State, Professional Engineers-State, Highway Safety Fund, and Motor Vehicle Fund-State)</p> <p>6. ATTORNEY GENERAL FUND ADJUSTMENT - Corrects a misallocation of Attorney General compensation costs between the programs funded in the transportation budget and the programs</p> | <p>funded in the general fund budget of the department. Funds supporting Attorney General costs are adjusted and net to zero in the aggregate. (General Fund-State, Architects-State, Cemetery-State, Real Estate-State, Master License Account-State, Professional Engineers-State, Uniform Commercial Code-State, Funeral Directors-State, Highway Safety Fund-State, Motor Vehicle Fund-State)</p> <p>7. RISK MANAGEMENT COSTS - Corrects an error in the amount of funding for risk management administration and Motorcycle Training program insurance provided in the 1995-97 budget. (General Fund-State, Real Estate-State, Master License Account-State, Professional Engineers-State, Uniform Commercial Code-State, Highway Safety Fund-State, Motor Vehicle Fund-State)</p> <p>8. LIMOUSINE REGULATION - Funding is provided for activities associated with Chapter 87, Laws of 1996 (HB 2551). Regulatory responsibility for limousines is transferred from the Utilities and Transportation Commission to the Department of Licensing. (Master License Account)</p> <p>NOTE: Amounts shown here reflect only the Omnibus Appropriations Act. The remainder of the Department of Licensing's budget is shown in the Transportation Budget Section of this document.</p> |
|---|--|

Washington State Patrol

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	15,081	20,293	35,374
1996 Supplemental Budget			
1. Transfer to Fire Protection	102	0	102
2. School Employee Background Checks	4,060	0	4,060
Total Supplemental Items	4,162	0	4,162
1995-97 REVISED APPROPRIATIONS	19,243	20,293	39,536
Fiscal Year 1996 Totals	8,011	9,605	17,616
Fiscal Year 1997 Totals	11,232	10,688	21,920

Comments:

1. TRANSFER TO FIRE PROTECTION - Funds for fire protection services are transferred from the Department of Community, Trade, and Economic Development (CTED) to the State Patrol. This completes a transfer begun in the original 1995-97 budget.
2. SCHOOL EMPLOYEE BACKGROUND CHECKS - Since 1992, new K-12 employees have been required to get a background check prior to employment. Chapter 126, Laws of 1996 (2SSB 6272) requires the estimated 61,500 employees hired before this date to be checked. This item provides funding to the State Patrol and the Superintendent of Public Instruction to conduct these checks.

NOTE: Amounts shown here reflect only the Omnibus Appropriations Act. The remainder of the Washington State Patrol's budget is shown in the Transportation Budget Section of this document.

Public Schools

K-12 Technology Equipment and Program Costs

Funds for technology equipment and related programs will be distributed through a grant program prioritizing funding to programs that are consortia, provide local match, and exhibit evidence of partnerships with the technology industry, higher education, and other organizations using technology as a learning tool.

Bus Funding

Currently, the state provides funding to replace school buses after they have been in use 8, 15, or 20 years, depending on the size of the bus. The larger the bus, the longer it is expected to last. Beginning in the 1996-97 school year, the budget provides funds to reduce the expected lifetime for buses to 8, 13, and 18 years in order to increase the safety and efficiency of district bus fleets.

Hazardous Walking

The 1995-97 biennial budget reduced funding by 50 percent for hazardous walking conditions for students living within one mile from school and required school districts to strictly adhere to the laws under which such funding is provided. The supplemental budget funds hazardous walking conditions at 67 percent for the 1995-96 school year. For the 1996-97 school year, additional funds are provided to implement a new funding formula based on students in grades K-5 living within one mile from school.

K-12 Vocational Education Equipment

Provides funding for upgrades of technical equipment to ensure that vocational training is relevant to the rapidly changing workplace.

School Security Guards

The biennial budget provided \$3.1 million for school security programs in secondary schools. Additional funding from the Public Safety and Education Account is provided to serve more districts. The program is broadened from its current application in secondary grades to serve grades K-12.

Reading Emphasis & Literacy Grants

Provides for identification of effective reading education programs, grants for in-service training, early reading emphasis grants and enhanced reading materials, and assistance to school districts seeking to improve reading education (Chapter 273, Laws of 1996 -- E2SHB 2909).

Primary Intervention Program (PIP)

Provides school-based early intervention mental health services primarily to children in grades K-3. The program is currently operating in 32 of the state's 296 school districts and services approximately 3,000 students at any one time. Funds are appropriated to the Mental Health Division of the Department of Social and Health Services.

Employee Background Checks

Current law requires background checks for staff hired after 1992. Funding is provided to complete background checks for K-12 employees hired prior to 1992. The funds are appropriated to the Washington State Patrol (Chapter 126, Laws of 1996 -- 2SSB 6272).

Extended Day Skill Center Programs

Funding is provided for assisting at-risk high school students to receive training. These funds provide outreach and life coping skills to facilitate students' re-entry to public education.

Conflict Resolution and Anger Management Training

Funding is provided for conflict resolution and anger management training of teachers to provide students with the skills to settle disputes and resolve conflicts before they escalate to violence.

Vocational Education Summer School

State funding is provided for summer school vocational education programs at the skills centers.

School District Truancy Costs

The 1995 and 1996 Becca Bills require filing truancy petitions and providing specialized educational services for truant youth. The original budget funded \$3.0 million for filing costs. The supplemental budget provides an additional \$2.0 million for alternative schools to SPI and \$1.0 million for local truancy boards to the Division of Children and Family Services in the Department of Social and Health Services. (For details, see Page 87.)

Telecommunications Network and Distance Education

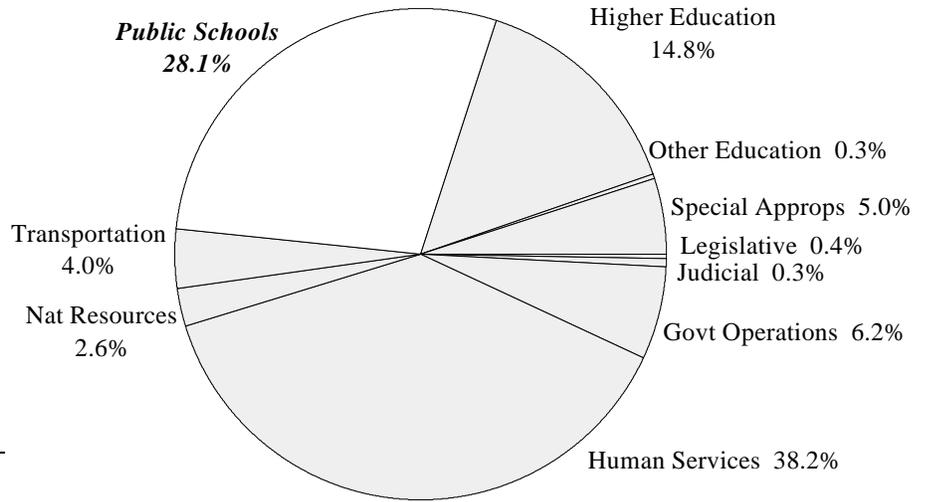
The supplemental budget includes a total of \$42.3 million (\$15.3 million from the state building construction funds and \$27 million from the state general fund) for the development of a K-20 telecommunications network and distance education system. The funding will be implemented in accordance with Chapter 137, Laws of 1996 (E2SSB 6705), which details a design and approval process to implement a telecommunications system which will benefit the state's K-12 education system and higher education system. Other private and public entities may be included in the system as well. Appropriations for the telecommunications network and distance education facilities are made to the Department of Information Services. (For details, see Page 74.)

1995-97 Washington State Operating Budget

Total Budgeted Funds

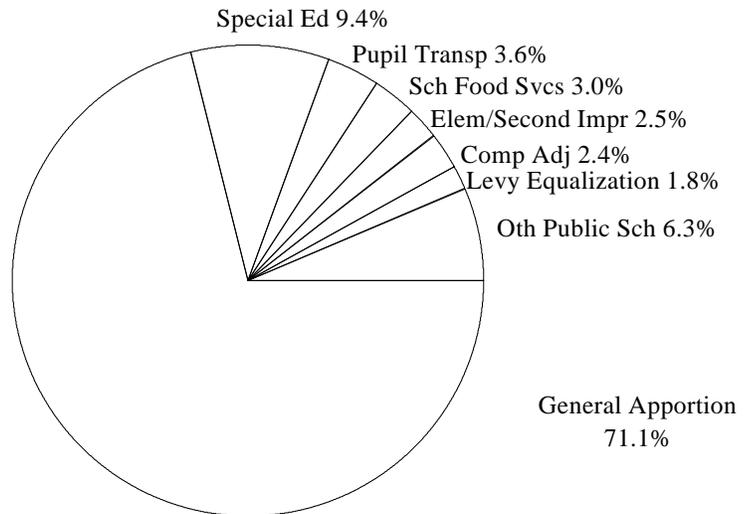
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
Human Services	12,284,095
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

General Apportionment	6,428,005
Special Education	846,604
Pupil Transportation	328,753
School Food Services	269,619
Elem/Second Sch Improve	222,376
Compensation Adj	218,964
Levy Equalization	159,677
Other Public Schools	565,052
Public Schools	9,039,050



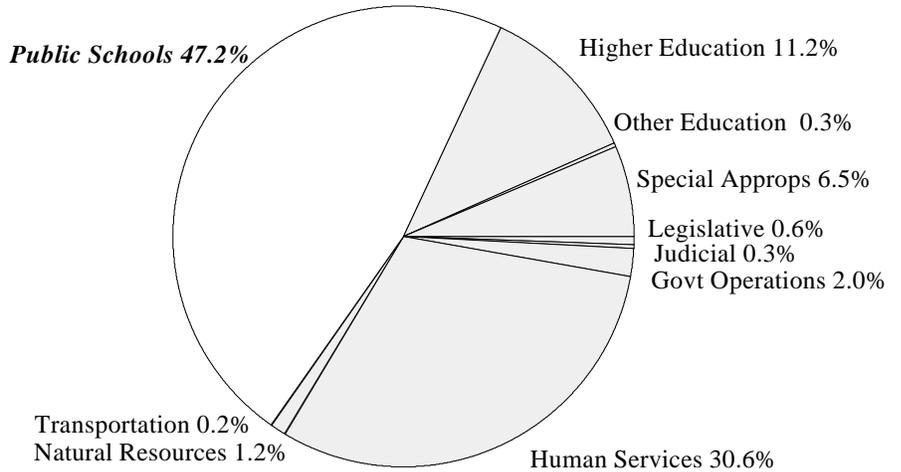
Public Schools

1995-97 Washington State Operating Budget

General Fund - State

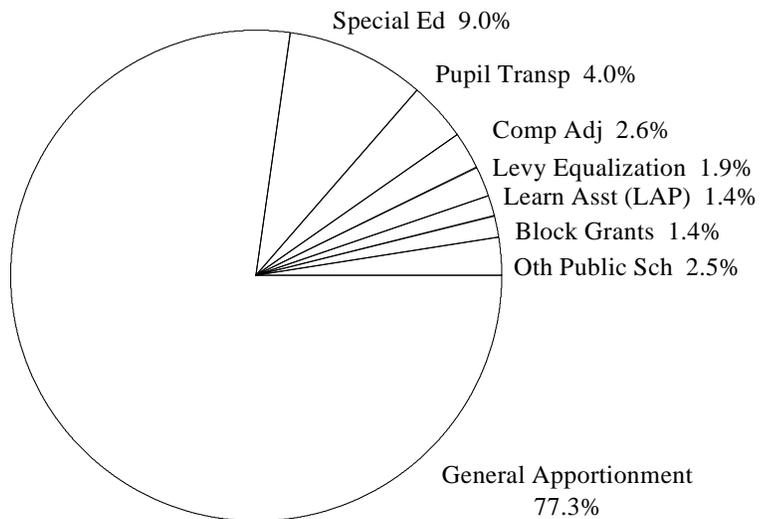
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
Human Services	5,394,546
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

General Apportionment	6,428,005
Special Education	747,920
Pupil Transportation	328,753
Compensation Adj	218,964
Levy Equalization	159,677
Block Grants	114,969
Learning Assist Pgm (LAF)	114,627
Other Public Schools	203,967
Public Schools	8,316,882



Public Schools

Public Schools

WORKLOAD HISTORY

By School Year

	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
							Budgeted	Estimate		
General Apportionment										
FTE Enrollment	733,850	748,418	768,619	795,703	823,355	850,426	871,735	896,872	904,174	924,426
% Change from prior year		2.0%	2.7%	3.5%	3.5%	3.3%	2.5%	2.9%	0.8%	2.2%
Special Education										
Headcount Enrollment	72,634	76,155	80,236	84,808	95,954	102,388	101,463	107,434	108,893	112,144
% Change from prior year		4.8%	5.4%	5.7%	13.1%	6.7%	-0.9%	5.9%	1.4%	3.0%
Bilingual Education										
Headcount Enrollment	14,505	16,877	19,344	23,513	28,156	32,200	36,306	41,001	42,982	46,273
% Change from prior year		16.4%	14.6%	21.6%	19.7%	14.4%	12.8%	12.9%	4.8%	7.7%
Learning Assistance Program										
Entitlement Units *	64,697	75,893	86,749	104,123	106,270	114,909	112,771	117,887	154,933	159,640
% Change from prior year		17.3%	14.3%	20.0%	2.1%	8.1%	-1.9%	4.5%	31.4%	3.0%

Notes:

* Entitlement units used for allocation purposes only. Actual students served may vary. Formula changed in 1995, see detail for the Learning Assistance Program.

Data Sources:

1987-88 through 1992-93 actuals, and 1993-94 and 1994-95 budgeted amounts from SPI/OFM.

1995-96 and 1996-97 estimates from Legislative Conference Budget.

**Public Schools
OSPI & Statewide Programs**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	36,160	44,806	80,966
1996 Supplemental Budget			
1. Adjustment to Nonappropriated	0	186	186
2. School Security Enhancement	0	2,800	2,800
3. Alcohol Awareness Training	300	0	300
4. Skill Center Study	100	0	100
5. Conflict Resolution Training	1,000	0	1,000
6. Alternative Schools	2,000	0	2,000
7. Technology Grants	10,000	0	10,000
8. Vocational Equipment Grants	5,000	0	5,000
9. Geographic Alliance	50	0	50
10. Teen Aware	0	450	450
11. Reading Emphasis & Literacy Grants	1,500	0	1,500
Total Supplemental Items	19,950	3,436	23,386
<hr/>			
1995-97 REVISED APPROPRIATIONS	56,110	48,242	104,352
Fiscal Year 1996 Totals	18,421	22,452	40,873
Fiscal Year 1997 Totals	37,689	25,790	63,479

Comments:

- ADJUSTMENT TO NONAPPROPRIATED - Funding is increased for the Child Care Food Program administered by the Superintendent of Public Instruction (SPI). These funds are used for food allowances for day care centers and child care providers. (Federal Food Account, Non-appropriated)
- SCHOOL SECURITY ENHANCEMENT - The biennial budget appropriated \$3.1 million from the drug enforcement and education account for grants to schools for hiring school security guards and combating violence, guns, gangs, and drugs on school grounds. Of the 51 requests for grants, 16 received some funding from the \$3.1 million appropriation. An additional \$2.8 million from PSEA funds is appropriated for additional grants.
- ALCOHOL AWARENESS TRAINING - An appropriation is made to permit the expenditure of dedicated revenues received from beer retailer licence fees. RCW 66.08.180 provides \$150,000 per year from these fees for alcohol and drug prevention programs administered by SPI. The appropriation for this amount was omitted from the original 1995-97 Biennial budget.
- SKILL CENTER STUDY - Provides funding for a feasibility and implementation study of providing a Vocational Education Skills Center for school districts in the North Central Educational Service District.
- CONFLICT RESOLUTION TRAINING - Funding is provided for a grant program for conflict resolution and anger management training for teachers to help students with the skills to settle disputes and resolve conflicts before they escalate to violence.
- ALTERNATIVE SCHOOLS - Funds are provided for start-up grants to establish alternative schools and programs for school students who have been truant, suspended or expelled or subject to other disciplinary actions.
- TECHNOLOGY GRANTS - Funding is provided for grants to school districts with innovative applications of technology and that implement their approach through forming consortia, committing local and industry match, and evaluating the effectiveness of their technology based education strategy.

VOCATIONAL EQUIPMENT GRANTS - \$91.23 per vocational FTE student is provided to update technology used in vocational education.
- GEOGRAPHIC ALLIANCE - \$50,000 is provided to the state geographic alliance for improving the teaching of geography in the common school system.
- TEEN AWARE - \$450,000 of Health Services Account funds are provided for media productions by students to address issues and consequences of teenage pregnancy and child rearing.
- READING EMPHASIS & LITERACY GRANTS - Funds are provided for reading programs under Chapter 273, Laws of 1996 (E2SHB 2909) as follows: \$100,000 for the Center for the Improvement of Student Learning to identify effective reading programs and disseminate the information; \$500,000 for grants to provide incentives for the use of the effective reading programs; and \$900,000 for reading instruction and reading assessment training programs for educators. The Superintendent of Public Instruction is provided one FTE for this project.

**Public Schools
OSPI & Statewide Programs**

* STUDENT DATA SYSTEM FISCAL YEAR ADJ - The biennial budget contained an appropriation of \$1.7 million for student data base reprogramming and computer purchases. The fiscal year split of the \$1.7 million was at \$1.1 million in FY 96 and \$0.6 million in FY 97. The Superintendent of Public Instruction requested that the funds be evenly split in the two fiscal years to match the actual spending patterns for the project.

Public Schools General Apportionment

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	6,459,744	0	6,459,744
1996 Supplemental Budget			
1. Enrollment/Workload	-34,852	0	-34,852
2. Staff Ratio Adjustment	-3,178	0	-3,178
3. Compensation Adjustment	5,772	0	5,772
4. Carryforward Adjustment	1,047	0	1,047
5. Deductible Revenue Adjustment	1,209	0	1,209
6. Inflation Adjustment	-4,435	0	-4,435
7. Summer Skills Center Restored	1,948	0	1,948
8. Extended Day Skills Center	750	0	750
Total Supplemental Items	-31,739	0	-31,739
<hr/>			
1995-97 REVISED APPROPRIATIONS	6,428,005	0	6,428,005
Fiscal Year 1996 Totals	3,166,013	0	3,166,013
Fiscal Year 1997 Totals	3,261,992	0	3,261,992

Comments:

1. ENROLLMENT/WORKLOAD - The K-12 enrollment forecast was revised on January 19, 1996 as follows: the estimated 1995-96 school year enrollment is reduced by 4,518 FTE students (from 908,692 to 904,174), and the estimated 1996-97 enrollment is reduced by 4,896 FTE students (from 929,322 to 924,426). Small reductions are also made in the estimated number of bonus units required for small high schools.
2. STAFF RATIO ADJUSTMENT - The budget makes provision for a K-3 staffing ratio of 54.0 certificated instructional staff per 1000 FTE K-3 students. School district budgets are adjusted to reflect actual K-3 staffing levels up to the maximum provided in the budget. The estimated average state-funded K-3 staffing ratio is reduced from 53.86 to 53.74 staff per thousand students during the 1995-96 school year and from 53.90 to 53.78 staff per thousand students in the 1996-97 school year.
3. COMPENSATION ADJUSTMENT - Actual district staff mix for the 1995-96 school year is higher than assumed in the budget. Staff mix is a measure of the experience and education of a school district's certificated instructional staff in the apportionment program. The higher the staff mix, the greater the state's allocation to a school district for salaries. The staff mix calculation is changed for the 1996-97 school year by including special education certificated instructional staff.
4. CARRYFORWARD ADJUSTMENT - The 1994-95 school year general apportionment program costs carried forward into the 1995-96 state fiscal year are increased from \$609.735 million to \$610.782 million. This change is due primarily to increases in vocational enrollment reported after June 30, 1995.
5. DEDUCTIBLE REVENUE ADJUSTMENT - Federal forest fund revenues and certain local revenues are used to offset the state's obligation for basic education. Estimated deductions from state obligations for general apportionment are revised as follows: Federal Forest revenues are reduced from an assumed \$16.0 million per year to \$15.033 million per year based on January 1996 receipts. Other deductible revenues are increased from an assumed \$8.0 million per year to \$8.3 million per year also based on January 1996 receipts.
6. INFLATION ADJUSTMENT - The Economic and Revenue Forecast Council has revised the estimated implicit price deflator from 2.9 percent to 2.1 percent for FY 96 and from 3.1 percent to 2.5 percent for FY 97. For the 1995-96 school year the inflation adjustment is left unchanged at 2.9 percent. However, the K-12 inflation factor for the 1996-97 school year is revised from 3.1 percent to 1.7 percent to take account of reduced inflation for both years of the biennium. (The compound inflation rates of 2.9 percent and 1.7 percent are approximately equivalent to compound inflation at the revised rates of 2.1 percent and 2.5 percent for the 1995-97 Biennium.)
7. SUMMER SKILLS CENTER RESTORED - Funding is restored for summer programs at Washington's eight Vocational Skills Centers. The original 1995-97 Biennial budget eliminated funding for these programs in 1996. Approximately 3,900 students (450 FTE students) are served in these summer programs.
8. EXTENDED DAY SKILLS CENTER - \$750,000 is provided for programs providing skills training for secondary students who are at risk of or have dropped out of school and as a result are enrolled in the extended day school-to-work programs. The funds are allocated at a maximum rate of \$500 per FTE student.

Public Schools Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	219,877	0	219,877
1996 Supplemental Budget			
1. Enrollment/Workload	-1,236	0	-1,236
2. Staff Ratio Adjustment	-111	0	-111
3. Compensation Adjustment	257	0	257
4. Hazardous Walking Restored	177	0	177
Total Supplemental Items	-913	0	-913
1995-97 REVISED APPROPRIATIONS	218,964	0	218,964
Fiscal Year 1996 Totals	96,201	0	96,201
Fiscal Year 1997 Totals	122,763	0	122,763

Comments:

1. ENROLLMENT/WORKLOAD - The cost of the 4 percent cost of living adjustment provided to school employees September 1, 1995 is lower due to the lower K-12 enrollment forecast.
2. STAFF RATIO ADJUSTMENT - The cost of the 4 percent cost of living adjustment provided for school employees is lower due to the revised K-3 staff ratio in the General Apportionment program.
3. COMPENSATION ADJUSTMENT - The cost of the 4 percent salary adjustment for school employees is higher due to higher than anticipated staff mix factors in the General Apportionment program.
4. HAZARDOUS WALKING RESTORED - The cost of the 4 percent salary adjustment for school employees is adjusted due to the increased funding in the pupil transportation program for hazardous walking conditions.

Governor's Vetoes:

K-12 Basic Education Salary Allocations (Staff Mix) - The Governor vetoed section 503 of the Supplemental Budget, which would have required inclusion of special education staff salaries in the calculation of basic education salary allocations. The veto will require a FY 97 supplemental budget adjustment of approximately \$4.4 million from the state general fund.

**Public Schools
Pupil Transportation**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	320,481	0	320,481
1996 Supplemental Budget			
1. Enrollment/Workload	-7,670	0	-7,670
2. Carryforward Adjustment	-179	0	-179
3. Inflation Adjustment	-522	0	-522
4. Hazardous Walking Restored	7,643	0	7,643
5. School Bus Replacement	9,000	0	9,000
Total Supplemental Items	8,272	0	8,272
1995-97 REVISED APPROPRIATIONS	328,753	0	328,753
Fiscal Year 1996 Totals	154,391	0	154,391
Fiscal Year 1997 Totals	174,362	0	174,362

Comments:

1. ENROLLMENT/WORKLOAD - The estimated pupil transportation workload is reduced as a result of a lower K-12 enrollment forecast.
2. CARRYFORWARD ADJUSTMENT - The 1994-95 school year pupil transportation costs carried forward into the 1995-96 state fiscal year are reduced from \$30.502 million to \$30.323 million. The change is primarily due to lower than estimated workload in the 1994-95 school year.
3. INFLATION ADJUSTMENT - The adjustment for inflation in the 1996-97 school year is revised from 3.1 percent to 1.7 percent. See the General Apportionment program for details.
4. HAZARDOUS WALKING RESTORED - The original 1995-97 Biennial budget reduced funding by 50 percent for hazardous walking conditions for students living within one mile of school and required school districts to strictly adhere to the laws under which such funding is provided. The supplemental budget funds hazardous walking conditions at 67 percent for the 1995-96 school year. For the 1996-97 school year, the supplemental budget provides additional funds to implement a new funding formula based on students in grades K-5 living within one mile from school.
5. SCHOOL BUS REPLACEMENT - Currently the state provides funding to replace school buses after they have been in use 8, 15, or 20 years, depending on the size of the bus. The larger the bus the longer it's expected to last. Beginning in the 1996-97 school year, the budget provides funds to reduce the expected lifetime for buses to 8, 13, and 18 years.

**Public Schools
Special Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	753,468	98,684	852,152
1996 Supplemental Budget			
1. Enrollment/Workload	-6,372	0	-6,372
2. Compensation Adjustment	620	0	620
3. Carryforward Adjustment	-378	0	-378
4. Inflation Adjustment	-457	0	-457
5. Medicaid Adjustment	4,019	0	4,019
6. Safety Net Forecast Adjustment	-2,980	0	-2,980
Total Supplemental Items	-5,548	0	-5,548
1995-97 REVISED APPROPRIATIONS	747,920	98,684	846,604
Fiscal Year 1996 Totals	379,771	49,342	429,113
Fiscal Year 1997 Totals	368,149	49,342	417,491

Comments:

1. ENROLLMENT/WORKLOAD - Special Education program appropriations are decreased due to lower forecasted enrollments in grades K-12. In addition, there is a lower than expected increase in the number of special education students being served in the birth through two age category student.
2. COMPENSATION ADJUSTMENT - Special Education funding is increased due to increases in the staff mix factor in the general apportionment program. The higher staff mix increases the average basic education allocation amount per student used in the special education funding formula.
3. CARRYFORWARD ADJUSTMENT - The 1994-95 Special Education program costs carried forward into FY 96 are reduced from \$93.945 million to \$93.567 million.
4. INFLATION ADJUSTMENT - Inflation adjustments in the General Apportionment program affect the basic education allocations per student used in the special education funding formula. See the General Apportionment program for details.
5. MEDICAID ADJUSTMENT - School districts are required to bill medicaid for eligible services provided to special education students. The state retains 80 percent of the federal portion of the medicaid billing and school districts retain 20 percent. The state portion is used to offset the state cost of the Special Education program. It was assumed in the budget that the state share of medicaid recoveries would be \$7.2 million in 1995-96 and \$8.4 million in 1996-97. Based on current year recoveries, it is now estimated that the state share will be \$5.2 million in 1995-96 and \$6.4 million in 1996-97.
6. SAFETY NET FORECAST ADJUSTMENT - The 1995-97 budget provided \$14.6 million GF-S for special education safety net purposes for the 1995-96 school year and \$19.6 million for the 1996-97 school year. Based on eligibility for funds in the 1995-96 school year it appears that \$3.6 million will not be needed for the 1996-97 school year. On a fiscal year basis, the adjustment is \$2.8 million.

**Public Schools
Traffic Safety Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	0	17,488	17,488
1996 Supplemental Budget			
1. Enrollment/Workload	0	-514	-514
2. Carryforward Adjustment	0	-46	-46
Total Supplemental Items	0	-560	-560
1995-97 REVISED APPROPRIATIONS	0	16,928	16,928
Fiscal Year 1996 Totals	0	8,388	8,388
Fiscal Year 1997 Totals	0	8,540	8,540

Comments:

1. ENROLLMENT/WORKLOAD - The estimated number of students completing traffic safety education programs in the public schools is reduced from 55,781 to 53,169 for the 1995-96 school year and from 57,651 to 54,768 for the 1996-97 school year.
2. CARRYFORWARD ADJUSTMENT - The 1994-95 school year traffic safety education costs carried forward into FY 96 are reduced from \$1.711 million to \$1.665 million due to lower than anticipated enrollment in drivers' training courses in public schools.

**Public Schools
Educational Service Districts**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	8,821	0	8,821
1996 Supplemental Budget			
1. Dyslexia Training Services	80	0	80
Total Supplemental Items	80	0	80
1995-97 REVISED APPROPRIATIONS	8,901	0	8,901
Fiscal Year 1996 Totals	4,491	0	4,491
Fiscal Year 1997 Totals	4,410	0	4,410

Comments:

1. DYSLEXIA TRAINING SERVICES - \$80,000 is provided for dyslexia training services in ESD 121, specifically to the Tacoma School District by a non-profit organization with expertise in this field.

**Public Schools
Levy Equalization**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	155,000	0	155,000
1996 Supplemental Budget			
1. Levy Equalization Adjustment	4,677	0	4,677
Total Supplemental Items	4,677	0	4,677
1995-97 REVISED APPROPRIATIONS	159,677	0	159,677
Fiscal Year 1996 Totals	76,871	0	76,871
Fiscal Year 1997 Totals	82,806	0	82,806

Comments:

1. LEVY EQUALIZATION ADJUSTMENT - The 1995-97 biennial budget assumed annual levy equalization costs of \$78.469 million for calendar year 1996 and \$80.511 million for calendar year 1997. Budget estimates were based on the expected number of successful levies by school districts. Actual data is now available, and the revised assumptions are for costs of \$81.346 million for calendar year 1996 and \$84.0 million for calendar year 1997.

**Public Schools
Indian Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	0	370	370
1996 Supplemental Budget			
1. Federal Program Reduction	0	-315	-315
Total Supplemental Items	0	-315	-315
1995-97 REVISED APPROPRIATIONS	0	55	55
Fiscal Year 1996 Totals	0	55	55

Comments:

1. FEDERAL PROGRAM REDUCTION - Federal funding for the Superintendent of Public Instruction's Indian Education Program was discontinued in 1995. (General Fund-Federal) This change reflects the discontinuation.

**Public Schools
Institutional Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	31,212	8,548	39,760
1996 Supplemental Budget			
1. Enrollment/Workload	3,083	0	3,083
2. Staff Ratio Adjustment	22	0	22
3. Compensation Adjustment	26	0	26
4. Carryforward Adjustment	-611	0	-611
5. Inflation Adjustment	-6	0	-6
Total Supplemental Items	2,514	0	2,514
1995-97 REVISED APPROPRIATIONS	33,726	8,548	42,274
Fiscal Year 1996 Totals	15,798	4,274	20,072
Fiscal Year 1997 Totals	17,928	4,274	22,202

Comments:

1. ENROLLMENT/WORKLOAD - Institutional education enrollments are revised as follows:

	1995-96 School Yr		1996-97 School Yr	
	Original	Revised	Original	Revised
Institutions for Disabled	150	162	146	160
Delinquent Institutions	930	1,076	965	1,200
Group Homes	94	94	94	94
Detention Centers	800	820	850	894

2. STAFF RATIO ADJUSTMENT - Staffing for the Twin Rivers Group Home is increased from 0.5 FTE staff year teacher to 1.0 FTE staff year teacher effective for the 1996-97 school year due to increased workload.
3. COMPENSATION ADJUSTMENT - Teachers' salaries are adjusted based on more current information about employee training and experience.
4. CARRYFORWARD ADJUSTMENT - The 1994-95 school year Institutional Education program costs carried forward into the 1995-96 State Fiscal Year are reduced from \$5.324 million to \$4.713 million.
5. INFLATION ADJUSTMENT - The adjustment for inflation in the 1996-97 school year is reduced from 3.1 percent to 1.7 percent. See details in the General Apportionment program.

**Public Schools
Education of Highly Capable Students**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	8,531	0	8,531
1996 Supplemental Budget			
1. Enrollment/Workload	-36	0	-36
2. Carryforward Adjustment	-41	0	-41
Total Supplemental Items	-77	0	-77
1995-97 REVISED APPROPRIATIONS	8,454	0	8,454
Fiscal Year 1996 Totals	4,200	0	4,200
Fiscal Year 1997 Totals	4,254	0	4,254

Comments:

1. ENROLLMENT/WORKLOAD - Highly capable funding is based on a percentage of total K-12 enrollment of up to 1.5 percent or actual gifted enrollments, whichever is lower. The lower K-12 enrollment forecast results in lower Highly Capable program appropriations. See the General Apportionment program for details of the revised K-12 forecast.
2. CARRYFORWARD ADJUSTMENT - The 1994-95 school year Highly Capable program costs carried forward into FY 96 are reduced from \$0.851 million to \$0.810 million primarily due to lower K-12 enrollment.

**Public Schools
Education Reform**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	35,966	12,500	48,466
1995-97 REVISED APPROPRIATIONS	35,966	12,500	48,466
Fiscal Year 1996 Totals	16,715	5,625	22,340
Fiscal Year 1997 Totals	19,251	6,875	26,126

Comments:

- * ASSESSMENT FUNDS SHIFT - At the request of the Commission on Student Learning, \$500,000 is shifted from FY 96 to FY 97 to accommodate increased second year costs of assessment development.
- * READY TO LEARN FUNDS SHIFT - The biennial appropriations act provided \$3.6 million per year for Ready to Learn state grants. In FY 96, some grants were not approved until October 18, 1995. These delays in approval of grants will result in an under expenditure of \$0.197 million of the FY 96 allotment. Shifting this amount to FY 97 will allow some currently approved projects to be completed after June 30, 1996.
- * SCHOOL-TO-WORK FUNDS SHIFT - The budget appropriated \$1.485 million per year for school-to-work funds. The formation of a partnership between business, labor, and the state to establish project funding criteria has delayed issuance of FY 96 grants until February 1996. This delay will cause \$0.492 million to be lost if not transferred to FY 97. This transfer will allow projects to be completed after June 30, 1996.

Public Schools
Transitional Bilingual Instruction

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	56,852	0	56,852
1996 Supplemental Budget			
1. Enrollment/Workload	-1,591	0	-1,591
2. Carryforward Adjustment	-451	0	-451
Total Supplemental Items	-2,042	0	-2,042
1995-97 REVISED APPROPRIATIONS	54,810	0	54,810
Fiscal Year 1996 Totals	26,378	0	26,378
Fiscal Year 1997 Totals	28,432	0	28,432

Comments:

1. ENROLLMENT/WORKLOAD - The Office of Financial Management has revised the bilingual enrollment forecast for the 1995-96 school year from 43,900 down to 42,982 and for the 1996-97 school year, from 48,318 down to 46,273.
2. CARRYFORWARD ADJUSTMENT - The 1994-95 school year Bilingual Education program costs carried forward into FY 96 are reduced from \$5.399 million to \$4.948 million.

Public Schools
Learning Assistance Program (LAP)

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	114,100	0	114,100
1996 Supplemental Budget			
1. Enrollment/Workload	666	0	666
2. Carryforward Adjustment	-139	0	-139
Total Supplemental Items	527	0	527
1995-97 REVISED APPROPRIATIONS	114,627	0	114,627
Fiscal Year 1996 Totals	56,417	0	56,417
Fiscal Year 1997 Totals	58,210	0	58,210

Comments:

1. ENROLLMENT/WORKLOAD - Learning Assistance Program (LAP) appropriations are reduced \$445,000 due to lower K-12 enrollments. This change is offset by a \$1.111 million increase in the costs associated with an estimated increased percentage of students scoring in the bottom quartile on the 4th and 8th grade standardized achievement tests.
2. CARRYFORWARD ADJUSTMENT - The 1994-95 school year Learning Assistance Program costs carried forward into FY 96 are reduced from \$11.1 million to \$10.961 million.

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

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	115,555	0	115,555
1996 Supplemental Budget			
1. Enrollment/Workload	-567	0	-567
2. Carryforward Adjustment	-19	0	-19
Total Supplemental Items	-586	0	-586
1995-97 REVISED APPROPRIATIONS	114,969	0	114,969
Fiscal Year 1996 Totals	56,846	0	56,846
Fiscal Year 1997 Totals	58,123	0	58,123

Comments:

1. ENROLLMENT/WORKLOAD - Local education enhancement grants are reduced because of the lower K-12 enrollment forecast.
2. CARRYFORWARD ADJUSTMENT - The 1994-95 school year costs of local education enhancement grants carried forward into FY 96 are reduced from \$4.667 million to \$4.648 million.

**Public Schools
School Food Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	6,000	259,606	265,606
1996 Supplemental Budget			
1. Adjustment to Nonappropriated	<u>0</u>	<u>4,013</u>	<u>4,013</u>
Total Supplemental Items	0	4,013	4,013
1995-97 REVISED APPROPRIATIONS	6,000	263,619	269,619
Fiscal Year 1996 Totals	3,000	131,809	134,809
Fiscal Year 1997 Totals	3,000	131,810	134,810

Comments:

1. ADJUSTMENT TO NONAPPROPRIATED - An increase is anticipated in federal funds administered through the Office of the Superintendent of Public Instruction for the Child Care Food Program food allowances to day care centers and child care providers.

Higher Education

Access/Enrollment Increases

The sum of \$14 million from the state general fund and \$7.7 million from local tuition funds is provided for 3,365 additional students in public higher education in the 1996-97 academic year. Of this amount, 2,625 students are allocated to the baccalaureate institutions and 740 students are allocated to the community and technical colleges. New enrollments listed are in addition to new enrollments funded in the original budget for the 1996-97 academic year (2,629 students). Funding for new enrollments in the supplemental budget is based on the average cost of instruction for each institution, weighted for the number of new undergraduates and graduate students.

Student Financial Aid

A total of \$4.6 million from the state general fund is provided to expand student financial aid programs. Included in this is an additional \$2.0 million for the State Need Grant Program, a grant program to assist needy students; new funding will provide grants to approximately 1,500 students. An additional \$2.0 million is provided for the State Work Study Program, a program which provides work experiences and income for needy students; new funding will provide assistance to approximately 1,250 students. An additional \$0.5 million is provided for the Education Opportunity Grant Program; funding will provide approximately 200 additional grants. Finally, \$50,000 is provided for 25 matching grants of \$2,000 each for communities that raise an equal amount of scholarship money.

Higher Education Coordinating Board Administrative Functions

A total of \$0.61 million from the state general fund is provided for specific studies or programs of the Higher Education Coordinating Board. Included is \$70,000 to continue the development of a college admissions system that accommodates competency-based high school records; \$150,000 for a study of higher education needs in North Snohomish, Island, and Skagit counties; \$50,000 to pay attorney general costs to defend the Education Opportunity Grant program in a law suit; \$100,000 for additional administrative support related to new planning and coordination mandates; \$140,000 to design a pre-paid tuition program; and \$100,000 to design and implement a prior learning experience program.

Technical College Accreditation

The amount of \$2.0 million from the state general fund is provided to the five technical colleges to make the changes in programming, administration, and facilities needed to meet accreditation requirements.

Community and Technical College Grants

The sum of \$3.5 million from the state general fund is provided for two grant pools. Of that amount, \$1.5 million is provided for special requirements related to serving disabled students, and \$2.0 million is provided for improving student productivity and learning.

Part-Time Faculty Health Benefits

The amount of \$2.7 million from the state general fund is provided to fund health benefits for additional part-time community and technical college faculty who will become eligible for benefits due to the enactment of Chapter 120, Laws of 1996 (SSB 6583). This legislation creates a standard health benefits eligibility requirement across the community and technical college system.

Cooperative Library Project

The sum of \$5.2 million from the state general fund is provided to complete phase one of an integrated library system among the baccalaureate institutions. The library system will allow students to access, via computer, library catalogues, materials, and data bases at other institutions.

Washington State University Agriculture Research

The amount of \$0.53 million from the state general fund is provided for research related to wine and wine grapes, including pest resistance, cover crops, and wine quality. In addition, \$1.0 million from the state general fund is provided for pesticide research that assists in the registration of chemicals benefiting minor crops.

Telecommunications Network and Distance Education

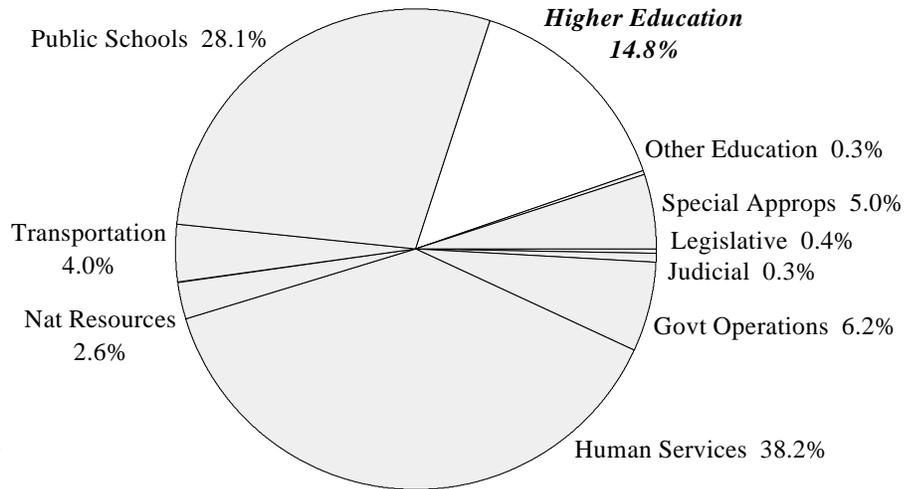
The supplemental budget includes a total of \$42.3 million (\$15.3 million from the state building construction funds and \$27 million from the state general fund) for the development of a K-20 telecommunications network and distance education system. The funding will be implemented in accordance with Chapter 137, Laws of 1996 (E2SSB 6705), which details a design and approval process to implement a telecommunications system which will benefit the state's K-12 education system and higher education system. Other private and public entities may be included in the system as well. Appropriations for the telecommunications network and distance education facilities are made to the Department of Information Services.

1995-97 Washington State Operating Budget

Total Budgeted Funds

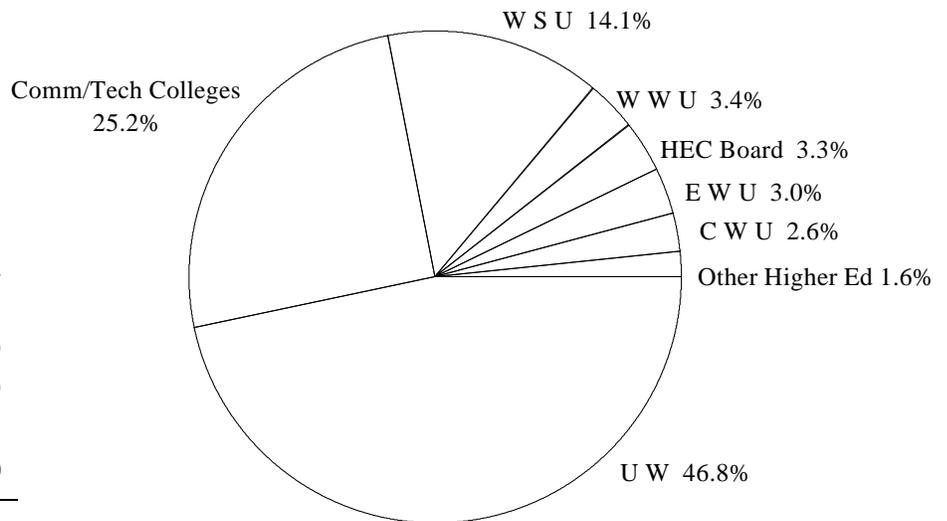
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
Human Services	12,284,095
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

Univ of Washington	2,224,901
Community/Tech Colleges	1,197,811
Washington State Univ	668,912
Western Washington Univ	163,781
Higher Ed Coord Board	158,829
Eastern Washington Univ	143,119
Central Washington Univ	123,791
Other Higher Education	75,430
Higher Education	4,756,574



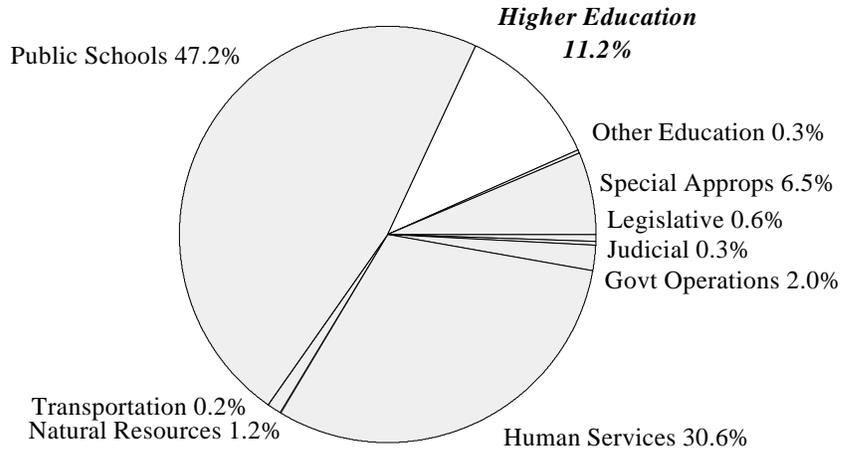
Higher Education

1995-97 Washington State Operating Budget

General Fund - State

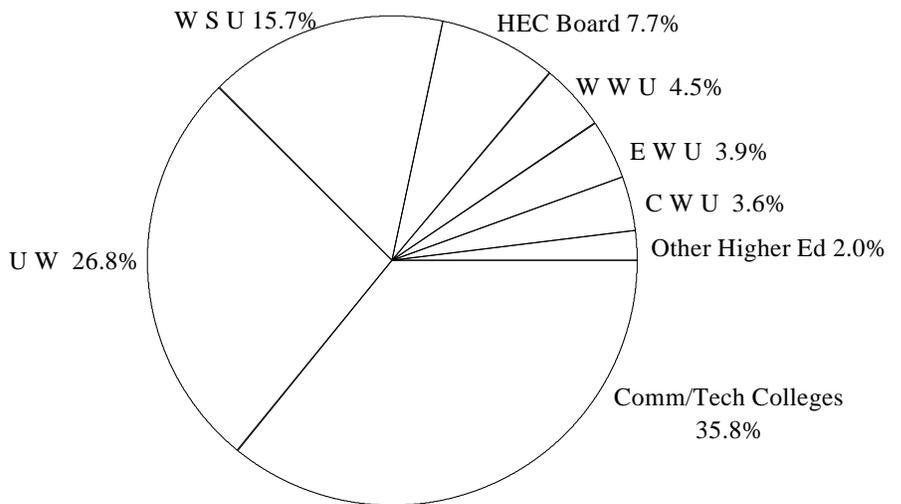
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
Human Services	5,394,546
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

Community/Tech Colleges	704,003
Univ of Washington	526,995
Washington State Univ	309,712
Higher Ed Coord Board	151,907
Western Washington Univ	88,242
Eastern Washington Univ	75,744
Central Washington Univ	69,886
Other Higher Education	40,199
Higher Education	1,966,688



Higher Education

Higher Education
FTE Student Enrollment History
by Academic Year

	Actual Enrollment							Budgeted	
	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94*</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
Community & Technical Colleges	97,206	98,931	100,523	104,295	107,115	111,035	113,609	111,986	114,326
General Enrollment**	97,206	98,931	100,523	104,295	107,115	111,035	113,609	105,886	107,126
Dislocated Workers	0	0	0	0	0	**	**	6,100	7,200
Four-Year Schools	70,314	71,075	72,566	73,071	74,481	76,411	77,305	76,704	80,359
University of Washington	29,679	29,623	30,123	30,723	31,210	31,341	31,493	31,549	32,504
Washington State University	16,025	16,590	16,777	16,452	16,685	17,467	18,007	17,835	19,330
Eastern Washington University	6,924	7,214	7,417	7,360	7,533	7,635	7,605	7,656	7,825
Central Washington University	6,018	6,221	6,429	6,312	6,588	7,339	7,337	6,903	7,256
The Evergreen State College	3,018	2,988	3,089	3,203	3,326	3,282	3,377	3,278	3,406
Western Washington University	8,650	8,439	8,731	9,021	9,139	9,347	9,486	9,483	10,038
Higher Ed Coordinating Board***	0	0	0	7	21	63	104	50	50
Total Higher Education	167,520	170,006	173,089	177,373	181,617	187,509	191,018	188,740	194,735

Notes:

* Enrollment caps were eliminated in 1993-94. For the 1993-94 and 1994-95 academic years, actual enrollments exceed budgeted enrollments.

** General Enrollment: Includes technical college and Distressed Economic Community program enrollments. For 1993-94 and 1994-95, actual enrollment includes dislocated worker FTEs funded through the Employment and Training Trust Fund.

*** Data Source: Higher Education Coordinating Board.

Higher Education
Budgeted Enrollment Increases
by Academic Year

	FTE Student Enrollment					
	Budgeted Level <u>1994-95</u>	Increase (orig bgt) <u>1995-96</u>	Total Budgeted <u>1995-96</u>	Increase (orig bgt) <u>1996-97</u>	Increase (supp bgt) <u>1996-97</u>	Total Budgeted <u>1996-97</u>
Community and Technical Colleges	110,386	1,600	111,986	1,600	740	114,326
General Enrollment*	105,386	500	105,886	500	740	107,126
Dislocated Workers	5,000	1,100	6,100	1,100	0	7,200
Four-Year Schools	75,676	1,028	76,704	1,030	2,625	80,359
University of Washington	31,290	259	31,549	260	695	32,504
Washington State University	17,385	450	17,835	450	1,045	19,330
Eastern Washington University	7,573	83	7,656	83	86	7,825
Central Washington University	6,810	93	6,903	94	259	7,256
The Evergreen State College	3,258	20	3,278	20	108	3,406
Western Washington University	9,360	123	9,483	123	432	10,038
Higher Education Coordinating Board	50	0	50	0	0	50
Total Higher Education	186,112	2,628	188,740	2,630	3,365	194,735

* Includes Distressed Economic Community enrollments.

Community & Technical College System

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	694,491	493,080	1,187,571
1996 Supplemental Budget			
1. Enrollment Increase	2,252	728	2,980
2. Technical College Support	2,000	0	2,000
3. Fund for Innovation and Quality	2,000	0	2,000
4. Support for Disabled Students	1,500	0	1,500
5. Health Benefits Rate Adjustment	-940	0	-940
6. Part-time Faculty Health Benefits	2,700	0	2,700
Total Supplemental Items	9,512	728	10,240
1995-97 REVISED APPROPRIATIONS	704,003	493,808	1,197,811
Fiscal Year 1996 Totals	345,763	241,066	586,829
Fiscal Year 1997 Totals	358,240	252,742	610,982

Comments:

- | | |
|---|---|
| <p>1. ENROLLMENT INCREASE - Funding is provided for an additional 740 FTE students in FY 97. (General Fund-State and Institutions of Higher Education Operating Fees Account Non-appropriated)</p> <p>2. TECHNICAL COLLEGE SUPPORT - Funding provides faculty and library resources and staff to help meet accrediting association standards and community college system quality standards.</p> <p>3. FUND FOR INNOVATION AND QUALITY - Funding is provided for a Fund for Innovation and Quality. The State Board for Community and Technical Colleges will provide incentive grants to colleges, awarded on a competitive basis. Funds will be used to enhance student productivity (such as student support and instructional programming), encourage innovative methods for responding to the need for more enrollment access (such as distance learning, financial incentives for students, work-based learning, college classes in high schools and learning technologies), improve student learning, or improve collaboration between colleges.</p> <p>4. SUPPORT FOR DISABLED STUDENTS - Funding is provided for competitive grants to colleges as support for serving disabled students. Grants may be used to purchase equipment or other special requirements related to serving disabled students.</p> <p>5. HEALTH BENEFITS RATE ADJUSTMENT - Funding is reduced to reflect health benefits rates as adjusted in section 706 of the budget. Section 706 reduces the monthly rate the Health Care Authority (HCA) will charge state agencies and institutions of higher education for health benefits from \$314.51 to \$304.31 for each state and higher education employee. Enactment of section 706 and the rate reduction rate for these employees would have resulted in the use of approximately \$11.6 million of the \$19.8 million surplus in the Public Employees' and Retirees' Insurance Account. Although agencies would pay the HCA only \$304.31 per month per employee, the average rate the state will pay providers for employee benefits will be approximately \$314.17. Through the use of the surplus, the benefits package offered to employees would not have been reduced and employee premium copayments would not have increased. The Governor vetoed section 706 of the budget. Refer to the introduction to the state employee compensation section for more information on the effect of the Governor's veto.</p> | <p>6. PART-TIME FACULTY HEALTH BENEFITS - Funding is provided to address the costs of standardizing part-time faculty health benefits per Chapter 120, Laws of 1996 (SSB 6583).</p> |
|---|---|

University of Washington

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	522,302	1,695,510	2,217,812
1996 Supplemental Budget			
1. Enrollment Increase	4,048	2,367	6,415
2. Cooperative Library Project	1,718	0	1,718
3. Tacoma Maintenance	700	0	700
4. Bond Payment Adjustment	-1,123	0	-1,123
5. Health Benefits Rate Adjustment	-650	0	-650
6. Salary Increase Adjustment	0	29	29
Total Supplemental Items	4,693	2,396	7,089
1995-97 REVISED APPROPRIATIONS	526,995	1,697,906	2,224,901
Fiscal Year 1996 Totals	259,062	838,226	1,097,288
Fiscal Year 1997 Totals	267,933	859,680	1,127,613

Comments:

1. ENROLLMENT INCREASE - Funding is provided for an additional 695 FTE students in FY 97. The total includes: 567 FTE students for the Seattle campus (367 undergraduate and 200 graduate students), 60 FTE students for the Tacoma branch campus (51 undergraduate and 9 graduate students), and 68 undergraduate FTE students for the Bothell branch campus. 60 FTE students at the Bothell branch campus are intended for an integrated program in software and computer science with Bellevue Community College. New program enrollments may be phased over two years to accommodate program startup. (General Fund-State and Institutions of Higher Education Operating Fees Account, Non-appropriated)
2. COOPERATIVE LIBRARY PROJECT - Funding is provided to complete phase one of the integrated library project. Non-recurring costs include: \$387,000 for network costs and \$998,828 for University costs. Network funding provides \$187,000 for computer hardware, \$70,000 for software development and \$130,000 for software licensing. University funding provides \$93,500 for integrated library systems, \$749,328 for retrospective conversion, \$89,000 for computer and communications systems and \$67,000 for interlibrary loans and document delivery. The remainder of the funding is provided for ongoing expenses.
3. TACOMA MAINTENANCE - Funding includes: \$200,000 for one-time classroom and laboratory equipment costs, \$300,000 for one-time moving costs, and \$200,000 for one-time maintenance costs.
4. BOND PAYMENT ADJUSTMENT - The supplemental operating budget item adjusts the funds required for higher education reimbursable bond principal and interest payments.
5. HEALTH BENEFITS RATE ADJUSTMENT - Funding is reduced to reflect health benefits rates as adjusted in section 706 of the budget. Section 706 reduces the monthly rate the Health Care Authority (HCA) will charge state agencies and institutions of higher education for health benefits from \$314.51 to \$304.31 for each state and higher education employee. Enactment of section 706 and the rate reduction rate for these employees would have resulted in the use of approximately \$11.6 million of the \$19.8 million surplus in the Public Employees' and Retirees' Insurance Account. Although agencies would pay the HCA only \$304.31 per month per employee, the average rate the state will pay providers for employee benefits will be approximately \$314.17. Through the use of the surplus, the benefits package offered to employees would not have been reduced and employee premium copayments would not have increased. The Governor vetoed section 706 of the budget. Refer to the introduction to the state employee compensation section for more information on the effect of the Governor's veto.
6. SALARY INCREASE ADJUSTMENT - This item provides the authority to expend the funds necessary to implement the market gap salary increase approved in the original 1995-97 budget. (Medical Aid Account, Accident Fund Account, and Health Services Account)

Washington State University

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	304,456	353,074	657,530
1996 Supplemental Budget			
1. Enrollment Increase	4,077	2,771	6,848
2. Cooperative Library Project	450	0	450
3. Bond Payment Adjustment	-507	0	-507
4. Transfer of Energy Functions	25	3,355	3,380
5. Pesticide Research	1,000	0	1,000
6. Wine and Wine Grape Research	525	0	525
7. Health Benefits Rate Adjustment	-384	0	-384
8. Medicinal Research	70	0	70
Total Supplemental Items	5,256	6,126	11,382
1995-97 REVISED APPROPRIATIONS	309,712	359,200	668,912
Fiscal Year 1996 Totals	150,287	174,846	325,133
Fiscal Year 1997 Totals	159,425	184,354	343,779

Comments:

1. ENROLLMENT INCREASE - Funding is provided for an additional 1,045 FTE students in FY 97. The total includes: 984 undergraduate FTE students for the Pullman campus, 44 FTE students for the Spokane branch campus (22 undergraduate and 22 graduate students), and 17 FTE students for the Tri Cities branch campus (11 undergraduate and 6 graduate students). (General Fund-State and Institutions of Higher Education Operating Fees Account Non-appropriated)
2. COOPERATIVE LIBRARY PROJECT - Funding is provided to complete phase one of the integrated library project. Non-recurring costs includes: \$110,500 for integrated library systems, \$250,000 for retrospective conversion and \$31,165 for interlibrary loans and document delivery. The remainder of the funding is provided for ongoing expenses.
3. BOND PAYMENT ADJUSTMENT - The supplemental operating budget item adjusts funds required for higher education reimbursable bond principal and interest payments.
4. TRANSFER OF ENERGY FUNCTIONS - Funding is provided to implement Chapter 186, Laws of 1996 (4SHB 2009). Washington State Energy Office energy efficiency services are transferred to Washington State University's (WSU) Cooperative Extension program. These services include: energy software, industrial energy efficiency, renewable energy, education and information, telecommunications, and energy ideas clearinghouse. Programs operated by WSU will transition to a market-driven, self-sustaining structure. (General Fund-Federal, Dedicated Local Account Non-appropriated, and Air Pollution Control Account)
5. PESTICIDE RESEARCH - Funding is provided for Chapter 390, Laws of 1995 (E2SHB 1009). Funding is provided for the full 1995-97 biennium cost associated with implementing the legislation. No bowwave to the current appropriation is anticipated.
6. WINE AND WINE GRAPE RESEARCH - Funding is provided for Chapter 2, Laws of 1995 2nd sp.s (ESHB 1741). Funding is provided for the full 1995-97 biennium cost associated with implementing the legislation. No bowwave to the current biennium appropriation is anticipated.
7. HEALTH BENEFITS RATE ADJUSTMENT - Funding is reduced to reflect health benefits rates as adjusted in section 706 of the budget. Section 706 reduces the monthly rate the Health Care Authority (HCA) will charge state agencies and institutions of higher education for health benefits from \$314.51 to \$304.31 for each state and higher education employee. Enactment of section 706 and the rate reduction rate for these employees would have resulted in the use of approximately \$11.6 million of the \$19.8 million surplus in the Public Employees' and Retirees' Insurance Account. Although agencies would pay the HCA only \$304.31 per month per employee, the average rate the state will pay providers for employee benefits will be approximately \$314.17. Through the use of the surplus, the benefits package offered to employees would not have been reduced and employee premium copayments would not have increased. The Governor vetoed section 706 of the budget. Refer to the introduction to the state employee compensation section for more information on the effect of the Governor's veto.
8. MEDICINAL RESEARCH - This item provides funding for a study to research a tamper-free means of cultivating effective and safe tetrahydrocannabinol plants for medicinal purposes. The study must determine the proper entities for manufacturing tetrahydrocannabinol, the appropriate chemical content, licensing procedures, the cost of manufacturing plants and the cost of processing and distributing the plant. The study must meet the approval of the United States Food and Drug Administration, the National Institute of Drug Abuse and other state and federal entities.

Eastern Washington University

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	73,825	67,184	141,009
1996 Supplemental Budget			
1. Enrollment Increase	335	191	526
2. Cooperative Library Project	454	0	454
3. Riverpoint Phones and Computers	211	0	211
4. Sutton Hall Maintenance	166	0	166
5. Institutional Aid Fund Adjustment	78	0	78
6. Student Enrollment Mix Adjustment	784	0	784
7. Health Benefits Rate Adjustment	-109	0	-109
Total Supplemental Items	1,919	191	2,110
1995-97 REVISED APPROPRIATIONS	75,744	67,375	143,119
Fiscal Year 1996 Totals	37,350	33,140	70,490
Fiscal Year 1997 Totals	38,394	34,235	72,629

Comments:

1. ENROLLMENT INCREASE - Funding is provided for an additional 86 undergraduate FTE students in FY 97. (General Fund-State and Higher Education Operating Fees Account, Non-appropriated)
2. COOPERATIVE LIBRARY PROJECT - Funding is provided to complete phase one of the integrated library project. Non-recurring costs include: \$20,000 for the integrated library systems, \$276,000 for retrospective conversion, \$6,000 for computer and communications systems, and \$3,000 for interlibrary loan and document delivery. The remainder of the funding is provided for ongoing expenses.
3. RIVERPOINT PHONES AND COMPUTERS - Funding is provided for telephone lines and for network/lab staffing and software in the new Riverpoint 1 building located in Spokane.
4. SUTTON HALL MAINTENANCE - The Sutton Hall preservation capital project will be completed during FY 96. This building was previously a residential building supported by student fees. It is now a state building for student services, which qualifies for state funding for maintenance costs. The amount is calculated using an average per square foot maintenance cost for Eastern Washington University.
5. INSTITUTIONAL AID FUND ADJUSTMENT - The institutional financial aid fund is increased in the 1995-97 Biennial budget in accordance with Chapter 9, Laws of 1995. This item is a technical correction to that funding. Funds are transferred from Central Washington University to Eastern Washington University.
6. STUDENT ENROLLMENT MIX ADJUSTMENT - This step provides a technical adjustment to reflect the appropriate student enrollment mix for Eastern Washington University during the current biennium.
7. HEALTH BENEFITS RATE ADJUSTMENT - Funding is reduced to reflect health benefits rates as adjusted in section 706 of the budget. Section 706 reduces the monthly rate the Health Care Authority (HCA) will charge state agencies and institutions of higher education for health benefits from \$314.51 to \$304.31 for each state and higher education employee. Enactment of section 706 and the rate reduction rate for these employees would have resulted in the use of approximately \$11.6 million of the \$19.8 million surplus in the Public

Employees' and Retirees' Insurance Account. Although agencies would pay the HCA only \$304.31 per month per employee, the average rate the state will pay providers for employee benefits will be approximately \$314.17. Through the use of the surplus, the benefits package offered to employees would not have been reduced and employee premium copayments would not have increased. The Governor vetoed section 706 of the budget. Refer to the introduction to the state employee compensation section for more information on the effect of the Governor's veto.

Central Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	67,738	53,370	121,108
1996 Supplemental Budget			
1. Enrollment Increase	1,049	535	1,584
2. Cooperative Library Project	1,293	0	1,293
3. Institutional Aid Fund Adjustment	-78	0	-78
4. Bond Payment Adjustment	-20	0	-20
5. Health Benefits Rate Adjustment	-96	0	-96
Total Supplemental Items	2,148	535	2,683
1995-97 REVISED APPROPRIATIONS	69,886	53,905	123,791
Fiscal Year 1996 Totals	33,636	26,305	59,941
Fiscal Year 1997 Totals	36,250	27,600	63,850

Comments:

1. ENROLLMENT INCREASE - Funding is provided for an additional 259 undergraduate FTE students in FY 97. (General Fund-State and Higher Education Operating Fees Account, Non-appropriated)
2. COOPERATIVE LIBRARY PROJECT - Funding is provided to complete phase one of the integrated library project. Non-recurring costs include: \$200,000 for integrated library systems, \$595,600 for retrospective conversion, \$70,000 for computer/communication systems, and \$20,000 for interlibrary loan and document delivery. The remaining funding is provided for ongoing expenses.
3. INSTITUTIONAL AID FUND ADJUSTMENT - The institutional financial aid fund was increased in the 1995-97 biennial budget in accordance with Chapter 9, laws of 1995. This item is a technical correction to that funding. Funds are transferred from Central Washington University to Eastern Washington University.
4. BOND PAYMENT ADJUSTMENT - This supplemental operating budget item adjusts the funds required for higher education reimbursable bond principal and interest payments.
5. HEALTH BENEFITS RATE ADJUSTMENT - Funding is reduced to reflect health benefits rates as adjusted in section 706 of the budget. Section 706 reduces the monthly rate the Health Care Authority (HCA) will charge state agencies and institutions of higher education for health benefits from \$314.51 to \$304.31 for each state and higher education employee. Enactment of section 706 and the rate reduction rate for these employees would have resulted in the use of approximately \$11.6 million of the \$19.8 million surplus in the Public Employees' and Retirees' Insurance Account. Although agencies would pay the HCA only \$304.31 per month per employee, the average rate the state will pay providers for employee benefits will be approximately \$314.17. Through the use of the surplus, the benefits package offered to employees would not have been reduced and employee premium copayments would not have increased. The Governor vetoed section 706 of the budget. Refer to the introduction to the state employee compensation section for more information on the effect of the Governor's veto.

The Evergreen State College

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	36,940	27,909	64,849
1996 Supplemental Budget			
1. Enrollment Increase	464	197	661
2. Cooperative Library Project	417	0	417
3. Health Benefits Rate Adjustment	-60	0	-60
Total Supplemental Items	821	197	1,018
1995-97 REVISED APPROPRIATIONS	37,761	28,106	65,867
Fiscal Year 1996 Totals	18,436	13,714	32,150
Fiscal Year 1997 Totals	19,325	14,392	33,717

Comments:

1. ENROLLMENT INCREASE - Funding is provided for an additional 108 undergraduate resident FTE students in FY 97. (General Fund-State and Higher Education Operating Fees Account, Non-appropriated)
2. COOPERATIVE LIBRARY PROJECT - Funding is provided to complete phase one of the integrated library project. Non-recurring costs include: \$177,700 for integrated library systems, \$40,000 retrospective conversion, \$40,000 for computer/communication systems, and \$20,000 for interlibrary loan and document delivery. The remainder of the funding is provided for ongoing expenses.
3. HEALTH BENEFITS RATE ADJUSTMENT - Funding is reduced to reflect health benefits rates as adjusted in section 706 of the budget. Section 706 reduces the monthly rate the Health Care Authority (HCA) will charge state agencies and institutions of higher education for health benefits from \$314.51 to \$304.31 for each state and higher education employee. Enactment of section 706 and the rate reduction rate for these employees would have resulted in the use of approximately \$11.6 million of the \$19.8 million surplus in the Public Employees' and Retirees' Insurance Account. Although agencies would pay the HCA only \$304.31 per month per employee, the average rate the state will pay providers for employee benefits will be approximately \$314.17. Through the use of the surplus, the benefits package offered to employees would not have been reduced and employee premium copayments would not have increased. The Governor vetoed section 706 of the budget. Refer to the introduction to the state employee compensation section for more information on the effect of the Governor's veto.

Western Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	85,706	74,677	160,383
1996 Supplemental Budget			
1. Enrollment Increase	1,781	862	2,643
2. Cooperative Library Project	873	0	873
3. Health Benefits Rate Adjustment	-118	0	-118
Total Supplemental Items	2,536	862	3,398
1995-97 REVISED APPROPRIATIONS	88,242	75,539	163,781
Fiscal Year 1996 Totals	42,533	36,826	79,359
Fiscal Year 1997 Totals	45,709	38,713	84,422

Comments:

1. ENROLLMENT INCREASE - Funding is provided for an additional 432 undergraduate FTE students in FY 97. (General Fund-State and Higher Education Operating Fees Account, Non-appropriated)
2. COOPERATIVE LIBRARY PROJECT - Funding is provided to complete phase one of the integrated library project. Non-recurring costs include: \$50,000 for integrated library systems, \$300,000 for retrospective conversion, \$50,000 for computer/communication systems, and \$50,000 for interlibrary loan and document delivery. The remainder of the funding is provided for ongoing expenses.
3. HEALTH BENEFITS RATE ADJUSTMENT - Funding is reduced to reflect health benefits rates as adjusted in section 706 of the budget. Section 706 reduces the monthly rate the Health Care Authority (HCA) will charge state agencies and institutions of higher education for health benefits from \$314.51 to \$304.31 for each state and higher education employee. Enactment of section 706 and the rate reduction rate for these employees would have resulted in the use of approximately \$11.6 million of the \$19.8 million surplus in the Public Employees' and Retirees' Insurance Account. Although agencies would pay the HCA only \$304.31 per month per employee, the average rate the state will pay providers for employee benefits will be approximately \$314.17. Through the use of the surplus, the benefits package offered to employees would not have been reduced and employee premium copayments would not have increased. The Governor vetoed section 706 of the budget. Refer to the introduction to the state employee compensation section for more information on the effect of the Governor's veto.

Higher Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	146,769	6,922	153,691
1996 Supplemental Budget			
1. Sno/Island/Skagit Higher Ed Study	150	0	150
2. State Need Grant	1,983	0	1,983
3. Technical/Administrative Support	100	0	100
4. Education Opportunity Grant	500	0	500
5. Admissions Project	70	0	70
6. State Work Study	2,000	0	2,000
7. Citizen Scholarship Grants	50	0	50
8. Legal Fees	50	0	50
9. Health Benefits Rate Adjustment	-5	0	-5
10. Pre-paid Tuition Program	140	0	140
11. Prior Learning Experience	100	0	100
Total Supplemental Items	5,138	0	5,138
1995-97 REVISED APPROPRIATIONS	151,907	6,922	158,829
Fiscal Year 1996 Totals	73,256	3,483	76,739
Fiscal Year 1997 Totals	78,651	3,439	82,090

Comments:

1. SNO/ISLAND/SKAGIT HIGHER ED STUDY - Funding is provided to undertake a study of higher education needs in Snohomish, Island, and Skagit Counties.
2. STATE NEED GRANT - Funding is provided for the State Need Grant program at a level of 24 percent of new tuition revenue generated due to additional enrollments. New funding will provide grants to approximately 1,500 additional students in FY 97.
3. TECHNICAL/ADMINISTRATIVE SUPPORT - Funding is provided for one FTE staff year. Additional staffing will provide the technical and administrative support necessary to carry out the HECB role, including planning for a K-20 telecommunications network and carrying out the requirements of SCR 8428.
4. EDUCATION OPPORTUNITY GRANT - Funding is provided to serve an additional 200 eligible students in the Educational Opportunity Grant (EOG) program. The EOG program offers an incentive to financially needy placebound Washington residents to continue their upper-division baccalaureate education.
5. ADMISSIONS PROJECT - Funding is provided for one FTE staff year and related expenses to conduct the admissions project. This is a cooperative project between higher education and K-12 systems to develop a competency-based admissions system for higher education institutions in Washington, Oregon, and California.
6. STATE WORK STUDY - Funding is provided to serve an additional 1,250 students, for a total of 8,950 students in FY 97.
7. CITIZEN SCHOLARSHIP GRANTS - Funding is provided for the Citizen Scholarship grants to serve as an incentive to communities to raise scholarship money for local residents. To be eligible for the state matching funds, a non-profit community organization must raise \$2,000 in new private monies.
8. LEGAL FEES - Funding is provided for attorneys' fees and related expenses to defend the Equal Opportunity Grant program.
9. HEALTH BENEFITS RATE ADJUSTMENT - Funding is reduced to reflect health benefits rates as adjusted in section 706 of the budget. Section 706 reduces the monthly rate the Health Care Authority (HCA) will charge state agencies and institutions of higher education for health benefits from \$314.51 to \$304.31 for each state and higher education employee. Enactment of section 706 and the rate reduction rate for these employees would have resulted in the use of approximately \$11.6 million of the \$19.8 million surplus in the Public Employees' and Retirees' Insurance Account. Although agencies would pay the HCA only \$304.31 per month per employee, the average rate the state will pay providers for employee benefits will be approximately \$314.17. Through the use of the surplus, the benefits package offered to employees would not have been reduced and employee premium copayments would not have increased. The Governor vetoed section 706 of the budget. Refer to the introduction to the state employee compensation section for more information on the effect of the Governor's veto.
10. PRE-PAID TUITION PROGRAM - One-time funds are provided for the costs of developing a pre-paid tuition program. The board shall submit recommendations and draft legislation to the Legislature by September 1996.
11. PRIOR LEARNING EXPERIENCE - Funding is provided for the initial implementation of the assessment of prior learning experience program as described in 2SSB 5557.

Other Education

State Library

To facilitate electronic public access to government information, \$211,000 is provided to establish a pilot government information locator service. The State Library will develop the information locator service with the assistance of the Department of Information Services and the State Archives as specified in Chapter 171, Laws of 1996 (E2SSB 6556).

Washington Historical Society

To ensure that interactive computer and electronic exhibits at the new Washington Historical Society Museum are properly functioning, \$36,000 is provided for a curator specializing in computer, lighting, and audio-visual equipment.

Eastern Washington Historical Society

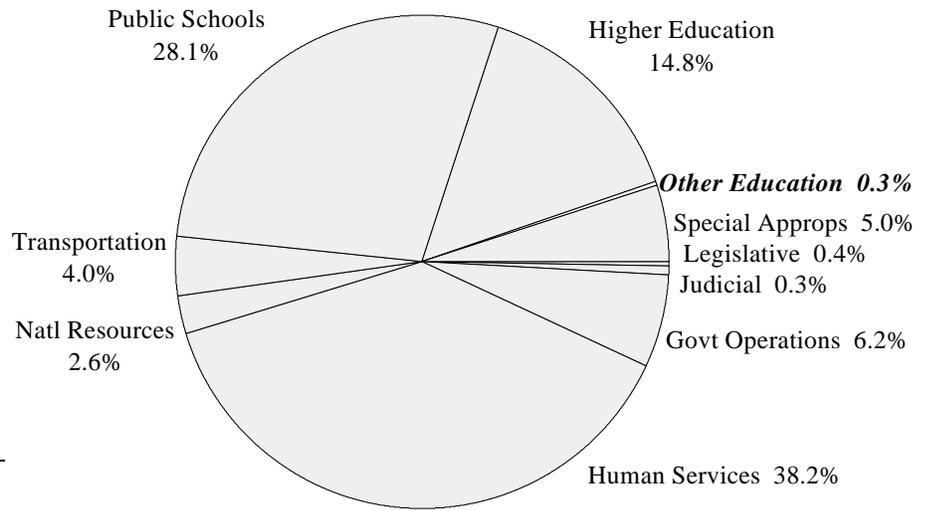
An amount of \$245,000 is provided to ensure proper care of and public access to the Eastern Washington Historical Society's collection of American Indian artifacts and photographs.

1995-97 Washington State Operating Budget

Total Budgeted Funds

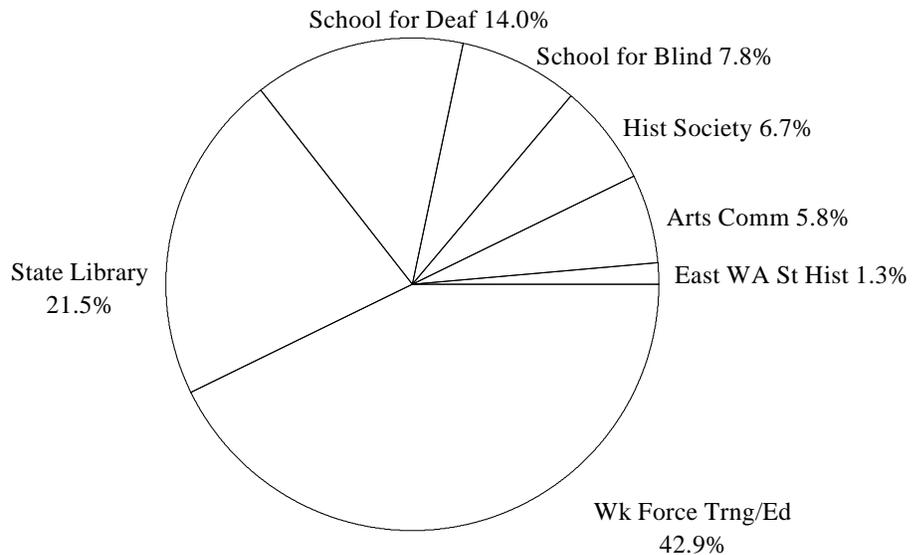
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
Human Services	12,284,095
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

Work Force Trng & Ed	38,405
State Library	19,203
School for the Deaf	12,562
School for the Blind	7,017
State Historical Society	5,975
Arts Commission	5,168
East WA State Hist Societ	1,191
Other Education	89,521



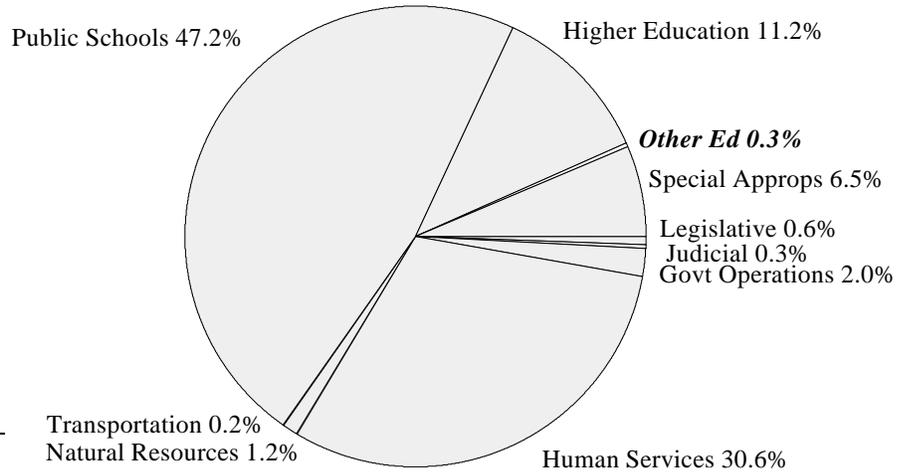
Other Education

1995-97 Washington State Operating Budget

General Fund - State

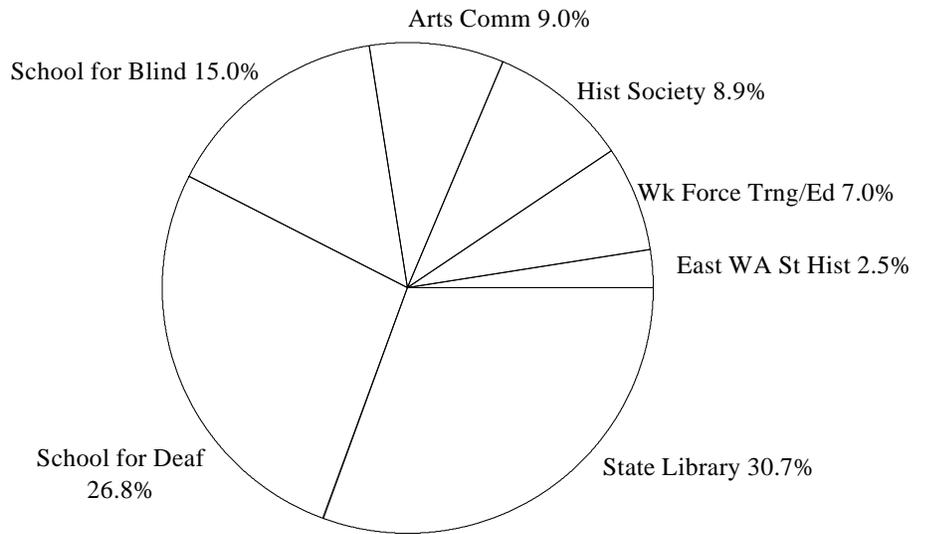
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
Human Services	5,394,546
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

State Library	14,351
School for the Deaf	12,547
School for the Blind	7,010
Arts Commission	4,233
State Historical Society	4,187
Work Force Trng & Ed	3,268
East WA State Hist Societ	1,191
Other Education	46,787



Other Education

State Library
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	14,140	4,852	18,992
1996 Supplemental Budget			
1. Government Information Locator	211	0	211
Total Supplemental Items	211	0	211
1995-97 REVISED APPROPRIATIONS	14,351	4,852	19,203
Fiscal Year 1996 Totals	7,069	2,399	9,468
Fiscal Year 1997 Totals	7,282	2,453	9,735

Comments:

1. GOVERNMENT INFORMATION LOCATOR - Funding is provided for the State Library, with the assistance of the Department of Information Services and the State Archives, to establish a pilot government information locator service as directed in Chapter 171, Laws of 1996 (E2SSB 6556). This pilot will facilitate electronic public access to government information.

Washington State Arts Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	4,165	935	5,100
1996 Supplemental Budget			
1. Update Communication Equipment	68	0	68
Total Supplemental Items	68	0	68
1995-97 REVISED APPROPRIATIONS	4,233	935	5,168
Fiscal Year 1996 Totals	2,236	467	2,703
Fiscal Year 1997 Totals	1,997	468	2,465

Comments:

1. UPDATE COMMUNICATION EQUIPMENT - One-time funding is provided for the replacement of outdated communication and computer systems.

Washington State Historical Society

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	4,151	1,788	5,939
1996 Supplemental Budget			
1. Curator Position for Exhibits	36	0	36
Total Supplemental Items	36	0	36
1995-97 REVISED APPROPRIATIONS	4,187	1,788	5,975
Fiscal Year 1996 Totals	1,965	703	2,668
Fiscal Year 1997 Totals	2,222	1,085	3,307

Comments:

1. CURATOR POSITION FOR EXHIBITS - Funds are provided for an additional curator who specializes in computer, lighting, and audio-visual equipment.

Eastern Washington State Historical Society

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	946	0	946
1996 Supplemental Budget			
1. Indian Collection Basic Care	245	0	245
Total Supplemental Items	245	0	245
1995-97 REVISED APPROPRIATIONS	1,191	0	1,191
Fiscal Year 1996 Totals	473	0	473
Fiscal Year 1997 Totals	718	0	718

Comments:

1. INDIAN COLLECTION BASIC CARE - Funds are provided for an additional 3.5 FTE staff and operating support for the basic care of, and public access to, the American Indian collection.

State School for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	6,861	7	6,868
1996 Supplemental Budget			
1. Washington Technology Program	60	0	60
2. Orientation and Mobility Position	89	0	89
Total Supplemental Items	149	0	149
1995-97 REVISED APPROPRIATIONS	7,010	7	7,017
Fiscal Year 1996 Totals	3,451	3	3,454
Fiscal Year 1997 Totals	3,559	4	3,563

Comments:

1. WASHINGTON TECHNOLOGY PROGRAM - Funding is provided for the Technology Program at the Washington State School for the Blind. The program began last year with federal start up funds. Clients served by the program include blind students, teachers who work with the blind, paraprofessionals working with the blind, and parents of blind children. Performance measures have been established to measure the success of this program.

2. ORIENTATION AND MOBILITY POSITION - Funds and one FTE staff are provided to serve an increased number of students needing orientation and mobility training. The School has had a 300 percent increase in students served over the last five years, with a 35 to 42 percent turnover each school year. This has resulted in a need to deliver services quicker and more intensively to meet each student's Individualized Education Program.

State School for the Deaf

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	12,397	15	12,412
1996 Supplemental Budget			
1. Special Needs Students	150	0	150
Total Supplemental Items	150	0	150
1995-97 REVISED APPROPRIATIONS	12,547	15	12,562
Fiscal Year 1996 Totals	6,182	15	6,197
Fiscal Year 1997 Totals	6,365	0	6,365

Comments:

1. SPECIAL NEEDS STUDENTS - The School for the Deaf previously received federal grants from the Superintendent of Public Instruction through the Educational Service District to serve students with special needs. This funding is no longer available to serve the existing 26 students with special needs. Funds are provided to cover the necessary services to meet the educational needs of these students.

Special Appropriations

State and Higher Education Employee Health Benefits

Prior to the Governor's veto actions, section 706 of the 1996 supplemental budget act reduced the monthly rate the Health Care Authority (HCA) would have charged state agencies and institutions of higher education for health benefits from \$314.51 to \$304.31 for each employee. Enactment of section 706 and the rate reduction would have resulted in the use of approximately \$11.6 million of the \$19.8 million surplus in the Public Employees' and Retirees' Insurance Account. Of the \$11.6 million savings, \$5.2 million is in the state general fund (\$2.8 million for state employees and \$2.4 million for higher education employees). Although agencies would have paid the HCA only \$304.31 per month per employee, the average rate the state would have paid providers for employee benefits would have remained at approximately \$314.17. Through the use of the surplus, the benefits package offered to employees would not have been reduced and employee premium payments would not have increased.

However, the Governor vetoed section 706 of the budget. The Governor's veto of section 706 restores the rate that agencies and institutions of higher education will pay the HCA to \$314.51 and restores the funding to state agencies to pay the higher rate. However, while the veto of section 706 will result in institutions of higher education paying \$314.51 per month per employee, the veto does not restore the funding to higher education institutions to pay the higher rate. (Themonies appropriated to higher education institutions for health benefits are contained in each institution's section of the budget bill, not section 706.) As a result, higher education institutions will be required to pay \$2.4 million more than is appropriated for health benefits. The veto will not result in any changes to benefits or employee charges. The veto will result in the retention of a \$19.8 million surplus in the insurance account. In addition, the veto increases state general fund expenditures by \$3.0 million compared to the supplemental budget as it passed the Legislature (\$2.8 million from restoring the rate to \$314.51 and another \$200,000 from a technical change contained in section 706 of the legislative supplemental budget.)

Washington Personnel Resources Board Reclassification Pool

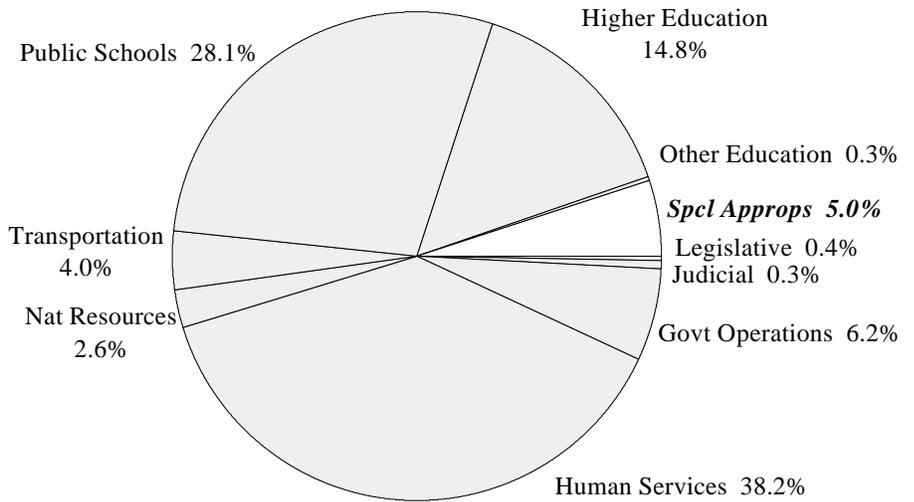
The original 1995-97 budget contained a reclassification pool of \$5.0 million state general fund and \$5.0 million other funds for the Washington Personnel Resources Board (PRB) to fund salary increases for state job classes with serious salary inequities. The 1996 supplemental budget adds \$4.5 million state general fund to the pool, for a total of \$9.5 million state general fund and \$5.0 million other funds. The reclassification pool can be used by the PRB to increase salaries for job classes where documented recruitment and retention difficulties exist; salary compression or inversion between subordinates and their supervisors has occurred; job duties and responsibilities have increased; or a salary disparity of greater than 7.5 percent has developed between two job classifications with similar duties and responsibilities. Agencies apply to the PRB for reclassification pool funding; the PRB will prioritize the requests and distribute funds according to severity of salary inequity.

1995-97 Washington State Operating Budget

Total Budgeted Funds

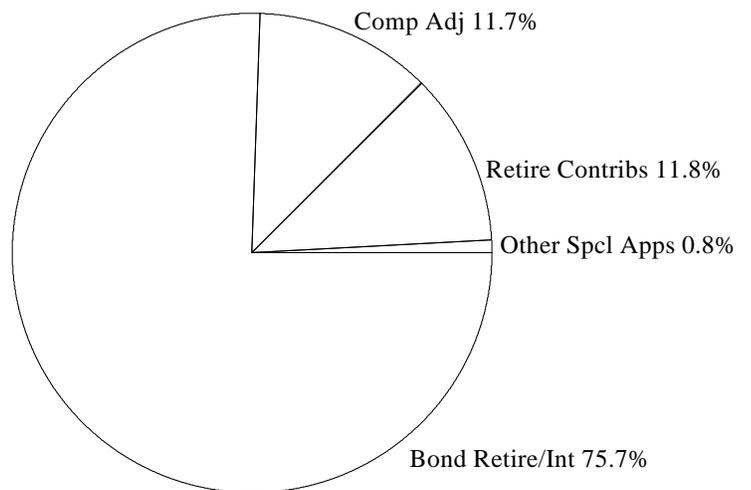
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
Human Services	12,284,095
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

Bond Retirement/Interest	1,216,545
State Employee Comp Adj	189,120
Retirement Contributions	189,600
Other Special Approps	13,195
Special Appropriations	1,608,460



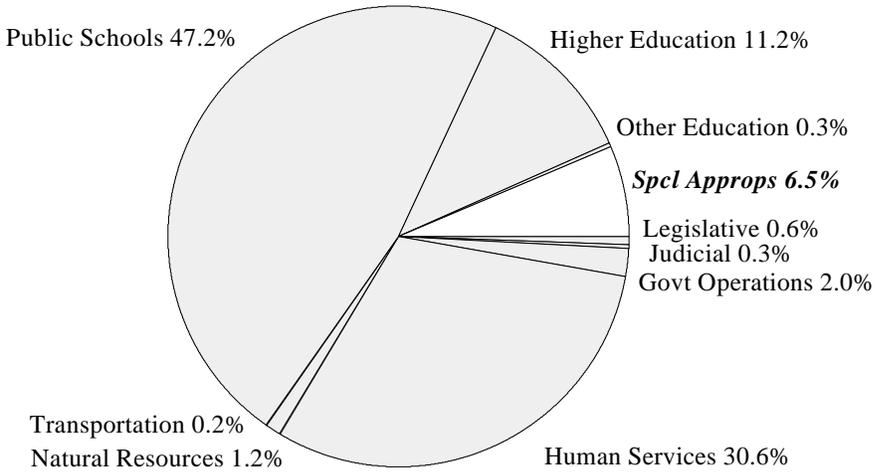
Special Appropriations

1995-97 Washington State Operating Budget

General Fund - State

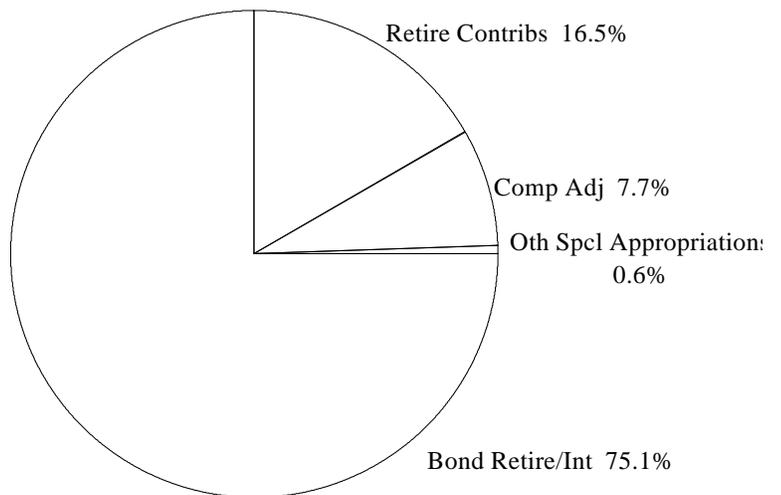
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
Human Services	5,394,546
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

Bond Retirement/Interest	861,672
Retirement Contributions	189,600
State Employee Comp Adj	88,262
Other Special Appropriatic	7,423
Special Appropriations	1,146,957



Special Appropriations

Bond Retirement & Interest

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	890,847	70,067	960,914
1996 Supplemental Budget			
1. Debt Service/Bonds Subject to Limit	0	38,394	38,394
2. Reduce General Fund Debt Service	-29,175	0	-29,175
3. Enterprise Reimbursed Debt Service	0	634	634
4. Bond Sale Expenses	0	686	686
Total Supplemental Items	-29,175	39,714	10,539
<hr/>			
1995-97 REVISED APPROPRIATIONS	861,672	109,781	971,453
Fiscal Year 1996 Totals	426,287	53,269	479,556
Fiscal Year 1997 Totals	435,385	56,512	491,897

Comments:

1. DEBT SERVICE/BONDS SUBJECT TO LIMIT - The 1995-97 budget for debt service payments includes appropriations to fund the cost of debt service. In some cases, bond proceeds are deposited into one fund and are subsequently transferred into a bond retirement account as debt service payments are due. The appropriation to the bond retirement accounts were inadvertently omitted from the 1995-97 budget. This appropriation provides the authority to the bond retirement accounts to make payments to the bond holders. (Various funds)
2. REDUCE GENERAL FUND DEBT SERVICE - The appropriation for general fund debt service is reduced to reflect the savings from bond refunding sales and lower interest rates.
3. ENTERPRISE REIMBURSED DEBT SERVICE - The 1995-97 budget for debt service payments includes appropriations to fund the cost of debt service. In some cases, bond proceeds are deposited into one fund and are subsequently transferred into a bond retirement account as debt service payments are due. The appropriation to the bond retirement accounts were inadvertently omitted from the 1995-97 budget. This appropriation provides the authority to the bond retirement accounts to make payments to the bond holders. (Various funds)
4. BOND SALE EXPENSES - Bond sale expenses associated with new projects authorized in the 1995-97 capital budget were inadvertently omitted from appropriation in the 1995-97 operating budget. This appropriation recognizes the additional cost of bond sale expenses for the new projects. (State Building Construction Account)

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

State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	87,050	105,241	192,291
1996 Supplemental Budget			
1. Salary Appropriation Adjustment	-3,124	-4,201	-7,325
2. Pension Appropriation Adjustment	-139	-182	-321
3. Insurance Appropriation Adjustment	-170	-270	-440
4. Health Benefits Rate Adjustment	-2,839	-3,402	-6,241
5. Reclassification Salary Pool	4,475	0	4,475
6. Governor Veto	3,009	3,672	6,681
Total Supplemental Items	1,212	-4,383	-3,171
1995-97 REVISED APPROPRIATIONS	88,262	100,858	189,120
Fiscal Year 1996 Totals	38,847	49,623	88,470
Fiscal Year 1997 Totals	49,415	51,235	100,650

Comments:

1. SALARY APPROPRIATION ADJUSTMENT - The appropriation is reduced to reflect unnecessary balance for salary allocations. (General Fund-State, General Fund-Federal, and Salary and Insurance Increase Revolving Account)
2. PENSION APPROPRIATION ADJUSTMENT - The appropriation is reduced to reflect unnecessary balance for pension allocations. (General Fund-State, General Fund-Federal, and Special Account Retirement Contribution Increase Revolving Account)
3. INSURANCE APPROPRIATION ADJUSTMENT - The appropriation is reduced to reflect unnecessary balance for insurance allocations. (General Fund-State, General Fund-Federal, and Salary and Insurance Increase Revolving Account)
4. HEALTH BENEFITS RATE ADJUSTMENT - Funding is reduced to reflect health benefits rates, as directed in section 706 of the budget. Section 706 reduces the monthly rate the Health Care Authority (HCA) will charge state agencies and institutions of higher education for health benefits from \$314.51 to \$304.31 for each state and higher education employee. Enactment of section 706 and the rate reduction rate for these employees would have resulted in the use of approximately \$11.6 million of the \$19.8 million surplus in the Public Employees' and Retirees' Insurance Account. Although agencies would pay the HCA only \$304.31 per month per employee, the average rate the state will pay providers for employee benefits will be approximately \$314.17. Through the use of the surplus, the benefits package offered to employees would not have been reduced and employee premium copayments would not have increased. The Governor vetoed section 706 of the budget. Refer to the Governor's Veto note (#6) for more information. (General Fund-State, General Fund-Federal, and Salary and Insurance Increase Revolving Account)
5. RECLASSIFICATION SALARY POOL - The original 1995-97 budget contained a reclassification pool of \$5 million General Fund-State and \$5 million in other funds for the Washington Personnel Resources Board (PRB) to fund salary increases for state job classes with serious salary inequities. The supplemental budget adds \$4.5 million General Fund-State to the pool, for a total of \$9.5 million General Fund-State and \$5 million other funds. The reclassification pool can be used by the PRB to increase salaries for job classes where documented recruitment and retention difficulties exist; salary compression or inversion between subordinates and their supervisors has occurred; job duties and responsibilities have increased; or a salary disparity greater than 7.5 percent has developed between two job classifications with similar duties and responsibilities. Agencies apply to the PRB for reclassification pool funding; the PRB will prioritize the requests and distribute funds according to severity of salary inequity.
6. GOVERNOR VETO - Health Insurance Benefits -- The Governor vetoed section 706 of the budget, which sets the monthly health benefit rate that state agencies and institutions of higher education pay to the Health Care Authority (HCA) for each employee. The legislative budget had lowered the 1997 health benefit rate charged to state agencies and higher education institutions from the \$314.51 per employee per month contained in the original budget to \$304.31. In addition, section 706 of the budget decreased the appropriation to state agencies commensurate with the lower rate. The veto of section 706 restores the rate to \$314.51 and restores the funding to state agencies to pay the higher rate. However, while the veto of section 706 will result in institutions of higher education paying \$314.51 per month per employee, the veto does not restore the funding to higher education institutions to pay the higher rate. (The monies appropriated to higher education institutions for health benefits are contained in each institution's section of the budget bill, not in section 706.) As a result, higher education institutions will be required to pay \$2.4 million more than is appropriated to them for health benefits.

The health benefit changes in the legislative budget resulted in total savings from all funds of \$9.1 million. The General Fund-State portion of the savings was \$5.4 million, \$2.4 million of which was from higher education institutions and \$3.0 million of which was from state agencies. The Governor's veto lowers the total savings by \$6.7 million and the General Fund-State savings by \$3.0 million.

Sundry Claims

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1996 Supplemental Budget			
1. Self Defense Reimbursement Claims	162	0	162
2. Wildlife Crop Damage Claims	<u>0</u>	<u>16</u>	<u>16</u>
Total Supplemental Items	162	16	178

1995-97 REVISED APPROPRIATIONS

Fiscal Year 1996 Totals

Comments:

1. SELF DEFENSE REIMBURSEMENT CLAIMS - On the recommendation of the Division of Risk Management, payment is made under RCW 9A.16.110 for eight claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self-defense.
2. WILDLIFE CROP DAMAGE CLAIMS - On the recommendation of the Division of Risk Management, payment is made under RCW 77.12.280 for six claims for damage to agricultural crops by deer and elk. (Wildlife Account)