

# Governmental Operations

## **Public Disclosure Commission**

An amount of \$430,000 from the state general fund is provided for enhanced public disclosure functions. The use of technology will improve the filing of public disclosure documents and enhance public access via the Internet, fax-on-demand technology, document imaging, and other customer service improvements.

## **Office of the Attorney General**

An amount of \$500,000 from the state general fund and \$500,000 in other funds is provided for selective salary increases for the Attorney General to retain experienced legal staff by providing competitive salaries for Assistant Attorneys General.

Initial funding of \$300,000 from the state general fund is provided for assessment of the public health and the environmental impacts of pollution in the Spokane River basin and determination of potential legal remedies.

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

An additional \$2.0 million is provided for indigent civil legal services. These funds are to be expended in accordance with Chapter 319, Laws of 1997 (ESHB 2276).

The sum of \$500,000 is provided for the Washington Technology Center to increase the number of research and development projects that are conducted in conjunction with private sector partners.

The amount of \$600,000 is provided for three counties to recruit community volunteers to represent the interests of children in dependency proceedings. Funding is also provided for an evaluation of the effectiveness of the Court Appointed Special Advocates (CASA) program in improving outcomes for dependent children.

Legislation enacted during the 1997 session (Chapter 429, Laws of 1997, Partial Veto -- ESB 6094) directs six western Washington counties to analyze whether sufficient land exists within their urban growth areas to provide for both residential and non-residential growth over the next 10 to 20 years. The budget provides \$2 million for grants to local governments to assist them in conducting this analysis. The analysis is to include an inventory of available lands for development and will help determine whether county-wide planning policies are meeting planned residential densities and uses. The counties doing the inventory and analysis are King, Pierce, Snohomish, Clark, Kitsap, and Thurston.

The budget includes approximately \$2.7 million in reductions in a variety of Community, Trade and Economic Development programs, including growth management, international trade programs, business recruitment activities, and administrative functions.

## **Department of General Administration**

To replace diminishing federal food volumes, the amount of \$2 million from the state general fund is provided to continue purchasing food products for the state's food assistance network.

## **Office of the Insurance Commissioner**

An amount of \$600,000 from the Insurance Commissioner's Regulatory Account is provided for increased oversight of life insurance marketing. A recently revised settlement with the Prudential Insurance Company will provide restitution to Washington policyholders, as well as making \$600,000 available to the state for increased regulatory oversight of the marketing practices of Prudential.

**Liquor Control Board**

The amount of \$2.8 million from the state general fund is provided to implement Chapter 420, Laws of 1997, Partial Veto (ESHB 2272), which transfers primary enforcement authority for cigarette and tobacco taxes from the Department of Revenue to the Liquor Control Board. As a result of the transfer, lost revenue due to cigarette and tobacco tax evasion is expected to be substantially reduced.

**Military Department**

During the 1995-97 biennium, Washington State experienced five natural disasters that received Presidential Disaster Declarations. Upon receiving a Presidential Disaster Declaration, the state qualifies for federal disaster assistance through the Federal Emergency Management Agency (FEMA). FEMA provides federal funds for 75 percent of eligible disaster recovery costs, while state and local governments provide the remaining 25 percent as a matching requirement to receive the federal assistance.

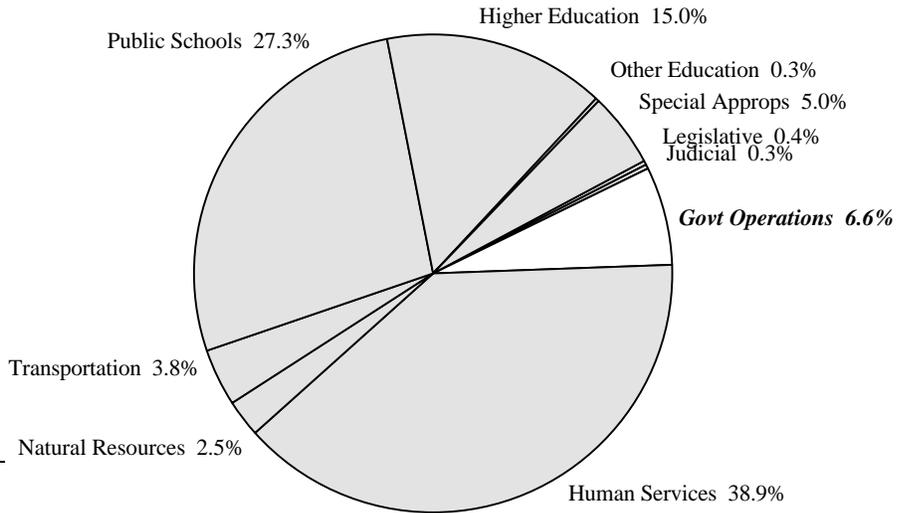
The amounts of \$24 million in state funds and \$95.4 million in federal funds are provided for disaster recovery costs in the 1997-99 biennium. State funding is provided for the local match requirements for the February 1996 floods. In addition, Chapter 251, Laws of 1997 (HB 2267), creates a new Disaster Response Account to provide greater accountability and flexibility in paying for disaster recovery costs.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

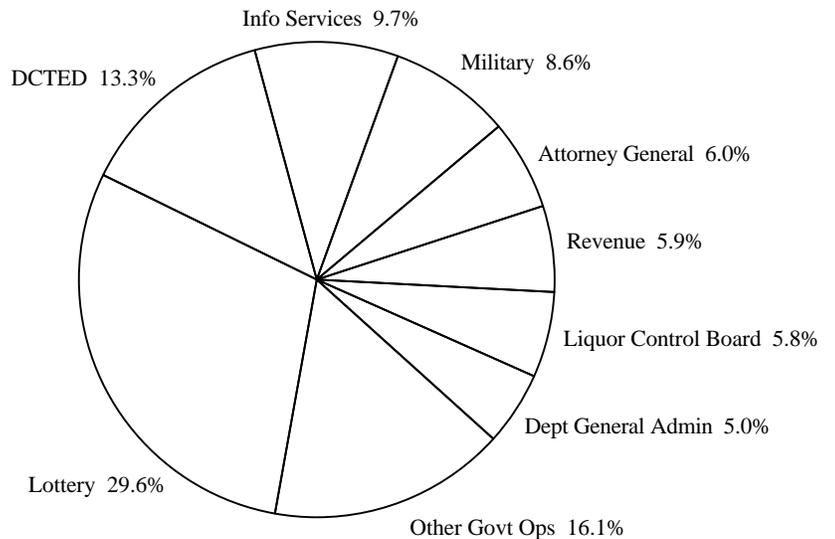
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
<b>Governmental Operations</b>	<b>2,327,610</b>
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
<b>Statewide Total</b>	<b>35,378,823</b>



## Washington State

State Lottery Comm	688,558
Comm/Trade/Econ Dev	310,504
Dept of Info Services	226,333
Military Department	200,035
Attorney General	139,641
Dept of Revenue	138,459
Liquor Control Board	134,155
Dept of General Admin	116,146
Other Govt Operations	373,779
<b>Governmental Operations</b>	<b>2,327,610</b>



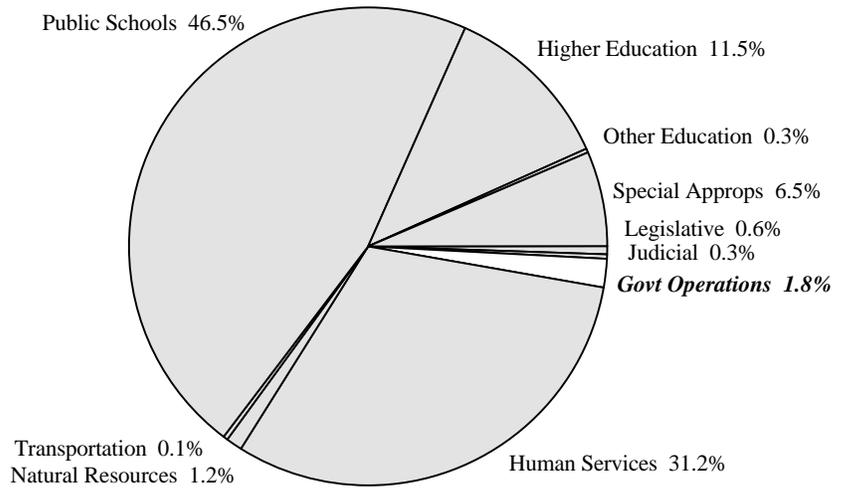
## Governmental Operations

# 1997-99 Washington State Operating Budget

## General Fund - State

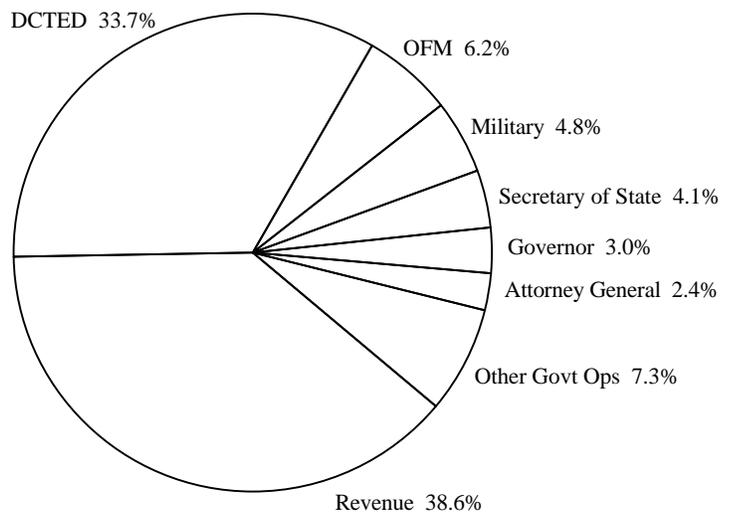
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
<b>Governmental Operations</b>	<b>337,914</b>
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
<b>Statewide Total</b>	<b>19,076,883</b>



## Washington State

Dept of Revenue	130,353
Comm/Trade/Econ Dev	113,712
Office of Financial Mgmt	20,783
Military Department	16,305
Secretary of State	13,956
Office of Governor	10,010
Attorney General	7,992
Other Govt Operations	24,803
<b>Governmental Operations</b>	<b>337,914</b>



## Governmental Operations

## Office of the Governor

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>8,655</b>	<b>225</b>	<b>8,880</b>
<b>1997-99 Maintenance Level</b>	<b>9,735</b>	<b>1,072</b>	<b>10,807</b>
<b>Policy Items</b>			
1. Action Team Technology Enhancement	57	0	57
2. Puget Sound Work Plan	479	0	479
3. General Inflation	-75	0	-75
4. Law Enforcement Medal of Honor	25	0	25
5. Puget Sound Education Grants	0	-184	-184
6. Equipment Reduction	-21	0	-21
7. Puget Sound Action Team - Reduction	-36	0	-36
8. Executive Operations - Reduction	-154	0	-154
<b>Total 1997-99 Biennium</b>	<b>10,010</b>	<b>888</b>	<b>10,898</b>
Fiscal Year 1998 Totals	5,047	414	5,461
Fiscal Year 1999 Totals	4,963	474	5,437

**Comments:**

1. ACTION TEAM TECHNOLOGY ENHANCEMENT - Funding is provided for a wide area network link between the Puget Sound Water Quality Action Team and the Governor's Office.
2. PUGET SOUND WORK PLAN - Funds are provided for expanded technical assistance by the Puget Sound Action Team.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. LAW ENFORCEMENT MEDAL OF HONOR - Funding is provided to the Law Enforcement Medal of Honor Committee to recognize qualified law enforcement officers as provided by Chapter 41.72 RCW.
5. PUGET SOUND EDUCATION GRANTS - Funding is reduced for Public Information and Education (PIE) grants awarded by the Puget Sound Action Team. (Water Quality Account)
6. EQUIPMENT REDUCTION - Funding is reduced for equipment purchases in the Office of the Family and Children's Ombudsman.
7. PUGET SOUND ACTION TEAM - REDUCTION - Printing costs are reduced by eliminating one-half of newsletters produced by the Puget Sound Water Quality Action Team each year.
8. EXECUTIVE OPERATIONS - REDUCTION - Funding is reduced for one staff position and goods and services in the Governor's Office.

## Office of the Lieutenant Governor

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	485	0	485
1997 Supplemental *	33	0	33
<b>Total 1995-97 Expenditure Authority</b>	<b>518</b>	<b>0</b>	<b>518</b>
<b>1997-99 Maintenance Level</b>	<b>512</b>	<b>0</b>	<b>512</b>
<b>Policy Items</b>			
1. General Inflation	-3	0	-3
2. Youth Drug & Alcohol Abuse Outreach	42	0	42
3. Acting Governor Compensation	14	0	14
<b>Total 1997-99 Biennium</b>	<b>565</b>	<b>0</b>	<b>565</b>
Fiscal Year 1998 Totals	282	0	282
Fiscal Year 1999 Totals	283	0	283

**Comments:**

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. YOUTH DRUG & ALCOHOL ABUSE OUTREACH - The Lieutenant Governor is provided funding to implement a program addressing the problems of drug and alcohol abuse primarily among the youth in Washington State. The effort will involve research, development of materials, and presentations throughout the state.
3. ACTING GOVERNOR COMPENSATION - Additional funding is provided to accommodate the actual number of days the Governor is typically out of state, which requires the Lieutenant Governor to act as Governor.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Disclosure Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	2,176	1	2,177
1997 Supplemental *	132	0	132
<b>Total 1995-97 Expenditure Authority</b>	<b>2,308</b>	<b>1</b>	<b>2,309</b>
<b>1997-99 Maintenance Level</b>	<b>2,240</b>	<b>0</b>	<b>2,240</b>
<b>Policy Items</b>			
1. Filer Assistance	139	0	139
2. Compliance	52	0	52
3. General Inflation	-7	0	-7
4. Customer Technology Improvements	239	0	239
<b>Total 1997-99 Biennium</b>	<b>2,663</b>	<b>0</b>	<b>2,663</b>
Fiscal Year 1998 Totals	1,457	0	1,457
Fiscal Year 1999 Totals	1,206	0	1,206

**Comments:**

1. **FILER ASSISTANCE** - One-time funding is provided to implement electronic filing of financial affairs statements and lobbyist registrations.
2. **COMPLIANCE** - Additional funding is provided to the Public Disclosure Commission (PDC) to enable the agency to utilize Attorney General services at a level comparable to that experienced in the current biennium.
3. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. **CUSTOMER TECHNOLOGY IMPROVEMENTS** - One-time funding is provided for customer service technology improvements including enhanced Internet access, fax-on-demand technology, and personal computers, and software compatible with the agency's new imaging system.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

## Office of the Secretary of State

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	16,849	6,640	23,489
1997 Supplemental *	190	0	190
<b>Total 1995-97 Expenditure Authority</b>	<b>17,039</b>	<b>6,640</b>	<b>23,679</b>
<b>1997-99 Maintenance Level</b>	<b>14,172</b>	<b>9,840</b>	<b>24,012</b>
<b>Policy Items</b>			
1. Charitable Trust Backlog	179	0	179
2. International Education	50	0	50
3. Eliminate Legal Advertising	-125	0	-125
4. General Inflation	-166	-84	-250
5. Census Block Boundary Program	99	0	99
6. Local Elections Certification	-353	0	-353
7. Oral History Program	55	0	55
8. State Horse Park Feasibility Study	45	0	45
<b>Total 1997-99 Biennium</b>	<b>13,956</b>	<b>9,756</b>	<b>23,712</b>
Fiscal Year 1998 Totals	8,055	4,882	12,937
Fiscal Year 1999 Totals	5,901	4,874	10,775

**Comments:**

1. CHARITABLE TRUST BACKLOG - Charitable trusts are required to file and be registered with the Secretary of State's Office. Funds and one staff person are provided to address the agency's nine-month backlog of filings, trust registrations, and re-registrations.
2. INTERNATIONAL EDUCATION - Chapter 253, Laws of 1996 (HB 2291) authorizes the Office of the Secretary of State to establish an international education database of foreign exchange students and other business contacts that may facilitate international trade. Funds are provided for this database.
3. ELIMINATE LEGAL ADVERTISING - Chapter 405, Laws of 1997 (ESSB 6068), introduced at the request of the Secretary of State, allows efficiencies in the cost of legal advertising for proposed state constitutional amendments. The statutory advertising duplicates information provided in the state Voters' Pamphlet and available from other public sources.
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
5. CENSUS BLOCK BOUNDARY PROGRAM - One-time funding is provided to prepare for the state's participation in the United State's Census Voting District Project to update U.S. census precinct boundaries and to facilitate the upcoming census and redistricting processes.
6. LOCAL ELECTIONS CERTIFICATION - Funding is reduced for continuing costs of audit review of county election offices. Audits of each of the 39 counties will be completed during the 1997-99 biennium, and further audits should be conducted pursuant to Chapter 284, Laws of 1997 (ESB 5565) on an as-needed basis within available resources.
7. ORAL HISTORY PROGRAM - Funds are provided to expand the Secretary of State's Oral History Program which documents the oral history of state government.
8. STATE HORSE PARK FEASIBILITY STUDY - The Secretary of State is directed to contract for an economic feasibility study of establishing a State Horse Park.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Governor's Office of Indian Affairs**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>337</b>	<b>0</b>	<b>337</b>
<b>1997-99 Maintenance Level</b>	<b>374</b>	<b>0</b>	<b>374</b>
<b>Policy Items</b>			
1. Policy Research Assistance	90	0	90
2. General Inflation	-1	0	-1
<b>Total 1997-99 Biennium</b>	<b>463</b>	<b>0</b>	<b>463</b>
Fiscal Year 1998 Totals	230	0	230
Fiscal Year 1999 Totals	233	0	233

**Comments:**

1. POLICY RESEARCH ASSISTANCE - Funding is provided for a policy research assistant position needed to keep current with the agency's mandate to act as the policy lead for the Governor on all American Indian-related issues.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**Washington State Commission on Asian-Pacific-American Affairs**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>361</b>	<b>0</b>	<b>361</b>
<b>1997-99 Maintenance Level</b>	<b>376</b>	<b>0</b>	<b>376</b>
<b>Policy Items</b>			
1. Support Staff	28	0	28
2. General Inflation	-3	0	-3
<b>Total 1997-99 Biennium</b>	<b>401</b>	<b>0</b>	<b>401</b>
Fiscal Year 1998 Totals	200	0	200
Fiscal Year 1999 Totals	201	0	201

**Comments:**

1. SUPPORT STAFF - Funding is provided to restore the salary reduction of an administrative assistant position made as part of a consolidation effort of the four ethnic agencies in 1993.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Office of the State Treasurer

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>10,654</b>	<b>10,654</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>11,153</b>	<b>11,153</b>
<b>Policy Items</b>			
1. Information Systems	0	450	450
2. Technology Improvements	0	20	20
3. General Inflation	0	-56	-56
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>11,567</b>	<b>11,567</b>
Fiscal Year 1998 Totals	0	5,989	5,989
Fiscal Year 1999 Totals	0	5,578	5,578

**Comments:**

1. INFORMATION SYSTEMS - Funding is provided to continue development of a new treasury management system that was begun with a feasibility study in 1996. The amount provided reflects the first-year estimate for design and development of a treasury management system to replace the existing state debt, investments, cash management, and treasury accounting systems. Additional funding will be requested with the 1998 Supplemental Operating Budget to provide for second-year costs. (State Treasurer's Service Account)
2. TECHNOLOGY IMPROVEMENTS - Funding is provided for a data service connection to the statewide network operated by the Department of Information Services that will allow access to the statewide accounting system and enable the Treasurer's Office to share data with other agencies. Funding is also provided to repair phone and data lines. (State Treasurer's Service Account)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Office of the State Auditor

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	508	36,700	37,208
1997 Supplemental *	0	-363	-363
<b>Total 1995-97 Expenditure Authority</b>	<b>508</b>	<b>36,337</b>	<b>36,845</b>
<b>1997-99 Maintenance Level</b>	<b>859</b>	<b>36,331</b>	<b>37,190</b>
<b>Policy Items</b>			
1. Staff Increase	0	1,000	1,000
2. Increase in Local Audits	0	306	306
3. Special Request Audits	0	624	624
4. Relocate Local Offices	0	174	174
5. General Inflation	-3	-145	-148
6. Reduction in Audit Services	0	-230	-230
7. Local Government Fiscal Reporting	500	0	500
<b>Total 1997-99 Biennium</b>	<b>1,356</b>	<b>38,060</b>	<b>39,416</b>
Fiscal Year 1998 Totals	678	19,029	19,707
Fiscal Year 1999 Totals	678	19,031	19,709

**Comments:**

1. STAFF INCREASE - The State Auditor received funds in the 1995-97 biennium to automate the audit process. The result was a reduction of 10 FTE staff, with projected savings of \$1 million per year. The software was pilot tested and found not to meet the needs of the State Auditor; the funding the project received will be returned in the 1997 Supplemental Operating Budget. Staff and funding necessary to perform ongoing audit functions are restored. (Auditing Services Revolving Account, Municipal Revolving Account-Non-Appropriated)
2. INCREASE IN LOCAL AUDITS - Funding and additional staff are provided for increased workload in local government audits. (Municipal Revolving Account-Non-Appropriated)
3. SPECIAL REQUEST AUDITS - Funding is provided for special request audits from local municipalities. (Municipal Revolving Account-Non-Appropriated)
4. RELOCATE LOCAL OFFICES - Local offices of the State Auditor are currently located in office space shared with the agencies they audit. Funding is provided to allow these local offices to lease their own space. (Municipal Revolving Account-Non-Appropriated)
5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
6. REDUCTION IN AUDIT SERVICES - The State Auditor will slightly reduce the number of audit hours on low-risk issues involving state agencies and, therefore, reduce the cost of conducting those audits. (Auditing Services Revolving Account)
7. LOCAL GOVERNMENT FISCAL REPORTING - One-time funding is provided for improvements to the Budget & Accounting Reporting System (BARS) to improve the collection and reporting of local government fiscal data as recommended by the local government finance study group.

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Citizens' Commission on Salaries for Elected Officials**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>65</b>	<b>0</b>	<b>65</b>
<b>1997-99 Maintenance Level</b>	<b>67</b>	<b>0</b>	<b>67</b>
<b>Total 1997-99 Biennium</b>	<b>67</b>	<b>0</b>	<b>67</b>
Fiscal Year 1998 Totals	4	0	4
Fiscal Year 1999 Totals	63	0	63

**Comments:**

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

**Office of the Attorney General**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>6,503</b>	<b>124,852</b>	<b>131,355</b>
<b>1997-99 Maintenance Level</b>	<b>6,963</b>	<b>129,984</b>	<b>136,947</b>
<b>Policy Items</b>			
1. Attorney Salary Increases	0	1,000	1,000
2. Ecology Legal Services Demand	0	710	710
3. DSHS Legal Services Demand	0	240	240
4. Reduce Administration Funding	-50	0	-50
5. Tort Defense Increase	0	1,080	1,080
6. Additional Legal Services	0	663	663
7. Motor Vehicle Warranties Act	0	-768	-768
8. Idaho Mining Litigation	300	0	300
9. General Inflation	-71	-1,108	-1,179
10. Health Care Anti-Trust Monitoring	0	-152	-152
11. SMART Program	850	0	850
<b>Total 1997-99 Biennium</b>	<b>7,992</b>	<b>131,649</b>	<b>139,641</b>
Fiscal Year 1998 Totals	4,361	65,965	70,326
Fiscal Year 1999 Totals	3,631	65,684	69,315

**Comments:**

- ATTORNEY SALARY INCREASES - A special salary increase was funded in the 1995-97 biennium to allow the Attorney General to target salary increases to assistant attorneys general to address retention and turnover problems. Additional funds are provided for a second attorney salary increase in the 1997-99 biennium to ensure that the agency can retain experienced attorneys. In addition to this funding, assistant attorneys general receive the general cost-of-living increase provided to other state employees. (Legal Services Revolving Account)
- ECOLOGY LEGAL SERVICES DEMAND - Funding is provided for an additional attorney and a legal secretary to help the Department of Ecology to address the increased workload in water rights applications. The new attorney and legal secretary will focus on water resources appeals. Additionally, funding and staff are provided for legal representation and expert witness costs related to the appeal of the Intertanko lawsuit. (Legal Services Revolving Account)
- DSHS LEGAL SERVICES DEMAND - The Department of Social and Health Services has experienced a significant increase in litigation. Funding is provided to support two paralegals who will prepare cases and free up attorney time for more complex legal issues affecting the agency. (Legal Services Revolving Account)
- REDUCE ADMINISTRATION FUNDING - Savings will be made in the agency's administrative support for non-legal services revolving fund programs. Support functions will be reduced in areas such as centralized budget and accounting, personnel, specialized library, and information services.
- TORT DEFENSE INCREASE - In the past three years, the number of lawsuits against the state has increased 50 percent. Funds support three tort defense assistant attorneys general to investigate, resolve, and defend the state against lawsuits. (Legal Services Revolving Account)
- ADDITIONAL LEGAL SERVICES - The Department of Labor and Industries, the Office of Administrative Hearings, the Public Disclosure Commission, and the Office of Environmental Hearings need additional legal services above current budgeted levels. Funds are provided for these expenses. (Legal Services Revolving Account)
- MOTOR VEHICLE WARRANTIES ACT - A reduction in the New Motor Vehicle Arbitration Account expenditure is necessary due to declining revenues and insufficient fund balance. (New Motor Vehicle Arbitration Account)
- IDAHO MINING LITIGATION - One-time funding supports FY 98 costs for a comprehensive assessment of environmental and public health impacts and associated legal costs for pursuing remedies for pollution in the Spokane River basin.
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- HEALTH CARE ANTI-TRUST MONITORING - To bring Health Services Account expenditures in line with account revenues, dedicated funding is eliminated for health care anti-trust activities. If health care anti-trust activities are needed, existing anti-trust funding from the general fund may be used. (Health Services Account-State)
- SMART PROGRAM - Funding is provided to implement the Supervision Management and Recidivist Tracking (SMART) program. The SMART program will allow the Department of Corrections and local law enforcement agencies to share information through the Homicide Investigation and Tracking System (HITS) concerning the activities of offenders on community supervision.

**Department of Financial Institutions**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>13,764</b>	<b>13,764</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>14,673</b>	<b>14,673</b>
<b>Policy Items</b>			
1. Securities Enforcement Enhancement	0	460	460
2. Administration & Technology Package	0	496	496
3. License Suspension	0	102	102
4. General Inflation	0	-62	-62
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>15,669</b>	<b>15,669</b>
Fiscal Year 1998 Totals	0	7,732	7,732
Fiscal Year 1999 Totals	0	7,937	7,937

**Comments:**

1. SECURITIES ENFORCEMENT ENHANCEMENT - Funding is provided for increased securities enforcement including \$4,000 for one-time costs in FY 98. (Securities Regulation Account)
2. ADMINISTRATION & TECHNOLOGY PACKAGE - Funding is provided to develop business technology applications and automate internal office applications. One-time funds of \$216,000 are provided for the development of the new applications. (Securities Regulation Account, Banking Examination Account Non-Appropriated, Credit Unions Examination Account Non-Appropriated)
3. LICENSE SUSPENSION - Funding is provided for the additional workload associated with the license suspension provision in Chapter 58, Laws of 1997, Partial Veto (EHB 3901). The Division of Securities licenses securities broker-dealers, salespeople, investment advisers, and investment adviser representatives. The Division of Consumer Services licenses escrow officers and mortgage brokers. (Securities Regulation Account, Banking Examination Account Non-Appropriated)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	104,313	192,547	296,860
1997 Supplemental *	292	209	501
<b>Total 1995-97 Expenditure Authority</b>	<b>104,605</b>	<b>192,756</b>	<b>297,361</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>110,153</b>	<b>190,255</b>	<b>300,408</b>
<b>Policy Items</b>			
1. Pass-through Funds Reduction	0	-2,894	-2,894
2. Low-Income Legal Services	2,000	0	2,000
3. General Inflation	-291	-162	-453
4. Land Use Study - Buildable Lands	2,000	0	2,000
5. Washington Technology Center	500	0	500
6. CASA/GAL	600	0	600
7. Community Connections Project	150	0	150
8. Long-Term Care Ombudsman	100	0	100
9. Domestic Violence Legal Advocacy	0	423	423
10. ECEAP Vendor Rate	1,286	0	1,286
11. Community Investment Unit	0	445	445
12. Community Development Finance	-247	0	-247
13. Business Recruitment Reduction	-275	0	-275
14. Biotechnology Conference	75	0	75
15. Director's Office Staffing	-90	0	-90
16. Space Reduction	-48	0	-48
17. Regulatory Reform Efficiency	-33	0	-33
18. CERB Support	-96	96	0
19. Energy Strategy Reduction	-30	0	-30
20. Employee Ownership	-133	0	-133
21. Economic Development Advocacy	-165	0	-165
22. Business Loans Mgmt Efficiency	-81	0	-81
23. International Trade	-274	0	-274
24. Foodstamp Outreach	-300	0	-300
25. Growth Management Grants	-968	0	-968
26. Re-Employment Support Center	-121	0	-121
27. Safe Drinking Water	0	213	213
28. Public Works - Financial Management	0	450	450
29. Federal Flood Assistance	0	7,714	7,714
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>113,712</b>	<b>196,540</b>	<b>310,252</b>
Fiscal Year 1998 Totals	57,361	99,790	157,151
Fiscal Year 1999 Totals	56,351	96,750	153,101

### Comments:

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|---|--|
| <p>1. PASS-THROUGH FUNDS REDUCTION - Pass-through funds are reduced for mobile home relocation assistance and Hanford area economic development assistance, consistent with available revenues in the 1997-99 biennium. (Mobile Home Park Relocation Account, Hanford Area Economic Investment Account)</p> <p>2. LOW-INCOME LEGAL SERVICES - Additional funding is provided for indigent civil legal representation services contracts.</p> <p>3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>4. LAND USE STUDY - BUILDABLE LANDS - Funding is provided for grants to counties, cities, and regional planning organizations to carry out the review and evaluation required by Section 25 of Chapter 429, Laws of 1997, Partial Veto (ESB 6094 -- Buildable Lands, Growth Management).</p> | <p>5. WASHINGTON TECHNOLOGY CENTER - Funding is provided for the Washington Technology Center to conduct additional research and development projects in conjunction with private sector partners.</p> <p>6. CASA/GAL - Funding is provided to recruit additional volunteer Court Appointed Special Advocates (CASA) or Guardians Ad Litem (GAL) to represent children in dependency court proceedings.</p> <p>7. COMMUNITY CONNECTIONS PROJECT - Funding is provided to continue the Walla Walla Community Connections program that serves at-risk youth and families.</p> <p>8. LONG-TERM CARE OMBUDSMAN - Provides funding for long term care ombudsman services to be extended to underserved areas of the state.</p> <p>9. DOMESTIC VIOLENCE LEGAL ADVOCACY - Additional funding from the federal Department of Justice Byrne Grant will provide for more legal advocacy services to victims of domestic violence. (General Fund-Federal)</p> |
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## Department of Community, Trade, & Economic Development

10. ECEAP VENDOR RATE - Funding is provided for a 3 percent vendor rate increase, effective July 1, 1997, for Early Childhood Education and Assistance Program (ECEAP) providers.
11. COMMUNITY INVESTMENT UNIT - The Community Economic Revitalization Board (CERB) is provided additional staff to evaluate new funding requests and to monitor the existing loan portfolio. Funds to administer the Public Works Trust Fund program are shifted from the capital budget to the operating budget. (Public Facility Construction Loan Revolving Account, Public Works Assistance Account)
12. COMMUNITY DEVELOPMENT FINANCE - Funding is reduced for state technical assistance to local banks and local development organizations to assist businesses in securing financing. However, within the funding provided for associate development organizations, the Department is directed to maintain the community development finance program at its 1995-97 authorized level.
13. BUSINESS RECRUITMENT REDUCTION - Funding is reduced for the Department's business recruitment program.
14. BIOTECHNOLOGY CONFERENCE - Funding is provided for state sponsorship of a biotechnology conference scheduled for May 1999 in Seattle.
15. DIRECTOR'S OFFICE STAFFING - One position is eliminated in the Director's office.
16. SPACE REDUCTION - Leased space will be reduced as an efficiency measure in the Westin Building in Seattle.
17. REGULATORY REFORM EFFICIENCY - Program staff will absorb part of the regulatory reform activities that were being handled by the Local Development Assistance Service Area for the benefit of the total agency.
18. CERB SUPPORT - Eliminates General Fund-State support for the operations of CERB and shifts the cost to the Public Facilities Construction Loan Revolving Fund.
19. ENERGY STRATEGY REDUCTION - Agency staff will absorb the work associated with revising the Washington State Energy Strategy document rather than contracting for services.
20. EMPLOYEE OWNERSHIP - As an efficiency measure, one position and related funding is eliminated. The workload will be absorbed by other agency staff.
21. ECONOMIC DEVELOPMENT ADVOCACY - An exempt position responsible for economic policy development is eliminated.
22. BUSINESS LOANS MGMT EFFICIENCY - As an efficiency measure and through improved technology, one position is eliminated from the Loan Portfolio Management program, and the associated workload will be absorbed by other staff in the program.
23. INTERNATIONAL TRADE - Funding to support the international trade programs is reduced. The Department is conducting a review of its roles and responsibilities in support of international trade development. The specific impacts of this proposed reduction will be determined as a part of this effort.
24. FOODSTAMP OUTREACH - State funding for the Food Stamp Outreach Program is eliminated.
25. GROWTH MANAGEMENT GRANTS - Growth management grants for the 1997-99 biennium are reduced.
26. RE-EMPLOYMENT SUPPORT CENTER - Funding for the King County Reemployment Support Center is transferred to the Employment Security Department.
27. SAFE DRINKING WATER - The federal government has provided funding to improve the state's water systems. The Department of Community, Trade, and Economic Development (CTED) will operate a state revolving fund to finance these improvements. (General Fund-Federal)
28. PUBLIC WORKS - FINANCIAL MANAGEMENT - The Public Works Trust Fund program will acquire new financial management software to assist the Department in managing the program's loan portfolio. (Public Works Assistance Account)
29. FEDERAL FLOOD ASSISTANCE - Additional federal flood assistance has been awarded to the state through the Community Development Block Grant program. These funds will assist 27 counties with the costs associated with the November 1995 and February 1996 floods. (General Fund-Federal)

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

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Economic & Revenue Forecast Council**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>983</b>	<b>0</b>	<b>983</b>
<b>1997-99 Maintenance Level</b>	<b>910</b>	<b>0</b>	<b>910</b>
<b>Policy Items</b>			
1. General Inflation	-5	0	-5
<b>Total 1997-99 Biennium</b>	<b>905</b>	<b>0</b>	<b>905</b>
Fiscal Year 1998 Totals	452	0	452
Fiscal Year 1999 Totals	453	0	453

**Comments:**

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

**Office of Financial Management**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	18,870	23,238	42,108
1997 Supplemental *	0	1,433	1,433
<b>Total 1995-97 Expenditure Authority</b>	<b>18,870</b>	<b>24,671</b>	<b>43,541</b>
<b>1997-99 Maintenance Level</b>	<b>19,740</b>	<b>35,063</b>	<b>54,803</b>
<b>Policy Items</b>			
1. AmeriCorps Federal Requirements	210	-210	0
2. 2000 Census Workload	131	0	131
3. Population Survey	275	0	275
4. Performance Measure System	89	0	89
5. Acceptance Testing	0	114	114
6. Budget and Allotment System	0	462	462
7. Information Systems Enhancements	0	1,150	1,150
8. Replace Health Services Account	939	-339	600
9. General Inflation	-107	-13	-120
10. Decrease Contract Services	-150	0	-150
11. Staff Reductions	-344	0	-344
<b>Total 1997-99 Biennium</b>	<b>20,783</b>	<b>36,227</b>	<b>57,010</b>
Fiscal Year 1998 Totals	10,530	11,421	21,951
Fiscal Year 1999 Totals	10,253	24,806	35,059

**Comments:**

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| <ol style="list-style-type: none"> <li>1. AMERICORPS FEDERAL REQUIREMENTS - Matching funds requirements for the federal AmeriCorps program are increasing in the 1997-99 biennium. Funding is provided to assist local programs in distressed areas with their increased match requirements.</li> <li>2. 2000 CENSUS WORKLOAD - Recent restructuring within the federal Census Bureau will require states to perform additional duties related to the 2000 Census. One full-time demographer is added to address the increased workload.</li> <li>3. POPULATION SURVEY - Funding is provided to allow the Office of Financial Management (OFM) to contract for a new biennial survey of Washington State's population. Federal intercensal surveys provide regional data, but because they group Washington with California and other states, the federal data do not accurately reflect Washington's social and demographic characteristics. Washington-specific data will be used in all population and budget forecasts prepared by OFM, to establish performance measures, and to address questions and issues related to the implementation of federal welfare legislation.</li> <li>4. PERFORMANCE MEASURE SYSTEM - In accordance with Chapter 317, Laws of 1996, Partial Veto (ESSB 6680), OFM is in the process of implementing a statewide system of performance measures tied to agencies' budget requests. Staff and funds are provided for software development and ongoing support expenses of a computer system for tracking performance measures.</li> <li>5. ACCEPTANCE TESTING - Currently, changes to any of the statewide accounting systems require testing to ensure that the changes are accepted by all interfacing systems. An additional staff position is provided to enable a more streamlined acceptance testing procedure. (Data Processing Revolving Account- Non-Appropriated)</li> <li>6. BUDGET AND ALLOTMENT SYSTEM - The current budget and allotment systems are being evaluated, and alternatives are under consideration. Staff and funding for contractors and software are provided to complete current allotment system improvements and redevelopment of budget systems. (Data Processing Revolving Account-Non-Appropriated)</li> <li>7. INFORMATION SYSTEMS ENHANCEMENTS - This funding will allow OFM to make several improvements in its statewide budget and accounting systems. OFM will contract for engineering services to</li> </ol> | <p>develop new input processes for the agency Financial Reporting System (AFRS) and to modernize AFRS reporting processes to make it easier for agencies to use AFRS data. This funding will also enable a feasibility study for upgrading AFRS to a relational database platform, provide improvements in the accounts receivable system, and training for agencies in statewide accounting policies and systems. (Data Processing Revolving Account-Non-Appropriated)</p> <ol style="list-style-type: none"> <li>8. REPLACE HEALTH SERVICES ACCOUNT - General Fund is used to replace funding from the Health Services Account for health policy positions in OFM.</li> <li>9. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</li> <li>10. DECREASE CONTRACT SERVICES - OFM contracts with the Washington Association of Sheriffs and Police Chiefs (WASPC) for jail population data. Funding for contracted jail data collection services is reduced by 50 percent.</li> <li>11. STAFF REDUCTIONS - OFM will reduce staff. These reductions will be achieved through vacancies and attrition where possible.</li> </ol> <p>NOTE: Amounts shown here reflect only the Omnibus Appropriations Acts. The remainder of the Office of Financial Management's budget is shown in the Transportation Budget section of this document.</p> <p>* Please see the 1997 Supplemental Operating Budget section for additional information.</p> |
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**Office of Administrative Hearings**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>14,532</b>	<b>14,532</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>17,654</b>	<b>17,654</b>
<b>Policy Items</b>			
1. Technology Plan	0	195	195
2. Legal Education Credits	0	46	46
3. DSHS Program Change	0	45	45
4. License Suspension	0	1,798	1,798
5. General Inflation	0	-73	-73
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>19,665</b>	<b>19,665</b>
Fiscal Year 1998 Totals	0	9,763	9,763
Fiscal Year 1999 Totals	0	9,902	9,902

**Comments:**

1. TECHNOLOGY PLAN - Funding is provided for technology improvements including computers, server upgrades, and \$65,000 for the interface with the Employment Security Department. (Administrative Hearings Revolving Fund)
2. LEGAL EDUCATION CREDITS - Funding is provided for continuing legal credits for the Administrative Law Judges at the Office of Administrative Hearings to meet professional licensing requirements. (Administrative Hearings Revolving Fund)
3. DSHS PROGRAM CHANGE - Funding is provided for an additional 0.5 FTE staff to implement an audit finding that the responsibility for billing and paying for goods and services should shift from the Department of Social and Health Services (DSHS) to the Office of Administrative Hearings. (Administrative Hearings Revolving Fund)
4. LICENSE SUSPENSION - Funding is provided for additional hearings anticipated from implementing the license suspension provision of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (Administrative Hearings Revolving Fund)
5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Department of Personnel

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>720</b>	<b>29,100</b>	<b>29,820</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>27,480</b>	<b>27,480</b>
<b>Policy Items</b>			
1. Career Transition Continued Funding	0	500	500
2. Facility Remodel/Relocate	0	220	220
3. Data Warehouse Enhancements	0	800	800
4. General Inflation	0	-221	-221
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>28,779</b>	<b>28,779</b>
Fiscal Year 1998 Totals	0	14,313	14,313
Fiscal Year 1999 Totals	0	14,466	14,466

**Comments:**

1. CAREER TRANSITION CONTINUED FUNDING - Funding is provided to continue the State's career transition service. The career transition center will provide outplacement counseling, skills assessments, retraining resources, resume preparation assistance, interviewing techniques, and other related job seeking skills for state employees who are either being laid off or at risk of reduction-in-force (RIF). Refinement is targeted for the areas of strengthening comprehensive training efforts among participating employees and hiring agencies and improving the RIF transition pool matching process so that it aligns employees and recruited positions more successfully. The Department of Personnel will begin to measure customer satisfaction associated with the program services. (Personnel Services Revolving Fund)
2. FACILITY REMODEL/RELOCATE - Funding is provided to temporarily relocate Department of Personnel staff and services while the Franklin Street building is being renovated. (Personnel Services Revolving Fund)
3. DATA WAREHOUSE ENHANCEMENTS - One-time funding is provided solely for the expansion of the data warehouse on the statewide work force and to provide the Office of Financial Management, the Legislature, and state agencies with direct access to this expanded data for policy and planning purposes. Additional funding will be requested for completion of this project in the 1999-2001 biennium. Further funding requests for a human resource information system will be based on an updated feasibility study which documents the costs and benefits of the system. (Personnel Services Revolving Fund)

The Department will report quarterly to the Legislative Fiscal Committees, the Office of Financial Management, the Information Services Board, and the Office of Information Technology Oversight of the Department of Information Services on the number of state agencies that have received access to the data warehouse; the number of requests for mainframe downloads; and a summary of customer feedback from agencies with access to the data warehouse.

To assist in the collection of consistent data, institutions of higher education shall report personnel data to be used in the Department of Personnel's data warehouse in compliance with uniform reporting procedures established by the Department of Personnel.

4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**State Lottery Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>465,718</b>	<b>465,718</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>675,636</b>	<b>675,636</b>
<b>Policy Items</b>			
1. Business Process Redesign	0	211	211
2. New On-Line Game	0	12,816	12,816
3. General Inflation	0	-105	-105
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>688,558</b>	<b>688,558</b>
Fiscal Year 1998 Totals	0	339,819	339,819
Fiscal Year 1999 Totals	0	348,739	348,739

**Comments:**

1. BUSINESS PROCESS REDESIGN - Funding is provided for a retail training coordinator and a gambling license technician to improve marketing. (Lottery Administrative Account)
2. NEW ON-LINE GAME - Funding is provided to develop and market a new on-line game. The new game is expected to increase the Lottery's transfer to the state general fund by \$7 million in the 1997-99 biennium and \$16.5 million in the 1999-2001 biennium. The additional 3 FTE staff include a customer service specialist, a product specialist, and a computer information consultant. (Lottery Administrative Account, State Lottery Account-Non-Appropriated)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Washington State Gambling Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>1,000</b>	<b>18,914</b>	<b>19,914</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>18,070</b>	<b>18,070</b>
<b>Policy Items</b>			
1. Computer and Communication Upgrade	0	542	542
2. Tribal Casino Regulation	0	160	160
3. General Inflation	0	-139	-139
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>18,633</b>	<b>18,633</b>
Fiscal Year 1998 Totals	0	9,316	9,316
Fiscal Year 1999 Totals	0	9,317	9,317

**Comments:**

1. COMPUTER AND COMMUNICATION UPGRADE - Provides one-time funding for replacement of 76 personal computers necessary to link to the agency network, a processor upgrade to the agency's mini-computer, and an upgrade for the telephone system at the Southwest region office. (Gambling Revolving Account-Non-Appropriated)
2. TRIBAL CASINO REGULATION - Funding is provided for an additional gambling license technician position, training, and remote telecommunications equipment. (Gambling Revolving Account-Non-Appropriated)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**Washington State Commission on Hispanic Affairs**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>405</b>	<b>0</b>	<b>405</b>
<b>1997-99 Maintenance Level</b>	<b>403</b>	<b>0</b>	<b>403</b>
<b>Policy Items</b>			
1. Computer Upgrades	7	0	7
2. General Inflation	-3	0	-3
<b>Total 1997-99 Biennium</b>	<b>407</b>	<b>0</b>	<b>407</b>
Fiscal Year 1998 Totals	199	0	199
Fiscal Year 1999 Totals	208	0	208

**Comments:**

1. COMPUTER UPGRADES - One-time funding is provided for computers and associated software to perform database functions and required budget and policy work.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Washington State Commission on African-American Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>301</b>	<b>0</b>	<b>301</b>
<b>1997-99 Maintenance Level</b>	<b>318</b>	<b>0</b>	<b>318</b>
<b>Policy Items</b>			
1. Staff Increase	18	0	18
2. General Inflation	-2	0	-2
3. Computer Upgrades	4	0	4
<b>Total 1997-99 Biennium</b>	<b>338</b>	<b>0</b>	<b>338</b>
Fiscal Year 1998 Totals	170	0	170
Fiscal Year 1999 Totals	168	0	168

**Comments:**

1. STAFF INCREASE - Funding is provided for additional staff time to perform clerical duties and to coordinate activities related to constituent work, report publication, and special events.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. COMPUTER UPGRADES - One-time funding is provided for a computer and associated software to perform database functions and required policy and budget operations.

**Personnel Appeals Board**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>1,593</b>	<b>1,593</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>1,651</b>	<b>1,651</b>
<b>Policy Items</b>			
1. Funding Level Adjustment	0	-100	-100
2. General Inflation	0	-12	-12
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>1,539</b>	<b>1,539</b>
Fiscal Year 1998 Totals	0	760	760
Fiscal Year 1999 Totals	0	779	779

**Comments:**

1. FUNDING LEVEL ADJUSTMENT - Funding is adjusted to reflect actual ongoing agency expenditures. During the 1993-95 and 1995-97 biennia, the Personnel Appeals Board consistently spent less than their appropriation. (Personnel Services Revolving Fund)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Department of Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>32,541</b>	<b>32,541</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>31,733</b>	<b>31,733</b>
<b>Policy Items</b>			
1. One-Time TRS Plan 3 Support	0	275	275
2. Ongoing TRS Plan 3 Support	0	25	25
3. Electronic Document Imaging System	0	1,373	1,373
4. Receivables Management System	0	1,259	1,259
5. Additional Employer Auditors	0	230	230
6. General Inflation	0	-163	-163
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>34,732</b>	<b>34,732</b>
Fiscal Year 1998 Totals	0	17,057	17,057
Fiscal Year 1999 Totals	0	17,675	17,675

**Comments:**

1. ONE-TIME TRS PLAN 3 SUPPORT - Funding is provided for one-time contract services for the Teachers' Retirement System (TRS) to set up optional benefit payouts and annuity purchases for TRS Plan 3 members. These services are statutorily required and the fiscal impact was not originally accounted for in the initial agency fiscal note or agency appropriation. (Department of Retirement Systems Expense Account)
2. ONGOING TRS PLAN 3 SUPPORT - Funding is provided for additional ongoing costs to support continued annuity payouts for TRS Plan 3 members. These services are statutorily required and the fiscal impact was not originally accounted for in the initial agency fiscal note or agency appropriation. (Department of Retirement Systems Expense Account)
3. ELECTRONIC DOCUMENT IMAGING SYSTEM - Funding is provided to acquire equipment and contracted services to begin implementation of an Electronic Document Image Management System (EDIMS) that will replace the current member paper file folder system. EDIMS will allow the Department to improve client service by improving the access and sharing of data, reducing the costs for storing and handling paper documents, and improving security, disaster recovery, and the archiving capabilities of agency data. The project will start in FY 99 and additional funds will be requested to complete the project. By December 15, 1997, the Department will submit to the Office of Financial Management (OFM) and the fiscal committees of the Legislature an updated feasibility study that will outline all projected costs and benefits of the system. (Department of Retirement Systems Expense Account)
4. RECEIVABLES MANAGEMENT SYSTEM - Funding is provided for the development and implementation of a receivables management system. Receivables management is the only area of activity not integrated with the rest of the agency's business processing systems. This project is the last phase of the business system consolidation and re-engineering efforts that began in 1990 and will be completed by the end of the 1997-99 biennium. (Department of Retirement Systems Expense Account)
5. ADDITIONAL EMPLOYER AUDITORS - Funding and FTE staff are provided for two additional audit positions. The new positions allow the agency to conduct audits in a more timely manner, to identify and recover additional monies due to the pension trust funds, and to conduct audits on previously unaudited employers including most of the larger cities and school districts. The anticipated annual recovery and return to the trust fund is estimated to be \$160,000 per additional auditor. (Department of Retirement Systems Expense Account)
6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## State Investment Board

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>8,480</b>	<b>8,480</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>9,418</b>	<b>9,418</b>
<b>Policy Items</b>			
1. Workload Enhancements	0	405	405
2. Deferred Contributions Assistance	0	64	64
3. Investment Accountability	0	471	471
4. General Inflation	0	-55	-55
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>10,303</b>	<b>10,303</b>
Fiscal Year 1998 Totals	0	5,124	5,124
Fiscal Year 1999 Totals	0	5,179	5,179

**Comments:**

1. **WORKLOAD ENHANCEMENTS** - Funding is provided for workload increases in the Fixed Income Unit at the State Investment Board (SIB). Fixed income assets are internally managed, and SIB estimates the investment earnings will increase by \$2.5 billion during the 1997-99 biennium. Funding of this item results in an anticipated \$1.5 million in added return against the performance benchmark of approximately one basis point per year on internally managed funds. One-time funding of \$13,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)
2. **DEFERRED CONTRIBUTIONS ASSISTANCE** - In 1995, the Legislature directed that SIB manage the accounting functions and also become the default option for teachers participating in the Teachers' Retirement System Plan 3 (TRS 3). Previously, SIB has not managed a defined contribution plan and does not have staff capability to address questions about the portfolio and options. Funding is provided for a half-time information officer to respond to requests by any member of the public about the portfolio, and to specifically respond to teachers' questions about the SIB option. One-time funding of \$4,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)
3. **INVESTMENT ACCOUNTABILITY** - Funding is provided for an internal auditor, a contract for a fiduciary counsel, and expenses related to on-site investment activities. One-time funding of \$5,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)
4. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (State Investment Board Expense Account)

## Department of Revenue

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>125,712</b>	<b>8,119</b>	<b>133,831</b>
<b>1997-99 Maintenance Level</b>	<b>132,924</b>	<b>8,426</b>	<b>141,350</b>
<b>Policy Items</b>			
1. Taxpayer Telephone Services	221	0	221
2. Property Tax Valuation Schedules	73	0	73
3. State Toxics Revenue Shortfall	0	-2	-2
4. Pollution Liability Funding	0	-244	-244
5. Administrative Efficiencies	-475	0	-475
6. Selective Program Reductions	-532	0	-532
7. General Inflation	-851	-74	-925
8. Transfer Tobacco Enforcement to LCB	-60	0	-60
9. Senior Citizens Property Tax	-947	0	-947
<b>Total 1997-99 Biennium</b>	<b>130,353</b>	<b>8,106</b>	<b>138,459</b>
Fiscal Year 1998 Totals	65,033	4,053	69,086
Fiscal Year 1999 Totals	65,320	4,053	69,373

### Comments:

1. TAXPAYER TELEPHONE SERVICES - Funding is provided for three additional staff. The Department's Telephone Information Center (TIC) provides telephone assistance to Washington taxpayers nationwide. Because of the growth in the number of taxpayers and the complexity of the tax codes, calls to the Department have increased substantially. With the additional three staff, the agency estimates that on average, callers will receive assistance after seven and one-half minutes vs. approximately 22 minutes which is the current average.
2. PROPERTY TAX VALUATION SCHEDULES - Funding is provided to support a half-time staff person to update the Department's property tax valuation schedules. Approximately \$17 billion of personal property is assessed annually, yielding \$230 million of property tax revenue. This property is assessed using valuation schedules developed by the Department. The schedules are based on market studies that reflect trends and depreciation for approximately 180 different personal property types. The schedules are used by the Department's auditors and the county auditors in adding taxpayers. The agency has not done a comprehensive update of the schedules in several years.
3. STATE TOXICS REVENUE SHORTFALL - A reduction in the funding level from the State Toxics Control Account is necessary due to declining revenues. (State Toxics Control Account)
4. POLLUTION LIABILITY FUNDING - The agency does not anticipate collecting the petroleum tax that supports the Pollution Liability Account during the 1997-99 biennium. If the tax is reinstated during the biennium, the agency would request a supplemental budget to cover the administrative costs of collecting this tax. (Pollution Liability Insurance Program Trust Account)
5. ADMINISTRATIVE EFFICIENCIES - Through job redesign and service quality efforts, the agency will realize savings in postage, printing, computer processing, and administrative staff costs.
6. SELECTIVE PROGRAM REDUCTIONS - Service level reductions having no adverse revenue impacts are taken in the agency's taxpayer appeals, taxpayer services, computer support, internal audit, research, and rules writing functions.
7. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
8. TRANSFER TOBACCO ENFORCEMENT TO LCB - Funding is reduced as a result of implementing Chapter 420, Laws of 1997, Partial Veto (ESHB 2272), which transfers cigarette and tobacco tax enforcement to the Liquor Control Board.
9. SENIOR CITIZENS PROPERTY TAX - Due to a lower forecast in the senior citizens property tax deferral program, funding is decreased from \$4.20 million to \$3.25 million.

**Board of Tax Appeals**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>1,989</b>	<b>0</b>	<b>1,989</b>
<b>1997-99 Maintenance Level</b>	<b>2,043</b>	<b>0</b>	<b>2,043</b>
<b>Policy Items</b>			
1. Tax Referee Position Savings	-260	0	-260
2. General Inflation	-9	0	-9
<b>Total 1997-99 Biennium</b>	<b>1,774</b>	<b>0</b>	<b>1,774</b>
Fiscal Year 1998 Totals	885	0	885
Fiscal Year 1999 Totals	889	0	889

**Comments:**

1. TAX REFEREE POSITION SAVINGS - Funding is provided to restore a second in-house Tax Referee position to handle complex appeals. Due to reduced costs of contracting out, savings are returned to the state general fund.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**Municipal Research Council**  
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>3,230</b>	<b>0</b>	<b>3,230</b>
<b>1997-99 Maintenance Level</b>	<b>3,394</b>	<b>0</b>	<b>3,394</b>
<b>Policy Items</b>			
1. County Research Services	0	625	625
<b>Total 1997-99 Biennium</b>	<b>3,394</b>	<b>625</b>	<b>4,019</b>
Fiscal Year 1998 Totals	1,651	312	1,963
Fiscal Year 1999 Totals	1,743	313	2,056

**Comments:**

1. COUNTY RESEARCH SERVICES - Chapter 437, Laws of 1997 (SSB 5521) expands the duties of the Municipal Research Council to include research services for county governments, funded by a deduction from the counties' share of liquor excise tax distributions. (County Research Services Account)

**Office of Minority & Women's Business Enterprises**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>2,121</b>	<b>2,121</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>2,365</b>	<b>2,365</b>
<b>Policy Items</b>			
1. Staff Training & Education	0	2	2
2. General Inflation	0	-10	-10
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>2,357</b>	<b>2,357</b>
Fiscal Year 1998 Totals	0	1,179	1,179
Fiscal Year 1999 Totals	0	1,178	1,178

**Comments:**

1. STAFF TRAINING & EDUCATION - Funding is provided for training to enhance staff expertise in certifying businesses to participate in government contracting programs. (Minority and Women's Business Enterprises Account)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

## Department of General Administration

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>3,067</b>	<b>94,670</b>	<b>97,737</b>
<b>1997-99 Maintenance Level</b>	<b>592</b>	<b>115,160</b>	<b>115,752</b>
<b>Policy Items</b>			
1. Commute Trip Reduction Funding	0	278	278
2. Risk Management Workload	0	233	233
3. Maintain State Food Purchases	2,000	0	2,000
4. Air Pollution Control Shortfall	0	-7	-7
5. Americans with Disabilities Act	-30	0	-30
6. Campus Security/Maintenance	0	-213	-213
7. General Inflation	-7	-1,885	-1,892
8. World War II Memorial	25	0	25
<b>Total 1997-99 Biennium</b>	<b>2,580</b>	<b>113,566</b>	<b>116,146</b>
Fiscal Year 1998 Totals	1,302	56,763	58,065
Fiscal Year 1999 Totals	1,278	56,803	58,081

**Comments:**

1. COMMUTE TRIP REDUCTION FUNDING - Funding from the Air Pollution Control Account is transferred from the Department of Transportation to the Department of General Administration where the program is administered. A corresponding reduction is found in the Department of Transportation's budget. (Air Pollution Control Account)
2. RISK MANAGEMENT WORKLOAD - Funding is provided for a Tort Claim Investigator to ensure that meritorious claims are promptly investigated and settled. Prompt investigation and settlement of tort claims reduces the state's liability. (Risk Management Account)
3. MAINTAIN STATE FOOD PURCHASES - Funding is provided to purchase bulk food commodities for distribution to the state's food assistance network. State funds will offset federal reductions to The Emergency Food Assistance Program (TEFAP) and continue current food distribution levels across the state. Proviso language states that \$2.4 million must be spent on food purchases and related expenses.
4. AIR POLLUTION CONTROL SHORTFALL - A reduction in the funding levels from the Air Pollution Control Account is necessary due to declining revenues. (Air Pollution Control Account)
5. AMERICANS WITH DISABILITIES ACT - Through collaborative efforts with other state agencies, the Department has identified ways to provide the services required by the Americans with Disabilities Act with reduced funding.
6. CAMPUS SECURITY/MAINTENANCE - Reliance on existing surveillance cameras will eliminate the need for one campus security guard. Grounds maintenance for the east capitol campus is reduced. Funds supporting the Thurston County Regional Planning Council are also eliminated. (Facilities and Services Revolving Account)
7. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
8. WORLD WAR II MEMORIAL - Funding is provided to accomplish the tasks associated with the construction of the World War II Memorial as long as the site is immediately south of the Columbia Street and 11th Avenue axial on the west capitol campus. Another proviso states that no subsequent monuments may be placed on the capitol campus until the capitol campus monuments and memorial policy is included in the Department's administrative code.

NOTE: Subsection 4: The Department must use Washington-based sellers of travel for purchases of any travel product. Increased utilization of in-state companies should improve business opportunities and service.

Subsection 5: To achieve greater efficiencies, the Department is to study ways to exceed the federal government's minimum vehicle mileage and environmental standards for the State's motor pool vehicle fleet and report back to the Legislature by December 1, 1997.

Subsection 6: When cost effective, the Department will contract with a private vendor for vehicle preparation prior to sale and for the sale of all surplus motor pool vehicles.

## Department of Information Services

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	27,000	195,714	222,714
1997 Supplemental *	12,178	43,018	55,196
<b>Total 1995-97 Expenditure Authority</b>	<b>39,178</b>	<b>238,732</b>	<b>277,910</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>181,969</b>	<b>181,969</b>
<b>Policy Items</b>			
1. General Inflation	0	-1,164	-1,164
2. Washington Educational Network	0	44,028	44,028
3. Capitalize Education Tech Rev Fund	0	1,500	1,500
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>226,333</b>	<b>226,333</b>
Fiscal Year 1998 Totals	0	125,202	125,202
Fiscal Year 1999 Totals	0	101,131	101,131

**Comments:**

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. WASHINGTON EDUCATIONAL NETWORK - Funding provided in the 1996 and 1997 Supplemental Budgets for the development of a statewide educational telecommunications network will not be entirely spent by June 30, 1997. Unexpended funds are carried over and available for appropriation and expenditure in the 1997-99 biennium. The funds shall be expended in accordance with the expenditures authorized by the Telecommunications Oversight and Policy Committee. (K-20 Technology Account)
3. CAPITALIZE EDUCATION TECH REV FUND - Funding provided in the 1997 Supplemental Budget (Chapter 454, Laws of 1997, Partial Veto -- ESHB 2259) to capitalize the education technology revolving fund will not be entirely spent by June 30, 1997. Unexpended funds are carried over and available for expenditure in the 1997-99 biennium. (Education Technology Revolving Fund-Non-Appropriated)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Office of Insurance Commissioner**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	20,230	20,230
1997 Supplemental *	0	105	105
<b>Total 1995-97 Expenditure Authority</b>	<b>0</b>	<b>20,335</b>	<b>20,335</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>21,498</b>	<b>21,498</b>
<b>Policy Items</b>			
1. Washington Information Network	0	213	213
2. Information Systems	0	148	148
3. Microfilming Enhancement	0	150	150
4. General Inflation	0	-99	-99
5. Information Technology Efficiencies	0	-155	-155
6. License Suspension	0	88	88
7. Increased Filing Workload	0	150	150
8. Insurance Company Investments	0	12	12
9. Prudential Consent Order	0	532	532
10. Lapse: Increased Filing Workload	0	-150	-150
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>22,387</b>	<b>22,387</b>
Fiscal Year 1998 Totals	0	11,445	11,445
Fiscal Year 1999 Totals	0	10,942	10,942

**Comments:**

- |   |  |
|---|--|
| <p>1. WASHINGTON INFORMATION NETWORK - The Office participates in the Washington Information Network (WIN) kiosks that provide state government services and information to the public. Currently, the Office has an automobile insurance information program on WIN and proposes to add similar programs for home, life, and property insurance. Funding is provided for programming enhancements. (Insurance Commissioner's Regulatory Account)</p> <p>2. INFORMATION SYSTEMS - Funding is provided for enhancements to the Office's Local Area Network (LAN) and for replacing personal computers for rates and contracts analysts. These enhancements and replacements, together with the document imaging equipment also requested, will allow the Office to immediately implement efficiencies to improve the percentage of proposed rates and contracts that can be reviewed within the statutorily-mandated 30 days. Within the biennium, these enhancements will also be necessary for the State Electronic Rate and Form Filing (SERFF) and Producer Information Network (PIN) projects that are being implemented by a consortium of the industry and state insurance regulators. SERFF will allow rates and contracts to be filed and approved electronically, with electronic correspondence between Office staff and firms, thus expediting the review process. PIN will allow regulators and the industry to share information about licensed insurance agents. (Insurance Commissioner's Regulatory Account)</p> <p>3. MICROFILMING ENHANCEMENT - The Office currently possesses microfilming equipment which is used to copy all rates and contracts filed by the industry for the Commissioner's review. Funding is provided for a document imaging scanner attachment that would create an electronic copy of the rates and contracts at the same time that the microfilm copy is produced. With the scanning capability, the Office can convert its paper-based reviewing process to a more efficient electronic one. The scanner is also necessary for the Office's related request for equipment for electronic filing and correspondence with firms. (Insurance Commissioner's Regulatory Account)</p> <p>4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>5. INFORMATION TECHNOLOGY EFFICIENCIES - The implementation of the SERFF and the PIN projects will result in staff savings beginning in FY 99. These two projects will automate current staff-intensive functions and provide more timely services. (Insurance Commissioner's Regulatory Account)</p> | <p>6. LICENSE SUSPENSION - The welfare reform program enacted in Chapter 58, Laws of 1997, Partial Veto (EHB 3901) provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the additional workload associated with license suspension by the Office of Insurance Commissioner. (Insurance Commissioner's Regulatory Account)</p> <p>7. INCREASED FILING WORKLOAD - Funding is provided for additional workload in health insurance rate filings to meet the provisions of SHB 1387 (Health Plan Rate Filings). SHB 1387 was vetoed by the Governor. (Insurance Commissioner's Regulatory Account)</p> <p>8. INSURANCE COMPANY INVESTMENTS - Funds are provided for staff training needed to regulate insurance companies engaged in derivative investment transactions pursuant to Chapter 317, Laws of 1997 (SHB 2097 -- Insurance Company Investments). (Insurance Commissioner's Regulatory Account)</p> <p>9. PRUDENTIAL CONSENT ORDER - Appropriation authority is provided for funds received under a consent order with the Prudential Insurance Company for improper sales practices. The funds may be expended only for implementing the Prudential remediation process and for examinations of the Prudential Company. (Insurance Commissioner's Regulatory Account)</p> <p>10. LAPSE: INCREASED FILING WORKLOAD - Funds provided for increased health insurance rate filings under SHB 1387 (Item 7 above) will lapse because SHB 1387 failed to be enacted. (Insurance Commissioner's Regulatory Account)</p> |
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\* Please see the 1997 Supplemental Operating Budget section for additional information.

**State Board of Accountancy**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>1,293</b>	<b>1,293</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>1,239</b>	<b>1,239</b>
<b>Policy Items</b>			
1. CPA Exam Adjustments	0	-306	-306
2. General Inflation	0	-17	-17
3. Compensation Change	0	40	40
4. License Suspension	0	22	22
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>978</b>	<b>978</b>
Fiscal Year 1998 Totals	0	447	447
Fiscal Year 1999 Totals	0	531	531

**Comments:**

1. CPA EXAM ADJUSTMENTS - Funding is reduced due to contracting out the Certified Public Accountant (CPA) examination. (Certified Public Accountants' Account)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
3. COMPENSATION CHANGE - Funding is provided for three staff reclassified to Washington Management Service positions. (Certified Public Accountants' Account)
4. LICENSE SUSPENSION - Funding is provided for the additional workload associated with the license suspension provision of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (Certified Public Accountants' Account)

## Forensics Investigation Council

(Dollars in Thousands)

	GF-S	Other	Total
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>12</b>	<b>12</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>12</b>	<b>12</b>
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>12</b>	<b>12</b>
Fiscal Year 1998 Totals	0	6	6
Fiscal Year 1999 Totals	0	6	6

**Comments:**

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

**Washington Horse Racing Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>4,733</b>	<b>4,733</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>4,882</b>	<b>4,882</b>
<b>Policy Items</b>			
1. General Inflation	0	-54	-54
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>4,828</b>	<b>4,828</b>
Fiscal Year 1998 Totals	0	2,414	2,414
Fiscal Year 1999 Totals	0	2,414	2,414

**Comments:**

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

## Washington State Liquor Control Board

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	113,604	113,604
1997 Supplemental *	0	582	582
<b>Total 1995-97 Expenditure Authority</b>	<b>0</b>	<b>114,186</b>	<b>114,186</b>
<hr/>			
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>128,650</b>	<b>128,650</b>
<b>Policy Items</b>			
1. License Suspension	0	154	154
2. Information Technology Upgrade	0	1,250	1,250
3. Safety Officer	0	73	73
4. Point of Sale Checkstands	0	532	532
5. General Inflation	0	-278	-278
6. Olympia Headquarters Relocation	0	470	470
7. Cigarette Tax Enforcement	2,845	0	2,845
8. Credit Cards in Liquor Stores	0	459	459
<hr/>			
<b>Total 1997-99 Biennium</b>	<b>2,845</b>	<b>131,310</b>	<b>134,155</b>
Fiscal Year 1998 Totals	1,603	65,998	67,601
Fiscal Year 1999 Totals	1,242	65,312	66,554

**Comments:**

1. LICENSE SUSPENSION - Funding is provided for the additional workload associated with administering the license suspension component of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (Liquor Revolving Account)
2. INFORMATION TECHNOLOGY UPGRADE - Funding is provided for upgrading the agency's information technology capabilities. Funding for this item is contingent upon compliance with the provisions stated in Section 902 of Chapter 149, Laws of 1997, Partial Veto (SSB 6062). (Liquor Revolving Account)
3. SAFETY OFFICER - Funding is provided for additional staff to improve management of open claims, increase site inspections, and provide safety training. (Liquor Revolving Account)
4. POINT OF SALE CHECKSTANDS - Funding is provided to purchase ergonomically designed checkstands for liquor stores throughout the state. (Liquor Revolving Account)
5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
6. OLYMPIA HEADQUARTERS RELOCATION - Funding is provided to co-locate Liquor Control Board staff in Thurston County. One-time moving costs of \$200,000 are included in FY 98. (Liquor Revolving Account)
7. CIGARETTE TAX ENFORCEMENT - Funding and staff are provided for the implementation of Chapter 420, Laws of 1997, Partial Veto (ESHB 2272), which transfers cigarette and tobacco tax enforcement from the Department of Revenue to the Liquor Control Board. The Governor vetoed several provisions of the legislation as it passed the Legislature. (See veto comment below.)
8. CREDIT CARDS IN LIQUOR STORES - Funding is provided for costs associated with allowing the use of credit cards in state liquor stores pursuant to Chapter 148, Laws of 1997 (SSB 5664). (Liquor Revolving Account)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Governor's Vetoes:**

Chapter 420, Laws of 1997, Partial Veto (ESHB 2272) transferred primary enforcement responsibility for cigarette and tobacco tax laws from the Department of Revenue to the Liquor Control Board. The Governor vetoed sections authorizing cooperative agreements with Indian tribes concerning the sale of cigarettes and tobacco products and establishing a schedule for the increased collection of cigarette and tobacco taxes. In vetoing the sections, the Governor stated that they were too restrictive to be practical.

**Utilities and Transportation Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>26,002</b>	<b>26,002</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>24,754</b>	<b>24,754</b>
<b>Policy Items</b>			
1. General Inflation	0	-149	-149
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>24,605</b>	<b>24,605</b>
Fiscal Year 1998 Totals	0	12,302	12,302
Fiscal Year 1999 Totals	0	12,303	12,303

**Comments:**

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

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

**Board for Volunteer Firefighters**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>442</b>	<b>442</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>530</b>	<b>530</b>
<b>Policy Items</b>			
1. General Inflation	0	-1	-1
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>529</b>	<b>529</b>
Fiscal Year 1998 Totals	0	261	261
Fiscal Year 1999 Totals	0	268	268

**Comments:**

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

**Military Department**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	15,191	179,448	194,639
1997 Supplemental *	19,206	17,097	36,303
<b>Total 1995-97 Expenditure Authority</b>	<b>34,397</b>	<b>196,545</b>	<b>230,942</b>
<b>1997-99 Maintenance Level</b>	<b>16,210</b>	<b>117,599</b>	<b>133,809</b>
<b>Policy Items</b>			
1. February Flood Local Match	0	5,418	5,418
2. November 1996 Ice Storm	0	5,688	5,688
3. December 1996 Holiday Storms	0	44,739	44,739
4. Satellite Maintenance Contracts	-400	0	-400
5. Comprehensive Plan/Duty Officers	648	0	648
6. Administrative Efficiencies	-443	-443	-886
7. General Inflation	-110	-327	-437
8. Facilities Maintenance	200	0	200
9. Spring 1997 Flood	0	1,859	1,859
10. Conditional Scholarship	200	0	200
11. Disaster Recovery Appropriation	0	9,197	9,197
<b>Total 1997-99 Biennium</b>	<b>16,305</b>	<b>183,730</b>	<b>200,035</b>
Fiscal Year 1998 Totals	8,151	87,867	96,018
Fiscal Year 1999 Totals	8,154	95,863	104,017

**Comments:**

1. FEBRUARY FLOOD LOCAL MATCH - In the 1996 Supplemental Budget, the Legislature appropriated state funds to provide the match necessary for local governments to be eligible for Federal Emergency Management Agency funds for the February 1996 floods. Additional funds are provided to continue this event-specific decision to provide local governments extra financial assistance because of the enormous costs involved. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State)
2. NOVEMBER 1996 ICE STORM - Funding is provided to cover the damages sustained by Spokane, Pend Oreille, and Klickitat counties from the November 1996 ice storm. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State, Disaster Response Account-Federal)
3. DECEMBER 1996 HOLIDAY STORMS - Funding is provided for disaster recovery costs associated with the December 1996 holiday storms. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State, Disaster Response Account-Federal)
4. SATELLITE MAINTENANCE CONTRACTS - Local governments were unable to provide the local match required for the Military Department to purchase the emergency satellite communications system that was funded in the 1995-97 biennium. Consequently, funding for the maintenance contracts for the communications system is eliminated.
5. COMPREHENSIVE PLAN/DUTY OFFICERS - In the 1995-97 biennium, one-time federal funds were used to fund four duty officers that provide 24 hour coverage for immediate emergency response. General Fund-State funding is provided to continue support of this activity.
6. ADMINISTRATIVE EFFICIENCIES - Funding is reduced for goods and services and two support positions due to administrative efficiencies. (General Fund-State, General Fund-Federal)
7. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
8. FACILITIES MAINTENANCE - Funding is provided for the ongoing maintenance and repair of armories.
9. SPRING 1997 FLOOD - Funding is provided for disaster recovery costs associated with the March 1997 spring floods. A new account is created by Chapter 251, Laws of 1997 (HB 2267) in order to facilitate payment of disaster-related expenses. (Disaster Response Account-State, Disaster Response Account-Federal)
10. CONDITIONAL SCHOLARSHIP - Funding is provided for educational scholarships for enlisted soldiers and officers below the rank of captain.
11. DISASTER RECOVERY APPROPRIATION - The amounts of \$6.2 million General Fund-Federal and \$3.0 million Flood Control Assistance Account are appropriated to the Disaster Response Account for payment of disaster recovery costs. (General Fund-Federal, Flood Control Assistance Account-State)

\* Please see the 1997 Supplemental Operating Budget section for additional information.

**Public Employment Relations Commission**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>3,314</b>	<b>0</b>	<b>3,314</b>
<b>1997-99 Maintenance Level</b>	<b>3,480</b>	<b>0</b>	<b>3,480</b>
<b>Policy Items</b>			
1. Telecommunication Savings	-10	0	-10
2. Interest Arbitration	86	0	86
3. General Inflation	-24	0	-24
<b>Total 1997-99 Biennium</b>	<b>3,532</b>	<b>0</b>	<b>3,532</b>
Fiscal Year 1998 Totals	1,768	0	1,768
Fiscal Year 1999 Totals	1,764	0	1,764

**Comments:**

1. TELECOMMUNICATION SAVINGS - Funding is adjusted to reflect telecommunication cost savings estimated by the Department of Information Services.
2. INTEREST ARBITRATION - Funds are provided to handle increased workload due to implementation of Chapter 273, Laws of 1995 (ESHB 1730 -- Interest Arbitration for Law Enforcement Officers). Under this law, police officers in 68 additional jurisdictions will become eligible for interest arbitration on July 1, 1997.
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

**Growth Management Hearings Board**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>2,665</b>	<b>0</b>	<b>2,665</b>
<b>1997-99 Maintenance Level</b>	<b>2,788</b>	<b>0</b>	<b>2,788</b>
<b>Policy Items</b>			
1. General Inflation	-19	0	-19
2. Administrative Savings	-135	0	-135
<b>Total 1997-99 Biennium</b>	<b>2,634</b>	<b>0</b>	<b>2,634</b>
Fiscal Year 1998 Totals	1,314	0	1,314
Fiscal Year 1999 Totals	1,320	0	1,320

**Comments:**

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
2. ADMINISTRATIVE SAVINGS - Through administrative efficiencies, funding is reduced for the 1997-99 biennium.

**State Convention and Trade Center**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1995-97 Expenditure Authority</b>	<b>0</b>	<b>25,606</b>	<b>25,606</b>
<b>1997-99 Maintenance Level</b>	<b>0</b>	<b>25,556</b>	<b>25,556</b>
<b>Policy Items</b>			
1. Cost of Living Adjustments	0	244	244
2. Facility Maintenance & Improvements	0	575	575
3. Increased Business and Contingency	0	800	800
<b>Total 1997-99 Biennium</b>	<b>0</b>	<b>27,175</b>	<b>27,175</b>
Fiscal Year 1998 Totals	0	13,504	13,504
Fiscal Year 1999 Totals	0	13,671	13,671

**Comments:**

1. COST OF LIVING ADJUSTMENTS - Funding is provided for a 3 percent salary increase effective July 1, 1997, for personnel employed by the State Convention and Trade Center. (State Convention and Trade Center Operations Account)
2. FACILITY MAINTENANCE & IMPROVEMENTS - Funds are provided for carpet and wall coverings replacement. The funds will also allow the Convention Center to connect its existing parking garage to the Freeway Park garage which has been acquired from the City of Seattle. (State Convention and Trade Center Operations Account)
3. INCREASED BUSINESS AND CONTINGENCY - The Convention Center anticipates increased staffing and operating costs resulting from higher levels of convention business using the facility. In addition, contingency funding is provided to supplement existing equipment budgets and to replace high priority items as needed. (State Convention and Trade Center Operations Account)

**Caseload Forecast Council**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>Policy Items</b>			
1. Establish Agency	879	0	879
<b>Total 1997-99 Biennium</b>	<b>879</b>	<b>0</b>	<b>879</b>
Fiscal Year 1998 Totals	489	0	489
Fiscal Year 1999 Totals	390	0	390

**Comments:**

1. ESTABLISH AGENCY - Chapter 168, Laws of 1997 (SSB 5472) establishes a Caseload Forecast Council. The caseload forecast supervisor shall prepare forecasts of the number of persons expected to meet entitlement requirements for specific state-funded services.