

Washington State Legislative Budget Notes

1998 Table of Contents

(1998 Supplemental with Revised 1997-99 Biennium Numbers)

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1998 Supplemental Operating Budget Overview

The 1998 supplemental operating budgets enacted by Chapters 346, Laws of 1998 (ESSB 6108 – Omnibus Operating Budget) and Chapter 348, Laws of 1998 (ESSB 6456 – Transportation Operating Budget) total \$35.7 billion. Of that amount, \$19.1 billion is from the state general fund and \$16.6 billion is from other funding sources.

Under Chapter 43.135 RCW (Initiative 601), spending from the state general fund is limited to about \$19.2 billion – \$9.3 billion for fiscal year 1998 and \$9.8 billion for fiscal year 1999. The state general fund budget is \$74 million below the current 601 spending limit.

The 1998 supplemental operating budget as adopted by the Legislature and revised to reflect Governor vetoes reduced 1997-99 state general fund dollars by \$891,000 and increased total funds by \$337 million, or a 1 percent increase.

Significant savings in the state general fund budget came primarily from three areas: (1) savings were realized in the state's General Assistance Program when Congress restored SSI eligibility for legal immigrants (\$49.3 million); (2) enrollment in the state public schools was 7,005 full time equivalent students fewer in the 1997-98 school year than originally budgeted and is projected to be 8,625 fewer in the 1998-99 school year than originally budgeted (\$46.6 million); and (3) additional revenue from the federal disproportionate share program offset expenditures from the state general fund (\$39.5 million).

Significant increases for current services in the state general fund budget occurred in two Department of Social and Health Services programs. They are an additional \$20.6 million for the Division of Developmental Disabilities and \$18.9 million for additional community services in the Aging and Adult Services Administration.

Significant funding for new policy enhancements were made in three areas: \$25.3 million of the state general fund was used to support the transportation budget; \$17.0 million of the state general fund was appropriated to support reading improvement in the public schools; and \$10.5 million of the state general fund was appropriated for salmon recovery efforts.

Fiscal Issues of Statewide Significance

Transportation Financing Package

Chapter 321, Laws of 1998, Partial Veto (EHB 2894), was passed by the 1998 Legislature and will be submitted to the voters in November as Referendum 49. It provides the majority of a \$2.4 billion transportation financing package through a transfer of Motor Vehicle Excise Tax (MVET) revenues from the general fund to the Motor Vehicle Fund, a \$30 per vehicle tax cut, and increased revenues for local governments.

The referendum would amend and re-enact Initiative 601 to permit the transfers to occur without requiring a downward adjustment in the spending limit. Reimbursements to local governments would be permitted by transfers of state revenues in addition to current law, which allows reimbursement only by direct appropriation. The referendum also provides for voter approval of up to \$1.9 billion in bonds for transportation purposes.

Finally, there are two sections of the bill that are not part of the referendum. The bill establishes a joint committee to study the long-term needs and financing of state and local transportation needs. Also, the bill provides for a \$25 million loan from the general fund to the motor vehicle fund for engineering, design, and right-of-way acquisition related to road construction projects. These two sections were vetoed by the Governor.

The primary fiscal components are as follows:

- Permanently transfers revenue to the Motor Vehicle Fund beginning January 1, 1999. The transfer would total \$36 million in fiscal year 1999 and \$156 million in the 1999-2001 biennium.
- Provides a \$30 reduction in the MVET for personal use vehicles and a reduction in the MVET depreciation schedule to end the practice of valuing vehicles for tax purposes at 100 percent of manufacturers' suggested retail price for each of the first two years. This will amount to a \$257 million tax reduction in the 1999-2001 biennium.
- Increases both county and city criminal justice assistance by 11 percent and then further increases assistance by removing the inflationary cap. In total, criminal justice assistance will increase by \$27 million in the 1999-2001 biennium.
- Provides \$21 million in the 1999-2001 biennium to distressed counties for criminal justice and other purposes.
- Provides \$8 million in the 1999-2001 biennium to cities with small retail tax bases through the municipal sales tax equalization program.
- Provides the Community Economic Revitalization Board (CERB) with an additional \$8 million in the 1999-2001 biennium. Half of this amount is for current CERB programs, and the other half is for extraordinary costs associated with major business facilities in distressed counties.
- Permits the transit districts in Everett and Yakima to use the local sales tax as matching revenues for local MVET taxes. This will be phased in over a four-year period.

1997-99 Estimated Revenues and Expenditures
1998 Supplemental Budget
General Fund-State
(Dollars in Millions)

RESOURCES	
Unrestricted Beginning Balance	512.9
March Revenue Forecast	19,445.8
Revenue Legislation	(24.8)
Transportation Finance Package (EHB 2894)	(35.7)
Total Reductions	(60.5)
Total Resources	19,898.2

EXPENDITURES	
1997-99 Original Appropriations ⁽¹⁾	19,076.9
1998 Supplemental Budget ⁽²⁾	(0.9)
Other Appropriations ⁽³⁾	7.7
Total Expenditures	19,083.7
I-601 Spending Limit	19,157.8

BALANCE AND RESERVES	
Loans (Fish and Wildlife)	3.5
Emergency Reserve (After Transfer)	291.1
Unrestricted Ending Balance	519.9
Total Reserves	811.0

⁽¹⁾ The 1997-99 Original Appropriations include both Omnibus Budget bills (Chapter 149, Laws of 1997, Partial Veto and Chapter 454, Laws of 1997, Partial Veto), the Transportation Budget (Chapter 457, Laws of 1997), and Chapter 425, Laws of 1997.

⁽²⁾ The 1998 Supplemental Budget includes the Omnibus Supplemental Budget (Chapter 346, Laws of 1998, Partial Veto), the Transportation Supplemental (Chapter 348, Laws of 1998, Partial Veto), Chapter 272, Laws of 1998, Partial Veto, and Chapter 314, Laws of 1998, Partial Veto. See Page 5.

⁽³⁾ The Other Appropriations line includes Chapter 306, Laws of 1997, which transferred money from the general fund to the violence reduction and drug enforcement account.

Adjustments to 601 Spending Limit
General Fund State
(Dollars in Millions)

Baseline Spending Limit for 1997-99 (11/97)	19,270.2
Budget Related Changes:	
Reversal of Federal Policy on Legal Immigrants on SSI	(54.1)
Federal Medical Assistance Percentage (FMAP)	(22.7)
Hospital Disproportionate Share	(46.3)
Reduced Federal Funding for Social Services Block Grant	7.7
DSHS - Mental Health, Medicare Discharge	3.5
SSB 6297 - Local Public Health Financing	(0.4)
SHB 2917 - Fuel Tax/Registration Payment	(0.037)
SB 6228 - Aircraft Dealer License Fees	(0.001)
SB 6429 - Children's Trust Fund	(0.003)
Initiative 601 Expenditure Limit	19,157.86

1997-99 Washington State Operating Budget Appropriations Contained Within Other Legislation

(Dollars in Thousands)

Bill Number and Subject	Session Law	Agency	GF-S	Other	Total
SHB 2556 Child Abuse Prevention/Treatment	C 314 L 98 PV	TESC	12	0	12
2SSB 6544 Adult Family Homes/Boarding Homes	C 272 L 98 PV	OFM	50	0	50
Total Other 1997-99 Operating Legislation			62	0	62

Revenues

The February 1998 General Fund revenue forecast by the Economic and Revenue Forecast Council projected \$19.45 billion in revenues for the 1997-99 biennium. Combined with the \$513 million fund balance, there were \$19.96 billion in total resources and an Initiative 601 spending limit of approximately \$19.2 billion. This allowed the Legislature to reduce revenues while still meeting spending obligations.

By far the most significant revenue bill is EHB 2894 (Chapter 321, Laws of 1998), which reduces and redistributes the motor vehicle excise tax (MVET). The financial provisions of EHB 2894 will be on the November 1998 ballot as Referendum 49. If adopted by the voters, the state general fund will be reduced by \$36 million in 1997-99, \$467 million in 1999-01, and \$516 million in 2001-03. Please refer to the Fiscal Issues of Statewide Significance section starting on page 3 for more information.

Other revenue reduction legislation includes the consolidation of the ten different B&O tax rates down to six, the elimination of the "internal distributions" tax, a reduction in the tax rate on royalty income, a tax exemption for the State Route 16 corridor (Narrows Bridge), and the creation of tax credits for businesses in community empowerment zones.

In addition, a major expansion of the senior citizen and disabled person property tax exemption program was passed. Chapter 333, Laws of 1998, Partial Veto (ESSB 6533), expands the program to include persons with annual incomes up to \$30,000 and increases the amount of relief for all participants in the program.

1998 Revenue Legislation
General Fund - State
(Dollars in Thousands)

	FY 1999	1999-2001
EHB 2894 MVET to Transportation and MVET Cut (Referendum 49)	35,700	467,400
EHB 1042 Changing the Taxation of Dental Appliances	1,097	3,344
SHB 1126 911 Funding	0	0
SHB 1184 Repealing the Sales Tax on Coin-Operated Laundromats	2,268	5,316
E2SHB 1328 Revising the B&O on the Handling of Hay, Alfalfa, and Seed	444	996
SHB 1447 Providing Tax Exemptions Related to Thoroughbred Horses	0	0 *
HB 1549 Government Restrictions/Property Tax	0	0
SHB 2051 Exempting Remedial Actions - Hazardous Waste	2,206	4,788
HB 2278 Electric Generating Facilities - Landfill Gas	299	659
HB 2309 Revising Notification of Denial of Property Tax Exemption	0	0
SHB 2315 Making Technical Corrections to Tax Statutes	0	0
HB 2335 Consolidating Business and Occupation Tax Rates	5,781	13,856
E2SHB 2342 Providing Tax Exemptions for Businesses in CEZs	1,411	9,123
HB 2476 Sales Tax Exemption for Farm Machinery Outside the State	3	7
HB 2566 Sales Tax Exemption for Sales of Laundry Service	92	215
HB 2598 Nonprofits - Property Tax	0	0
HB 2698 Lodging Tax Statutes	0	0
SHB 2711 Providing Tax Exemptions for Small Irrigation Districts	51	114
ESHB 2871 A System of Classifying Land as Agricultural Land	0	0
SHB 2917 Fuel Tax - Registration Payment	37	80
ESHB 2933 Taxation of Warehousing and Selling Pharmaceutical Drugs	0	0
HB 2969 Providing a Sales and Use Tax Exemption for Gun Safes	41	96
SHB 3015 Tax Exemptions for the State Route 16 Corridor	0	6,724
SHB 3076 Food Stamp Fraud	0	0
SHB 3096 Health Care Services/Local Preemption	0	0
SHB 5309 Excise Tax Exemption for Horses	0	0 *
SSB 5355 Extending the Use Tax Exemption for Donated Property	23	56
SB 5622 Alternative Housing for Youth in Crisis	0	199
SB 5631 Exempting Education Loan Guarantee Services from B&O	24	50
SSB 6077 Exempting Nonprofit Hospice Agencies	290	621
SB 6113 Property Tax Exemption - Nonprofit Medical Research/Training	0	0
SSB 6129 Pollution Control Tax Credit	50	50
ESSB 6205 Waiver of Interest and Penalties Delinquent-Hardship	0	0
SB 6223 Tax Appeals Board Filings	0	0
SB 6228 Aircraft Dealer License Fees	1	1
SSB 6229 Aircraft Registration Compliance	-5	-19
SB 6270 B&O Internal Distributions	4,301	9,923
SSB 6297 Local Public Health Financing	424	849
SB 6311 Property Tax on Assembly Halls	0	0
SB 6348 Sales Tax Certificate Elimination	0	0
SB 6400 Telephone Assistance Program	0	0
SB 6449 Royalty Income - B&O Rate Reduction	1,959	4,930
ESSB 6470 Canned and Custom Software	2,993	7,027
ESSB 6533 Property Tax Exemptions and Deferrals for Senior Citizens	0	0
SB 6552 Vessels and Ferries	0	0
E2SSB 6562 Pari-mutuel Tax	55	86
SB 6588 Movie Theater Snack Counters	0	0 *
SB 6599 Exempting Nonprofit Fund Raising from B&O/Sales Tax	315	743
SSB 6602 Carbonated Beverage Tax Credit	0	0 *
SB 6662 B&O Exemption to Prop. Managers for On-Site Employee Pay	620	1,411
SB 6668 Extending the Tax Deferral for Horse Racing	0	0
SB 6728 Hop Commission	6	11
SSB 6731 Removing a Property Tax Exemption for Airport Property	0	0
SSB 6737 Property Taxation Low-Income Developmentally Disabled	0	0
Tax Bills (Excluding Transportation Referendum 49)	24,788	71,256
Total All Bills (Including Transportation Referendum 49)	60,488	538,656

* See Summary of Vetoes on Page 15.

1998 REVENUE LEGISLATION

Major Tax Reduction Legislation

MVET Reduction and Redistribution -- \$35.7 Million General Fund-State Revenue Decrease

Chapter 321, Laws of 1998, Partial Veto (EHB 2894) provides funding for state and local transportation improvements using portions of the Motor Vehicle Excise Tax (MVET) that were previously deposited into the state general fund, including authorization for \$1.9 billion in bonding authority for the location, design, right of way, and construction of state and local highway improvements. The MVET is reduced through a \$30 tax credit and a change in the valuation of vehicles subject to the tax. Funding for local governments is increased, including local criminal justice assistance. These transfers are exempt from Initiative 601, and the initiative is reaffirmed. The Legislature may fund mandates they impose on local governments for local programs by new state revenue distributions in addition to specific appropriations. The foregoing is referred to the people as Referendum 49. (The Governor vetoed a section creating a joint committee to study the long-term transportation funding needs in the state and a section making a \$25 million loan to the motor vehicle fund from the general fund. Please refer to the Fiscal Issues of Statewide Significance section starting on page 3 for more information.)

Other Tax Reduction Legislation

Dental Appliances, Devices, Restorations, and Substitutes -- \$1.1 Million General Fund-State Revenue Decrease

Chapter 168, Laws of 1998 (EHB 1042), defines dental laboratory activities as manufacturing rather than as service activities for purposes of business and occupation (B&O) taxation. This results in the B&O tax rate on the sale of a dental laboratory's manufactured products decreasing from the 1.5 percent service rate to the 0.471 percent retailing rate for products sold at retail and to the 0.484 percent wholesaling rate for products sold at wholesale.

911 Emergency Communications Funding -- No General Fund-State Revenue Impact

Chapter 304, Laws of 1998 (SHB 1126), makes 20 cents per switched access line a permanent maximum tax rate for the state enhanced 911 excise tax, transfers responsibility for tax collection from the Military Department to the Department of Revenue, allows temporary state salary assistance for 911 staffing costs for counties with populations under 75,000 residents, allows state assistance to a multi-county region when two or more counties jointly operate a multi-county enhanced 911 system, and allows ongoing state salary assistance for 911 staffing costs to a multi-county region if the counties have fewer than 75,000 residents.

Coin-Operated Laundromats in Apartments and Mobile Home Communities -- \$2.3 General Fund-State Revenue Decrease

Chapter 275, Laws of 1998 (SHB 1184) exempts coin-operated laundries located in apartment complexes, rooming houses, or mobile home parks from sales and use taxes.

B&O Taxation of the Handling of Hay, Alfalfa, and Seed -- \$444,000 General Fund-State Revenue Decrease

Chapter 170, Laws of 1998 (E2SHB 1328), exempts from B&O tax wholesale sales to farmers of seed conditioned for use in planting and not packaged for retail sale or conditioning seed owned by others for use in planting.

Property Tax Assessment Reduction in Response to Government Restrictions -- No General Fund-State Revenue Impact

Chapter 306, Laws of 1998 (HB 1549), allows a property owner to request that the county assessor reconsider the value of real property if a government entity adopts a restriction on the property that limits the use of the property.

Hazardous Waste Site Cleanups -- \$2.2 Million General Fund-State Revenue Decrease

Chapter 308, Laws of 1998 (SHB 2051), exempts hazardous waste site cleanups from sales tax and reduces the B&O tax rate from the 1.5 percent service rate to the 0.471 percent retailing rate until July 1, 2003.

Electric Generating Facilities Powered by Landfill Gas -- \$299,000 General Fund-State Revenue Decrease

Chapter 309, Laws of 1998 (HB 2278), extends the machinery and equipment sales and use tax exemption for wind and sun energy facilities to facilities using landfill gas.

Notification of Denial of Property Tax Exemption -- No General Fund-State Revenue Impact

Chapter 310, Laws of 1998 (HB 2309), allows property tax exemption denial notices to be sent by regular mail rather than certified mail.

Technical Corrections to Excise and Property Tax Statutes -- No General Fund-State Revenue Impact

Chapter 311, Laws of 1998 (SHB 2315), clarifies that only mortgage brokers are exempt from paying B&O taxes on money received from borrowers and held in trust for payment of third-party costs. It subjects all nonprofit organizations eligible for property tax exemptions to the same definition of "nonprofit." Other technical corrections are made to excise and property tax statutes.

Consolidation of B&O Tax Rates into Fewer Categories -- \$5.8 Million General Fund-State Revenue Decrease

Chapter 312, Laws of 1998 (HB 2335), reduces the number of B&O tax rates from ten to six by consolidating and eliminating tax rates. It reduces the tax rate for child care providers from 1.5 percent to 0.484 percent.

Tax Exemptions for Businesses in Community Empowerment Zones That Provide Selected International Services -- \$1.4 Million General Fund-State Revenue Decrease

Chapter 313, Laws of 1998 (E2SHB 2342), provides B&O and insurance premium tax credits for creating jobs providing international services if the jobs are created inside community empowerment zones or designated areas in cities or contiguous cities larger than 80,000 that meet the unemployment and poverty criteria of empowerment zones.

Sales Tax Exemption for Parts Used for and Repairs to Farm Machinery and Implements Used Outside the State -- \$3,000 General Fund-State Revenue Decrease

Chapter 167, Laws of 1998 (HB 2476), exempts nonresidents from sales tax on parts and repair services for farm machinery and implements.

Sales of Laundry Service -- \$92,000 General Fund-State Revenue Decrease

Chapter 315, Laws of 1998 (HB 2566), removes the sale of laundry services to nonprofit health care facilities from the definition of a retail sale. This results in a sales tax exemption for these services, and the B&O tax rate for providers of these services increases from the 0.471 percent retailing rate to the 1.5 percent service rate.

Property Tax Exemptions for Nonprofit Organizations -- No General Fund-State Revenue Impact

Chapter 174, Laws of 1998 (HB 2598), makes permanent the property tax exemption granted for property leased by a nonprofit organization and used as transitional or emergency housing for low-income persons or victims of domestic violence.

Resolution of Conflicts in Lodging Tax Statutes Enacted in 1997 -- No General Fund-State Revenue Impact

Chapter 35, Laws of 1998 (HB 2698), amends hotel-motel tax statutes to resolve the conflict between the 1997 hotel-motel legislation and the 1997 football stadium legislation.

Small Irrigation Districts -- \$51,000 General Fund-State Revenue Decrease

Chapter 316, Laws of 1998 (SHB 2711), exempts an irrigation district from paying public utility and B&O taxes on its gross receipts generated from sales of drinking water if the irrigation district serves fewer than 1,500 drinking water connections and charges a residential water rate exceeding 125 percent of the average statewide residential water rate. The exemption expires July 1, 2004. The expiration of similar tax exemptions, scheduled to expire in 2003, for water-sewer districts and small water systems are extended to July 1, 2004.

Classification of Land as Agricultural Land with Long-Term Commercial Significance for Tax Purposes -- No General Fund-State Revenue Impact

Chapter 320, Laws of 1998, Partial Veto (ESHB 2871) changes the current use property tax program so that land will no longer automatically qualify for reduced valuation merely because it is designated as agricultural lands of long-term commercial significance under the Growth Management Act or because it is within an agricultural zone located outside an urban growth area. (The Governor vetoed provisions creating a new current use property tax program for land designated as agricultural land of long-term commercial significance by counties and cities planning under the GMA if the land is devoted primarily to agricultural uses and is not used for residential, industrial, or other commercial purposes and the city or county has adopted development regulations required under the GMA to conserve the agricultural land.)

Fuel Tax Registration and Payment -- \$37,000 General Fund-State Revenue Decrease

Chapter 115, Laws of 1998 (SHB 2917), makes the tax refund reporting procedure for gasoline the same as for diesel fuel by allowing a copy of the invoice, rather than the original, to accompany the refund claim form. The Department of Licensing may refuse to issue a special fuel dealer or user license to an applicant with an outstanding state aircraft fuel tax debt. Leaded racing fuel is exempted from the motor vehicle fuel tax. Revenues from the sales and use taxes on leaded racing fuel are deposited in a fund to mitigate adverse environmental impacts from transportation projects.

Business Warehousing and Selling of Pharmaceutical Drugs -- No General Fund-State Revenue Impact

Chapter 343, Laws of 1998 (ESHB 2933), reduces the tax rate for wholesalers of prescription drugs from 0.484 percent of gross income to 0.138 percent of gross income beginning July 1, 2001.

Gun Safes -- \$41,000 General Fund-State Revenue Decrease

Chapter 178, Laws of 1998 (HB 2969), exempts gun safes from sales and use taxes. Gun safes are enclosures specifically designed or modified for the purpose of storing firearms and equipped with locks or similar devices that prevent the unauthorized use of the firearms.

Tax Exemptions for the State Route 16 Corridor -- No General Fund-State Revenue Impact

Chapter 179, Laws of 1998 (SHB 3015), defers the state and local sales tax on State Route 16 corridor construction (Narrows Bridge) under the Public-Private Initiatives in Transportation (Chapter 47.46 RCW). Taxes are deferred for five years to be repaid over the following 10 years. The State Route 16 corridor improvements project is exempted from leasehold excise tax, property tax, state public utility tax, state B&O tax, real estate excise tax, and local business tax. (The General Fund-State revenue impact is in future biennia.)

Tax Information Sharing for Investigation of Food Stamp Fraud -- No General Fund-State Revenue Impact

Chapter 234, Laws of 1998 (SHB 3076), permits the Department of Revenue to disclose tax information to the U.S. Department of Agriculture for the limited purpose of investigating food stamp fraud by retailers.

Preemption of Local Taxation of Health Care Services -- No General Fund-State Revenue Impact

Chapter 323, Laws of 1998 (SHB 3096), preempts local governments from imposing excise or privilege taxes on premiums or payments for health benefit plans provided by health care service contractors and health maintenance organizations (HMOs), beginning January 1, 2000. Health care services delivered by employees of HMOs are exempt.

Property Donated to Charitable Organizations -- \$23,000 General Fund-State Revenue Decrease

Chapter 182, Laws of 1998 (SSB 5355), creates new use tax exemptions for persons who donate materials to nonprofit organizations or to state or local governments. Similarly, persons who receive donated items from a nonprofit organization are exempted from paying use tax on the items received.

New Construction of Alternative Housing for Youth in Crisis -- No General Fund-State Revenue Impact

Chapter 183, Laws of 1998 (SB 5622), makes permanent the sales and use tax exemptions for items used in constructing new alternative housing for youth in crisis.

Education Loan Guarantee Services B&O Tax Exemption -- \$24,000 General Fund-State Revenue Decrease

Chapter 324, Laws of 1998 (SB 5631), exempts nonprofit agencies that provide student loan guarantees through programs other than the federal Guaranteed Student Loan Program from B&O taxes.

Nonprofit Hospice Agencies B&O Exemptions -- \$290,000 General Fund-State Revenue Decrease

Chapter 325, Laws of 1998 (SSB 6077), exempts nonprofit hospice agencies from paying B&O taxes on amounts received as compensation for patient services or as proceeds from the sale of prescription drugs furnished to patients.

Nonprofit Organizations Providing Medical Research or Training of Medical Personnel -- No General Fund-State Revenue Impact

Chapter 184, Laws of 1998 (SB 6113), exempts a nonprofit corporation or association from paying property taxes on leased property if: 1) the leased property is used for medical research which is made available to the public without cost; or 2) the leased property is made available without charge to medical or hospital personnel for training or research purposes.

Pollution Control Tax Credit -- \$50,000 General Fund-State Revenue Decrease

Chapter 9, Laws of 1998 (SSB 6129), removes the requirement that a holder of a certificate for tax credits for a pollution control facility must apply for a new certificate when the facility is modified.

Waiver of Interest and Penalties on Property Taxes Delinquent Because of Hardship -- No General Fund-State Revenue Impact

Chapter 327, Laws of 1998 (ESSB 6205), requires counties to waive interest and penalties owed on delinquent property taxes on a personal residence if the reason for the delinquency is the death of a spouse, parent, or stepparent and the taxpayer notifies the county within 60 days of the tax due date of these hardship circumstances. The county may require the taxpayer to furnish a death certificate and to sign an affidavit.

Tax Appeals Board Filings -- No General Fund-State Revenue Impact

Chapter 54, Laws of 1998 (SB 6223), provides for the use of the postmark to determine the date of filing for excise tax appeals and provides for sending a copy of the notice of appeal to all named parties by the Board of Tax Appeals rather than the appellant.

Aircraft Dealer License Fees -- \$1,000 General Fund-State Revenue Decrease

Chapter 187, Laws of 1998 (SB 6228), increases the aircraft dealer's license fee from \$25 to \$75. The annual renewal fee is increased from \$10 to \$75. The cost for additional dealer license certificates is increased from \$2 to \$10. The fee to reapply after a dealer's license expiration is increased from \$25 to \$75. Registration fees are deposited into the Aeronautics Account rather than the General Fund.

Aircraft Registration Compliance -- \$5,000 General Fund-State Revenue Increase

Chapter 188, Laws of 1998 (SSB 6229), requires port districts and municipalities that operate airports to require from an aircraft owner proof of aircraft registration or proof of the intent to register an aircraft as a condition of leasing or selling tie down or hangar space for an aircraft.

Elimination of the B&O Tax on Internal Distributions -- \$4.3 Million General Fund-State Revenue Decrease

Chapter 329, Laws of 1998 (SB 6270), eliminates the B&O tax on firms distributing merchandise from their own warehouses to two or more of their own retail stores. This "internal distributions" tax previously applied at the 0.484 percent rate on the value of the articles distributed.

Local Public Health Financing -- \$424,000 General Fund-State Revenue Decrease

Chapter 266, Laws of 1998 (SSB 6297), provides for use of excess revenues in the County Sales and Use Tax Equalization Account to cover the cost of including the populations of cities over 50,000 that incorporated in 1996 and 1997 in the county public health funding calculation.

Assembly Halls or Meeting Places Used for the Promotion of Specific Educational Purposes -- No General Fund-State Revenue Impact

Chapter 189, Laws of 1998 (SB 6311), allows a nonprofit assembly hall or meeting place located in a county with fewer than 10,000 residents to be used for private dance, art, or music classes without affecting the tax-exempt status of the property.

Sales Tax Certificate Elimination -- No General Fund-State Revenue Impact

Chapter 330, Laws of 1998 (SB 6348), eliminates the duplicate reporting requirement for sales and use tax exemptions for machinery and equipment used directly in a manufacturing operation or research and development operation. (The Governor vetoed provisions prohibiting the denial of an exemption solely on the basis that a duplicate was not filed and the January 1, 1999, effective date.)

Telephone Assistance Program -- No General Fund-State Revenue Impact

Chapter 159, Laws of 1998 (SB 6400), extends from June 30, 1998, to June 30, 2003, the program providing assistance to low-income persons in obtaining basic telephone services. The program is funded by an excise tax of up to \$0.14 per month on all switched access lines.

B&O Tax Rate for Income in the Nature of Royalties for the Use of Intangible Rights -- \$2.0 Million General Fund-State Revenue Decrease

Chapter 331, Laws of 1998 (SB 6449), reduces the B&O tax rate on royalty income from 1.5 percent to 0.484 percent.

Canned and Custom Software -- \$3.0 Million General Fund-State Revenue Decrease

Chapter 332, Laws of 1998, Partial Veto (ESSB 6470), taxes the customization of canned software as a service rather than as a sale subject to retail sales tax. (The Governor vetoed provisions eliminating the B&O tax for firms that create, distribute, wholesale, or warehouse canned or custom software in distressed counties for the first 36 months of operation and reducing the tax after 36 months by 90 percent for firms creating or distributing canned or custom software and reducing the tax by 70 percent for firms wholesaling or warehousing canned or custom software.)

Property Tax Exemptions and Deferrals for Senior Citizens and Persons Retired for Reasons of Physical Disability -- No General Fund-State Revenue Impact

Chapter 333, Laws of 1998, Partial Veto (ESSB 6533), increases the \$15,000 income threshold for the property tax relief program to \$18,000 for senior citizens and persons retired due to disability. The valuation exempt from regular property taxes for persons with incomes less than this amount is increased from \$30,000 or 30 percent of the value, whichever is greater, but not more than \$50,000 to \$40,000 or 35 percent of the value, whichever is greater, but not more than \$60,000. The \$18,000 income threshold is increased to \$24,000. The valuation exempt from regular property taxes for persons with incomes less than this amount but greater than the lower threshold is increased from \$34,000 or 50 percent of the value to \$50,000 or 60 percent of the value. The \$28,000 income threshold is increased to \$30,000. (The Governor vetoed the increase in the parcel size eligible for tax relief from 1 acre to 5 acres if the larger parcel size is required under land use regulations, a deduction from income for medical insurance payments, and an exclusion of veterans' disability payments.)

Ad Valorem Taxation of Vessels or Ferries -- No General Fund-State Revenue Impact

Chapter 335, Laws of 1998 (SB 6552), makes the property taxation of all commercial vessels the same by eliminating the steamboat vessel classification.

Pari-mutuel Tax -- \$43,000 General Fund-State Revenue Decrease

Chapter 345, Laws of 1998, Partial Veto (E2SSB 6562), decreases the pari-mutuel taxes on licensed horse racing events and increases the amount of gross receipts that may be retained by the licensee. The revenue distributions are changed. The changes expire June 30, 2001. (The Governor vetoed a section making the effectiveness of the bill contingent on funding in the budget.)

Fund-Raising Activities by Nonprofit Organizations -- \$315,000 General Fund-State Revenue Decrease

Chapter 336, Laws of 1998 (SB 6599), expands B&O and sales tax exemptions for nonprofit organizations' fund-raising activities. Eligible nonprofit organizations are exempt from paying B&O taxes on income earned from fund-raising activities involving direct solicitation or the exchange of goods or services for money. Goods and services sold by an eligible nonprofit organization during a fund-raising activity are also exempt from sales tax. Fund-raising activities do not include, however, the operation of a regular place of business such as a thrift store or bookshop.

Property Managers' Compensation -- \$620,000 General Fund-State Revenue Decrease

Chapter 338, Laws of 1998 (SB 6662), exempts from B&O tax amounts received by property management companies for the payment of wages and benefits to on-site personnel.

Tax Deferrals for New Thoroughbred Race Tracks -- No General Fund-State Revenue Impact

Chapter 339, Laws of 1998 (SB 6668), delays the repayment date of the deferred sales and use taxes on the construction of the new thoroughbred horse racing facility for five years to December 31, 2006.

Hop Commission B&O Tax Exemption -- \$6,000 General Fund-State Revenue Decrease

Chapter 200, Laws of 1998 (SB 6728), provides a B&O tax exemption for amounts received by a nonprofit organization from business activities for a hop commodity commission or board if the activity is approved by a referendum conducted by the commission or board.

Property Tax Exemption for Larger Airports Belonging to Out-of-State Municipal Corporations -- No General Fund-State Revenue Impact

Chapter 201, Laws of 1998 (SSB 6731), repeals the property tax exemption for airports larger than 500 acres that belong to municipal corporations in adjoining states.

Property Taxation of Residential Housing Occupied by Low-Income Developmentally Disabled Persons -- No General Fund-State Revenue Impact

Chapter 202, Laws of 1998 (SSB 6737), exempts from property taxation all real or personal property owned and used by a nonprofit organization to provide housing for low-income persons with developmental disabilities.

Summary of Full Vetoes

Carbonated Beverage Tax Credit Against B&O Taxes

SSB 6602 allowed retailers to claim a credit against the B&O tax for one-half the amount of beverage syrup taxes paid. As enacted by the Legislature, SSB 6602 decreased General Fund-State revenues by \$4.1 million.

Movie Theater Snack Counters Exempted from the Stadium Tax Imposed on Restaurants

SB 6588 provided that the special county 0.5 percent stadium food and beverage tax does not apply to consumable items sold at snack counters located in movie theaters or in centers or theaters for the performing arts. There was no General Fund-State revenue impact.

Thoroughbred Horses Taxation

SHB 1447 exempted persons who race, raise, ride, exercise, groom, breed, train, or sell thoroughbred race horses from paying B&O taxes on amounts received as compensation for these services or sales transactions, including amounts received from purse winnings or awards. As enacted by the Legislature, SHB 1447 decreased General Fund-State revenues by \$1.2 million.

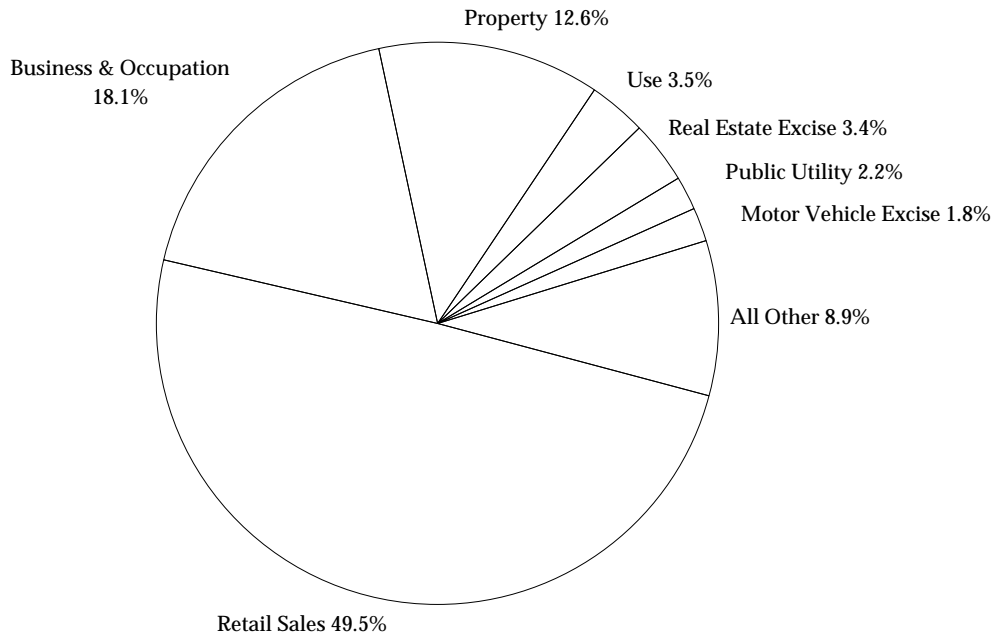
Excise Tax Exemptions Related to Horses

SSB 5309 exempted feed sold for horses from sales and use taxes. SSB 5309 also exempted any amounts received as compensation for boarding, breeding, or selling horses from B&O taxes. As enacted by the Legislature, SSB 5309 decreased General Fund-State revenues by \$1.8 million.

Washington State Revenue Forecast - February 1998

1997-99 General Fund - State Revenues by Source

(Dollars in Millions)



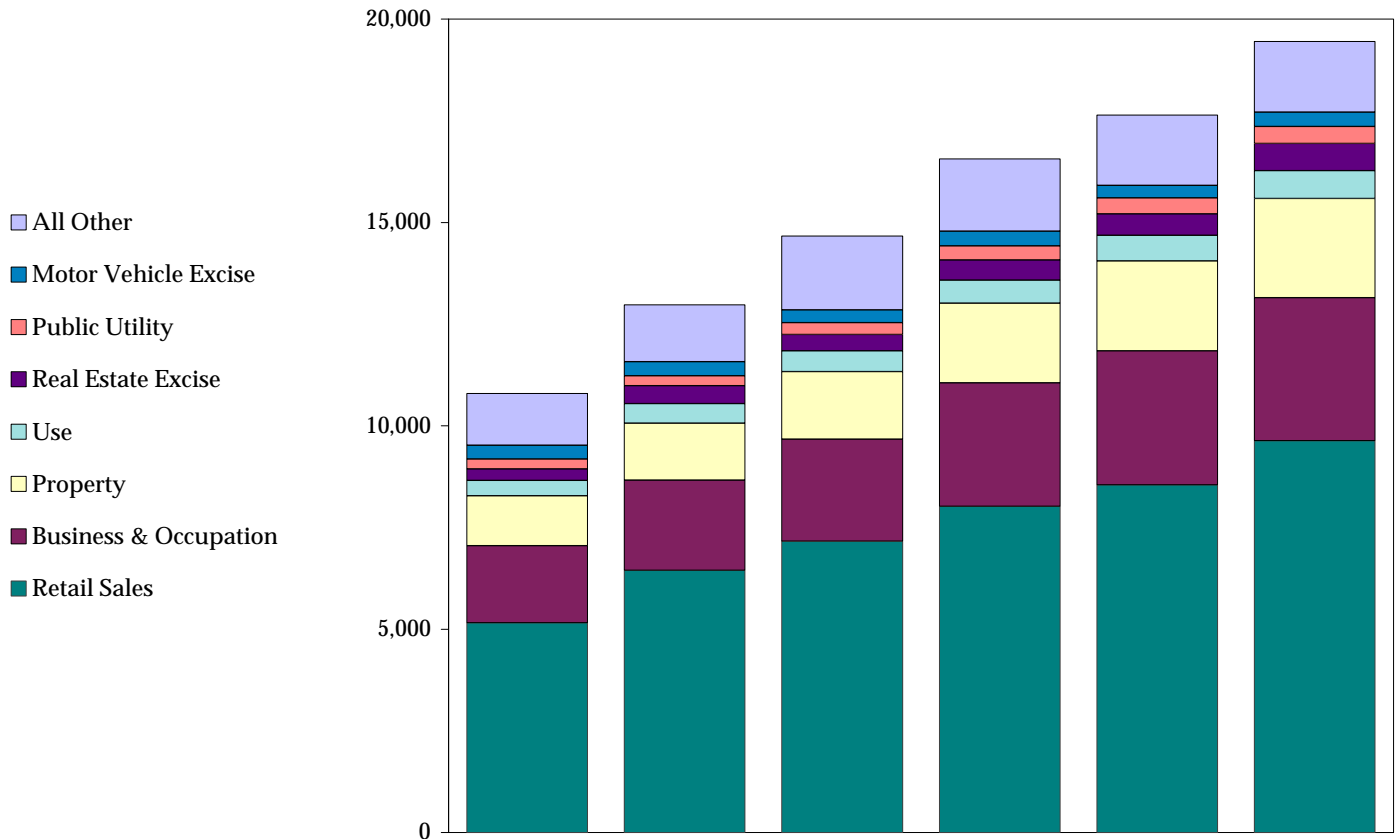
Sources of Revenue	
Retail Sales	9,627.7
Business & Occupation	3,516.3
Property	2,444.9
Use	681.6
Real Estate Excise	665.8
Public Utility	422.5
Motor Vehicle Excise	352.7
All Other	1,734.3
Total *	19,445.8

* Reflects the February 1998 Revenue Forecast.

Note: Beginning in June 1997, the general fund portion of the motor vehicle excise tax (MVET) collections no longer includes distributions to other funds. Historical amounts have been adjusted to be comparable.

Washington State General Fund - State Revenues By Source

(Dollars in Millions)



	1987-89	1989-91	1991-93	1993-95	1995-97	1997-99*
Retail Sales	5,152.8	6,446.3	7,163.0	8,020.5	8,541.8	9,627.7
Business & Occupation	1,894.3	2,217.7	2,503.5	3,031.5	3,300.1	3,516.3
Property	1,233.7	1,399.4	1,661.8	1,960.4	2,211.7	2,444.9
Use	372.6	481.9	515.1	569.4	626.1	681.6
Real Estate Excise	280.9	436.8	399.0	493.0	532.6	665.8
Public Utility	244.9	244.0	292.9	345.2	388.1	422.5
Motor Vehicle Excise	343.9	348.0	312.4	363.6	307.8	352.7
All Other	1,271.9	1,397.9	1,817.0	1,780.9	1,729.5	1,734.3
Total	10,795.0	12,972.0	14,664.7	16,564.5	17,637.7	19,445.8

* Reflects the February 1998 Revenue Forecast.

Washington State General Fund - State Revenues By Source

Dollars in Millions

	1987-89	1989-91	1991-93	1993-95	1995-97	1997-99 *
Retail Sales	5,152.8	6,446.3	7,163.0	8,020.5	8,541.8	9,627.7
Business & Occupation	1,894.3	2,217.7	2,503.5	3,031.5	3,300.1	3,516.3
Property	1,233.7	1,399.4	1,661.8	1,960.4	2,211.7	2,444.9
Use	372.6	481.9	515.1	569.4	626.1	681.6
Real Estate Excise	280.9	436.8	399.0	493.0	532.6	665.8
Public Utility	244.9	244.0	292.9	345.2	388.1	422.5
Motor Vehicle Excise	343.9	348.0	312.4	363.6	307.8	352.7
All Other	1,271.9	1,397.9	1,817.0	1,780.9	1,729.5	1,734.3
Total	10,795.0	12,972.0	14,664.7	16,564.5	17,637.7	19,445.8

Percent of Total

Retail Sales	47.7%	49.7%	48.9%	48.4%	48.4%	49.5%
Business & Occupation	17.6%	17.1%	17.1%	18.3%	18.7%	18.1%
Property	11.4%	10.8%	11.3%	11.8%	12.5%	12.6%
Use	3.5%	3.7%	3.5%	3.4%	3.6%	3.5%
Real Estate Excise	2.6%	3.4%	2.7%	3.0%	3.0%	3.4%
Public Utility	2.3%	1.9%	2.0%	2.1%	2.2%	2.2%
Motor Vehicle Excise	3.2%	2.7%	2.1%	2.2%	1.8%	1.8%
All Other	11.8%	10.8%	12.4%	10.8%	9.8%	8.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent Change from Prior Biennium

Retail Sales	25.1%	11.1%	12.0%	6.5%	12.7%
Business & Occupation	17.1%	12.9%	21.1%	8.9%	6.6%
Property	13.4%	18.8%	18.0%	12.8%	10.5%
Use	29.3%	6.9%	10.5%	10.0%	8.9%
Real Estate Excise	55.5%	-8.7%	23.6%	8.0%	25.0%
Public Utility	-0.4%	20.0%	17.9%	12.4%	8.9%
Motor Vehicle Excise	1.2%	-10.2%	16.4%	-15.4%	14.6%
All Other	9.9%	30.0%	-2.0%	-2.9%	0.3%
Total	20.2%	13.1%	13.0%	6.5%	10.3%

* Reflects the February 1998 Revenue Forecast.

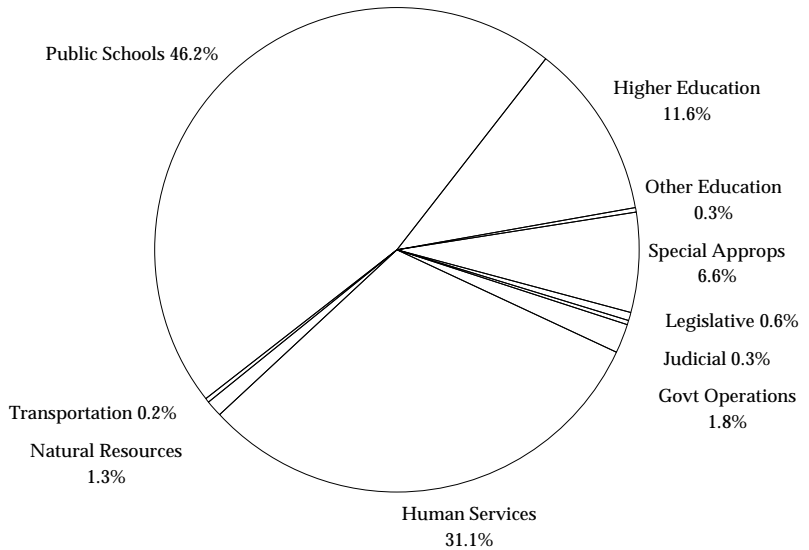
Note: Beginning in June 1997, the general fund portion of the motor vehicle excise tax (MVET) collections no longer includes distributions to other funds. Historical amounts have been adjusted to be comparable.

1998 Operating Budget Comparisons

(Dollars in Thousands)

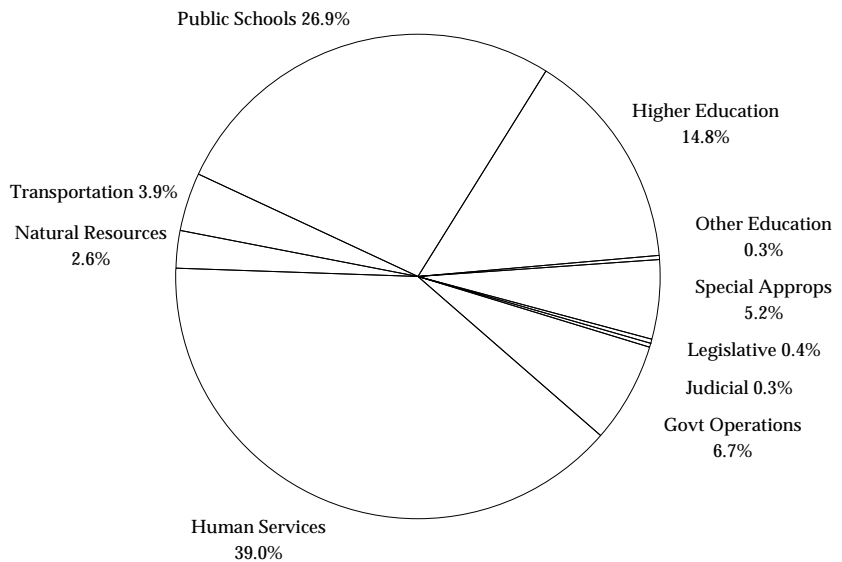
General Fund - State

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Total All Funds

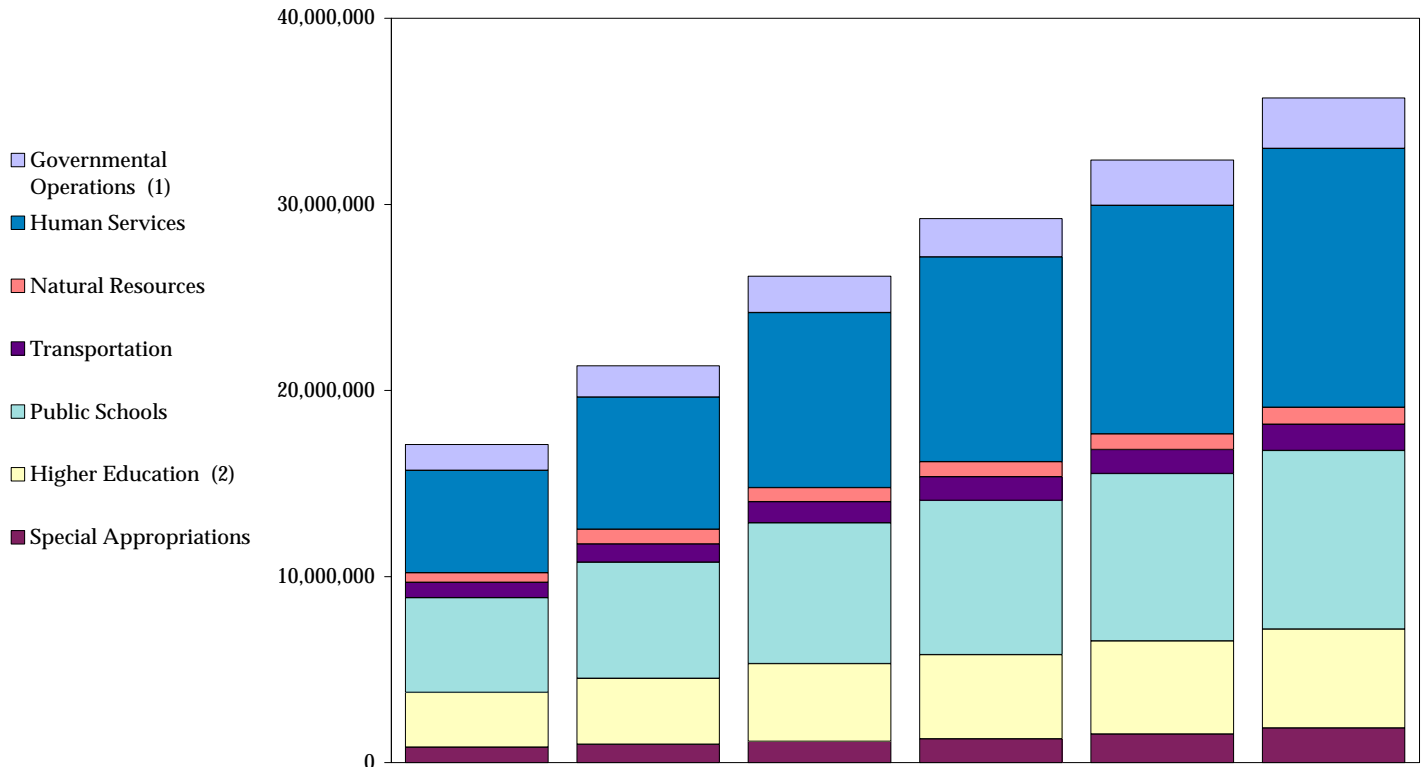
Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Note: Includes all operating appropriations enacted through the 1998 regular session of the Legislature. Special Appropriations includes Chapter 306, Laws of 1997, which transferred money from the general fund to the violence reduction and drug enforcement account.

Washington State Operating Budget Total All Funds

(Dollars in Thousands)



	1987-89	1989-91	1991-93	1993-95	1995-97	1997-99 Budget
Governmental Operations (1)	1,406,027	1,685,902	1,966,076	2,062,452	2,435,218	2,717,824
Human Services	5,501,379	7,098,360	9,409,398	11,010,892	12,286,192	13,918,431
Natural Resources	512,857	791,454	755,156	812,267	834,071	915,743
Transportation	817,098	983,479	1,136,904	1,266,675	1,305,440	1,396,695
Public Schools	5,097,237	6,250,162	7,568,828	8,291,607	8,986,803	9,610,676
Higher Education (2)	2,945,524	3,536,299	4,177,226	4,522,579	5,008,523	5,300,152
Special Appropriations	820,363	981,591	1,129,400	1,271,107	1,525,138	1,863,566
Statewide Total	17,100,485	21,327,247	26,142,987	29,237,578	32,381,385	35,723,087

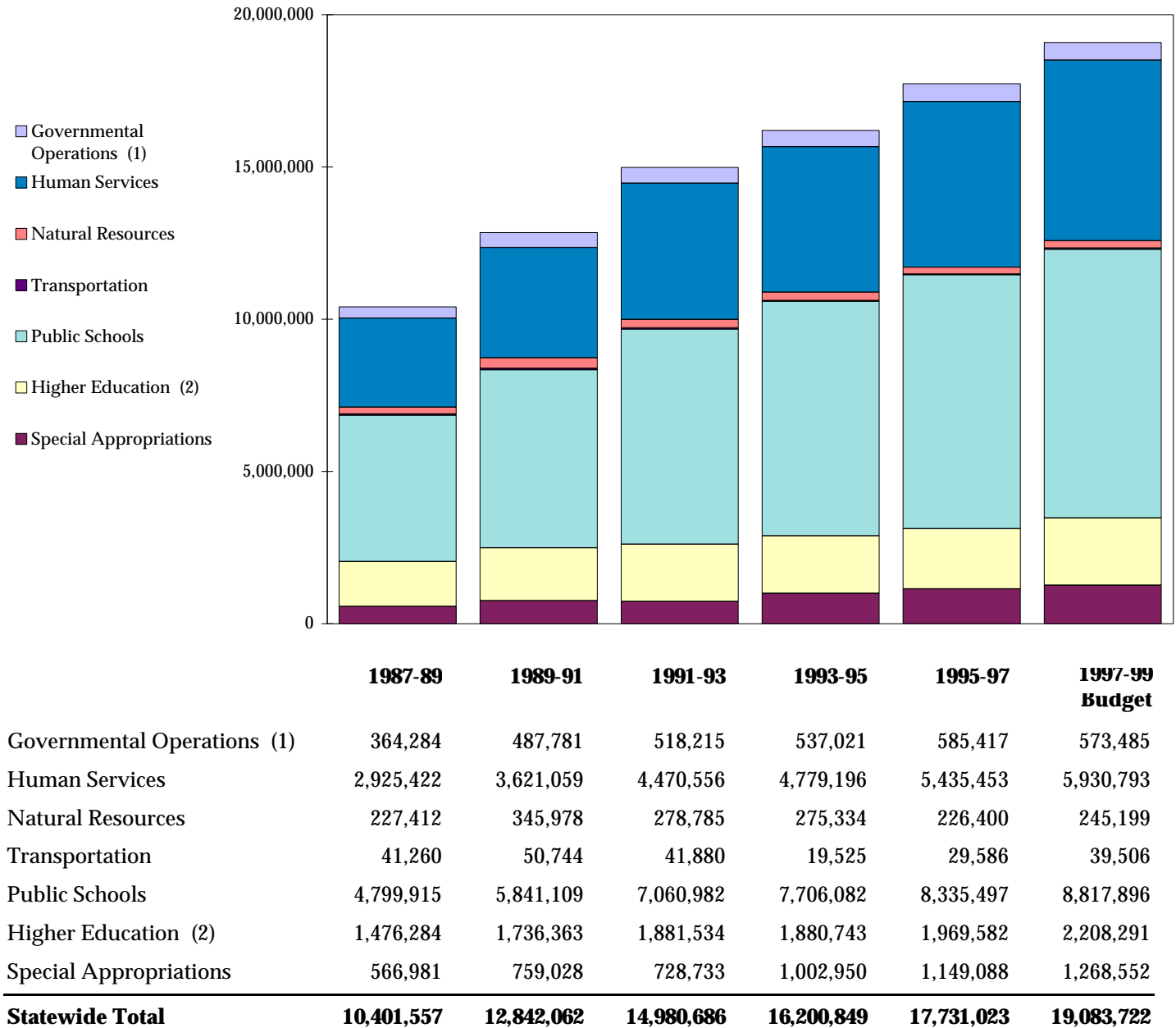
(1) Includes Legislative, Judicial, Other Education, and Governmental Operations Agencies.

(2) Includes Community & Technical College System, Four Year Schools, Higher Education Coordinating Board, Joint Center for Higher Education and the Spokane Intercollegiate Research & Technical Institute.

Note: The 1997-99 Budget includes all operating appropriations enacted through the 1998 regular session of the Legislature.

Washington State Operating Budget General Fund - State

(Dollars in Thousands)



(1) Includes Legislative, Judicial, Other Education, and Governmental Operations Agencies.

(2) Includes Community & Technical College System, Four Year Schools, Higher Education Coordinating Board, Joint Center for Higher Education, and the Spokane Intercollegiate Research & Technical Institute.

Note: The 1997-99 Budget includes all operating appropriations enacted through the 1998 regular session of the Legislature.

Washington State Operating Budget Total All Funds

Dollars in Thousands

	1987-89	1989-91	1991-93	1993-95	1995-97	Revised 1997-99
Legislative	87,416	108,217	111,734	105,319	106,005	126,659
Judicial	72,772	86,421	92,316	102,124	111,710	117,854
Governmental Operations	1,164,266	1,404,677	1,672,427	1,762,105	2,122,195	2,379,017
DSHS	4,377,405	5,739,122	7,740,697	8,993,210	9,862,057	11,074,351
Other Human Services	1,123,974	1,359,239	1,668,701	2,017,683	2,424,135	2,844,080
Natural Resources	512,857	791,454	755,156	812,267	834,071	915,743
Transportation	817,098	983,479	1,136,904	1,266,675	1,305,440	1,396,695
Total Education	8,124,334	9,873,048	11,835,652	12,907,089	14,090,635	15,005,122
Public Schools	5,097,237	6,250,162	7,568,828	8,291,607	8,986,803	9,610,676
Higher Education	2,945,524	3,536,299	4,177,226	4,522,579	5,008,523	5,300,152
Other Education	81,573	86,587	89,598	92,903	95,308	94,294
Special Appropriations	820,363	981,591	1,129,400	1,271,107	1,525,138	1,863,566
Statewide Total	17,100,485	21,327,247	26,142,987	29,237,578	32,381,385	35,723,087

Percent of Total

Legislative	0.5%	0.5%	0.4%	0.4%	0.3%	0.4%
Judicial	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Governmental Operations	6.8%	6.6%	6.4%	6.0%	6.6%	6.7%
DSHS	25.6%	26.9%	29.6%	30.8%	30.5%	31.0%
Other Human Services	6.6%	6.4%	6.4%	6.9%	7.5%	8.0%
Natural Resources	3.0%	3.7%	2.9%	2.8%	2.6%	2.6%
Transportation	4.8%	4.6%	4.3%	4.3%	4.0%	3.9%
Total Education	47.5%	46.3%	45.3%	44.1%	43.5%	42.0%
Public Schools	29.8%	29.3%	29.0%	28.4%	27.8%	26.9%
Higher Education	17.2%	16.6%	16.0%	15.5%	15.5%	14.8%
Other Education	0.5%	0.4%	0.3%	0.3%	0.3%	0.3%
Special Appropriations	4.8%	4.6%	4.3%	4.3%	4.7%	5.2%
Statewide Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent Change from Prior Biennium

Legislative	23.8%	3.2%	-5.7%	0.7%	19.5%
Judicial	18.8%	6.8%	10.6%	9.4%	5.5%
Governmental Operations	20.6%	19.1%	5.4%	20.4%	12.1%
DSHS	31.1%	34.9%	16.2%	9.7%	12.3%
Other Human Services	20.9%	22.8%	20.9%	20.1%	17.3%
Natural Resources	54.3%	-4.6%	7.6%	2.7%	9.8%
Transportation	20.4%	15.6%	11.4%	3.1%	7.0%
Total Education	21.5%	19.9%	9.1%	9.2%	6.5%
Public Schools	22.6%	21.1%	9.5%	8.4%	6.9%
Higher Education	20.1%	18.1%	8.3%	10.7%	5.8%
Other Education	6.1%	3.5%	3.7%	2.6%	-1.1%
Special Appropriations	19.7%	15.1%	12.5%	20.0%	22.2%
Statewide Total	24.7%	22.6%	11.8%	10.8%	10.3%

Note: Includes all operating appropriations enacted through the 1998 regular session of the Legislature. Special Appropriations includes Chapter 306, Laws of 1997, which transferred money from the general fund to the violence reduction and drug enforcement account.

Washington State Operating Budget General Fund - State

Dollars in Thousands

	1987-89	1989-91	1991-93	1993-95	1995-97	Revised 1997-99
Legislative	85,035	102,222	105,978	98,868	100,427	113,974
Judicial	51,637	61,074	64,688	54,851	55,879	60,553
Governmental Operations	190,993	281,046	302,407	338,729	381,488	348,917
DSHS	2,434,815	3,045,738	3,761,816	3,975,643	4,535,320	4,912,039
Other Human Services	490,606	575,321	708,740	803,553	900,133	1,018,754
Natural Resources	227,412	345,978	278,785	275,334	226,400	245,199
Transportation	41,260	50,744	41,880	19,525	29,586	39,506
Total Education	6,312,818	7,620,911	8,987,658	9,631,397	10,352,702	11,076,228
Public Schools	4,799,915	5,841,109	7,060,982	7,706,082	8,335,497	8,817,896
Higher Education	1,476,284	1,736,363	1,881,534	1,880,743	1,969,582	2,208,291
Other Education	36,619	43,439	45,142	44,572	47,623	50,041
Special Appropriations	566,981	759,028	728,733	1,002,950	1,149,088	1,268,552
Statewide Total	10,401,557	12,842,062	14,980,686	16,200,849	17,731,023	19,083,722

Percent of Total

Legislative	0.8%	0.8%	0.7%	0.6%	0.6%	0.6%
Judicial	0.5%	0.5%	0.4%	0.3%	0.3%	0.3%
Governmental Operations	1.8%	2.2%	2.0%	2.1%	2.2%	1.8%
DSHS	23.4%	23.7%	25.1%	24.5%	25.6%	25.7%
Other Human Services	4.7%	4.5%	4.7%	5.0%	5.1%	5.3%
Natural Resources	2.2%	2.7%	1.9%	1.7%	1.3%	1.3%
Transportation	0.4%	0.4%	0.3%	0.1%	0.2%	0.2%
Total Education	60.7%	59.3%	60.0%	59.4%	58.4%	58.0%
Public Schools	46.1%	45.5%	47.1%	47.6%	47.0%	46.2%
Higher Education	14.2%	13.5%	12.6%	11.6%	11.1%	11.6%
Other Education	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%
Special Appropriations	5.5%	5.9%	4.9%	6.2%	6.5%	6.6%
Statewide Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent Change from Prior Biennium

Legislative	20.2%	3.7%	-6.7%	1.6%	13.5%
Judicial	18.3%	5.9%	-15.2%	1.9%	8.4%
Governmental Operations	47.2%	7.6%	12.0%	12.6%	-8.5%
DSHS	25.1%	23.5%	5.7%	14.1%	8.3%
Other Human Services	17.3%	23.2%	13.4%	12.0%	13.2%
Natural Resources	52.1%	-19.4%	-1.2%	-17.8%	8.3%
Transportation	23.0%	-17.5%	-53.4%	51.5%	33.5%
Total Education	20.7%	17.9%	7.2%	7.5%	7.0%
Public Schools	21.7%	20.9%	9.1%	8.2%	5.8%
Higher Education	17.6%	8.4%	0.0%	4.7%	12.1%
Other Education	18.6%	3.9%	-1.3%	6.8%	5.1%
Special Appropriations	33.9%	-4.0%	37.6%	14.6%	10.4%
Statewide Total	23.5%	16.7%	8.1%	9.4%	7.6%

Note: Includes all operating appropriations enacted through the 1998 regular session of the Legislature. Special Appropriations includes Chapter 306, Laws of 1997, which transferred money from the general fund to the violence reduction and drug enforcement account.

Washington State Operating Budget Annual FTE Staff

	<u>1987-89</u>	<u>1989-91</u>	<u>1991-93</u>	<u>1993-95</u>	<u>1995-97</u>	<u>Revised 1997-99</u>
Legislative	928.1	960.6	925.1	824.4	761.9	828.1
Judicial	444.6	477.6	490.8	494.2	513.2	550.1
Governmental Operations	5,744.3	6,337.9	6,849.0	6,873.6	6,772.4	6,958.6
DSHS	13,900.0	15,838.0	16,951.8	16,520.0	16,835.6	17,529.8
Other Human Services	9,706.5	10,608.4	11,480.9	12,547.7	13,107.0	13,862.3
Natural Resources	5,009.4	5,535.8	6,028.5	6,043.4	5,815.5	5,970.4
Transportation	6,655.0	6,955.3	7,327.9	7,462.7	7,457.3	7,771.5
Total Education	31,888.1	34,036.7	36,464.6	37,039.1	38,676.9	39,123.9
Public Schools	255.9	264.1	256.0	248.3	260.7	265.1
Higher Education	31,152.8	33,320.8	35,794.2	36,399.6	38,006.8	38,415.7
Other Education	479.4	451.9	414.5	391.2	409.4	443.2
Statewide Total	74,275.8	80,750.2	86,518.3	87,804.8	89,939.6	92,594.5

Percent of Total

Legislative	1.2%	1.2%	1.1%	0.9%	0.8%	0.9%
Judicial	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Governmental Operations	7.7%	7.8%	7.9%	7.8%	7.5%	7.5%
DSHS	18.7%	19.6%	19.6%	18.8%	18.7%	18.9%
Other Human Services	13.1%	13.1%	13.3%	14.3%	14.6%	15.0%
Natural Resources	6.7%	6.9%	7.0%	6.9%	6.5%	6.4%
Transportation	9.0%	8.6%	8.5%	8.5%	8.3%	8.4%
Total Education	42.9%	42.2%	42.1%	42.2%	43.0%	42.3%
Public Schools	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Higher Education	41.9%	41.3%	41.4%	41.5%	42.3%	41.5%
Other Education	0.6%	0.6%	0.5%	0.4%	0.5%	0.5%
Statewide Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent Change from Prior Biennium

Legislative	3.5%	-3.7%	-10.9%	-7.6%	8.7%
Judicial	7.4%	2.8%	0.7%	3.8%	7.2%
Governmental Operations	10.3%	8.1%	0.4%	-1.5%	2.7%
DSHS	13.9%	7.0%	-2.5%	1.9%	4.1%
Other Human Services	9.3%	8.2%	9.3%	4.5%	5.8%
Natural Resources	10.5%	8.9%	0.2%	-3.8%	2.7%
Transportation	4.5%	5.4%	1.8%	-0.1%	4.2%
Total Education	6.7%	7.1%	1.6%	4.4%	1.2%
Public Schools	3.2%	-3.1%	-3.0%	5.0%	1.7%
Higher Education	7.0%	7.4%	1.7%	4.4%	1.1%
Other Education	-5.7%	-8.3%	-5.6%	4.7%	8.2%
Statewide Total	8.7%	7.1%	1.5%	2.4%	3.0%

Note: Does not include Capital FTEs. The 1997-99 Budget includes all legislative operating FTEs.

Washington State Operating Budget

1998 Supplemental Budget

TOTAL STATE

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 97-99	1998 Supp	Rev 97-99	Orig 97-99	1998 Supp	Rev 97-99
Legislative	112,884	1,090	113,974	124,369	2,290	126,659
Judicial	59,988	565	60,553	119,614	-1,760	117,854
Governmental Operations	337,914	11,003	348,917	2,327,610	51,407	2,379,017
DSHS	4,934,256	-22,217	4,912,039	10,933,504	140,847	11,074,351
Other Human Services	1,012,051	6,703	1,018,754	2,813,315	30,765	2,844,080
Natural Resources	231,214	13,985	245,199	900,905	14,838	915,743
Transportation	24,507	14,999	39,506	1,360,844	35,851	1,396,695
Total Education	11,120,073	-43,845	11,076,228	15,036,777	-31,655	15,005,122
Public Schools	8,868,051	-50,155	8,817,896	9,653,127	-42,451	9,610,676
Higher Education	2,202,787	5,504	2,208,291	5,292,358	7,794	5,300,152
Other Education	49,235	806	50,041	91,292	3,002	94,294
Special Appropriations	1,243,996	16,826	1,260,822	1,761,885	93,951	1,855,836
Total	19,076,883	-891	19,075,992	35,378,823	336,534	35,715,357
Other Appropriations	7,730	0	7,730	7,730	0	7,730
Statewide Total	19,084,613	-891	19,083,722	35,386,553	336,534	35,723,087

Note: Amounts shown include all operating appropriations enacted through the 1998 regular session of the Legislature. The Other Appropriations line includes Chapter 306, Laws of 1997, which transferred money from the general fund to the violence reduction and drug enforcement account.

Washington State Operating Budget
1998 Supplemental Budget
LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 97-99	1998 Supp	Rev 97-99	Orig 97-99	1998 Supp	Rev 97-99
House of Representatives	49,853	275	50,128	49,853	300	50,153
Senate	39,995	200	40,195	39,995	225	40,220
Jt Leg Audit & Review Committee	2,796	465	3,261	4,296	465	4,761
Legislative Transportation Comm	0	0	0	3,022	1,150	4,172
LEAP Committee	2,595	150	2,745	3,015	150	3,165
Office of the State Actuary	0	0	0	1,681	0	1,681
Joint Legislative Systems Comm	10,860	0	10,860	12,840	0	12,840
Statute Law Committee	6,785	0	6,785	9,667	0	9,667
Total Legislative	112,884	1,090	113,974	124,369	2,290	126,659
Supreme Court	9,453	0	9,453	9,453	0	9,453
State Law Library	3,554	0	3,554	3,554	0	3,554
Court of Appeals	20,358	289	20,647	20,358	289	20,647
Commission on Judicial Conduct	1,305	101	1,406	1,305	101	1,406
Office of Administrator for Courts	25,318	175	25,493	72,757	-2,066	70,691
Office of Public Defense	0	0	0	12,187	-84	12,103
Total Judicial	59,988	565	60,553	119,614	-1,760	117,854
Total Legislative and Judicial	172,872	1,655	174,527	243,983	530	244,513

Washington State Operating Budget

1998 Supplemental Budget

GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 97-99	1998 Supp	Rev 97-99	Orig 97-99	1998 Supp	Rev 97-99
Office of the Governor	10,010	578	10,588	10,898	943	11,841
Office of the Lieutenant Governor	565	0	565	565	0	565
Public Disclosure Commission	2,663	167	2,830	2,663	167	2,830
Office of the Secretary of State	13,956	1,913	15,869	23,712	2,193	25,905
Governor's Office of Indian Affairs	463	0	463	463	0	463
Asian/Pacific-American Affrs	401	0	401	401	0	401
Office of the State Treasurer	0	0	0	11,567	815	12,382
Office of the State Auditor	1,356	525	1,881	39,416	970	40,386
Comm Salaries for Elected Officials	67	7	74	67	7	74
Office of the Attorney General	7,992	0	7,992	139,641	741	140,382
Caseload Forecast Council	879	0	879	879	0	879
Dept of Financial Institutions	0	0	0	15,669	37	15,706
Dept Community, Trade, Econ Dev	113,712	4,768	118,480	310,504	13,412	323,916
Economic & Revenue Forecast Council	905	0	905	905	0	905
Office of Financial Management	20,783	1,053	21,836	57,126	1,185	58,311
Office of Administrative Hearings	0	0	0	19,665	0	19,665
Department of Personnel	0	0	0	28,779	100	28,879
State Lottery Commission	0	0	0	688,558	0	688,558
Washington State Gambling Comm	0	0	0	18,633	0	18,633
WA State Comm on Hispanic Affairs	407	0	407	407	0	407
African-American Affairs Comm	338	0	338	338	0	338
Personnel Appeals Board	0	0	0	1,539	0	1,539
Department of Retirement Systems	0	0	0	34,732	3,066	37,798
State Investment Board	0	0	0	10,303	0	10,303
Department of Revenue	130,353	253	130,606	138,459	353	138,812
Board of Tax Appeals	1,774	0	1,774	1,774	0	1,774
Municipal Research Council	3,394	0	3,394	4,019	0	4,019
Minority & Women's Business Enterp	0	0	0	2,357	0	2,357
Dept of General Administration	2,580	0	2,580	116,146	0	116,146
Department of Information Services	0	0	0	226,333	6,900	233,233
Office of Insurance Commissioner	0	0	0	22,387	0	22,387
State Board of Accountancy	0	0	0	978	0	978
Forensic Investigation Council	0	0	0	12	0	12
Washington Horse Racing Commission	0	0	0	4,828	0	4,828
WA State Liquor Control Board	2,845	52	2,897	134,155	1,268	135,423
Utilities and Transportation Comm	0	0	0	24,827	441	25,268
Board for Volunteer Firefighters	0	0	0	529	0	529
Military Department	16,305	1,687	17,992	200,035	18,590	218,625
Public Employment Relations Comm	3,532	0	3,532	3,532	0	3,532
Growth Management Hearings Board	2,634	0	2,634	2,634	0	2,634
State Convention and Trade Center	0	0	0	27,175	219	27,394
Total Governmental Operations	337,914	11,003	348,917	2,327,610	51,407	2,379,017

Washington State Operating Budget

1998 Supplemental Budget

HUMAN SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 97-99	1998 Supp	Rev 97-99	Orig 97-99	1998 Supp	Rev 97-99
Dept of Social & Health Services	4,934,256	-22,217	4,912,039	10,933,504	140,847	11,074,351
WA State Health Care Authority	12,633	0	12,633	557,439	14,746	572,185
Human Rights Commission	4,055	432	4,487	5,758	432	6,190
Bd of Industrial Insurance Appeals	0	0	0	21,592	0	21,592
Criminal Justice Training Comm	0	300	300	13,918	207	14,125
Department of Labor and Industries	13,653	180	13,833	380,581	3,566	384,147
Indeterminate Sentence Review Board	2,061	0	2,061	2,061	0	2,061
Department of Health	128,737	7,585	136,322	504,161	2,952	507,113
Department of Veterans' Affairs	19,121	828	19,949	53,455	200	53,655
Department of Corrections	825,064	-2,622	822,442	848,518	-2,622	845,896
Dept of Services for the Blind	2,779	0	2,779	15,107	0	15,107
Sentencing Guidelines Commission	1,427	0	1,427	1,427	0	1,427
Department of Employment Security	2,521	0	2,521	409,298	11,284	420,582
Total Other Human Services	1,012,051	6,703	1,018,754	2,813,315	30,765	2,844,080
Total Human Services	5,946,307	-15,514	5,930,793	13,746,819	171,612	13,918,431

Washington State Operating Budget

1998 Supplemental Budget

DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 97-99	1998 Supp	Rev 97-99	Orig 97-99	1998 Supp	Rev 97-99
Children and Family Services	405,298	9,190	414,488	662,197	9,323	671,520
Juvenile Rehabilitation	157,629	7,257	164,886	201,973	7,321	209,294
Mental Health	474,344	13,866	488,210	939,345	17,938	957,283
Developmental Disabilities	415,063	33,962	449,025	777,464	68,230	845,694
Long-Term Care Services	808,349	26,250	834,599	1,692,605	56,692	1,749,297
Economic Services	1,073,135	-52,692	1,020,443	2,025,753	-58,695	1,967,058
Alcohol & Substance Abuse	28,800	1,989	30,789	182,827	7,803	190,630
Medical Assistance Payments	1,368,918	-20,731	1,348,187	3,888,523	111,520	4,000,043
Vocational Rehabilitation	17,244	405	17,649	99,690	-57	99,633
Administration/Support Svcs	48,528	2,842	51,370	89,150	5,396	94,546
Child Support Services	41,999	310	42,309	220,945	-642	220,303
Payments to Other Agencies	94,949	-44,865	50,084	153,032	-83,982	69,050
Total DSHS	4,934,256	-22,217	4,912,039	10,933,504	140,847	11,074,351

Washington State Operating Budget

1998 Supplemental Budget

NATURAL RESOURCES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 97-99	1998 Supp	Rev 97-99	Orig 97-99	1998 Supp	Rev 97-99
Columbia River Gorge Commission	435	0	435	870	7	877
Department of Ecology	51,873	896	52,769	248,209	1,740	249,949
WA Pollution Liab Insurance Program	0	0	0	2,054	100	2,154
State Parks and Recreation Comm	40,861	223	41,084	73,503	2,457	75,960
Interagency Comm for Outdoor Rec	0	0	0	2,988	11	2,999
Environmental Hearings Office	1,553	0	1,553	1,553	0	1,553
State Conservation Commission	1,678	3,000	4,678	2,118	3,000	5,118
Dept of Fish and Wildlife	72,251	8,558	80,809	250,832	4,301	255,133
Department of Natural Resources	47,959	167	48,126	240,136	288	240,424
Department of Agriculture	14,604	1,141	15,745	78,642	2,934	81,576
Total Natural Resources	231,214	13,985	245,199	900,905	14,838	915,743

Washington State Operating Budget
1998 Supplemental Budget

TRANSPORTATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 97-99	1998 Supp	Rev 97-99	Orig 97-99	1998 Supp	Rev 97-99
Board of Pilotage Commissioners	0	0	0	275	0	275
Washington State Patrol	15,562	14,541	30,103	277,085	8,862	285,947
WA Traffic Safety Commission	0	0	0	6,657	250	6,907
Department of Licensing	8,945	458	9,403	172,495	2,735	175,230
Department of Transportation	0	0	0	903,174	24,004	927,178
Marine Employees' Commission	0	0	0	354	0	354
Transportation Commission	0	0	0	804	0	804
Total Transportation	24,507	14,999	39,506	1,360,844	35,851	1,396,695

Washington State Operating Budget

1998 Supplemental Budget

EDUCATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 97-99	1998 Supp	Rev 97-99	Orig 97-99	1998 Supp	Rev 97-99
Public Schools	8,868,051	-50,155	8,817,896	9,653,127	-42,451	9,610,676
Higher Education Coordinating Board	190,927	2,324	193,251	203,581	3,557	207,138
University of Washington	573,730	4,181	577,911	2,455,663	4,533	2,460,196
Washington State University	339,463	1,556	341,019	737,578	357	737,935
Eastern Washington University	78,700	74	78,774	143,193	74	143,267
Central Washington University	75,830	163	75,993	140,259	163	140,422
The Evergreen State College	40,669	340	41,009	72,299	340	72,639
Joint Center for Higher Education	2,939	-1,470	1,469	12,206	-6,105	6,101
Western Washington University	96,677	96	96,773	190,224	96	190,320
Community/Technical College System	803,852	-1,760	802,092	1,337,355	1,008	1,338,363
Spokane Intercol Rsch & Tech Inst	0	0	0	0	3,771	3,771
Total Higher Education	2,202,787	5,504	2,208,291	5,292,358	7,794	5,300,152
State School for the Blind	7,452	18	7,470	7,644	244	7,888
State School for the Deaf	12,917	18	12,935	12,917	18	12,935
Work Force Trng & Educ Coord Board	3,278	0	3,278	38,152	0	38,152
State Library	14,764	400	15,164	19,611	2,370	21,981
Washington State Arts Commission	4,028	0	4,028	4,718	0	4,718
Washington State Historical Society	5,033	370	5,403	6,487	370	6,857
East Wash State Historical Society	1,763	0	1,763	1,763	0	1,763
Total Other Education	49,235	806	50,041	91,292	3,002	94,294
Total Education	11,120,073	-43,845	11,076,228	15,036,777	-31,655	15,005,122

Washington State Operating Budget
1998 Supplemental Budget
PUBLIC SCHOOLS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 97-99	1998 Supp	Rev 97-99	Orig 97-99	1998 Supp	Rev 97-99
OSPI & Statewide Programs	60,833	17,761	78,594	157,195	17,761	174,956
General Apportionment	6,940,884	-61,636	6,879,248	6,940,884	-61,636	6,879,248
Pupil Transportation	353,904	703	354,607	353,904	703	354,607
School Food Services	6,150	25	6,175	265,190	25	265,215
Special Education	744,813	5,279	750,092	879,919	13,279	893,198
Traffic Safety Education	0	0	0	17,179	-296	16,883
Educational Service Districts	9,021	0	9,021	9,021	0	9,021
Levy Equalization	173,952	-5,601	168,351	173,952	-5,601	168,351
Elementary/Secondary School Improv	0	0	0	255,987	0	255,987
Institutional Education	37,009	-1,516	35,493	45,557	-1,516	44,041
Ed of Highly Capable Students	11,928	-106	11,822	11,928	-106	11,822
Education Reform	40,773	-151	40,622	41,006	-151	40,855
Transitional Bilingual Instruction	64,560	-1,664	62,896	64,560	-1,664	62,896
Learning Assistance Program (LAP)	121,171	53	121,224	121,171	53	121,224
Block Grants	106,777	-1,625	105,152	106,777	-1,625	105,152
Compensation Adjustments	196,276	-1,677	194,599	196,276	-1,677	194,599
Common School Construction	0	0	0	12,621	0	12,621
Total Public Schools	8,868,051	-50,155	8,817,896	9,653,127	-42,451	9,610,676

Washington State Operating Budget
1998 Supplemental Budget
SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 97-99	1998 Supp	Rev 97-99	Orig 97-99	1998 Supp	Rev 97-99
Bond Retirement and Interest	982,009	129	982,138	1,386,543	43,380	1,429,923
Special Approps to the Governor	15,424	14,406	29,830	45,119	20,896	66,015
Sundry Claims	0	193	193	0	196	196
State Employee Compensation Adjust	86,963	2,098	89,061	170,623	29,479	200,102
Contributions to Retirement Systems	<u>159,600</u>	<u>0</u>	<u>159,600</u>	<u>159,600</u>	<u>0</u>	<u>159,600</u>
Total	1,243,996	16,826	1,260,822	1,761,885	93,951	1,855,836
Other Appropriations	<u>7,730</u>	<u>0</u>	<u>7,730</u>	<u>7,730</u>	<u>0</u>	<u>7,730</u>
Total Special Appropriations	1,251,726	16,826	1,268,552	1,769,615	93,951	1,863,566

Omnibus Appropriations Act - Agency Detail

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Legislative

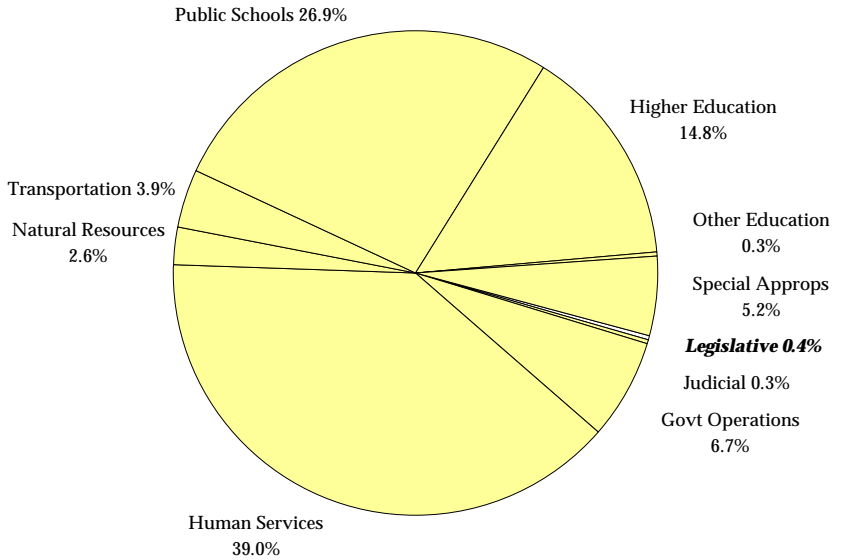
Supplemental appropriations for the state's legislative agencies did not authorize any ongoing program enhancements. However, funds are provided for several one-time studies and other evaluations of state programs, including examinations of state water quality programs, long-term care services, management of developmental disability programs, financing of the K-12 school system, education technology, and the health care certificate of need program, and an on-going audit of new pension rate contributions.

1997-99 Washington State Operating Budget

Total Budgeted Funds

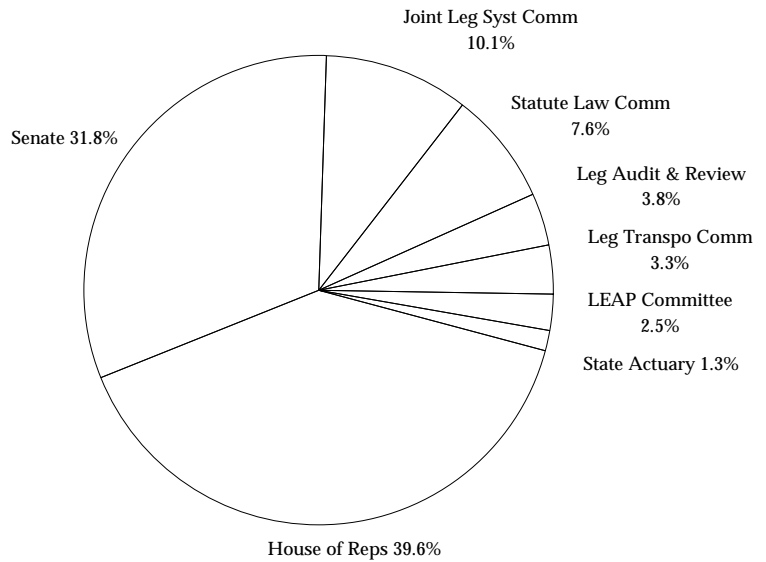
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

House of Representatives	50,153
Senate	40,220
Jt Leg Systems Comm	12,840
Statute Law Committee	9,667
Jt Leg Audit & Rev Comm	4,761
Leg Transportation Comm	4,172
LEAP Committee	3,165
State Actuary	1,681
Legislative	126,659

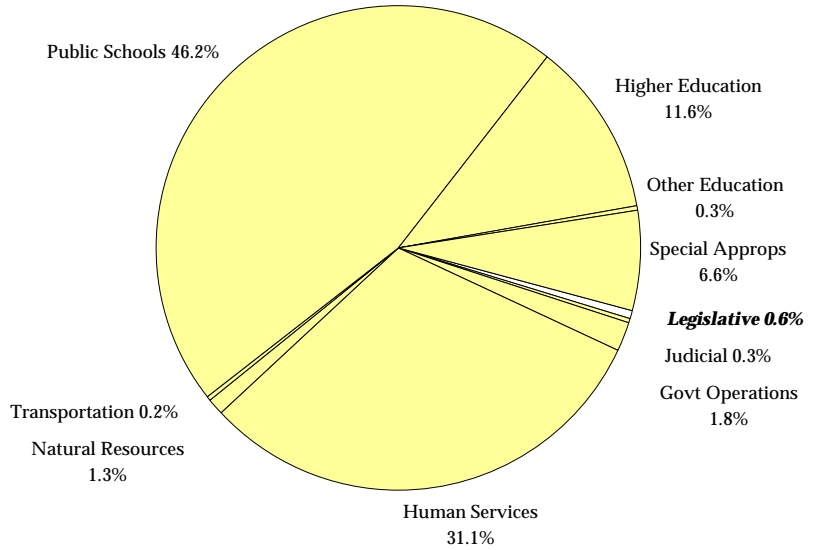


Legislative

1997-99 Washington State Operating Budget General Fund - State

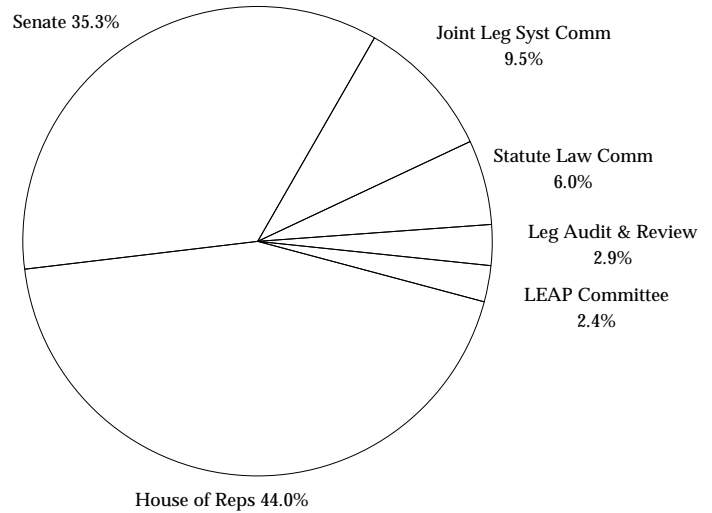
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

House of Representatives	50,128
Senate	40,195
Jt Leg Systems Comm	10,860
Statute Law Committee	6,785
Jt Leg Audit & Rev Comm	3,261
LEAP Committee	2,745
Legislative	113,974



Legislative

House of Representatives

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	49,853	0	49,853
1998 Supplemental Budget			
1. Concurrent Actuarial Audit	0	25	25
2. K-20 Technology Consultant	150	0	150
3. TMDL Review	125	0	125
Total Supplemental Items	275	25	300
<hr/>			
1997-99 REVISED APPROPRIATIONS	50,128	25	50,153
Fiscal Year 1998 Total	24,221	0	24,221
Fiscal Year 1999 Total	25,907	25	25,932

Comments:

1. CONCURRENT ACTUARIAL AUDIT - Funding is provided to implement Chapter 283, Laws of 1998, Partial Veto (SHB 2544 - Funding the State Retirement Systems). An actuarial consultant will be retained to perform an audit of the pension contribution rates as they are being developed. (Department of Retirement Systems Expense Account)

2. K-20 TECHNOLOGY CONSULTANT - One-time funding is provided for technical and cost analysis of issues related to the K-20 statewide technology system. Analysis will include evaluation of system implementation progress, future system costs, emerging technologies, and agency K-20 requests for the 1999-2001 budget.

3. TMDL REVIEW - Funding is provided for a review of the memorandum of agreement signed between the United States Environmental Protection Agency and the Department of Ecology. The agreement requires the Department to conduct total maximum daily loads (TMDL) on polluted water bodies as defined by the federal clean water act. The review may include but is not limited to, the Department's program for implementing the settlement, an examination of the decisions that affect how water quality problems are defined, the causes of those problems, and the means by which solutions to these problems are to be developed and implemented.

Senate

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	39,995	0	39,995
1998 Supplemental Budget			
1. Concurrent Actuarial Audit	0	25	25
2. TMDL Review	125	0	125
3. Long-Term Care Performance Review	75	0	75
Total Supplemental Items	200	25	225
1997-99 REVISED APPROPRIATIONS	40,195	25	40,220
Fiscal Year 1998 Total	19,357	0	19,357
Fiscal Year 1999 Total	20,838	25	20,863

Comments:

1. CONCURRENT ACTUARIAL AUDIT - Funding is provided to implement Chapter 283, Laws of 1998, Partial Veto (SHB 2544 - Funding the State Retirement Systems). An actuarial consultant will be retained to perform an audit of the pension contribution rates as they are being developed. (Department of Retirement Systems Expense Account)

2. TMDL REVIEW - Funding is provided for a review of the memorandum of agreement signed between the United States Environmental Protection Agency and the Department of Ecology. The agreement requires the Department to conduct total maximum daily loads (TMDL) on polluted water bodies as defined by the federal clean water act. The review may include but is not limited to, the Department's program for implementing the settlement, an examination of the decisions that affect how water quality problems are defined, the causes of those problems, and the means by which solutions to these problems are to be developed and implemented.

3. LONG-TERM CARE PERFORMANCE REVIEW - One-time funding is provided for a performance review of the long-term care system, to be contracted jointly by the Legislature and the Office of Financial Management.

Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	2,796	0	2,796
1998 Supplemental Budget			
1. Management Audit of DDD	75	0	75
2. Certificate of Need Study	50	0	50
3. K-12 Finance Study	340	0	340
Total Supplemental Items	465	0	465
<hr/>			
1997-99 REVISED APPROPRIATIONS	3,261	0	3,261
Fiscal Year 1998 Total	1,371	0	1,371
Fiscal Year 1999 Total	1,890	0	1,890

Comments:

1. MANAGEMENT AUDIT OF DDD - Funding is provided for a management audit of the Department of Social and Health Services Division of Developmental Disabilities (DDD). The study will analyze and evaluate the division's current organizational structures and management practices; document and assess the impact of overlapping statutory or administrative code responsibilities; and identify and document opportunities to more efficiently and effectively serve the needs of the targeted population.

2. CERTIFICATE OF NEED STUDY - Funding is provided for a study of the certificate of need program for health care services. The study will analyze the effect of the state certificate of need program on the cost, quality, and availability of health care services and the impact that repeal of the program would have on the cost, quality, and availability of care.

3. K-12 FINANCE STUDY - One-time funding is provided for a study of the state's financing of the K-12 public school system.

Legislative Evaluation & Accountability Program Committee

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	2,595	0	2,595
1998 Supplemental Budget			
1. K-12 Finance Study	150	0	150
Total Supplemental Items	150	0	150
<hr/>			
1997-99 REVISED APPROPRIATIONS	2,745	0	2,745
Fiscal Year 1998 Total	1,263	0	1,263
Fiscal Year 1999 Total	1,482	0	1,482

Comments:

1. K-12 FINANCE STUDY - Funding is provided for support of the K-12 finance study conducted by the Joint Legislative Audit and Review Committee.

NOTE: The LEAP Committee received an appropriation of \$420,000 in the original 1997-99 Transportation Budget.

Judicial

Court of Appeals

An additional amount of \$278,000 is provided for the costs of merit increments for non-judicial employees. Also, \$11,000 is provided to cover the increased janitorial and utility costs associated with the expansion and remodel of the Division III facility in Spokane.

Commission on Judicial Conduct

Funding in the amount of \$101,000 is provided for the additional workload associated with the increased public hearings and case appeals beyond what was projected in the original appropriation. In addition to this funding, the Commission on Judicial Conduct received \$60,000 from the Governor's Emergency Fund to partially cover their increased workload.

Office of the Administrator for the Courts

Beginning in fiscal year 1999, funding for the Treatment Alternatives for Street Crimes program is transferred from the Office of the Administrator for the Courts (OAC) to the Department of Social and Health Services, Division of Alcohol and Substance Abuse. In addition, a total of \$1.2 million from the Judicial Information Systems Account is provided to equip judges and commissioners so they can access the judicial information systems. The access is necessary to implement provisions of domestic violence legislation enacted in 1995.

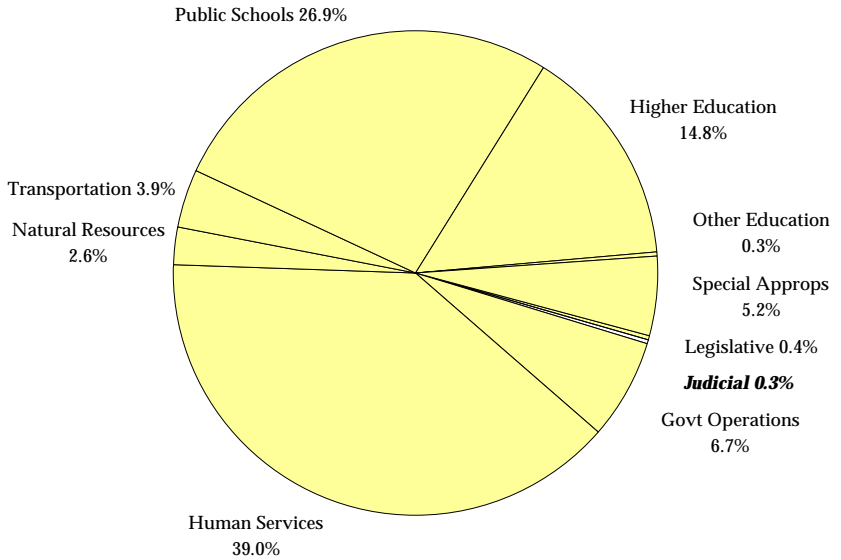
An additional amount of \$175,000 is provided from the state general fund for the production and distribution of a judicial voter pamphlet for the 1998 primary election. Finally, due to a shortfall in the account, a \$170,000 reduction is made to OAC's Public Safety and Education Account (PSEA) appropriation. Similar reductions are made in other agencies funded from PSEA.

1997-99 Washington State Operating Budget

Total Budgeted Funds

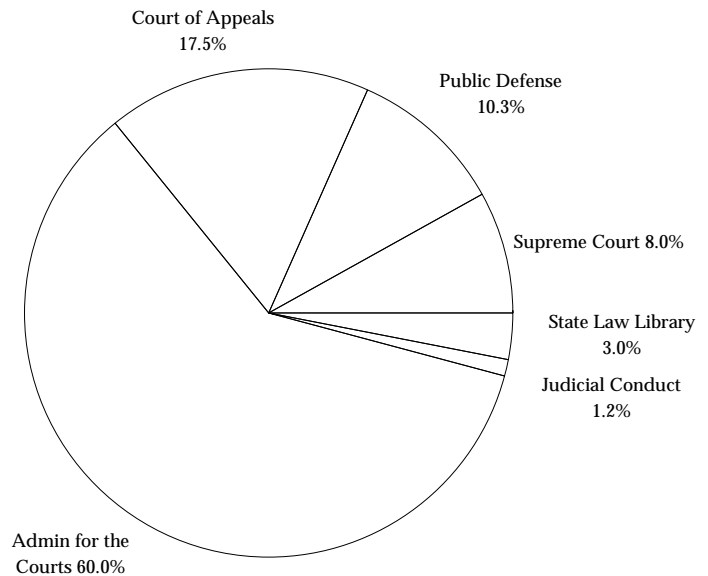
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

Admin for the Courts	70,691
Court of Appeals	20,647
Office of Public Defense	12,103
Supreme Court	9,453
State Law Library	3,554
Judicial Conduct Comm	1,406
Judicial	117,854



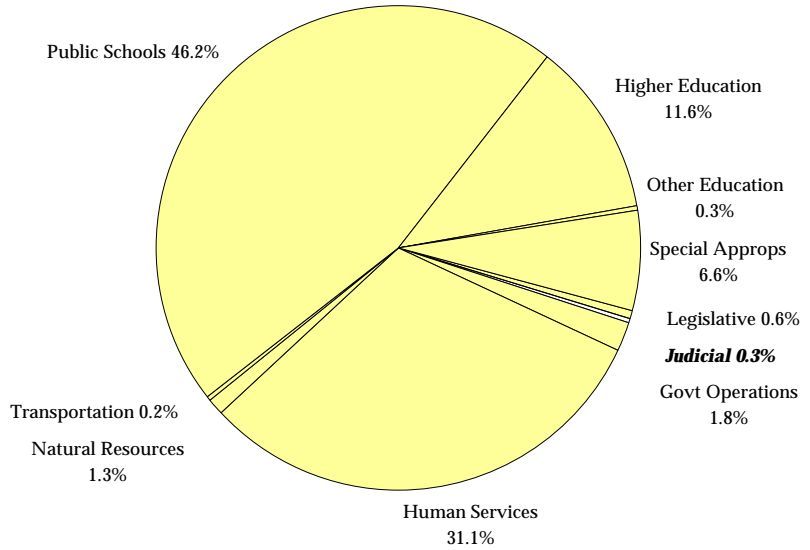
Judicial

1997-99 Washington State Operating Budget

General Fund - State

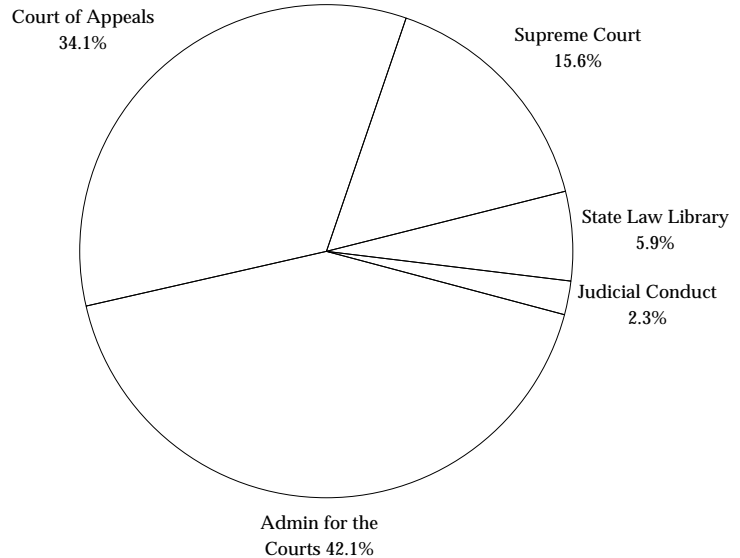
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

Admin for the Courts	25,493
Court of Appeals	20,647
Supreme Court	9,453
State Law Library	3,554
Judicial Conduct Comm	1,406
Judicial	60,553



Judicial

Court of Appeals

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	20,358	0	20,358
1998 Supplemental Budget			
1. Salary Increments/Budget Shortfall	278	0	278
2. Building Maintenance Costs	11	0	11
Total Supplemental Items	289	0	289
<hr/>			
1997-99 REVISED APPROPRIATIONS	20,647	0	20,647
Fiscal Year 1998 Total	10,340	0	10,340
Fiscal Year 1999 Total	10,307	0	10,307

Comments:

1. SALARY INCREMENTS/BUDGET SHORTFALL - Funding is provided for the costs of periodic merit increments for non-judicial employees. While the funding provided is ongoing, the decision to provide additional funding for new merit increments in future biennia will be made on a case by case basis.

2. BUILDING MAINTENANCE COSTS - Beginning January 1999, funding is provided to cover the increased janitorial and utility costs associated with the expansion and remodel of the Division III facility. Beginning January 1, 2001, funding is assumed to increase to 2 percent of the building's appraised value to cover maintenance costs as well.

Commission on Judicial Conduct

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	1,305	0	1,305
1998 Supplemental Budget			
1. Judicial Conduct Proceedings	<u>101</u>	<u>0</u>	<u>101</u>
Total Supplemental Items	101	0	101
<hr/>			
1997-99 REVISED APPROPRIATIONS	1,406	0	1,406
Fiscal Year 1998 Total	692	0	692
Fiscal Year 1999 Total	714	0	714

Comments:

- JUDICIAL CONDUCT PROCEEDINGS - Funding is provided for ten additional days of public hearing and three additional case appeals. In addition to the funding provided here, \$60,000 in funding was provided to the Commission from the Governor's emergency fund to partially cover this increased workload.

Office of the Administrator for the Courts

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	25,318	47,439	72,757
1998 Supplemental Budget			
1. JIS Equipment for Leg Mandates	0	1,184	1,184
2. Voters Pamphlet	175	0	175
3. PSEA Shortfall	0	-170	-170
4. TASC Transfer	0	-3,255	-3,255
Total Supplemental Items	175	-2,241	-2,066
<hr/>			
1997-99 REVISED APPROPRIATIONS	25,493	45,198	70,691
Fiscal Year 1998 Total	12,723	22,766	35,489
Fiscal Year 1999 Total	12,770	22,432	35,202

Comments:

1. JIS EQUIPMENT FOR LEG MANDATES - Funding is provided to equip judges and commissioners so that they can access the judicial information systems (JIS). Access is necessary to implement the provisions of domestic violence legislation passed in 1995. The legislation requires that the judge check for restraining and no contact orders prior to issuing a decision on pending civil or criminal matters. (Judicial Information System)

2. VOTERS PAMPHLET - Funding is provided for the production and distribution of a judicial voter pamphlet for the 1998 primary election. The voters pamphlet will be prepared by the Office of the Administrator for the Courts and will provide information about local judicial candidates and races. The pamphlet will be distributed using newspaper delivery staff.

3. PSEA SHORTFALL - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

4. TASC TRANSFER - The Treatment Alternatives to Street Crime (TASC) program is transferred from the Office of the Administrator for the Courts to the Department of Social and Health Services, Division of Alcohol and Substance Abuse, effective July 1, 1998. (Public Safety and Education Account)

Office of Public Defense

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	12,187	12,187
1998 Supplemental Budget			
1. PSEA Shortfall	0	-84	-84
Total Supplemental Items	0	-84	-84
1997-99 REVISED APPROPRIATIONS	0	12,103	12,103
Fiscal Year 1998 Total	0	6,088	6,088
Fiscal Year 1999 Total	0	6,015	6,015

Comments:

1. PSEA SHORTFALL - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

Governmental Operations

Secretary of State

An additional amount of \$1.9 million from the state general fund is provided for the Secretary of State to enter into a four-year contract with Television Washington (TVW) beginning in fiscal year 1999 to provide independent, gavel-to-gavel coverage of legislative proceedings and other public affairs.

Department of Community, Trade, and Economic Development

Funding is provided to implement the provisions of Chapter 314, Laws of 1998, Partial Veto (SHB 2556), which creates citizen review panels to examine the policies and procedures of agencies that deal with the prevention of child abuse and neglect. These panels are required under new federal legislation known as the "Child Abuse Prevention and Treatment Act Amendments of 1996" or "CAPTA." The Department of Community, Trade, and Economic Development (DCTED) must contract with a private nonprofit organization to serve as the appointing authority of the panels and to oversee their operation. In addition, DCTED will develop policies, procedures, and rules for the program with input from the Legislature.

Military Department

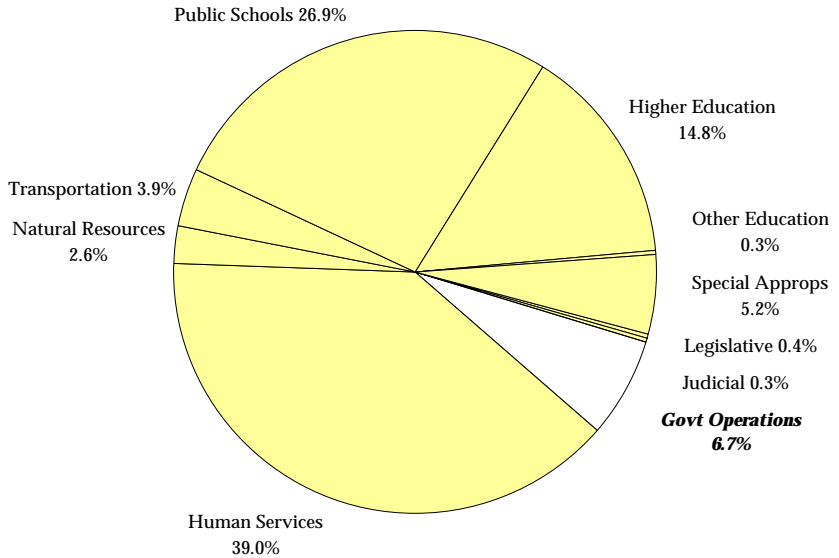
Additional funding of \$1.1 million from the state general fund and \$15.1 million from federal funds are provided to continue the accelerated rate of disaster recovery efforts. The Emergency Management Division has provided reimbursements to individuals, families, small businesses, and local governments more rapidly than anticipated in the original biennial appropriations. In addition, \$365,000 from the state general fund and \$305,000 from federal funds are provided for specific emergency management responses to the 1997 Pend Oreille County flood and four fire mobilizations covered under the State Fire Resource Mobilization Plan.

1997-99 Washington State Operating Budget

Total Budgeted Funds

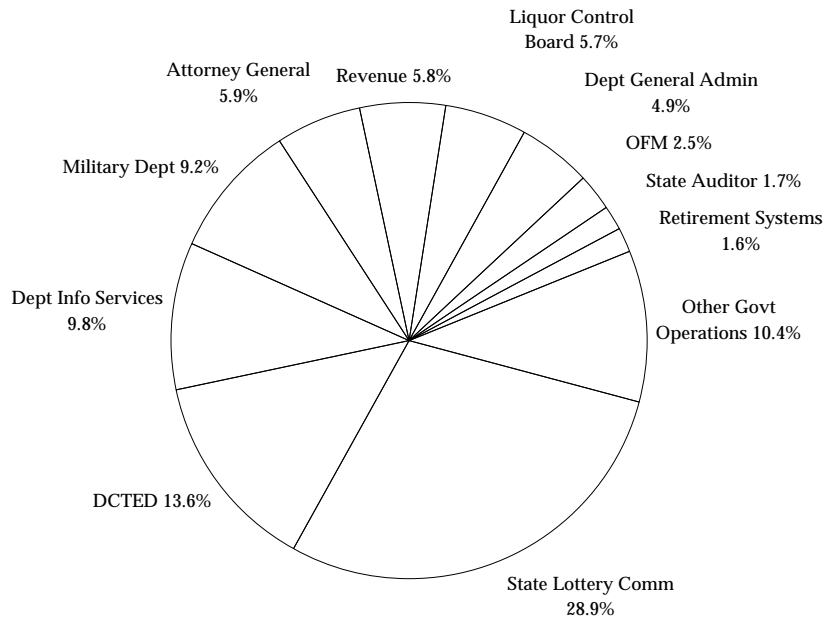
(Dollars in Thousands)

Legislative	126,659
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Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

Lottery Commission	688,558
Comm/Trade/Econ Dev	323,916
Dept Information Services	233,233
Military Department	218,625
Attorney General	140,382
Department of Revenue	138,812
Liquor Control Board	135,423
Dept General Administration	116,146
Office of Financial Mgmt	58,311
State Auditor	40,386
Dept Retirement Systems	37,798
Other Govt Operations	247,427
Governmental Operations	2,379,017



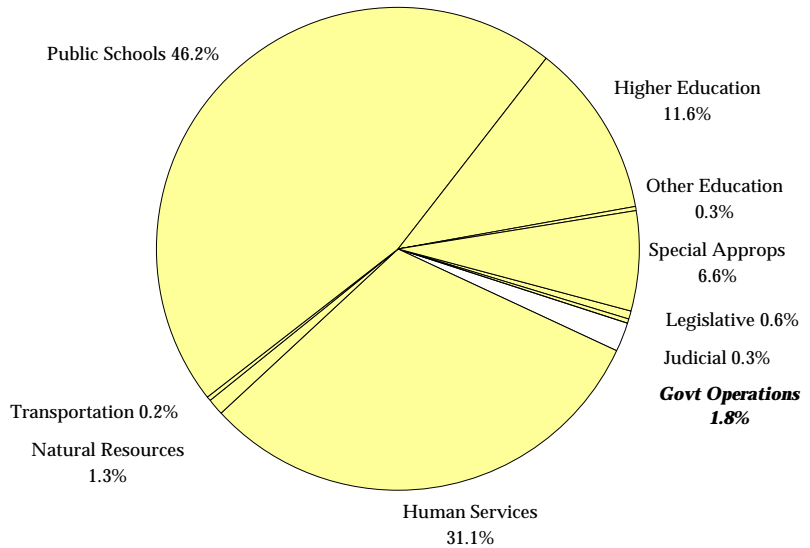
Governmental Operations

1997-99 Washington State Operating Budget

General Fund - State

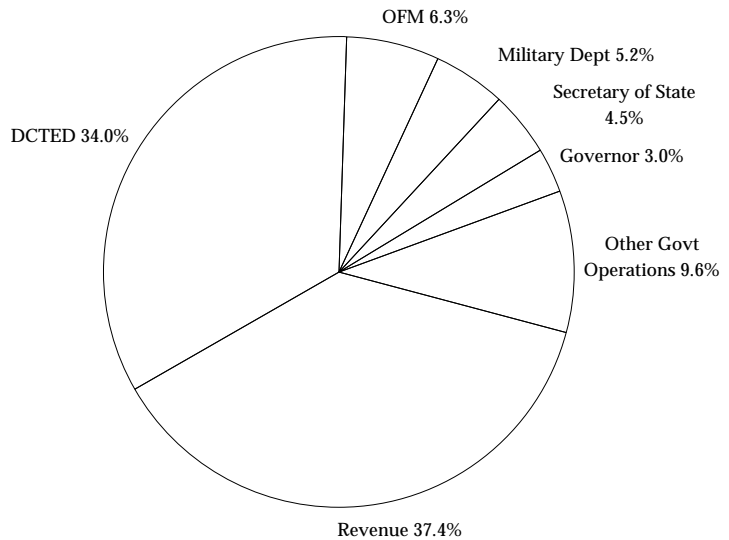
(Dollars in Thousands)

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Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

Department of Revenue	130,606
Comm/Trade/Econ Dev	118,480
Office of Financial Mgmt	21,836
Military Department	17,992
Secretary of State	15,869
Office of the Governor	10,588
Other Govt Operations	33,546
Governmental Operations	348,917



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	10,010	888	10,898
1998 Supplemental Budget			
1. Children's Ombuds Staff and Travel	55	0	55
2. Wenatchee Investigation	23	0	23
3. Puget Sound Estuary Program	0	365	365
4. Salmon Recovery Office	500	0	500
Total Supplemental Items	578	365	943
<hr/>			
1997-99 REVISED APPROPRIATIONS	10,588	1,253	11,841
Fiscal Year 1998 Total	5,068	635	5,703
Fiscal Year 1999 Total	5,520	618	6,138

Comments:

1. CHILDREN'S OMBUDS STAFF AND TRAVEL - Funding is provided for travel costs and one support staff. Travel costs for investigations, quarterly legislative oversight committee meetings in Eastern Washington, and other family and children's activities across the state have been higher than anticipated.

2. WENATCHEE INVESTIGATION - Funding is provided for three investigators' travel costs for eight months (five days per month) and the costs for transcribing 65 audio-taped interviews on the review of the Wenatchee child sex-abuse investigations.

3. PUGET SOUND ESTUARY PROGRAM - Federal funding is provided through an Environmental Protection Agency grant for the Puget Sound Estuary Program, which is a program of the Puget Sound Water Quality Action Team. Funding does not commit the state to future expenditures in a later period. (General Fund-Federal)

4. SALMON RECOVERY OFFICE - Funding is provided to establish a Salmon Recovery Office in the Office of the Governor in accordance with Chapter 246, Laws of 1998 (ESHB 2496 - Salmon Recovery Plan). The Salmon Recovery Office will submit a state of the salmon report and act as a liaison to local governments, the United States Congress, federally recognized tribes, and federal executive branch agencies for issues related to the state's endangered species act salmon recovery plan.

Public Disclosure Commission

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	2,663	0	2,663
1998 Supplemental Budget			
1. Improve Public Access to Records	56	0	56
2. Attorney General Services	111	0	111
Total Supplemental Items	167	0	167
<hr/>			
1997-99 REVISED APPROPRIATIONS	2,830	0	2,830
Fiscal Year 1998 Total	1,568	0	1,568
Fiscal Year 1999 Total	1,262	0	1,262

Comments:

1. IMPROVE PUBLIC ACCESS TO RECORDS - Funding is provided for moving the Public Disclosure Commission (PDC) to a larger facility and to pay for a higher per square foot lease cost. The PDC's lease for the current facility expires in October 1998.
2. ATTORNEY GENERAL SERVICES - Funding is provided for Attorney General services for the Public Disclosure Commission's investigations of the Washington Education Association, the Building Industry Association of Washington, and other cases.

Office of the Secretary of State

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	13,956	9,756	23,712
1998 Supplemental Budget			
1. Odd Year Elections State Share	-100	0	-100
2. Washington Quality Award Council	77	0	77
3. Census Block Boundary Program	86	0	86
4. Security Microfilm Restoration	0	280	280
5. Public Affairs Broadcasting	1,850	0	1,850
Total Supplemental Items	1,913	280	2,193
<hr/>			
1997-99 REVISED APPROPRIATIONS	15,869	10,036	25,905
Fiscal Year 1998 Total	7,970	4,882	12,852
Fiscal Year 1999 Total	7,899	5,154	13,053

Comments:

1. ODD YEAR ELECTIONS STATE SHARE - By statute, the state is required to reimburse counties for a prorated share of odd-year election costs, which may be paid only from appropriations specifically provided for this purpose. This item adjusts existing funding in the Secretary of State's 1997-99 biennial budget to reflect lower billings to reimburse counties for the state's share of actual 1997 election costs.

2. WASHINGTON QUALITY AWARD COUNCIL - One-time funding is provided for staffing the Washington Quality Award Council for the remainder of the 1997-99 biennium.

3. CENSUS BLOCK BOUNDARY PROGRAM - Funding is provided to continue staff support for census-related activities in anticipation of the national census in the year 2000.

4. SECURITY MICROFILM RESTORATION - Funding is provided to preserve and restore security microfilm of essential local government records. (Archives and Records-Private/Local)

5. PUBLIC AFFAIRS BROADCASTING - Funding is provided to continue public affairs broadcasting by Television Washington (TVW) in FY 1999. The Secretary of State is directed to enter into a four-year contract to provide continued broadcasting of public affairs proceedings through FY 2003.

Office of the State Treasurer

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	0	11,567	11,567
1998 Supplemental Budget			
1. Treasury Management System	<u>0</u>	<u>815</u>	<u>815</u>
Total Supplemental Items	0	815	815
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	12,382	12,382
Fiscal Year 1998 Total	0	6,178	6,178
Fiscal Year 1999 Total	0	6,204	6,204

Comments:

1. TREASURY MANAGEMENT SYSTEM - Funding is provided for the continued development of the treasury management system. The initial 1997-99 biennial budget includes \$450,000 to begin developing the new system. This item funds design and development during the remainder of the biennium. The treasury management system will replace existing state debt, investments, cash management, and treasury accounting systems. (State Treasurer's Service Account)

Office of the State Auditor

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	1,356	38,060	39,416
1998 Supplemental Budget			
1. Whistleblower Program	0	250	250
2. Audit Electronic Signatures	0	75	75
3. Electric Utility Report	25	0	25
4. K-12 Audit Resolution Team	500	0	500
5. State Contractor Audits	0	120	120
Total Supplemental Items	525	445	970
<hr/>			
1997-99 REVISED APPROPRIATIONS	1,881	38,505	40,386
Fiscal Year 1998 Total	688	19,216	19,904
Fiscal Year 1999 Total	1,193	19,289	20,482

Comments:

1. WHISTLEBLOWER PROGRAM - Funding is provided to address an increase in the number of whistleblower cases being reported by state employees and the increased complexity of these investigations. (Auditing Services Revolving Account-State)

2. AUDIT ELECTRONIC SIGNATURES - Funding is provided for compliance audits of the Secretary of State and the Department of Information Services in certifying digital signatures of private companies, local governments, and state agencies. (Auditing Services Revolving Account-State)

3. ELECTRIC UTILITY REPORT - Funding is provided for the implementation of Chapter 287, Laws of 1998, Partial Veto (E2SHB 2831 - Electric Utilities Report). Electric utilities will provide cost studies and service quality and reliability reports to the State Auditor and the Utilities and Transportation Commission. The Auditor and the Commission will analyze and summarize the submitted studies and reports in a joint report to the Legislature by December 1, 1998.

4. K-12 AUDIT RESOLUTION TEAM - Funding is provided for auditing state funds allocated to local school districts.

5. STATE CONTRACTOR AUDITS - Chapter 232, Laws of 1998 (E2SHB 2881) expands the authority of the state auditor to audit non-government entities which contract with state agencies. The audit costs are paid by the contracting agencies. (Auditing Services Revolving Account-State)

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	67	0	67
1998 Supplemental Budget			
1. Unemployment Compensation	7	0	7
Total Supplemental Items	7	0	7
<hr/>			
1997-99 REVISED APPROPRIATIONS	74	0	74
Fiscal Year 1998 Total	11	0	11
Fiscal Year 1999 Total	63	0	63

Comments:

1. UNEMPLOYMENT COMPENSATION - The Commission on Salaries for Elected Officials has received bills for unemployment compensation in excess of its existing appropriation for FY 1998. The additional funding will allow this agency to pay these bills and not exceed its appropriation.

Office of the Attorney General

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	7,992	131,649	139,641
1998 Supplemental Budget			
1. Torts Litigation Workload	0	750	750
2. PSEA Shortfall	0	-9	-9
Total Supplemental Items	0	741	741
<hr/>			
1997-99 REVISED APPROPRIATIONS	7,992	132,390	140,382
Fiscal Year 1998 Total	4,161	66,715	70,876
Fiscal Year 1999 Total	3,831	65,675	69,506

Comments:

1. TORTS LITIGATION WORKLOAD - This item funds two additional staff in the Torts Division that will be assigned to the Department of Social and Health Services for one year and outside counsel costs for major cases. An increase in the number of tort lawsuits filed against the state and expanded areas of tort liability have contributed to the increased need for tort defense services. (Legal Services Revolving Account-State)

2. PSEA SHORTFALL - Funding is reduced to reflect a revenue shortfall in the Public Safety and Education Account (PSEA).

Governor's Vetoes:

The Governor vetoed Section 115(5) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which referred to legislation regulating travel sales that failed to be enacted.

Department of Financial Institutions

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	15,669	15,669
1998 Supplemental Budget			
1. Unanticipated Receipt	0	37	37
Total Supplemental Items	0	37	37
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	15,706	15,706
Fiscal Year 1998 Total	0	7,750	7,750
Fiscal Year 1999 Total	0	7,956	7,956

Comments:

1. UNANTICIPATED RECEIPT - Spending authority is provided for an unanticipated receipt from settlement of a securities enforcement action. (Securities Regulation Account)

Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	113,712	196,540	310,252
1998 Supplemental Budget			
1. Transfer Visitor Centers to GF-S	126	0	126
2. Washington Manufacturing Service	290	0	290
3. Emergency Food Assistance Program	383	0	383
4. Early Childhood Education Program	1,100	0	1,100
5. Pacific Science Center	0	2,316	2,316
6. Building Code Council	0	48	48
7. Clean Washington Account	0	11	11
8. Federal Flood Assistance	0	4,656	4,656
9. Byrne Formula Grant	0	1,750	1,750
10. Farmworker Housing	1,000	0	1,000
11. PSEA Shortfall	61	-61	0
12. Mobile Home Relocation Assistance	0	50	50
13. Coastal Erosion	275	0	275
14. Regulatory Reform	49	0	49
15. Citizen Review Panels	191	0	191
16. Transfer to SIRTI	965	0	965
17. Electric Power Consumer Rights	92	0	92
18. Overnight Youth Shelters	120	0	120
19. International Trade Fairs	165	0	165
20. Governor Veto	-49	0	-49
Total Supplemental Items	4,768	8,770	13,538
1997-99 REVISED APPROPRIATIONS	118,480	205,310	323,790
Fiscal Year 1998 Total	57,078	102,141	159,219
Fiscal Year 1999 Total	61,402	103,169	164,571

Comments:

- | | |
|--|--|
| <p>1. TRANSFER VISITOR CENTERS TO GF-S - Funding is transferred from the motor vehicle account to the state general fund for the visitor information centers. Certain programs and portions of programs within the Department were historically funded in the operating budget. In the 1993-95 biennium, funding responsibility for many of these programs was transferred to the transportation budget. The operating budget assumes funding responsibility for these programs beginning in FY 1999. Similar transfers occur in the Washington State Patrol and the Office of Financial Management.</p> <p>2. WASHINGTON MANUFACTURING SERVICE - Funding is provided to add four Washington Manufacturing Service (WMS) field staff to serve Southwest Washington, Yakima and the Tri-Cities area, east King County, and one staff person to focus on the food processing sector. WMS is a nonprofit organization that provides technical assistance to small manufacturers.</p> <p>3. EMERGENCY FOOD ASSISTANCE PROGRAM - Provides additional funding for food banks in response to an increasing number of clients.</p> | <p>4. EARLY CHILDHOOD EDUCATION PROGRAM - Provides funding for an additional 278 enrollment slots for children enrolled in the the Early Childhood Education and Assistance Program (ECEAP), for a total of 7,052 enrollment slots.</p> <p>5. PACIFIC SCIENCE CENTER - Provides additional appropriation authority to pass through remaining grant funds from the federal Department of Housing and Urban Development (HUD) to improve the Pacific Science Center's capital facilities. Of the \$2.5 million grant, \$2.3 million had not yet been appropriated. (General Fund-Federal)</p> <p>6. BUILDING CODE COUNCIL - Provides additional appropriation authority to support the State Building Code Council at authorized staffing levels to review new editions of the national model building codes being developed for the Year 2000. (Building Code Council Account)</p> <p>7. CLEAN WASHINGTON ACCOUNT - Provides funding for additional assistance to firms in the recycling industry and expends the remaining balance in the Clean Washington Account. (Clean Washington Account)</p> |
|--|--|

Department of Community, Trade, & Economic Development

8. FEDERAL FLOOD ASSISTANCE - Provides \$2.7 million in appropriation authority to spend federal HUD Disaster Recovery Program carryover funds from the 1995-97 biennium to assist with high wind damage and flood repairs. An additional \$2 million in authority is provided from HUD for repair assistance related to the winter of 1997 floods and mudslides. (General Fund-Federal)
9. BYRNE FORMULA GRANT - The federal Byrne Formula Grant provides pass-through funding to state agencies, local governments, and nonprofit agencies for drug law enforcement, criminal justice system improvements, drug treatment programs, domestic violence legal advocacy, and youth violence prevention programs. This item provides appropriation authority to spend federal Byrne Grant funding for FY 1999 and federal carryover funds from the prior federal grant periods for legislatively authorized programs. (General Fund-Federal)
10. FARMWORKER HOUSING - Funding is provided for grants to develop housing for low-income temporary or migrant farm workers. See page 241 for more information on the Housing Assistance, Weatherization, and Affordable Housing Program capital project.
11. PSEA SHORTFALL - Funding is provided to offset a reduction in the Public Safety and Education Account (PSEA) account due to a revenue shortfall.
12. MOBILE HOME RELOCATION ASSISTANCE - Chapter 124, Laws of 1998 (SB 6380) mandates a \$500 increase in the maximum amount for mobile home relocation reimbursement for double-wide units. (Mobile Home Park Relocation Fund)
13. COASTAL EROSION - Funding is provided for grants to the City of Ocean Shores to complete economic assessments, environmental impact studies, and emergency management planning related to coastal erosion.
14. REGULATORY REFORM - Funding is provided to develop a local government economic impact statement guide pursuant to Section 11, Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification.
15. CITIZEN REVIEW PANELS - Funding of \$18,000 is provided to complete a study of citizen review panels pursuant to Section 15, Chapter 314, Laws of 1998, Partial Veto (SHB 2556). The remaining \$173,000 is provided to contract with the Department of Social and Health Services (DSHS) to implement SHB 2556 related to treatment services for mothers giving birth to drug or alcohol affected infants.
16. TRANSFER TO SIRTI - Funds are transferred from the Joint Center for Higher Education to operate the Spokane Intercollegiate Research and Technology Institute (SIRTI) per Chapter 344, Laws of 1998, Partial Veto (SSB 6655). The Department of Community, Trade, & Economic Development receives \$21,000 of these funds for administrative expenses. The remaining \$944,000 passes through to SIRTI to manage the Institute. The non-appropriated grant and local funds (\$3.7 million) are budgeted with the Institute.
17. ELECTRIC POWER CONSUMER RIGHTS - Funding is provided to implement the provisions of Chapter 300, Laws of 1998, Partial Veto (ESSB 6560) which include providing technical assistance to consumer-owned utilities, a report on consumer protection policies and procedures adopted by consumer-owned utilities, and a study with the Utilities and Transportation Commission on the state's electricity market.
18. OVERNIGHT YOUTH SHELTERS - Funding is provided for grants to the currently licensed overnight youth shelters to continue to meet DSHS licensing requirements. Funds may be used to provide staff, food, beds, or facility maintenance.
19. INTERNATIONAL TRADE FAIRS - Funding for international trade fairs is provided from the general fund instead of the parimutuel tax as a result of Chapter 345, Laws of 1998, Partial Veto (E2SSB 6562).
20. GOVERNOR VETO - The Governor vetoed Section 117(18) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

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.

Office of Financial Management

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	20,783	36,227	57,010
1998 Supplemental Budget			
1. Transfer Certain Programs to GF-S	138	0	138
2. BARS Accounting	74	0	74
3. Budget and Accounting Support	256	0	256
4. Unemployment Compensation	71	0	71
5. Fish and Wildlife Management Review	250	0	250
6. Robert Wood Johnson Foundation	0	190	190
7. Vendor Contracting Services	139	0	139
8. Long-Term Care Performance Review	75	0	75
9. 2SSB 6544 - Adult Fam/Board Homes	50	0	50
Total Supplemental Items	1,053	190	1,243
<hr/>			
1997-99 REVISED APPROPRIATIONS	21,836	36,417	58,253
Fiscal Year 1998 Total	10,626	11,590	22,216
Fiscal Year 1999 Total	11,210	24,827	36,037

Comments:

- | | |
|---|--|
| <p>1. TRANSFER CERTAIN PROGRAMS TO GF-S - Historically, a transportation budget analyst and transportation policy analyst have been funded in the operating budget but were transferred to the transportation budget in the 1993-95 biennium. The operating budget assumes responsibility for these positions beginning in FY 1999.</p> <p>2. BARS ACCOUNTING - Funding is provided for one analyst position to assist in revising the Budget, Accounting, and Reporting System (BARS) to ensure grants are coded accurately, to minimize duplicative data requests, and to answer questions regarding how much the state is contributing to city and county expenditures.</p> <p>3. BUDGET AND ACCOUNTING SUPPORT - Funding is provided to adjust charges billed to agencies for Small Agency Client Services resulting from an error in billing charges. The Office of Financial Management will adjust the rates charged to agencies for these services at the beginning of the 1999-2001 biennium to reflect the correct rate.</p> <p>4. UNEMPLOYMENT COMPENSATION - Funding is provided to pay unemployment compensation claims on behalf of the Health Services Commission (\$66,000) and the Performance Partnership Council (\$5,000).</p> <p>5. FISH AND WILDLIFE MANAGEMENT REVIEW - Funding is provided to review the Department of Fish and Wildlife's finances and management.</p> <p>6. ROBERT WOOD JOHNSON FOUNDATION - Additional private funding is provided to carry out Basic Health Plan surveys, evaluate the effects of coordinated state purchasing, and undertake a state population survey. (General Fund-Local)</p> | <p>7. VENDOR CONTRACTING SERVICES - Chapter 231, Laws of 1998 (E2SHB 2880) creates the task force on vendor contracting practices. The nine-member task force is charged with reviewing fee-for-service and client service contracts conducted by nonprofit contractors. One-time funding is provided to convene the task force and to provide staff assistance.</p> <p>8. LONG-TERM CARE PERFORMANCE REVIEW - One-time funding is provided for a performance review of the long-term care system, to be contracted jointly by the Legislature and the Office of Financial Management.</p> <p>9. 2SSB 6544 - ADULT FAM/BOARD HOMES - The Office of Financial Management received an appropriation of \$50,000 in Chapter 272, Laws of 1998, Partial Veto (2SSB 6544), to establish a joint legislative and executive task force on long-term care, safety, quality, and oversight.</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.

Department of Personnel

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	28,779	28,779
1998 Supplemental Budget			
1. Investigator Training	0	100	100
Total Supplemental Items	0	100	100
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	28,879	28,879
Fiscal Year 1998 Total	0	14,313	14,313
Fiscal Year 1999 Total	0	14,566	14,566

Comments:

1. INVESTIGATOR TRAINING - Investigators are employed by various state agencies, including the Washington State Patrol, the Department of Social and Health Services, the Department of Labor and Industries, the Department of Ecology, the Public Disclosure Commission, the State Auditor's Office, and the Office of the Attorney General. Chapter 378, Laws of 1997, created a study group, co-chaired by the Attorney General and the Chief of the Washington State Patrol, to develop mandatory training, policies, and procedures for state investigators. Funding is provided for an Investigative Training Coordinator to coordinate the training needs among agencies, develop a curriculum, identify trainers, and ensure that training is provided, in support of the recommendations of the study group. (Personnel Services Revolving Fund)

Department of Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	34,732	34,732
1998 Supplemental Budget			
1. Corrected Auditor's Billing	0	71	71
2. Consolidate Staff	0	2,761	2,761
3. Delay Imaging Implementation	0	-846	-846
4. Plan I Gain Sharing (HB 2491)	0	118	118
5. School Employees' Retirement System	0	920	920
6. \$150,000 Death Benefit (ESB 6305)	0	42	42
Total Supplemental Items	0	3,066	3,066
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	37,798	37,798
Fiscal Year 1998 Total	0	17,637	17,637
Fiscal Year 1999 Total	0	20,161	20,161

Comments:

1. CORRECTED AUDITOR'S BILLING - Funding is provided to pay the State Auditor to audit the Department of Retirement Systems statewide audit and the agency's Comprehensive Annual Financial Report. This funding to pay the State Auditor was omitted from the 1997-99 biennial budget. (Department of Retirement Systems Expense Account)

2. CONSOLIDATE STAFF - Due to an impending rent increase in the agency's current building, the agency is funded to move to more cost effective space if lease negotiations for the current building are not successful. These costs are one-time. (Department of Retirement Systems Expense Account)

3. DELAY IMAGING IMPLEMENTATION - Implementation of the Imaging Project will be deferred if the agency must move to another space. (Department of Retirement Systems Expense Account)

4. PLAN I GAIN SHARING (HB 2491) - Funding is provided for the one-time administrative costs of implementing Chapter 340, Laws of 1998 [ESHB 2491 - Gain Sharing for the Public Employees' Retirement System Plan I and the Teachers' Retirement System Plan I]. (Department of Retirement Systems Expense Account)

5. SCHOOL EMPLOYEES' RETIREMENT SYSTEM - Funding is provided to implement Chapter 341, Laws of 1998 (SSB 6306), which creates the Washington School Employees' Retirement System Plan II and Plan III. (Department of Retirement Systems Expense Account)

6. \$150,000 DEATH BENEFIT (ESB 6305) - Funding is provided to implement Chapter 157, Laws of 1998 (ESB 6305). This bill provides a \$150,000 death benefit for general authority police at ports and universities. (Department of Retirement Systems Expense Account)

Department of Revenue

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	130,353	8,106	138,459
1998 Supplemental Budget			
1. Retail Study	60	0	60
2. Tax Legislation Implementation	104	0	104
3. Regulatory Reform	50	0	50
4. Enhanced 911 Wireless Study	0	100	100
5. Senior Citizen Tax Deferral	89	0	89
6. Governor Veto	-50	0	-50
Total Supplemental Items	253	100	353
<hr/>			
1997-99 REVISED APPROPRIATIONS	130,606	8,206	138,812
Fiscal Year 1998 Total	65,033	4,053	69,086
Fiscal Year 1999 Total	65,573	4,153	69,726

Comments:

1. RETAIL STUDY - Funding is provided for a study of the costs incurred by retailers in collecting and remitting state and local sales taxes. The Department will submit a report to the House of Representatives and the Senate by December 31, 1998. the calculation of disposable income and increasing the size of the parcel limit.

3. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification.

4. ENHANCED 911 WIRELESS STUDY - Funding is provided for an enhanced 911 study. The study group shall present its findings and recommendations to the Governor and the appropriate committees of the Legislature no later than December 31, 1998. (Enhanced 911 Account)

5. SENIOR CITIZEN TAX DEFERRAL - Funding is provided for implementation of Chapter 333, Laws of 1998, Partial Veto (ESSB 6533 - Senior Citizen Tax Deferral). Senior citizens and persons who are retired from regular employment because of physical disability are eligible for property tax exemption or deferral based on disposable household income. The state reimburses local governments for the local portion of deferred property taxes. ESSB 6533 broadens eligibility for tax exemptions and deferrals by exempting health care insurance and veteran's military disability benefits from disposable household income, increasing the parcel size limit, and increasing the disposable household income levels for property tax exemptions.

6. GOVERNOR VETO - The Governor vetoed Section 122(6) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

The Governor vetoed Sections 2 and 3 of Chapter 333, Laws of 1998, Partial Veto (ESSB 6533 - Senior Citizen Tax Deferral) which broadened eligibility for property tax deferrals by allowing health care insurance and veteran's military benefits to be deducted from

Department of Information Services

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	226,333	226,333
1998 Supplemental Budget			
1. K-20 Technology Network	0	6,900	6,900
Total Supplemental Items	0	6,900	6,900
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	233,233	233,233
Fiscal Year 1998 Total	0	125,202	125,202
Fiscal Year 1999 Total	0	108,031	108,031

Comments:

1. K-20 TECHNOLOGY NETWORK - Funding is provided in FY 1999 to the Education Technology Revolving Fund for K-20 operating expenses including transport, network operations, and maintenance in accordance with the funding model approved by the Telecommunications Oversight and Policy Committee (TOPC). This appropriation allows the K-20 technology account to be used for completing Phase II network build-out in accordance with the prioritized Phase II development schedule approved by the TOPC. (Education Savings Account)

Office of the Insurance Commissioner

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	22,387	22,387
1998 Supplemental Budget			
1. Cooper Jones Act	0	100	100
2. Regulatory Reform	0	50	50
3. Governor Veto	0	-150	-150
1997-99 REVISED APPROPRIATIONS	0	22,387	22,387
Fiscal Year 1998 Total	0	11,445	11,445
Fiscal Year 1999 Total	0	10,942	10,942

Comments:

1. COOPER JONES ACT - Funding is provided for allocation to the Traffic Safety Commission to implement a program of traffic safety education to promote bicycle and pedestrian safety, as provided in the Cooper Jones Act, Chapter 165, Laws of 1998 (ESHB 2439). (Insurance Commissioner's Regulatory Account)

2. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (Insurance Commissioner's Regulatory Account)

3. GOVERNOR VETO - The Governor vetoed Section 124(3) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

The Governor vetoed Section 124(4) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which allocated \$100,000 from the Insurance Commissioner's budget to the Traffic Safety Commission for implementation of Chapter 165, Laws of 1998 (ESHB 2439 - Bicycle and Pedestrian Safety Education).

Washington State Liquor Control Board

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	2,845	131,310	134,155
1998 Supplemental Budget			
1. Increase Funding for Commissions	0	944	944
2. Cigarette Tax Enforcement	52	0	52
3. Credit Cards in Liquor Agencies	0	272	272
Total Supplemental Items	52	1,216	1,268
<hr/>			
1997-99 REVISED APPROPRIATIONS	2,897	132,526	135,423
Fiscal Year 1998 Total	1,603	66,354	67,957
Fiscal Year 1999 Total	1,294	66,172	67,466

Comments:

1. INCREASE FUNDING FOR COMMISSIONS - Funding is provided for an increase in vendor commissions due to a growth in liquor sales. The increase reflects a larger sales volume rather than an increased commission rate for agency vendors. (Liquor Revolving Account)

2. CIGARETTE TAX ENFORCEMENT - Funding is provided for equipment costs associated with cigarette tax enforcement.

3. CREDIT CARDS IN LIQUOR AGENCIES - Additional Liquor Revolving Account funding totaling \$272,000 is provided for the costs associated with allowing the use of credit cards in liquor agency stores pursuant to Chapter 265, Laws of 1998 (SSB 6253 - Liquor Vendors/Credit Sales). Of this amount, \$199,000 is provided for equipment purchases and other one-time costs. (Liquor Revolving Account)

Utilities and Transportation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	24,605	24,605
1998 Supplemental Budget			
1. Electrical Consumer Protection	0	133	133
2. Universal Telecommunications	0	308	308
Total Supplemental Items	0	441	441
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	25,046	25,046
Fiscal Year 1998 Total	0	12,302	12,302
Fiscal Year 1999 Total	0	12,744	12,744

Comments:

1. ELECTRICAL CONSUMER PROTECTION - Spending authority is provided to implement the provisions of Chapter 300, Laws of 1998, Partial Veto (ESSB 6560), which include a joint study with the Department of Community, Trade, and Economic Development on the state's electricity market. (Public Service Revolving Fund)

2. UNIVERSAL TELECOMMUNICATIONS - Spending authority is provided to plan and prepare to implement a new universal service program pursuant to Chapter 337, Laws of 1998 (ESSB 6622). (Public Service Revolving Fund)

NOTE: The Utilities & Transportation Commission received an appropriation of \$222,000 in the original 1997-99 Transportation Budget.

Military Department

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	16,305	183,730	200,035
1998 Supplemental Budget			
1. Pend Oreille County Flood	9	16	25
2. Emergency Worker Claims	108	0	108
3. Fire Mobilization Reimbursement	356	654	1,010
4. Relocation Costs	69	0	69
5. Accelerated Disaster Response	1,145	16,233	17,378
Total Supplemental Items	1,687	16,903	18,590
<hr/>			
1997-99 REVISED APPROPRIATIONS	17,992	200,633	218,625
Fiscal Year 1998 Total	8,602	88,537	97,139
Fiscal Year 1999 Total	9,390	112,096	121,486

Comments:

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| <p>1. PENDING OREILLE COUNTY FLOOD - Funding is provided for assistance to individuals, families, and small businesses for disaster recovery related to the 1997 Pend Oreille County flood. The Federal Emergency Management Agency contributes 75 percent of assistance to individuals and the state is responsible for the remaining 25 percent. General Fund-State dollars are appropriated to the Disaster Response Account. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)</p> <p>2. EMERGENCY WORKER CLAIMS - Funding is provided for emergency worker claims pursuant to Chapter 38.52 RCW (Emergency Management). These claims are for a one-time property loss claim of \$36,000 in FY 1998 and a recurring death annuity of \$36,000 in FY 1998 and FY 1999.</p> <p>3. FIRE MOBILIZATION REIMBURSEMENT - Funding is provided to reimburse local jurisdictions for the state share of four fire mobilizations in the summer of 1997. The State Fire Mobilization Plan specifies conditions under which the state deploys resources during major fire events and reimburses local jurisdictions for their costs. General Fund-State dollars are appropriated to the Disaster Response Account. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)</p> <p>4. RELOCATION COSTS - Construction of a new Emergency Operation Center will be completed in the spring of 1998. Funding is provided for an upgraded telephone system for the new facility, operating costs for phone service, and moving costs. Adjustments also are made to remove lease costs for the old facility and to fund operating and maintenance costs of the new facility.</p> <p>5. ACCELERATED DISASTER RESPONSE - Funding is provided to continue the accelerated pace of disaster recovery reimbursements. The Emergency Management Division has made reimbursements to individuals, families, small businesses, and local governments at a more rapid rate than originally anticipated. To continue the accelerated pace of disaster reimbursements, General Fund-State dollars are appropriated to</p> | <p>the Disaster Response Account for expenses originally anticipated for the 1999-2001 biennium. These costs represent expedited disaster recovery projects; it is assumed that estimated expenditures on current disasters in the 1999-2001 biennium will be reduced by an equal amount. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)</p> |
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State Convention and Trade Center

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	27,175	27,175
1998 Supplemental Budget			
1. Convention and Visitors Bureau	0	219	219
Total Supplemental Items	0	219	219
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	27,394	27,394
Fiscal Year 1998 Total	0	13,723	13,723
Fiscal Year 1999 Total	0	13,671	13,671

Comments:

1. CONVENTION AND VISITORS BUREAU - Funding is provided to increase the agency's payment to the Seattle-King County Convention and Visitors Bureau due to higher than expected revenues. (State Convention and Trade Center Operations Account)

Human Services

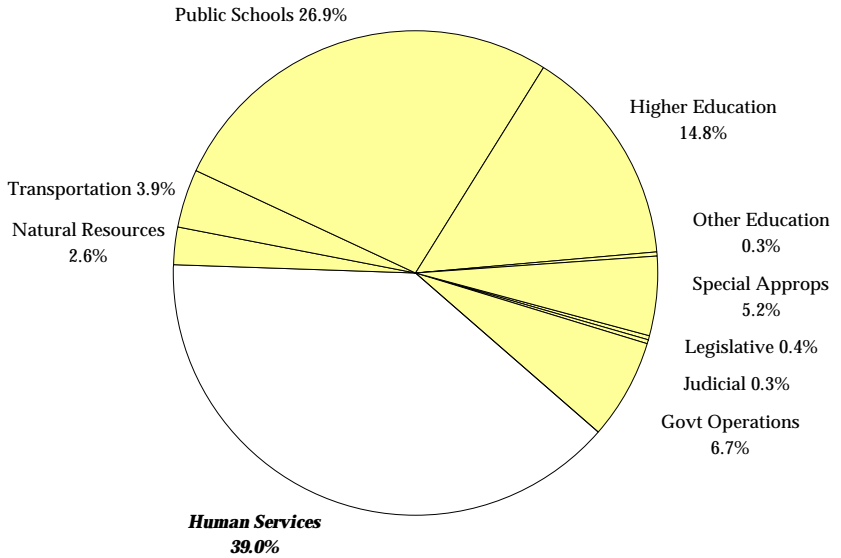
The Human Services area is separated into two sections. The Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section 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.

1997-99 Washington State Operating Budget

Total Budgeted Funds

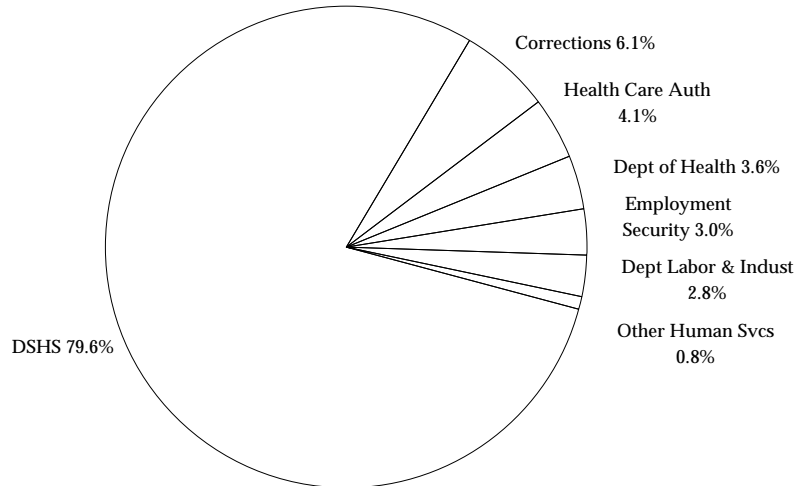
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

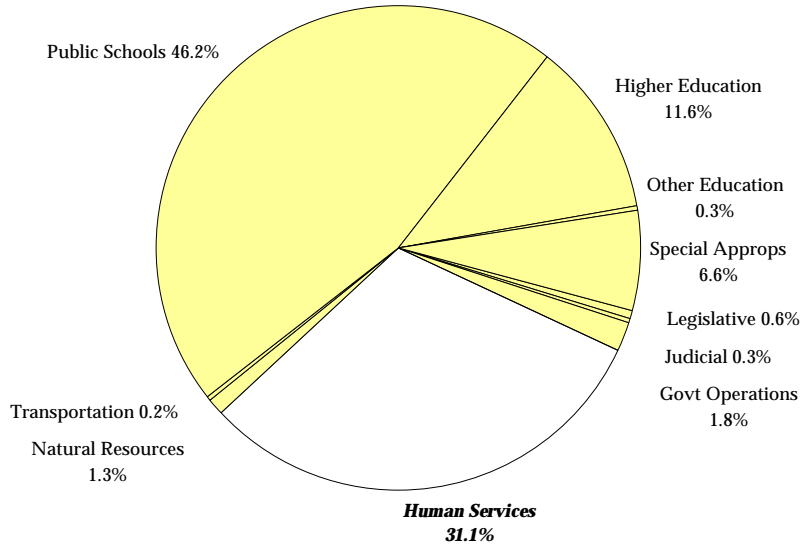
DSHS	11,074,351
Dept of Corrections	845,896
Health Care Authority	572,185
Dept of Health	507,113
Employment Security	420,582
Dept of Labor & Indust	384,147
Other Human Svcs	114,157
Human Services	13,918,431



Human Services

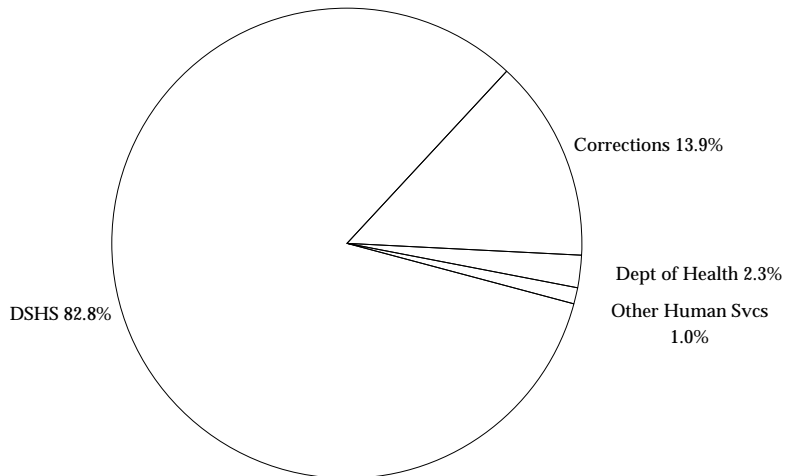
1997-99 Washington State Operating Budget
General Fund - State
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

DSHS	4,912,039
Dept of Corrections	822,442
Dept of Health	136,322
Other Human Svcs	59,990
Human Services	5,930,793



Human Services

Department of Social & Health Services

Children and Family Services

The budget provides \$9.4 million from the state general fund for distribution to local governments for processing of truancy, children in need of services, and at-risk youth petitions reflecting costs related to the Becca Bills. This increase brings the total amount of funding to counties for Becca-related costs to \$14 million.

A total of \$322,000 in state and federal funds is provided to implement Chapter 314, Laws of 1998, Partial Veto (SHB 2556), an act related to child abuse prevention and treatment. Other bill provisions include an evaluation by the Institute for Public Policy of Washington's options to implement federally-required citizen review panels and child welfare intervention for mothers giving birth to drug or alcohol affected infants. These provisions are funded in fiscal year 1999 by an interagency contract with the Department of Community, Trade, and Economic Development.

A total of \$70,000 from the state general fund is provided for the Foster Intervention Retention Support Team (FIRST). FIRST is a statewide network of volunteers who provide support to foster parents who find themselves under investigation by child protective services for an alleged misconduct or license violation.

A variety of caseload, funding transfers, and other technical adjustments are also made to the Children and Family Services budget. These adjustments decrease the original appropriation by \$488,000 in state and federal funds.

Juvenile Rehabilitation Administration

The amount of \$2.7 million from the Violence Reduction and Drug Enforcement Account is provided for the Community Juvenile Accountability Act (CJAA) grant process established by Chapter 338, Laws of 1997 (E3SHB 3900). The CJAA grants will be distributed to local communities to implement interventions aimed at reducing juvenile crime and recidivism. The budget provides \$200,000 for the remaining planning and development activities in fiscal year 1998, with full implementation beginning in fiscal year 1999 at a cost of \$2.5 million per year.

A total of \$2.4 million from the state general fund is provided to implement Chapter 269, Laws of 1998 (E2SSB 6445), which modifies provisions related to the placement of youth in Juvenile Rehabilitation Administration (JRA) community facilities. An amount of \$482,000 from the state general fund is provided to continue to implement Chapter 386, Laws of 1997, Partial Veto (E2SSB 5710), which required JRA to develop a policy to protect youth placed in residential facilities who are vulnerable to sexual victimization by other youth.

A variety of caseload, funding transfers, and other technical adjustments are also made to JRA's budget. These adjustments increased JRA's original appropriations by \$1.8 million in state and federal funds.

Mental Health Division

A total of \$5.0 million in state and federal funds is provided for four emergent budgetary issues at the state hospitals. These include: the need for additional direct and indirect patient care staff; increased costs and utilization of outside acute or emergency medical services; increased costs of psychotropic drugs and greater utilization of atypical anti-psychotic drugs; and census pressure on the admissions ward at the Legal Offender Unit at Western State Hospital.

A total of \$3.5 million is provided from state general fund for the relocation of the Special Commitment Center (SCC) from Monroe to McNeil Island. The relocation is necessary due to higher than projected growth in the number of people being civilly committed as sex predators. This funding provides for the costs associated with this larger population, the one-time SCC relocation expenses, and costs associated with housing and treatment of a female resident at a separate facility.

A total of \$3.0 million in state and federal funds is provided to implement Chapter 297, Laws of 1998, Partial Veto (2SSB 6214), which makes a variety of changes to the civil commitment and criminal competency statutes. The budget also includes a reduction of \$2 million in state and federal funds as a result of 30 dually diagnosed (mentally ill and developmentally disabled) patients leaving the state hospitals. A variety of other caseload, funding transfers, and technical adjustments are also made to the Mental Health Division's original biennial appropriations.

Developmental Disabilities

The supplemental budget provides \$16.7 million (\$8.2 million state general fund) to develop intensively supervised residential placements for 169 persons with developmental disabilities whose behaviors might otherwise pose a significant threat to the community at large.

The number of children and adults receiving state-funded assistance with personal care activities is growing faster than originally budgeted, as is the cost per person served. An additional \$10.3 million (\$4.7 million state general fund) is provided to sustain this growth, bringing total growth in the program for the biennium to \$34.1 million over the 1995-97 level. Sufficient funding is also provided for the agency to authorize exceptional payment rates for persons living with their parents at the same level as before the blanket prohibition on such payments went into effect in September 1997.

Some of the other supplemental increases for the developmental disabilities program include: new employment and day training opportunities for 360 adults (\$1.8 million); additional staffing to improve care and treatment in the state institutions (\$6.2 million); new community programs for 41 persons who moved from state institutions last biennium and for an additional 44 who are doing so in the 1997-99 biennium (\$3.2 million); and new community residential placements for 76 young people previously served in children's foster care (\$3.7 million).

Long-Term Care

An additional \$32.8 million (\$14.6 million state general fund) is provided to continue the recent rapid expansions in the number of persons receiving publicly funded long-term care in their own homes and in community residential facilities, and in the average cost of that care. The number of elderly and disabled people receiving community long-term care is now budgeted to increase by an average of 11.5 percent each year in the 1997-99 biennium, rather than by the 9 percent per year originally budgeted. The total state population aged 75 and older will grow by approximately 3 percent per year during this same period.

Efforts to assure that community programs are providing appropriate care will be increased through two enhancements. An additional \$1.9 million (\$1.4 million state general fund) is provided to double the number of boarding home inspections. An \$8.7 million supplemental appropriation (\$4.6 million state general fund) will fund 60 additional state and Area Agency on Aging case managers to develop, coordinate, and monitor individual service plans.

Nursing home payment rates will increase an average of 2.7 percent the second year of the biennium under the new "case-mix" payment system adopted by the 1998 Legislature. Under this new system, the direct care component of the payment rate will be directly tied to patient care needs. Transition to the new payment system will be eased by paying facilities the higher of their current direct care rate, or the new case-mix rate, over the next several fiscal years. The legislation establishing the new payment system provides for future rate increases to be determined as part of the biennial budgeting process rather than by statutory entitlement.

Economic Services

In 1997, as part of welfare reform, the Legislature directed DSHS to provide grants to community action agencies and other community-based organizations to help people on welfare become ready for employment and the transition off of public assistance. The 1998 supplemental budget allocated \$5.0 million from the federal Temporary Assistance For Needy Families (TANF) block grant to the Department of Community, Trade, and Economic Development for WorkFirst grants to community action agencies or other local nonprofit organizations. The proviso directing such an allocation was subsequently vetoed by the governor.

In the 1997 Legislative session, funds were appropriated to cover legal immigrants losing eligibility for Supplemental Security Income under changes made in federal welfare reform.

In the 1998 supplemental budget, General Assistance Program savings of \$49.3 million in state general funds are realized primarily because Congress restored federal SSI benefits for thousands of legal immigrants. If a legal immigrant was receiving SSI benefits on August 22, 1996, or arrived in this country by that date and presents a qualifying disability, federal income support will be available.

Other transfers and technical adjustments are made to the Economic Services budget. These adjustments reduce the original appropriation by \$4.36 million in state and federal funds.

Alcohol and Substance Abuse

Effective July 1, 1998, Treatment Alternatives to Street Crimes (TASC) will be administered by the Division of Alcohol and Substance Abuse (DASA), rather than the Office of the Administrator for the Courts (OAC). The budget transfers \$3.2 million of Public Safety and Education Account funding from OAC to operate the TASC program in fiscal year 1999.

Other funding transfers and technical adjustments are made to the DASA budget. These adjustments increase the original appropriation by \$4.6 million in state and federal funds.

Medical Assistance

An average of about 760,000 people per month are budgeted to receive medical and dental coverage through Medicaid and other state-funded medical assistance programs. Due to the effects of the WorkFirst welfare reform, the number of adults and children covered by Medicaid because of their eligibility for state income assistance programs is projected to decrease by 43,000 (14 percent) from the level originally budgeted. This decrease is offset by more growth than originally budgeted among children with family incomes below 200 percent of poverty who are not on welfare.

Medical Assistance expenditures are now expected to total \$4.0 billion for the 1997-99 biennium, an \$89 million (2.3 percent) increase over the level originally budgeted for the biennium. Because of a \$44 million increase in federal matching funds and disproportionate share hospital payments, state general fund expenditures will be \$30 million less than originally budgeted.

Administration and Supporting Services

The budget provides \$323,000 in state and federal funds to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345), a regulatory reform bill making several changes to the Administrative Procedures Act related to rule making, review, and notification by state agencies. Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

Savings of \$39,000 in state and federal funds are realized from implementation of Chapter 66, Laws of 1998 (ESHB 2346). Legal remedies and dispute resolutions for recovery of vendor overpayments will now be the same as the process used by the Department for public assistance benefits and child support orders.

Payments to Other Agencies

As discussed above in Children and Family Services, a total of \$144,000 in state and federal funds are provided to implement Chapter 314, Laws of 1998, Partial Veto (SHB 2556), an act related to child abuse prevention and treatment.

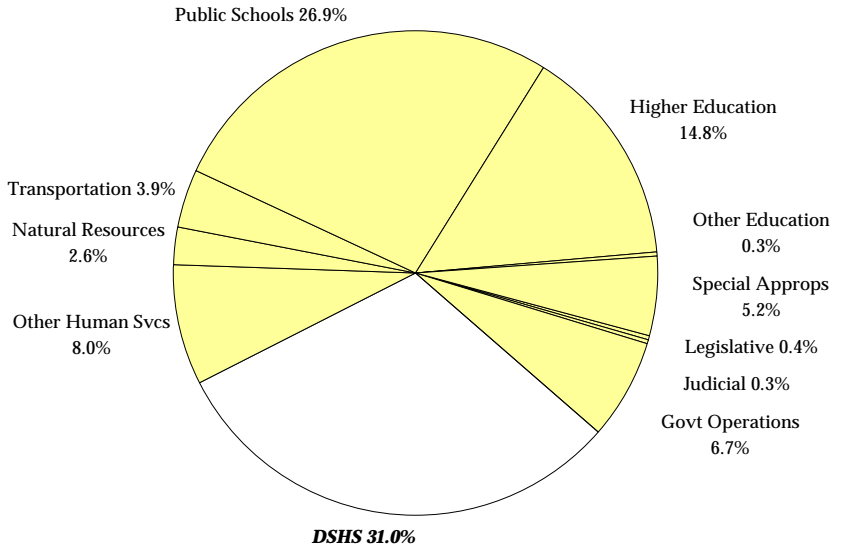
A total of \$750,000 from the state general fund is provided for Attorney General (AG) tort defense in lawsuits involving child welfare and placement activities by the Department. Joint recommendations on how to reduce or limit the state's liability for damages are expected from the AG and the Department by December 1, 1998.

1997-99 Washington State Operating Budget

Total Budgeted Funds

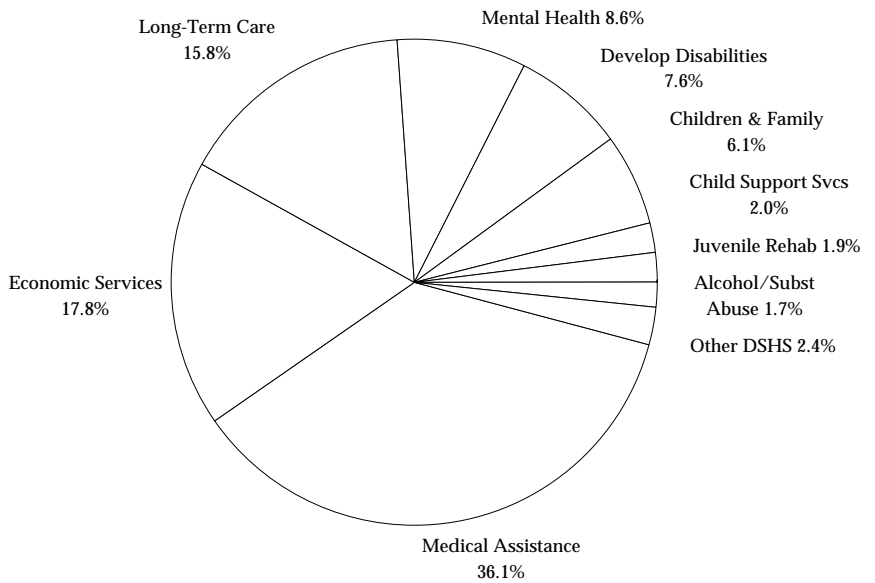
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
DSHS	11,074,351
Other Human Services	2,844,080
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

Medical Assistance	4,000,043
Economic Services	1,967,058
Long-Term Care Svcs	1,749,297
Mental Health	957,283
Developmental Disabilities	845,694
Children & Family Svcs	671,520
Child Support Services	220,303
Juvenile Rehabilitation	209,294
Alcohol/Subst Abuse	190,630
Other DSHS	263,229
DSHS	11,074,351



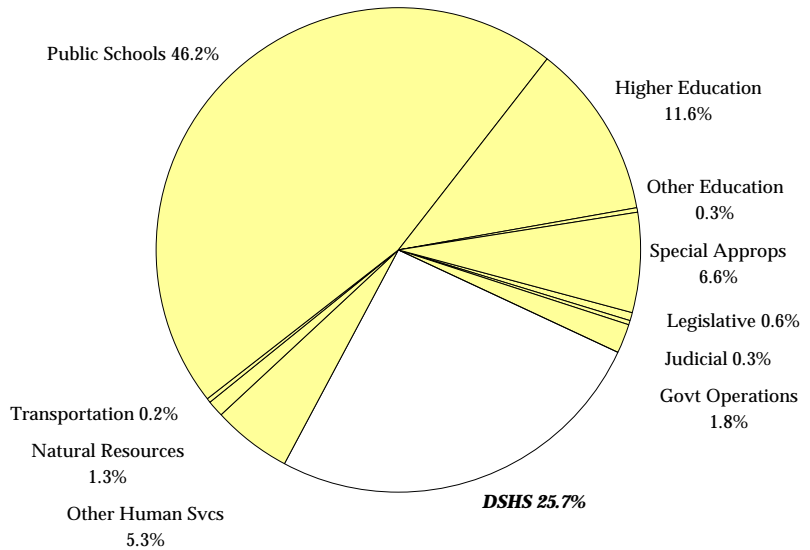
DSHS

1997-99 Washington State Operating Budget

General Fund - State

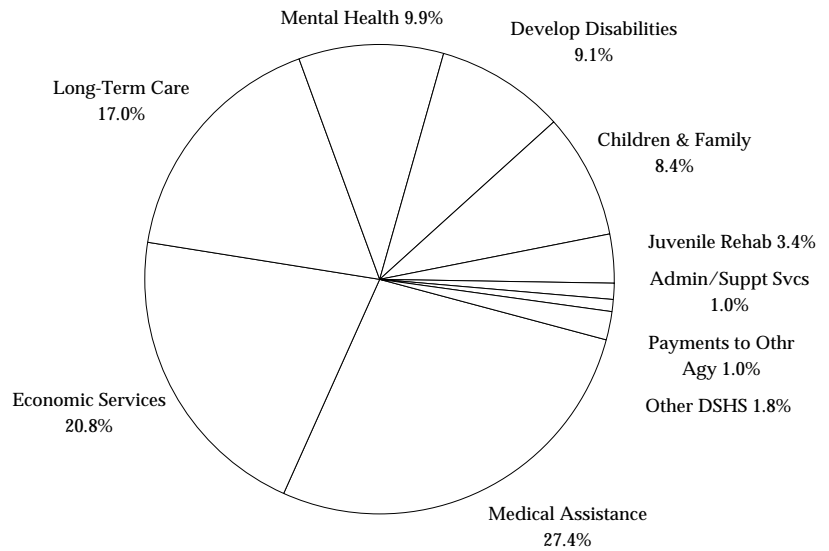
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
DSHS	4,912,039
Other Human Services	1,018,754
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

Medical Assistance	1,348,187
Economic Services	1,020,443
Long-Term Care Svcs	834,599
Mental Health	488,210
Developmental Disabilities	449,025
Children & Family Svcs	414,488
Juvenile Rehabilitation	164,886
Admin/Support Svcs	51,370
Pmts to Other Agencies	50,084
Other DSHS	90,747
DSHS	4,912,039



DSHS

Department of Social and Health Services Children & Family Services

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	405,298	256,899	662,197
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-916	-248	-1,164
2. Vendor Rate Transfer	7,621	1,754	9,375
3. FMAP Change	-248	248	0
4. Children's Forecast Update	-2,260	-1,023	-3,283
5. Child Abuse & Treatment Act	255	67	322
6. DDD Dependent Children Transfer	-6,402	-2,649	-9,051
7. ECEAP Program Consolidation	3,000	0	3,000
8. Becca Bill Related Costs	9,419	0	9,419
9. Social Service Block Grant Decrease	451	-451	0
10. Secured Crisis Residential Centers	-1,800	0	-1,800
11. Foster Parent Support Teams	70	0	70
12. Victims of Crime Federal Increase	0	2,435	2,435
Total Supplemental Items	9,190	133	9,323
<hr/>			
1997-99 REVISED APPROPRIATIONS	414,488	257,032	671,520
Fiscal Year 1998 Total	201,453	127,358	328,811
Fiscal Year 1999 Total	213,035	129,674	342,709

Comments:

This budget directs that the Children's Administration will forego use of \$3.495 million in appropriations from the Violence Reduction and Drug Enforcement (VRDE) account in exchange for a like amount of federal Title IV-B money from Community Public Health and Safety Networks. The budget contains changes in fund sources and proviso language (includes Continuum of Care) to implement this fund swap.

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Children and Family Services program. (General Fund-State, General Fund-Federal)
2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Children and Family Services program. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)
3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches state child and family service expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)
4. CHILDREN'S FORECAST UPDATE - Funding is provided to reflect the following November 1997 forecast changes: (1) the

total family foster home expenditures will decrease by approximately 6.9 percent; (2) group care expenditures will increase by approximately 8.7 percent; and (3) adoption support expenditures will decrease by approximately 3 percent. (General Fund-State, General Fund-Federal)

5. CHILD ABUSE & TREATMENT ACT - Funding is provided to establish a fair hearing process and to accelerate permanency planning for teenage children in foster care in order to meet new federal standards under CAPTA (the Child Abuse Prevention and Treatment Act of 1996) and AFSA (the Adoption and Safe Families Act of 1997). Reimbursements for services provided by the Office of Administrative Hearings and the Office of the Attorney General are budgeted in the DSHS Payments to Other Agencies program. (General Fund-State, General Fund-Federal)
6. DDD DEPENDENT CHILDREN TRANSFER - This item reflects the transfer of \$9 million in staff, equipment, and out-of-home care resources to the Division of Developmental Disabilities (DDD) for 300 of approximately 1,000 developmentally disabled children who have been receiving out-of-home care placement services from the Children's Administration and were placed in out-of-home care for reasons other than abuse or neglect. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Children & Family Services

7. ECEAP PROGRAM CONSOLIDATION - Washington matches state expenditures for early childhood education drawing federal grants on behalf of eligible children through DSHS. Last year, Congress consolidated its child care support for states into a single block grant known as the Child Care Development Fund (CCDF). As an efficiency measure, a portion of the Early Childhood Education Assistance Program (ECEAP) funded through Economic Services is transferred to the Children's Administration.
8. BECCA BILL RELATED COSTS - Funding is provided to the counties for the cost of processing truancy, child in need of services (CHINS), and at-risk youth petitions related to the Becca Bill. This constitutes one-time funding for this purpose. Ongoing funding is assumed to be provided through the county criminal justice assistance account beginning in FY 2000.
9. SOCIAL SERVICE BLOCK GRANT DECREASE - Congress has reduced federal funding for the Social Service Block Grant (SSBG) for FFY 1998. This item replaces the federal reduction with state funding so services paid for through the block grant can be maintained at their current level. Any reductions in the FFY 1999 block grant amount will be considered as part of the 1999 supplemental. (General Fund-State, General Fund-Federal)
10. SECURED CRISIS RESIDENTIAL CENTERS - Funding is adjusted on a one-time basis to reflect lower than anticipated costs to operate secured Crisis Residential Centers (CRCs) in FY 1998. More bidders have responded to the Department's November request for proposal, and the agency expects to be operating at or near full capacity (75 beds statewide) by the summer.
11. FOSTER PARENT SUPPORT TEAMS - Funding is provided for administrative expenses of the Foster Intervention Retention Support Team (FIRST). FIRST is a statewide network of volunteers who provide support to foster parents who find themselves under investigation by child protective services for alleged misconduct or license violation.
12. VICTIMS OF CRIME FEDERAL INCREASE - Due to several large penalty deposits into the national Crime Victim's Fund last year, aid from the Justice Department for programs designed to assist victims of sexual assault and other crimes will be higher than anticipated in the original 1997-99 biennial budget. (General Fund-Federal)

Department of Social and Health Services Children & Family Services

WORKLOAD HISTORY By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
Foster Care *										
Avg # Children Served Monthly	6,143	6,441	6,734	6,723	6,665	6,762	8,215	8,118	8,412	8,541
% Change from prior year		4.9%	4.5%	-0.2%	-0.9%	1.5%	21.5%	-1.2%	3.6%	1.5%
Child Care **										
Avg # Children Served Monthly	5,235	6,051	6,386	7,109	7,715	7,100	7,241	7,275	7,275	7,275
% Change from prior year		15.6%	5.5%	11.3%	8.5%	-8.0%	2.0%	0.5%	0.0%	0.0%
Child Protective Services										
Avg Cases Referred Monthly	3,644	4,301	5,819	5,699	5,750	6,108	6,241	6,602	6,986	7,391
% Change from prior year		18.0%	35.3%	-2.1%	0.9%	6.2%	2.2%	5.8%	5.8%	5.8%
Avg Cases Per Worker	32:1	31:1	31:1	33:1	36:1	36:1	32:1	32:1	29:1	29:1
Adoption Support										
Avg # Served Monthly	1,351	1,598	1,901	2,361	2,843	3,186	3,678	4,040	4,459	4,837
% Change from prior year		18.3%	19.0%	24.2%	20.4%	12.1%	15.4%	9.8%	10.4%	8.5%

* Includes Family Foster Care and Group Foster Care.

** Includes the following services: Protective/Welfare, Therapeutic, Teen Parent, Seasonal, and Foster Parent Employment. Employment Child Care is no longer included.

Data Source:

DSHS Budget Division.

Department of Social and Health Services Juvenile Rehabilitation

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	157,629	44,344	201,973
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-138	0	-138
2. Vendor Rate Transfer	1,642	293	1,935
3. FMAP Change	-22	22	0
4. Community Juvenile Accountability	0	2,700	2,700
5. Residential Bed Forecast Adjustment	-204	-13	-217
6. Group Home Security	2,365	0	2,365
7. Sexually Aggressive Youth	482	0	482
8. Social Service Block Grant Decrease	2,938	-2,938	0
9. Delinquency Prevention Project	150	0	150
10. Sex Offender Registration	44	0	44
Total Supplemental Items	7,257	64	7,321
<hr/>			
1997-99 REVISED APPROPRIATIONS	164,886	44,408	209,294
Fiscal Year 1998 Total	81,733	17,485	99,218
Fiscal Year 1999 Total	83,153	26,923	110,076

Comments:

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Juvenile Rehabilitation Administration. (General Fund-State, General Fund-Federal)
2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that appropriation which will actually be used for vendor rate increases in the Juvenile Rehabilitation Administration. (General Fund-State, Violence Reduction and Drug Enforcement Account, General Fund-Federal)
3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)
4. COMMUNITY JUVENILE ACCOUNTABILITY - Chapter 338, Laws of 1997 (E3SHB 3900) established the Community Juvenile Accountability Act (CJAA) grant process. The grants are intended to be an incentive to local communities to implement interventions proven by research to be effective in reducing recidivism among juvenile offenders. Funding is provided for CJAA planning and development in FY 1998 and full implementation in FY 1999 at \$2.5 million per year. (Violence Reduction and Drug Enforcement Account)
5. RESIDENTIAL BED FORECAST ADJUSTMENT - Funding is adjusted to correspond to projected population changes included in the November 1997 forecast. The Juvenile Rehabilitation Administration's (JRA) institutional population is forecasted to decrease by 49 offenders in FY 1998 and increase by 13 offenders in FY 1999 from the November 1996 forecast. In addition, funding is provided to keep two cottages at Maple Lane open for FY 1999. The original 1997-99 biennial budget assumed that these smaller and less efficient cottages would be closed. These cottages will remain open as more efficient housing units are constructed. All institutional beds are funded using the rates established by the Joint Legislative Audit and Review Committee in their January 1997 study. Funding levels are also adjusted for parole and other community services programs to reflect changes in projected workload. (General Fund-State, General Fund-Federal)
6. GROUP HOME SECURITY - Funding is provided to implement Chapter 269, Laws of 1998 (E2SSB 6445), which modifies provisions related to juveniles placed in the JRA's community facilities. The specific modifications include: the establishment of placement oversight committees at each of the facilities; the gathering of additional information during the intake and assessment process; revising the criteria by which offenders are allowed to transfer into community facilities; and providing for additional monitoring of the contracted and state operated facilities. The bill also requires a special study of: the contracts, operations, and monitoring of community facilities; juvenile detention standards; and an assessment of outcomes for low and moderate risk offenders provided parole services.

Department of Social and Health Services Juvenile Rehabilitation

7. SEXUALLY AGGRESSIVE YOUTH - Chapter 386, Laws of 1997 (E2SSB 5710) directed the Department to develop a policy to protect youth placed in state operated or state funded residential facilities who are vulnerable to sexual victimization by sexually aggressive youth. Funding was provided to implement the provisions of the bill in the original 1997-99 biennial budget. During the implementation of the bill, the Department found that it was unable, especially on one person shifts, to supervise offenders in such a way as to avoid the potential for inappropriate sexual contact. Funding is provided to increase staffing on certain shifts to further minimize the potential for sexual contact.
8. SOCIAL SERVICE BLOCK GRANT DECREASE - The Social Service Block Grant, authorized under the Social Security Act, Title 20, enables each state to furnish social services best suited to the needs of the individuals residing in each state. However, the United States Congress has reduced this funding in FFY 1998. State funding is provided to replace federal funds so the Department can maintain its services at the current level. (General Fund-State, General Fund-Federal)
9. DELINQUENCY PREVENTION PROJECT - Funding is provided for the Skagit County Delinquency Prevention Project. The program provides a variety of prevention and intervention services to high risk youth and their families.
10. SEX OFFENDER REGISTRATION - Funding is provided for the implementation of Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

Department of Social and Health Services Juvenile Rehabilitation

WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
Community Residential *										
Avg Daily Population/Month	199	217	253	314	353	346	359	362	389	389
% Change from prior year		9.0%	16.6%	24.1%	12.4%	-2.0%	3.8%	0.8%	7.5%	0.0%
Institutions										
Avg Daily Population/Month	588	648	683	720	753	915	1,007	1,028	1,010	1,087
% Change from prior year		10.2%	5.4%	5.4%	4.6%	21.5%	10.1%	2.1%	-1.8%	7.6%
Parole										
Avg Daily Population/Month	358	423	496	537	595	765	917	949	972	737
% Change from prior year		18.2%	17.3%	8.3%	10.8%	28.6%	19.9%	3.5%	2.4%	-24.2%

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

Data Source:

FY 1990 through FY 1999 from DSHS Juvenile Rehabilitation Administration.

Department of Social and Health Services Mental Health

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	474,344	465,001	939,345
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-290	-94	-384
2. Vendor Rate Transfer	8,965	6,912	15,877
3. FMAP Change	-1,134	1,134	0
4. Medical Lake Wastewater Treatment	150	0	150
5. Underfunding for Staff	953	952	1,905
6. Outside Medical Costs	564	564	1,128
7. Pharmacy & New Drug Costs	510	508	1,018
8. Medicare Discharges	1,700	-1,700	0
9. Forensic Overcrowding - WSH	580	341	921
10. Medicare Crossover Payments	-2,566	-2,684	-5,250
11. Special Commitment Ctr: Female Res.	547	0	547
12. Special Commitment Ctr Relocation	2,925	0	2,925
13. Medicaid Eligibles Forecast	0	-1,897	-1,897
14. DD Clients Exiting	-1,275	-750	-2,025
15. Mentally Ill Offender Legislation	2,237	786	3,023
Total Supplemental Items	13,866	4,072	17,938
1997-99 REVISED APPROPRIATIONS	488,210	469,073	957,283
Fiscal Year 1998 Total	243,069	229,435	472,504
Fiscal Year 1999 Total	245,141	239,638	484,779

Comments:

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|---|--|
| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Mental Health Division. (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that appropriation which will actually be used for vendor rate increases in the Mental Health Division. (General Fund-State, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)</p> <p>4. MEDICAL LAKE WASTEWATER TREATMENT - DSHS is working with the City of Medical Lake to develop a regional wastewater treatment facility that will provide service to the city and to state facilities. As part of the interlocal agreement, the state is required to provide its share of funds to repay the city for the construction financing it borrows on the state's behalf.</p> | <p>5. UNDERFUNDING FOR STAFF - Funding is provided for staff that provide essential direct and indirect patient services. Both hospitals have experienced increased forensic admissions at their respective legal offender units. This funding will allow the state hospitals to address increased admissions, as well as maintain appropriate patient care and hospital accreditation. (General Fund-State, General Fund-Federal, General Fund-Private/Local)</p> <p>6. OUTSIDE MEDICAL COSTS - Patients at the state mental hospitals who require acute or emergency medical care beyond the level the state hospitals can provide are sent off-campus to be treated at community hospitals. Funding is provided to cover increases in these expenses. (General Fund-State, General Fund-Federal, General Fund-Private/Local)</p> <p>7. PHARMACY & NEW DRUG COSTS - Recently, a number of new psychotropic medications have been introduced, as well as advances in new drugs and antibiotics for use in physical medicine. Although funding for prescription drugs was provided in the original 1997-99 biennial budget, including 4 percent annual inflation, the cost of the new drugs exceeds this level. Funding is provided for the higher pharmacy costs at the state hospitals. (General Fund-State, General Fund-Federal, General Fund-Private/Local)</p> |
|---|--|

Department of Social and Health Services Mental Health

8. MEDICARE DISCHARGES - A recent change by the Health Care Financing Administration (HCFA) directs that state psychiatric hospitals begin using a discharge definition of 30 days for Medicare settlement purposes. This funding replaces estimated lost federal revenue for FY 1998 only. It is anticipated that issues related to the HCFA policy change will be successfully resolved. (General Fund-State, General Fund-Private/Local)
9. FORENSIC OVERCROWDING - WSH - The admission ward at Western State Hospital's Legal Offender Unit (LOU) has become seriously overcrowded. There are 27 beds in the LOU admission ward, and it has recently been housing an average of 30 to 35 persons on any given day. Western State Hospital does not have the option to refuse court commitments. Funding is provided to hire additional staff to perform evaluations in local jails prior to admission to LOU. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
10. MEDICARE CROSSOVER PAYMENTS - In January 1996, a federal court ordered that service payments on behalf of people eligible for both Medicare and Medicaid (Medicare crossover payments) shall be adjusted to 50 percent of the Medicare-allowed amount regardless of Medicaid limits. In the recent federal Balanced Budget Act, states were allowed to impose their own Medicaid limits on these Medicare crossover payments effective October 1997. This item reflects this policy change. (General Fund-State, General Fund-Federal)
11. SPECIAL COMMITMENT CTR: FEMALE RES. - In September 1997, a court injunction required that the only female resident in the Special Commitment Center be moved out of that facility by October 1997. In order to meet the court's deadline, she has been temporarily relocated to a vacant segregation unit at Twin Rivers Correctional Center (TRCC) until a long-term solution can be developed for this resident. Funding is provided for additional staff for treatment and security of the female resident.
12. SPECIAL COMMITMENT CTR RELOCATION - The Special Commitment Center (SCC) at Monroe is expecting a growth rate for new residents greater than that assumed in the original 1997-99 biennial budget. Funding is provided for the staff to accommodate the resident growth and court costs increases. In addition, one-time moving costs are provided to move the SCC from Monroe to McNeil Island.
13. MEDICAID ELIGIBLES FORECAST - The Mental Health Division contracts with the Regional Support Networks to provide managed care for inpatient and outpatient mental health services. Funding levels for the managed care prepaid health plans is based on the Medicaid-eligibles forecast made by the Medical Assistance Administration. The November 1997 forecast is less than the estimate used for the original 1997-99 biennial budget by 1.7 percent in FY 1998 and 0.23 percent in FY 1999. An adjustment is made to the federal match portion only. (General Fund-Federal)
14. DD CLIENTS EXITING - Thirty individuals dually diagnosed with developmental disabilities (DD) and mental illness have been treated in the state hospitals and are ready to return to the community. Funding is provided in the Division of Developmental Disabilities supplemental budget to support these placements. This adjustment to funding in the state hospitals reflects the reduced variable costs associated with the reduction in average daily census resulting from placement of these individuals. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
15. MENTALLY ILL OFFENDER LEGISLATION - Funding is provided for Chapter 297, Laws of 1998, Partial Veto (2SSB 6214), which makes a variety of changes to the civil commitment and criminal competency statutes. As a result of these changes, it is anticipated that there will be an increase in civil commitments to state hospitals and community inpatient facilities. In addition, it is projected that the workload associated with criminal competency evaluation and treatment will increase. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Governor's Vetoes:

The Governor vetoed a proviso requiring the Department of Social and Health Services to develop a staffing model for the Special Commitment Center by October 1, 1998.

Chapter 297, Laws of 1998, Partial Veto (2SSB 6214) made a variety of changes to the civil commitment and criminal competency statutes. The Governor vetoed a section requiring the Department of Corrections to report annually to the legislative fiscal committees on the efficacy of the regional support networks in implementing the act. The Governor also vetoed a section which required the entire act to expire on June 30, 2001.

Department of Social and Health Services Mental Health

WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
State Hospitals *										
Avg Daily Population/Month	1,721	1,731	1,709	1,622	1,428	1,335	1,278	1,277	1,354	1,344
% Change from prior year		0.6%	-1.3%	-5.1%	-12.0%	-6.5%	-4.3%	-0.1%	6.0%	-0.7%
Community Outpatient Services										
	21,675	23,394	25,110	30,108	32,939	36,729	38,427	39,604	40,594	42,502
% Change from prior year		7.9%	7.3%	19.9%	9.4%	11.5%	4.6%	3.1%	2.5%	4.7%
Avg Adults Served per Month	17,218	18,564	19,317	23,070	25,065	27,209	28,040	28,660	29,377	30,757
% Change from prior year		7.8%	4.1%	19.4%	8.6%	8.6%	3.1%	2.2%	2.5%	4.7%
Avg Children Served per Month	4,457	4,830	5,793	7,038	7,874	9,520	10,387	10,944	11,217	11,745
% Change from prior year		8.4%	19.9%	21.5%	11.9%	20.9%	9.1%	5.4%	2.5%	4.7%
Special Commitment Center **										
Avg Monthly Population	N/A	4	11	17	23	28	33	48	58	78
% Change from prior year			175.0%	54.5%	35.3%	21.7%	17.9%	45.5%	20.8%	34.5%

* Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY 1995, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

** Special Commitment Center opened in July 1990.

Data Source:

FY 1990 through FY 1997 are from DSHS Budget Division.

FY 1998 and FY 1999 estimates are by Legislative Fiscal Committees.

Department of Social and Health Services Developmental Disabilities

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	415,063	362,401	777,464
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-137	-132	-269
2. Vendor Rate Transfer	7,656	5,181	12,837
3. FMAP Change	-877	877	0
4. DDD Dependent Children Transfer	5,696	4,607	10,303
5. DD Comm Protection Current Clients	1,471	1,681	3,152
6. New DD Community Protection Clients	6,753	6,807	13,560
7. RHC Downsizing	620	579	1,199
8. Case Manager Staffing	992	425	1,417
9. CA Clients Aging Into DDD	1,905	1,862	3,767
10. AFH Payment Adjustments	1,449	1,460	2,909
11. Mental Health Outplacements	426	469	895
12. Personal Care Exceptional Rates	394	439	833
13. Aging Parents with DD Children	604	604	1,208
14. Medicaid Personal Care	4,290	5,157	9,447
15. Rainier School Settlement	104	106	210
16. Fircrest/DOJ Resolution Placements	614	571	1,185
17. Fircrest Active Client Engagement	758	732	1,490
18. ICF/MR Certification	2,316	2,316	4,632
19. Increased Waiver Funding	-2,793	2,793	0
20. Day Programs for Unserved Adults	1,792	0	1,792
21. BHP Under-Expenditure	0	-2,200	-2,200
22. UCP Movement Adjustment	-71	-66	-137
Total Supplemental Items	33,962	34,268	68,230
1997-99 REVISED APPROPRIATIONS	449,025	396,669	845,694
Fiscal Year 1998 Total	215,564	187,190	402,754
Fiscal Year 1999 Total	233,461	209,479	442,940

Comments:

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| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the division of developmental disabilities (DDD). (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in DDD. (General Fund-State, Health Services Account, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> | <p>4. DDD DEPENDENT CHILDREN TRANSFER - As DSHS proposed, administrative responsibility for children with developmental disabilities (DD) placed into out-of-home care for reasons other than abuse or neglect will be transferred from the Children's Administration (CA) to DDD. Approximately 300 of the 1,000 children with DD who receive out-of-home care or placement prevention services from CA are thought to meet this definition. This item reflects: transfer of \$9 million of staff, equipment, and out-of-home care costs effective July 1, 1998; \$670,000 of increased funding for new costs which DDD is expected to incur in administering the program; and \$582,000 of increased funding for an anticipated 7 percent per year increase in the number of children approved for out-of-home placement as a result of the transfer. Less state and more federal funding is provided than proposed by DSHS in anticipation of federal approval by October 1, 1998 of waiver and plan amendments which will enable DDD to earn a significantly higher federal match rate for these children than has been possible through CA. (General Fund-State, General Fund-Federal)</p> |
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Department of Social and Health Services Developmental Disabilities

5. DD COMM PROTECTION CURRENT CLIENTS - In the 1997-99 biennial budget, funding was provided for the agency to operate secure residential settings with 24-hour supervision for 40 developmentally disabled persons with histories of physically or sexually abusive behaviors or arson. Over the course of the past year, the agency identified and placed 24 more such individuals than originally budgeted into more secure living arrangements. (General Fund-State, General Fund-Federal)
6. NEW DD COMMUNITY PROTECTION CLIENTS - In addition to those funded in item 5 above, the agency has identified an additional 129 persons with similar dangerous behaviors who are currently in non-secure living arrangements or about to leave jail or mental health hospitals. Funding is provided to operate secure residential settings for these 129 individuals and also an additional 16 persons who are expected to be identified before the end of the biennium. (General Fund-State, General Fund-Federal)
7. RHC DOWNSIZING - The agency developed new community services for 41 individuals who moved from the Residential Habilitation Centers (RHCs) during the 1995-97 biennium. Although less than half the cost of the new community placements was covered by RHC savings, the agency proceeded with the placements without first seeking appropriation authority from the Legislature. This item funds the extra costs which will be incurred after enactment of the 1998 Appropriations Act. The agency is responsible for covering the costs it incurred without legislative authorization through efficiencies elsewhere in its operations. (General Fund-State, General Fund-Federal)
8. CASE MANAGER STAFFING - The agency has added 20.5 case management staff to keep up with caseload and workload increases. These new expenditures were incurred without first seeking appropriation authority from the Legislature. This item funds the extra costs which will be incurred after enactment of the 1998 Appropriations Act. The agency is responsible for covering the costs it incurred without legislative authorization through efficiencies elsewhere in its operations. (General Fund-State, General Fund-Federal)
9. CA CLIENTS AGING INTO DDD - Funding is provided for placement of 76 young persons who will need residential services funded through DDD because they have reached an age at which they are no longer eligible for out-of-home care through CA. This item also includes funding for staff to develop new provider resources for these individuals. The legislative budget provides sufficient funding for the new residential services for these young people to cost 15 percent more than their current placement. (General Fund-State, General Fund-Federal)
10. AFH PAYMENT ADJUSTMENTS - The Aging and Adult Services Administration has doubled its payment rates for adult family homes (AFH) since 1995 in order to expand community residential options for its clients. This has had the unintended effect of creating higher average payment rates for adult family homes serving the aged than for those serving persons with developmental disabilities. This is making placements for persons with developmental disabilities more difficult to achieve. This funding level will allow the agency to provide exceptional rates in situations where new or continued placement is difficult. (General Fund-State, General Fund-Federal)
11. MENTAL HEALTH OUTPLACEMENTS - Funding is provided to cover the cost of residential and day program services for 10 long-term residents of the state mental hospitals whose needs cannot be accommodated in existing community vacancies. (General Fund-State, General Fund-Federal)
12. PERSONAL CARE EXCEPTIONAL RATES - Funding is restored so that the agency may once again authorize exceptional care rates at the same expenditure level as was occurring prior to the blanket prohibition on such exceptions which went into effect in September 1997. (General Fund-State, General Fund-Federal)
13. AGING PARENTS WITH DD CHILDREN - Funding is provided for residential and other services for 24 persons living with aging parents who are expected to need out-of-home placement during the 1997-99 biennium due to their parents' death or illness. (General Fund-State, General Fund-Federal)
14. MEDICAID PERSONAL CARE - Caseload growth and average costs per case for Medicaid Personal Care are both growing faster than originally budgeted. The supplemental budget provides for an average of 2,100 children to be served each month during FY 1998 (a 39 percent increase over last year) and an average of 4,388 adults (an 11 percent increase over FY 1997). An average of 2,656 children and 4,868 adults are expected to be served in FY 1999. This is an additional 26 percent increase for children and an additional 11 percent increase for adults over the FY 1998 level. (General Fund-State, General Fund-Federal)
15. RAINIER SCHOOL SETTLEMENT - Funding is provided to settle a lawsuit with the Washington Protection and Advocacy Agency by providing community residential and day program services for two individuals who want to move from Rainier School. (General Fund-State, General Fund-Federal)
16. FIRCREST/DOJ RESOLUTION PLACEMENTS - The Department of Justice (DOJ) began investigating conditions at Fircrest School in 1993. In an agreement with DOJ to avoid court action against Fircrest, the agency has agreed to place 32 Fircrest residents into community residential settings during the 1997-99 biennium. Funding is provided for new community residential, day program, and case management services for these 32 persons. The cost of these new services is partly offset through closure of one 16-bed living unit at Fircrest during FY 1999 with a second to be closed by the beginning of FY 2000. (General Fund-State, General Fund-Federal)
17. FIRCREST ACTIVE CLIENT ENGAGEMENT - As part of the resolution with the Department of Justice (DOJ) to improve conditions at Fircrest School, DSHS has agreed to additional staff coverage to ensure active client engagement and implementation of behavior and skill development programs. This item also includes funding for a DOJ consultant, contract personnel, and additional staff to meet DOJ concerns, the costs of which the Department has been absorbing. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Developmental Disabilities

18. ICF/MR CERTIFICATION - During recent certification surveys, the Intermediate Care Facilities for the Mentally Retarded (ICF/MR) at three of the state's Residential Habilitation Centers (RHCs) have been found to be out of compliance in the area of providing continuous active treatment to residents. To correct this deficiency and to maintain federal funding for the RHCs, additional staff is provided to maintain continuous treatment for residents' health and skill development during staff breaks. (General Fund-State, General Fund-Federal)
19. INCREASED WAIVER FUNDING - The 1997 Federal Balanced Budget Act will enable Washington to collect approximately \$2.8 million of new federal Medicaid match on the cost of employment services which were previously funded entirely with state dollars. (General Fund-State, General Fund-Federal)
20. DAY PROGRAMS FOR UNSERVED ADULTS - The state funds saved as a result of the increased federal match in item 19, above, will be used to provide day program services for approximately 360 adults who are currently unserved. The 360 unserved adults are expected to phase into services during April - June 1998. Because it will not be possible to spend all of the new funds available for FY 1998 during this start-up period, approximately \$994,000 of the state fund savings are used to offset the cost of the Medicaid personal care caseload growth funded in this budget.
21. BHP UNDER-EXPENDITURE - Workers with family incomes below 200 percent of poverty who provide homecare services to people with developmental disabilities are eligible to enroll in the Basic Health Plan (BHP) at a cost of \$10 per month, with the balance of their premium cost covered by state Health Services Account and federal funds appropriated to DDD. Fewer homecare workers are enrolling in the BHP than budgeted, so this item adjusts funding accordingly. (Health Services Account, General Fund-Federal)
22. UCP MOVEMENT ADJUSTMENT - The original biennial budget provided \$1.4 million for the United Cerebral Palsy (UCP) Association to develop community housing arrangements for the 57 people who would otherwise be living in its nursing facility. Due to an updated movement schedule, it now appears that only about \$1.25 million of additional public funding will be needed to complete the movements, but more money than originally planned will be needed in FY 1999 and less in FY 1998. (General Fund-State, General Fund-Federal)

Governor's Vetoes:

The Governor vetoed a proviso which prohibited the Department from reducing the number of people served in community residential, employment, and family support services below the levels originally budgeted for the biennium. The Governor also vetoed a proviso requiring the Department to implement a pilot project for serving persons with autism.

Department of Social and Health Services Developmental Disabilities

WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
Institutions										
Avg Monthly Population	1,758	1,616	1,534	1,477	1,412	1,322	1,295	1,262	1,262	1,240
% Change from prior year		-8.1%	-5.0%	-3.7%	-4.4%	-6.4%	-2.0%	-2.5%	0.0%	-1.7%
Community Residential Programs *										
Month End Contracted Beds	2,849	3,113	3,188	3,474	3,585	3,683	3,740	3,819	3,898	4,065
% Change from prior year		9.3%	2.4%	9.0%	3.2%	2.7%	1.5%	2.1%	2.1%	4.3%
Employment and Day Programs										
Avg Monthly Number Served	6,064	6,528	6,133	6,531	6,789	7,049	7,571	7,954	8,304	9,016
% Change from prior year		7.7%	-6.1%	6.5%	4.0%	3.8%	7.4%	5.1%	4.4%	8.6%
Family Support **										
# Clients Served	1,054	1,347	1,486	1,674	2,071	2,207	2,659	3,637	4,404	4,956
% Change from prior year		27.8%	10.3%	12.7%	23.7%	6.6%	20.5%	36.8%	21.1%	12.5%
Adult Personal Care ***										
# Clients Served	1,634	1,908	2,154	2,443	2,844	3,244	3,525	3,951	4,388	4,868
% Change from prior year		16.8%	12.9%	13.4%	16.4%	14.1%	8.7%	12.1%	11.1%	10.9%

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

** Family Support includes Children's Personal Care for FY 1990 through FY 1999.

*** Adult Personal Care includes Medicaid Personal Care and Chore Services. Prior to FY 1990, Developmental Disabilities clients enrolled in these programs are counted in the Long-Term Care program totals.

Data Source:

FY 1990 through FY 1997 from LEAP workload database except: (1) FY 1990 - FY 1995 Adult Personal Care from DSHS Aging and Adult Services Administration; and (2) FY 1993 through FY 1997 Community Residential from DSHS Division of Developmental Disabilities due to a change in reporting methodology.

FY 1998 and FY 1999 estimates from Legislative Fiscal Committees.

Department of Social and Health Services Long-Term Care Services

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	808,349	884,256	1,692,605
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-285	-284	-569
2. Vendor Rate Transfer	7,357	7,626	14,983
3. FMAP Change	-1,990	1,990	0
4. Correct FMAP Double-Count	1,990	-1,990	0
5. Boarding Homes	263	1,281	1,544
6. Adjust Federal Spending Authority	0	3,440	3,440
7. Boarding Home Fee Increase	37	39	76
8. Boarding Home Investigation Staff	1,368	500	1,868
9. Nursing Facility Census & Rate	568	3,131	3,699
10. Community Services Caseload Growth	14,550	18,220	32,770
11. Community Program Reductions	-1,571	-1,715	-3,286
12. AASA Case Management	2,982	2,981	5,963
13. AAA Case Management	1,634	1,114	2,748
14. BHP Under-Enrollment	79	-5,891	-5,812
15. Legal Immigrants SSI	-732	0	-732
Total Supplemental Items	26,250	30,442	56,692
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1997-99 REVISED APPROPRIATIONS	834,599	914,698	1,749,297
Fiscal Year 1998 Total	409,469	442,614	852,083
Fiscal Year 1999 Total	425,130	472,084	897,214

Comments:

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| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Aging and Adult Services Administration (AASA). (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Aging and Adult Services Administration. (General Fund-State, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> | <p>4. CORRECT FMAP DOUBLE-COUNT - In the Administration's original budget proposal, the state savings resulting from the increased federal matching rate were counted both in the "FMAP Change" item above, and also in the "Nursing Home Census & Rate" and the "Community Services Caseload Growth" items below. This item adjusts for the double-count. (General Fund-State, General Fund-Federal)</p> <p>5. BOARDING HOMES - Chapter 272, Laws of 1998, Partial Veto (2SSB 6544), transfers responsibility for licensing, inspecting, and investigating complaints at boarding homes from the Department of Health to the Aging and Adult Services Administration of DSHS. (General Fund-State, General Fund-Local)</p> <p>6. ADJUST FEDERAL SPENDING AUTHORITY - Funding for the federal Older Americans Act and a variety of other federal grant programs is greater than originally budgeted for 1997-99. (General Fund-Federal)</p> <p>7. BOARDING HOME FEE INCREASE - Annual boarding home licensing fees are to be raised in order to cover the cost of increased quality assurance activities. Funding is provided to cover the estimated cost of the fee increase which is allocable to publicly-funded boarding home residents. (General Fund-State, General Fund-Federal)</p> |
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Department of Social and Health Services Long-Term Care Services

8. BOARDING HOME INVESTIGATION STAFF - A total of 18.5 quality assurance staff are added over the level originally appropriated to improve inspections and complaint investigations in boarding homes. Approximately 70 percent of the cost of this increase is covered with state subsidy, and the balance is to be covered through fee increases to boarding home providers. The state subsidy is to be phased out by the end of the 1999-2001 biennium, with fees covering the full cost of the inspection program. (General Fund-State, General Fund-Local)
9. NURSING FACILITY CENSUS & RATE - Nursing home census is now expected to average 14,660 in FY 1998 and 14,433 in FY 1999. This is approximately 290 (2 percent) more publicly-funded residents than was anticipated in the original 1997-99 biennial budget. Supporting these 290 additional cases will cost approximately \$20 million (\$9.6 million state) more than originally budgeted. Nursing home payment rates and nurse's aide training are expected to be approximately 1 percent higher than originally budgeted for FY 1998. For FY 1999, the average nursing home payment rate will be \$117.36, a 2.5 percent average increase over the FY 1998 level. These extra costs are partly offset by higher-than-budgeted resident incomes, which will reduce public expenditures for their care by approximately \$3.7 million below the levels originally budgeted. (General Fund-State, General Fund-Federal)
10. COMMUNITY SERVICES CASELOAD GROWTH - The number of persons receiving community-based long-term care is expected to grow by 12 percent in FY 1998, rather than by 9 percent as budgeted. Additionally, the average cost per person served has grown by 8.1 percent in FY 1998, rather than by 5.7 percent as budgeted. To avoid the service reductions which would otherwise be necessary to correct for these over-expenditures, the enacted budget provides the full \$14.1 million (\$6.7 million state) for FY 1998 which the agency indicates is necessary to cover these higher costs. For FY 1999, the enacted budget provides sufficient funding for the number of persons receiving community long-term care to increase by an additional 10 percent, and for the average cost per person served to increase by up to 4 percent. It is expected the agency will be able to manage within these levels by instituting improved resource management and targetting of more expensive levels of care. (General Fund-State, General Fund-Federal)
11. COMMUNITY PROGRAM REDUCTIONS - The enacted budget concurs with the following cost-control measures proposed by the Governor: 1) lidding monthly expenditures for Community Options Program Entry Services (COPES) ancillary services; 2) maintaining Elder Place enrollment at 100 participants; and 3) establishing cost controls in the private duty nursing program. The enacted budget does not anticipate that the Chore Services asset level will be reduced from \$10,000 to \$2,000, or that any savings will be made in the adult day health program beyond those already budgeted in the original biennial budget. (General Fund-State, General Fund-Federal)
12. AASA CASE MANAGEMENT - Funding is provided for an approximately 8 percent increase in the ratio of state field staff to persons served. These staff are responsible for functions such as client assessment, financial eligibility determination, development of cost-effective care plans, and monitoring the quality of care provided in residential settings. This item also includes \$1.3 million requested by the agency to continue operation of computerized systems which have been developed over the past several years to support client assessment, service authorization, and quality assurance functions. (General Fund-State, General Fund-Federal)
13. AAA CASE MANAGEMENT - Funding is provided for the Area Agencies on Aging (AAA) to provide care planning, service coordination, and quality oversight for the increased numbers of persons who are projected to receive home-based long-term care during 1997-99. Additionally, funds are provided for an 11 percent increase in the ratio of case managers to persons served, beginning in April 1998. (General Fund-State, General Fund-Federal)
14. BHP UNDER-ENROLLMENT - The number of homecare workers receiving state-subsidized medical coverage through the Basic Health Plan (BHP) is now expected to average 1,200 in FY 1998 and 1,600 in FY 1999, rather than 3,800 and 4,300 as originally budgeted. This results in a reduction in Health Services Account expenditures from the level originally budgeted. However, because premiums for the non-subsidized BHP are higher than budgeted, additional General Fund-State is required to cover the cost of BHP premiums for agency home care workers with incomes over 200 percent of poverty. (General Fund-State, Health Services Account, General Fund-Federal)
15. LEGAL IMMIGRANTS SSI - The original biennial budget included state funds to provide basic maintenance support for long-term care recipients who were to lose their federal Supplemental Security Income (SSI) benefits because they are not United States citizens. Because Congress subsequently restored their SSI eligibility, these state funds are no longer needed.

Department of Social and Health Services Long-Term Care Services

WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
Nursing Homes										
# FTE Clients	16,953	17,190	17,344	17,445	17,168	16,639	15,985	14,984	14,660	14,433
% Change from prior year		1.4%	0.9%	0.6%	-1.6%	-3.1%	-3.9%	-6.3%	-2.2%	-1.5%
Community Care *										
# Clients Served	17,119	18,051	19,087	19,587	19,411	19,576	20,876	23,116	26,124	28,715
% Change from prior year		5.4%	5.7%	2.6%	-0.9%	0.9%	6.6%	10.7%	13.0%	9.9%

* Includes Chore Services, COPES, Adult Residential, and Medicaid Personal Care.

Data Source:

Nursing Homes for FY 1990 through FY 1997 from LEAP workload database.

Community Care for FY 1990 through FY 1997 from Aging and Adult Services Administration.

FY 1998 and FY 1999 estimates from Legislative Fiscal Committees.

Department of Social and Health Services Economic Services

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	1,073,135	952,618	2,025,753
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-691	-877	-1,568
2. Vendor Rate Transfer	244	376	620
3. FMAP Change	295	-295	0
4. GA-U Caseload Savings	-49,334	0	-49,334
5. Transfer Quality Control Staff	-206	-207	-413
6. ECEAP Program Consolidation	-3,000	0	-3,000
7. Governor Veto	0	-5,000	-5,000
Total Supplemental Items	-52,692	-6,003	-58,695
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1997-99 REVISED APPROPRIATIONS	1,020,443	946,615	1,967,058
Fiscal Year 1998 Total	508,243	455,195	963,438
Fiscal Year 1999 Total	512,200	491,420	1,003,620

Comments:

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| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Economic Services program. (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Economic Services program. (General Fund-State, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) represents the federal share of public assistance related child support collections that offset welfare grants. The FMAP is increasing to 52.50 percent effective October 1, 1998 which results in a General Fund-State cost compared to the 52.15 percent original budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> <p>4. GA-U CASELOAD SAVINGS - Savings in the General Assistance-Unemployable (GA-U) program are due primarily to legal immigrants who are eligible to remain on the federal Supplemental Security Income (SSI) program and will not transfer to the state GA-U program as anticipated in the original 1997-99 biennial budget. Congress amended the federal welfare reform law to allow legal immigrants who were in the United States prior to August 22, 1996, to continue to receive SSI benefits.</p> <p>5. TRANSFER QUALITY CONTROL STAFF - Quality control staff that review Medicaid eligibility and payments are transferred from Economic Services to Medical Assistance Administration as an efficiency measure. (General Fund-State, General Fund-Federal)</p> | <p>6. ECEAP PROGRAM CONSOLIDATION - Washington matches state expenditures for early childhood education drawing federal grants on behalf of eligible children through DSHS. Last year, Congress consolidated its child care support for states into a single block grant known as the Child Care Development Fund (CCDF). As an efficiency measure, a portion of the Early Childhood Education Assistance Program (ECEAP) funded through Economic Services is transferred to the Children's Administration.</p> <p>7. GOVERNOR VETO - The Governor vetoed Section 207(9) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which earmarked \$5 million in federal Temporary Assistance to Needy Families (TANF) block funding to provide grants to community action agencies and other local non profit organizations.</p> <p>In 1997 as part of welfare reform, the Legislature directed the Department of Social and Health Services (DSHS) to provide grants to community-based organizations to help people on welfare become ready for employment and transition off public assistance. This budget assumes that \$5 million from the federal Temporary Assistance to Needy Families (TANF) block grant will be used by the Department of Community, Trade, and Economic Development for WorkFirst grants to community action agencies or other local nonprofit organizations. This budget also assumes that \$10 million in state funds will be available to match and earn federal Welfare-to-Work formula grants from the U.S. Department of Labor.</p> |
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Department of Social and Health Services Economic Services

WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
SSI State Supplement										
# Cases Received	52,457	56,818	62,532	69,332	76,518	82,249	86,299	87,674	88,460	90,419
% Change from prior year		8.3%	10.1%	10.9%	10.4%	7.5%	4.9%	1.6%	0.9%	2.2%
General Assistance - Unemployable										
# Cases Served	13,651	13,993	15,251	15,585	16,494	17,167	16,892	16,959	16,864	17,737
% Change from prior year		2.5%	9.0%	2.2%	5.8%	4.1%	-1.6%	0.4%	-0.6%	5.2%
General Assistance - Pregnant Women										
# Cases Served	1,607	1,847	1,955	1,842	1,736	1,657	1,634	1,832	1,838	1,841
% Change from prior year		14.9%	5.8%	-5.8%	-5.8%	-4.6%	-1.4%	12.1%	0.3%	0.2%
TANF Cases										
# Cases Served	80,407	85,950	94,973	100,320	102,755	102,685	99,374	95,334	86,342	81,388
% Change from prior year		6.9%	10.5%	5.6%	2.4%	-0.1%	-3.2%	-4.1%	-9.4%	-5.7%
Child Care										
# Cases Served	9,769	12,156	16,733	19,225	20,039	21,984	21,768	25,320	28,871	35,384
% Change from prior year		24.4%	37.7%	14.9%	4.2%	9.7%	-1.0%	16.3%	14.0%	22.6%

Data Source:

FY 1990 through FY 1997 from LEAP workload database except Child Care from Legislative Fiscal Committees.
FY 1998 and FY 1999 estimates from Legislative Fiscal Committees.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	28,800	154,027	182,827
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-8	0	-8
2. Vendor Rate Transfer	2,046	2,555	4,601
3. FMAP Change	-49	49	0
4. TASC Transfer	0	3,255	3,255
5. PSEA Shortfall	0	-45	-45
Total Supplemental Items	1,989	5,814	7,803
1997-99 REVISED APPROPRIATIONS	30,789	159,841	190,630
Fiscal Year 1998 Total	15,459	78,252	93,711
Fiscal Year 1999 Total	15,330	81,589	96,919

Comments:

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Alcohol and Substance Abuse program.
2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Alcohol and Substance Abuse program. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)
3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches state substance abuse treatment expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)
4. TASC TRANSFER - The Treatment Alternatives to Street Crime (TASC) program is transferred from the Office of the Administrator for the Courts to DSHS effective July 1, 1998. (Public Safety and Education Account)
5. PSEA SHORTFALL - Funding is reduced to reflect a revenue shortfall in the Public Safety and Education Account (PSEA).

Department of Social and Health Services
Alcohol & Substance Abuse

WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
ADATSA - Assessment										
# Assessments	1,237	1,411	1,194	1,186	1,158	1,249	1,070	1,070	1,230	1,230
% Change from prior year		14.1%	-15.4%	-0.7%	-2.4%	7.9%	-14.3%	0.0%	15.0%	0.0%
ADATSA - Outpatient Treatment *										
Avg Monthly Admissions	N/A	N/A	N/A	N/A	274	293	291	291	303	303
% Change from prior year		N/A	N/A	N/A	N/A	6.9%	-0.7%	0.0%	4.1%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	580	571	552	505	489	525	493	493	531	531
% Change from prior year		-1.6%	-3.3%	-8.5%	-3.2%	7.4%	-6.1%	0.0%	7.7%	0.0%

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 FY 1994. Number of admissions is unavailable prior to FY 1994.*

Data Source:

DSHS Budget Division.

Department of Social and Health Services Medical Assistance Payments

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	1,368,918	2,519,605	3,888,523
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-154	-442	-596
2. Vendor Rate Transfer	9,620	12,708	22,328
3. FMAP Change	-4,998	4,998	0
4. Correct FMAP Double-Count	4,915	-4,915	0
5. Enhanced Federal Match	8	3,952	3,960
6. Medicare Collections	-1,096	-1,190	-2,286
7. Transfer Quality Control Staff	206	207	413
8. Increased Disproportionate Share	-39,529	172,366	132,837
9. Caseload Changes	-6,472	-19,162	-25,634
10. Cost Per Case Changes	-2,406	-5,170	-7,576
11. Special Program Forecast Changes	-5,028	-9,983	-15,011
12. Forecast Errata	22,735	-22,735	0
13. Forecast Contingencies	1,468	1,617	3,085
Total Supplemental Items	-20,731	132,251	111,520
<hr/>			
1997-99 REVISED APPROPRIATIONS	1,348,187	2,651,856	4,000,043
Fiscal Year 1998 Total	666,815	1,289,829	1,956,644
Fiscal Year 1999 Total	681,372	1,362,027	2,043,399

Comments:

- | | |
|---|---|
| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Medical Assistance Administration. (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Medical Assistance Administration. (General Fund-State, Health Services Account, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> <p>4. CORRECT FMAP DOUBLE-COUNT - In the Administration's original budget proposal, the state savings resulting from the increased federal matching rate were counted both in the "FMAP Change" item above and also in the "Caseload Changes" item below. This item adjusts for the double-count. (General Fund-State, General Fund-Federal)</p> | <p>5. ENHANCED FEDERAL MATCH - The federal government has made \$10.4 million of increased federal matching funds available for state Medicaid administrative activities related to the transition from the old to the new welfare eligibility standards. This item provides \$3.95 million of that increased funding for local health departments and community-based organizations to conduct eligibility outreach and education activities. These will include informing people of their potential Medicaid eligibility, assisting them in applying for Medicaid coverage, and assisting them in the selection of a managed care plan and primary care provider. (General Fund-State, General Fund-Federal)</p> <p>6. MEDICARE COLLECTIONS - The Medical Assistance Administration estimates it can reduce Medicaid expenditures by \$95,000 per month by adding three clerk positions to assure that Medicare eligibility is properly coded in agency computer systems. (General Fund-State, General Fund-Federal)</p> <p>7. TRANSFER QUALITY CONTROL STAFF - DSHS has transferred responsibility for Medicaid eligibility quality control from the Department's Economic Services Administration to its Medical Assistance Administration. This item transfers the budget and staff to support this function. (General Fund-State, General Fund-Federal)</p> |
|---|---|

Department of Social and Health Services Medical Assistance Payments

8. INCREASED DISPROPORTIONATE SHARE - The amount of General Fund-State spending which can be offset through the federal Disproportionate Share Hospital (DSH) program has increased from the amounts originally budgeted for 1997-99 due to: (1) a one-time claim in September 1998 associated with a capital construction project at Harborview Medical Center; (2) a new program through which federal payments are being collected for uncompensated care costs at border-area hospitals which serve Washington residents; and (3) federal payments for increased uncompensated care costs which have been documented at Harborview and the University of Washington Medical Center. (General Fund-State, General Fund-Federal, General Fund-Local)
9. CASELOAD CHANGES - The number of persons covered by medical assistance programs is expected to average 744,000 in FY 1998, and 779,000 in FY 1999. This is approximately 1 percent less than the number originally budgeted for FY 1998 and 1 percent more than the number originally budgeted for FY 1999. Due to the effects of the WorkFirst welfare reform, the number of adults and children covered by Medicaid because of eligibility for state income assistance programs is projected to decrease by 43,000 (14 percent) from the level originally budgeted for FY 1999. Because of federal restrictions on eligibility for Supplemental Security Income (SSI), the number of disabled recipients covered by Medicaid is expected to increase to 107,000 in FY 1999, which is 6 percent fewer people than originally budgeted. These caseload decreases are offset by continued rapid enrollment growth among children with family incomes below 200 percent of poverty who are not on welfare. An average of 310,000 such children are expected to be covered by Medicaid in FY 1999, which is 47,000 (18 percent) more than originally budgeted. (General Fund-State, General Fund-Federal)
10. COST PER CASE CHANGES - On average, costs per eligible person are now expected to be slightly lower than the level originally budgeted for 1997-99. Costs per covered person are expected to grow slower than total health care inflation for most eligibility groups for both years of the biennium. While managed care rates are increasing an average of 4.8 percent in 1998, compared to 2.8 percent growth in total health care inflation, the cost of this rate increase has been offset by the fact that the eligible population is younger than originally projected, and consequently less expensive to serve. DSHS and the Legislature continue to expect managed care rates to increase by no more than 2 percent in 1999. (General Fund-State, General Fund-Local)
11. SPECIAL PROGRAM FORECAST CHANGES - This item reflects an increase in the number of persons eligible for Medicaid match on their Medicare Part B premiums; corrects an over-estimate in the original biennial forecast of state and federal expenditures on family planning and refugee health services; and corrects an under-estimate in the original forecast of expenditures on the federally-funded Indian Health program. (General Fund-State, General Fund-Federal)
12. FORECAST ERRATA - Because of a programming error in the forecast model, the amount of state funding required to fund Medical Assistance programs is \$22.7 million higher than anticipated in the administration's original supplemental budget proposal. (General Fund-State, General Fund-Federal)
13. FORECAST CONTINGENCIES - A contingency appropriation is provided in the event that the federal government does not approve the state's request to charge non-disabled adult welfare recipients a \$10 monthly co-premium for their Medicaid coverage. The appropriation may only used to the extent that the waiver is not approved, and the cost cannot be covered through under-expenditures in other parts of the Medical Assistance program. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Medical Assistance Payments

WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
Categorically Needy	362,144	406,664	473,222	520,569	559,686	613,968	659,677	698,879	714,366	748,730
AFDC/TANF	252,603	273,581	301,760	319,499	329,660	329,519	320,417	309,999	282,785	265,789
Elderly	32,414	33,198	34,397	35,365	35,823	36,892	38,470	41,832	44,620	45,831
Disabled	53,103	58,834	67,904	77,335	85,454	91,261	94,708	94,733	95,106	99,247
Non-AFDC Children	0	0	42,669	59,511	75,602	121,343	169,854	212,967	251,381	296,344
Non-AFDC Pregnant Women	23,755	37,383	14,201	15,734	17,845	18,299	19,032	21,064	22,936	23,676
Undocumented Children	1	3,227	11,127	10,911	12,361	12,786	12,980	13,586	13,411	13,716
Medicare Beneficiaries	268	441	1,164	2,214	2,941	3,868	4,216	4,698	4,127	4,127
Medically Needy	15,020	15,798	17,616	18,151	17,012	14,425	11,700	9,998	12,101	11,661
AFDC-Related	6,897	6,916	6,934	7,126	5,822	3,895	1,383	0	0	0
Elderly	4,188	4,469	5,169	5,163	5,208	4,837	4,457	4,233	4,432	3,963
Disabled	3,341	3,911	4,752	5,246	5,537	5,559	5,771	5,707	7,514	7,543
All Others	594	502	761	616	445	134	89	58	155	155
General Assistance/ADATSA										
# Persons/Month	13,767	13,831	12,243	10,368	10,049	10,955	11,334	12,851	14,305	15,188
State Medically Indigent										
# Persons/Month	2,411	2,700	2,472	2,640	2,634	2,407	2,018	1,976	1,933	1,933
Refugees										
# Persons/Month	1,650	2,122	1,824	1,429	1,546	1,665	1,505	1,381	1,085	1,085
Total Eligibles per Month	394,992	441,115	507,377	553,157	590,927	643,420	686,234	725,085	743,790	778,597
% Change from prior year		11.7%	15.0%	9.0%	6.8%	8.9%	6.7%	5.7%	2.6%	4.7%

Data Source:

DSHS Budget Division, Office of Forecasting and Policy Analysis.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	17,244	82,446	99,690
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-18	-79	-97
2. Vendor Rate Transfer	40	0	40
3. Social Service Block Grant Decrease	383	-383	0
Total Supplemental Items	405	-462	-57
1997-99 REVISED APPROPRIATIONS	17,649	81,984	99,633
Fiscal Year 1998 Total	9,046	41,053	50,099
Fiscal Year 1999 Total	8,603	40,931	49,534

Comments:

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Vocational Rehabilitation program. (General Fund-State, General Fund-Federal)
2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Vocational Rehabilitation program. (General Fund-State)
3. SOCIAL SERVICE BLOCK GRANT DECREASE - Congress has reduced federal funding for the Social Services Block Grant (SSBG) for FFY 1998. This item replaces the federal reduction with state funding so that services funded through the block grant can be maintained at their current level. Any reductions in the FFY 1999 block grant amount will be considered as part of the 1999 supplemental. (General Fund-State, General Fund-Federal)

**Department of Social and Health Services
 Administration & Supporting Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	48,528	40,622	89,150
1998 Supplemental Budget			
1. Administrative Reduction Transfer	2,861	2,574	5,435
2. Regulatory Reform	192	131	323
3. Vendor Overpayment Recovery Act	-19	-20	-39
4. Governor Veto	-192	-131	-323
Total Supplemental Items	2,842	2,554	5,396
1997-99 REVISED APPROPRIATIONS	51,370	43,176	94,546
Fiscal Year 1998 Total	25,818	21,669	47,487
Fiscal Year 1999 Total	25,552	21,507	47,059

Comments:

1. ADMINISTRATIVE REDUCTION TRANSFER - The original biennial budget directed the Department to reduce administrative functions by \$5.8 million (\$3.0 million state) providing discretion to the agency to reduce administrative functions across various programs, or to reduce its central administrative office budget. This item corrects appropriations for the Administrative Services program for administrative reductions made by other DSHS programs. This division's share of the Department-wide administrative reduction is \$424,000 (\$185,000 state). (General Fund-State, General Fund-Federal)
2. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (General Fund-State, General Fund-Federal)
3. VENDOR OVERPAYMENT RECOVERY ACT - Chapter 66, Laws of 1998 (ESHB 2346) makes the legal remedies and dispute resolution for recovery of vendor overpayments the same as the process now used for public assistance benefits and child support orders. The expense of administrative hearings is offset, each year, by savings realized through lower net vendor cost requirements for the Department of Social and Health Services (DSHS). (General Fund-State, General Fund-Federal)
4. GOVERNOR VETO - The Governor vetoed Section 211(5) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	41,999	178,946	220,945
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-224	-418	-642
2. Incentive Pay Forecast Update	534	-534	0
Total Supplemental Items	310	-952	-642
1997-99 REVISED APPROPRIATIONS	42,309	177,994	220,303
Fiscal Year 1998 Total	21,344	88,923	110,267
Fiscal Year 1999 Total	20,965	89,071	110,036

Comments:

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Child Support Services program. (General Fund-State, General Fund-Federal)
2. INCENTIVE PAY FORECAST UPDATE - Incentive pay from the federal government is revised based on a projected decline in child support collections in the November 1997 forecast. (General Fund-State, General Fund-Private/Local)

**Department of Social and Health Services
 Payments to Other Agencies**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	94,949	58,083	153,032
1998 Supplemental Budget			
1. Vendor Rate Transfer	-45,728	-39,148	-84,876
2. Attorney General Tort Defense	750	0	750
3. Child Abuse & Treatment Act	113	31	144
Total Supplemental Items	-44,865	-39,117	-83,982
1997-99 REVISED APPROPRIATIONS	50,084	18,966	69,050
Fiscal Year 1998 Total	25,292	9,376	34,668
Fiscal Year 1999 Total	24,792	9,590	34,382

Comments:

- VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum in this program for the Department of Social and Health Services (DSHS) as a whole. This item transfers the share of that total appropriation which will actually be used for vendor rate increases to other programs. In addition, a technical adjustment saves the state general fund \$539,000. (General Fund-State, General Fund-Federal, Health Services Account, Violence Reduction and Drug Enforcement Account)
- ATTORNEY GENERAL TORT DEFENSE - Funding is provided for Attorney General tort defense costs due to a significant increase in lawsuits involving child welfare and child placement activities.
- CHILD ABUSE & TREATMENT ACT - Funding is provided to establish a fair hearing process and accelerate permanency planning for teenage children in foster care to meet new federal standards under CAPTA (the Child Abuse, Prevention, and Treatment Act of 1996) and AFSA (the Adoption and Safe Families Act of 1997). Appropriations to this program allow the Department to reimburse the Office of Administrative Hearings and the Office of the Attorney General for services. (General Fund-State, General Fund-Federal)

Other Human Services

Health Care Authority

An additional \$11 million from the Health Services Account is provided to increase enrollment in the Basic Health Plan (BHP) to 137,200 by July 1998. Although the funding provided in the original biennial budget was anticipated to support this level of enrollment, the funding proved inadequate. In addition, a supplemental appropriation of \$330,000 will result in improved efforts to verify that BHP enrollees are receiving the correct state subsidy for their income level.

Human Rights Commission

Funding in the amount of \$432,000 from the state general fund is provided for seven additional investigators and one office assistant to eliminate the backlog of approximately 1,170 cases by January 1, 1999. After January 1, 1999, the Human Rights Commission will reduce overall case processing time with the increased staff level so that investigations begin within 60 days of a complaint being filed.

Criminal Justice Training Commission

A total of \$300,000 from the state general fund is provided for: upgrading and improving the technology infrastructure supporting the Criminal Justice Training Commission (CJTC); increased lease obligations associated with relocation of the CJTC headquarters in Thurston County; and the costs associated with the implementation of incident-based crime reporting. Also, due to a shortfall in the account, a \$93,000 reduction is made to CJTC's Public Safety and Education Account (PSEA) appropriation. Similar reductions are made in other agencies funded from PSEA.

Department of Labor and Industries

An amount of \$1.4 million from the accident and medical aid accounts is provided with additional staffing to reduce the time-loss duration on worker compensation claims. A total of 24 new claims management staff will reduce the time-loss duration by 7.5 percent by the end of the next biennium.

Department of Veterans' Affairs

Federal revenues and patient contributions at the veterans' homes are lower than originally budgeted, resulting in the need for a \$620,000 state general fund appropriation to maintain services at the two homes. The supplemental budget provides \$200,000 to cover one-third of the cost for constructing a monument on the state capitol grounds to the men and women who served in the armed forces during the World War II. The remaining cost of the monument is to be covered through individual and corporate contributions.

Department of Health

Effective April 1, 1998, the regulation of boarding homes becomes the responsibility of the Department of Social and Health Services, which also regulates nursing homes and adult family homes. The budget transfers \$1.5 million of state and local revenue collections for inspectors, equipment and related quality assurance activities from the Department of Health to the Department of Social and Health Services (DSHS). Assigned personnel are presumed to transfer to DSHS.

An amount of \$6.4 million in state general funds replaces health service account appropriations to the Department of Health for fiscal year 1999. This action is taken by the Legislature to meet budget requirements of the state's Basic Health Care Plan.

Department of Corrections

General Fund-State savings of \$3.4 million are achieved as a result of the following: delays in hiring staff at expanded prison facilities; adjustments to reflect actual personnel costs; timing of utility connection fees at the new Stafford Creek Correctional Center; a delay in opening the Tri-Cities Work Training Release facility; the migration of Offender Based Tracking System to the Department of Information Systems; and lower than expected costs for housing juvenile offenders separate from adult offenders. An additional reduction of \$866,000 was made due to the transfer of funding for the education of offenders under the age of eighteen from the Department of Corrections to the Superintendent of Public Instruction. Funding for the education of these offenders, at a higher rate, is included in the Superintendent of Public Instruction's budget.

An additional amount of \$1.7 million from the state general fund was appropriated to the Department. This included: an adjustment to the inmate forecast; allowing community corrections officers to carry firearms in the course of their duties; Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to the state's sex offender registration laws; Chapter 78, Laws of 1998 (HB 2628), which increases the penalty for manufacturing methamphetamine; Chapter 260, Laws of 1998 (ESSB 5760), which requires the gathering of additional information and monitoring of mentally ill offenders; and Chapter 82, Laws of 1998 (ESB 6139), which increases the penalties for amphetamine crimes.

The budget provides \$1 million in state general funds to screen low-income women for breast and cervical cancer. Total federal resources available to Washington State from the Centers for Disease Control were unexpectedly less than levels anticipated by the Department for the current biennium. An amount of \$300,000 in state general funds is provided to implement an emergency vaccination program in counties where Hepatitis A infection rates are in excess of 100 per 100,000 population.

The budget provides \$129,000 in state general funds for water reuse activities related to salmon restoration. The budget provides \$60,000 in state general funds to implement Chapter 37, Laws of 1998 (2SSB 6168), a bill related to temporary worker housing. Also provided is \$40,000 of state and local funds to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345), a regulatory reform bill making several changes to the Administrative Procedures Act related to rule making, review, and notification by state agencies. Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

A variety of grant and fee-supported activities are authorized. These and other technical adjustments increase the original appropriation for the Department of Health by \$3 million federal and local funds.

Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	12,633	544,806	557,439
1998 Supplemental Budget			
1. Basic Health Plan Enrollment	0	14,316	14,316
2. BHP Enrollee Recertification	0	330	330
3. Medical Savings Accounts (HB 1805)	0	-150	-150
4. Retiree Lawsuit Settlement	0	250	250
Total Supplemental Items	0	14,746	14,746
<hr/>			
1997-99 REVISED APPROPRIATIONS	12,633	559,552	572,185
Fiscal Year 1998 Total	6,316	251,530	257,846
Fiscal Year 1999 Total	6,317	308,022	314,339

Comments:

1. **BASIC HEALTH PLAN ENROLLMENT** - Additional Health Services Account funding totaling \$11 million is provided to increase subsidized Basic Health Plan (BHP) enrollment to 137,200 by July 1998. This is the enrollment level anticipated in the original biennial appropriation, but was not attained because: (1) the 1998 premium rates negotiated with health plans increased by 12.3 percent over the 1997 level, rather than by 8 percent as budgeted; (2) savings from financial sponsors are less than budgeted; and (3) additional benchmark plans were needed in counties without sufficient access to the statewide benchmark plans. (Health Services Account)

2. **BHP ENROLLEE RECERTIFICATION** - Funding is provided to increase the BHP's ability to verify that enrollees continue to be eligible for the level of subsidy they are receiving. Eligibility verification efforts are also to be enhanced through: (1) electronic matching with wage data, which will permit better targeting of the accounts to be reviewed; and (2) through the new sanctions provided in Chapter 148, Laws of 1998 (SHB 3109) for failure to report income changes accurately and on time. Continuing these efforts is expected to cost \$242,000 per year next biennium. (Health Services Account)

3. **MEDICAL SAVINGS ACCOUNTS (HB 1805)** - The original biennial appropriation included funds to implement HB 1805. Since the bill was not enacted, these start-up funds are not needed. (Health Services Account)

4. **RETIREE LAWSUIT SETTLEMENT** - One-time funding is provided to process claims and payments in accordance with the settlement in Retired State Employees v. State of Washington. (Health Care Authority Administrative Fund)

Washington State Health Care Authority

WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
Basic Health Plan (Subsidized) *	7,552	16,641	21,717	22,747	29,773	37,580	61,926	124,972	130,667	139,366
% Change from prior year		120.4%	30.5%	4.7%	30.9%	26.2%	64.8%	101.8%	4.6%	6.7%
Regular Enrollees	7,552	16,641	21,717	22,747	29,773	37,580	61,773	124,190	129,144	137,200
% Change from prior year		120.4%	30.5%	4.7%	30.9%	26.2%	64.4%	101.0%	4.0%	6.2%
Home-Care Workers							153	782	1,523	2,166
% Change from prior year								411.1%	94.8%	42.2%

** State subsidy for "regular" enrollees is provided through the Health Care Authority budget. State and federal subsidy for home-care worker enrollees is provided in the DSHS Long-Term Care and Developmental Disabilities budgets.*

Data Source:

FY 1990 through FY 1997 from the Health Care Authority.

FY 1998 and FY 1999 estimates from the Legislative Fiscal Committees.

Human Rights Commission

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	4,055	1,703	5,758
1998 Supplemental Budget			
1. Caseload and Processing Time	432	0	432
2. Regulatory Reform	70	0	70
3. Governor Veto	-70	0	-70
Total Supplemental Items	432	0	432
<hr/>			
1997-99 REVISED APPROPRIATIONS	4,487	1,703	6,190
Fiscal Year 1998 Total	2,019	870	2,889
Fiscal Year 1999 Total	2,468	833	3,301

Comments:

1. CASELOAD AND PROCESSING TIME - Funding is provided for eight FTE staff in FY 1999 to eliminate the current backlog of cases by January 1, 1999 and to reduce the case processing time.
2. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification.
3. GOVERNOR VETO - The Governor vetoed section 215(2) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	13,918	13,918
1998 Supplemental Budget			
1. Information Technology Improvements	225	0	225
2. Lacey Office Rent Increase	40	0	40
3. PSEA Shortfall	0	-93	-93
4. Incident-Based Reporting	35	0	35
Total Supplemental Items	300	-93	207
<hr/>			
1997-99 REVISED APPROPRIATIONS	300	13,825	14,125
Fiscal Year 1998 Total	15	6,993	7,008
Fiscal Year 1999 Total	285	6,832	7,117

Comments:

1. INFORMATION TECHNOLOGY IMPROVEMENTS - One-time funding is provided to update and maintain the technology infrastructure supporting the Criminal Justice Training Commission (CJTC). CJTC will purchase computer hardware and software to provide network access and current technology to all staff and instructors. In addition, the registration and student tracking software will be rewritten using currently-supported software to enable on-line registration from field sites and provide the field with limited access to training records and schedules.

2. LACEY OFFICE RENT INCREASE - Funding is provided for increased lease obligations resulting from the relocation of the Lacey headquarters. The funding will allow the CJTC to relocate their Lacey office from a portable building at Saint Martin's College to a leased facility in the Olympia area.

3. PSEA SHORTFALL - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

4. INCIDENT-BASED REPORTING - Funding is provided for costs associated with the implementation of incident-based crime reporting.

Department of Labor and Industries

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	13,653	366,928	380,581
1998 Supplemental Budget			
1. Claims Processing Timeliness	0	1,372	1,372
2. Update Document Imaging	0	990	990
3. OSHA Federal Computer Requirements	0	464	464
4. New Federal Coding Requirements	0	560	560
5. Contractor Compliance Improvements	180	0	180
6. Regulatory Reform	41	213	254
7. Governor Veto	-41	-213	-254
Total Supplemental Items	180	3,386	3,566
<hr/>			
1997-99 REVISED APPROPRIATIONS	13,833	370,314	384,147
Fiscal Year 1998 Total	6,805	186,664	193,469
Fiscal Year 1999 Total	7,028	183,650	190,678

Comments:

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| <p>1. CLAIMS PROCESSING TIMELINESS - Additional funding and staff are provided to manage worker compensation claims. (Accident and Medical Aid Accounts-State)</p> <p>2. UPDATE DOCUMENT IMAGING - Funding is provided to replace 665 imaging monitors and video boards to be compatible with the new upgrade version of the document imaging system approved by the 1997 Legislature. (Accident and Medical Aid Accounts-State)</p> <p>3. OSHA FEDERAL COMPUTER REQUIREMENTS - Funding is provided to install a new Integrated Management Information System, and to rewrite interfaces to Occupational Safety and Health Administration (OSHA) and Washington Industrial Safety and Health Act (WISHA) systems. This allows communication with the federal agency and supports the Agency's worker safety and health activities. Supplemental funds will allow the agency to maintain an integrated federal - state system. (Accident and Medical Aid Accounts-State)</p> <p>4. NEW FEDERAL CODING REQUIREMENTS - Funding is provided to allow the agency to adopt the North American Industry Classification System (NAICS) industry coding structure and the 2000 Census codes for use in coding Labor and Industries employer and claimant data. Also, existing systems will be modified to accept six-digit codes for both industry and occupation and to convert existing data. (Accident and Medical Aid Accounts-State)</p> <p>5. CONTRACTOR COMPLIANCE IMPROVEMENTS - Funding is provided for the implementation of Chapter 314, Laws of 1997 (ESHB 1903), which requires the Department to monitor, track, and report requirements of the contractor registration law.</p> <p>6. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (General Fund-State, Accident and Medical Aid Accounts-State)</p> | <p>7. GOVERNOR VETO - The Governor vetoed Section 217(11) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding for this purpose will lapse.</p> |
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Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	19,121	34,334	53,455
1998 Supplemental Budget			
1. Census & Revenue Adjustments	628	-628	0
2. World War II Memorial	200	0	200
Total Supplemental Items	828	-628	200
<hr/>			
1997-99 REVISED APPROPRIATIONS	19,949	33,706	53,655
Fiscal Year 1998 Total	10,603	16,351	26,954
Fiscal Year 1999 Total	9,346	17,355	26,701

Comments:

1. CENSUS & REVENUE ADJUSTMENTS - Additional state funds are provided to support operations at the two state veterans' homes because federal and local revenues are not being generated at the levels originally budgeted. Census at both homes is approximately 4 percent below budgeted levels, resulting in reduced revenues both from resident contributions and from federal sources. Revenues are also lower than budgeted because federal payment rates, and resident cost-of-living adjustments, have both increased less than budgeted. (General Fund-Local, General Fund-Federal)

2. WORLD WAR II MEMORIAL - Funding is provided for construction of a memorial on the grounds of the State Capitol to the men and women who served in the armed forces during World War II. Construction of the memorial is to be a public/private partnership, with individual and corporate donors contributing the remaining two-thirds of the monument's cost.

Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	128,737	375,424	504,161
1998 Supplemental Budget			
1. State Epidemiology & Lab Capacity	0	216	216
2. Acute and Home Care	0	508	508
3. Medical Impaired Provider	0	-730	-730
4. Boarding Homes	-263	-1,281	-1,544
5. Immunization	0	171	171
6. Diabetes Control Program	0	416	416
7. Abstinence Education	0	593	593
8. Information Network/Public Health	0	1,125	1,125
9. Hanford Medical Monitoring	0	250	250
10. Laboratory Quality Assurance	0	95	95
11. Water Reuse Program	129	0	129
12. Child Death Review	0	-350	-350
13. Temporary Worker Housing	60	0	60
14. Replace Health Svcs Acct with GF-S	6,359	-6,359	0
15. HCFA Certification	0	499	499
16. Hepatitis A Vaccination Program	300	0	300
17. Regulatory Reform	37	3	40
18. Chemical Dependency Certification	0	214	214
19. Cervical & Breast Cancer Screening	1,000	0	1,000
20. Governor Veto	-37	-3	-40
Total Supplemental Items	7,585	-4,633	2,952
1997-99 REVISED APPROPRIATIONS	136,322	370,791	507,113
Fiscal Year 1998 Total	63,189	186,188	249,377
Fiscal Year 1999 Total	73,133	184,603	257,736

Comments:

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| <p>1. STATE EPIDEMIOLOGY & LAB CAPACITY - An additional federal grant is available to improve the state's infectious disease surveillance system. The grant is time limited and expected to expire in 1999. (General Fund-Federal)</p> <p>2. ACUTE AND HOME CARE - More complaints of a complex and serious nature concerning the care delivered by operators of acute and home care organizations have been reported that require immediate investigation. Additional quality assurance staff will be hired to meet this demand, and the Department is authorized to raise acute and home care license fees only to the extent necessary to cover this expense. (General Fund-Private/Local)</p> <p>3. MEDICAL IMPAIRED PROVIDER - A \$25 surcharge is placed on physicians' license renewals to fund the Medical Impaired Provider Program (IPP). This program is for the treatment of physicians whose practice is impaired by the use of alcohol or other drugs. Chapter 132, Laws of 1998 (2SHB 1618) extends the \$25 surcharge and IPP program benefits to physician assistants. Further, the bill authorizes a non-appropriated account in the custody of the State Treasurer for receipts. This item corrects the appropriation authority originally granted to the Department for</p> | <p>the 1997-99 biennium to reflect this new policy. (Health Professions Account)</p> <p>4. BOARDING HOMES - Reflects the transfer of responsibility for boarding home regulation and quality assurance from the Department of Health to the Long Term Care Services Program at the Department of Social and Health Services effective April 1, 1998. (General Fund-State, General Fund-Private/Local)</p> <p>5. IMMUNIZATION - An additional federal grant is available to raise immunization rates among children and senior citizens. Activities will be carried out only to the extent federal support continues to be available. (General Fund-Federal)</p> <p>6. DIABETES CONTROL PROGRAM - An additional federal grant is available for diabetes education and treatment. Activities will be carried out only to the extent federal support continues to be available. (General Fund-Federal)</p> <p>7. ABSTINENCE EDUCATION - This item corrects the original 1997-99 operating budget to reflect the full federal grant award available to Washington State for abstinence education this biennium. (General Fund-Federal)</p> |
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Department of Health

8. INFORMATION NETWORK/PUBLIC HEALTH - An additional federal grant is available to upgrade the state's public health computer information network. Any new systems developed will be maintained with existing departmental resources. (General Fund-Federal)
9. HANFORD MEDICAL MONITORING - The states of Washington, Idaho, and Oregon will join efforts to monitor persons exposed to radiation from Hanford between 1945 and 1951 for thyroid disease. This study is federally funded and the Department's participation includes outreach activities and health care provider education. (General Fund-Federal)
10. LABORATORY QUALITY ASSURANCE - The Department will join with the Health Care Financing Administration (HCFA) to identify fraudulent, duplicative billings from medical testing labs and will explore methods of controlling fraud. If successful, this federally funded study could help reduce the direct cost of health care for patients and third party payers. (General Fund-Federal)
11. WATER REUSE PROGRAM - The Department participates in the development of reclaimed water standards, providing public health assurances and technical assistance for water reclamation projects and facilities around the state. Funding is provided to support related salmon recovery activities.
12. CHILD DEATH REVIEW - The original 1997-99 biennial budget appropriated \$1 million from the Death Investigation Account for child death reviews. This item transfers \$350,000 of that sum to the State Toxicology Lab at the University of Washington for its supporting activities. (Death Investigations Account)
13. TEMPORARY WORKER HOUSING - Funding is provided for rule development costs and a fee study necessary to implement Chapter 37, Laws of 1998 (2SSB 6168).
14. REPLACE HEALTH SVCS ACCT WITH GF-S - FY 1999 Health Service Account funds are replaced with state general funds. This action is taken to meet the supplemental budget requirements of the state's Basic Health Care Plan. (General Fund-State, Health Services Account)
15. HCFA CERTIFICATION - The federal HCFA contracts with the Department to inspect and certify a health care facility as eligible for Medicare reimbursement. Provisions of the federal Balanced Budget Act of 1997 changed the nature of these specialized inspections. The workload impact is paid for by HCFA through a larger grant award than was assumed in the original 1997-99 biennial budget. (General Fund-Federal)
16. HEPATITIS A VACCINATION PROGRAM - Funding is provided to implement a Hepatitis A emergency vaccination program. The entire amount will be passed through to county health districts that have employed a public education effort and have infection rates in excess of 100 per 100,000 population.
17. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (General Fund-State, Health Professions Account)
18. CHEMICAL DEPENDENCY CERTIFICATION - Chapter 243, Laws of 1998 (SSB 6550) authorizes the certification of chemical dependency professionals. Additional expenses reflected here are the net cost of adding this new program, less savings from the current counselor registration program that will not exist for this group of health professionals. (Health Professions Account)
19. CERVICAL & BREAST CANCER SCREENING - Funding is provided to allow local public health agencies to continue to provide free cervical and breast cancer checks for low-income women, a program made possible with federal grants from the Centers for Disease Control.
20. GOVERNOR VETO - The Governor vetoed Section 219(28) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding for this purpose will lapse.

Department of Corrections

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	825,064	23,454	848,518
1998 Supplemental Budget			
1. Community Corr Officers-Firearms	835	0	835
2. Delay Tri-Cities WTR	-407	0	-407
3. Population Forecast Adjustment	41	0	41
4. DSHS Population Adjustment	639	0	639
5. Juvenile Program Savings	-334	0	-334
6. Juvenile Education	-866	0	-866
7. Prison Facilities Savings	-1,527	0	-1,527
8. Agency Efficiencies	-1,162	0	-1,162
9. Penalties for Manufacture of Meth	8	0	8
10. Penalties for Amphetamine Crimes	70	0	70
11. Mentally Ill Offenders	45	0	45
12. Sex Offender Registration	36	0	36
Total Supplemental Items	-2,622	0	-2,622
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1997-99 REVISED APPROPRIATIONS	822,442	23,454	845,896
Fiscal Year 1998 Total	403,327	15,114	418,441
Fiscal Year 1999 Total	419,115	8,340	427,455

Comments:

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| <p>1. COMMUNITY CORR OFFICERS-FIREARMS - In 1997, the Legislature passed, and the Governor vetoed SB 5047, which permitted community corrections officers to carry firearms in the course of their duties. Under that bill, community corrections officers who had chosen to carry a firearm would have been required to pay for their own firearm, materials, and equipment. In addition, they would have been required to arrange, purchase, and complete a mandatory training program that would have been developed by the Criminal Justice Training Commission. After the veto, the Department conferred with labor organizations to reach a mutually agreed upon approach which the Department feels can be implemented without statutory change. Funds are provided to the Department to purchase firearms, holsters, storage lockers, ammunition, vests, and eye/ear protection. In addition, funding is provided to conduct additional screening of employees who desire to carry firearms. Finally, 2.5 FTE staff are provided to conduct training and coordinate the ongoing certification requirements associated with implementing this policy.</p> <p>2. DELAY TRI-CITIES WTR - Savings result from a delay in opening the Tri-Cities Work Training Release (WTR) facility. The delay is the result of ongoing litigation relating to site selection for the facility. The facility is now assumed to open in June 1999.</p> <p>3. POPULATION FORECAST ADJUSTMENT - Funding is adjusted to reflect the November 1997 inmate forecast by the Caseload Forecast Council. The new forecast anticipates 46 fewer inmates in FY 1998 and 52 more inmates in FY 1999 than was originally projected in November 1996.</p> <p>4. DSHS POPULATION ADJUSTMENT - The Department of Social and Health Services (DSHS) is relocating the Special Commitment</p> | <p>Center from Monroe to McNeil Island. Funding is provided to the Department of Corrections (DOC) for the increased costs associated with the reoccupation of a close custody housing unit at Monroe. The Special Commitment Center will be occupying a minimum custody housing unit at McNeil Island.</p> <p>5. JUVENILE PROGRAM SAVINGS - Chapter 338, Laws of 1997 (E3SHB 3900) requires the Department to house most offenders under the age of eighteen apart from offenders over the age of eighteen. The original 1997-99 biennial budget assumed that a previously vacant housing unit at the Washington Corrections Center for Women would need to be reopened for this purpose. Savings are generated by the Department instead using a separate portion of an already occupied housing unit.</p> <p>6. JUVENILE EDUCATION - Chapter 338, Laws of 1997 (E3SHB 3900) requires the Department to provide certain educational opportunities to offenders under the age of eighteen. The original 1997-99 biennial budget provided funding to DOC for this purpose. Funding for the education of offenders under the age of eighteen is transferred from DOC to the Superintendent of Public Instruction. Funding for the education of these offenders, at a higher rate, is included in the budget for the Public Schools Institutional Education Program.</p> <p>7. PRISON FACILITIES SAVINGS - Savings are realized from delays in opening expanded facilities at Cedar Creek Corrections Center, Larch Corrections Center, McNeil Island Corrections Center, Washington Corrections Center for Women, and the Washington State Reformatory.</p> |
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Department of Corrections

8. AGENCY EFFICIENCIES - Savings are realized in personnel costs and through the migration of the Offender Based Tracking System (OBTS) from the Washington State Patrol to the Department of Information Services.
9. PENALTIES FOR MANUFACTURE OF METH - Funding is provided for the implementation of Chapter 78, Laws of 1998 (HB 2628), which increases the penalty for manufacturing methamphetamine.
10. PENALTIES FOR AMPHETAMINE CRIMES - Funding is provided for Chapter 82, Laws of 1998 (ESB 6139), which increases the penalty for amphetamine crimes.
11. MENTALLY ILL OFFENDERS - Funding is provided for the implementation of Chapter 260, Laws of 1998 (ESSB 5760), which requires the gathering of additional information and monitoring of mentally ill offenders.
12. SEX OFFENDER REGISTRATION - Funding is provided for the implementation of the Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
Work Release/Pre-Release										
Avg Daily Pop/Month	683	781	1,021	1,068	997	1,014	1,063	1,126	1,219	1,288
% Change from prior year		14.3%	30.7%	4.6%	-6.6%	1.7%	4.8%	5.9%	8.3%	5.7%
Community Supervision										
# Active Offenders	33,250	35,655	39,900	42,294	44,713	47,749	51,084	54,034	57,390	59,313
% Change from prior year		7.2%	11.9%	6.0%	5.7%	6.8%	7.0%	5.8%	6.2%	3.4%
Institutions										
Avg Daily Pop/Month	6,675	7,383	8,327	9,124	9,557	10,016	10,726	11,474	12,019	12,633
% Change from prior year		10.6%	12.8%	9.6%	4.7%	4.8%	7.1%	7.0%	4.8%	5.1%
Avg Cost Per Inmate *										
Annual	\$23,082	\$22,358	\$21,984	\$22,737	\$23,368	\$24,098	\$23,924	\$23,431	\$24,049	\$23,696
% Change from prior year		-3.1%	-1.7%	3.4%	2.8%	3.1%	-0.7%	-2.1%	2.6%	-1.5%

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

Data Source:

FY 1990 through FY 1999 from Division of Management and Budget at Department of Corrections.

Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	2,521	406,777	409,298
1998 Supplemental Budget			
1. Welfare to Work	0	20,156	20,156
2. One-Stop Implementation	0	4,877	4,877
3. Local Funds	0	3,808	3,808
4. TAXIS Improvements	0	1,786	1,786
5. Field PC Replacement for Year 2000	0	813	813
6. Governor Veto	0	-20,156	-20,156
Total Supplemental Items	0	11,284	11,284
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1997-99 REVISED APPROPRIATIONS	2,521	418,061	420,582
Fiscal Year 1998 Total	1,260	213,035	214,295
Fiscal Year 1999 Total	1,261	205,026	206,287

Comments:

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| <p>1. WELFARE TO WORK - Funding is provided to transition welfare recipients to work. Funds currently appropriated for the Temporary Assistance for Needy Families (TANF) program will be used as the source of the required 50 percent state match. Since the matching state funds are already appropriated to the Department of Social and Health Services for welfare reform efforts, including welfare-to-work related activities, no additional appropriation is required to match the federal grant. The Governor is required to obtain a federal waiver that allows formula grants to be distributed to alternative agencies. (General Fund-Federal)</p> <p>2. ONE-STOP IMPLEMENTATION - Funding is provided from Phase II of a federal grant to implement a statewide system to improve and integrate all employment service related systems across state government. These funds will allow the agency to implement the One-Stop system mandated by the federal Department of Labor. (General Fund-Federal)</p> <p>3. LOCAL FUNDS - Additional local funds are provided to allow the agency to maintain contracted services in communities throughout the state. These services include providing training and job services and labor market information to clients of other state agencies and private nonprofit organizations. (General Fund-Private/Local)</p> <p>4. TAXIS IMPROVEMENTS - Funding is provided to correct deficiencies within the Tax Information System (TAXIS). (Administrative Contingency Account, Employment Service Administrative Account)</p> <p>5. FIELD PC REPLACEMENT FOR YEAR 2000 - Funding is provided for the replacement of field office personal computers for Year 2000 compliance. The federal funds are part of a federal grant which may only be used for this activity. (Unemployment Compensation Administration Account-Federal, Employment Services Administration Account-State)</p> <p>6. GOVERNOR VETO - The Governor vetoed Section 222(3) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which</p> | <p>required the Employment Security Department to maintain the current level of job placement services at all 32 community and technical college location sites throughout the remainder of the 1997-99 biennium.</p> <p>The Governor vetoed Section 222(8) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which required the Employment Security Department to disclose additional tax information on the 1999 employer tax rate notice.</p> <p>The Governor vetoed Section 222(9) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided \$20,156,000 to implement the federal welfare-to-work program. The proviso stipulated that the funding would lapse if the Governor did not successfully obtain an approved federal waiver to use an alternative agency or agents to administer the welfare-to-work program.</p> |
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Natural Resources

Salmon Recovery

Last year, wild steelhead runs in the upper Columbia basin were listed as endangered under the Federal Endangered Species Act (ESA). This added to the existing ESA listings of Snake River Sockeye and Chinook. In the next year, further listings in the state are expected as the federal National Marine Fisheries Service completes status reviews for salmonid populations in the Puget Sound, the lower Columbia River, and the Pacific Coast.

When a salmonid species is listed under ESA, the species is included in a federal regulatory framework designed to conserve and rebuild species populations. This regulatory framework may include water use, land use, and natural resource use restrictions, as well as harvest reductions in both commercial and recreational fisheries.

The budget for Salmon Recovery addresses potential ESA listings by taking action now to rebuild threatened salmon populations. The budget provides new funding (\$26.1 million) in three areas: salmon restoration projects; expansion of existing programs; and planning, assessment, and coordination.

Salmon Restoration Funding

(Dollars in Thousands)

Item	GF-S	Other	Total
Salmon Restoration Projects			
Conservation Reserve Enhancement Program	1,000	5,000	6,000
Fish Passage Barriers and Restoration Projects - Grants	0	5,750	5,750
Fish Passage Barriers - Technical Assistance	450	0	450
Salmon Restoration Projects	3,500	750	4,250
Remote Site Incubators	393	0	393
Subtotal	5,343	11,500	16,843
Expansion of Existing Programs			
License Buy-Back	1,170	3,500	4,670
Mass Marking of Chinook	1,000	625	1,625
Subtotal	2,170	4,125	6,295
Planning, Coordination, and Assessment			
Watershed Assessment Grants	1,500	0	1,500
Governor's Salmon Team	500	0	500
Volunteer Initiative	1,000	0	1,000
Subtotal	3,000	0	3,000
Total	10,513	15,625	26,138

Salmon Restoration Projects:

Conservation Reserve Enhancement Program

Funding is available through the U.S. Department of Agriculture for the protection and restoration of riparian zones to benefit salmon and improve water quality. The supplemental budget includes \$5.0 million in the capital budget for a state match for fencing and restoration of riparian areas; and \$1.0 million from the state general fund in the operating budget for local conservation districts to assist landowners in designing restoration projects that meet the federal requirements.

Fish Passage Barriers

The Department of Fish and Wildlife estimates that there are over 2,400 barriers at road crossings in the state, blocking fish access to an estimated 3,000 miles of freshwater spawning and rearing habitat. The capital budget includes \$5.75 million from the Salmon Restoration Account for a grant program for state, local, and volunteer groups to inventory and correct fish passage barriers. The operating budget includes \$450,000 from the state general fund for the Department of Fish and Wildlife to provide engineering and design review assistance to groups planning fish barrier removal.

Local Restoration Projects

The supplemental budget includes \$3.9 million from the state general fund and \$750,000 in federal funds for the Department of Fish and Wildlife to develop a remote site incubator program, and funds a grant program for salmon restoration projects as defined in the Salmon Recovery Planning bill, Chapter 246, Laws of 1998 (ESHB 2496).

Expansion of Existing Programs:

License Buy-Back Program

The supplemental budget provides \$1.2 million from the state general fund and \$3.5 million in federal funds to continue the existing commercial license buy-back program. The program allows those who fish for salmon to sell their licenses back to the state, thus both reducing harvest pressure on stocks and allowing fishers to recover a portion of their investment.

Mass Marking of Chinook

Mass marking of hatchery Coho salmon allows fishers to selectively catch hatchery-produced salmon in mixed-stock fisheries. This program allows a continuation of both sport and commercial Coho fisheries, while protecting wild salmon runs. The supplemental budget provides \$1.0 million in state general funds, \$400,000 in federal funds, and \$225,000 in local funds to expand the existing mass marking program to Chinook salmon.

Planning, Coordination, and Assessment:

Watershed Assessment Grants

The threat of salmon ESA listings highlights the need to increase the capacity of local governments and local volunteer groups to address salmon restoration. The supplemental budget provides \$1.5 million in state general funds for grant programs to lead entities to assess the current habitat conditions in watersheds; identify potential salmon restoration projects; and prioritize projects for immediate implementation.

Governor's Salmon Team

The supplemental includes \$500,000 from the state general fund to add four staff to the Governor's Salmon Team. The Salmon Team will coordinate agency activities related to salmon restoration and report on the status of salmon recovery efforts.

Volunteer Initiative

The amount of \$1.0 million from the state general fund is provided to contract with a nonprofit group to develop a volunteer habitat initiative. The initiative will include: a training program for volunteers; a public outreach and education program; and a program to encourage landowners and land managers to use volunteers in salmon habitat improvement projects.

Wildlife Account

Late in the legislative session the Department of Fish and Wildlife revealed that the agency's Wildlife Account could reach a deficit of up to \$17.4 million by the end of the biennium. The Legislature has developed the following plan to assist the agency with the immediate shortfall and to develop a long-term plan for balancing the wildlife account revenues and program expenditures.

General Fund-State Loan

To help the Department through the immediate budget shortfall, the enacted budget proposes to lend \$3.5 million from the state general fund to the Wildlife Account. The loan is contingent upon the following departmental actions:

- The Department must submit an expenditure reduction plan to the Office of Financial Management (OFM) and to the Senate Ways and Means and House Appropriations Committees by April 17, 1998. The plan must specify positions to be eliminated and properties proposed for sale. Reductions must be limited to wildlife account programs.
- The Department must submit quarterly revenue and expenditure reports to OFM, the Senate Ways and Means Committee, and the House Appropriations Committee.
- The Department must work with OFM and the Department of Revenue to develop a model for forecasting revenues to the state wildlife account. The forecast must be incorporated into the quarterly economic and revenue forecast.
- By November 1, 1998, the Department must submit a six-year financial plan for the state wildlife account for fiscal years 1999-2005 to OFM, the Senate Ways and Means Committee, and the House Appropriations Committee. The plan must include a plan for repayment of the general fund loan.

Program Reductions

To help balance the projected shortfall in the Wildlife Account, a series of program reductions totaling \$7.5 million must be implemented. A comprehensive reduction plan must be submitted to OFM by April 17, 1998.

Management Consultant Audit

The enacted budget includes \$250,000 from the state general fund to OFM to hire an outside management consultant to review the agency's operations and management practices. This information will be used to refine the long-term financial plan for the wildlife-funded programs.

Recreational License Database

The amount of \$1.0 million from the state general fund is provided to the Department of Fish and Wildlife to purchase and develop a recreational license database. The database will include point-of-sale system implementation.

Other Natural Resources

Aquatic Land Lease Rate Study

The supplemental budget provides \$71,000 from the Resource Management Cost Account to implement Chapter 185, Laws of 1998 (2SSB 6156), requiring the Department of Natural Resources to study methods for calculating water-dependent lease rates on state-owned aquatic lands.

Finfish Net-Pen Aquaculture Study

The amount of \$50,000 from the state general fund is provided to the Department of Natural Resources for a study of potential sites for Finfish Net-Pen Aquaculture in the Strait of Juan de Fuca and along the Pacific Coast.

Spartina Control

The amount of \$50,000 from the Resource Management Cost Account is provided for a field study of the effectiveness of biological control methods for control of spartina in Willapa Bay.

Agriculture and Water

Watershed Management

The supplemental budget provides \$1.1 million from the state general fund to the Department of Ecology to provide technical assistance to local watershed planning groups. The budget also provides \$3.9 million from the state general fund for grants to local watershed planning groups to implement Chapter 247, Laws of 1998, Partial Veto (ESHB 2514).

Fertilizer Regulation

The amount of \$675,000 from the Local Toxics Control Account is provided to the Departments of Agriculture and Ecology to implement Chapter 36, Laws of 1998 (SSB 6474), regulating fertilizers. This includes funding for a study of plant uptake of heavy metals, and a study of the occurrence of dioxins in soils, fertilizers, and soil amendments.

Dairy Nutrients

The amount of \$400,000 from the state general fund is provided to add five inspectors in the Department of Ecology to implement Chapter 26, Laws of 1998, Partial Veto (SSB Bill 6161). Staff will conduct dairy inspections, issue permits, and establish and administer a dairy database. The amount of \$200,000 is provided to the Conservation Commission to assist dairies in developing farm plans.

Water Reuse

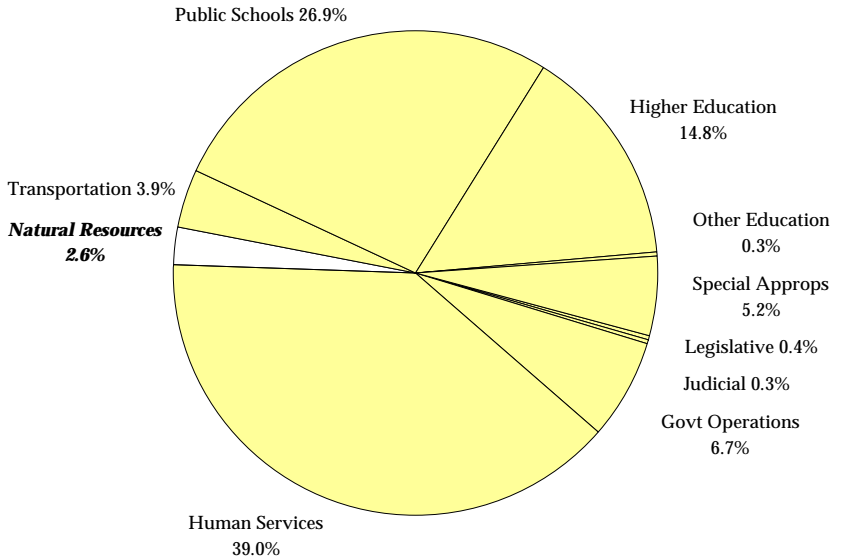
The amount of \$129,000 from the state general fund is provided to the Department of Health to provide technical assistance and permit review for water reuse projects.

1997-99 Washington State Operating Budget

Total Budgeted Funds

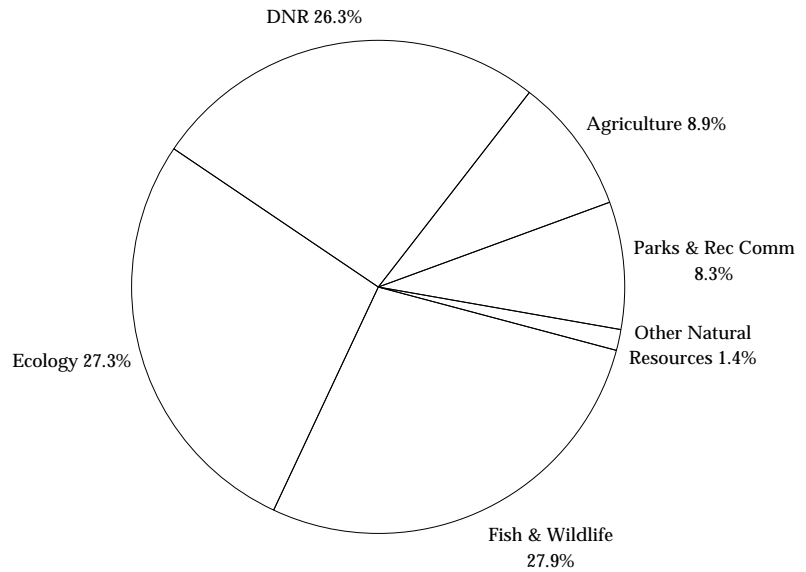
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

Dept of Fish & Wildlife	255,133
Dept of Ecology	249,949
Dept of Natural Resources	240,424
Dept of Agriculture	81,576
Parks & Recreation Comm	75,960
Other Natural Resources	12,701
Natural Resources	915,743



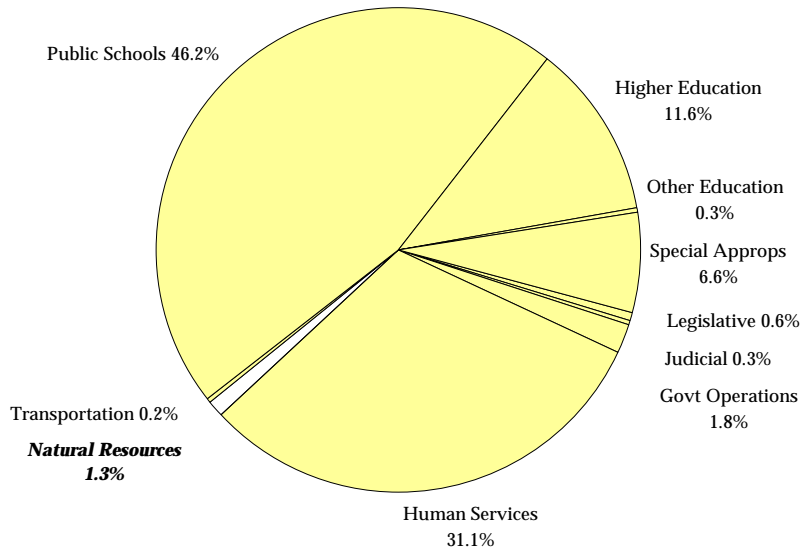
Natural Resources

1997-99 Washington State Operating Budget

General Fund - State

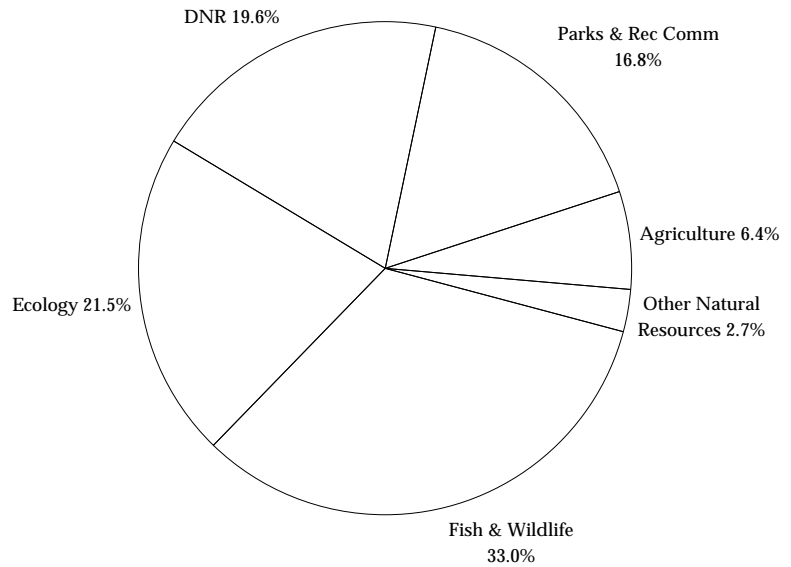
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

Dept of Fish & Wildlife	80,809
Dept of Ecology	52,769
Dept of Natural Resources	48,126
Parks & Recreation Comm	41,084
Dept of Agriculture	15,745
Other Natural Resources	6,666
Natural Resources	245,199



Natural Resources

Columbia River Gorge Commission

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	435	435	870
1998 Supplemental Budget			
1. Adjust to Oregon Fund Level	0	7	7
Total Supplemental Items	0	7	7
<hr/>			
1997-99 REVISED APPROPRIATIONS	435	442	877
Fiscal Year 1998 Total	213	214	427
Fiscal Year 1999 Total	222	228	450

Comments:

1. ADJUST TO OREGON FUND LEVEL - A technical adjustment is made in the agency's private/local authority to reflect the amount of funds actually appropriated by the state of Oregon for the Commission's operations. (General Fund-Private/Local)

Department of Ecology

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	51,873	196,336	248,209
1998 Supplemental Budget			
1. Watershed Management	1,100	0	1,100
2. Watershed Planning Grants	3,900	0	3,900
3. Dairy Waste Management	400	0	400
4. Grass Seed Burning Research	0	29	29
5. Increase Private/Local Authority	0	557	557
6. Marine Information System	0	40	40
7. Additional Federal Authority	0	925	925
8. Programmatic Adjustments	0	-1,319	-1,319
9. Pine Hollow Study	300	0	300
10. Wetlands Mitigation Banking	196	0	196
11. Regulatory Reform	24	36	60
12. Fertilizer Regulation	0	417	417
13. Water Rights	200	0	200
14. Watershed Management Grants	-5,000	0	-5,000
15. Underground Storage Tank Program	0	195	195
16. Governor Veto	-224	-36	-260
Total Supplemental Items	896	844	1,740
1997-99 REVISED APPROPRIATIONS	52,769	197,180	249,949
Fiscal Year 1998 Total	25,213	97,509	122,722
Fiscal Year 1999 Total	27,556	99,671	127,227

Comments:

1. WATERSHED MANAGEMENT - Funding is provided for 16 FTE staff to provide technical assistance to local watershed planning groups established in accordance with Chapter 247, Laws of 1998, Partial Veto (ESHB 2514 - Integrated Watershed Management). The Department of Ecology (DOE) may provide a portion of these funds to other state agencies to provide technical assistance to local watershed planning groups as needed.
5. INCREASE PRIVATE/LOCAL AUTHORITY - DOE has received additional funding from outside sources to complete various projects. Authority is provided to allow expenditure of these funds. Projects include a water quality study of Budd Inlet, education and research activities at Padilla Bay, and water quality studies related to forest management activities. (General Fund-Private/Local)
2. WATERSHED PLANNING GRANTS - Funding is provided for grants to local watershed planning groups established in accordance with Chapter 247, Laws of 1998, Partial Veto (ESHB 2514 - Integrated Watershed Management).
6. MARINE INFORMATION SYSTEM - The Marine Information System is a vessel information and risk analysis system. Funding is provided to complete the final components of the system, including expanded vessel ownership information and historical enforcement tracking. (Oil Spill Administration Account)
3. DAIRY WASTE MANAGEMENT - Funding is provided to implement Chapter 26, Laws of 1998, Partial Veto (SSB 6161 - Dairy Nutrient Management). Five inspectors will be added to carry out permitting and inspection activities and to establish and administer a dairy database.
7. ADDITIONAL FEDERAL AUTHORITY - DOE has received additional federal funding for three specific projects to be allocated in the following manner: \$600,000 for the Department to integrate its information systems; \$250,000 for grants and contracts to local governments and nonprofit groups to support pollution prevention in the Lake Whatcom and Whatcom Creek watersheds; and \$75,000 for the Pacific Northwest Pollution Prevention Research Center to support a pollution prevention newsletter and their pollution prevention resource network. (General Fund-Federal)
4. GRASS SEED BURNING RESEARCH - An adjustment is made in the appropriation authority for the Grass Seed Burning Research Account. DOE will contract with Washington State University to conduct a grass burning emission study and for additional research to identify economically feasible alternatives to grass seed burning in Eastern Washington. (Special Grass Seed Burning Research Account)

Department of Ecology

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| <p>8. PROGRAMMATIC ADJUSTMENTS - Funding is reduced for several of DOE's programs due to revenue shortfalls. (Vehicle Tire Recycling Account, Wood Stove Education and Enforcement Account, Solid Waste Management Account, Air Operating Permit Account)</p> | <p>The Governor vetoed Section 303(5) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.</p> |
| <p>9. PINE HOLLOW STUDY - Funding is provided to conduct a preconstruction analysis of Pine Hollow regarding its suitability as a site for a retainment dam and water storage reservoir. The analysis shall include, but is not limited to, an analysis of the geology and hydrology of the site and appropriate dam design and dynamics, its impact on water-related issues, and its impact on the Yakama Indian Nation and others water rights.</p> | <p>The Governor vetoed section 302(18) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which redirects existing funding, previously provided to the Department of Ecology for study of coastal erosion in southwest Washington, to the Department of Community, Trade, and Economic Development for coastal erosion project grants.</p> |
| <p>10. WETLANDS MITIGATION BANKING - Funding is provided for staff to develop rules regarding certification, operation, and monitoring of wetlands mitigation banks in accordance with Chapter 248, Laws of 1998 (E2SHB 2339 - Wetlands Mitigation Banking).</p> | <p>The Governor vetoed section 302(19) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which directs the Department of Ecology to provide expedited assistance to rural economic development projects, with top priority to projects that have initiated the coordinated permit assistance process.</p> |
| <p>11. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy, and interpretive statements. (General Fund-State, General Fund-Federal, Water Quality Permit, Air Pollution Control)</p> | <p>The Governor vetoed section 302(20) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which directs the Department of Ecology to contract for a scientific review of various permits and studies related to efforts to control aquatic weeds in Lake Steilacoom.</p> |
| <p>12. FERTILIZER REGULATION - Funding is provided to implement Chapter 36, Laws of 1998 (SSB 6474 - Fertilizer Regulation). DOE responsibilities include a study of the presence of dioxins in soils and fertilizers and review of applications for registration of waste-derived fertilizers. (Local Toxics Control Account)</p> | |
| <p>13. WATER RIGHTS - Funding is provided to reopen the water right claim filing period for existing beneficial uses in accordance with ESSB 5703 (Water Rights for Beneficial Uses). This bill was vetoed by the Governor.</p> | |
| <p>14. WATERSHED MANAGEMENT GRANTS - The Governor vetoed section 302 (4) of the 1997-99 biennial budget, which provided \$5 million for grants to local watershed planning groups contingent upon enactment of specific sections of 2SHB 2054 (Water Resources Planning). Under a March 20, 1998 decision of the Thurston County Superior Court, the Governor's veto resulted in a lapse of the appropriation, and the moneys are not available for expenditure.</p> | |
| <p>15. UNDERGROUND STORAGE TANK PROGRAM - Funding is provided to implement Chapter 155, Laws of 1998 (SSB 6130 - Underground Storage Tank Reauthorization). The bill extends the termination of the Underground Storage Tank program to July 2009, adds a requirement for review under the Sunset Act prior to termination, and increases the annual tank licensing fee. (Underground Storage Tank Account)</p> | |
| <p>16. GOVERNOR VETO - The Governor vetoed Section 303(4) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided \$200,000 for implementation of ESSB 5703 (Water Rights for Beneficial Uses). ESSB 5703 was vetoed in its entirety. The \$200,000 appropriation lapses.</p> | |

State Parks and Recreation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	40,861	31,711	72,572
1998 Supplemental Budget			
1. PRSA Investment Authority	0	550	550
2. Cama Beach Caretaker	114	0	114
3. Headquarters Lease Increase	109	0	109
4. Health and Safety Maintenance	0	694	694
5. Snowmobile Program Expansion	0	950	950
6. Northwest Avalanche Center Grant	0	40	40
Total Supplemental Items	223	2,234	2,457
<hr/>			
1997-99 REVISED APPROPRIATIONS	41,084	33,945	75,029
Fiscal Year 1998 Total	20,489	15,698	36,187
Fiscal Year 1999 Total	20,595	18,247	38,842

Comments:

1. PRSA INVESTMENT AUTHORITY - An adjustment is made in the appropriation authority for the Parks Renewal and Stewardship Account (PRSA) to reflect anticipated revenues from two specific programs: the Environmental Interpretation program and overnight accommodations at Fort Worden. (Parks Renewal and Stewardship Account)

2. CAMA BEACH CARETAKER - Funding is provided for a full-time ranger to coordinate park development activities, work with interest groups, respond to fire emergencies, provide security, and organize and supervise volunteers.

3. HEADQUARTERS LEASE INCREASE - Funding is provided for increased lease payments necessary to upgrade the heating and ventilation system and repair roof leaks at the existing facility.

4. HEALTH AND SAFETY MAINTENANCE - Funding is provided to address the most critical health and safety issues at state parks. Projects include replacing shower meters and electrical systems and repairing water and sewer systems. One-time federal funds from fire mobilization reimbursements are available for these projects. (General Fund-Federal)

5. SNOWMOBILE PROGRAM EXPANSION - Funding is provided for trail grooming and replacement of grooming equipment in snowmobile areas across the state. (Snowmobile Account)

6. NORTHWEST AVALANCHE CENTER GRANT - Funding is provided for operation of the Northwest Avalanche Center. (Snowmobile Account, Winter Recreation Account)

NOTE: The State Parks & Recreation Commission received an appropriation of \$4,431,000 in the original 1997-99 Transportation Budget.

Interagency Committee for Outdoor Recreation

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	2,988	2,988
1998 Supplemental Budget			
1. National Recreational Trails	0	11	11
Total Supplemental Items	0	11	11
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	2,999	2,999
Fiscal Year 1998 Total	0	1,567	1,567
Fiscal Year 1999 Total	0	1,432	1,432

Comments:

1. NATIONAL RECREATIONAL TRAILS - Funding is provided from a federal grant to administer the U.S. Department of Transportation's National Recreational Trails Program. (General Fund-Federal)

State Conservation Commission

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	1,678	440	2,118
1998 Supplemental Budget			
1. Conservation Reserve Program	1,000	0	1,000
2. Dairy Nutrients	200	0	200
3. Watershed Assessments	800	0	800
4. Volunteer Initiative	1,000	0	1,000
Total Supplemental Items	3,000	0	3,000
<hr/>			
1997-99 REVISED APPROPRIATIONS	4,678	440	5,118
Fiscal Year 1998 Total	838	219	1,057
Fiscal Year 1999 Total	3,840	221	4,061

Comments:

1. CONSERVATION RESERVE PROGRAM - Funding is available through the U.S. Department of Agriculture Conservation Reserve Enhancement Program (CREP) for the protection and restoration of riparian zones to benefit salmon and improve water quality. Funding is provided in the operating budget for technical assistance to assist individual landowners in designing restoration projects that meet federal requirements. The state cost share for restoration projects is provided in the capital budget.

2. DAIRY NUTRIENTS - Funding is provided for local conservation districts to provide technical assistance to dairy farmers in accordance with Chapter 26, Laws of 1998, Partial Veto (SSB 6161 - Dairy Nutrient Management).

3. WATERSHED ASSESSMENTS - Funding is provided to assist regional salmon recovery groups in identifying limiting factors for salmonids in accordance with the process established in Chapter 246, Laws of 1998 (SHB 2496 - Salmon Recovery Plan).

4. VOLUNTEER INITIATIVE - Funding is provided to implement a pilot volunteer initiative to train volunteers, conduct public outreach and education, and encourage landowners and land managers to use volunteers for salmon habitat improvements.

Department of Fish and Wildlife

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS *	72,251	178,581	250,832
1998 Supplemental Budget			
1. Big Game Raffle Authority	0	250	250
2. Columbia River Enforcement Officers	0	-1,878	-1,878
3. License Buy Back Program	1,170	3,500	4,670
4. Deer and Elk Damage Claims	250	0	250
5. Fish Passage Barriers	450	0	450
6. Independent Science Team	50	0	50
7. Salmon Restoration Projects	3,500	750	4,250
8. Watershed Assessments	700	0	700
9. Regulatory Reform	70	0	70
10. Remote Site Incubators	393	0	393
11. Mass Marking of Chinook	1,000	625	1,625
12. Recreational License Database	1,000	0	1,000
13. PSEA Shortfall	0	-4	-4
14. Nonindigenous Aquatic Species	45	0	45
15. Wildlife Fund Shortfall	0	-7,500	-7,500
16. Governor Veto	-70	0	-70
Total Supplemental Items	8,558	-4,257	4,301
<hr/>			
1997-99 REVISED APPROPRIATIONS	80,809	174,324	255,133
Fiscal Year 1998 Total	35,869	86,656	122,525
Fiscal Year 1999 Total	44,940	87,668	132,608

Comments:

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| <p>1. BIG GAME RAFFLE AUTHORITY - Authority is provided to expend greater than expected revenue collected from big game auctions and raffles in the 1997-99 biennium. The revenue is dedicated to wildlife conservation purposes. (Wildlife Account-State).</p> <p>2. COLUMBIA RIVER ENFORCEMENT OFFICERS - Funding is reduced due to the elimination of federal funds. (General Fund-Federal)</p> <p>3. LICENSE BUY BACK PROGRAM - Funding is provided for a commercial salmon license buy back program. This program allows salmon fishermen the opportunity to sell their licenses back to the state and exit from salmon fisheries. A 25 percent state match is required to access \$3.5 million in federal funds. (General Fund-State, General Fund-Federal)</p> <p>4. DEER AND ELK DAMAGE CLAIMS - Funding is provided for unanticipated deer and elk damage claims.</p> <p>5. FISH PASSAGE BARRIERS - Funding is provided for engineering and technical assistance to local governments and volunteer groups for fish passage barrier removal and to train Department of Transportation (DOT) engineers to provide engineering and technical assistance for fish passage barrier removal, in accordance with Chapter 246, Laws of 1998 (ESHB 2496 - Salmon Recovery Planning).</p> | <p>6. INDEPENDENT SCIENCE TEAM - Funding is provided to create the independent science panel authorized in Chapter 246, Laws of 1998 (ESHB 2496 - Salmon Recovery Planning). The panel will review regional salmon recovery plans at the request of the Governor.</p> <p>7. SALMON RESTORATION PROJECTS - Funding is provided to the Department of Fish and Wildlife (DFW) to provide salmon habitat restoration project grants to local entities according to the process established in Chapter 246, Laws of 1998 (ESHB 2496 - Salmon Recovery Planning). Funds will be distributed by an interagency review team from DFW, the Conservation Commission, and DOT. The interagency review team must provide a summary of expenditures and projects to the Legislature and the Governor each year. (General Fund-State, Regional Fisheries Enhance Group-Federal)</p> <p>8. WATERSHED ASSESSMENTS - Funding is provided for grants to regional lead entities for administrative activities, development of habitat project lists, and limiting factors analysis in accordance with Chapter 246, Laws of 1998 (ESHB 2496 - Salmon Recovery Planning).</p> |
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Department of Fish and Wildlife

9. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy, and interpretive statements.
10. REMOTE SITE INCUBATORS - Funding is provided for the Department of Fish and Wildlife to develop a remote site incubator program to implement Chapter 251, Laws of 1998 (SSB 6324 - Fish Remote Site Incubator).
11. MASS MARKING OF CHINOOK - Funding is provided for the mass marking of hatchery Chinook in accordance with Chapter 250, Laws of 1998 (2SSB 6264 - Chinook Salmon Mass Marking). The mass marking will be jointly funded by state, federal, and private entities. (General Fund-State, General Fund-Federal, General Fund-Local)
12. RECREATIONAL LICENSE DATABASE - Funding is provided for the purchase and development of a recreational license database to facilitate the license reorganization in Chapter 191, Laws of 1998, Partial Veto (2SSB 6330 - Fish and Wildlife Licenses) and to improve the collection and accountability for recreational license revenues.
13. PSEA SHORTFALL - Funding is reduced to reflect a revenue shortfall in the Public Safety and Education Account (PSEA).
14. NONINDIGENOUS AQUATIC SPECIES - Funding is provided to form a task force in accordance with Chapter 153, Laws of 1998 (SSB 6114 - Nonindigenous Aquatic Species) which authorizes the Department to develop recommendations to prevent the spread of zebra mussels and green crabs.
15. WILDLIFE FUND SHORTFALL - Late in the legislative session, the Department notified the Legislature of a \$17 million budget shortfall in the Wildlife Account. Appropriation authority and staff are reduced for programs that receive funds from the wildlife account due to the shortfall. The Department must propose an expenditure reduction plan to the Legislature by April 17, 1998. Preliminary reduction plans submitted by the Department indicate that no more than \$500,000 will be reduced from supporting hatcheries production, and no more than four enforcement officers will be cut. (Wildlife Account-State)
16. GOVERNOR VETO - The Governor vetoed Section 307(34) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

NOTE: * The 1997-99 Original Appropriations include a \$24,000 appropriation from Chapter 425, Laws of 1997 (SSB 5327), for the Habitat Incentives Program

Department of Natural Resources

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS *	47,959	192,177	240,136
1998 Supplemental Budget			
1. GIS Inventory	117	0	117
2. Mobile Radio Replacement	0	750	750
3. Regulatory Reform	75	75	150
4. Aquatic Land Lease Rate Study	0	71	71
5. Finfish Netpen Aquaculture Study	50	0	50
6. Spartina Eradication	0	50	50
7. Governor Veto	-75	-825	-900
Total Supplemental Items	167	121	288
<hr/>			
1997-99 REVISED APPROPRIATIONS	48,126	192,298	240,424
Fiscal Year 1998 Total	23,779	95,135	118,914
Fiscal Year 1999 Total	24,347	97,163	121,510

Comments:

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| <p>1. GIS INVENTORY - Funding is provided for a Geographical Information System (GIS) inventory of Washington sand, gravel, and construction rock resources.</p> <p>2. MOBILE RADIO REPLACEMENT - Funding is provided for radio equipment compatible with the new Federal Communications Commission's (FCC) regulations. Equipment will be purchased for areas where failure to convert to the new channels within one year may result in loss of channel licenses and demonstrated usage of new radio communication channels is necessary to preserve these licenses. (Natural Resources Equipment Account)</p> <p>3. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy, and interpretive statements. (General Fund-State, Forest Development Account-State, Resource Management Cost Account-State)</p> <p>4. AQUATIC LAND LEASE RATE STUDY - Funding is provided to implement Chapter 185, Laws of 1998 (2SSB 6156 - State Aquatic Lands Leases), requiring the Department of Natural Resources to study methods for calculating water-dependent lease rates on state-owned aquatic lands. (Resource Management Cost Account-State)</p> <p>5. FINFISH NETPEN AQUACULTURE STUDY - Funding is provided for a study of potential finfish netpen aquaculture sites along the Strait of Juan de Fuca and the Pacific Coast.</p> | <p>6. SPARTINA ERADICATION - Funding is provided for a field study of the effectiveness of certain biological control methods for the eradication of spartina. (Resource Management Cost Account-State)</p> <p>7. GOVERNOR VETO - The Governor vetoed Section 308(10) of Chapter 346, Laws of 1998, Partial Veto (ESSB6108), which provided \$750,000 from the Natural Resources Equipment Account for the replacement of mobile radios. The \$750,000 appropriation lapses.</p> <p>The Governor vetoed Section 308(11) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.</p> <p>NOTE: * The 1997-99 Original Appropriations include a \$24,000 appropriation from Chapter 425, Laws of 1997 (SSB 5327) for the Habitat Incentives Program.</p> |
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Department of Agriculture

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	14,604	63,734	78,338
1998 Supplemental Budget			
1. Asian Gypsy Moth	421	361	782
2. Lease and Tenant Improvements	720	1,164	1,884
3. Fertilizer Safety Study	0	258	258
4. Livestock Identification Program	95	95	190
5. Regulatory Reform	50	0	50
6. Governor Veto	-145	-95	-240
Total Supplemental Items	1,141	1,783	2,924
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1997-99 REVISED APPROPRIATIONS	15,745	65,517	81,262
Fiscal Year 1998 Total	7,605	31,801	39,406
Fiscal Year 1999 Total	8,140	33,716	41,856

Comments:

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| <ol style="list-style-type: none"> 1. ASIAN GYPSY MOTH - Funding is provided for projects to eradicate infestations of Asian Gypsy Moths. (General Fund-State, General Fund-Federal) 2. LEASE AND TENANT IMPROVEMENTS - Funding is provided for lease increases and tenant improvements for Department programs in Yakima and Olympia. (General Fund-State, Agricultural Local Account-Non-appropriated) 3. FERTILIZER SAFETY STUDY - Funding is provided for a study of plant uptake of heavy metals and implementation of Chapter 36, Laws of 1998 (SSB 6474 - Fertilizer Regulation). (Local Toxics Control Account) 4. LIVESTOCK IDENTIFICATION PROGRAM - A one-time General Fund-State appropriation of \$95,000 is deposited in the Livestock Identification Account to implement Chapter 263, Laws of 1998, Partial Veto (ESSB 6204 - Livestock Identification). 5. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy, and interpretive statements. | <ol style="list-style-type: none"> 6. GOVERNOR VETO - The Governor vetoed Section 309(6) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse. <p>The Governor vetoed Section 309(7) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided \$95,000 for a one-time general fund deposit into the Livestock Identification Account, contingent upon enactment of specific sections of Chapter 263, Laws of 1998, Partial Veto (ESSB 6204 - Livestock Identification). Since the specific sections of ESSB 6204 were vetoed, the \$60,000 appropriation lapses.</p> <p>NOTE: The Department of Agriculture received an appropriation of \$304,000 in the original 1997-99 Transportation Budget.</p> |
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Washington Pollution Liability Insurance Program

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	0	2,054	2,054
1998 Supplemental Budget			
1. Legal Costs	0	100	100
Total Supplemental Items	0	100	100
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	2,154	2,154
Fiscal Year 1998 Total	0	1,062	1,062
Fiscal Year 1999 Total	0	1,092	1,092

Comments:

1. LEGAL COSTS - As a result of a recent Washington Supreme Court ruling, the Washington Pollution Liability Insurance Program will pursue recovery of reinsurance funds spent on groundwater cleanup. New funding covers investigation as well as legal representation and associated costs. (Pollution Liability Insurance Program Trust Account)

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

Funding in the amount of \$1.1 million from the state general fund is provided to cover fixed costs associated with data center operations. The data center supports several criminal justice information technology systems. Funding responsibility is shared between the operating and transportation budgets.

Transportation Budget Items Transferred to General Fund-State

As part of a \$2.4 billion transportation financing package (for additional information, please see page 3), the supplemental operating budget provides \$25.3 million in additional funding for the transportation budget. Of that amount, \$12.7 million is provided as a one-time appropriation and another \$12.7 million is provided as on-going. Using the state general fund for these activities will free up transportation dollars to be used for road construction and other transportation infrastructure projects. The specific activities transferred are summarized on the chart below.

Transportation Items For Transfer to General Fund-State

(Dollars in Thousands)

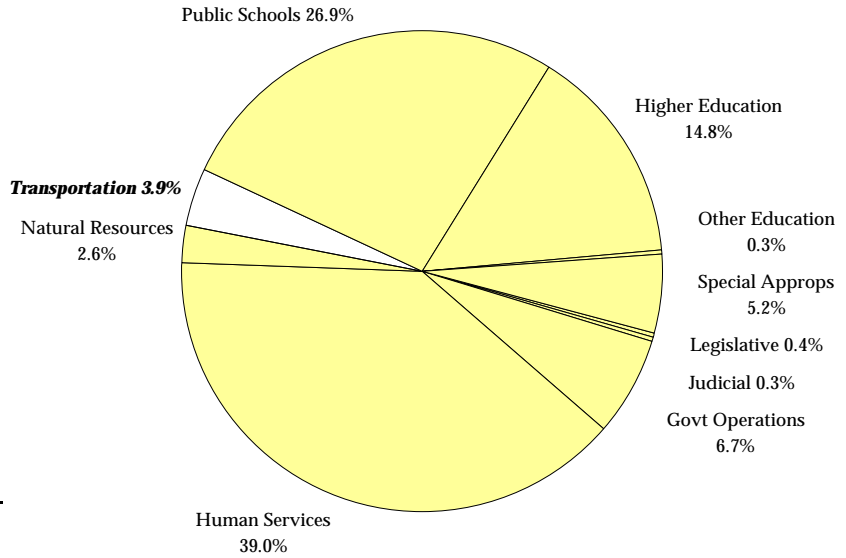
Activity	FY 1999
Washington State Patrol	
Communication Division	3,644
Electronic Services Division	2,391
Associated Administrative Costs	1,989
ACCESS	1,172
Executive Protection Unit	1,008
Crime Labs	948
Identification Section	850
Other	384
Subtotal	12,386
Community, Trade, and Economic Development - Tourist Info Centers	126
Office of Financial Management - Transportation Budget and Policy Analysts	138
Funding of Transferred Programs	12,650
One-Time Appropriations (\$3.0 million in FY 1998 and \$9.65 million in FY 1999)	12,650
Total New GF-S Transportation Funding	25,300

1997-99 Washington State Operating Budget

Total Budgeted Funds

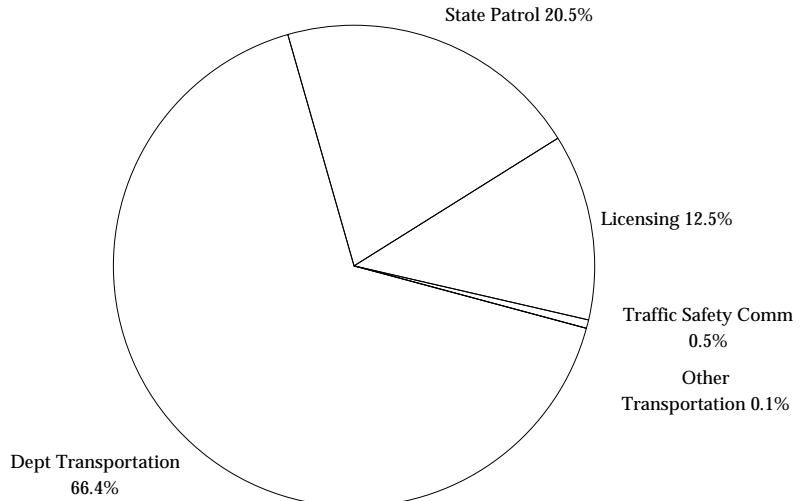
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

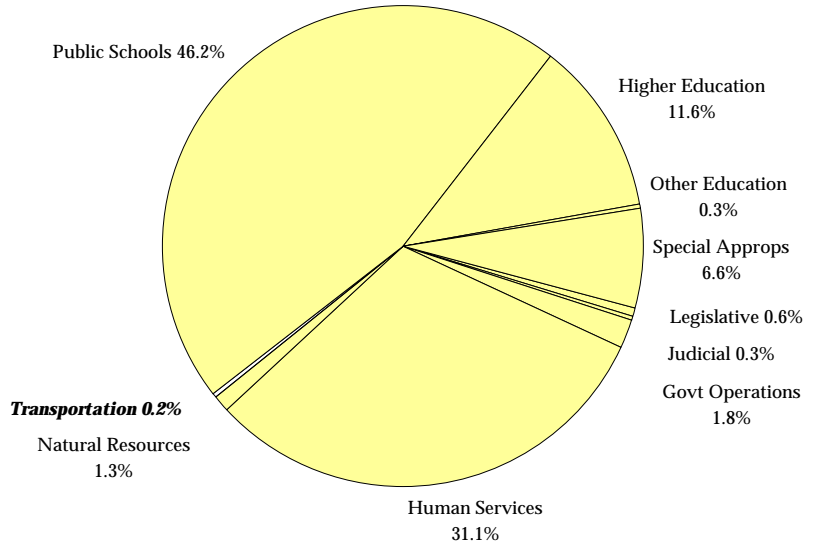
Dept of Transportation	927,178
Washington State Patrol	285,947
Dept of Licensing	175,230
Traffic Safety Commission	6,907
Other Transportation	1,433
Transportation	1,396,695



Transportation

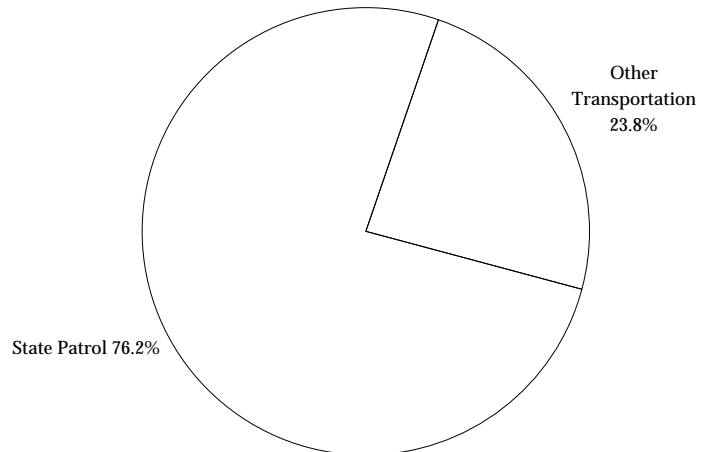
1997-99 Washington State Operating Budget
General Fund - State
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

Washington State Patrol	30,103
Other Transportation	9,403
Transportation	39,506



Transportation

Department of Licensing

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	8,945	22,657	31,602
1998 Supplemental Budget			
1. Overhead Realignment	273	-361	-88
2. Cosmetology Advisory Board	110	0	110
3. Cosmetology Inspections	75	0	75
Total Supplemental Items	458	-361	97
<hr/>			
1997-99 REVISED APPROPRIATIONS	9,403	22,296	31,699
Fiscal Year 1998 Total	4,686	11,246	15,932
Fiscal Year 1999 Total	4,717	11,050	15,767

Comments:

1. OVERHEAD REALIGNMENT - The Department has re-assessed the overhead billings applied to each program area. This item is an adjustment to the Department's appropriations based upon the new overhead allocation. (General Fund-State, various other accounts)
2. COSMETOLOGY ADVISORY BOARD - Funding is provided for Chapter 20, Laws of 1998 (SSB 6507), which permanently extends the Cosmetology, Barbering, Esthetics, and Manicuring Advisory Board.
3. COSMETOLOGY INSPECTIONS - Chapter 178, Laws of 1997 (SB 5997) required the Department to conduct additional inspections of cosmetology, barbering, esthetics, and manicuring schools, salons, or shops. Additional funding is provided to fully implement these inspection requirements.

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

Washington State Patrol

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	15,562	21,563	37,125
1998 Supplemental Budget			
1. Background Checks	0	138	138
2. WACIC/WASIS Federal Grant Match	665	0	665
3. Narcotics Grant Match	0	454	454
4. Fire Training Academy	0	533	533
5. Data Center	1,054	0	1,054
6. Executive Protection	241	0	241
7. Transfer Certain Programs to GF-S	12,386	0	12,386
8. PSEA Shortfall	137	-169	-32
9. HIDTA Unanticipated Receipt	0	1,621	1,621
10. NCIC Unanticipated Receipt	0	173	173
11. Sex Offender Registration	58	0	58
Total Supplemental Items	14,541	2,750	17,291
<hr/>			
1997-99 REVISED APPROPRIATIONS	30,103	24,313	54,416
Fiscal Year 1998 Total	8,312	12,292	20,604
Fiscal Year 1999 Total	21,791	12,021	33,812

Comments:

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| <ol style="list-style-type: none"> 1. BACKGROUND CHECKS - Funding is provided to support ongoing background checks of school district employees through the Office of the Superintendent of Public Instruction (OSPI). To support the increased appropriation, fees charged to persons being checked as a condition of their employment will need to be increased. The budget authorizes the Washington State Patrol (WSP) to increase these fees by no more than six dollars. (Fingerprint Identification Account) 2. WACIC/WASIS FEDERAL GRANT MATCH - Funding is provided to complete changes to the Washington Crime Information Center (WACIC) and Washington State Identification System (WASIS) systems which, among other goals, will ensure Year 2000 compliance. These system modifications are also supported by \$3 million in federal Byrne and National Criminal History Improvement Program grant monies. 3. NARCOTICS GRANT MATCH - WSP receives an annual share of the federal Bureau of Justice Administration Byrne Grant. Funding is provided to support the required 33 percent state match. In the future, non-appropriated drug seizure accounts are expected to support the matching requirement. (Violence Reduction and Drug Enforcement Account, Controlled Substances Non-appropriated Account) 4. FIRE TRAINING ACADEMY - The Fire Training Academy has entered into a contract to train firefighters from the United States Navy. The contract is supported by fees which offset the full cost of providing access to the Academy. Additional expenditure authority is provided to support the contracted services. (Fire Service Training Account) 5. DATA CENTER - WSP has operated its own data center since the 1970s. The data center supports several criminal justice systems, | <p>including WACIC (criminal history) and WASIS (hot file items such as warrants). In 1990, the Department of Corrections (DOC) transferred their system from the Department of Information Services (DIS) to WSP. In 1997, DOC transferred their system back to DIS citing performance, cost, and long-term planning concerns. When that transfer was made, the operating budget recognized \$1.1 million in savings in DOC resulting from a combination of the transfer and a subsequent DIS rate reduction. However, losing DOC as a customer left WSP unable to cover part of their fixed costs such as staff, facilities, and software maintenance. Funding is provided at a level which supports current operations.</p> <ol style="list-style-type: none"> 6. EXECUTIVE PROTECTION - Additional cadet staffing is provided to improve security coverage of the Governor's mansion and to mitigate overtime requirements of traveling and attending events with the Governor, his family, and the Lieutenant Governor. 7. TRANSFER CERTAIN PROGRAMS TO GF-S - Certain programs and portions of programs within WSP were historically funded in the operating budget. In the 1993-95 biennium, funding responsibility for many of these programs was transferred to the transportation budget. The operating budget assumes funding responsibility for these programs along with portions of two new programs, communications and electronic services, beginning in FY 1999. Similar transfers occur in the Department of Community, Trade, and Economic Development and the Office of Financial Management. 8. PSEA SHORTFALL - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA). A portion of the reduction is offset with an increase in General Fund-State funding. |
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Washington State Patrol

9. HIDTA UNANTICIPATED RECEIPT - Additional federal funding is provided for narcotics enforcement. The funding is available as a result of the federal High Intensity Drug Trafficking Area (HIDTA) designation. (General Fund-Federal)
10. NCIC UNANTICIPATED RECEIPT - Additional federal funding from the National Crime Information Center (NCIC) is provided for improving and upgrading the state's criminal justice information systems. This funding, along with other federal and state funding, will provide for the changes and improvements to the WACIC and WASIS systems. (General Fund-Federal)
11. SEX OFFENDER REGISTRATION - Funding is provided for the implementation of the Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

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

Public Schools

Successful Readers Program

In 1997, the first results from the new fourth grade assessments indicated that 34 percent of students performed significantly below the reading standards. Research has shown that various strategies can be used to increase the number of students meeting the standards. A total of \$17.0 million is provided for these strategies in accordance with Chapter 271, Laws of 1998, Partial Veto (E2SSB 6509). The components are listed below.

Beginning Reading Instructional Strategies

Funds in the amount of \$9.0 million from the state general fund are provided for elementary schools interested in providing professional development and related instructional materials in beginning reading skills for certificated instructional staff that provide direct instructional services to students in grades kindergarten through grade two. The training for teachers in reading instruction will be provided by public or private contractors and must include research-based scientifically proven strategies.

Tutoring and Mentoring Grants

The amount of \$8.0 million from the state general fund is provided for grants to elementary schools interested in providing programs that use volunteer tutors and mentors to assist struggling readers in kindergarten through sixth grade for programs that are research based and have proven effectiveness in improving student performance.

The Superintendent of Public Instruction must notify school districts of the availability of the funds for both programs by April 15, 1998, and the funds must be available by June 1, 1998. Districts in which less than half of the students meet the reading standards will have first priority for funds under both programs prior to June 1, 1998. Thereafter, all school districts are eligible for the funds on a first-come, first-served basis.

Workload and Other Adjustments

Changes in enrollments, staff mix, lower inflation, and other factors result in K-12 budget savings of more than \$67 million. The major items are discussed below.

Public school enrollment growth is lower than anticipated by 7,005 full-time equivalent students in the 1997-98 school year (from 943,019 to 936,014) and an estimated 8,625 in the 1998-99 school year (from 959,507 to 950,882). While this is less than a one percent change in the original forecast in both years, the cost reduction totals \$46.6 million for the biennium.

Staff mix, which is a measure of the experience and education of certificated instructional staff, is also not increasing as fast as expected. This produces \$8.2 million in budget savings.

The original 1997-99 budget provided inflation adjustments for K-12 basic education programs based on estimates of inflation. The inflation forecast for Fiscal Year 1998 has changed from 2.1 percent to 1.6 percent and for fiscal year 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budgets, so no changes are made for the 1997-98 school year.

A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in budget savings of \$5.9 million.

Correctional Facilities Education Programs

The amount of \$1.2 million from the state general fund is provided to implement Chapter 244, Laws of 1998 (ESSB 6600) which transfers responsibility for provision of educational services for juveniles under age 18 in adult correctional facilities to the K-12 system beginning in the 1998-99 school year.

Vocational Education Formula Restructure

The original budget for K-12 vocational education programs in high schools provided funding to maintain a ratio of one certificated staff per 18.3 vocational students. However, beginning with the 1998-99 school year, funding at that ratio would be provided only if districts staffed at that level.

A number of school districts indicated that they would lose vocational funding because they do not staff at the funded ratio. Instead, they use a portion of the staffing funds for such things as contracted services, equipment and supplies. The budget provides funding for such non-personnel costs at a rate of \$15,556 for each allocated certificated staff. Districts that would lose funds under the staffing ratio requirement report that their non-personnel expenditures exceed the state funding rate.

The supplemental budget changes the staffing ratio to one certificated staff per 19.5 students which is a reduction in the staffing ratio and increases the allocation for non-personnel costs from \$15,556 to \$19,775 per allocated certificated staff. This formula change is budget neutral. Districts would still have to maintain a ratio of one certificated staff per 19.5 students in order to receive funding for that ratio. The restructured formula gives districts greater flexibility in how they expend vocational education funds since non-personnel cost allocations may be expended for equipment and supplies, and may also be expended for staffing costs.

K-20 Network

The amount of \$6.9 million from the Education Savings Account is provided in the Department of Information Systems budget to complete the Phase II portion of the K-20 network for school districts.

Leadership Internship Program

The superintendent/principal internship program was created beginning in the 1994-95 school year. The purpose of the program was to provide funds for partial release time for district employees participating in internship programs. Funding for the program was discontinued in the original 1997-99 budget and the funds placed in the block grant program. The 1998 supplemental budget provides \$799,000 from the state general fund for a leadership internship program that is similar to the 1994 superintendent/principal internship program, and the funds for this program are transferred from the block grant program.

Washington School Information Processing Cooperative (WSIPC) – \$400,000 General Fund-State

Most school districts in this state belong to WSPIC which provides financial and student data processing services. Matching funds are provided to improve the software capabilities of the cooperative in order to maintain its membership base.

Education Studies

K-12 Finance Study

The amount of \$340,000 is provided to fund a K-12 finance study to be conducted by the Joint Legislative Audit and Review Committee. This study will examine revenue and expenditure practices of local school districts and the staffing ratios in selected buildings and classrooms. A final report is due to the Legislature by June 30, 1999.

Skills Centers Definition and Standards

The Superintendent of Public Instruction is directed to conduct a study and to make recommendations to the 1999 Legislature on a definition of, and standards for, skills centers by November 25, 1998. The budget contains a moratorium on new skills centers pending receipt of the study by the Legislature. This study has no general fund state impact.

Special Education Requirements Study

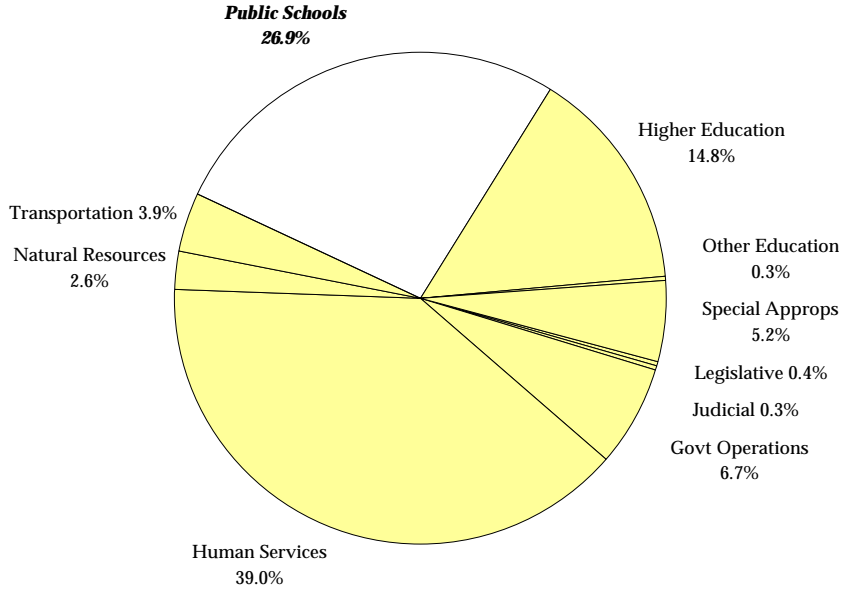
The Superintendent is directed to conduct a study that compares the state's administrative and statutory requirements for special education with the requirements of federal law. The study is due by December 15, 1998. This study has no general fund state impact.

1997-99 Washington State Operating Budget

Total Budgeted Funds

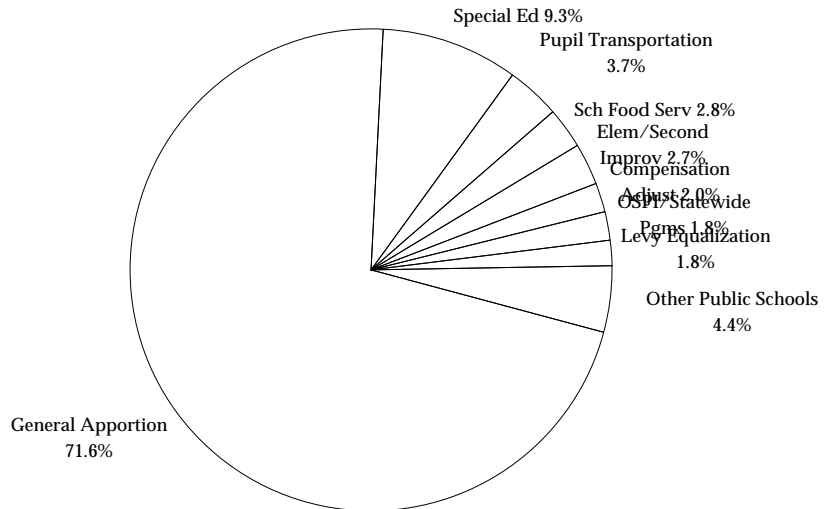
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

General Apportionment	6,879,248
Special Education	893,198
Pupil Transportation	354,607
School Food Services	265,215
Elem/Second Sch Improve	255,987
Compensation Adj	194,599
OSPI & Statewide Pgms	174,956
Levy Equalization	168,351
Other Public Schools	424,515
Public Schools	9,610,676

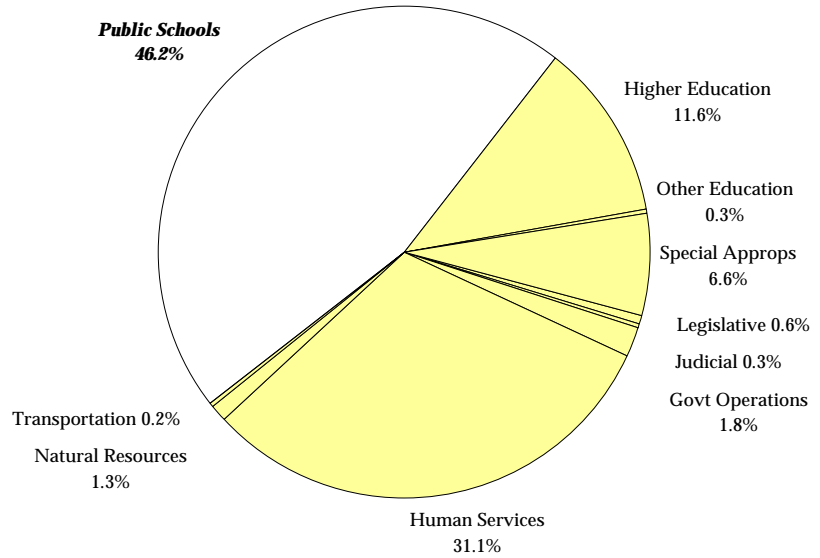


Public Schools

1997-99 Washington State Operating Budget General Fund - State

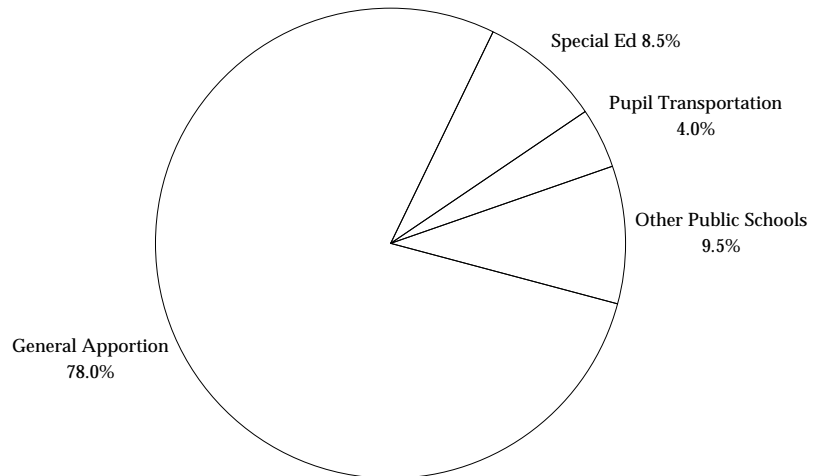
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

General Apportionment	6,879,248
Special Education	750,092
Pupil Transportation	354,607
Other Public Schools	833,949
Public Schools	8,817,896



Public Schools

Public Schools

WORKLOAD HISTORY

By School Year

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	Estimate	
									1997-98	1998-99
General Apportionment										
FTE Enrollment	768,619	795,703	823,355	850,426	871,735	886,247	904,133	923,679	936,014	950,882
% Change from prior year		3.5%	3.5%	3.3%	2.5%	1.7%	2.0%	2.2%	1.3%	1.6%
Special Education										
Headcount Enrollment *	80,236	84,808	95,954	102,388	101,463	107,232	108,255	109,126	111,047	113,220
% Change from prior year		5.7%	13.1%	6.7%	-0.9%	5.7%	1.0%	0.8%	1.8%	2.0%
Bilingual Education										
Headcount Enrollment	19,344	23,513	28,156	32,200	36,306	39,888	42,981	45,966	48,102	50,466
% Change from prior year		21.6%	19.7%	14.4%	12.8%	9.9%	7.8%	6.9%	4.6%	4.9%
Learning Assistance Program										
Entitlement Units **	86,749	104,123	106,270	114,909	112,771	117,887	154,933	157,583	159,634	161,401
% Change from prior year		20.0%	2.1%	8.1%	-1.9%	4.5%	31.4%	1.7%	1.3%	1.1%

* 1995-96 through 1998-99 represent enrollments funded through the main funding formula and do not include additional enrollment funded through the Special Education Safety Net.

** Formula changed in 1995 -- entitlement units used for allocation purposes only. Actual students served may vary.

Data Source:

1989-90 through 1996-97 amounts from SPI/OFM.

1997-98 through 1998-99 estimates from Legislative Conference Budget.

Public Schools OSPI & Statewide Programs

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	60,833	96,362	157,195
1998 Supplemental Budget			
1. Reduce 4th Grade Testing Burden	375	0	375
2. Instructional Materials	-179	0	-179
3. Offenders Prosecuted as Adults	115	0	115
4. Port Angeles Skill Center	50	0	50
5. Data Processing Grant	400	0	400
6. Successful Readers Program	17,000	0	17,000
Total Supplemental Items	17,761	0	17,761
<hr/>			
1997-99 REVISED APPROPRIATIONS	78,594	96,362	174,956
Fiscal Year 1998 Total	20,423	47,036	67,459
Fiscal Year 1999 Total	58,171	49,326	107,497

Comments:

- | | |
|---|---|
| <p>1. REDUCE 4TH GRADE TESTING BURDEN - Funds are provided to implement Chapter 319, Laws of 1998 (2SHB 2849), which addresses the issue of testing elementary school students. Fourth graders are tested as many as three times during the school year including a standardized statewide test. Under the bill, the fourth grade standardized test is moved to the third grade. Students testing substantially below grade level in reading will be re-tested.</p> <p>2. INSTRUCTIONAL MATERIALS - The original 1997-99 biennial budget provided \$20.82 per student in the 1998-99 school year for school instructional materials. Since enrollment is lower than anticipated, the cost of this program is reduced by \$179,000. The budget language is changed allowing individual teachers to determine how the funds will be expended.</p> <p>3. OFFENDERS PROSECUTED AS ADULTS - Funding is provided to implement Chapter 244, Laws of 1998 (ESSB 6600), which requires a study of the educational status and needs of juvenile offenders prosecuted as adults and incarcerated in state correctional facilities and county jails. The study will provide recommendations on appropriate educational programs to the Legislature as required in this bill.</p> <p>4. PORT ANGELES SKILL CENTER - Funding is provided for a skills center at Pt. Angeles, contingent on meeting standards for skills centers to be developed by the Office of the Superintendent of Public Instruction.</p> <p>5. DATA PROCESSING GRANT - Matching funds are provided for improving the financial and student database capabilities of the Washington School Information Processing Cooperative. The funding is provided on the condition that at least 267 school districts remain members of the cooperative.</p> <p>6. SUCCESSFUL READERS PROGRAM - Funding is provided to implement Chapter 271, Laws of 1998, Partial Veto (E2SSB 6509 - Reading Instruction Training). Various strategies will be employed to help improve reading in elementary schools</p> | <p>including: \$9 million for in-service training and related instructional materials; and \$8 million for programs utilizing volunteer tutors and mentors.</p> <p>NOTE: The Superintendent is directed to conduct a study and make recommendations to the 1999 Legislature on a definition of and standards for skills centers by November 25, 1998, and to prepare a study comparing the state's administrative and regulatory requirements for special education with the requirements of federal law.</p> |
|---|---|

Public Schools General Apportionment

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	6,940,884	0	6,940,884
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-46,600	0	-46,600
2. Staff Ratio Impacts	1,846	0	1,846
3. K-12 Compensation Impacts	-8,019	0	-8,019
4. K-12 Inflation	-4,771	0	-4,771
5. Other Adjustments	-4,097	0	-4,097
6. Vocational Ed Formula Restructure	255	0	255
7. K-12 Audit Resolution Team	-250	0	-250
Total Supplemental Items	-61,636	0	-61,636
<hr/>			
1997-99 REVISED APPROPRIATIONS	6,879,248	0	6,879,248
Fiscal Year 1998 Total	3,405,645	0	3,405,645
Fiscal Year 1999 Total	3,473,603	0	3,473,603

Comments:

1. ENROLLMENT/WORKLOAD CHANGES - Public school enrollment growth is lower than anticipated by 7,005 FTE students in the 1997-98 school year (from 943,019 to 936,014) and 8,625 in the 1998-99 school year (from 959,507 to 950,882). While this is less than a 1 percent change in the original forecast in both years, the cost reduction totals \$46.6 million for the biennium.
4. K-12 INFLATION - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 1998 has changed from 2.1 percent to 1.6 percent and for FY 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.
2. STAFF RATIO IMPACTS - The budget contains class size reduction funds for grades K-3. For the 4th-12th grades, 46 certificated instructional staff per 1,000 students are provided, (1 staff per 21.74 students). For grades K-3, a maximum of 54.3 certificated staff per 1,000 students are provided, (1 staff per 18.42 students). However, districts only receive the additional K-3 funding to the extent they utilize the additional staff. The budget contains assumptions about how many districts will utilize the maximum staffing. Actual data indicates that more districts than assumed are using the maximum staffing thus requiring a supplemental budget of \$1.8 million.
5. OTHER ADJUSTMENTS - Certain school districts receive federal and state forest funds. These funds are treated as local deductible revenues which means that the state reduces state basic education funds in the amount of federal and state forest funds that districts receive. Receipts of these funds are greater than assumed in the original budget reducing the state general fund cost.
3. K-12 COMPENSATION IMPACTS - The formula for distribution of salary funds for certificated instructional staff in each district contains a "staff mix" factor. Staff mix refers to the education and experience levels of the staff. The higher the levels are the more funds are provided. The budget contains assumptions about changes in the staff mix factor from year to year, and it was assumed that staff mix would increase. Data submitted by school districts through January 1998 indicates that the increase in the staff mix factor is lower than assumed.

Public Schools General Apportionment

6. VOCATIONAL ED FORMULA RESTRUCTURE - The original 1997-99 biennial budget allocated 1 certificated staff per 18.3 vocational students. That budget contained a proviso specifying that beginning in the 1998-99 school year districts will receive funding at this ratio if they maintain such a ratio.

Because staffing funds were expended on contracted services, supplies, and equipment, school districts will not be able to comply with this budget condition. Normally, this type of expenditure is budgeted as a non employee related cost (NERC) allocation. The original budget provides \$15,344 for NERCs per certificated staff in the 1998-99 school year.

This supplemental budget changes the staffing ratio to 1 certificated staff per 19.5 students which is a reduction in the staffing ratio and increases the NERC from \$15,344 to \$19,775. Districts would still be required to maintain a ratio of 1 to 19.5 in order to receive funding for that ratio. The restructured formula gives districts greater flexibility in how they expend vocational education funds by shifting \$10.1 million from the salary side of the vocational funding formula to the NERC side. NERC funds may also be expended for staffing costs. The formula change is budget neutral when taken together with an offsetting reduction of \$253,000 in the compensation adjustments section of the budget.

7. K-12 AUDIT RESOLUTION TEAM - In the Office of the State Auditor, funds are provided to create a K-12 Audit Team. The purpose of the team is to provide sufficient information to the Office of the Superintendent of Public Instruction to enable recovery of funds whenever audit exceptions are found in regular audits and to conduct special audits when a more comprehensive audit of a district's program is indicated. It is expected that the operations of the audit team will generate savings of \$250,000 in this program.

NOTE: The Superintendent is directed to perform a study to establish a definition of and standards for skills centers and to make recommendations to the 1999 Legislature. Pending receipt of the study, the budget contains a moratorium on new skills centers.

Public Schools Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	196,276	0	196,276
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-1,510	0	-1,510
2. Staff Ratio Impacts	48	0	48
3. Educate Juveniles in Adult Prisons	38	0	38
4. Vocational Ed Formula Restructure	-253	0	-253
Total Supplemental Items	-1,677	0	-1,677
1997-99 REVISED APPROPRIATIONS	194,599	0	194,599
Fiscal Year 1998 Total	79,412	0	79,412
Fiscal Year 1999 Total	115,187	0	115,187

Comments:

1. ENROLLMENT/WORKLOAD CHANGES - The 1997 Legislature granted a 3 percent salary increase for K-12 staff. Since enrollment is lower than anticipated, there are fewer teachers and other staff funded by the state. Therefore, the cost of the salary increase is lower by \$1.5 million.
2. STAFF RATIO IMPACTS - The state provides funds for lower class sizes in grades K-3. Since more districts are utilizing this opportunity for lower class sizes, more teachers are eligible for the 3 percent salary increase granted by the 1997 Legislature. This increases the state's salary increase cost by \$48,000.
3. EDUCATE JUVENILES IN ADULT PRISONS - The 3 percent salary increase granted by the 1997 Legislature is also applied to the additional teachers who will be hired to accommodate the new enrollments for juveniles in adult prison.
4. VOCATIONAL ED FORMULA RESTRUCTURE - As referenced in the apportionment program of the budget, the vocational education formula is being restructured allocating more funds for non employee related costs (NERC) and less staffing funds. This reduces the salary base and requires less salary increase funds in the 1998-99 school year.

**Public Schools
 Pupil Transportation**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	353,904	0	353,904
1998 Supplemental Budget			
1. Enrollment/Workload Changes	1,251	0	1,251
2. K-12 Inflation	-548	0	-548
Total Supplemental Items	703	0	703
1997-99 REVISED APPROPRIATIONS	354,607	0	354,607
Fiscal Year 1998 Total	175,168	0	175,168
Fiscal Year 1999 Total	179,439	0	179,439

Comments:

1. ENROLLMENT/WORKLOAD CHANGES - For the 1997-98 school year, reimbursable mileage is 34,578 miles higher than assumed in the original budget, from 4,056,689 miles to 4,091,267 miles. The increase is 24,721 miles higher for the 1998-99 school year.
2. K-12 INFLATION - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 1998 has changed from 2.1 percent to 1.6 percent and for FY 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**Public Schools
 School Food Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	6,150	259,040	265,190
1998 Supplemental Budget			
1. Summer Food Service Program	25	0	25
Total Supplemental Items	25	0	25
<hr/>			
1997-99 REVISED APPROPRIATIONS	6,175	259,040	265,215
Fiscal Year 1998 Total	3,075	129,519	132,594
Fiscal Year 1999 Total	3,100	129,521	132,621

Comments:

1. SUMMER FOOD SERVICE PROGRAM - State funds are provided to address part of the loss of federal funds in the summer food service program for children in low-income areas.

**Public Schools
 Special Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	744,813	135,106	879,919
1998 Supplemental Budget			
1. Enrollment/Workload Changes	6,011	0	6,011
2. K-12 Inflation	-482	0	-482
3. Other Adjustments	0	8,000	8,000
4. K-12 Audit Resolution Team	-250	0	-250
Total Supplemental Items	5,279	8,000	13,279
1997-99 REVISED APPROPRIATIONS	750,092	143,106	893,198
Fiscal Year 1998 Total	371,687	69,118	440,805
Fiscal Year 1999 Total	378,405	73,988	452,393

Comments:

1. ENROLLMENT/WORKLOAD CHANGES - Enrollment in special education programs is higher than anticipated by 343 students in the 1997-98 school year (from 110,704 to 111,047) and is estimated to be higher by 1,522 students in the 1998-99 school year (from 111,698 to 113,220) increasing the cost of the program by \$6.0 million.
2. K-12 INFLATION - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 1998 has changed from 2.1 percent to 1.6 percent and for FY 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.
3. OTHER ADJUSTMENTS - This item reflects revised estimates of federal funding increases for special education. (General Fund-Federal)
4. K-12 AUDIT RESOLUTION TEAM - In the Office of the State Auditor, funds are provided to create a K-12 Audit Team. The purpose of the team is to provide sufficient information to the Office of the Superintendent of Public Instruction to enable recovery of funds whenever audit exceptions are found in regular audits and to conduct special audits when a more comprehensive audit of a district's program is indicated. It is expected that the operations of the audit team will generate savings of \$250,000 in this program.

Public Schools
Traffic Safety Education

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	0	17,179	17,179
1998 Supplemental Budget			
1. Enrollment/Workload Changes	0	-296	-296
Total Supplemental Items	0	-296	-296
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	16,883	16,883
Fiscal Year 1998 Total	0	8,262	8,262
Fiscal Year 1999 Total	0	8,621	8,621

Comments:

1. ENROLLMENT/WORKLOAD CHANGES - The state provides \$137.16 per student completing driver education. The number of students completing the course is lower than estimated resulting in a cost reduction of \$296,000. (Public Safety and Education Account)

**Public Schools
 Levy Equalization**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	173,952	0	173,952
1998 Supplemental Budget			
1. Other Adjustments	-5,601	0	-5,601
Total Supplemental Items	-5,601	0	-5,601
<hr/>			
1997-99 REVISED APPROPRIATIONS	168,351	0	168,351
Fiscal Year 1998 Total	82,079	0	82,079
Fiscal Year 1999 Total	86,272	0	86,272

Comments:

1. OTHER ADJUSTMENTS - Fewer districts than assumed in the original budget will be eligible for levy equalization resulting in a cost reduction of \$5.6 million for this program.

**Public Schools
 Institutional Education**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	37,009	8,548	45,557
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-2,509	0	-2,509
2. K-12 Compensation Impacts	-196	0	-196
3. K-12 Inflation	-7	0	-7
4. Educate Juveniles in Adult Prisons	1,196	0	1,196
Total Supplemental Items	-1,516	0	-1,516
1997-99 REVISED APPROPRIATIONS	35,493	8,548	44,041
Fiscal Year 1998 Total	16,897	4,274	21,171
Fiscal Year 1999 Total	18,596	4,274	22,870

Comments:

1. ENROLLMENT/WORKLOAD CHANGES - Enrollment in institutions is lower than anticipated in the original budget reducing costs by \$2.5 million.
2. K-12 COMPENSATION IMPACTS - Actual 1997-98 salaries in institutions are lower than anticipated in the original budget.
3. K-12 INFLATION - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 1998 has changed from 2.1 percent to 1.6 percent and for FY 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.
4. EDUCATE JUVENILES IN ADULT PRISONS - New sentencing laws result in more juveniles incarcerated in adult correctional facilities. The Juvenile Justice Act of 1997 assigned responsibility and funding for educating these juveniles to the Department of Corrections (DOC). The budget provides funds to implement Chapter 244, Laws of 1998 (ESSB 6600) which transfers responsibility for provision of the educational services for juveniles under age 18 in adult correctional facilities to the K-12 system beginning in the 1998-99 school year. This is accomplished through a funding formula similar to that currently used to serve juveniles in detention centers and other state institutions. The appropriation to the DOC is reduced in FY 1999 to reflect this re-assignment.

Public Schools
Education of Highly Capable Students

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	11,928	0	11,928
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-106	0	-106
Total Supplemental Items	-106	0	-106
1997-99 REVISED APPROPRIATIONS	11,822	0	11,822
Fiscal Year 1998 Total	5,701	0	5,701
Fiscal Year 1999 Total	6,121	0	6,121

Comments:

1. ENROLLMENT/WORKLOAD CHANGES - Funding for the highly capable program is provided for up to 2.0 percent of each district's K-12 enrollment. Since enrollment is lower than anticipated \$106,000 less is needed to fund the program.

**Public Schools
 Education Reform**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	40,773	233	41,006
1998 Supplemental Budget			
1. CSL Assessments Development	-950	0	-950
2. Leadership Internship Program	799	0	799
Total Supplemental Items	-151	0	-151
1997-99 REVISED APPROPRIATIONS	40,622	233	40,855
Fiscal Year 1998 Total	18,605	127	18,732
Fiscal Year 1999 Total	22,017	106	22,123

Comments:

1. CSL ASSESSMENTS DEVELOPMENT - State law requires the Commission on Student Learning (CSL) to complete assessments in various grades and subject matters according to specified timelines. As requested by the Commission on Student Learning, the budget assumes a delay of one year in the due date of the high school science assessments. This means that \$950,000 of the funds allocated to the Commission for development of the test will not be needed this biennium but will be needed next biennium.
2. LEADERSHIP INTERNSHIP PROGRAM - The superintendent/principal internship program was created beginning in the 1994-95 school year. The purpose of the program was to provide funds for partial release time for district employees participating in internship programs. Funding for the program was discontinued in the 1997-99 budget and the funds placed in the block grant program. The 1998 supplemental budget provides \$799,000 for a leadership internship program that is similar to the 1994 superintendent/principal internship program and the funds are transferred from the block grant program.

**Public Schools
 Transitional Bilingual Instruction**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	64,560	0	64,560
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-1,664	0	-1,664
Total Supplemental Items	-1,664	0	-1,664
1997-99 REVISED APPROPRIATIONS	62,896	0	62,896
Fiscal Year 1998 Total	30,711	0	30,711
Fiscal Year 1999 Total	32,185	0	32,185

Comments:

1. ENROLLMENT/WORKLOAD CHANGES - New bilingual enrollment forecasts are lower than anticipated reducing the cost of the program by \$1.7 million. Enrollment for 1997-98 is reduced from 48,940 to 48,102 students. For 1998-99 enrollment is reduced from 52,646 to 50,466.

**Public Schools
 Learning Assistance Program (LAP)**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	121,171	0	121,171
1998 Supplemental Budget			
1. Enrollment/Workload Changes	129	0	129
2. K-12 Inflation	-76	0	-76
Total Supplemental Items	53	0	53
1997-99 REVISED APPROPRIATIONS	121,224	0	121,224
Fiscal Year 1998 Total	60,224	0	60,224
Fiscal Year 1999 Total	61,000	0	61,000

Comments:

1. ENROLLMENT/WORKLOAD CHANGES - The Learning Assistance Program provides funds to school districts based on the proportion of low-achieving students in each district. K-12 enrollment is lower than anticipated; however, the number of students scoring in the lowest quartile is slightly higher than anticipated resulting in a net increase of \$129,000 in this program.
2. K-12 INFLATION - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 1998 has changed from 2.1 percent to 1.6 percent and for FY 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**Public Schools
 Block Grants**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	106,777	0	106,777
1998 Supplemental Budget			
1. Enrollment/Workload Changes	-826	0	-826
2. Leadership Internship Program	-799	0	-799
Total Supplemental Items	-1,625	0	-1,625
1997-99 REVISED APPROPRIATIONS	105,152	0	105,152
Fiscal Year 1998 Total	49,493	0	49,493
Fiscal Year 1999 Total	55,659	0	55,659

Comments:

1. ENROLLMENT/WORKLOAD CHANGES - This program contains the block grant program and the student learning incentive grant program. Block grant funds and student learning incentive grants are allocated based on enrollment. Since enrollment is lower than anticipated the cost of this program is reduced by \$826,000.
2. LEADERSHIP INTERNSHIP PROGRAM - The superintendent/principal internship program was created beginning in the 1994-95 school year. The purpose of the program was to provide funds for partial release time for district employees participating in internship programs. Funding for the program was discontinued in the 1997-99 budget and the funds were placed in the block grant program. The 1998 supplemental budget provides \$799,000 for a leadership internship program that is similar to the 1994 superintendent/principal internship program and the funds are transferred from the block grant program to the education reform program. Accordingly, the rate per student is reduced from \$29.86 to \$28.81 for the 1998-99 school year.

Higher Education

Enrollment Adjustment

Funding for additional enrollments in the 1998-99 academic year is reduced for the Washington State University (WSU) Pullman and WSU Tri-Cities based on the university's enrollment projections conducted in the fall of 1997. The university projected that Pullman enrollments would fall 451 below budgeted levels and that Tri-Cities enrollment would fall 60 students below budget levels resulting in a savings of \$2.7 million of the state general fund.

WSU Construction Claims

State general fund support of \$3.3 million is provided on a one-time basis to pay for the costs of litigation, negotiation, and settlement associated with the Vancouver branch campus and Veterinary Teaching Hospital capital projects. In addition to this appropriation, \$3 million is provided in the capital budget for settlement costs of the Veterinary Teaching Hospital.

Internet²

The budget provides \$3.0 million from the state general fund to allow the University of Washington to join in the development of the next generation internet. State funds are provided to establish a gigabit per second network point-of-presence (Gigapop) which will allow the connection to the very high-speed network. The federal government will establish a limited number of hub sites for the new network and the provision of state funds in this fiscal year is necessary to secure a connection in Washington State.

Pre-Paid Tuition Program

The 1997 Legislature established the Advanced College Tuition Payment Program as Chapter 289, Laws of 1997 (E2SHB 1372). Refinements were made to the enabling legislation in the 1998 session under Chapter 69, Laws of 1998 (2SHB 2430). The budget provides \$1.3 million in state general fund as initial capital to allow the program to begin operation in the fall of 1998. It is anticipated that approximately \$1.2 million will be returned to the state general fund in fiscal year 1999 when application fees from tuition contract sales are deposited into the program fund.

Aviation Trades Center (Clover Park Technical College)

As part of the agreement accompanying the transfer of the Clover Park Technical College from the Clover Park School District to the State Board for Community and Technical Colleges, the technical college is moving the aviation trades facility from the campus to Thun airfield. The budget provides \$5.2 million state general fund to begin the move. Funding for Clover Park School District was provided in the original 1997-99 biennial budget.

Completion of Cooperative Library Project

Funds are provided to complete the cooperative library project for the four-year public higher education institutions. The amount of \$810,000 of the state general fund will be distributed through the Higher Education Coordinating Board for this system and used by the University of Washington for one-time equipment acquisition, ongoing support of the system, and for the acquisition of shared electronic journals for use by all the member institutions.

Emergent Needs

The budget provides \$739,000 General Fund-State for a variety of emergent needs, including community and technical colleges revolving funds charges, increased fire protection costs at Central Washington

University, follow-up financial aid study at the Washington State Institute for Public Policy, and space modifications at The Evergreen State College and the University of Washington-Bothell to accommodate increased fiscal year 1999 enrollments.

Community and Technical College Technology Equipment

The supplemental budget provides \$700,000 of the state general fund for a one-time matching program for technology equipment. The community and technical colleges will match this funding with cash donations from private sources. State general funding for this program is transferred from the Cascadia Community College where library resources acquisition is delayed by one year.

DO-IT

The Disabilities, Opportunities, Internetworking, and Technology Program (DO-IT) has provided training and skill development to high school students with disabilities. The program will be forced to terminate unless state funds are provided to replace a federal grant that has expired. The budget provides \$600,000 state general fund to continue the program for Washington residents.

Spokane Area Educational Assessment

The amount of \$250,000 is provided from the state general fund to support the recommendation of the Higher Education Coordinating Board (HECB) to conduct an assessment of the educational and economic needs of Spokane. The study is part of the HECB evaluation and recommendation on the restructuring of governance in the Spokane area.

Aquatic Animal Diagnostic Laboratory

The budget provides \$100,000 of the state general fund for workload increases at the fish disease diagnostic laboratory of Washington State University.

Reorganization of Spokane Riverpoint Campus

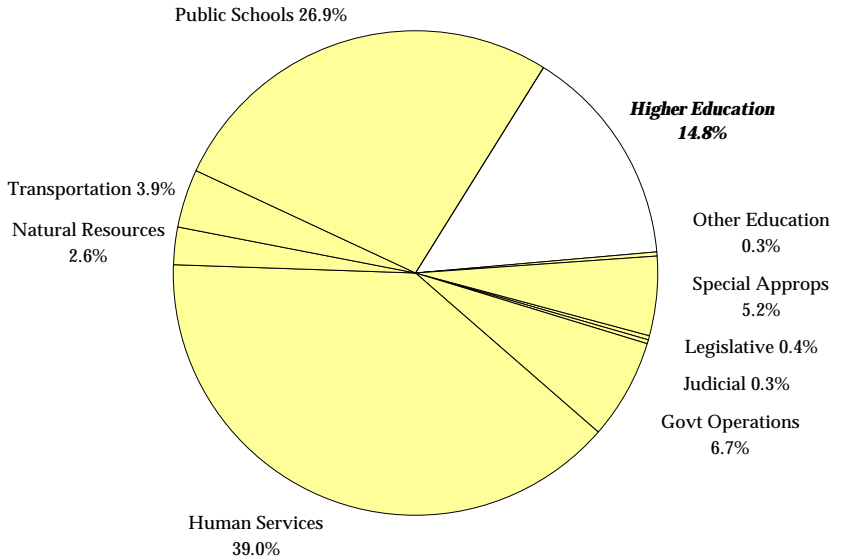
Chapter 344, Laws of 1998, Partial Veto (SSB 6655) transfers the management of the Spokane Riverpoint Higher Education Campus to Washington State University (WSU) and establishes the Spokane Intercollegiate Research and Technology Institute (SIRTI) as a separate entity. Funding for 1999 is removed from the Joint Center for Higher Education (\$1.47 million) and distributed to WSU (\$590,000) and SIRTI (\$944,000). The general fund operating appropriation for SIRTI is distributed through the Department of Community, Trade, and Economic Development (DCTED). DCTED is provided \$21,000 for oversight and participation in SIRTI. The net increased cost is \$85,000.

1997-99 Washington State Operating Budget

Total Budgeted Funds

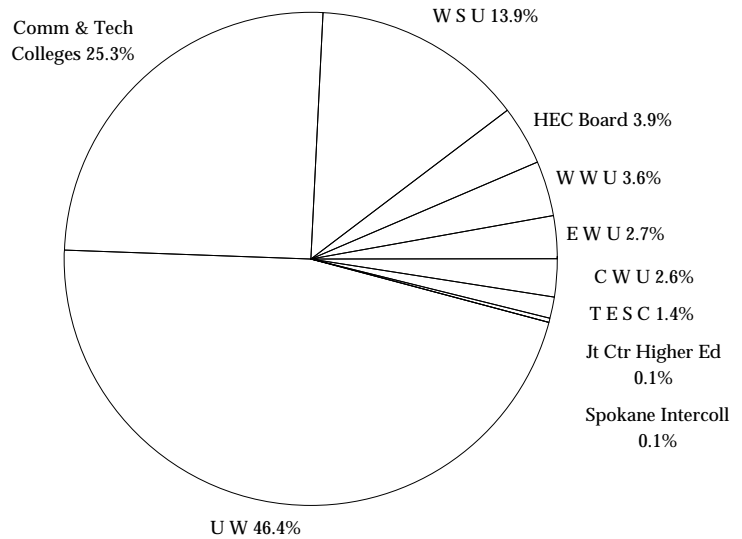
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

Univ of Washington	2,460,196
Community/Tech Colleges	1,338,363
Washington State Univ	737,935
Higher Ed Coord Bd	207,138
Western Washington Univ	190,320
Eastern Washington Univ	143,267
Central Washington Univ	140,422
The Evergreen State Coll	72,639
Jt Ctr for Higher Ed	6,101
Spokane Inter Rsch/Tech	3,771
Higher Education	5,300,152



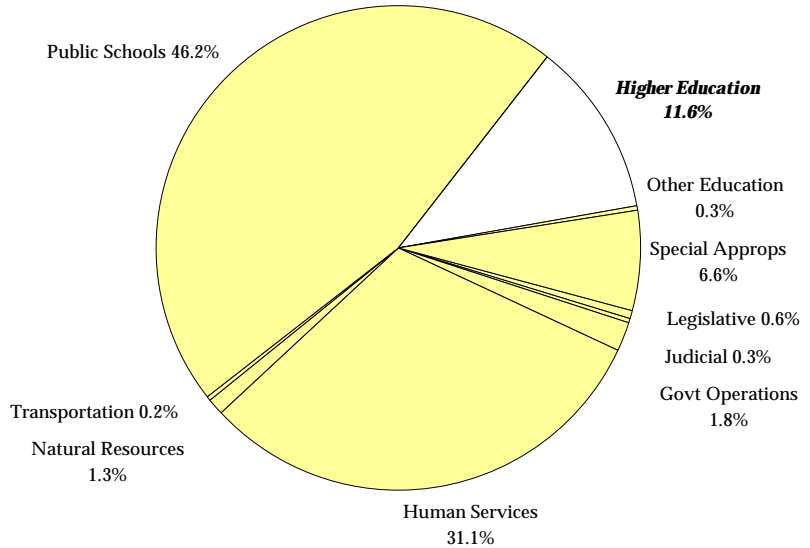
Higher Education

1997-99 Washington State Operating Budget

General Fund - State

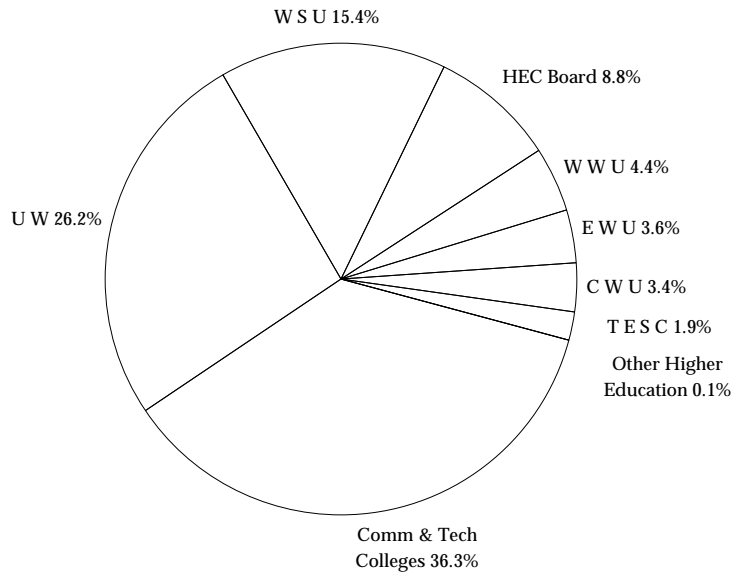
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

Community/Tech Colleges	802,092
Univ of Washington	577,911
Washington State Univ	341,019
Higher Ed Coord Bd	193,251
Western Washington Univ	96,773
Eastern Washington Univ	78,774
Central Washington Univ	75,993
The Evergreen State Coll	41,009
Other Higher Education	1,469
Higher Education	2,208,291



Higher Education

Higher Education Budgeted Enrollment Increases

By Academic Year

	FTE Student Enrollment				
	Budgeted Level	Increase for	Total budgeted	Increase for	Total budgeted
	<u>1996-97</u>	<u>1997-98</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1998-99</u>
Community and Technical Colleges	114,326	2,100	116,426	2,100	118,526
Community Colleges *	93,406	1,847	95,253	1,847	97,100
Technical Colleges	13,220	253	13,473	253	13,726
Dislocated Workers **	7,200	0	7,200	0	7,200
Timber Workers	500	0	500	0	500
Four-Year Schools	80,273	775	81,048	904	81,952
University of Washington	32,504	415	32,919	495	33,414
Main	30,455	225	30,680	230	30,910
Evening	617	0	617	0	617
Bothell	685	90	775	120	895
Tacoma	747	100	847	145	992
Washington State University	19,330	30	19,360	79	19,439
Main	17,403	0	17,403	-131	17,272
Spokane	352	0	352	90	442
Tri-Cities	724	30	754	0	754
Vancouver	851	0	851	120	971
Eastern Washington University	7,739	0	7,739	0	7,739
Central Washington University	7,256	90	7,346	100	7,446
The Evergreen State College	3,406	90	3,496	80	3,576
Western Washington University	10,038	150	10,188	150	10,338
HECB Timber Workers	50	0	50	0	50
Total Higher Education	194,649	2,875	197,524	3,004	200,528

* Includes Distressed Economic Community enrollments.

** The Community and Technical College System is authorized to enroll up to 7,200 FTEs in the Dislocated Workers Program.

Community & Technical College System

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	803,852	533,503	1,337,355
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	669	0	669
2. Life Insurance Settlement	125	0	125
3. Auditor & Risk Management Billing	214	0	214
4. Work Force Training Enrollment	-2,768	2,768	0
5. Technology Equipment Matching Funds	700	0	700
6. Cascadia Community College Delay	-700	0	-700
Total Supplemental Items	-1,760	2,768	1,008
<hr/>			
1997-99 REVISED APPROPRIATIONS	802,092	536,271	1,338,363
Fiscal Year 1998 Total	380,445	279,344	659,789
Fiscal Year 1999 Total	421,647	256,927	678,574

Comments:

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.
3. AUDITOR & RISK MANAGEMENT BILLING - Funding is provided for increased State Auditor and risk management costs over the course of the biennium.
4. WORK FORCE TRAINING ENROLLMENT - The fund balance available in the Employment and Training Trust Fund is substituted for General Fund-State for the current budgeted level of FTE students (up to 7,200 FTE students).
5. TECHNOLOGY EQUIPMENT MATCHING FUNDS - One-time funding is provided for a technology equipment matching program. Each college district will match this funding with an equal amount of cash donations from private sources.
6. CASCADIA COMMUNITY COLLEGE DELAY - Funding is reduced at the new Cascadia Community College for acquisition of startup equipment and library materials due to a change in the college's development schedule. These resources will not be required by the college until the 1999-2001 biennium.

University of Washington

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	573,730	1,881,933	2,455,663
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	397	0	397
2. Life Insurance Settlement	74	0	74
3. Space for New Enrollment in Bothell	150	0	150
4. DO-IT Program	560	0	560
5. State Toxicology Laboratory	0	352	352
6. Internet2/Next Generation Internet	3,000	0	3,000
Total Supplemental Items	4,181	352	4,533
<hr/>			
1997-99 REVISED APPROPRIATIONS	577,911	1,882,285	2,460,196
Fiscal Year 1998 Total	283,923	935,341	1,219,264
Fiscal Year 1999 Total	293,988	946,944	1,240,932

Comments:

- | | |
|---|--|
| <p>1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.</p> <p>2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.</p> <p>3. SPACE FOR NEW ENROLLMENT IN BOTHELL - One-time funding is provided for tenant improvements to additional leased space to accommodate FY 1999 enrollment.</p> <p>4. DO-IT PROGRAM - Funding is provided to continue the Disabilities, Opportunities, Internetworking, and Technology Program (DO-IT) as National Science Foundation funds expire. In accordance with the change in funding, the focus of program will switch from serving a nationwide population to Washington students exclusively. The DO-IT program recruits high school students with disabilities and an aptitude in science, engineering, mathematics, or technology for college training and eventual careers in those fields.</p> <p>5. STATE TOXICOLOGY LABORATORY - Funding is provided for staff and equipment for the state toxicology laboratory to support implementation of quality control procedures and laboratory certification, enhanced screening of sexual assault victims for evidence of chemical incapacitation, blood alcohol and volatile intoxicants analysis, and blood tests for marijuana in driving cases. (Death Investigations Account)</p> <p>6. INTERNET2/NEXT GENERATION INTERNET - Funding is provided to permit the University to connect to the very high performance Backbone Network Service (vBNS) initiated and partially funded by the National Science Foundation. Connection to the vBNS will allow the University, and therefore the state, to directly participate in the research and application of the next generation of telecommunications technologies. Application of those new technologies will provide the networking performance</p> | <p>necessary to deliver education at a distance, such as multimedia instruction on desktop personal computers, and also provide significant commercial opportunities for the state's software and computing industries. Of the amount provided, \$2.5 million represents a one-time investment in equipment.</p> |
|---|--|

Washington State University

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	339,463	398,115	737,578
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	228	0	228
2. Life Insurance Settlement	43	0	43
3. Enrollment Adjustment	-2,655	-1,541	-4,196
4. Construction Claim Cost	3,250	0	3,250
5. Transfer Riverpoint from JCHE	590	342	932
6. Aquatic Animal Health	100	0	100
Total Supplemental Items	1,556	-1,199	357
<hr/>			
1997-99 REVISED APPROPRIATIONS	341,019	396,916	737,935
Fiscal Year 1998 Total	169,894	197,059	366,953
Fiscal Year 1999 Total	171,125	199,857	370,982

Comments:

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.

2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.

3. ENROLLMENT ADJUSTMENT - Funding is reduced commensurate with reductions in budgeted new FTE student enrollments at the Pullman and Tri-Cities campuses for FY 1999 in order to more accurately reflect expected enrollment patterns. FY 1999 enrollment at Pullman is reduced by 451 FTE students, and FY 1999 enrollment at the Tri-Cities branch campus is reduced by 60 FTE students. (General Fund-State, Institutions of Higher Education-Operating Fees Account)

4. CONSTRUCTION CLAIM COST - One-time funding is provided to pay for litigation, negotiation, and settlement costs associated with the Vancouver branch campus and Veterinary Teaching Hospital capital projects. In addition to this appropriation, \$3 million is provided in the capital budget for settlement costs of the Veterinary Teaching Hospital. Washington State University (WSU) will cooperate with the Office of Financial Management and other state agencies to develop a plan to improve management of capital projects and claims avoidance and report back to the Legislature with improved policies and procedures.

5. TRANSFER RIVERPOINT FROM JCHE - Funds are transferred from the Joint Center for Higher Education (JCHE), Spokane, pursuant to Chapter 344, Laws of 1998, Partial Veto (SSB 6655 - Changing the Spokane Intercollegiate Research and Technology Institute). These funds allow WSU to manage the Riverpoint campus. (General Fund-State, Institutions of Higher Education-Dedicated Local Account)

6. AQUATIC ANIMAL HEALTH - Funds are provided for additional unanticipated workload increases.

Eastern Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	78,700	64,493	143,193
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	62	0	62
2. Life Insurance Settlement	12	0	12
Total Supplemental Items	74	0	74
<hr/>			
1997-99 REVISED APPROPRIATIONS	78,774	64,493	143,267
Fiscal Year 1998 Total	39,211	31,896	71,107
Fiscal Year 1999 Total	39,563	32,597	72,160

Comments:

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.

Central Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	75,830	64,429	140,259
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	62	0	62
2. Life Insurance Settlement	11	0	11
3. Fire Protection Contract	90	0	90
Total Supplemental Items	163	0	163
<hr/>			
1997-99 REVISED APPROPRIATIONS	75,993	64,429	140,422
Fiscal Year 1998 Total	37,244	31,787	69,031
Fiscal Year 1999 Total	38,749	32,642	71,391

Comments:

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.
3. FIRE PROTECTION CONTRACT - Funding is provided for cost increases in the fire protection contract with the City of Ellensburg Fire Department beginning with the new contract's effective date in January 1998.

The Evergreen State College

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	40,669	31,630	72,299
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	36	0	36
2. Life Insurance Settlement	7	0	7
3. Space Modifications	250	0	250
4. WSIPP Financial Aid Followup	35	0	35
5. SHB 2556 - Child Abuse Prev/Treat	12	0	12
Total Supplemental Items	340	0	340
<hr/>			
1997-99 REVISED APPROPRIATIONS	41,009	31,630	72,639
Fiscal Year 1998 Total	20,413	15,438	35,851
Fiscal Year 1999 Total	20,596	16,192	36,788

Comments:

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.
3. SPACE MODIFICATIONS - One-time funding is provided for space modifications necessary to accommodate budgeted enrollment increases.
4. WSIPP FINANCIAL AID FOLLOWUP - One-time funds are provided to the Washington State Institute for Public Policy (WSIPP) for financial aid research into student employment and resources. Results of the study will be reported to the Legislature by January 15, 1999.
5. SHB 2556 - CHILD ABUSE PREV/TREAT - The Evergreen State College received an appropriation of \$12,000 in Chapter 314, Laws of 1998, Partial Veto (SHB 2556), for the WSIPP to conduct, or contract for, a study regarding the creation of citizen review panels to examine child protection standards.

Western Washington University

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	96,677	93,547	190,224
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	81	0	81
2. Life Insurance Settlement	15	0	15
Total Supplemental Items	96	0	96
<hr/>			
1997-99 REVISED APPROPRIATIONS	96,773	93,547	190,320
Fiscal Year 1998 Total	47,822	46,157	93,979
Fiscal Year 1999 Total	48,951	47,390	96,341

Comments:

1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.
2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington.

Higher Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	190,927	12,654	203,581
1998 Supplemental Budget			
1. Retiree Lawsuit Settlement	3	0	3
2. Life Insurance Settlement	1	0	1
3. Pre-Paid Tuition Program	1,260	1,198	2,458
4. Federal Grants	0	23	23
5. Federal and Local Grants	0	12	12
6. Higher Ed Spokane Institutions	250	0	250
7. Cooperative Library Project	810	0	810
Total Supplemental Items	2,324	1,233	3,557
1997-99 REVISED APPROPRIATIONS	193,251	13,887	207,138
Fiscal Year 1998 Total	92,415	6,812	99,227
Fiscal Year 1999 Total	100,836	7,075	107,911

Comments:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves. 2. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington. 3. PRE-PAID TUITION PROGRAM - Additional one-time funding is provided for startup costs for the pre-paid tuition program. In combination with the original appropriation, total funding provided for the 1997-99 biennium start-up costs is \$1.61 million. It is anticipated that funds from application fees and interest earnings will be available to repay the General Fund-State in the 1999 supplemental budget. (General Fund-State, Advanced College Tuition Payment Program Account) 4. FEDERAL GRANTS - Federal carryforward funding is provided for the National Early Intervention Scholarship and Partnership Program. (General Fund-Federal) 5. FEDERAL AND LOCAL GRANTS - Federal funding is provided for Veterans' program approval and supervision and carryforward funding for the competency-based admissions standards program. Carryforward funding is provided by the Education Commission of the States for the State Policy and College Learning project. (General Fund-Federal, General Fund-Local) 6. HIGHER ED SPOKANE INSTITUTIONS - Pursuant to Chapter 344, Laws of 1998, Partial Veto (SSB 6655 - Changing the Spokane Intercollegiate Research and Technology Institute), one-time funding is provided to conduct studies in Spokane concerning the level of higher education services; quantity, completeness, and affordability of educational offerings; economic and social context of higher education resources; and higher education management and governance. | <ol style="list-style-type: none"> 7. COOPERATIVE LIBRARY PROJECT - Funds are provided to complete the electronic link among the libraries of the four-year public institutions. Funding for earlier phases of this project was provided in 1995 and 1996. The Higher Education Coordinating Board will transfer the funds to complete the system to the University of Washington. Of the total appropriation, \$250,000 is a one-time allocation for equipment and a portion of the ongoing funds will be used for the acquisition of shared electronic journals. |
|---|---|

Joint Center for Higher Education

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	2,939	9,267	12,206
1998 Supplemental Budget			
1. Transfer Funding to SIRTl and WSU	-1,470	-4,635	-6,105
Total Supplemental Items	-1,470	-4,635	-6,105
<hr/>			
1997-99 REVISED APPROPRIATIONS	1,469	4,632	6,101
Fiscal Year 1998 Total	1,469	4,632	6,101

Comments:

1. TRANSFER FUNDING TO SIRTl AND WSU - Funding for the management of the Riverpoint education campus in Spokane is transferred to Washington State University (WSU) pursuant to Chapter 344, Laws 1998, Partial Veto (SSB 6655). Research and grant funds attributable to the Spokane Intercollegiate Research and Technology Institute (SIRTl) are transferred to SIRTl. State general fund resources for the administrative activities at SIRTl are transferred to the Department of Community, Trade, and Economic Development and shall be dispensed to SIRTl through an interagency contractual agreement. (General Fund-State, Institutions of Higher Education-Grants/Contracts Account, Institutions of Higher Education-Dedicated Local Account)

Agency STI

Spokane Intercollegiate Research & Technical Institute

(Dollars in Thousands)

	GF-S	Other	Total
1998 Supplemental Budget			
1. Transfer Funding From JCHE	0	3,771	3,771
Total Supplemental Items	0	3,771	3,771
<hr/>			
1997-99 REVISED APPROPRIATIONS	0	3,771	3,771
Fiscal Year 1999 Total	0	3,771	3,771
<hr/>			

Comments:

1. TRANSFER FUNDING FROM JCHE - Research and grant funds are transferred from the Joint Center of Higher Education (JCHE) for the operation of the Spokane Intercollegiate Research and Technology Institute (SIRTI) pursuant to Chapter 344, Laws of 1998, Partial Veto (SSB 6655). The state general fund appropriation for SIRTI administration costs is transferred from JCHE to the Department of Community, Trade, and Economic Development (DCTED). DCTED shall contract with the institute for the expenditure of state-appropriated funds for the operation of the institute. (Institutions of Higher Education-Grants/Contracts Account, Institutions of Higher Education-Dedicated Local Account)

Other Education

State School for the Blind

An additional amount of \$226,000 from the General Fund-Private/Local is provided to expand the educational outreach services to blind and visually impaired children in school districts throughout the state.

Washington State Library

Funds in the amount of \$100,000 from the state general fund is provided for enhancement of the library collection.

Washington State Historical Society

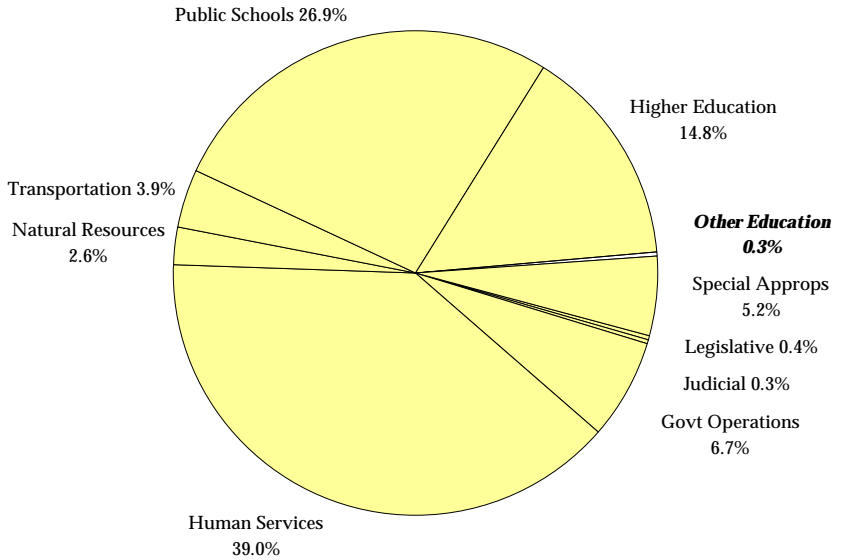
Funds in the amount of \$50,000 from the state general fund is provided for planning, coordination, and development of programs for the bicentennial of Lewis and Clark's expedition to the Northwest.

1997-99 Washington State Operating Budget

Total Budgeted Funds

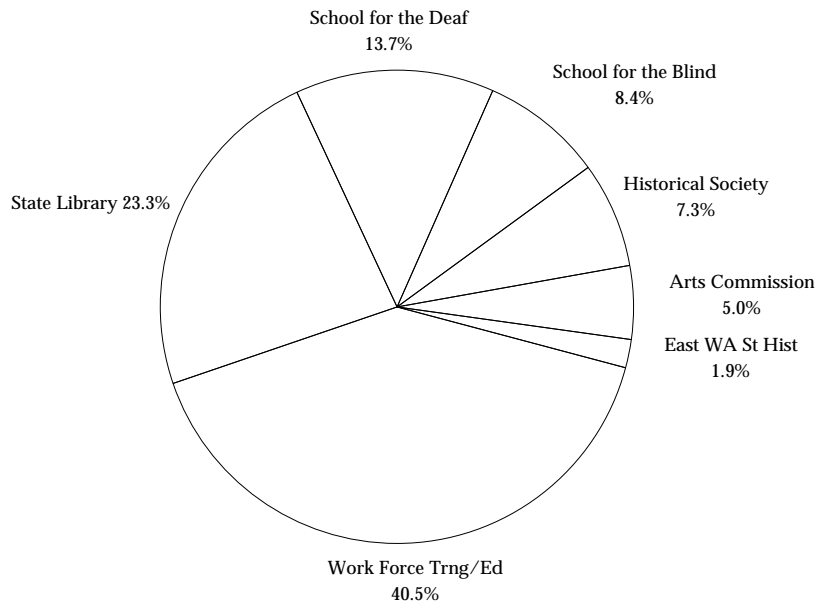
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

Work Force Trng & Ed	38,152
State Library	21,981
School for the Deaf	12,935
School for the Blind	7,888
State Hist Society	6,857
State Arts Comm	4,718
East WA State Hist Society	1,763
Other Education	94,294



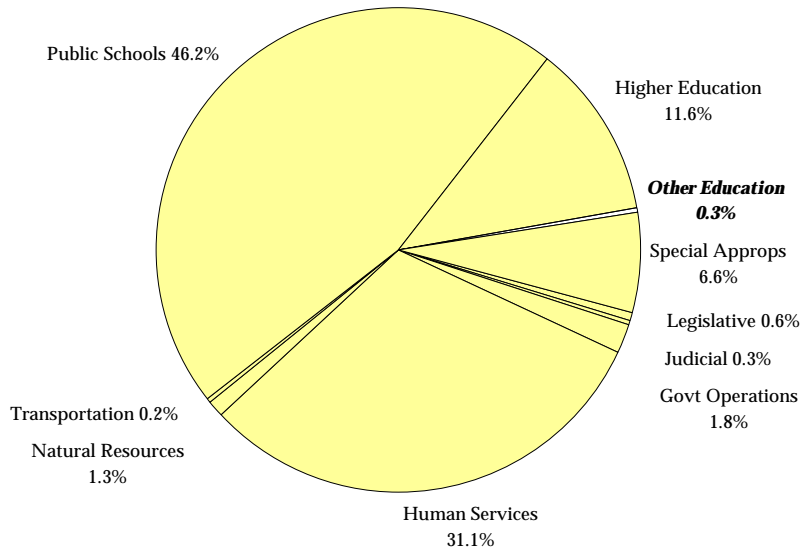
Other Education

1997-99 Washington State Operating Budget

General Fund - State

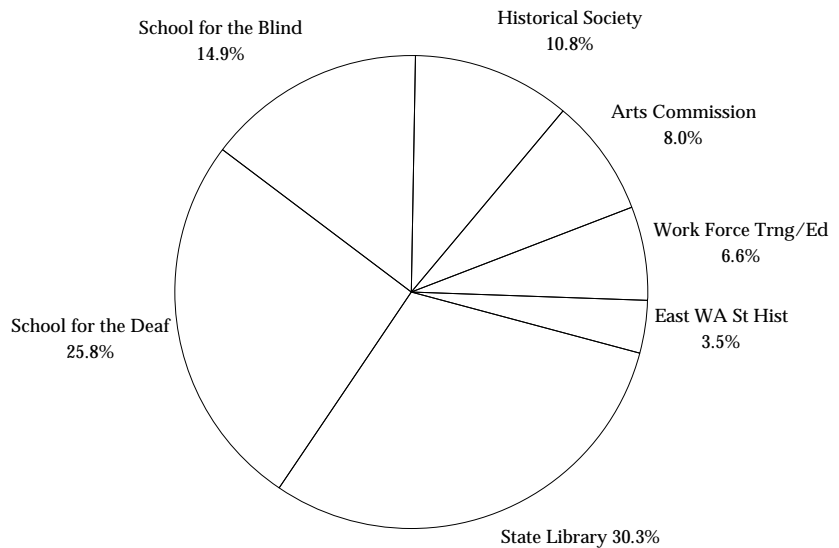
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

State Library	15,164
School for the Deaf	12,935
School for the Blind	7,470
State Hist Society	5,403
State Arts Comm	4,028
Work Force Trng & Ed	3,278
East WA State Hist Society	1,763
Other Education	50,041



Other Education

State Library

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	14,764	4,847	19,611
1998 Supplemental Budget			
1. Government Info Locator Service	200	0	200
2. Technical Corrections	100	1,970	2,070
3. Collection Enhancement	100	0	100
Total Supplemental Items	400	1,970	2,370
<hr/>			
1997-99 REVISED APPROPRIATIONS	15,164	6,817	21,981
Fiscal Year 1998 Total	7,533	1,909	9,442
Fiscal Year 1999 Total	7,631	4,908	12,539

Comments:

1. GOVERNMENT INFO LOCATOR SERVICE - Funding is provided to continue the Government Information Locator Service project in FY 1999. The project facilitates electronic public access to government information by arranging it in standard ways so that the public need not know the structure of government to locate needed information.

2. TECHNICAL CORRECTIONS - Additional state funding is provided for a technical adjustment to the capital facilities surcharge. Federal spending authority is provided due to an anticipated increase in federal revenue. (General Fund-State, General Fund-Federal)

3. COLLECTION ENHANCEMENT - One-time funding is provided for the State Library's collection.

Washington State Historical Society

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	5,033	1,454	6,487
1998 Supplemental Budget			
1. Off-Site Relocation	320	0	320
2. Lewis and Clark Bicentennial	50	0	50
Total Supplemental Items	370	0	370
<hr/>			
1997-99 REVISED APPROPRIATIONS	5,403	1,454	6,857
Fiscal Year 1998 Total	2,658	710	3,368
Fiscal Year 1999 Total	2,745	744	3,489

Comments:

1. OFF-SITE RELOCATION - One-time funding is provided for a temporary relocation of Research Center operations made necessary by the Center's seismic and infrastructure renovation project, which was funded in the 1997-99 biennial capital budget.
2. LEWIS AND CLARK BICENTENNIAL - Funding is provided for planning, coordination, and development of programs to commemorate the 200th anniversary of Lewis and Clark's journey to the Northwest. The bicentennial will be recognized by trail states between 2003-2006. The commemoration will require national and regional planning.

State School for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	7,452	192	7,644
1998 Supplemental Budget			
1. Audit Services	18	0	18
2. Outreach Services Program	0	226	226
Total Supplemental Items	18	226	244
<hr/>			
1997-99 REVISED APPROPRIATIONS	7,470	418	7,888
Fiscal Year 1998 Total	3,723	96	3,819
Fiscal Year 1999 Total	3,747	322	4,069

Comments:

1. AUDIT SERVICES - Funding is provided for audit services. This item corrects funding that was not included in the original 1997-99 biennial budget.

2. OUTREACH SERVICES PROGRAM - Local funding is increased to provide educational services to blind and visually impaired children in school districts throughout the state. This program is supported by revenue from contracted services with school districts. (General Fund-Private/Local)

State School for the Deaf

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1997-99 ORIGINAL APPROPRIATIONS	12,917	0	12,917
1998 Supplemental Budget			
1. Audit Services	18	0	18
Total Supplemental Items	18	0	18
<hr/>			
1997-99 REVISED APPROPRIATIONS	12,935	0	12,935
Fiscal Year 1998 Total	6,467	0	6,467
Fiscal Year 1999 Total	6,468	0	6,468

Comments:

- AUDIT SERVICES - Funding is provided for auditing services. This item corrects funding that was not included in the original 1997-99 biennial budget.

Special Appropriations

Driving Under the Influence (DUI) Legislation

Chapter 212, Laws of 1998 (ESHB 6187) increases the reinstatement fee for drivers obtaining their license after a DUI from \$50 to \$150. The additional revenue is then appropriated into the County Criminal Justice Assistance Account (\$720,000) and the Municipal Criminal Justice Assistance Account (\$480,000) to reimburse local governments for their costs in implementing a variety of pieces of legislation that modify the DUI legislation laws. Statutory changes with significant fiscal impact include: reducing the per se blood alcohol concentration (BAC) from 0.10 to 0.08 for DUI; adding electronic monitoring for certain DUI offenders; modifying the five-year washout period for prior DUI convictions; limiting deferred prosecutions to once in a lifetime; making the use of ignition interlocks mandatory for certain DUI offenders; and implementing administrative license suspension for first-time DUI offenders.

Life Insurance

Life Insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 for state and higher education employees, in accordance with the settlement in *Burbage v. Washington State*.

Retired State Employees v. State of Washington

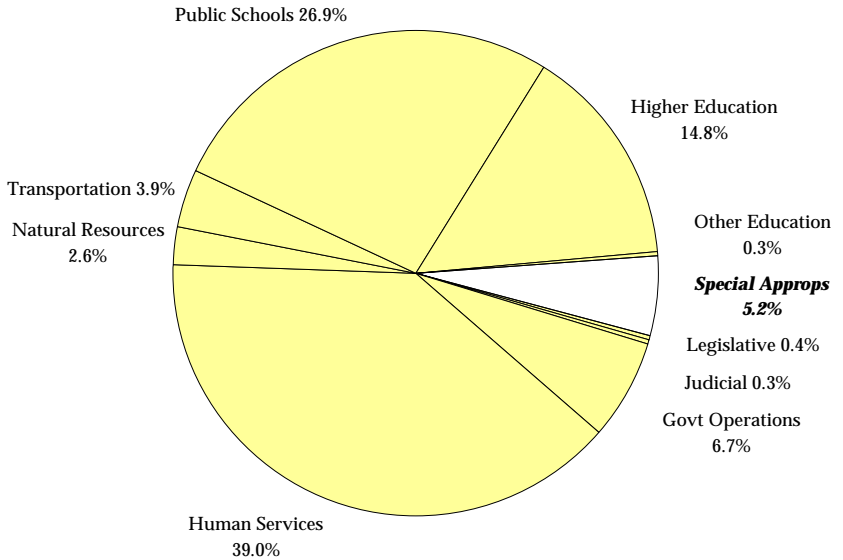
A long-standing disagreement over the calculation of retiree health benefit premiums has been resolved. Up to 19,000 retired state and higher education employees who were Uniform Medical Plan Medicare enrollees at any time from 1988-1994 will be eligible to receive a settlement from the Health Care Authority. Settlement claims will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to rebuild the reserves in the Public Employees' and Retirees' Insurance Account. Health benefits of current employees and retirees will not be impacted by the use of these funds.

1997-99 Washington State Operating Budget

Total Budgeted Funds

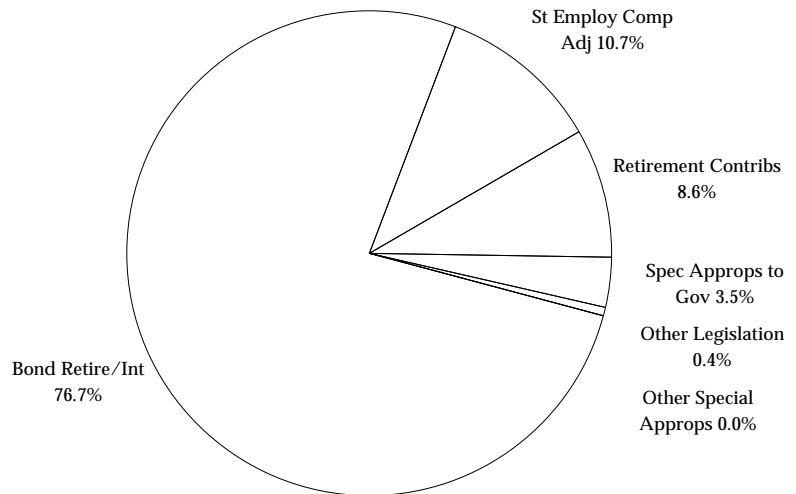
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
Human Services	13,918,431
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
Statewide Total	35,723,087



Washington State

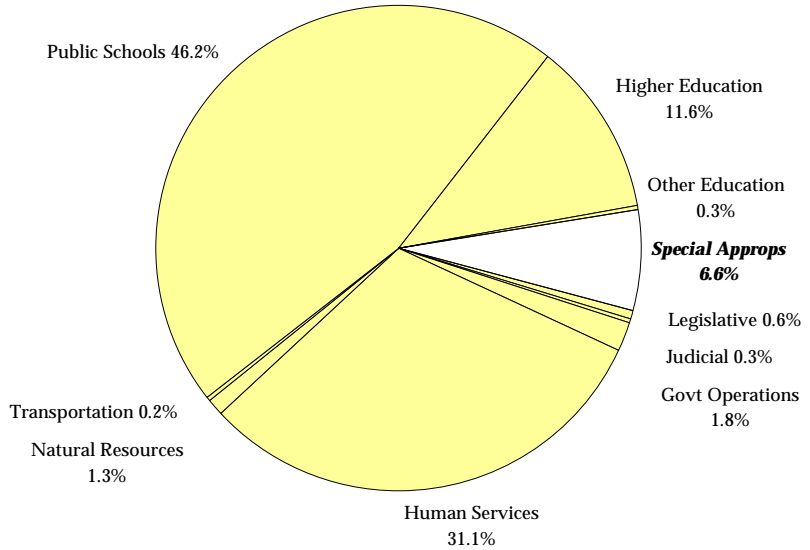
Bond Retirement/Interest	1,429,923
State Employee Comp Adj	200,102
Retirement Contributions	159,600
Special Approps to Governor	66,015
Other Legislation	7,730
Other Special Approps	196
Special Appropriations	1,863,566



Special Appropriations

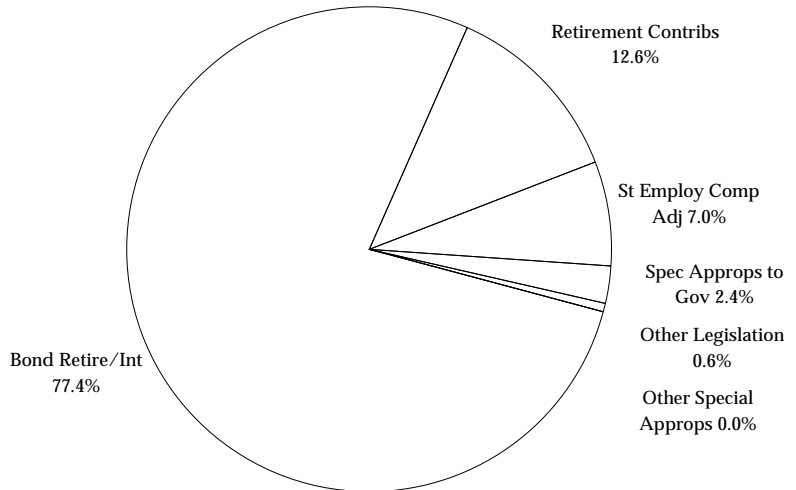
1997-99 Washington State Operating Budget
General Fund - State
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
Human Services	5,930,793
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
Statewide Total	19,083,722



Washington State

Bond Retirement/Interest	982,138
Retirement Contributions	159,600
State Employee Comp Adj	89,061
Special Approps to Governor	29,830
Other Legislation	7,730
Other Special Approps	193
Special Appropriations	1,268,552



Special Appropriations

Bond Retirement & Interest

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	982,009	158,680	1,140,689
1998 Supplemental Budget			
1. Debt Service Update	129	0	129
2. Underwriter's Discount	0	1,549	1,549
3. Technical Correction	0	1,862	1,862
Total Supplemental Items	129	3,411	3,540
<hr/>			
1997-99 REVISED APPROPRIATIONS	982,138	162,091	1,144,229
Fiscal Year 1998 Total	472,016	77,658	549,674
Fiscal Year 1999 Total	510,122	84,433	594,555

Comments:

1. DEBT SERVICE UPDATE - The appropriations for debt service are updated to reflect the debt service cost on sales that have occurred since April 1997 and more recent interest rate estimates for future sales during the 1997-99 biennium.
2. UNDERWRITER'S DISCOUNT - The government accounting standard practice for reporting the underwriter's discount on a bond sale was revised in July 1997. Previously recorded as a reduction to revenue, the underwriter's discount is now recorded as a debt service expense. This change requires an appropriation for the discount in the debt service funds. (State Building Construction Account, Public Safety Reimbursable Bond Account, Higher Education Construction Account)
3. TECHNICAL CORRECTION - In the 1997 initiative to simplify debt service funds, the debt service for the Natural Resources Building was inadvertently omitted from the budget bill. This action corrects that omission by providing appropriation authority to pay the debt service obligation on that facility. (Debt-Limit Reimbursable Bond Retirement Account)

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

Special Appropriations to the Governor

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	15,424	27,695	43,119
1998 Supplemental Budget			
1. Remove Year 2000 GF-S Appropriation	-5,340	-987	-6,327
2. Year 2000 Contingency Pool	5,000	5,000	10,000
3. Year 2000 Conversion	266	4,946	5,212
4. Local Criminal Justice Funding	0	1,200	1,200
5. Approp to the Transportation Fund	12,650	0	12,650
6. Community College Capital Projects	5,200	0	5,200
7. Governor Veto - Regulatory Reform	-3,370	-3,669	-7,039
Total Supplemental Items	14,406	6,490	20,896
<hr/>			
1997-99 REVISED APPROPRIATIONS	29,830	34,185	64,015
Fiscal Year 1998 Total	7,390	15,860	23,250
Fiscal Year 1999 Total	22,440	18,325	40,765

Comments:

- | | |
|---|--|
| <p>1. REMOVE YEAR 2000 GF-S APPROPRIATION - The Governor's veto of Section 702, Chapter 454, Laws of 1997, created duplicate General Fund-State (GF-S) appropriations for Year 2000 computer maintenance projects. This reduction reflects the technical adjustment to eliminate the duplication. Also, the Employment Security Department received unanticipated federal funds for Year 2000 conversion activities which allows a reduction to their original appropriation. (General Fund-State, Administrative Contingency Account-State, Employment Services Administrative Account-State)</p> <p>2. YEAR 2000 CONTINGENCY POOL - Funding is provided for resource needs identified in Phase II of the risk assessment report and ongoing contingencies to avoid the disruption of public services. (General Fund-State, Year 2000 Contingency Revolving Account)</p> <p>3. YEAR 2000 CONVERSION - Additional funding is provided for the Department of Retirement Systems, Department of Licensing, Department of Revenue, Employment Security Department, Department of Health, and the Health Care Authority to address resource shortfalls identified for Year 2000 conversion projects. (General Fund-State, various other accounts)</p> <p>4. LOCAL CRIMINAL JUSTICE FUNDING - Funding is provided to local governments for the costs of implementing drunk driving legislation. Funds will be distributed to local governments through the Municipal Criminal Justice Assistance Account and County Criminal Justice Assistance Account. (Impaired Driving Safety Account)</p> <p>5. APPROP TO THE TRANSPORTATION FUND - This is a one-time appropriation from the General Fund to the Transportation Fund.</p> <p>6. COMMUNITY COLLEGE CAPITAL PROJECTS - Funds are provided for deposit in the Community and Technical Colleges Capital Project Account.</p> | <p>7. GOVERNOR VETO - REGULATORY REFORM - The Governor vetoed portions of Section 719, Chapter 149, Laws of 1997 (the 1997 biennial budget act), which provided \$7.039 million for implementation of regulatory reform legislation. Under a March 20, 1998, decision of the Thurston County Superior Court, the Governor's veto resulted in a lapse of the appropriation, and the moneys are not available for expenditure.</p> <p>NOTE: Special Appropriations to the Governor received an appropriation of \$2 million in the original 1997-99 Transportation Budget.</p> |
|---|--|

State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
1997-99 ORIGINAL APPROPRIATIONS	86,963	83,660	170,623
1998 Supplemental Budget			
1. Retiree Lawsuit-Pension Funding	0	25,000	25,000
2. Retiree Lawsuit Settlement	1,768	2,007	3,775
3. Life Insurance Settlement	330	374	704
Total Supplemental Items	2,098	27,381	29,479
<hr/>			
1997-99 REVISED APPROPRIATIONS	89,061	111,041	200,102
Fiscal Year 1998 Total	38,393	50,575	88,968
Fiscal Year 1999 Total	50,668	60,466	111,134

Comments:

1. RETIREE LAWSUIT-PENSION FUNDING - The \$25 million in the Pension Funding Account is appropriated to the Public Employees' and Retirees' Insurance Account to be used by the Health Care Authority to pay claims resulting from the settlement in Retired State Employees v. State of Washington. (Pension Funding Account)

2. RETIREE LAWSUIT SETTLEMENT - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves. Additional funding for this item is provided in the higher education institutions' appropriations. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Account)

3. LIFE INSURANCE SETTLEMENT - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999 in accordance with the settlement in Burbage v. State of Washington. Additional funding for this item is provided in the higher education institutions' appropriations. (General Fund-State, General Fund-Federal, General Fund-Local and Salary and Insurance Increase Revolving Account)

Sundry Claims

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1998 Supplemental Budget			
1. Self-Defense Claims	193	0	193
2. Deer and Elk Damage Claims	<u>0</u>	<u>3</u>	<u>3</u>
Total Supplemental Items	193	3	196
<hr/>			
1997-99 REVISED APPROPRIATIONS	193	3	196
Fiscal Year 1998 Total	193	3	196
<hr/>			

Comments:

1. SELF-DEFENSE CLAIMS - On the recommendation of the Division of Risk Management, payment is provided under RCW 9A.16.110 for claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self-defense.
2. DEER AND ELK DAMAGE CLAIMS - On the recommendation of the Division of Risk Management, payment is provided under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. (Wildlife Account-State)

1998 Supplemental Capital Budget

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1998 Supplemental Capital Budget Overview

The 1998 supplemental capital budget, authorized by Chapter 347, Laws of 1998 (SSB 6455), provides \$62.4 million in new projects, including \$17.2 million in general fund-supported state bonds. The 1998 appropriations utilize remaining bond authorizations established in the 1997 bond authorization bill. Consequently, no new bond authorization bill was enacted by the 1998 Legislature.

State Bond Appropriations

The appropriation of \$4.5 million to the State Conservation Commission for the Conservation Reserve Enhancement Program was the largest state bond appropriation and the only significant programmatic enhancement funded from the state bonds. This appropriation is part of the \$26 million salmon restoration package and is accompanied in the capital budget by an appropriation of \$750,000 in state bonds and \$5.0 million in other funds to the Department of Fish and Wildlife for salmon restoration projects. For an overview of the salmon package, see the Natural Resources highlights on page 131. Other state bond appropriations were provided for construction claims costs, emergency repairs, and life safety issues.

Other Fund Appropriations

From the total non-general fund appropriations, \$31.3 million is related to the Department of Natural Resources trust land replacement and management funds. Land replacement and acquisition accounts for \$14.8 million of the \$31.3 million. Another \$12 million of the excess cash balance in the forest development account was appropriated to timber counties which have traditionally received revenue from timber harvest on Forest Board lands. It is anticipated that \$6.5 million will be retained by the counties and junior taxing districts, and \$5.5 million will be returned to the state and deposited into the state salmon recovery account. The anticipated \$5.5 million was appropriated from the salmon recovery account for the salmon recovery program; \$5.0 million to the Department of Fish and Wildlife, and \$500,000 to the Conservation Commission.

The balance of the 1998 supplemental capital budget appropriations are for emergency projects and reprioritizing money among construction projects to recognize new cost information. The supplemental capital budget also approved the 1999 list of local projects for the Washington Wildlife and Recreation Program and financing contracts for six projects.

**Capital Budget Appropriations
Excluding Alternative Financing**

	<u>Total Funds</u>	<u>Debt Limit Bonds</u>
1997 Supplemental Budget *		
New Appropriations	14,823,093	5,690,107
1997-99 Biennial Budget **	1,884,125,691	906,280,779
Reappropriation Reductions	<u>-14,560,940</u>	<u>-14,560,940</u>
Total 1997 Original Budget & Supplemental	1,884,387,844	897,409,946
1998 Supplemental Budget ***		
New Appropriations	64,908,304	20,193,000
Reappropriation Changes	<u>-2,550,000</u>	<u>-3,024,386</u>
Total 1998 Supplemental	62,358,304	17,168,614
Total Revised 1997-99 Budget	1,946,746,148	914,578,560

Note: The 1997 supplemental budget appropriations and 1997-99 biennial appropriations were combined for purposes of debt limit calculation during the 1997 legislative session.

* Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 292, Laws of 1997, Partial Veto (HB 1019)

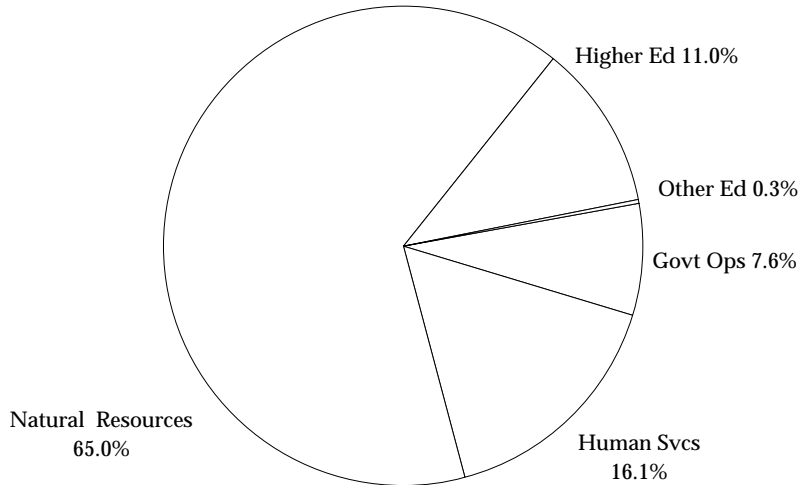
** Chapter 235, Laws of 1997, Partial Veto (SSB 6063) and Chapter 455, Laws of 1997 (EHB 2255)

*** Chapter 347, Laws of 1998 (SSB 6455)

**1998 Washington State Supplemental Capital Budget
Total Appropriations
By Functional Area**

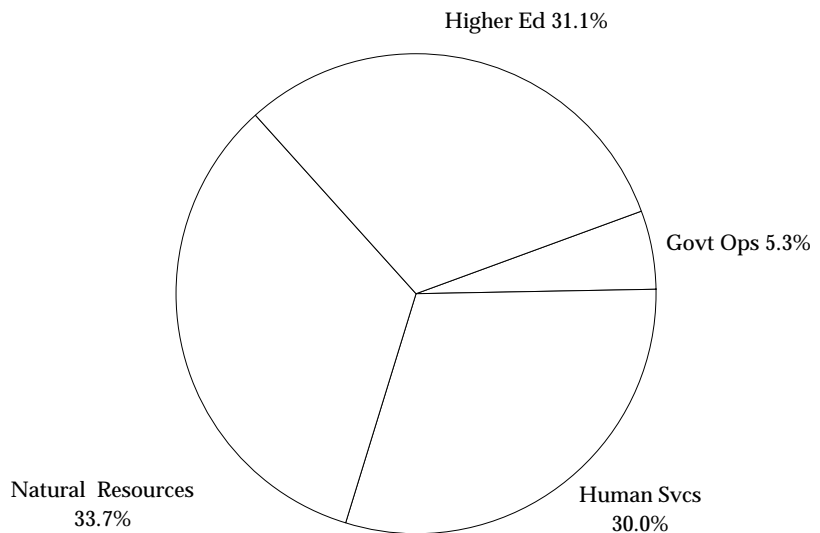
Total New Appropriations

Governmental Ops	4,711,000
Human Services	10,057,304
Natural Resources	40,544,000
Higher Education	6,866,000
Other Education	180,000
Statewide Total	62,358,304



Debt Limit Bonds

Governmental Ops	905,000
Human Services	5,142,000
Natural Resources	5,780,000
Higher Education	5,341,614
Statewide Total	17,168,614



1997-99 Capital Budget -- 1998 Supplemental
New Appropriations Project List
Chapter 347, Laws of 1998

	Governor Budget	Legislative Budget	
	Total	Total	Debt Limit Bonds
GOVERNMENTAL OPERATIONS			
Dept of Community, Trade, & Economic Development			
Infrastructure Needs Assessment	0	750,000	0
Emergency Flood and Erosion Repairs	0	150,000	150,000
Total	0	900,000	150,000
Office of Financial Management			
Year 2000 Bldg., Facility, & Equip Date Conversion	2	3,056,000	0
Department of General Administration			
Fire Safety Sprinkler Systems	600,000	600,000	600,000
Alaska Street Building: Cooling Tower & Chiller	155,000	155,000	155,000
Total	755,000	755,000	755,000
TOTAL GOVERNMENTAL OPERATIONS	755,002	4,711,000	905,000
HUMAN SERVICES			
Department of Social and Health Services			
Green Hill Redevelopment	3,466,558	3,466,558	0
Security Improvements at Western State Hospital	0	654,000	0
Total	3,466,558	4,120,558	0
Department of Veterans' Affairs			
Emergency Fund	0	50,000	0
Retsil: Building Feasibility Study	0	103,000	0
Total	0	153,000	0
Department of Corrections			
Local Government Criminal Justice Facilities	0	639,196	0
WCC: Replace Razor Ribbon Wire	2,100,000	1,200,000	1,200,000
MICC: Still Harbor Dock	2,700,000	2,700,000	2,700,000
WSR-F: Dairy Animal Waste Lagoon Improvements	1,242,000	1,242,000	1,242,000
Grant Administration and Minor Improvements	0	155,550	0
Total	6,042,000	5,936,746	5,142,000
TOTAL HUMAN SERVICES	9,508,558	10,210,304	5,142,000

**1997-99 Capital Budget -- 1998 Supplemental
New Appropriations Project List
Chapter 347, Laws of 1998**

	Governor Budget	Legislative Budget	
	Total	Total	Debt Limit Bonds
NATURAL RESOURCES			
Department of Ecology			
Referendum 26 Waste Disposal Facilities	829,000	829,000	0
Referendum 38 Water Supply Facilities	1,500,000	1,500,000	0
Total	<u>2,329,000</u>	<u>2,329,000</u>	<u>0</u>
State Parks and Recreation Commission			
Storm Disaster Recovery	530,000	530,000	530,000
Cama Beach State Park Development	1,000,000	1,000,000	0
Total	<u>1,530,000</u>	<u>1,530,000</u>	<u>530,000</u>
State Conservation Commission			
Conservation Reserve Enhancement Program	0	5,000,000	4,500,000
Department of Fish and Wildlife			
Water Access & Development	135,000	135,000	0
Salmon Restoration	0	5,750,000	750,000
Total	<u>135,000</u>	<u>5,885,000</u>	<u>750,000</u>
Department of Natural Resources			
Natural Resources Real Property Replacement	9,400,000	9,400,000	0
Land Bank Program to Enhance Trust Land Holdings	1,800,000	1,800,000	0
Arlington Survey Boundary Dispute	0	2,600,000	0
Distribution of Excess Funds from Forest Dev Acct	0	12,000,000	0
Total	<u>11,200,000</u>	<u>25,800,000</u>	<u>0</u>
TOTAL NATURAL RESOURCES	15,194,000	40,544,000	5,780,000

**1997-99 Capital Budget -- 1998 Supplemental
New Appropriations Project List
Chapter 347, Laws of 1998**

	Governor Budget	Legislative Budget	
	Total	Total	Debt Limit Bonds
HIGHER EDUCATION			
University of Washington			
Fisheries/Oceanography Science Building: Const	0	2,500,000	2,500,000
Kincaid Fire Damage	1,424,000	1,424,000	1,424,000
Nuclear Reactor: Decommissioning	1,200,000	1,200,000	1,200,000
Total	<u>2,624,000</u>	<u>5,124,000</u>	<u>5,124,000</u>
Washington State University			
Minor Works - Preservation	3,000,000	0	0
Veterinary Teaching Hospital - Construction	0	3,500,000	3,000,000
Total	<u>3,000,000</u>	<u>3,500,000</u>	<u>3,000,000</u>
Eastern Washington University			
Minor Works: Program	0	30,000	30,000
State Board for Community & Technical Colleges			
Asbestos Abatement	700,000	700,000	700,000
Lower Columbia College: Library Heating System	512,000	512,000	512,000
Total	<u>1,212,000</u>	<u>1,212,000</u>	<u>1,212,000</u>
TOTAL HIGHER EDUCATION	6,836,000	9,866,000	9,366,000
OTHER EDUCATION			
State School for the Deaf			
New Cottages: Design & Construction	0	180,000	0
TOTAL OTHER EDUCATION	0	180,000	0
New Projects Statewide Total	<u>32,293,560</u>	<u>65,511,304</u>	<u>21,193,000</u>

1997-99 Capital Budget -- 1998 Supplemental
New Appropriations Project List
Chapter 347, Laws of 1998

	Governor Budget	Legislative Budget	
	Total	Total	Debt Limit Bonds
REAPPROPRIATION ADJUSTMENTS			
Department of Veterans' Affairs			
Retsil: Minor Works Projects	0	-103,000	0
Orting Main Kitchen Upgrade	0	-50,000	0
Total	0	-153,000	0
University of Washington			
Mary Gates Hall	0	1,300,000	1,300,000
BB Tower Elevator	0	-4,400,000	-4,400,000
Hogness/Health Sciences Ctr Lobby/ADA	0	100,000	100,000
Social Work Addition	0	500,000	500,000
Total	0	-2,500,000	-2,500,000
Washington State University			
Minor Works: Preservation	0	-500,000	0
ICNE - Telecommunications*	0	0	-524,386
Total	0	-500,000	-524,386
Central Washington University			
Lynnwood Extended Degree Center: Facility Design	0	0	-1,000,000
Total	0	0	-1,000,000
Reappropriation Adjustments Total	0	-3,153,000	-4,024,386
New Appropriations with Reappropriation Adjustments	32,293,560	62,358,304	17,168,614

* Corrects a typographical error in the biennial budget.

1998 Supplemental Capital Budget

Alternative Financing Projects

Department of General Administration

Buyout Lease Old County Courthouse	6,990,000
Acquire Olympia Federal Building	2,874,000

Community & Technical College System

Green River Parking Lot	100,000
South Puget Sound Land and Parking Lot	619,210
South Puget Sound Student Union Building	5,500,000
Wenatchee Valley Dormitory and Daycare	500,000

Statewide Total	16,583,210
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Capital Appropriations in Other Legislation

	<u>Total</u>
State Board for Community and Technical Colleges	
Aviation Trades Complex: Construction	5,200,000
Dept of Community, Trade, & Economic Development	
Farmworker Housing *	1,000,000

Note: See page 241 for additional information on appropriations made in other legislation.

** Also see the agency detail for the Department of Community, Trade, and Economic Development, Item 10 - Farmworker Housing, on page 66.*

Washington Wildlife and Recreation Program
Fiscal Year 1999 Capital Projects -- LEAP Capital Document No. 99-1
(Based on \$45 Million for 1997-99)

IAC #	Project Name	Project Sponsor	Request to IAC *	IAC * Funding Recomm	Sponsor Share	Total Cost
Local Parks Projects						
97-1099D	Carbonado's 8th Avenue Park	Carbonado, Town of	31,300	31,300	31,300	62,600
97-1206D	Evergreen Fisheries Park	Vancouver-Clark Parks Dept	300,000	300,000	300,203	600,203
97-1126D	Edgemont Park	Edgewood, City of	61,315	61,315	61,315	122,630
97-1030A	McCool "Robin Hill Farm"	Clallam Co Park Fair & Bldg	500,000	500,000	1,653,000	2,153,000
97-1082D	Camas Pool Renovation	Camas Parks & Rec Dept	95,778	95,778	95,778	191,555
97-1118A	Wapato Hills Park	Tacoma, City of	500,000	500,000	620,000	1,120,000
97-1101D	Smallwood Park Improvements	Eatonville, Town of	89,220	89,220	89,220	178,440
97-1149D	Sky Valley Sports Complex, Phase 2	Sultan, City of	300,000	300,000	300,000	600,000
97-1051D	Kneeland Park	Shelton Parks & Rec Dept	126,978	126,978	126,978	253,957
97-1105A	Henderson Inlet Park	Thurston County Parks & Rec	500,000	500,000	500,000	1,000,000
97-1061D	Lakeside Park	Chelan Parks & Rec Dept	98,919	98,919	99,081	198,000
97-1083D	Soccer Field Lighting - Celebration Park	Federal Way Parks & Rec Dept	162,357	162,357	162,357	324,714
97-1064D	Lopez Isl Community Tennis Courts	Lopez Island School Dist #144	69,450	69,450	69,450	138,900
97-1042A	Lake Sawyer Regional Park	King County Parks & Rec	300,000	300,000	7,341,000	7,641,000
97-1042A	Lake Sawyer Regional Park	King County Parks & Rec	200,000	Alternate		
97-1036D	Cottage Lake	King County Parks & Rec	300,000	Alternate		
97-1177D	Chesterley Park Soccer Expansion	Yakima Parks & Rec	225,000	Alternate		
97-1148D	Cedar River Sports Pk Ballfield Lights	Renton Parks Dept	132,000	Alternate		
97-1019D	TT Minor Park Expansion	Seattle Parks & Rec Dept	300,000	Alternate		
97-1095D	Gig Harbor Skateboard Park	Gig Harbor, City of	92,348	Alternate		
97-1041A	Preston Mill Site	King County Parks & Rec	500,000	Alternate		
Total Local Parks Projects			4,884,664	3,135,316	11,449,682	14,584,999
Trails Projects						
97-1181C	Methow Valley Community Trail, Phase 3	Okanogan, County of	196,000	196,000	201,566	397,566
97-1208C	Lacamas Heritage Trail	Clark County Parks Dept	546,825	546,825	769,710	1,316,535
97-1028C	Larry Scott Memorial Park	Jefferson County Public Works	171,858	171,858	171,858	343,716
97-1028C	Larry Scott Memorial Park	Jefferson County Public Works	94,986	Alternate		
97-1023D	Arboretum Lakeside Trail	Seattle Parks & Rec Dept	700,000	Alternate		
Total Trails Projects			1,709,669	914,683	1,143,134	2,057,817

* IAC = Interagency Committee For Outdoor Recreation

Washington Wildlife and Recreation Program
Fiscal Year 1999 Capital Projects -- LEAP Capital Document No. 99-1
(Based on \$45 Million for 1997-99)

IAC #	Project Name	Project Sponsor	Request to IAC *	IAC * Funding Recomm	Sponsor Share	Total Cost
Water Access Projects						
97-1204C	Haapa Park	Vancouver-Clark Parks Dept	204,870	204,870	204,870	409,740
97-1161A	Old Mill Site Acquisition	Kitsap County Fair & Parks	245,130	245,130	245,130	490,260
97-1161A	Old Mill Site Acquisition	Kitsap County Fair & Parks	519,020	Alternate		
Total Water Access Projects			969,020	450,000	450,000	900,000
Urban Wildlife Projects						
97-1129A	Wapato Hills Habitat Area	Tacoma, City of	900,000	900,000	940,000	1,840,000
97-1113A	Lund's Gulch/Lund's Creek	Lynnwood Parks & Rec Dept	450,000	450,000	572,700	1,022,700
97-1113A	Lund's Gulch/Lund's Creek	Lynnwood Parks & Rec Dept	300,000	Alternate		
97-1043A	Woodway Reserve	Woodway, Town of	750,000	Alternate		
Total Urban Wildlife Projects			2,400,000	1,350,000	1,512,700	2,862,700

* IAC = Interagency Committee For Outdoor Recreation

1998 Supplemental Capital Budget Project Descriptions

Department of Community, Trade, & Economic Development

Infrastructure Needs Assessment

Ch 347, L 98, Sec 1

Description: To study local government infrastructure needs.

	<u>Reappropriation</u>	<u>Appropriation</u>
1998 Supplemental Change		
Public Works Assistance Account - State	0	750,000

Comments: Provides funding for a study of local government infrastructure needs including bridges, roadways, domestic water, sanitary sewer, and storm water systems. The Public Works Board, in consultation with the Department of Community, Trade, and Economic Development (DCTED), shall contract for a local government infrastructure needs assessment, report on the progress of the assessment to the appropriate committees of the Legislature by January 31, 1999, and deliver the final report by June 30, 1999.

Department of Community, Trade, & Economic Development

Emergency Flood and Erosion Repairs

Ch 347, L 98, Sec 2

Description: For shoreline repairs at Ocean Shores.

	<u>Reappropriation</u>	<u>Appropriation</u>
1998 Supplemental Change		
State Building Construction Account - State	0	150,000

Comments: The 1998 Supplemental Operating Budget (ESSB 6108) included \$275,000 for coastal erosion project grants at Ocean Shores. See Chapter 346, Laws of 1998, Partial Veto, Section 117.

Office of Financial Management

Year 2000 Bldg, Facility, & Equipment Date Conversion (99-1-001)

Ch 347, L 98, Sec 3

Description: To perform Year 2000 assessments of facility management systems, control systems, and other computer systems related to capital facilities and equipment.

	<u>Reappropriation</u>	<u>Appropriation</u>
1998 Supplemental Change		
Char/Ed/Penal/Reform/Institutions - State	0	500,000
State Building Construction Account - State	0	1,866,000
Comm/Tech Col Capital Projects Acct - State	0	100,000
EWU Capital Projects Account - State	0	50,000
WSU Building Account - State	0	100,000
CWU Capital Projects Account - State	0	50,000
UW Building Account - State	0	100,000
WWU Capital Projects Account - State	0	180,000
TESC Capital Projects Account - State	0	50,000
Thurston County Capital Facilities Account - State	0	60,000
Total	0	3,056,000

Comments: Funds are provided for assessments and for corrective measures on a priority basis. The State Building Construction Account funding for this project was provided from the \$2.7 million Airway Heights litigation settlement at the Department of Corrections.

1998 Supplemental Capital Budget

Project Descriptions

Department of General Administration

Wellington Hills Property Sale

Ch 347, L 98, Sec 4

Description: To sell the Wellington Hills property at fair market.

Comments: The 1997 budget transferred responsibility for the Wellington Hills property from the University of Washington to the Department of General Administration with the instructions that the property shall be disposed of at fair market value. The 1998 budget adds a provision allowing the Department to perform a highest and best use study for the site. The study is to be completed by June 30, 1998.

Department of General Administration

Fire Safety Sprinkler Systems (99-1-001)

Ch 347, L 98, Sec 5

Description: To provide fire sprinklers in the Douglas Building at the Northern State Multi-Service Center.

	<u>Reappropriation</u>	<u>Appropriation</u>
1998 Supplemental Change		
State Building Construction Account - State	0	600,000

Comments: Provides for the installation of fire sprinklers on the first floor and basement of the Douglas Building which houses the services for mentally ill/chemically abusing clients.

Department of General Administration

Alaska Street Building: Cooling Tower & Chiller (99-1-002)

Ch 347, L 98, Sec 6

Description: For emergent repairs for the Alaska Street Building.

	<u>Reappropriation</u>	<u>Appropriation</u>
1998 Supplemental Change		
State Building Construction Account - State	0	155,000

Comments: Provides for the replacement of the 34-year-old cooling tower and chiller system. The building is used as a training facility for the Department of Services for the Blind.

1998 Supplemental Capital Budget Project Descriptions

Department of Social and Health Services

Green Hill Redevelopment (96-2-230)

Ch 347, L 98, Sec 7

Description: To supplement the 1997 appropriation for the re-development of the Green Hill juvenile correctional facility.

	<u>Reappropriation</u>	<u>Appropriation</u>
1997-99 Original Appropriation		
State Building Construction Account - State	37,234,448	6,600,000
1998 Supplemental Change		
General Fund - Federal	0	3,466,558
Total	37,234,448	10,066,558

Comments: The General Fund-Federal appropriation in the supplemental budget is provided for the construction of vocational and support facilities, increased street mitigation, durable finishes, and systems associated with the Green Hill School re-development project funded in the original 1997-99 biennial budget. The overall project includes the demolition of seven antiquated 16-bed cottages, the construction of four new 64-bed residential buildings to increase capacity to 288 beds, and the construction of associated facilities and infrastructure to support increasing the institutional capacity to 416 beds in a later phase.

The federal appropriation provides funding for the items that were removed from the project when bids came in well in excess of the original appropriation for the re-development project. The federal appropriation is a sub-award of the Violent Offender Incarceration and Truth-in-Sentencing grant program administered by the Department of Corrections. Construction or expansion of program space is an allowable use of grant funds since it is part of an overall project to expand the number of beds in the planned juvenile facility.

Department of Social and Health Services

Security Improvements at Western State Hospital

Ch 347, L 98, Sec 8

Description: For facility improvements to accommodate the expanded mentally ill population pursuant to Chapter 297, Laws of 1998, Partial Veto (2SSB 6214).

	<u>Reappropriation</u>	<u>Appropriation</u>
1998 Supplemental Change		
State Building Construction Account - State	0	654,000

Comments: This project encompasses facility security improvements in order to accommodate the expected population increase at Western State Hospital as a result of 2SSB 6214, which makes a variety of changes to the civil commitment and criminal competency statutes. Funding for this project was provided from the \$2.7 million Airway Heights litigation settlement at the Department of Corrections. The appropriation was contingent upon enactment of 2SSB 6214 by June 30, 1998. If the bill had not been enacted by that date, the appropriation in this section would have been used for the Year 2000 assessments in Section 3.

1998 Supplemental Capital Budget Project Descriptions

Department of Veterans' Affairs

Orting: Main Kitchen Upgrade (95-1-001)

Ch 347, L 98, Sec 9

Description: For renovation of the main kitchen.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
Char/Ed/Penal/Reform/Institutions - State	1,147,147	0
1998 Supplemental Change		
Char/Ed/Penal/Reform/Institutions - State	-50,000	0
Total	1,097,147	0

Comments: The sum of \$50,000 of the Orting kitchen remodel reappropriation is transferred to the Veterans' Affairs Emergency Fund for replacement of the primary power system at the Washington Soldiers' Home. This electrical project, funded from the Emergency Fund, has a direct impact on the primary and emergency power for the existing kitchen.

Department of Veterans' Affairs

Retsil: Minor Works Projects (97-1-006)

Ch 347, L 98, Sec 10

Description: To complete the hot water heating system in Building 9, add ventilation to various buildings, upgrade bathrooms, and replace the grounds maintenance shop.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
Char/Ed/Penal/Reform/Institutions - State	410,549	755,000
1998 Supplemental Change		
Char/Ed/Penal/Reform/Institutions - State	0	-103,000
Total	410,549	652,000

Comments: At the request of the Department of Veterans' Affairs, the Legislature redirected \$103,000 from the current appropriation for minor works at the Veterans' Home in Retsil to the building feasibility study. This will expand the scope of the study to include the Orting campus.

Department of Veterans' Affairs

Emergency Fund (97-1-012)

Ch 347, L 98, Sec 11

Description: For emergency repairs at the Orting and Retsil Veterans' Homes.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
Char/Ed/Penal/Reform/Institutions - State	0	700,000
1998 Supplemental Change		
Char/Ed/Penal/Reform/Institutions - State	0	50,000
Total	0	750,000

Comments: The Department of General Administration discovered the primary power feed to the campus is operating through the existing emergency power system, and the two systems must be replaced at the same time. The project will be funded out of the existing Emergency Fund appropriation combined with \$50,000 in reappropriated funds from the Orting kitchen remodel project. The total cost of the project is estimated at \$745,000.

1998 Supplemental Capital Budget Project Descriptions

Department of Veterans' Affairs

Retsil: Building Feasibility Study (97-2-015)

Ch 347, L 98, Sec 12

Description: For a study to evaluate potential consolidation of program functions and replacement of poor condition housing units into a new multi-use facility at Retsil.

	<u>Reappropriation</u>	<u>Appropriation</u>
1997-99 Original Appropriation		
Char/Ed/Penal/Reform/Institutions - State	0	112,000
1998 Supplemental Change		
Char/Ed/Penal/Reform/Institutions - State	0	103,000
Total	0	215,000

Comments: The appropriation is provided to conduct a study of the physical condition of the Retsil and Orting campuses, determine the opportunities and constraints for use of the facilities on those campuses to serve current and future veterans program needs, and identify other options for the provision of services to veterans in the future. The study will evaluate the services at Retsil and recommend capital investments that have clear program or economic benefits and improve efficiency. The studies will be submitted to the Office of Financial Management and will be the basis upon which future capital plans for the Department are developed.

There are four elements to the facility plans that will be undertaken:

- 1) A complete condition assessment of both the Orting and Retsil campuses;
- 2) A projection of future veterans populations to be served and expected health care issues;
- 3) Facility plans to deal with these future population needs at the two current campuses, with cost estimates and a phasing plan; and
- 4) Other alternatives to address future population needs will also be identified.

The Legislature redirected \$103,000 from the appropriation for minor works at the Veterans' Home in Retsil to bring the total appropriation for department-wide facility planning to \$215,000.

Department of Corrections

Local Government Criminal Justice Facilities (99-2-003)

Ch 347, L 98, Sec 13

Description: Grants to local governments for jails and other correctional facilities.

	<u>Reappropriation</u>	<u>Appropriation</u>
1998 Supplemental Change		
General Fund - Federal	0	639,196

Comments: The appropriation is provided solely for the purpose of constructing, developing, expanding, modifying, or improving local jails and other correctional facilities. The Department of Corrections, in consultation with the Washington Association of Sheriffs and Police Chiefs, shall develop criteria for allocating moneys to local governments.

The federal grant appropriation is the maximum allowable sub-award to local governments (15 percent of the total grant) as set forth by the Violent Offender Incarceration and Truth-in-Sentencing grant program administered by the Department of Corrections.

1998 Supplemental Capital Budget Project Descriptions

Department of Corrections

Washington Corrections Center: Replace Razor Ribbon Wire (99-1-001)

Ch 347, L 98, Sec 14

Description: To replace deteriorated razor ribbon wire on the perimeter security fence at the Washington Corrections Center.

	Reappropriation	Appropriation
1998 Supplemental Change		
State Building Construction Account - State	0	1,200,000

Comments: This appropriation reflects a \$900,000 reduction from Governor Locke's proposed budget due to a correction made to the cost estimate submitted to the Legislature by the Department of Corrections.

Department of Corrections

McNeil Island Corrections Center: Still Harbor Dock (99-2-001)

Ch 347, L 98, Sec 15

Description: Provides for the replacement of the Still Harbor dock on McNeil Island.

	Reappropriation	Appropriation
1998 Supplemental Change		
State Building Construction Account - State	0	2,700,000

Department of Corrections

WA St Reformatory Farm: Dairy Animal Waste Lagoon Improvements (99-2-002)

Ch 347, L 98, Sec 16

Description: To bring dairy waste treatment facility up to state standards and to make associated water and runoff improvements.

	Reappropriation	Appropriation
1998 Supplemental Change		
State Building Construction Account - State	0	1,242,000

Comments: The Department shall contract with the Joint Legislative Audit and Review Committee to conduct a cost/benefit review of the operations of the farm. The report is due September 30, 1998.

Department of Corrections

Grant Administration and Minor Improvements

Ch 347, L 98, Sec 17

Description: For administrative costs and minor improvements to correctional facilities.

	Reappropriation	Appropriation
1998 Supplemental Change		
General Fund - Federal	0	155,550

Comments: The appropriation is provided solely for costs associated with administration of the Violent Offender Incarceration and Truth-in-Sentencing grant program to local governments and other agencies receiving a sub-award from the grant and minor improvements for correctional facilities. The Department of Corrections may use up to \$127,839 of the appropriation (3 percent of the total grant) for costs associated with administration of the grant program. The balance will be used for minor improvements to correctional facilities.

1998 Supplemental Capital Budget Project Descriptions

Department of Ecology

Referendum 26 Waste Disposal Facilities (74-2-004)

Ch 347, L 98, Sec 18

Description: Grants to local governments for solid and hazardous waste facilities, wastewater disposal facilities, agricultural pollution abatement, lake restoration, and waste reduction and recycling activities.

	<u>Reappropriation</u>	<u>Appropriation</u>
1997-99 Original Appropriation		
St/Loc Improvements Revolving Account - State	4,028,749	210,969
1998 Supplemental Change		
St/Loc Improvements Revolving Account - State	0	829,000
Total	4,028,749	1,039,969

Comments: Of the appropriation, \$378,500 is provided for design of the waste water treatment plant at the city of Connell. These funds are available for expenditure due to the de-obligation of previous grants.

Department of Ecology

Referendum 38 Water Supply Facilities (74-2-006)

Ch 347, L 98, Sec 19

Description: Grants to local governments for water supply facilities.

	<u>Reappropriation</u>	<u>Appropriation</u>
1997-99 Original Appropriation		
St/Loc Impr Rev Acct Water Sup Fac - State	6,763,571	485,495
1998 Supplemental Change		
St/Loc Impr Rev Acct Water Sup Fac - State	0	1,500,000
Total	6,763,571	1,985,495

Comments: The supplemental funds are available for expenditure due to the de-obligation of previous grants. Provisos remain unchanged from the original 1997-99 budget except that \$1.5 million is provided solely for funding of the state's cost share of the Methow Valley irrigation district agreement. A previous appropriation of \$1.2 million was made for the Methow project in Section 18(8) Chapter 14, Laws 1991, 1st ex. sess. (ESHB 1427, the 1991-93 Capital Budget).

Department of Ecology

Centennial Clean Water Fund (86-2-007)

Ch 347, L 98, Sec 20

Description: Grants to local governments for water quality improvements.

	<u>Reappropriation</u>	<u>Appropriation</u>
1997-99 Original Appropriation		
Water Quality Account - State	38,653,000	70,000,000

Comments: Provisos remain unchanged from the original 1997-99 budget except that the priority consideration for critical or depressed salmon stocks was strengthened so that no less than 25 percent of the amount remaining to be obligated as of July 1, 1998, shall be allocated for eligible projects which have a component benefiting the recovery of priority salmon stocks.

1998 Supplemental Capital Budget Project Descriptions

State Parks and Recreation Commission

Storm Disaster Recovery (99-1-001)

Ch 347, L 98, Sec 21

Description: To make repairs to parks damaged in 1996 and 1997 storms.

	Reappropriation	Appropriation
1998 Supplemental Change		
State Building Construction Account - State	0	530,000

Comments: The three parks with major storm damage are Lewis and Clark Trail, Saltwater, and Beacon Rock State Park.

State Parks and Recreation Commission

Cama Beach State Park Development (99-2-001)

Ch 347, L 98, Sec 22

Description: To use private funds for the development of a new state park on Camano Island. These funds will be used to develop utilities, sewer, water, and electrical services.

	Reappropriation	Appropriation
1998 Supplemental Change		
Parks Renewal and Stewardship Account - State	0	1,000,000

Comments: The land and buildings for the park were purchased by the Washington Wildlife and Recreation Program (WWRP). Purchase took place over the course of three biennia (93-95, 95-97, and 97-99). The sellers committed to donate a "a significant portion of the purchase proceeds" back to State Parks for use in the development of public facilities and protection of special qualities of the property.

Interagency Committee for Outdoor Recreation

Washington Wildlife & Recreation Program (98-2-003)

Ch 347, L 98, Sec 23

Description: Grants for habitat and recreation acquisition and development.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
Aquatic Lands Enhancement Account - State	33,335	2,500,000
State Building Construction Account - State	14,264,419	42,500,000
Outdoor Recreation Account - State	21,985,067	0
State Wildlife Account - State	1,398,996	0
Habitat Conservation Account - State	18,700,633	0
Total	56,382,450	45,000,000

Comments: Provisos remain unchanged from the original 1997-99 budget except that the 1998 supplemental list of projects is approved by reference (LEAP Capital Document No. 99-1). See the list of approved projects on page 217.

State Conservation Commission

Conservation Reserve Enhancement Program

Ch 347, L 98, Sec 24

Description: For the Conservation Reserve Enhancement Program to protect and restore salmon stocks.

	Reappropriation	Appropriation
1998 Supplemental Change		
State Building Construction Account - State	0	4,500,000
Salmon Recovery Account - State	0	500,000
Total	0	5,000,000

1998 Supplemental Capital Budget Project Descriptions

Comments: The appropriation shall be expended solely for the Conservation Reserve Enhancement Program to provide grants to conservation districts to assist land owners in protecting and restoring riparian zones in areas with salmon stocks. A minimum of \$420,000 shall be allocated to an evolutionarily significant unit (ESU) east of the Cascade mountain range. A minimum of \$420,000 shall be allocated to the Tri-County Water Resource Agency for projects and activities recommended by the Yakima River Watershed Council.

Salmon Recovery Account funding was provided from Forest Development Account timber revenues distributed to counties. The state's portion is remitted back to the state for deposit into the Salmon Recovery Account. See Section 32.

Department of Fish and Wildlife

Water Access & Development (96-2-027)

Ch 347, L 98, Sec 25

Description: Public fishing access funded through boating fuel rebates.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
Outdoor Recreation Account - State	997,000	0
1998 Supplemental Change		
Outdoor Recreation Account - State	0	135,000
Total	997,000	135,000

Comments: Provides funds needed for the Department to finish the Fox Island Fishing Pier. As the result of legal action, the Department received a settlement of \$135,000 from a firm that was involved with the Fox Island Fishing Pier project.

Department of Fish and Wildlife

Coast & Puget Sound Wild Salmonid Habitat Restoration (98-1-009)

Ch 347, L 98, Sec 26

Description: For habitat projects benefiting coastal and Puget Sound salmon stocks.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
General Fund - Federal	0	800,000
General Fund - Local	0	800,000
State Building Construction Account - State	1,428,770	3,500,000
Total	1,428,770	5,100,000

Comments: A proviso was added to the 1997 appropriation stating that no less than 25 percent of the amount remaining to be obligated as of March 1, 1998, shall be allocated for projects benefiting the recovery of priority salmon stocks.

Department of Fish and Wildlife

Salmon Restoration

Ch 347, L 98, Sec 27

Description: For salmon restoration projects.

	Reappropriation	Appropriation
1998 Supplemental Change		
State Building Construction Account - State	0	750,000
Salmon Recovery Account - State	0	5,000,000
Total	0	5,750,000

1998 Supplemental Capital Budget Project Descriptions

Comments: Provisos related to the expenditure of funds include:

- 1) The amount of \$842,000 is provided for the lower Columbia River evolutionarily significant unit (ESU).
- 2) A maximum of \$1,039,000 is provided for fish passage barrier projects on land owned or managed by the Department of Fish and Wildlife.
- 3) At least \$2,079,000 is provided for the Department to establish a program of competitive grants to local governments and regional fisheries enhancement groups for fish passage barrier projects.
- 4) At least \$1,039,000 is provided for fish barrier projects that the Department has determined to be priority projects. The distribution of money for priority projects may be in the form of grants to local governments, regional fisheries enhancement groups, and other state agencies.
- 5) The projects selected for funding in subsections 2-4 shall be based on a priority index developed by the Department that yields the highest return of ecological benefit.

The Salmon Recovery Account funding was provided from Forest Development Account timber revenues distributed to counties. The state's portion is remitted back to the state for deposit into the Salmon Recovery Account. See Section 32.

Department of Natural Resources

Natural Resources Real Property Replacement (99-2-001)

Ch 347, L 98, Sec 28

Description: To provide authority to purchase replacement lands from the sale of trust land property to other governmental entities.

	Reappropriation	Appropriation
1998 Supplemental Change		
Nat Res Real Property Replacement - State	0	9,400,000

Comments: This account was created in 1992 to accommodate trust land sales or transfers to public agencies. Sales do not require a public action, but the Department of Natural Resources (DNR) must receive fair market value for the property. Sales proceeds are deposited into this account and used to buy replacement property. The Governor's 1997-99 budget included \$25 million for this program. The Legislature withheld appropriation until DNR submitted an acquisition plan for replacement property. As part of the supplemental budget request, DNR submitted a strategy for a priority system for selecting replacement property. The Legislature appropriated only the amount of the fund balance in the account.

Department of Natural Resources

Land Bank Program to Enhance Trust Land Holdings (99-2-002)

Ch 347, L 98, Sec 29

Description: To purchase land to replace trust land income due to property sold to private entities.

	Reappropriation	Appropriation
1998 Supplemental Change		
Resource Management Cost Account - State	0	1,800,000

Comments: The land bank is used to dispose of undesirable trust properties through public auction. Proceeds from the sale of trust lands are deposited into the Land Bank (a sub-account in the Resource Management Cost Account - RMCA) and used to buy replacement property. The Governor's 1997-99 budget included \$15 million for this program. The Legislature withheld appropriation until the Department of Natural Resources (DNR) submitted an acquisition plan for replacement property. As part of the supplemental budget request, DNR submitted a strategy for a priority system for selecting replacement property. The Legislature appropriated only the amount of the fund balance in the account.

1998 Supplemental Capital Budget Project Descriptions

Department of Natural Resources

Arlington Survey Boundary Dispute

Ch 347, L 98, Sec 30

Description: To purchase land as part of the settlement agreement to resolve claims and litigation over a survey boundary dispute.

	Reappropriation	Appropriation
1998 Supplemental Change		
Forest Development Account - State	0	2,600,000

Comments: The settlement of the boundary dispute between state and private landowners was reached after the Governor's supplemental capital budget was completed. The agreement settles a number of claims and purchases and exchanges several hundred acres of state trust land to resolve the century-old dispute for a township near Arlington in Snohomish County.

Department of Natural Resources

Jobs for the Environment (98-2-009)

Ch 347, L 98, Sec 31

Description: For watershed restoration projects and market wage jobs.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
Forest Development Account - State	0	500,000
Resource Management Cost Account - State	0	1,500,000
Water Quality Account - State	0	7,133,000
Total	0	9,133,000

Comments: Provisos remain unchanged from the original 1997-99 budget except that no less than 25 percent of the amount remaining to be obligated as of July 1, 1998, shall be expended on projects for the recovery of priority salmon stocks.

Department of Natural Resources

Distribution of Excess Funds from Forest Development Account

Ch 347, L 98, Sec 32

Description: For distribution of state forest land revenues to taxing authorities receiving such revenue during calendar year 1993 through calendar year 1997.

	Reappropriation	Appropriation
1998 Supplemental Change		
Forest Development Account - State	0	12,000,000

Comments: The county treasurer of the counties listed in this section are required to distribute funds received in this appropriation to taxing authorities in proportion to the revenues which have been realized from Forest Board Lands since 1993. Funds to be credited to the state of Washington and funds credited to school district general levies shall be remitted to the state within 30 days after the effective date of this act for deposit into the Salmon Recovery Account.

Current distribution of timber revenues from Forest Board Lands (transfer and purchase lands) is 25 percent to the Forest Development Account (FDA), 5 percent to the General Fund-State (GF-S), and 70 percent to counties. Of the county portion, slightly less than half is returned to the GF-S. The budget directs the portion remitted to the state be deposited in the Salmon Recovery Account.

1998 Supplemental Capital Budget Project Descriptions

State School for the Deaf

New Cottages: Design & Construction (98-2-001)

Ch 347, L 98, Sec 33

Description: For design and construction of new cottages for the School for the Deaf.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
State Building Construction Account - State	0	4,606,600
1998 Supplemental Change		
State Building Construction Account - State	0	180,000
Total	0	4,786,600

Comments: This project encompasses renovation of space in order to accommodate the 24-hour infirmary that will be displaced by the demolition of the building it occupies. Funding for this project was provided from the \$2.7 million Airway Heights litigation settlement at the Department of Corrections.

1998 Supplemental Capital Budget Project Descriptions

University of Washington

Old Physics Hall (Mary Gates Hall): Design & Construction (92-2-008)

Ch 347, L 98, Sec 34

Description: For design and construction of Mary Gates Hall.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
State Building Construction Account - State	30,028,248	0
UW Building Account - State	305,891	0
1998 Supplemental Change		
State Building Construction Account - State	1,300,000	0
Total	31,634,139	0

Comments: The Legislature increased the reappropriation for this item, at the request of the University of Washington, in order to fund increases in the cost of construction associated with the current bid climate and inflationary pressures in the Seattle construction environment. Funds for this project were transferred from the Health Sciences Center BB Tower Elevators project.

University of Washington

Health Sciences Center BB Tower Elevators - Design & Construction (96-1-007)

Ch 347, L 98, Sec 35

Description: To design and construct the addition of one elevator and upgrading of the existing elevators in the health sciences center BB-wing and tower.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
State Building Construction Account - State	4,961,992	0
UW Building Account - State	208,546	0
1998 Supplemental Change		
State Building Construction Account - State	-4,400,000	0
Total	770,538	0

Comments: The Legislature reduced the reappropriation for this item, at the request of the University of Washington, in order to fund increased costs identified in other higher priority projects. The University intends to use current minor repair funds to renovate the existing three elevators to meet minimum immediate needs in BB Tower. See Sections 34, 36, 37, and 38.

1998 Supplemental Capital Budget Project Descriptions

University of Washington

Hogness/Health Sciences Center Lobby: ADA Improvements (96-1-022)

Ch 347, L 98, Sec 36

Description: For Americans with Disabilities Act (ADA) improvements to the Hogness/Health Sciences Center Lobby.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
State Building Construction Account - State	1,253,070	0
1998 Supplemental Change		
State Building Construction Account - State	100,000	0
Total	1,353,070	0

Comments: The Legislature increased the reappropriation for this item, at the request of the University of Washington, in order to fund cost increases associated with the current bid climate and inflationary pressures in the Seattle construction environment. Funds for this project were transferred from the Health Sciences Center BB Tower Elevators project.

University of Washington

Fisheries Science-Oceanography Science Building: Construction (96-2-006)

Ch 347, L 98, Sec 37

Description: For construction of the Fisheries Science and Oceanography Science Buildings.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
Higher Education Construction Acct - State	0	32,507,000
State Building Construction Account - State	3,449,850	33,590,000
UW Building Account - State	1,548,150	2,834,154
1998 Supplemental Change		
State Building Construction Account - State	0	2,500,000
Total	4,998,000	71,431,154

Comments: The Legislature increased the appropriation for this item, at the request of the University of Washington, in order to fund increases in the cost of construction associated with the current bid climate and inflationary pressures in the Seattle construction environment. Funds for this project were transferred from the Health Sciences Center BB Tower Elevators project.

1998 Supplemental Capital Budget Project Descriptions

University of Washington

Social Work Third Floor Addition - Design & Construction (96-2-010)

Ch 347, L 98, Sec 38

Description: To design and construct a 12,000 gross square foot partial third floor addition to the Social Work and Speech and Hearing Sciences Building.

	<u>Reappropriation</u>	<u>Appropriation</u>
1997-99 Original Appropriation		
State Building Construction Account - State	2,708,800	0
UW Building Account - State	126,400	0
1998 Supplemental Change		
State Building Construction Account - State	500,000	0
Total	3,335,200	0

Comments: The Legislature increased the reappropriation for this item, at the request of the University of Washington, in order to fund increases in the cost of construction associated with the current bid climate and inflationary pressures in the Seattle construction environment. Funds for this project were transferred from the Health Sciences Center BB Tower Elevators project.

University of Washington

Kincaid Fire Damage (99-1-001)

Ch 347, L 98, Sec 39

Description: To repair facilities damaged in Summer 1997.

	<u>Reappropriation</u>	<u>Appropriation</u>
1998 Supplemental Change		
State Building Construction Account - State	0	1,424,000

University of Washington

Nuclear Reactor: Decommissioning (99-2-009)

Ch 347, L 98, Sec 40

Description: To dismantle and dispose of the radioactive components of the inactive nuclear research reactor located on the main campus.

	<u>Reappropriation</u>	<u>Appropriation</u>
1998 Supplemental Change		
State Building Construction Account - State	0	1,200,000

Comments: The operation of the reactor was discontinued in 1988, and the fuel rods were removed. The total cost to decommission the reactor and make the building available for other uses is estimated at \$4.1 million. This appropriation will remove the concrete reactor chamber, lead shielding, and any remaining radioactive materials to meet the Federal decommissioning order for the reactor.

1998 Supplemental Capital Budget Project Descriptions

Washington State University

Veterinary Teaching Hospital - Construction (92-2-013)

Ch 347, L 98, Sec 41

Description: For the Veterinary Teaching Hospital litigation settlement.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
State Building Construction Account - State	77,884	0
Higher Education Reimbursable Construction Account - State	239,098	0
1998 Supplemental Change		
State Building Construction Account - State	0	3,000,000
WSU Building Account - State	0	500,000
Total	316,982	3,500,000

Comments: Washington State University used minor works money to pay the \$3.5 million litigation cost related to the Veterinary Teaching Hospital (VTH). The Governor's budget appropriated \$3 million to replace the minor works appropriation. The Legislature redirected the \$3 million appropriation in Governor Locke's proposed budget from minor works preservation to the VTH project to more accurately reflect the total cost of the project. In addition, \$500,000 from the minor works preservation appropriation was redirected to the VTH.

Washington State University

Intercollegiate Center for Nursing Education: Telecommunications (96-2-915)

Ch 347, L 98, Sec 42

Description: To digitize Washington Higher Education Telecommunications System (WHETS) signals and prepare a second classroom and conference room in Spokane.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
State Building Construction Account - State	524,386	0
1998 Supplemental Change		
State Building Construction Account - State	-524,386	0
WSU Building Account - State	524,386	0
Total	524,386	0

Comments: The fund source for this project was mistakenly changed from the Washington State University (WSU) Building Account to the State Building Construction Account when the reappropriation was provided in 1997. This change returns the funding source to the original appropriation.

1998 Supplemental Capital Budget Project Descriptions

Washington State University

Minor Works: Preservation (98-1-004)

Ch 347, L 98, Sec 43

Description: For the Veterinary Teaching Hospital litigation settlement.

	Reappropriation	Appropriation
1997-99 Original Appropriation WSU Building Account - State	0	5,553,000
1998 Supplemental Change WSU Building Account - State	0	-500,000
Total	0	5,053,000

Comments: The Legislature redirected \$500,000 of the minor works preservation appropriation to the Veterinary Teaching Hospital. This amount was expended on the settlement.

Washington State University

Washington State University Vancouver: Phase II (98-2-911)

Ch 347, L 98, Sec 44

Description: For design of the Engineering/Life Sciences and Multi-Media buildings, infrastructure, and physical plant additions.

	Reappropriation	Appropriation
1997-99 Original Appropriation State Building Construction Account - State	0	13,500,000

Comments: Provisos remain unchanged from the original 1997-99 budget except that clarification is provided that \$1 million of the appropriation is provided solely to reserve or acquire transportation capacity and traffic impact fee credits.

Eastern Washington University

Minor Works: Program (98-2-001)

Ch 347, L 98, Sec 45

Description: For several small projects to meet programmatic needs such as minor space modifications, life safety projects, meeting building codes and other regulations, and new restrooms at Woodward Field.

	Reappropriation	Appropriation
1997-99 Original Appropriation State Building Construction Account - State	0	500,000
EWU Capital Projects Account - State	0	1,200,000
1998 Supplemental Change State Building Construction Account - State	0	30,000
Total	0	1,730,000

Comments: Up to \$30,000 of the appropriation may be used for design of a residence for the President of Eastern Washington University.

Chapter 344, Laws 1998, Partial Veto (SSB 6655) requires that the president of a public four-year institution reside in the location where the institution is designated under statute. The additional funding provides resources for design of a residence in Cheney.

1998 Supplemental Capital Budget Project Descriptions

Central Washington University

Heating Systems Improvements (98-1-030)

Ch 347, L 98, Sec 46

Description: For heating system improvements on the Central Washington University campus.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
State Building Construction Account - State	0	1,450,000

Comments: The Legislature redirected the purpose from boiler plant expansion to campus-wide heating system improvements.

Central Washington University

SeaTac Center Building: Facility Improvements (98-2-010)

Ch 347, L 98, Sec 47

Description: For facility improvements at the SeaTac Center.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
State Building Construction Account - State	0	662,500

Comments: The Governor's budget recommended that the existing language be changed from "renovation" to "facility acquisition or improvements" to provide Central Washington University (CWU) flexibility in deciding whether or not to renew their current lease. Subsequent negotiations between the school district and CWU made the relocation unnecessary, but some flexibility was provided for changes at the current site. The Central Washington University SeaTac Center is located in rented space at the old Glacier High School.

Central Washington University

Lynnwood Extended Degree Center: Facility Design (98-2-080)

Ch 347, L 98, Sec 48

Description: For design of the Lynnwood Extended Degree Center.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
State Building Construction Account - State	0	1,000,000
1998 Supplemental Change		
State Building Construction Account - State	0	-1,000,000
CWU Capital Projects Account - State	0	1,000,000
Total	0	1,000,000

Comments: The Legislature redirected the purpose from renovation of the Sno-King Building to design of a new building for the Lynnwood Extended Degree Center. The fund source was changed from the State Building Construction Account to the Central Washington University (CWU) Capital Projects Account.

State Board for Community & Technical Colleges

Asbestos Abatement (96-1-002)

Ch 347, L 98, Sec 49

Description: For removal or encapsulation of asbestos.

	Reappropriation	Appropriation
1997-99 Original Appropriation		
State Building Construction Account - State	484,317	0
1998 Supplemental Change		
State Building Construction Account - State	0	700,000

1998 Supplemental Capital Budget Project Descriptions

Total	484,317	700,000
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Comments: The Office of Financial Management asbestos pool is insufficient to meet the unanticipated asbestos projects found at the community colleges.

State Board for Community & Technical Colleges

Lower Columbia College: Library Heating System (99-1-003)

Ch 347, L 98, Sec 50

Description: For emergency heating system replacement following the failure and subsequent fire related to a malfunctioning transformer.

	<u>Reappropriation</u>	<u>Appropriation</u>
1998 Supplemental Change		
State Building Construction Account - State	0	512,000

Comments: Additional funds are provided to supplement the community college emergency funds that are exhausted.

State Board for Community & Technical Colleges

Roof Repairs (96-1-010)

Ch 347, L 98, Sec 51

Description: For roof repairs at various colleges in the system and for stabilization of Corbet Hall at Centralia Community College and development of alternatives for the replacement of Corbet Hall.

	<u>Reappropriation</u>	<u>Appropriation</u>
1997-99 Original Appropriation		
State Building Construction Account - State	1,824,529	0

Comments: Flexibility was provided in this reappropriation to help Centralia College address a structural problem at Corbet Hall which was discovered late in the Legislative session. The college is authorized to use existing roof repair funds to shore up defects and to investigate options to replace the facility. The problems were discovered during the preparation of contracts to re-roof the building and upgrade the siding.

State Board for Community & Technical Colleges

Roof Repairs (98-1-010)

Ch 347, L 98, Sec 52

Description: For roof repairs at various colleges in the system and for stabilization of Corbet Hall at Centralia Community College and development of alternatives for the replacement of Corbet Hall.

	<u>Reappropriation</u>	<u>Appropriation</u>
1997-99 Original Appropriation		
State Building Construction Account - State	0	11,580,400

Comments: Flexibility was provided in this appropriation to help Centralia College address a structural problem at Corbet Hall which was discovered late in the Legislative session. The college is authorized to use existing roof repair funds to shore up defects and to investigate options to replace the facility. The problems were discovered during the preparation of contracts to re-roof the building and upgrade the siding.

1998 Supplemental Capital Budget

Financing Contracts and Other Miscellaneous Sections

Acquisition of Properties and Facilities Through Financial Contracts

Ch 347, L 98, Sec 53

Delete authority for Joint Center for Higher Education \$8,500,000
The Joint Center for Higher Education in Spokane was eliminated by Chapter 344, Laws of 1998, Partial Veto (SSB 6655). Authority to acquire the Riverpoint One Building was deleted.

Delete authority for Central Washington University \$3,000,000
Authority to enter into a financing contract to purchase and improve the Sno-King Building for the Lynnwood Extended Degree Center was deleted. Funding for the design of a new building was provided in Section 48.

Claims Avoidance and Risk Management

Ch 347, L 98, Sec 54

The Office of Financial Management shall convene a workgroup to develop strategies to manage risks and reduce the potential for claims and litigation associated with state construction projects.

Uses of the Forest Development Account

Ch 347, L 98, Sec 55

The Forest Development Account statute is amended for the 1997-99 biennium so that distribution of excess funds may be made to beneficiaries of revenues derived from forest board lands. Funds accruing to the state shall be deposited into the Salmon Recovery Account.

1998 Supplemental Capital Budget

Capital Appropriations in Other Legislation

State Board for Community & Technical Colleges

Clover Park Tech College Aviation Trades Complex: Construction (96-2-998)

Ch 346, L98, PV, Sec 804

Description: For construction of the Aviation Trades Complex.

	<u>Reappropriation</u>	<u>Appropriation</u>
1997-99 Original Appropriation		
State Building Construction Account - State	573,307	0
1998 Supplemental Change		
Comm/Tech Col Capital Projects Acct - State	0	5,200,000
Total	573,307	5,200,000

Comments: The new appropriation is provided for permits and site work, installation of metal buildings, and the completion of aviation hangars. The Legislature provided funding for this project in Chapter 346, Laws of 1998, Partial Veto (ESSB 6108 - 1998 Supplemental Operating Budget). A General Fund appropriation was provided for deposit into the Community and Technical Colleges Capital Projects Account in Section 709 of ESSB 6108.

Department of Community, Trade, & Economic Development

Housing Assistance, Weatherization, & Affordable Housing Program (88-5-015)

Ch 346, L98, PV, Sec 805

Description: For grants and loans for the development of low-income housing.

	<u>Reappropriation</u>	<u>Appropriation</u>
1997-99 Original Appropriation		
State Building Construction Account - State	25,000,000	54,700,000
Washington Housing Trust Account - State	400,000	0
Total	25,400,000	54,700,000

Comments: One million dollars of the original appropriation was designated for the development of housing for low-income temporary or migrant farm workers. The Department shall prioritize grants and shall award grants on a competitive basis to local governments, nonprofit corporations, or other nonprofit entities. Grant moneys may be matched by non-state sources on a dollar-for-dollar basis, in cash or in-kind. The appropriation is contingent upon the enactment of Sections 1 through 8 of Chapter 37, Laws of 1998 (2SSB 6168 - Temporary Worker Housing).

The Legislature provided an additional \$1 million from the state general fund for this project in Section 117 of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108 - 1998 Supplemental Operating Budget). This money was provided for low-income temporary or migrant farm workers in ESSB 6108). Of that funding, \$100,000 was earmarked for restroom and shower facilities at Horn Rapids Park in Benton County. See the agency detail for the Department of Community, Trade, and Economic Development, Item 10 - Farmworker Housing, on page 66.

NOTE: Of the \$54.7 million appropriated for this project, \$4.7 million was provided in Chapter 455, Laws of 1997, Section 2 (EHB 2255).

1998 Supplemental Transportation Budget

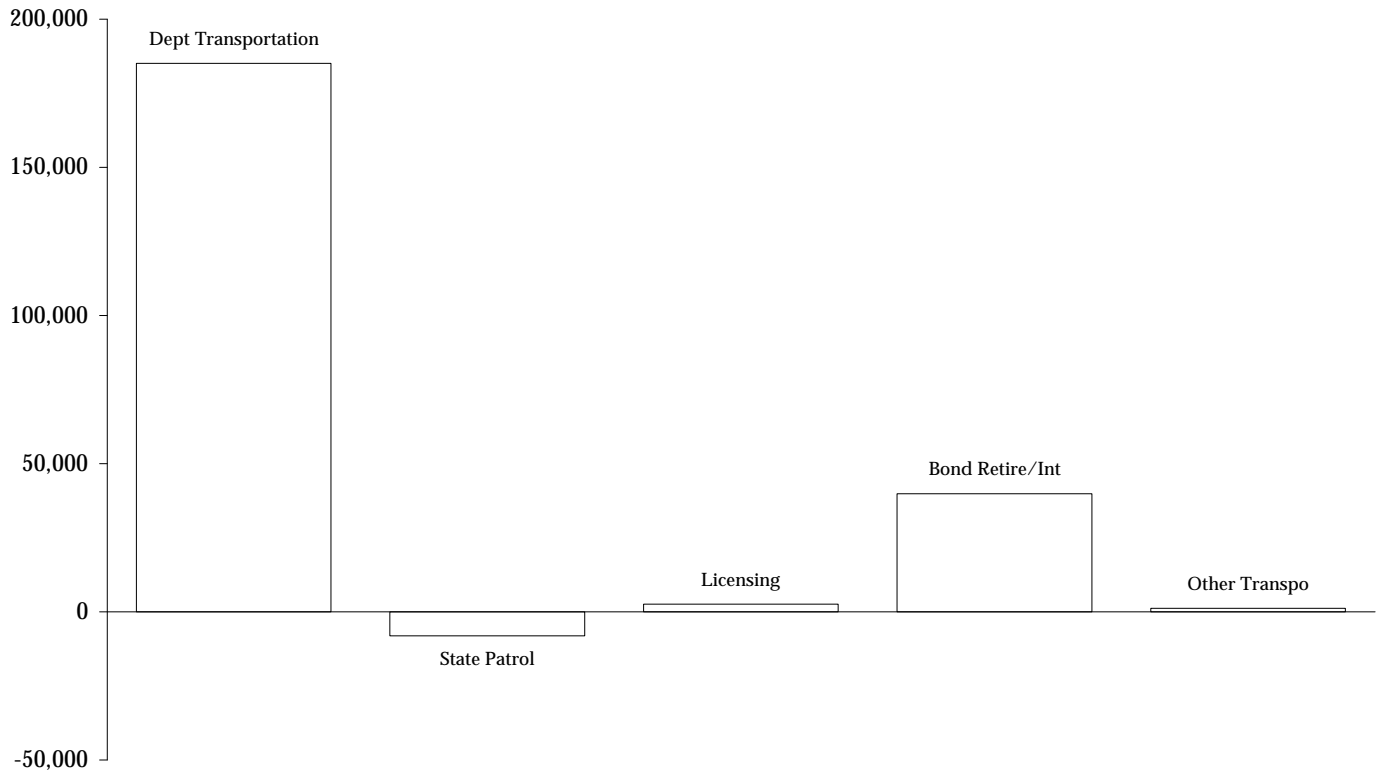
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1998 Transportation Supplemental Budget Total Appropriated Funds

(Dollars in Thousands)

MAJOR COMPONENTS BY AGENCY



Major Transportation Agencies	
Department of Transportation	185,133
Washington State Patrol	-8,079
Department of Licensing	2,638
Bond Retirement & Interest	39,840
Other Transportation	1,226
Total	220,758

Washington State Transportation Budget
1995-97 Expenditures vs. 1997-99 Revised
TOTAL OPERATING AND CAPITAL BUDGET
Total Appropriated Funds
(Dollars in Thousands)

	1995-97	1997-99	1998	1997-99
	Expenditures *	Orig Approps	Supplemental	Revised
Jt Leg Audit & Review Committee	0	1,500	0	1,500
Legislative Transportation Comm	2,309	3,022	1,150	4,172
LEAP Committee	325	420	0	420
Joint Legislative Systems Comm	40	111	0	111
Special Approps to the Governor	2,157	2,000	0	2,000
Dept Community, Trade, Econ Dev	235	252	-126	126
Office of Financial Management	115	116	-58	58
Board of Pilotage Commissioners	180	275	0	275
Utilities and Transportation Comm	39	222	0	222
WA Traffic Safety Commission	7,132	6,657	250	6,907
County Road Administration Board	66,410	87,268	0	87,268
Transportation Improvement Board	140,161	221,031	0	221,031
Marine Employees' Commission	282	354	0	354
Transportation Commission	656	804	0	804
State Parks and Recreation Comm	1,327	4,431	0	4,431
Department of Agriculture	305	304	10	314
Washington State Patrol	231,235	251,035	-8,079	242,956
Department of Licensing	152,976	140,893	2,638	143,531
Department of Transportation	2,214,482	2,175,348	185,133	2,360,481
Total Appropriation	2,820,369	2,896,043	180,918	3,076,961
Bond Retirement and Interest	222,472	245,854	39,840	285,694
Total	3,042,841	3,141,897	220,758	3,362,655

* 1995-97 expenditures have been restructured to maintain comparability with the 1997-99 budget format.

1998 Supplemental Transportation Budget Highlights

Transportation Budget Comparisons

(Dollars in Millions)

1995-97 Transportation Funding

1995-97 Funding	3,288
1997 Supplemental Budget	32
Total 1995-97 Funding	3,320

1997-99 Transportation Funding

1997-99 Budget (ESSB 6061)	2,896
1998 Supplemental Budget (ESSB 6456)	181
Total 1997-99 Funding	3,077

Note: Bond Retirement & Interest amounts are not included.

Department of Transportation

- \$91 million is provided for the following projects within current law revenue.
 - \$27 million is provided to fund a list of statewide freight mobility, economic development, and partnership projects (referred to as the \$50 million project list). The total six-year project cost is \$43 million. Funds vetoed by the Governor last session are used.
 - \$60 million of transportation dollars, federal dollars, and general fund transfer are provided for mobility projects, including \$13 million for emergent economic development projects, \$2 million for corridor studies, and \$45 million for preliminary engineering and right of way.
 - \$1 million for Ebey Slough Bridge.
 - \$2 million is transferred to the Advanced Environmental Mitigation Revolving Account to purchase and develop sites to meet environmental requirements on future construction projects.
 - \$0.5 million is provided for fish passage barrier removal.
 - \$0.6 million is provided for Centralia area flood mitigation.
- \$4.2 million is provided for Special Category “C” projects (SR 18 construction).
- \$11.6 million is appropriated for the Year 2000 conversion effort.
- \$4.1 million is provided to fund 13 items in the marine operating program, including: (1) second year funding for items funded for one year only pending audit results; (2) items not approved in

1997 pending audit results; and (3) new items. In addition, \$0.9 million in savings is taken to reflect lower fuel costs and late delivery of the new Jumbo ferry.

- \$3.5 million is provided for ferry terminal preservation projects.
- \$3 million is provided for preconstruction activities related to construction of four passenger-only ferries and associated docking facilities.
- \$2.7 million is provided for the Commercial Vehicle Information Systems and Networks (CVISN) program transferred from WSP to DOT.
- \$2.5 million is provided for the commute trip reduction program from the High Capacity Transportation Account.
- \$4 million is provided from the high capacity transportation account for facility improvements to match the federal commitment to improve passenger rail service between Seattle and Vancouver, British Columbia.
- Funding is reappropriated for highway, ferry, and aviation programs.
- \$1 million is provided for increased noxious weed control along state highways.
- \$0.5 million is provided for the rural mobility program.

Items Contingent on the Passage of the Referendum EHB 2894 (\$44.2 million)

- \$0.5 million is provided for freight rail branch line rehabilitation.
- \$6 million is provided for passenger rail infrastructure and facilities.
- \$0.4 million is provided for SR 2 safety improvements.
- \$0.4 million is provided for the Port of Benton study.
- \$0.8 million is provided for the Spokane Street median barrier (Seattle).
- \$0.2 million is provided for a railroad crossing in Steilacoom.
- \$0.6 million is provided for SR 166, Ross Point slope repair.
- \$0.3 million is provided for SR 536, Memorial Highway Bridge.
- \$35 million is placed in reserve for preconstruction activities.

The total supplemental budget for the Department of Transportation is \$185.1 million in transportation funds (including items contingent on passage of the referendum).

Washington State Patrol

- \$302,000 is provided for Medicare coverage for commissioned officers hired prior to 1986 if the majority of the officers vote for the coverage.
- \$1,580,000 is provided for transportation's share of the WSP data center shortfall and transition costs to the Department of Information Services (DIS) data center.
- \$289,000 is provided for vehicle license fraud enforcement.
- \$350,000 is provided for the Vancouver commercial vehicle enforcement inspection building.
- \$461,000 funds the WSP portion of the fuel tax enforcement program.
- \$26,000 is provided for fiscal year 1999 vehicle inspection number (VIN) lane costs.
- \$1 million in reversions and savings is realized.
- General fund activities transferred to the transportation fund in 1993-95 are returned to the general fund. The general fund is to assume a portion of the Technical Services Division and the Communication Division of the WSP.
- The general fund is assuming \$12.4 million in general fund activities.

The total supplemental budget for the Washington State Patrol is \$2 million in transportation funds, excluding the general fund transfer.

Department of Licensing

- \$339,000 is provided for the Year 2000 conversion effort.
- \$2.8 million is provided to replace the Wang Imaging System instead of spending \$1.2 million to bring an obsolete system into Year 2000 compliance.
- \$331,000 and 2.2 full time equivalents (FTEs) are provided for additional staffing in Vancouver and Yakima.
- \$2.1 million is provided to implement proposed legislation, including \$1.5 million to implement proposed driving under the influence (DUI) legislation.
- \$4.4 million in reversions and savings is realized.

The total supplemental budget for the Department of Licensing is \$2.6 million in transportation funds.

Other Agencies

- \$10,000 is provided for the Department of Agriculture to conduct laboratory analysis of diesel fuel samples to detect illegally-blended diesel fuel.
- Transportation-funded activities of the Office of Financial Management and the Department of Community, Trade and Economic Development are transferred to the general fund.

Legislative Transportation Committee

- \$1 million is provided for the creation of a special panel to conduct an analysis of existing transportation funding mechanisms and to propose solutions for long-term financing of transportation.
- \$150,000 is provided for a performance and management audit of selected public transportation systems to determine their effectiveness and efficiency.

The total supplemental budget for the Legislative Transportation Committee is \$1.2 million in transportation funds.

The 1998 supplemental transportation budget totals \$180.9 million.

Current Law Capital Project List
1998 Legislative Supplemental Current Law Budget
(Dollars in Thousands)

Rte	Leg District	Project Description	PE*	RW**	CN***	Total	6-Year		
			1997-99	1997-99	1997-99	1997-99	1999-01	2001-03	Total
002	38	Ebey Slough Bridge	0	0	1,000	1,000	0	0	1,000
003	23	SR 3/305 Interchange Vicinity	95	0	0	95	405	0	500
003	23	SR 3/SR 303 I/C (Waaga Way) Stage 1	0	112	0	112	1,660	0	1,772
005	20	Centralia Area Flood Mitigation	600	0	0	600	0	0	600
005	21	196th Street SW / SR 524 Interchange	0	0	3,812	3,812	3,754	0	7,566
014	17	192nd Avenue Interchange (Brady Road)	0	6,000	0	6,000	0	0	6,000
018	31	SR 18 Westbound Ramps/C Street SW I/C	1,475	0	0	1,475	25	0	1,500
090	04	Evergreen Road Interchange	0	0	5,089	5,089	911	0	6,000
090	05	I-90 Sunset I/C Modifications	500	3,500	0	4,000	0	0	4,000
099	21,44	King/Sno CL to SR 525 Vicinity	0	0	1,121	1,121	1,110	0	2,231
167	25,27	SR 509 to SR 161	75	625	0	700	0	0	700
303	26	Bremerton to Silverdale MIS	60	0	0	60	276	64	400
304	26	SR 3 to Bremerton Ferry Terminal	0	1,700	0	1,700	0	0	1,700
305	23	Hostmark Street to Bond Road	361	0	0	361	339	0	700
397	08	I82 to SR 395 Intertie	180	80	0	260	4,695	0	4,955
501	49	Mill Plain Extension Columbia to F. Valley	0	0	6,000	6,000	0	0	6,000
509	27, 30	Port of Tacoma Road Grade Separation	0	1,167	0	1,167	0	0	1,167
509	33	SR 509 Corridor	2,000	0	0	2,000	0	0	2,000
510	22	SR 5 Overcrossing	0	0	1,793	1,793	1,207	0	3,000
520	48	NE 40th Street I/C	0	0	3,100	3,100	0	0	3,100
522	01,32,46	SR 5 to SR 405 Multi-Modal Project	0	113	0	113	0	0	113
543	42	I5 to Intl Boundary Stg1: D St to Intl Boundary	716	69	200	986	1,714	0	2,700
999		Emergent Fish Passage Barriers	0	0	500	500	0	0	500
999		Pre-Construction Activities	10,000	10,000	0	20,000	0	0	20,000
999		Pre-Construction Activities 2	12,500	12,500	0	25,000	0	0	25,000
999		Advanced Environmental Mitigation	0	0	2,000	2,000	0	0	2,000
999		Corridor Feasibility Analysis	2,000	0	0	2,000	0	0	2,000
Total Capital Projects			30,562	35,866	24,615	91,044	16,096	64	107,204

* PE = Preliminary Engineering, ** RW = Right of Way, *** CN = Construction

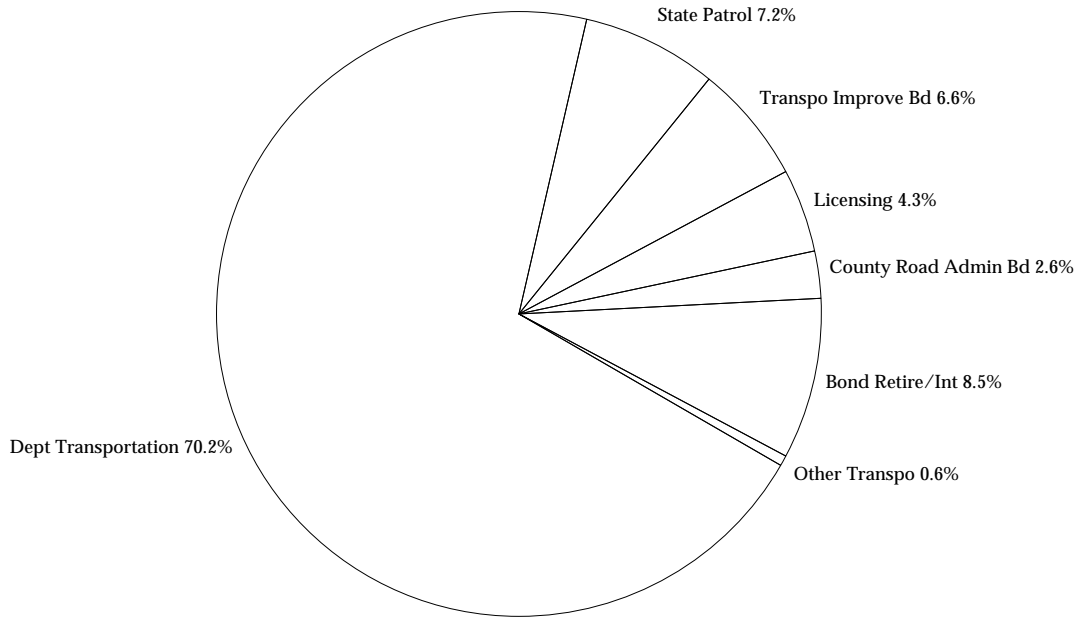
1997-99 Washington State Transportation Budget
Including 1998 Supplemental Budget
TOTAL OPERATING AND CAPITAL BUDGET
Total Appropriated Funds
(Dollars in Thousands)

	<u>Orig 1997-99 Approp</u>	<u>1998 Supplemental</u>	<u>Revised 1997-99</u>
Jt Leg Audit & Review Committee	1,500	0	1,500
Legislative Transportation Comm	3,022	1,150	4,172
LEAP Committee	420	0	420
Joint Legislative Systems Comm	111	0	111
Special Approps to the Governor	2,000	0	2,000
Dept Community, Trade, Econ Dev	252	-126	126
Office of Financial Management	116	-58	58
Board of Pilotage Commissioners	275	0	275
Utilities and Transportation Comm	222	0	222
WA Traffic Safety Commission	6,657	250	6,907
County Road Administration Board	87,268	0	87,268
Transportation Improvement Board	221,031	0	221,031
Marine Employees' Commission	354	0	354
Transportation Commission	804	0	804
State Parks and Recreation Comm	4,431	0	4,431
Department of Agriculture	304	10	314
Washington State Patrol	251,035	-8,079	242,956
Field Operations Bureau	172,613	242	172,855
Investigative Services Bureau	6,317	-3,184	3,133
Support Services Bureau	61,030	-5,487	55,543
Capital	11,075	350	11,425
Department of Licensing	140,893	2,638	143,531
Management & Support Services	11,073	375	11,448
Information Systems	11,569	2,706	14,275
Vehicle Services	53,522	-373	53,149
Driver Services	64,729	-70	64,659
Department of Transportation	2,175,348	185,133	2,360,481
Pgm D - Hwy Mgmt/Facility-Op	71,137	0	71,137
Pgm F - Aviation	3,722	520	4,242
Pgm I1 - Improvements - Mobility	354,984	97,416	452,400
Pgm I2 - Improvements - Safety	107,757	400	108,157
Pgm I3 - Improvements - Econ Init	63,452	32,602	96,054
Pgm I4 - Improvements - Env Retro	4,701	2,500	7,201
Pgm K - Transpo Economic Part-Op	17,515	0	17,515
Pgm M - Highway Maintenance	242,000	1,000	243,000
Pgm P1 - Preservation - Roadway	332,293	-2,687	329,606
Pgm P2 - Preservation - Structures	149,895	1,000	150,895
Pgm P3 - Preservation - Other Facil	84,248	630	84,878
Pgm Q - Traffic Operations	29,140	2,700	31,840
Pgm S - Transportation Management	60,490	12,570	73,060
Pgm T - Transpo Plan, Data & Resch	27,948	0	27,948
Pgm U - Charges from Other Agys	25,690	475	26,165
Pgm W - WA State Ferries-Cap	224,738	16,718	241,456
Pgm X - WA State Ferries	267,358	3,164	270,522
Pgm Y - Transit & Rail-Op	65,602	13,500	79,102
Pgm Z - Financial Assistance-Op	42,678	2,625	45,303
Total Appropriation	2,896,043	180,918	3,076,961
Bond Retirement and Interest	245,854	39,840	285,694
Total Budget	3,141,897	220,758	3,362,655

**1997-99 Transportation Budget
Including 1998 Supplemental Budget
Total Appropriated Funds**

(Dollars in Thousands)

**MAJOR COMPONENTS BY AGENCY
Total Operating and Capital Budget**



Major Transportation Agencies	1997-99 Original	1998 Supp	1997-99 Revised
Department of Transportation	2,175,348	185,133	2,360,481
Washington State Patrol	251,035	-8,079	242,956
Transportation Improvement Board	221,031	0	221,031
Department of Licensing	140,893	2,638	143,531
County Road Administration Board	87,268	0	87,268
Bond Retirement & Interest	245,854	39,840	285,694
Other Transportation	20,468	1,226	21,694
Total	3,141,897	220,758	3,362,655

**1998 Washington State Supplemental Transportation Budget
Fund Balances for Selected Funds**

(Dollars in Thousands)

	Beginning Balance ⁽¹⁾	Revenue ⁽²⁾	Expenditures ⁽³⁾	Ending Balance
Motor Vehicle Fund	120,755	1,371,908	1,490,603	2,060
Transportation Fund	64,455	277,422	323,830	18,047
State Patrol Highway Account	17,966	220,704	235,306	3,364
Highway Safety Fund	5,320	81,359	83,060	3,619
Puget Sound Capital Construction Account	14,723	225,879	240,602	0
Puget Sound Ferry Operations Account	97,464	-226	4,382	92,856

(1) The beginning fund balance reflects the June 30, 1997, final audited balance.

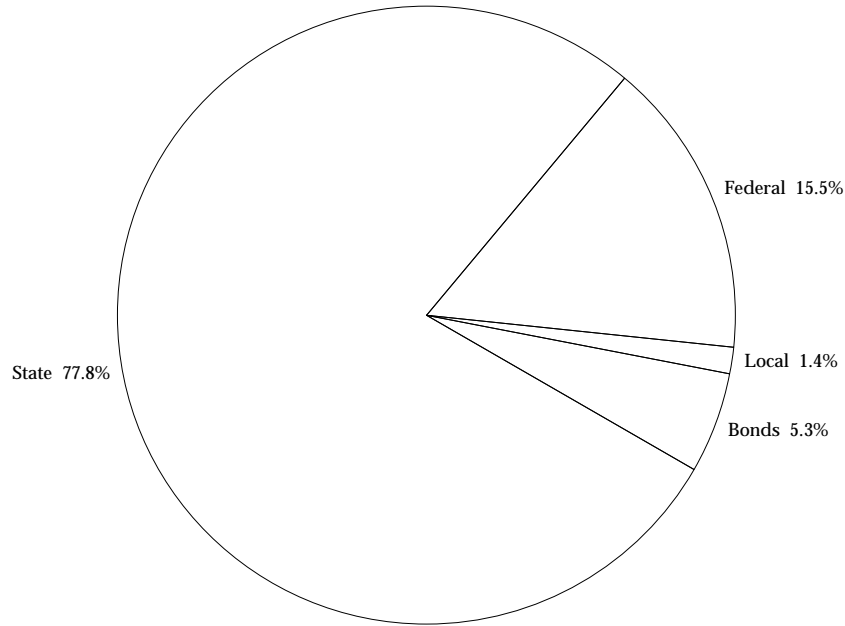
(2) Revenues reflect the February 1998 forecast.

(3) Expenditure numbers reflect the 1997-99 transportation budget and the 1998 supplemental transportation budget.

**1997-99 Transportation Budget
Including 1998 Supplemental Budget
Total Appropriated Funds**

(Dollars in Thousands)

**COMPONENTS BY FUND TYPE
Total Operating and Capital Budget**

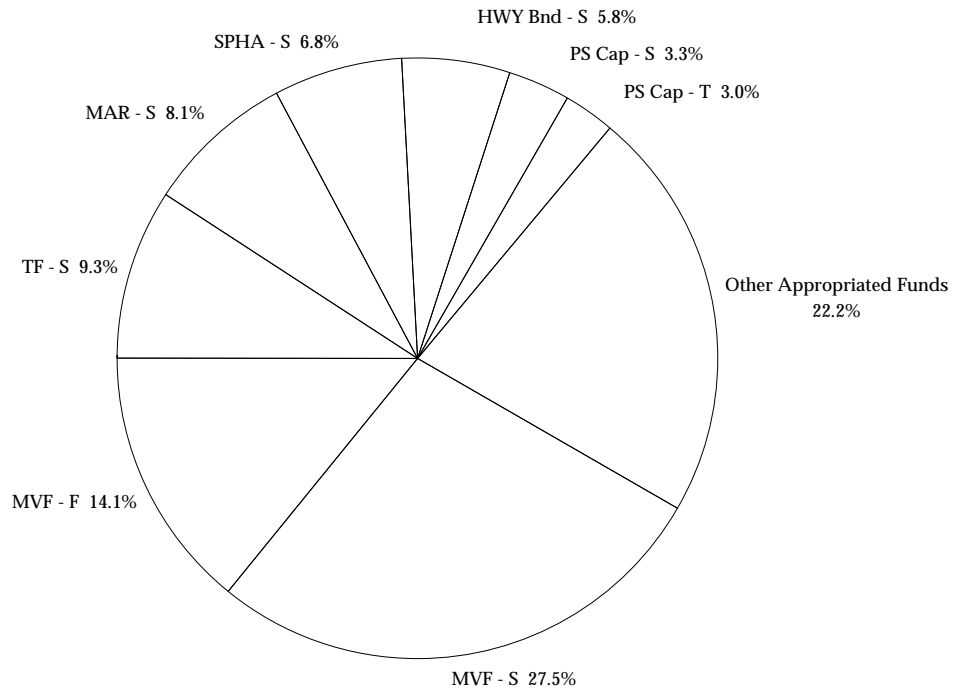


Fund Type	1997-99 Original	1998 Supp	1997-99 Revised
State	2,421,650	194,483	2,616,133
Federal	493,608	26,000	519,608
Local	47,358	275	47,633
Bonds	179,281	0	179,281
Total	3,141,897	220,758	3,362,655

**1997-99 Transportation Budget
Including 1998 Supplemental Budget
Total Appropriated Funds**

(Dollars in Thousands)

**MAJOR COMPONENTS BY FUND SOURCE AND TYPE
Total Operating and Capital Budget**



Major Fund Source	1997-99 Original	1998 Supp	1997-99 Revised
Motor Vehicle Account - State (MVF - S)	835,161	89,947	925,108
Motor Vehicle Account - Federal (MVF - F)	449,801	26,000	475,801
Transportation Account - State (TF - S)	290,919	20,606	311,525
Marine Operating Account - State (MAR - S)	268,358	3,164	271,522
State Patrol Highway Account - State (SPHA - S)	222,144	5,149	227,293
Highway Bond Retirement Account - State (HWY Bnd - S)	195,062	0	195,062
Puget Sound Capital Construction - State (PS Cap - S) *	94,506	16,657	111,163
Puget Sound Capital Construction - Bonds (PS Cap - T) *	100,000	0	100,000
Other Appropriated Funds	685,946	59,235	745,181
Total	3,141,897	220,758	3,362,655

* Puget Sound Capital Construction Account supports ferry-related construction and renovation.

1997-99 Washington State Transportation Budget
Including 1998 Supplemental Budget
Fund Summary
TOTAL OPERATING AND CAPITAL BUDGET
(Dollars in Thousands)

	MVF State	Transpo Acct State	Marine Operating State	PS Cap Constr State	Hwy Acct State	Hwy Sfty Fund State	Other Approp	Total Approp
Jt Leg Audit & Review Committee	0	1,500	0	0	0	0	0	1,500
Legislative Transportation Comm	3,822	250	0	0	0	0	100	4,172
LEAP Committee	420	0	0	0	0	0	0	420
Joint Legislative Systems Comm	111	0	0	0	0	0	0	111
Special Approps to the Governor	1,000	0	1,000	0	0	0	0	2,000
Dept Community, Trade, Econ Dev	126	0	0	0	0	0	0	126
Office of Financial Management	58	0	0	0	0	0	0	58
Board of Pilotage Commissioners	0	0	0	0	0	0	275	275
Utilities and Transportation Comm	0	0	0	0	0	0	222	222
WA Traffic Safety Commission	0	950	0	0	0	741	5,216	6,907
County Road Administration Board	1,548	0	0	0	0	0	85,720	87,268
Transportation Improvement Board	0	0	0	0	0	0	221,031	221,031
Marine Employees' Commission	0	0	0	0	0	0	354	354
Transportation Commission	0	804	0	0	0	0	0	804
State Parks and Recreation Comm	4,431	0	0	0	0	0	0	4,431
Department of Agriculture	314	0	0	0	0	0	0	314
Washington State Patrol	0	11,168	0	0	227,140	0	4,648	242,956
Field Operations Bureau	0	4,522	0	0	163,789	0	4,544	172,855
Investigative Services Bureau	0	3,133	0	0	0	0	0	3,133
Support Services Bureau	0	2,513	0	0	52,926	0	104	55,543
Capital	0	1,000	0	0	10,425	0	0	11,425
Department of Licensing	58,989	6,031	0	0	0	73,273	5,238	143,531
Management & Support Services	4,624	605	0	0	0	6,047	172	11,448
Information Systems	4,735	441	0	0	0	8,963	136	14,275
Vehicle Services	49,630	0	0	0	0	0	3,519	53,149
Driver Services	0	4,985	0	0	0	58,263	1,411	64,659
Department of Transportation	881,664	290,822	270,522	110,663	153	0	806,657	2,360,481
Pgm D - Hwy Mgmt/Facility-Op	24,703	0	0	0	0	0	46,434	71,137
Pgm F - Aviation	0	250	0	0	0	0	3,992	4,242
Pgm I1 - Improvements - Mobility	77,263	230,546	0	0	0	0	144,591	452,400
Pgm I2 - Improvements - Safety	35,816	0	0	0	0	0	72,341	108,157
Pgm I3 - Improvements - Econ Init	42,995	0	0	0	0	0	53,059	96,054
Pgm I4 - Improvements - Env Retro	7,201	0	0	0	0	0	0	7,201
Pgm K - Transpo Economic Part-Op	16,235	1,280	0	0	0	0	0	17,515
Pgm M - Highway Maintenance	239,200	0	0	0	0	0	3,800	243,000
Pgm P1 - Preservation - Roadway	140,213	0	0	0	0	0	189,393	329,606
Pgm P2 - Preservation - Structures	74,077	0	0	0	0	0	76,818	150,895
Pgm P3 - Preservation - Other Facil	74,430	0	0	0	0	0	10,448	84,878
Pgm Q - Traffic Operations	30,412	0	0	0	153	0	1,275	31,840
Pgm S - Transportation Management	70,032	1,158	0	777	0	0	1,093	73,060
Pgm T - Transpo Plan, Data & Resch	16,098	1,384	0	0	0	0	10,466	27,948
Pgm U - Charges from Other Agys	23,237	0	0	0	0	0	2,928	26,165
Pgm W - WA State Ferries-Cap	0	0	0	109,886	0	0	131,570	241,456
Pgm X - WA State Ferries	0	0	270,522	0	0	0	0	270,522
Pgm Y - Transit & Rail-Op	0	55,029	0	0	0	0	24,073	79,102
Pgm Z - Financial Assistance-Op	9,752	1,175	0	0	0	0	34,376	45,303
Total Appropriation	952,483	311,525	271,522	110,663	227,293	74,014	1,129,461	3,076,961
Bond Retirement and Interest	130	0	0	500	0	0	285,064	285,694
Total	952,613	311,525	271,522	111,163	227,293	74,014	1,414,525	3,362,655

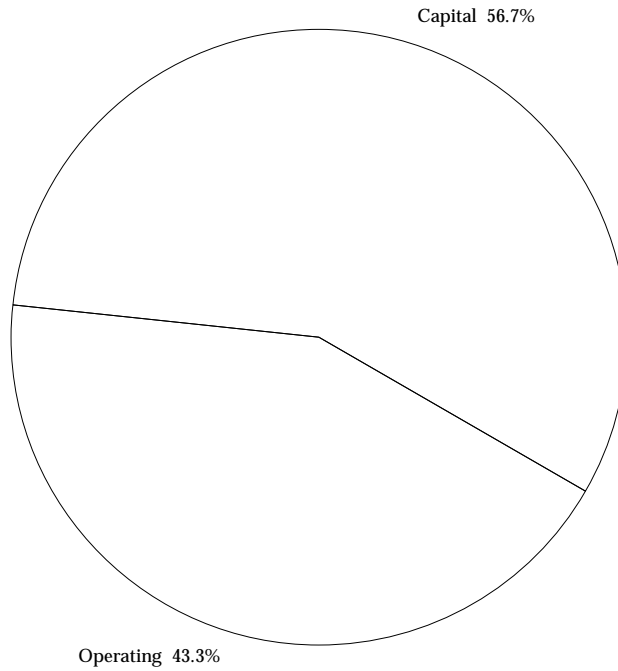
1997-99 Washington State Transportation Budget
Including 1998 Supplemental Budget
Version Comparison
TOTAL OPERATING AND CAPITAL BUDGET
Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Enacted
Jt Leg Audit & Review Committee	1,500	1,500	1,500
Legislative Transportation Comm	3,802	4,172	4,172
LEAP Committee	420	420	420
Joint Legislative Systems Comm	111	111	111
Special Approps to the Governor	2,000	2,000	2,000
Dept Community, Trade, Econ Dev	126	126	126
Office of Financial Management	58	58	58
Board of Pilotage Commissioners	275	275	275
Utilities and Transportation Comm	222	222	222
WA Traffic Safety Commission	6,907	6,907	6,907
County Road Administration Board	87,268	87,268	87,268
Transportation Improvement Board	221,031	221,031	221,031
Marine Employees' Commission	354	354	354
Transportation Commission	804	804	804
State Parks and Recreation Comm	2,261	4,431	4,431
Department of Agriculture	304	314	314
Washington State Patrol	242,343	242,956	242,956
Field Operations Bureau	172,566	172,855	172,855
Investigative Services Bureau	3,159	3,133	3,133
Support Services Bureau	55,543	55,543	55,543
Capital	11,075	11,425	11,425
Department of Licensing	143,344	145,628	143,531
Management & Support Services	11,448	11,448	11,448
Information Systems	16,919	16,919	14,275
Vehicle Services	52,767	53,149	53,149
Driver Services	62,210	64,112	64,659
Department of Transportation	2,286,472	2,372,331	2,360,481
Pgm D - Hwy Mgmt/Facility-Op	71,137	71,137	71,137
Pgm F - Aviation	4,242	4,242	4,242
Pgm I1 - Improvements - Mobility	392,555	452,900	452,400
Pgm I2 - Improvements - Safety	110,423	108,157	108,157
Pgm I3 - Improvements - Econ Init	92,383	103,354	96,054
Pgm I4 - Improvements - Env Retro	6,194	7,201	7,201
Pgm K - Transpo Economic Part-Op	17,515	17,515	17,515
Pgm M - Highway Maintenance	242,000	243,000	243,000
Pgm P1 - Preservation - Roadway	329,606	329,606	329,606
Pgm P2 - Preservation - Structures	150,895	150,895	150,895
Pgm P3 - Preservation - Other Facil	84,878	84,878	84,878
Pgm Q - Traffic Operations	31,840	31,840	31,840
Pgm S - Transportation Management	72,060	73,060	73,060
Pgm T - Transpo Plan, Data & Resch	27,948	27,948	27,948
Pgm U - Charges from Other Agys	26,275	26,165	26,165
Pgm W - WA State Ferries-Cap	238,456	241,456	241,456
Pgm X - WA State Ferries	271,735	270,522	270,522
Pgm Y - Transit & Rail-Op	72,602	83,102	79,102
Pgm Z - Financial Assistance-Op	43,728	45,353	45,303
Total Appropriation	2,999,602	3,090,908	3,076,961
Bond Retirement and Interest	285,854	286,663	285,694
Total	3,285,456	3,377,571	3,362,655

**1997-99 Transportation Budget
Including 1998 Supplemental Budget
Total Appropriated Funds**

(Dollars in Thousands)

OPERATING AND CAPITAL COMPONENTS



1997-99 Transportation Budget	1997-99 Original	1998 Supp	1997-99 Revised
Operating	1,396,656	59,279	1,455,935
Capital	1,745,241	161,479	1,906,720
Total	3,141,897	220,758	3,362,655

Transportation Budget - Agency Detail

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How to Use the Agency Detail Reports

For most policy items in each agency detail report, there is a corresponding comment with the same number. Each comment includes a description of the policy item and a chronology of the decisions that occurred throughout the budget process for that item.

The steps of the chronology are as follows:

AGY VERAgency Version

GOV VERGovernor Recommendation

STC VER.....As passed Senate Transportation Committee

HSE COMAs passed House Committee

HSE FLR.....As passed full House

LEG FINAs passed by the Legislature

ENACTED.....As signed by the Governor, including vetoes

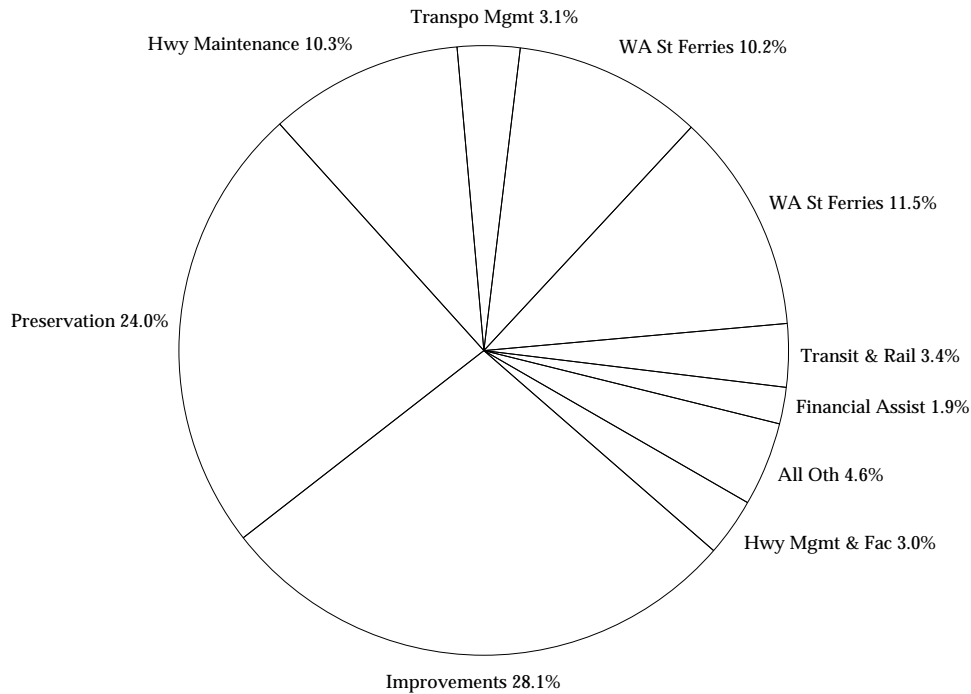
Appropriation amounts are abbreviated using “M” for millions and “K” for thousands. Not all steps are represented for each policy item; if not identified, the decision did not change from the previous step.

Legislative intent is expressed in both budget notes and budget provisos. Refer to the Transportation Budget, Chapter 348, Laws of 1998, Partial Veto (ESSB 6456), for provisos not described in these budget notes.

**1997-99 Transportation Budget
Including 1998 Supplemental Budget
Total Appropriated Funds**

(Dollars in Thousands)

**DEPARTMENT OF TRANSPORTATION
Total Operating and Capital**



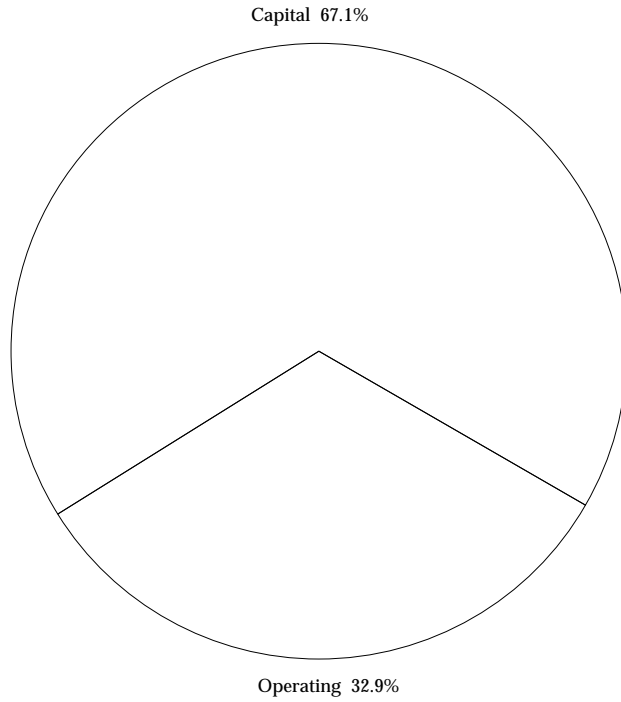
Program	1997-99 Original	1998 Supp	1997-99 Revised
Pgm D - Highway Management/Facilities	71,137	0	71,137
Pgm I - Highway Construction/Improvements	530,894	132,918	663,812
Pgm P - Highway Construction/Preservation	566,436	-1,057	565,379
Pgm M - Highway Maintenance	242,000	1,000	243,000
Pgm S - Transportation Management	60,490	12,570	73,060
Pgm W - WA State Ferries-Cap	224,738	16,718	241,456
Pgm X - WA State Ferries	267,358	3,164	270,522
Pgm Y - Transit & Rail	65,602	13,500	79,102
Pgm Z - Financial Assistance	42,678	2,625	45,303
All Other Programs	104,015	3,695	107,710
Total	2,175,348	185,133	2,360,481

All Other Programs includes: Pgm F (\$4.2 M), Pgm K (\$17.5 M), Pgm Q (\$31.8 M), Pgm T (\$27.9 M), Pgm U (\$26.2 M).

**1997-99 Transportation Budget
Including 1998 Supplemental Budget
Total Appropriated Funds**

(Dollars in Thousands)

**DEPARTMENT OF TRANSPORTATION
Operating and Capital Comparison**

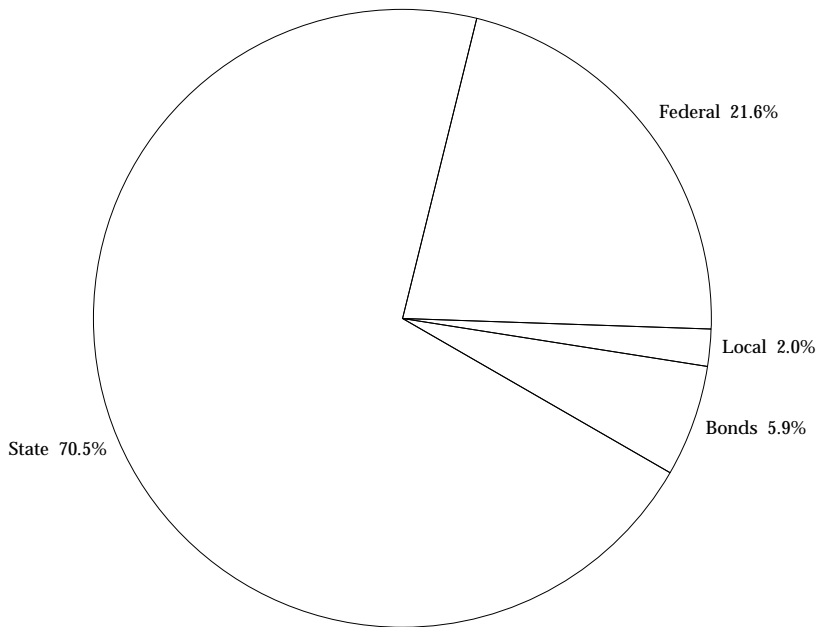


Department of Transportation	1997-99 Original	1998 Supp	1997-99 Revised
Operating	752,981	24,004	776,985
Capital	1,422,367	161,129	1,583,496
Total	2,175,348	185,133	2,360,481

**1997-99 Transportation Budget
Including 1998 Supplemental Budget
Total Appropriated Funds**

(Dollars in Thousands)

**DEPARTMENT OF TRANSPORTATION
Components by Fund Type
Total Operating and Capital**



Fund Type	1997-99 Original	1998 Supp	1997-99 Revised
State	1,505,348	158,858	1,664,206
Federal	483,914	26,000	509,914
Local	46,805	275	47,080
Bonds	139,281	0	139,281
Total	2,175,348	185,133	2,360,481

Department of Transportation
Program F - Aviation

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	3,722	3,722	3,722
1998 Supplemental Budget			
1. Local Airport Aid Grants	260	260	260
2. Search and Rescue	20	20	20
3. Aviation Planning	240	240	240
Total Supplemental Items	520	520	520
1997-99 REVISED APPROPRIATIONS	4,242	4,242	4,242

Comments:

1. LOCAL AIRPORT AID GRANTS - This item would provide funding for additional local airport preservation grants. The additional funding is available because of higher-than-anticipated Aeronautics Account revenues. Current biennium funding for the Local Airport Aid (F2) subprogram is \$1.9 million from the Aeronautics Account. This is a one-time appropriation. (Aeronautics Account-State)

HSE COM: 240 K
 LEG FIN: 240 K
 ENACTED: 240 K

AGY VER: 260 K
 GOV VER: 260 K
 STC VER: 260 K
 HSE COM: 260 K
 LEG FIN: 260 K
 ENACTED: 260 K

2. SEARCH AND RESCUE - Funds not spent in the 1995-97 biennium are appropriated to provide hand-held direction finders, hand-held radio equipment, and other radio equipment to equip volunteer ground search and rescue teams and to train volunteers in the use of the equipment. Current biennium funding for the Search and Rescue (F4) subprogram is \$170,000 from the Search and Rescue Account. This is a one-time appropriation. (Search and Rescue Account-State)

AGY VER: 20 K
 GOV VER: 20 K
 STC VER: 20 K
 HSE COM: 20 K
 LEG FIN: 20 K
 ENACTED: 20 K

3. AVIATION PLANNING - Funding is provided to cover the costs of three projects (the Aviation Policy Plan, Washington State Continuous Airport System Planning Project, and aviation encroachment projects) that unexpectedly carried forward into the current biennium. Current biennium funding for the Aviation Planning (F5) subprogram is \$328,000, which includes \$250,000 from the Transportation Fund and \$78,000 from the Aeronautics Account. This supplemental amount is a one-time appropriation. (Aeronautics Account-State)

AGY VER: 240 K
 GOV VER: 240 K
 STC VER: 240 K

Department of Transportation
Program I1 - Improvements - Mobility

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	354,984	354,984	354,984
1998 Supplemental Budget			
1. Highway Construction Adjustment	2,553	2,553	2,553
2. Special Category C Projects	0	500	0
3. Design/Build Pilot Projects	103	0	0
4. SR 522, SR 5-SR 405 Multimodal Proj	0	113	113
5. Mobility Project List	34,865	59,750	59,750
6. State to Federal Fund Shift	0	0	0
7. Preconstruction Reserve	0	35,000	35,000
8. Fund Adjustment	50	0	0
Total Supplemental Items	37,571	97,916	97,416
1997-99 REVISED APPROPRIATIONS	392,555	452,900	452,400

Comments:

Notes: The complete list of projects funded under current law by the 1998 transportation supplemental budget can be found in the Current Law Capital Project List on page 250. A \$25.0 million loan from the General Fund-State to the Motor Vehicle Fund-State for highway construction project preconstruction activities was provided in EHB 2894 and was vetoed by the Governor; \$25.0 million was appropriated in ESHB 2615 for highway construction projects and was vetoed by the Governor.

HSE COM: 500 K Assumes passage of \$60 million bond bill; corrects split between Programs I1 and I3; \$500,000 is allocated to I1 for two SR 395 projects only if bond bill passes
 LEG FIN: 500 K Same as HSE COM
 ENACTED: 0 \$60 million bond bill (HB 1012) did not pass; \$4.2 million in cash funding provided in Program I3

- 1. HIGHWAY CONSTRUCTION ADJUSTMENT - Funds not expended at the end of the 1995-97 biennium are appropriated to reflect construction project expenditures shifted into this biennium. (Motor Vehicle Fund-State)

AGY VER: 2.6 M
 GOV VER: 2.6 M
 STC VER: 2.6 M
 HSE COM: 2.6 M
 LEG FIN: 2.6 M
 ENACTED: 2.6 M

- 2. SPECIAL CATEGORY C PROJECTS - Funds dedicated specifically for three high cost projects known as Special Category C are requested. This item combined with the 1998 supplemental request in the Improvement-Economic Initiatives program would be used for preliminary engineering and right of way purchases for State Route 395 near Spokane and State Route 18. Funding of this item in Program I1 is contingent on passage of a \$60 million Special Category C bond bill. (Special Category C Account-State)

AGY VER: 13.5 M
 GOV VER: 140 K Reverses appropriations for Programs I1 and I3 in Agency Version (no change in total)
 STC VER: 0 Funding not available without passage of \$60 million bond bill; \$4.2 million in cash funding provided in Program I3

- 3. DESIGN/BUILD PILOT PROJECTS - Chapter 195, Laws of 1998 (SSB 6439), which passed the Legislature, would implement two pilot projects using the design/build process where the agency contracts with another party to both design and build a highway construction project. (Motor Vehicle Fund-State)

AGY VER: 0
 GOV VER: 103 K
 STC VER: 103 K
 HSE COM: 0
 LEG FIN: 0
 ENACTED: 0

- 4. SR 522, SR 5-SR 405 MULTIMODAL PROJ - Funding is provided to add HOV priority at intersections on SR 522 between SR 5 and SR 405. (High Capacity Transportation Account-State)

HSE COM: 113 K
 LEG FIN: 113 K
 ENACTED: 113 K

Department of Transportation Program I1 - Improvements - Mobility

- | | |
|---|---|
| <p>5. MOBILITY PROJECT LIST - Funding is provided for mobility projects. (Motor Vehicle Fund-State; Transportation Fund-State)</p> <p>STC VER: 34.9 M Funds the following projects:
 (1) SR 14, 192nd Ave. I/C (97-99: \$6.000 M; Total: \$6.000 M; RW, CN--See note below); (2) SR 90, Sprague to Argonne Stage 1 (97-99: \$10.000 M; Total: \$25.000 M; CN); (3) SR 90, Sunset I/C (97-99: \$4.000 M; Total: \$4.000 M; PE, RW); (4) SR 161, 176th St. to 120th St. (97-99: \$500 K; Total: \$500 K; PE); (5) SR 161, 204th St. to 176th St. (97-99: \$1.438 M; Total: \$1.748; PE); (6) SR 270, Johnson Rd. to Idaho St. Line (97-99: \$1.400 M; Total: \$1.400 M; PE); (7) SR 405, Major Investment Study (97-99: \$427 K; Total: \$2.000 M; PE); (8) SR 520, NE 40th St. I/C (97-99: \$3.100 M; Total: \$3.100 M; CN); (9) SR 522, SR 9 to Paradise Lake Rd. (97-99: \$5.614 M; Total: \$7.226 M; CN); (10) SR 525, SR 99 I/C (97-99: \$1.986 M; Total: \$28.367 M; CN); (11) SR 605 Feasibility Study (97-99: \$400 K; Total: \$500 K; PE)
 Note: For STC VER only, any revenue remaining after completion of right-of-way purchase for SR 14, 192nd St. I/C shall be used for construction.</p> <p>HSE COM: 34.8 M Funds the following projects and activities: (1) SR 14, 192nd Ave. I/C (97-99: \$6.000 M; Total: \$6.000 M; RW); (2) SR 90, Sunset I/C (97-99: \$4.000 M; Total: \$4.000 M; PE, RW); (3) SR 520, NE 40th St. I/C (97-99: \$3.100 M; Total: \$3.100 M; CN); (4) SR 605 Feasibility Study (97-99: \$400 K; Total: \$500 K; PE); (5) Corridor Studies, SR 164 and other SRs (97-99: \$1.250 M; Total: \$1.250 M; PE); (6) Preconstruction Activities (97-99: \$20.000 M; Total: \$20.000 M)</p> <p>HSE FLR: 59.8 M Same as HSE COM except Preconstruction Activities are increased from \$20.0 million to \$45.0 million</p> <p>LEG FIN: 59.8 M Same as HSE COM except Preconstruction Activities are increased from \$20.0 million to \$45.0 million</p> <p>ENACTED: 59.8 M Same as HSE COM except Preconstruction Activities are increased from \$20.0 million to \$45.0 million</p> | <p>LEG FIN: 0 Same as HSE COM
 ENACTED: 0 Same as HSE COM</p> <p>7. PRECONSTRUCTION RESERVE - Contingent on passage of a statewide referendum to provide new transportation revenue, \$35 million from the Motor Vehicle Fund-State is placed in reserve and may only be used for preliminary engineering and right-of-way purchase on highway construction projects. These funds may only be spent with the approval of both the Legislative Transportation Committee and the Office of Financial Management. (Motor Vehicle Fund-State)</p> <p>HSE FLR: 35.0 M This item is contingent on passage of a statewide referendum that provides new transportation revenue
 LEG FIN: 35.0 M Same as HSE FLR
 ENACTED: 35.0 M Same as HSE FLR</p> <p>8. FUND ADJUSTMENT - Funding was added to bring spreadsheets into conformance with an error in the Senate budget bill. This was corrected in later versions of the budget.</p> <p>STC VER: \$50 K
 HSE COM: 0
 LEG FIN: 0
 ENACTED: 0</p> |
| <p>6. STATE TO FEDERAL FUND SHIFT - The Department is given \$25 million of additional federal funding authority. Freed up state money is used for new projects. In the STC VER, the new projects were funded directly with federal dollars. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal)</p> <p>HSE COM: 0 Shifts \$25 million of appropriation authority from MVF-State to MVF-Federal</p> | |

**Department of Transportation
 Program I2 - Improvements - Safety**

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	107,757	107,757	107,757
1998 Supplemental Budget			
1. Safety Project List	2,666	0	0
2. SR 2 Safety Improvements	0	400	400
Total Supplemental Items	2,666	400	400
1997-99 REVISED APPROPRIATIONS	110,423	108,157	108,157

Comments:

Note: The complete list of projects funded under current law by the 1998 transportation supplemental budget can be found in the Current Law Capital Project List on page 250.

1. SAFETY PROJECT LIST - Funding is requested for safety projects. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal)

STC VER: 2.7 M Funds the following projects:
 (1) SR 17/SR 26 Grade Separation (97-99: \$1.500 M; Total: \$7.260 M; CN); (2) SR 20, Sharps Corner to SR 536 (97-99: \$916 K; Total: \$2.351 M; PE); (3) SR 162/Old Military Road-Signal/Lighting (97-99: \$250 K; Total: \$250 K; CN)

HSE COM: 0
 LEG FIN: 0
 ENACTED: 0

2. SR 2 SAFETY IMPROVEMENTS - An appropriation is provided for the following projects on SR 2: installation of a traffic signal in Sultan and a two-way left turn lane in Startup. This item is contingent on passage of a statewide referendum providing new transportation revenue. (Motor Vehicle Fund-State)

HSE COM: 400 K This item is contingent on passage of a statewide referendum that provides new transportation revenue

LEG FIN: 400 K Same as HSE COM
 ENACTED: 400 K Same as HSE COM

Department of Transportation
Program I3 - Improvements - Economic Initiatives

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	63,452	63,452	63,452
1998 Supplemental Budget			
1. \$50 Million Project List	24,731	26,731	26,731
2. Special Category C Projects	4,200	13,171	5,871
Total Supplemental Items	28,931	39,902	32,602
1997-99 REVISED APPROPRIATIONS	92,383	103,354	96,054

Comments:

Note: The complete list of projects funded under current law by the 1998 transportation supplemental budget can be found in the Current Law Capital Project List on page 250.

- \$50 MILLION PROJECT LIST - Two vetoes in the 1997 transportation budget bill reduced appropriation authority in the Improvement Program by \$100 million and reduced revenue available to fund the agency budget by \$50 million. The net effect of the two vetoes left a \$50 million fund balance in the Motor Vehicle Fund. Given legislative and gubernatorial direction, the agency developed a list of freight mobility, economic development, and partnership construction projects costing approximately \$50 million to utilize the fund balance. The Department took advantage of some cost savings through September 1997 and was able to start three projects within current appropriations. This request provides the funding to begin projects remaining on the approved list. (Motor Vehicle Fund-State)

GOV VER:	48.4 M	Same as AGY VER
STC VER:	24.7 M	Same as AGY VER except: (1) Deletes Federal Demo Match (\$2.0 million); and (2) reduces appropriation to reflect estimated spending for the 1997-99 biennium
HSE COM:	26.7 M	Same as AGY VER except: (1) Deletes Federal Demo Match; (2) reduces appropriation to reflect estimated spending for the 1997-99 biennium; and (3) adds \$2.0 million to the SR 90, Evergreen Interchange project (revised amounts--97-99: \$5.089 M; Total: \$6.000 M)
LEG FIN:	26.7 M	Same as HSE COM
ENACTED:	26.7 M	Same as HSE COM

AGY VER: 48.4 M

Funds the following projects through project completion in future biennia: (1) Federal Demo Match (1997-99: \$2.0 M; Total: \$6.5 M; PE); (2) SR 3, SR 3/SR 303 Interchange (Waaga Way) Stage 1 (1997-99: \$112 K; Total: \$1.773 M; RW); (3) SR 3, SR 3/SR 305 Interchange Vicinity (1997-99: \$95 K; Total: \$500 K; PE, CN); (4) SR 5, 196th St SW/SR 524 Interchange (1997-99: \$3.812 M; Total: \$7.566 M; CN); (5) SR 18 Westbound Ramps/C St. SW Interchange (1997-99: \$1.475 M; Total: \$1.500 M; PE); (6) SR 90, Evergreen Rd Interchange (1997-99: \$3.089 M; Total: \$4.000 M; CN); (7) SR 99, King/ Sno CL to SR 525 Vicinity (1997-99: \$1.121 M; Total: \$2.231 M; CN); (8) SR 167, SR 509 to SR 161 (1997-99: \$700 K; Total: \$700 K; PE, RW); (9) SR 303, Bremerton to Silverdale MIS (1997-99: \$60 K; Total: \$400 K; PE); (10) SR 304, SR 3 to Bremerton Ferry Terminal (1997-99: \$1.700 M; Total: \$1.700 M; RW); (11) SR 305, Hostmark St. to Bond Rd (1997-99: \$361 K; Total: \$700 K; PE); (12) SR 397, I82 to SR 395 Intertie (1997-99: \$260 K; Total: \$4.955 M; PE, RW, CN); (12) SR 501, Mill Plain Ext. Columbia to F. Valley (1997-99: \$6.0 M; Total: \$6.0 M; CN); (13) SR 509, Port of Tacoma Road Grade Separation (1997-99: \$1.167 M; Total: \$1.167 M; RW); (14) SR 509 Corridor (1997-99: \$2.000 M; Total: \$2.000 M; PE); (15) SR 510, SR 5 Overcrossing (1997-99: \$1.793 M; Total: \$3.000 M; CN); (16) SR 543, I5 to International Boundary Stg 1: D St to International Boundary (1997-99: \$986 K; Total: \$2.700 M; PE, RW, CN)

Department of Transportation Program I3 - Improvements - Economic Initiatives

2. SPECIAL CATEGORY C PROJECTS - Funds dedicated specifically for high cost projects known as Special Category C are provided. Part of the funding was contingent on passage of HB 1012 which would have provided \$60 million in additional bond authority. Assuming passage of HB 1012, the request for FY 1999 was \$12 million from the bond proceeds and the balance from available cash and would have been used for preliminary engineering and right-of-way purchases for State Route 395 near Spokane (in Program I1) and for construction on State Route 18 near Auburn (in Program I3). Since HB 1012 did not pass, \$4.2 million for SR 18 only was provided from available cash (actual appropriation was \$5.9 million due to drafting error; the difference is to be placed in reserve). The initial appropriation for the 1997-99 biennium for Special Category C was \$59.6 million. (Special Category C Account-State)

AGY VER:	0.14 M	
GOV VER:	13.5 M	Reverses appropriations for Programs I1 & I3 in AGY VER (no change in total)
STC VER:	4.2 M	Cash funding; assumes \$60 million bond bill is not enacted
HSE COM:	13.2 M	Corrects split between Programs I1 & I3; assumes \$60 million bond bill is enacted; if bond bill is not enacted, \$4.2 million from cash is appropriated
LEG FIN:	13.2 M	Same as HSE COM
ENACTED:	5.9 M	Cash funding; \$60 million bond bill (HB 1012) was not enacted; intended appropriation was \$4.2 million to reflect cash available in the Special Category C account, but due to drafting error, \$5.871 million was appropriated; DOT is directed to place \$1.671 million in reserve

Department of Transportation
Program I4 - Improvements - Environmental Retrofit

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	4,701	4,701	4,701
1998 Supplemental Budget			
1. SR 5, Nulle Road to Samish Highway	1,493	0	0
2. Fish Passage Barrier Removal	0	500	500
3. Advanced Environmental Mitigation	0	2,000	2,000
Total Supplemental Items	1,493	2,500	2,500
1997-99 REVISED APPROPRIATIONS	6,194	7,201	7,201

Comments:

Note: The complete list of projects funded under current law by the 1998 transportation supplemental budget can be found in the Current Law Capital Project List on page 250.

1. SR 5, NULLE ROAD TO SAMISH HIGHWAY - Construction funding is requested for storm water treatment and spill prevention on the SR 5, Nulle Road to Samish Highway project south of Bellingham. The total cost of the project is estimated at \$2.054 million. (Motor Vehicle Fund-Federal)

STC VER: 1.5 M
 HSE COM: 0
 LEG FIN: 0
 ENACTED: 0

2. FISH PASSAGE BARRIER REMOVAL - Funding is provided for high priority fish passage barrier removal projects. (Motor Vehicle Fund-State)

HSE COM: 500 K
 LEG FIN: 500 K
 ENACTED: 500 K

3. ADVANCED ENVIRONMENTAL MITIGATION - Funding from the Motor Vehicle Fund-State is provided for transfer to the Advanced Environmental Mitigation Revolving Account from which revenue may be spent without appropriation for the purchase and development of environmental mitigation sites. The sites will be used to meet mitigation requirements on future construction projects in the same watershed or sub-basin. (Motor Vehicle Fund-State)

HSE COM: 2.0 M
 LEG FIN: 2.0 M
 ENACTED: 2.0 M

**Department of Transportation
 Program M - Highway Maintenance**

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	242,000	242,000	242,000
1998 Supplemental Budget			
1. Enhanced Maintenance-Noxious Weeds	0	1,000	1,000
Total Supplemental Items	0	1,000	1,000
1997-99 REVISED APPROPRIATIONS	242,000	243,000	243,000

Comments:

1. ENHANCED MAINTENANCE-NOXIOUS WEEDS - Funding is provided to improve the service level for noxious weed control. It is estimated that with \$1 million of additional funding per biennium the service level for noxious weeds can be increased from the current level of D to a service level of C. This is a one-time appropriation; however, it is assumed the appropriation will continue in future biennia if a statewide referendum providing new transportation revenue passes in 1998. (Motor Vehicle Fund-State)

HSE COM: 1.0 M
 LEG FIN: 1.0 M
 ENACTED: 1.0 M

Department of Transportation
Program P1 - Preservation - Roadway

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	332,293	332,293	332,293
1998 Supplemental Budget			
1. Highway Construction Adjustment	-2,687	-2,687	-2,687
Total Supplemental Items	-2,687	-2,687	-2,687
1997-99 REVISED APPROPRIATIONS	329,606	329,606	329,606

Comments:

- HIGHWAY CONSTRUCTION ADJUSTMENT - The 1997-99 budget adopted last year assumed approximately \$20 million in reappropriations for work planned but not completed in the 1995-97 biennium. However, at the end of the 1995-97 biennium, the agency was able to complete \$2.7 million more than they planned. This decision package reduces that reappropriation amount to reflect the work actually completed last biennium. (Motor Vehicle Fund-State)

AGY VER: (2.7 M)
 GOV VER: (2.7 M)
 STC VER: (2.7 M)
 HSE COM: (2.7 M)
 LEG FIN: (2.7 M)
 ENACTED: (2.7 M)

**Department of Transportation
 Program P2 - Preservation - Structures**

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	149,895	149,895	149,895
1998 Supplemental Budget			
1. SR 2, Ebey Slough Bridge	1,000	1,000	1,000
Total Supplemental Items	1,000	1,000	1,000
1997-99 REVISED APPROPRIATIONS	150,895	150,895	150,895

Comments:

Note: The complete list of projects funded under current law by the 1998 transportation supplemental budget can be found in the Current Law Capital Project List on page 250.

- SR 2, EBEBY SLOUGH BRIDGE - Funding is provided for an enhancement to the SR 2, Ebey Slough Bridge project (officially, the WPS Snohomish River Bridge to EPS Ebey Slough Bridge project). The enhancement, requested by the city of Everett, would provide a three lane to two lane transition from northbound SR 5 to to eastbound SR 2. Expenditure of this appropriation is contingent upon receipt from other participants of the remaining funding for the enhancement which is estimated to have a total cost of \$3.0 million. (Motor Vehicle Fund-State)

STC VER: 1.0 M
 HSE COM: 1.0 M
 LEG FIN: 1.0 M
 ENACTED: 1.0 M

Department of Transportation
Program P3 - Preservation - Other Facilities

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	84,248	84,248	84,248
1998 Supplemental Budget			
1. SR 166, Ross Point Slide	630	630	630
Total Supplemental Items	630	630	630
1997-99 REVISED APPROPRIATIONS	84,878	84,878	84,878

Comments:

- SR 166, ROSS POINT SLIDE - Contingent on passage of a statewide referendum providing new transportation revenue, funding is provided for preliminary engineering, right-of-way, and construction to address unstable slopes on SR 166 near Ross Point, where a slide has occurred and action is required to prevent future slides. If the referendum passes, it is the intent of the Legislature that additional funding be provided in future biennia to complete the project which has an estimated total cost of \$4.860 million. (Motor Vehicle Fund-State, Motor Vehicle Fund-Federal)

STC VER: 630 K Not contingent of referendum
 HSE COM: 0
 HSE FLR: 630 K Funding is contingent on passage of statewide referendum providing new transportation revenue
 LEG FIN: 630 K Same as HSE FLR
 ENACTED: 630 K Same as HSE FLR

Department of Transportation
Program Q - Traffic Operations
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	29,140	29,140	29,140
1998 Supplemental Budget			
1. Commercial Vehicle Network	2,700	2,700	2,700
Total Supplemental Items	2,700	2,700	2,700
1997-99 REVISED APPROPRIATIONS	31,840	31,840	31,840

Comments:

1. COMMERCIAL VEHICLE NETWORK - The Department of Transportation (DOT) will partner with the Washington State Patrol, the state of Oregon, and the United States Department of Transportation to install Commercial Vehicle Information Systems and Network (CVISN) on the pilot site at Ridgefield, WA. CVISN takes advantage of current software making it possible for existing information systems to exchange information. It will automate the regulatory procedures, improve the efficiency and safety of the movement of goods and freight, and allow commercial trucks with proper credentials and good safety ratings to bypass weigh stations. DOT will provide two staff for grant administration and coordination between the three partners. Notwithstanding funding to maintain functions added at the pilot site, this is a one-time appropriation. Additional funding for the pilot site or additional sites must be requested in a decision package. (State Patrol Highway Account-State, Motor Vehicle Fund-State, Motor Vehicle Fund-Federal, Motor Vehicle Fund-Private/Local)

AGY VER: 0
 GOV VER: 0 Appropriation of \$1.7 million in Program I3 in Governor Version
 STC VER: 2.7 M Increases appropriation based on CVISN feasibility study
 HSE COM: 2.7 M Same as STC VER
 LEG FIN: 2.7 M Same as STC VER
 ENACTED: 2.7 M Same as STC VER

**Department of Transportation
 Program S - Transportation Management**

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	60,490	60,490	60,490
1998 Supplemental Budget			
1. Year 2000 Conversion Effort	11,650	11,650	11,650
2. Governor's Policy Analyst	-80	-80	-80
3. Interjurisdictional Studies	0	1,000	1,000
Total Supplemental Items	11,570	12,570	12,570
1997-99 REVISED APPROPRIATIONS	72,060	73,060	73,060

Comments:

- YEAR 2000 CONVERSION EFFORT - Additional funding over the current biennium appropriation is needed for Year 2000 conversion. In addition to the needed changes for the information technology systems, assessment of the costs for traffic control and monitoring systems, ferry vessel navigational equipment, construction equipment with computer chips, elevators, heating/ventilation and security systems, telephones, custom software applications, and other systems are being identified. The staff needed to perform the work is shown in the Transportation Equipment Fund Program (Program E). This is a one-time appropriation. (Motor Vehicle Fund-State)

HSE COM:	1.0 M	Funds study of Columbia and Snake River draw down and other studies as determined by LTC
LEG FIN:	1.0 M	Same as HSE COM
ENACTED:	1.0 M	Same as HSE COM

AGY VER:	10.0 M	
GOV VER:	10.4 M	
STC VER:	11.65 M	Reflects latest Department estimate; it was approved by the Transportation Commission and included in the Governor's February update; a proviso requires the Department to consult with the Office of Financial Management (OFM) and the Legislative Transportation Committee (LTC) before expending any portion of this appropriation on Year 2000 compliance for embedded chips
HSE COM:	11.65 M	Same as STC VER
LEG FIN:	11.65 M	Same as STC VER
ENACTED:	11.65 M	Same as STC VER

- GOVERNOR'S POLICY ANALYST - Funding for this position is moved to OFM using general fund. This is an ongoing change. (Motor Vehicle Fund-State)

STC VER:	(80 K)
HSE COM:	(80 K)
LEG FIN:	(80 K)
ENACTED:	(80 K)

- INTERJURISDICTIONAL STUDIES - This item provides funding for interjurisdictional studies as identified by the Legislature. Funding used for this purpose is from fuel tax distributions and is comprised of 70 percent state, 20 percent county, and 10 percent city dollars. This is a one-time appropriation. (Motor Vehicle Fund-State)

Department of Transportation
Program U - Charges from Other Agencies
Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	25,690	25,690	25,690
1998 Supplemental Budget			
1. Archives	60	60	60
2. Self Insurance-Motor Vehicle Fund	415	415	415
3. OMWBE	110	0	0
Total Supplemental Items	585	475	475
1997-99 REVISED APPROPRIATIONS	26,275	26,165	26,165

Comments:

- | | |
|---|--|
| <p>1. ARCHIVES - The 1997-99 appropriation provided at the end of the session was the amount requested by the agency rather than the amount established by the Office of Financial Management (OFM) and the Secretary of State's Office before the session started. This request funds the shortfall so that the agreed upon level of archiving and microfilming can be provided. (Motor Vehicle Fund- State)</p> <p>AGY VER: 60 K
GOV VER: 60 K
STC VER: 60 K
HSE COM: 60 K
LEG FIN: 60 K
ENACTED: 60 K</p> | <p>3. OMWBE - The 1997-99 appropriation provided at the end of the session was the amount requested by the agency rather than the amount established by OFM and the Office of Minority and Women's Business Enterprises (OMWBE) before the session started. This request would have funded the shortfall needed so that two OMWBE FTE staff dedicated to Department of Transportation clients would not be discontinued. (Motor Vehicle Fund State)</p> <p>AGY VER: 110 K
GOV VER: 110 K
STC VER: 110 K
HSE COM: 0
LEG FIN: 0
ENACTED: 0</p> |
| <p>2. SELF INSURANCE-MOTOR VEHICLE FUND - The 1997-99 appropriation provided at the end of the session was the amount requested by the agency rather than the amount established by OFM and Department of General Administration before the session started. This request funds the shortfall so that the risk management premium including administrative fees can be paid in full. (Motor Vehicle Fund- State)</p> <p>AGY VER: 415 K
GOV VER: 415 K
STC VER: 415 K
HSE COM: 415 K
LEG FIN: 415 K
ENACTED: 415 K</p> | |

Department of Transportation
Program W - Washington State Ferries - Capital

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	224,738	224,738	224,738
1998 Supplemental Budget			
1. Existing Vessel Contract Costs	10,193	10,193	10,193
2. Terminal Construction	3,525	3,525	3,525
3. Passenger Only Terminals/Vessels	0	3,000	3,000
Total Supplemental Items	13,718	16,718	16,718
1997-99 REVISED APPROPRIATIONS	238,456	241,456	241,456

Comments:

- EXISTING VESSEL CONTRACT COSTS - Vessel construction and preservation projects started but not completed as planned at the end of the 1995-97 biennium are carried forward into the current biennium. Most of this appropriation is to cover construction costs for the new Jumbo ferry vessels. (Puget Sound Capital Construction Account-State)

AGY VER: 10.2 M
 GOV VER: 10.2 M
 STC VER: 10.2 M
 HSE COM: 10.2 M
 LEG FIN: 10.2 M
 ENACTED: 10.2 M

- TERMINAL CONSTRUCTION - Revenues in the Puget Sound Capital Construction Account are exceeding initial projections. These funds are appropriated for new steel dolphins at the Edmonds/Kingston terminals so they can accommodate the extra stress from the new bigger jumbo ferry boats that will be assigned to this route. (Puget Sound Capital Construction Account-State)

AGY VER: 3.5 M
 GOV VER: 3.5 M
 STC VER: 3.5 M
 HSE COM: 3.5 M
 LEG FIN: 3.5 M
 ENACTED: 3.5 M

- PASSENGER ONLY TERMINALS/VESSELS - Funding is provided for preconstruction activities related to the purchase of four additional passenger-only vessels and the construction of terminal facilities to accommodate the vessels. (Puget Sound Capital Construction Account-State)

HSE COM: 3.0 M
 LEG FIN: 3.0 M
 ENACTED: 3.0 M

**Department of Transportation
 Program X - Washington State Ferries**

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	267,358	267,358	267,358
1998 Supplemental Budget			
1. Internal Control Services	74	0	0
2. San Juan Island Traffic Control	90	0	0
3. Jumbo Mark II Staffing	446	446	446
4. Anacortes Terminal Agent	40	0	0
5. Anacortes Pedestrian Enhancements	131	0	0
6. Clinton Traffic Attendant	74	0	0
7. Mukilteo/Clinton Third Toll Booth	176	0	0
8. Edmonds Overhead Loading Facility	73	73	73
9. Pt. Townsend/Keystone Traffic	198	100	100
10. Service Increase Impact	236	236	236
11. Attorney General Cost Increase	120	120	120
12. Remote Workstation Sites Support	73	73	73
13. Information Systems Support	372	372	372
14. Automated Operations Support System	442	442	442
15. Information Systems Compliance	124	124	124
16. Replace Computer Workstations	155	155	155
17. International Safety Management	566	566	566
18. Anacortes to Sidney Advertising	30	30	30
19. Vashon-Southworth Svc on Hiyu	1,900	1,370	1,370
20. Savings from MV Tacoma Delayed Svc	-443	-443	-443
21. Savings from Fuel Costs	-500	-500	-500
Total Supplemental Items	4,377	3,164	3,164
1997-99 REVISED APPROPRIATIONS	271,735	270,522	270,522

Comments:

1. INTERNAL CONTROL SERVICES - Funding is requested to contract for a "shopping service" to purchase fares both randomly and at the direction of the agency's internal control department. This service would satisfy audit findings in a recent fare collection audit report. This item was funded for FY 1998 only pending the results of the Joint Legislative Audit and Review Committee (JLARC) audit. (Marine Operating Account-State)

GOV VER: 90 K
 STC VER: 90 K
 HSE COM: 0
 LEG FIN: 0
 ENACTED: 0

AGY VER: 74 K
 GOV VER: 74 K
 STC VER: 74 K
 HSE COM: 0
 LEG FIN: 0
 ENACTED: 0

2. SAN JUAN ISLAND TRAFFIC CONTROL - Funding is requested to contract for local police and county sheriffs to provide traffic control in and around the town of Friday Harbor and on the county roads at Orcas. This request was not funded last session pending the results of the JLARC audit. (Marine Operating Account-State)

AGY VER: 90 K

Department of Transportation Program X - Washington State Ferries

3. JUMBO MARK II STAFFING - An additional crew member will be needed on the new Jumbo ferry boats to meet United States Coast Guard emergency evacuation requirements if current food service employees cannot be used to meet the requirement. (Marine Operating Account-State)
- AGY VER: 446 K
GOV VER: 446 K
STC VER: 446 K
HSE COM: 446 K This funding is to be used only if the Marine Employees Commission determines that current food service employees cannot fulfill the Coast Guard requirement; if funding is used, this is an ongoing appropriation
- LEG FIN: 446 K Same as HSE COM
ENACTED: 446 K Same as HSE COM
4. ANACORTES TERMINAL AGENT - Funding is requested for three additional work hours per day for terminal agent coverage during fall, winter, and spring at the Anacortes terminal. The terminal agent is the front line manager in charge of all the terminal operations including the schedule of the boats, staff schedules, revenue collections, and terminal supplies. As ridership on the boats has increased, the number of work hours needed for efficient operation of the terminal has increased. In addition, the agent also has the expanded role for more public involvement. This request was not funded last session pending the results of the JLARC audit. (Marine Operating Account-State)
- AGY VER: 40 K
GOV VER: 40 K
STC VER: 40 K
HSE COM: 0
LEG FIN: 0
ENACTED: 0
5. ANACORTES PEDESTRIAN ENHANCEMENTS - Funding is requested for staffing at Anacortes for the terminal passenger ticket booth and overhead loading during fall, winter, and spring. Funding was provided for FY 1998 only pending the results of the JLARC audit. (Marine Operating Account-State)
- AGY VER: 131 K
GOV VER: 131 K
STC VER: 131 K
HSE COM: 0
LEG FIN: 0
ENACTED: 0
6. CLINTON TRAFFIC ATTENDANT - Funding is requested to expand the Clinton terminal traffic attendant hours to support the priority loading program and to assist in peak traffic control times and also provide terminal security at night. This request was not funded last session pending the results of the JLARC audit. (Marine Operating Account-State)
- AGY VER: 74 K
GOV VER: 74 K
STC VER: 74 K
HSE COM: 0
LEG FIN: 0
ENACTED: 0
7. MUKILTEO/CLINTON THIRD TOLL BOOTH - Funding is requested to increase staffing at the Mukilteo and Clinton terminals by eight hours per day for the third toll booths to accommodate increased traffic. This request was not funded last session pending the results of the JLARC audit. (Marine Operating Account-State)
- AGY VER: 176 K
GOV VER: 176 K
STC VER: 176 K
HSE COM: 0
LEG FIN: 0
ENACTED: 0
8. EDMONDS OVERHEAD LOADING FACILITY - A traffic attendant to operate the overhead loading structure at the Edmonds terminal will be funded for 20 hours per day, seven days a week. This request was not funded last session pending the results of the JLARC audit. This is an ongoing appropriation. (Marine Operating Account-State)
- AGY VER: 93 K
GOV VER: 93 K
STC VER: 73 K Reflects delayed completion date of facility; agency assumed 1/1/99 open to traffic date, new date 3/1/99
- HSE COM: 73 K Same as STC VER
LEG FIN: 73 K Same as STC VER
ENACTED: 73 K Same as STC VER

Department of Transportation Program X - Washington State Ferries

9. PT. TOWNSEND/KEYSTONE TRAFFIC - Additional traffic attendant hours are required to enhance safety and support the priority loading program and peak traffic overloads. This request was not funded last session pending the results of the JLARC audit. This is an ongoing appropriation. (Marine Operating Account-State)
- AGY VER: 198 K
GOV VER: 198 K
STC VER: 198 K
HSE COM: 100 K Use of the reduced funding to be determined by the Department
LEG FIN: 100 K Same as HSE COM
ENACTED: 100 K Same as HSE COM
10. SERVICE INCREASE IMPACT - Four additional FTE staff are funded to provide payroll, purchasing, warehousing, and human resources services for the new 150 FTE staff approved last year to staff the three Jumbo ferries and two high speed passenger-only boats coming on line this biennium. This item was requested last year but not funded pending the results of the JLARC audit. (Marine Operating Account-State)
- AGY VER: 236 K
GOV VER: 236 K
STC VER: 236 K
HSE COM: 236 K This funding shall not be spent until permission has been received from the Office of Financial Management (OFM) in concurrence with the Legislative Transportation Committee after the results of the JLARC audit on the Ferry System have been received and reviewed; if funding is spent, this is an ongoing appropriation
LEG FIN: 236 K Same as HSE COM
ENACTED: 236 K Same as HSE COM
11. ATTORNEY GENERAL COST INCREASE - Attorney General services can no longer be supported within current appropriations. This request funds the additional costs expected this biennium for legal services including expert witnesses, travel, and court costs. This is an ongoing appropriation. (Marine Operating Account-State)
- AGY VER: 120 K
GOV VER: 120 K
STC VER: 120 K
HSE COM: 120 K
LEG FIN: 120 K
ENACTED: 120 K
12. REMOTE WORKSTATION SITES SUPPORT - This decision package allows the Washington State Ferries (WSF) information technology staff to provide technical support for computer workstations in remote sites. It was funded for FY 1998 only. Funding for FY 1999 is dependent upon the results of the JLARC audit. This is an ongoing appropriation. (Marine Operating Account-State)
- AGY VER: 73 K
GOV VER: 73 K
STC VER: 73 K
- HSE COM: 73 K
LEG FIN: 73 K
ENACTED: 73 K
13. INFORMATION SYSTEMS SUPPORT - This decision package provides for the ongoing support of the Point of Sale System, Automated Revenue Control System, and the Maintenance Management System. It was funded for FY 1998 only. Funding for FY 1999 is dependent upon the results of the JLARC audit. This is an ongoing appropriation. (Marine Operating Account-State)
- AGY VER: 308 K
GOV VER: 372 K
STC VER: 372 K
HSE COM: 372 K
LEG FIN: 372 K
ENACTED: 372 K
14. AUTOMATED OPERATIONS SUPPORT SYSTEM - The 1997 Legislature approved \$170,000 to begin implementation of the Automated Operations Support System. It was funded for FY 1998 only. Funding for FY 1999 is dependent upon the results of the JLARC audit. The agency now has a better understanding of the sequence of implementation and requests more funds over the original request. The systems fully developed this biennium are Service Planning, Dispatch, Automated Logs, and Customer Complaint Accounting. This is a one-time appropriation. (Marine Operating Account-State)
- AGY VER: 442 K
GOV VER: 442 K
STC VER: 442 K
HSE COM: 442 K
LEG FIN: 442 K
ENACTED: 442 K
15. INFORMATION SYSTEMS COMPLIANCE - New Management Information Services (MIS) fees are being charged to the ferry system by the Department of Transportation. A client/server usage fee and a software maintenance fee is being imposed on all ferries workstations. In addition, Year 2000 conversion costs will be charged to the ferry system. This decision package provides the additional appropriation authority to cover these costs. This request was not approved in the 1997 session pending the results of the JLARC audit. This is an ongoing appropriation. (Marine Operating Account-State)
- AGY VER: 124 K
GOV VER: 124 K
STC VER: 124 K
HSE COM: 124 K
LEG FIN: 124 K
ENACTED: 124 K

Department of Transportation Program X - Washington State Ferries

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| <p>16. REPLACE COMPUTER WORKSTATIONS - Funds are provided to enable WSF to replace computers and associated technology on a four-year cycle. This request was not approved in the 1997 session pending the results of the JLARC audit. This is an ongoing appropriation. (Marine Operating Account-State)</p> <p>AGY VER: 155 K
 GOV VER: 155 K
 STC VER: 155 K
 HSE COM: 155 K
 LEG FIN: 155 K
 ENACTED: 155 K</p> | <p>STC VER: 1.9 M Would provide service 16 hours per day, 7 days per week
 HSE COM: 1.4 M Would provide service 16 hours per day, 5 days per week
 LEG FIN: 1.4 M Same as HSE COM
 ENACTED: 1.4 M Same as HSE COM</p> |
| <p>17. INTERNATIONAL SAFETY MANAGEMENT - WSF is required to develop a Safety Management System that will meet United States Coast Guard requirements for marine operators. This is necessary for the Anacortes to Sidney, British Columbia, international route. The system will provide ship and shore side improvements considered "best practices" by the Coast Guard including emergency preparedness program, pollution prevention practices, communications, monitoring and management of all third party documents, tracking of all licenses and endorsements, and external audits (among others). The Coast Guard deadline is July 1, 1998. With the exception of about \$40,000 in one-time costs for equipment, this is an ongoing appropriation. (Marine Operating Account-State)</p> <p>AGY VER: 566 K
 GOV VER: 566 K
 STC VER: 566 K
 HSE COM: 566 K
 LEG FIN: 566 K
 ENACTED: 566 K</p> | <p>20. SAVINGS FROM MV TACOMA DELAYED SVC - This item reflects savings in labor due to the later than anticipated delivery of the MV Tacoma which is the first of the three Jumbo Mark II vessels. This is a one-time adjustment. (Marine Operating Account-State)</p> <p>STC VER: (443 K)
 HSE COM: (443 K)
 LEG FIN: (443 K)
 ENACTED: (443 K)</p> |
| <p>18. ANACORTES TO SIDNEY ADVERTISING - The Skagit County Ferry Advisory Committee has asked the ferry system to participate in a cooperative advertising effort with the Victoria/Sidney Ferry Committee and the Tourism Division of the Department of Community, Trade, and Economic Development to increase ridership on the international route. Advertising would focus on increased distribution of fare schedules, reservation, and tourism information. This is a one-time appropriation. (Marine Operating Account-State)</p> <p>AGY VER: 30 K
 GOV VER: 30 K
 STC VER: 30 K
 HSE COM: 30 K</p> <p style="padding-left: 40px;">Provision of this funding is contingent upon the participation of other partners; WSF participation for Anacortes to Sidney Advertising may not exceed 50 percent of the total cash contribution to the project</p> <p>LEG FIN: 30 K Same as HSE COM
 ENACTED: 30 K Same as HSE COM</p> | <p>21. SAVINGS FROM FUEL COSTS - This item reflects savings from lower than anticipated fuel prices. This is a one-time adjustment. (Marine Operating Account-State)</p> <p>STC VER: (500 K)
 HSE COM: (500 K)
 LEG FIN: (500 K)
 ENACTED: (500 K)</p> |
| <p>19. VASHON-SOUTHWORTH SVC ON HIYU - Funding is provided to operate the Hiyu, which carries 40 vehicles, between Southworth and Vashon for 16 hours per day, 5 days per week. Service will begin in Summer 1998. This is an ongoing appropriation until this service is discontinued. (Marine Operating Account-State)</p> | |

Department of Transportation
Program Y - Transit & Rail - Operating

Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	37,151	37,151	37,151
1998 Supplemental Budget			
1. Implement Commute Trip Reduction	3,000	2,500	2,500
2. Rural Mobility Program	0	500	500
Total Supplemental Items	3,000	3,000	3,000
1997-99 REVISED APPROPRIATIONS	40,151	40,151	40,151

Comments:

1. IMPLEMENT COMMUTE TRIP REDUCTION - To further assist employers in meeting their Commute Trip Reduction (CTR) goals, an appropriation from the High Capacity Transportation Account is provided. Based on a proviso in the 1997 budget, the Department provided recommendations to the Legislature in January 1998 for grant programs to employers to reduce single occupant vehicle use and to provide transit incentives to meet future commute trip requirements. The report recommended a maximum \$6.1 million allocation with \$1.75 to \$2.5 million in rideshare tax incentives to reimburse employers; \$3.0 to \$4.0 million for new vans for vanpool program expansion; and \$0.5 million for assistance to employers for CTR implementation. This is a one-time appropriation. (High Capacity Transportation Account-State)

AGY VER:	6.1 M	
GOV VER:	6.1 M	
STC VER:	3.0 M	Includes \$2.5 million for rideshare tax incentives and \$0.5 million for assistance to employers for CTR implementation
HSE COM:	2.5 M	Includes \$1.0 million for rideshare tax incentives, \$1.0 million for new vans, and \$0.5 million for assistance to employers for CTR implementation
LEG FIN:	2.5 M	Same as HSE COM
ENACTED:	2.5 M	Same as HSE COM

2. RURAL MOBILITY PROGRAM - Additional funding is provided for the Rural Mobility Program. This is a one-time appropriation. (Transportation Fund-State)

HSE COM:	500 K
LEG FIN:	500 K
ENACTED:	500 K

Department of Transportation Program Y - Transit & Rail - Capital

Total Appropriated Funds

(Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	28,451	28,451	28,451
1998 Supplemental Budget			
1. Passenger Rail Facility Improvement	4,000	4,000	4,000
2. King Street Station	0	4,000	0
3. King Street Maintenance Facility	0	4,000	4,000
4. Passenger Rail Infrastructure	0	2,000	2,000
5. Branch Line Rehabilitation	0	500	500
Total Supplemental Items	4,000	14,500	10,500
1997-99 REVISED APPROPRIATIONS	32,451	42,951	38,951

Comments:

- | | |
|--|--|
| <p>1. PASSENGER RAIL FACILITY IMPROVEMENT - Funding is provided from the High Capacity Transportation Account for improvements to rail facilities between Seattle and Bellingham. This item fulfills a state commitment to match funds provided by Amtrak and other parties for improvements to that rail corridor necessary to implement a second daily round-trip passenger train. (High Capacity Transportation Account-State)</p> <p>STC VER: 4.0 M
HSE COM: 4.0 M Funds are conditioned on equal match from both Burlington Northern/Santa Fe and Amtrak and on Amtrak purchasing another train set for the corridor; expenditure from this appropriation must be approved by LTC and OFM</p> <p>LEG FIN: 4.0 M Same as HSE COM
ENACTED: 4.0 M Same as HSE COM</p> | <p>that grant process</p> <p>3. KING STREET MAINTENANCE FACILITY - Funding is provided for the King Street Maintenance Facility to service train-sets for the intercity rail passenger program and the Regional Transit Authority. This money is to partner with Amtrak and the Regional Transit Authority on the \$45 million facility. An additional \$2 million is assumed in future biennia. This item is contingent on passage of a statewide referendum that provides new transportation revenue. (Transportation Fund-State)</p> <p>HSE COM: 4.0 M This item is contingent on passage of a statewide referendum that provides new transportation revenue</p> <p>LEG FIN: 4.0 M Same as HSE COM
ENACTED: 4.0 M Same as HSE COM</p> |
| <p>2. KING STREET STATION - Funding is requested for refurbishment of the King Street Station in Seattle. Partnership funding is to be provided by Amtrak, the Regional Transit Authority, and other federal and local sources. The total project costs are estimated at \$45 million. An additional \$6 million in state funds are assumed in future biennia. This item is contingent on passage of a statewide referendum that provides new transportation revenue. (Central Puget Sound Public Transportation Account-State)</p> <p>HSE COM: 4.0 M This item is contingent on passage of a statewide referendum that provides new transportation revenue</p> <p>LEG FIN: 4.0 M Same as HSE COM
ENACTED: 0 Vetoed by Governor; veto message states that a grant request has been submitted to the Transportation Improvement Board to provide funding from the Central Puget Sound Public Transportation Account for King Street Station refurbishment and that funding will be provided through</p> | <p>4. PASSENGER RAIL INFRASTRUCTURE - Funding is provided for passenger rail infrastructure improvements including high speed crossovers and design engineering. This item is contingent on passage of a statewide referendum that provides new transportation revenue. (Transportation Fund-State)</p> <p>HSE COM: 2.0 M This item is contingent on passage of a statewide referendum that provides new transportation revenue</p> <p>LEG FIN: 2.0 M Same as HSE COM
ENACTED: 2.0 M Same as HSE COM</p> |

Department of Transportation Program Y - Transit & Rail - Capital

5. BRANCH LINE REHABILITATION - Funding is provided for branch line rehabilitation. This item is contingent on passage of a statewide referendum that provides new transportation revenue. (High Capacity Transportation Account-State)

HSE COM:	500 K	This item is contingent on passage of a statewide referendum that provides new transportation revenue
LEG FIN:	500 K	Same as HSE COM
ENACTED:	500 K	Same as HSE COM

Department of Transportation
Program Z - Financial Assistance - Operating
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	8,761	8,761	8,761
1998 Supplemental Budget			
1. Freight Mobility Program	0	175	175
2. TIB/CRAB/TransAid Consolidation	0	50	0
3. Port of Benton Study	0	400	400
Total Supplemental Items	0	625	575
1997-99 REVISED APPROPRIATIONS	8,761	9,386	9,336

Comments:

1. FREIGHT MOBILITY PROGRAM - Funding is provided for implementation of the Freight Mobility Strategic Investment Program. The appropriation will be used to reimburse the Transportation Improvement Board, County Road Administration Board, and the Department of Transportation for administrative support provided to the freight mobility strategic investment board. This item is contingent on passage of 2SHB 2180, Chapter 175, Laws of 1998, Partial Veto (ESHB 2615), or ESSB 6461. This is an ongoing appropriation. (Transportation Fund-State)

HSE COM: 175 K
 LEG FIN: 175 K
 ENACTED: 175 K

2. TIB/CRAB/TRANSAID CONSOLIDATION - Funding is requested for costs associated with developing recommendations for consolidating the functions of the Transportation Improvement Board, the County Road Administration Board, and the TransAid Division of the Department. TransAid would be the coordinator for the workgroup developing the recommendations. (Motor Vehicle Fund-State)

HSE COM: 50 K
 LEG FIN: 50 K
 ENACTED: 0 Vetoed by Governor

3. PORT OF BENTON STUDY - Funding is provided for development of a strategic corridor feasibility and master site plan for the Port of Benton. The study will be managed by the Legislative Transportation Committee in cooperation with the port. The funding is conditioned upon a \$200,000 contribution from the port and the passage of a statewide referendum providing new transportation revenue. If funded, this is a one-time appropriation. (Transportation Fund-State)

HSE COM: 400 K This item is contingent on passage of a statewide referendum that provides new transportation revenue
 LEG FIN: 400 K Same as HSE COM
 ENACTED: 400 K Same as HSE COM

Department of Transportation
Program Z - Financial Assistance - Capital
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	33,917	33,917	33,917
1998 Supplemental Budget			
1. Spokane Street Median Barrier	750	750	750
2. Memorial Hwy Bridge (SR 536)	300	300	300
3. Centralia Area Flood Mitigation	0	600	600
4. Spokane Area Beltway	0	250	250
5. Steilacoom Railroad Crossing	0	150	150
Total Supplemental Items	1,050	2,050	2,050
1997-99 REVISED APPROPRIATIONS	34,967	35,967	35,967

Comments:

Note: The complete list of projects funded under current law by the 1998 transportation supplemental budget can be found in the Current Law Capital Project List on page 250.

1. SPOKANE STREET MEDIAN BARRIER - Funding is requested as the state's share of project costs to place a median barrier on the Spokane Street Viaduct in Seattle. The funding is dependent on adequate funding from other sources, including the Port of Seattle, City of Seattle, and King County to complete the project, which has an estimated total cost of \$3.0 million. This item is contingent on passage of a statewide referendum that provides new transportation revenue. (Motor Vehicle Fund-State)

STC VER: 750 K
 HSE COM: 750 K This item is contingent on passage of a statewide referendum that provides new transportation revenue
 LEG FIN: 750 K Same as HSE COM
 ENACTED: 750 K Same as HSE COM

2. MEMORIAL HWY BRIDGE (SR 536) - Construction funding is requested for diking work necessary to limit flooding at the SR 536, Memorial Highway Bridge in Mount Vernon. This appropriation would cover the estimated total state share of the project. The state will provide a maximum of 50 percent of the total project cost. This item is contingent on passage of a statewide referendum that provides new transportation revenue. (Motor Vehicle Fund-State)

STC VER: 300 K
 HSE COM: 0
 HSE FLR: 300 K This item is contingent on passage of a statewide referendum that provides new transportation revenue
 LEG FIN: 300 K Same as HSE FLR
 ENACTED: 300 K Same as HSE FLR

3. CENTRALIA AREA FLOOD MITIGATION - Funding is provided to establish alternatives for flood management and flood hazard reduction projects in the Chehalis Basin. A technical committee comprised of the Department of Transportation, Department of

Ecology, U.S. Army Corps of Engineers, U.S. Geological Survey, affected counties and tribes, and other entities shall oversee the use of the funding. Funds shall be distributed to counties within the Chehalis Basin by the Department of Transportation for projects that further understanding of the causes of flooding and options for flood hazard reduction. The Department shall provide a report to the Legislative Transportation Committee and other appropriate legislative committees on the use and effectiveness of the funding by December 1998. (Transportation Fund-State)

HSE COM: 600 K
 LEG FIN: 600 K
 ENACTED: 600 K

4. SPOKANE AREA BELTWAY - This item provides funding for a study to coordinate the SR 395, North-South Freeway project with the Spokane Area Beltway project. The study is to be done cooperatively by Spokane County and the Department of Transportation with the county serving as lead. (Motor Vehicle Fund-State)

HSE COM: 250 K
 LEG FIN: 250 K
 ENACTED: 250 K

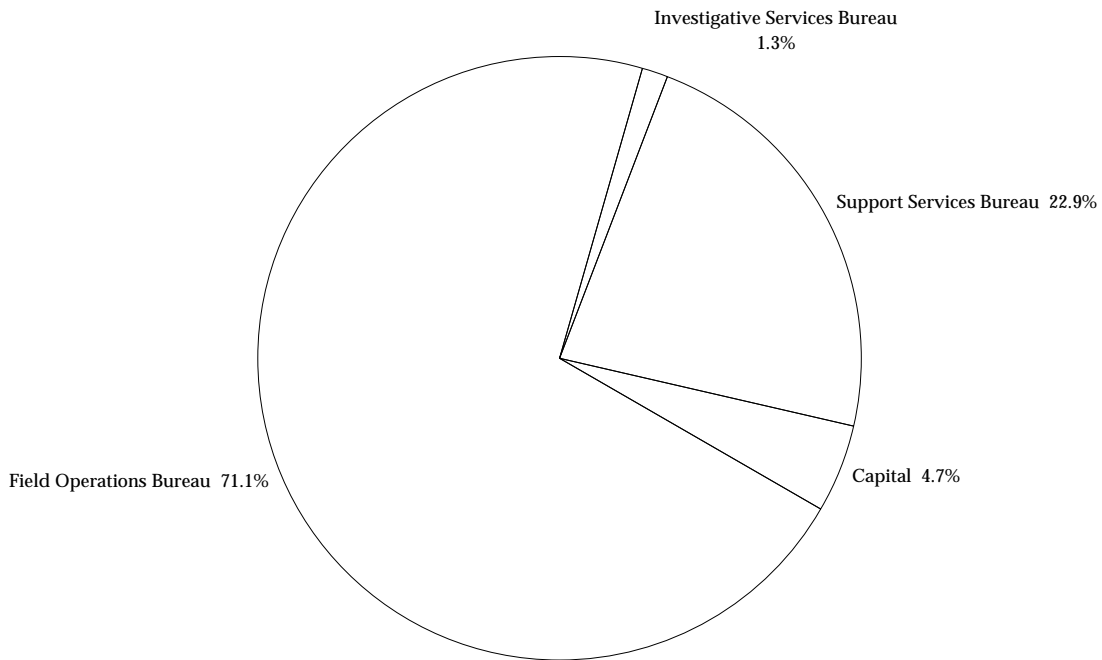
5. STEILACOOM RAILROAD CROSSING - Funding is requested for the installation of active railroad crossing warning devices at the Sunnyside Beach Park Entrance in Steilacoom. This item is contingent on passage of a statewide referendum providing new transportation revenue. (High Capacity Transportation Account)

HSE COM: 150 K This item is contingent on passage of a statewide referendum that provides new transportation revenue
 LEG FIN: 150 K Same as HSE COM
 ENACTED: 150 K Same as HSE COM

**1997-99 Transportation Budget
Including 1998 Supplemental Budget
Total Appropriated Funds**

(Dollars in Thousands)

**WASHINGTON STATE PATROL
Total Operating and Capital**

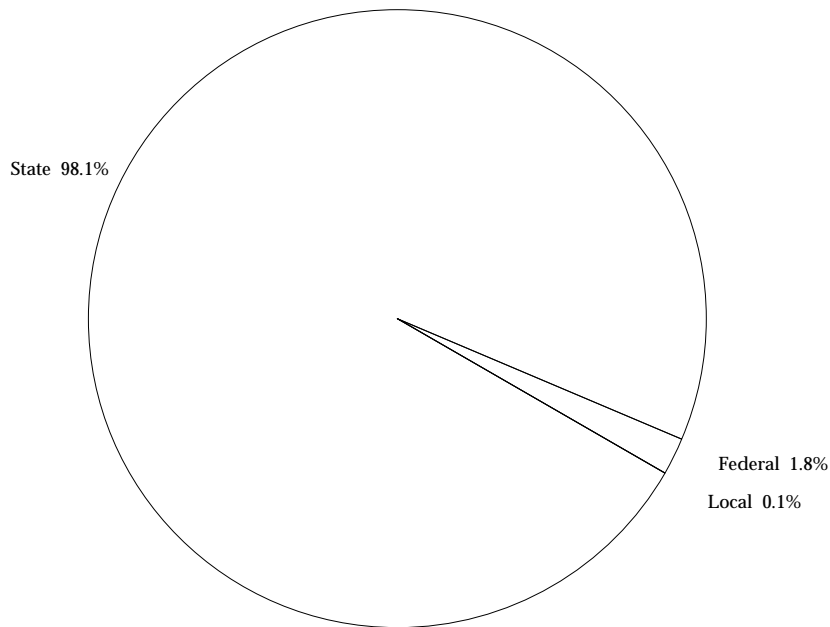


Program	1997-99 Original	1998 Supp	1997-99 Revised
Field Operations Bureau	172,613	242	172,855
Investigative Services Bureau	6,317	-3,184	3,133
Support Services Bureau	61,030	-5,487	55,543
Capital	11,075	350	11,425
Total	251,035	-8,079	242,956

**1997-99 Transportation Budget
Including 1998 Supplemental Budget
Total Appropriated Funds**

(Dollars in Thousands)

**WASHINGTON STATE PATROL
Components by Fund Type
Total Operating and Capital**



Fund Type	1997-99 Original	1998 Supp	1997-99 Revised
State	246,387	-8,079	238,308
Federal	4,478	0	4,478
Local	170	0	170
Total	251,035	-8,079	242,956

Washington State Patrol
Field Operations Bureau
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	172,613	172,613	172,613
1998 Supplemental Budget			
1. Medicare Coverage	268	268	268
2. VIN Lanes	26	26	26
3. Fuel Tax Enforcement	461	461	461
4. Vehicle License Fraud Enforcement	0	289	289
5. Motor Fuel Savings - Price Decrease	-100	-100	-100
6. Transfer to General Fund	-702	-702	-702
7. Transfer of Funds for Comm & Elect	0	0	0
Total Supplemental Items	-47	242	242
1997-99 REVISED APPROPRIATIONS	172,566	172,855	172,855

Comments:

1. MEDICARE COVERAGE - Prior to 1986, there was not a requirement for State Patrol Officers to be covered by Medicare. This represents the employer's share of Medicare contributions for commissioned officers who were hired prior to 1986. The Chief of the State Patrol will conduct a referendum of the affected personnel to determine whether they want this coverage. Should the referendum fail, the funds will not be expended by the State Patrol. The Medicare tax is 1.45 percent of gross earnings for the employee and 1.45 percent of gross earnings for the employer. The coverage will not be retroactive. (State Patrol Highway Account-State)

AGY VER: 268 K
 GOV VER: 268 K
 STC VER: 268 K
 HSE COM: 268 K
 LEG FIN: 268 K
 ENACTED: 268 K

2. VIN LANES - Under current agreements per the 1997-99 transportation budget, the Department of Licensing and the State Patrol have collocated Vehicle Identification Number (VIN) lanes with other driver and vehicle services. Funding is requested to support debt service on existing lease-purchase contracts which were used to construct the VIN facilities for FY 1999 in Vancouver and Union Gap.

The amortization schedule includes both the principal and finance charge for each location. The State Treasurer's Office is financing this using Certificates of Participation with semi-annual payments due in March and September. The interest rate should be approximately 5 percent. Points (between 2 and 3 percent) are charged for the cost of issuing the Certificates of Participation which is added to the debt service schedule. (State Patrol Highway Account-State)

AGY VER: 85 K
 GOV VER: 85 K
 STC VER: 26 K

HSE COM: 26 K
 LEG FIN: 26 K
 ENACTED: 26 K

3. FUEL TAX ENFORCEMENT - This provides six additional enforcement personnel to the State Patrol to increase compliance with fuel tax laws. The duties include inspection, collection, and securing samples of special fuel used in the propulsion of any vehicle operated upon the highways of Washington State to detect the presence of dye or other chemical compounds. The funding is for 2 Detectives, 1 Detective Sergeant, and 3 Commercial Vehicle Enforcement Officer 2 positions. The proposal includes one-time costs for equipment. A report will be presented each legislative session as to the activities and revenue collected. The effective date is July 1, 1998. (State Patrol Highway Account-State)

AGY VER: 0
 GOV VER: 502 K
 STC VER: 461 K
 HSE COM: 461 K
 LEG FIN: 461 K
 ENACTED: 461 K

Washington State Patrol Field Operations Bureau

4. VEHICLE LICENSE FRAUD ENFORCEMENT - Funds three detectives for Vehicle License fraud enforcement. Funds one-time purchases of \$71,400 for equipment and autos. The remainder is for salaries, benefits, and ongoing operational costs. The Legislative Transportation Committee will receive a report each session on the activities and revenue collected by this unit. These positions are dedicated 100 percent to this activity. The effective date is July 1, 1998. (State Patrol Highway Account-State)

AGY VER: 0
GOV VER: 0
STC VER: 0
HSE COM: 289 K
LEG FIN: 289 K
ENACTED: 289 K

1999-2001 Current Authorized Levels will need to reflect the funding shifts for the general fund transfers, 1993-99 pay increases including bow waves, Electronic Services Division, Communications Division, and indirect/overhead cost allocations. The Transportation Fund will not be required after June 30, 1999, due to the approximately \$25 million per biennium in spending authority plus bow waves being transferred to the general fund. (Transportation Fund-State, State Patrol Highway Account-State)

AGY VER: 0
GOV VER: 0
STC VER: 0
HSE COM: 0
LEG FIN: 0
ENACTED: 0

5. MOTOR FUEL SAVINGS - PRICE DECREASE - Current appropriations are adjusted for the reduction in the price of gasoline for State Patrol vehicles. The State Patrol requested and received \$278K in the 1997-99 transportation budget for gas price increases during the 1997 legislative session. Gas prices have decreased. This item will need to be reviewed and recalculated during the 1999-2001 budget development and adjustments made to the Current Authorized Level (CAL) by estimating miles to be driven and gas to be consumed and then compared to the existing CAL budget. (State Patrol Highway Account-State)

AGY VER: 0
GOV VER: 0
STC VER: (100 K)
HSE COM: (100 K)
LEG FIN: (100 K)
ENACTED: (100 K)

NOTE: Current Authorized Levels will need to be recomputed and split for the 1999-2001 biennium for the Communications Division, Technical Services Division, 1993-99 pay increases, general fund activities assumed in the 1993-95 biennial budget, and indirect/overhead allocations between the General Fund and the Washington State Patrol Highway Account. Transportation Fund, due to the general fund agreements for the general fund transfers, is to be used for highway construction purposes only.

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

6. TRANSFER TO GENERAL FUND - Return of items to the general fund that the transportation funds assumed in the 1993-95 biennium, plus any pay increases that have occurred during the 1993-99 time period. The transfers are permanent and take effect on July 1, 1998. The Transportation Fund will not be required for these items after June 30, 1998. This is a permanent transfer and the amounts will need to be biennialized in the 1999-2001 biennium by the general fund since the amount being transferred is for FY 1999. (Transportation Fund-State)

AGY VER: 0
GOV VER: 0
STC VER: (702 K)
HSE COM: (702 K)
LEG FIN: (702 K)
ENACTED: (702 K)

7. TRANSFER OF FUNDS FOR COMM & ELECT - Transfer of funding from the Transportation Fund to the State Patrol Highway Account for highway funds now available due to the general fund assuming the \$6.036 million for the Communications Division (49 percent) and the Electronic Services Division (49 percent). This transfer has no effect this biennium on the State Patrol Highway Account or the equalization salary adjustment. This designates a different funding source for the equalization salary adjustment from the Transportation Fund to the State Patrol Highway Account and the General Fund for future biennia. These figures will need to be biennialized for the 1999-2001 biennium since this only represents the amounts for FY 1999. The

Washington State Patrol
Investigative Services Bureau
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	6,317	6,317	6,317
1998 Supplemental Budget			
1. Medicare Coverage	2	2	2
2. Transfer to General Fund	-3,160	-3,186	-3,186
Total Supplemental Items	-3,158	-3,184	-3,184
1997-99 REVISED APPROPRIATIONS	3,159	3,133	3,133

Comments:

These are general fund activities. Transportation funding will not be required in this Bureau after June 30, 1998.

1. MEDICARE COVERAGE - Prior to 1986, there was not a requirement for State Patrol Officers to be covered by Medicare. This represents the employer's share of Medicare contributions for commissioned officers who were hired prior to 1986. The Chief of the State Patrol will conduct a referendum of the affected personnel to determine whether they want this coverage. Should the referendum fail, the funds will not be expended by the State Patrol and the amount will lapse. The Medicare tax is 1.45 percent of gross earnings for the employee and 1.45 percent of gross earnings for the employer. The coverage will not be retroactive. (Transportation Fund-State)

AGY VER: 2 K
 GOV VER: 2 K
 STC VER: 2 K
 HSE COM: 2 K
 LEG FIN: 2 K
 ENACTED: 2 K

2. TRANSFER TO GENERAL FUND - This item reflects a transfer of the general fund activities assumed by the transportation budget in the 1993-95 biennium plus any pay increases. This is a permanent transfer beginning July 1, 1998. This Bureau is all general fund activities and will not require any funding from the Transportation Fund after July 1, 1998. (Transportation Fund-State)

AGY VER: 0
 GOV VER: 0
 STC VER: (3.2 M)
 HSE COM: (3.2 M)
 LEG FIN: (3.2 M)
 ENACTED: (3.2 M)

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

Washington State Patrol
Support Services Bureau
 Total Appropriated Funds
 (Dollars in Thousands)

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	61,030	61,030	61,030
1998 Supplemental Budget			
1. Medicare Coverage	32	32	32
2. Data Center	1,580	1,580	1,580
3. Mobile Communication Network	-900	-900	-900
4. Transfer to General Fund	-6,199	-6,199	-6,199
5. Transfer to General Fund \$2.299 M	0	0	0
Total Supplemental Items	-5,487	-5,487	-5,487
1997-99 REVISED APPROPRIATIONS	55,543	55,543	55,543

Comments:

1. MEDICARE COVERAGE - Prior to 1986, there was not a requirement for State Patrol Officers to be covered by Medicare. This represents the employer's share of Medicare contributions for commissioned officers who were hired prior to 1986. The Chief of the State Patrol will conduct a referendum of the affected personnel to determine whether they want this coverage. Should the referendum fail, the funds will not be expended by the State Patrol. The Medicare tax is 1.45 percent of gross earnings for the employee and 1.45 percent of gross earnings for the employer. The coverage will not be retroactive. (State Patrol Highway Account-State, Transportation Fund-State)

AGY VER: 32 K
 GOV VER: 32 K
 STC VER: 32 K
 HSE COM: 32 K
 LEG FIN: 32 K
 ENACTED: 32 K

2. DATA CENTER - Total data center funding shortfall is \$2.468 million for both the General Fund and the Transportation Fund for data processing costs due to the Department of Corrections moving their data processing from the Washington State Patrol (WSP) to the Department of Information Services (DIS). One-time transition costs (\$165,000 to be split 40 percent General Fund and 60 percent Transportation Fund) based on WSP estimates are included for the transition of the WSP mainframe computing at the WSP data center in Tumwater to DIS's Data Center. The general fund's share will be \$1.054 million and the State Patrol Highway Account will be \$1.580 million. This item provides the Transportation Fund's share of the data center funding shortfall in the current authorized funding level and one-time transition costs. WSP and DIS will work together to make the transition successful and mitigate any impacts to data processing operations and Year 2000 activities. WSP received one-time Year 2000 funding in the 1997-99 biennial transportation budget of \$1,017,000, with Year 2000 activities and the transition to DIS to be completed by June 30, 1999. (State Patrol Highway Account-State)

AGY VER: 1.8 M

GOV VER: 2.1 M
 STC VER: 1.6 M
 HSE COM: 1.6 M
 LEG FIN: 1.6 M
 ENACTED: 1.6 M

3. MOBILE COMMUNICATION NETWORK - Based on the consultant's study that was funded during the 1997-99 biennium, the agency concurs with the consultant's recommendations and the agency is returning the \$900,000 one-time project costs funded in the 1997-99 transportation budget. The agency, once certain infrastructure issues are resolved including hardware and transmission facilities, will re-assess the Mobile Communication Network (MCN) Project with a possible revised plan during the 1999-2001 biennium. (State Patrol Highway Account-State)

AGY VER: 0
 GOV VER: 0
 STC VER: (900 K)
 HSE COM: (900 K)
 LEG FIN: (900 K)
 ENACTED: (900 K)

Washington State Patrol Support Services Bureau

4. TRANSFER TO GENERAL FUND - This item reflects the transfer of the general fund activities assumed by the transportation budget in the 1993-95 biennium plus any pay increases since 1993.

The activities include:

Administrative Costs	\$ 2,373,000
ACCESS	1,172,000
Executive Protection Unit	1,008,000
Crime Labs	948,000
Identification Section	850,000
Communications Division (49 percent)	3,644,000
Electronics Division (49 percent)	2,391,000

Total General Fund Transfer	\$12,386,000

The amount also includes \$3.644 million of the WSP Communications Division (49 percent) and \$2.392 million of the Electronic Services Division (49 percent). These transfers are permanent and will begin on July 1, 1998. These amounts will need to be biennialized plus bow waves added during the 1999-2001 biennium since these figures are just for FY 1999. Transportation Fund will not be required for these activities after June 30, 1998. The 1999-2001 Current Authorized Levels will need to reflect the funding shifts for the general fund transfers, 1993-1999 pay increases including bow waves, Electronic Services Division, Communications Division, and indirect/overhead cost allocations. The additional \$2.299 million in spending authority the general fund assumed in the 1998 supplemental operating budget will need to be placed in reserve status (\$2,299,000) by the Office of Financial Management (OFM) from the State Patrol Highway Account that occurred during the operating budget conference committee. This transfer and funding allocation is applicable for all operating and capital expenses relating to general fund activities, Electronic Services Division, and the Communications Division in the future. (Transportation Fund-State, State Patrol Highway Account-State)

AGY VER:	0	
GOV VER:	0	
STC VER:	(6.2 M)	Transferred to the General Fund
HSE COM:	(6.2 M)	Transferred to the General Fund
LEG FIN:	(8.5 M)	Transferred to the General Fund - \$2.3 million in WSP Account appropriations will be placed in reserve status by OFM.
ENACTED:	(8.5 M)	Transferred to the General Fund - \$2.3 million in WSP Account appropriations will be placed in reserve status by OFM.

5. TRANSFER TO GENERAL FUND \$2.299 M - Legislative intent is not to duplicate funding for the same expenditure item in the 1997-99 general fund operating budget and to have the amount of \$2,299,000 in appropriations be placed in reserve status from the State Patrol Highway Account by OFM. This is due to the 1998 supplemental operating budget assuming an additional \$2,299,000 for the Communications Division and Technical Division during the operating budget conference committee negotiations and not being reflected in the 1998 supplemental transportation budget.

The total amount transferred to the general fund is \$12,386,000 for FY 1999. The biennial amount will be approximately \$25 million per biennium. The transfers include both future operating and

capital expenditures for the general fund activities being transferred. Total 1997-99 appropriation for this Bureau from the State Patrol Highway Account will be \$50,627,000 after the \$2,299,000 is placed in reserved status by OFM. During the 1999 legislative session a transfer from the State Patrol Highway Account to the Transportation Fund for the \$2,299,000 will occur to complete the \$25.3 million general fund transfer to be used for road improvements. (State Patrol Highway Account-State)

AGY VER:	0 M
GOV VER:	0 M
STC VER:	0 M
HSE COM:	0 M
LEG FIN:	(2.3 M)
ENACTED:	(2.3 M)

NOTE: For FY 1999 and the 1999-2001 biennial budget the Communications Division and the Technical Division (operating and capital) will be split between the State Patrol Highway Account and the General Fund. During the 1999 session, \$2,299,000 will be transferred from the State Patrol Highway Account to the Transportation Fund.

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

Washington State Patrol Capital

Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	11,075	11,075	11,075
1998 Supplemental Budget			
1. Vancouver - CVE Inspection Station	0	350	350
2. Union Gap Building Funding Shift	0	0	0
Total Supplemental Items	0	350	350
1997-99 REVISED APPROPRIATIONS	11,075	11,425	11,425

Comments:

This program contains funding for Washington State Patrol (WSP) capital projects. All projects funded in the section will be completed by June 30, 1999.

1. VANCOUVER - CVE INSPECTION STATION - Builds a two-bay, pull-through commercial vehicle enforcement (CVE) inspection building at the port-of-entry Ridgefield weigh station. Presently, all inspections have to be accomplished in the weather and if at night, with very little lighting. (State Patrol Highway Account-State)

AGY VER: 0
 GOV VER: 0
 STC VER: 0
 HSE COM: 350 K
 LEG FIN: 350 K
 ENACTED: 350 K

2. UNION GAP BUILDING FUNDING SHIFT - This is a funding shift only for the Union Gap Building made available due to State Patrol funding reversions in the State Patrol Highway Account from the 1995-97 biennium appropriations of approximately \$2 million and 1997-99 biennium \$1 million in cost savings which resulted in additional funds. This shift has no impact on operating programs or capital projects. The Transportation Fund will not be required after June 30, 1999, once the Union Gap Building has been completed. (Transportation Fund-State, State Patrol Highway Account-State)

AGY VER: 0
 GOV VER: 0
 STC VER: 0
 HSE COM: 0
 LEG FIN: 0
 ENACTED: 0

Administration, and the Legislative Transportation Committee (LTC) in the exchange and approval process.

Future CVE projects recommended by the 1997 WSP Interim Working Group based on the WSP's CVE Strategic Business Plan and adopted by LTC in January 1998 of the Legislative Session.

(1) Commercial Vehicle Information Systems and Network (CVISN)-Ridgefield pilot project funded in the 1998 Department of Transportation (DOT) supplemental budget. WSP, the Department of Licensing, and DOT will work with the U.S. Department of Transportation and the state of Oregon to successfully implement the project at Ridgefield, WA, port of entry by June 30, 1999. Full funding of \$2.7 million as requested by the agencies has been provided in DOT's budget based on the CVISN project team's feasibility study for the successful implementation of the project by June 30, 1999.

(2) \$550,000 federal grant for the border crossing project at Blaine which includes weigh in motion at Bow Hill.

(3) Weigh in Motion installed at 14 future sites and Plug and Runs installed at six future sites:

Install weigh in motion at Nisqually, Federal Way South Bound, Kelso, Cle Elum West Bound, and Stanwood Bryant during the 1999-2001 biennium. (\$4.3 million)

Install plug and run systems on roadways beginning in 1999 with no existing enforcement facilities for \$552,000. The sites are Stevens County, Othello, Port of Tacoma, Rimrock, Kettle Falls, and Menlo.

Install weigh in motion at Federal Way North Bound, Everett, Cle Elum East Bound, Spokane, and Plymouth during the 2001-2003 biennium. (\$4.6 million)

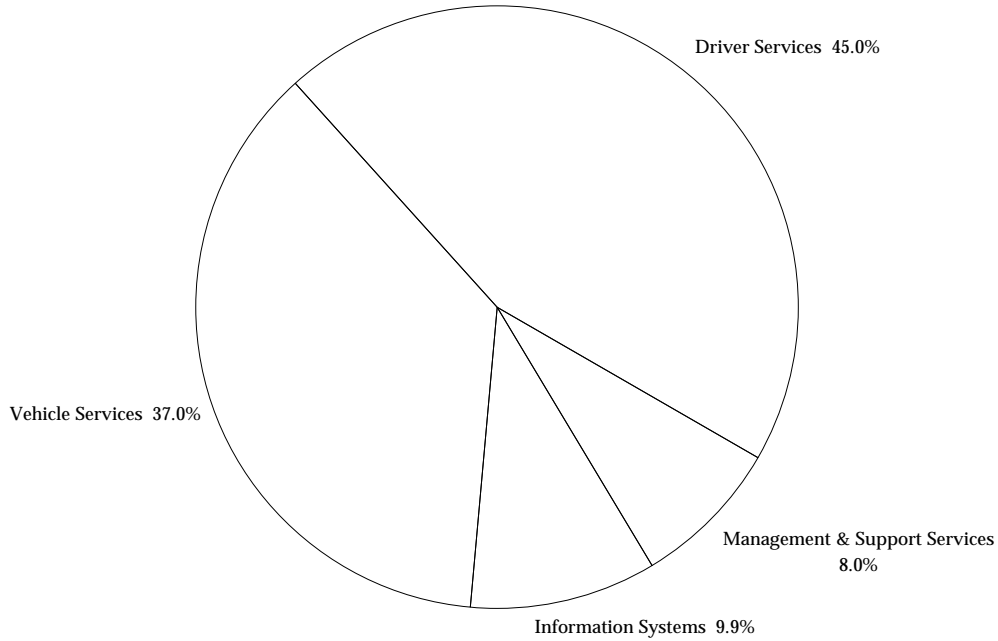
Install weigh in motion at Tokio East Bound, Tokio West Bound, SR 82, and Wallula during the 2003-2005 biennium. (\$3.9 million)

NOTE: WSP is authorized to proceed with the exchange of the Olympia, WA, Martin Way property for a light industrial land complex to be used to consolidate existing separately-located state activities and functions. The agency will work with the Office of Financial Management, the Department of General

**1997-99 Transportation Budget
Including 1998 Supplemental Budget
Total Appropriated Funds**

(Dollars in Thousands)

DEPARTMENT OF LICENSING



Program	1997-99 Original	1998 Supp	1997-99 Revised
Management & Support Services	11,073	375	11,448
Information Systems	11,569	2,706	14,275
Vehicle Services	53,522	-373	53,149
Driver Services	64,729	-70	64,659
Total	140,893	2,638	143,531

Department of Licensing
Management and Support Services
 Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	11,073	11,073	11,073
1998 Supplemental Budget			
1. Overhead Realignment	296	296	296
2. Year 2000 Compliance	79	79	79
Total Supplemental Items	375	375	375
1997-99 REVISED APPROPRIATIONS	11,448	11,448	11,448

Comments:

1. OVERHEAD REALIGNMENT - The Department has re-assessed the overhead billings applied to each program area. This item is an adjustment to the Department's appropriations based upon the new overhead allocation. (Motorcycle Safety Education Account-State, Wildlife Account-State, Highway Safety Account-State, Motor Vehicle Fund-State, Transportation Account-State)

AGY VER: 296 K
 GOV VER: 296 K
 STC VER: 296 K
 HSE COM: 296 K
 LEG FIN: 296 K
 ENACTED: 296 K

2. YEAR 2000 COMPLIANCE - The Department has identified several mission critical information systems for Year 2000 upgrades and testing. This item provides funding to contract for compliance testing to ensure the reliability of these systems. (Wildlife Account-State, Highway Safety Account-State, Motor Vehicle Fund-State, Transportation Account-State)

AGY VER: 106 K
 GOV VER: 79 K
 STC VER: 79 K
 HSE COM: 79 K
 LEG FIN: 79 K
 ENACTED: 79 K

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

**Department of Licensing
 Information Systems**

Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	11,569	11,569	11,569
1998 Supplemental Budget			
1. Overhead Realignment	-208	-208	-208
2. Year 2000 Compliance	67	67	67
3. WANG Imaging Replacement	2,847	2,847	2,847
4. Business and Technology Assessment	2,644	2,644	0
Total Supplemental Items	5,350	5,350	2,706
1997-99 REVISED APPROPRIATIONS	16,919	16,919	14,275

Comments:

1. OVERHEAD REALIGNMENT - The Department has re-assessed the overhead billings applied to each program area. This item is an adjustment to the Department's appropriations based upon the new overhead allocation. (Motorcycle Safety Education Account-State, Wildlife Account-State, Highway Safety Account-State, Motor Vehicle Fund-State, Transportation Account-State)

AGY VER: (208 K)
 GOV VER: (208 K)
 STC VER: (208 K)
 HSE COM: (208 K)
 LEG FIN: (208 K)
 ENACTED: (208 K)

2. YEAR 2000 COMPLIANCE - The Department has identified several mission critical information systems for Year 2000 upgrades and testing. This item provides funding to contract for compliance testing to ensure the reliability of these systems. (Wildlife Account-State, Highway Safety Account-State, Motor Vehicle Fund-State, Transportation Account-State)

AGY VER: 74 K
 GOV VER: 67 K
 STC VER: 67 K
 HSE COM: 67 K
 LEG FIN: 67 K
 ENACTED: 67 K

3. WANG IMAGING REPLACEMENT - The system the Department uses to scan, store, and retrieve document images of hearings, citations, and license suspensions and revocations is vulnerable to Year 2000 problems. It is also obsolete and expensive to maintain. Funding is requested to complete a feasibility study and to replace the existing WANG system. (Highway Safety Account-State)

AGY VER: 2.8 M
 GOV VER: 2.8 M
 STC VER: 2.8 M
 HSE COM: 2.8 M
 LEG FIN: 2.8 M

ENACTED: 2.8 M

4. BUSINESS AND TECHNOLOGY ASSESSMENT - Provides funding to implement the recommendations of the Business and Technology Assessment Project (BTAP) directed by the 1997 Legislature. Search and Query option 2 and Licensing Service Office improvements recommendation contained in the January 20, 1998, feasibility study are funded. This funding is contingent on enactment of a driver's license fee increase contained in ESHB 2730. (Motor Vehicle Fund-State, Highway Safety Account-State)

STC VER: 2.6 M
 HSE COM: 2.6 M
 LEG FIN: 2.6 M
 ENACTED: 0

ESHB 2730 was not passed by the Legislature.

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

Department of Licensing Vehicle Services

Total Appropriated Funds
 (Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	53,522	53,522	53,522
1998 Supplemental Budget			
1. Year 2000 Compliance	122	122	122
2. Capital Projects Reversion	-154	-154	-154
3. Vancouver-Prorate Fuel Tax Services	54	54	54
4. Fuel Tax Enforcement	114	114	114
5. Delay in Thurston Co Facility	-611	-611	-611
6. Delay in Vancouver Facility	-95	-95	-95
7. Attorney General Under-Runs	-40	-40	-40
8. Staff Vacancies	-145	-145	-145
9. Fuel Tax Evasion	0	382	382
Total Supplemental Items	-755	-373	-373
1997-99 REVISED APPROPRIATIONS	52,767	53,149	53,149

Comments:

- | | |
|---|--|
| <p>1. YEAR 2000 COMPLIANCE - The Department has identified several mission critical information systems for Year 2000 upgrades and testing. This item provides funding to contract for compliance testing to ensure the reliability of these systems. (Motor Vehicle Fund-State)</p> <p>AGY VER: 160 K
 GOV VER: 122 K
 STC VER: 122 K
 HSE COM: 122 K
 LEG FIN: 122 K
 ENACTED: 122 K</p> <p>2. CAPITAL PROJECTS REVERSION - This adjustment returns funding for the Spokane capital project request that was inadvertently included in the carryforward level of the 1997-99 Department of Licensing budget. (Motor Vehicle Fund-State)</p> <p>AGY VER: (154 K)
 GOV VER: (154 K)
 STC VER: (154 K)
 HSE COM: (154 K)
 LEG FIN: (154 K)
 ENACTED: (154 K)</p> <p>3. VANCOUVER-PRORATE FUEL TAX SERVICES - Additional staff resources are necessary to provide adequate prorated licensing of interstate commercial vehicles, fuel tax user licenses, fuel tax distributor licenses, and fuel tax bonding services in Vancouver. This location is a main port of entry into Washington. The extension of these services improves the Department's ability to serve the public. (Motor Vehicle Fund-State)</p> <p>AGY VER: 68 K
 GOV VER: 68 K
 STC VER: 54 K</p> | <p>HSE COM: 54 K
 LEG FIN: 54 K
 ENACTED: 54 K</p> <p>4. FUEL TAX ENFORCEMENT - Provides funding for additional audit personnel to the Department of Licensing to work with new staff in the State Patrol to increase compliance with fuel tax laws. (Motor Vehicle Fund-State)</p> <p>AGY VER: 0
 GOV VER: 123 K
 STC VER: 114 K
 HSE COM: 114 K
 LEG FIN: 114 K
 ENACTED: 114 K</p> <p>5. DELAY IN THURSTON CO FACILITY - Funding was provided in the 1997-99 transportation budget for a new facility to be located in Thurston County. The facility, as funded, was to offer both drivers and vehicle services and be collocated with the state patrol. The facility has been delayed and will not be open for service in the 1997-99 biennium. (Motor Vehicle Fund-State)</p> <p>STC VER: 611 K
 HSE COM: 611 K
 LEG FIN: 611 K
 ENACTED: 611 K</p> |
|---|--|

Department of Licensing Vehicle Services

6. DELAY IN VANCOUVER FACILITY - Funding was provided in the 1997-99 transportation budget for a new facility in Vancouver, WA. The opening of the facility, originally budgeted for August 1997, is now scheduled for July 1998. (Motor Vehicle Fund-State)

STC VER: (95 K)
HSE COM: (95 K)
LEG FIN: (95 K)
ENACTED: (95 K)

7. ATTORNEY GENERAL UNDER-RUNS - Lower than expected services and billings from the Attorney General has resulted in an under-run of budgeted expenditures through December 1997. (Motor Vehicle Fund-State)

STC VER: (40 K)
HSE COM: (40 K)
LEG FIN: (40 K)
ENACTED: (40 K)

8. STAFF VACANCIES - Unfilled staff positions in the Vehicle Services field operations division through December 1997 have generated budget under-runs. These positions are expected to be filled in the near future. (Motor Vehicle Fund-State)

STC VER: (145 K)
HSE COM: (145 K)
LEG FIN: (145 K)
ENACTED: (145 K)

9. FUEL TAX EVASION - Funding is provided to implement the provisions of Chapter 176, Laws of 1998 (SHB 2659) addressing fuel tax evasion. If SHB 2659 had not been enacted by June 30, 1998, this funding would have lapsed. (Highway Safety Account-State)

HSE COM: 382 K
LEG FIN: 382 K
ENACTED: 382 K

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

**Department of Licensing
 Driver Services**

**Total Appropriated Funds
 (Dollars in Thousands)**

	<u>Senate</u>	<u>House</u>	<u>Enacted</u>
1997-99 ORIGINAL APPROPRIATIONS	64,729	64,729	64,729
1998 Supplemental Budget			
1. Year 2000 Compliance	71	71	71
2. Capital Projects Reversion	-16	-16	-16
3. Printer Replacement	143	143	143
4. Drivers Documents - Reversion	-2,503	-2,503	-2,503
5. Driver License Services	277	277	277
6. Increased Motorcycle Training	251	251	251
7. DUI Hearing Fee	124	124	0
8. Delay in Thurston Co Facility	-588	-588	-588
9. Delay in Vancouver Facility	-118	-118	-118
10. Attorney General Under-Runs	-160	-160	-160
11. Implementation of DUI Legislation	0	1,000	1,000
12. Disabled Parking Enforcement	0	225	225
13. Ignition Interlocks	0	480	480
14. Truant & Expelled Students	0	117	0
15. Driver's License Security	0	80	0
16. Effect of Governor's Veto	0	0	868
Total Supplemental Items	-2,519	-617	-70
1997-99 REVISED APPROPRIATIONS	62,210	64,112	64,659

Comments:

1. YEAR 2000 COMPLIANCE - The Department has identified several mission critical information systems for Year 2000 upgrades and testing. This item provides funding to contract for compliance testing to ensure the reliability of these systems. (Highway Safety Account-State)

AGY VER: 87 K
 GOV VER: 71 K
 STC VER: 71 K
 HSE COM: 71 K
 LEG FIN: 71 K
 ENACTED: 71 K

2. CAPITAL PROJECTS REVERSION - This adjustment returns funding for the Spokane capital project request that was inadvertently included in the carryforward level of the 1997-99 Department of Licensing budget. (Highway Safety Account-State)

AGY VER: (16 K)
 GOV VER: (16 K)
 STC VER: (16 K)
 HSE COM: (16 K)
 LEG FIN: (16 K)
 ENACTED: (16 K)

3. PRINTER REPLACEMENT - Funding is provided to replace printers used by the Driver Services program. (Highway Safety Account-State)

AGY VER: 143 K
 GOV VER: 143 K
 STC VER: 143 K
 HSE COM: 143 K
 LEG FIN: 143 K
 ENACTED: 143 K

4. DRIVERS DOCUMENTS - REVERSION - SHB 1501 (Driver Documents) failed to pass in the 1997 legislative session, the funding provided to support the bill cannot be used by the Department. This proposal returns the funds to the Highway Safety Account. (Highway Safety Account-State)

AGY VER: (2.5 M)
 GOV VER: (2.5 M)
 STC VER: (2.5 M)
 HSE COM: (2.5 M)
 LEG FIN: (2.5 M)
 ENACTED: (2.5 M)

Department of Licensing Driver Services

5. DRIVER LICENSE SERVICES - Increasing population in the Vancouver area is testing the Department's ability to provide timely and convenient customer service. In Yakima, the large Spanish-speaking population places unique demands on the licensing process. In addition, a more convenient location for express licensing in Yakima would improve customer service. Funding is provided to increase staffing in Vancouver and Union Gap and to open a new license renewal location in Vancouver and an express license renewal office in Yakima. (Highway Safety Account-State)
- AGY VER: 393 K
GOV VER: 393 K
STC VER: 277 K
HSE COM: 277 K
LEG FIN: 277 K
ENACTED: 277 K
6. INCREASED MOTORCYCLE TRAINING - The demand for motorcycle training courses has steadily increased over the last two biennia. Funding is provided to support an additional 1,600 students per biennium and offset increasing costs of contractors. (Motorcycle Safety Education Account-State)
- AGY VER: 251 K
GOV VER: 251 K
STC VER: 251 K
HSE COM: 251 K
LEG FIN: 251 K
ENACTED: 251 K
7. DUI HEARING FEE - Under current law, a \$100 fee is assessed when a person who has been arrested for driving under the influence of alcohol or other drugs (DUI) requests a hearing to challenge administrative action against his or her driving license. Superior courts have found the fee to be unconstitutional when applied to indigent persons. Legislation (SB 6591) was proposed which would have eliminated the \$100 fee for indigent persons. Funding would have been provided for administrative costs associated with establishing a process to determine indigence and conducting additional hearings for indigent persons. Since SB 6591 was not enacted by June 30, 1998, this funding lapses. (Highway Safety Account-State)
- AGY VER: 0
GOV VER: 124 K
STC VER: 124 K
HSE COM: 124 K
LEG FIN: 124 K
ENACTED: 0 SB 6591 was not passed by the Legislature.
8. DELAY IN THURSTON CO FACILITY - Funding was provided in the 1997-99 transportation budget for a new facility to be located in Thurston County. The facility, as funded, was to offer both drivers and vehicle services and be collocated with the State Patrol. The facility has been delayed and will not be open for service in the 1997-99 biennium. (Highway Safety Account-State)
- STC VER: (588 K)
HSE COM: (588 K)
LEG FIN: (588 K)
- ENACTED: (588 K)
9. DELAY IN VANCOUVER FACILITY - Funding was provided in the 1997-99 transportation budget for a new facility in Vancouver, WA. The opening of the facility, originally budgeted for August 1997, is now scheduled for July 1998. (Highway Safety Account-State)
- STC VER: (118 K)
HSE COM: (118 K)
LEG FIN: (118 K)
ENACTED: (118 K)
10. ATTORNEY GENERAL UNDER-RUNS - Lower than expected services and billings from the Attorney General has resulted in an under-run of budgeted expenditures through December 1997. (Highway Safety Account-State)
- STC VER: (160 K)
HSE COM: (160 K)
LEG FIN: (160 K)
ENACTED: (160 K)
11. IMPLEMENTATION OF DUI LEGISLATION - Funding is provided to implement the requirements of various bills addressing the driving under the influence (DUI) statutes. These bills include, but are not limited to, Chapters 206-214, Laws of 1998 (SHB 2885, 2SHB 3070, 2SHB 3089, ESB 6142, ESSB 6165, ESSB 6166, ESSB 6187, ESB 6257, and E2SSB 6293). (Highway Safety Account-State)
- HSE COM: 1.0 M
LEG FIN: 1.0 M
ENACTED: 1.0 M
12. DISABLED PARKING ENFORCEMENT - Funding is provided to implement the provisions of SHB 2442 and Chapter 294, Laws of 1998 (2SSB 6190), which strengthen enforcement of parking for persons with disabilities. If neither bill had been enacted by June 30, 1998, this funding would have lapsed. (Highway Safety Account-State)
- HSE COM: 225 K
LEG FIN: 225 K
ENACTED: 225 K
13. IGNITION INTERLOCKS - Funding is provided to implement the provisions of Chapter 210, Laws of 1998, Partial Veto (ESSB 6165), requiring ignition interlock devices after DUI convictions. If ESSB 6165 had not been enacted by June 30, 1998, this funding would have lapsed. (Highway Safety Account-State)
- HSE COM: 480 K
LEG FIN: 480 K
ENACTED: 480 K

Department of Licensing Driver Services

14. TRUANT & EXPELLED STUDENTS - Funding is provided to implement the provisions of E2SHB 3054 requiring the Department of Licensing to suspend the driver's license of juveniles for disobeying the court when the court orders the suspension. Since E2SHB 3054 was not enacted by June 30, 1998, this funding lapses. (Highway Safety Account-State)

HSE COM: 117 K
LEG FIN: 117 K
ENACTED: 0 E2SHB 3054 was not passed by the
Legislature.

15. DRIVER'S LICENSE SECURITY - Funding is provided to implement the provisions of ESHB 2730, which increases the security of the current driver's license. The bill also raises the fee of the driver's license by \$6 for four years and \$2 for the identification card. Since ESHB 2730 was not enacted by June 30, 1998, this funding lapses. (Highway Safety Account-State)

HSE COM: 80 K
LEG FIN: 80 K
ENACTED: 0 ESHB 2730 was not passed by the
Legislature.

16. EFFECT OF GOVERNOR'S VETO - The Highway Safety Account-State appropriation for driver's services was inadvertently reduced by \$2.5 million due to a double count of a reduction related to a 1997 gubernatorial veto. The Governor's veto of the 1998 Highway Safety Account-State appropriation restores \$868,000 of this reduction. The remaining \$1.6 million of the reduction will be addressed in the 1999 legislative session. (Highway Safety Account-State)

ENACTED: 868 K

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

Washington Traffic Safety Commission

Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	6,657	6,657	6,657
1998 Supplemental Budget			
1. Driving Under the Influence	250	250	250
Total Supplemental Items	250	250	250
1997-99 REVISED APPROPRIATIONS	6,907	6,907	6,907

Comments:

1. DRIVING UNDER THE INFLUENCE - Provides funding to advertise the changes to driving under the influence (DUI) statutes. This appropriation will lapse if changes are not enacted by June 30, 1998.

STC VER: 250 K
HSE COM: 250 K
LEG FIN: 250 K
ENACTED: 250 K

NOTE: One hundred thousand dollars of Highway Safety Account-State was appropriated to the Traffic Safety Commission with the passage of Chapter 165, Laws of 1998 (ESHB 2439-the Cooper Jones Act). The appropriation was contained within ESHB 2439 and provides funding for a bicycle and pedestrian safety program. The Traffic Safety Commission is also authorized to accept donations to fund the program and the Highway Safety Account appropriation is to be reduced accordingly.

Legislative Transportation Committee

Total Appropriated Funds (Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	3,022	3,022	3,022
1998 Supplemental Budget			
1. Transit Performance Audit	0	150	150
2. Long-Term Financing Study	750	1,000	1,000
3. Public Vanpool Evaluation	30	0	0
Total Supplemental Items	780	1,150	1,150
1997-99 REVISED APPROPRIATIONS	3,802	4,172	4,172

Comments:

1. TRANSIT PERFORMANCE AUDIT - Provides funding for a contracted performance and management audit of selected public transportation systems to ascertain the relative effectiveness and efficiency of those systems, and when appropriate, provide recommendations that would improve efficiency and effectiveness. The audit shall also determine the accuracy of the information contained in the annual Public Transportation Systems report published by the Department of Transportation (DOT). (Transportation Account-State, Central Puget Sound Public Transportation Account-State)

AGY VER: 0
 GOV VER: 0
 STC VER: 30 K
 HSE COM: 0
 LEG FIN: 0
 ENACTED: 0
2. LONG-TERM FINANCING STUDY - Funding is provided to convene a panel of persons representing transportation policy makers and beneficiaries of the transportation system to conduct an analysis of existing transportation funding mechanisms and propose solutions that provide for long-term financing of the state's transportation system. (Motor Vehicle Fund-State)

AGY VER: 0
 GOV VER: 0
 STC VER: 0.8 M
 HSE COM: 1.0 M
 LEG FIN: 1.0 M
 ENACTED: 1.0 M
3. PUBLIC VANPOOL EVALUATION - Funding is provided for the Legislative Transportation Committee, in cooperation with DOT, to conduct an evaluation of the costs and benefits of public vanpool expenditures, including the level of state and local agency subsidy and alternatives to such subsidy. (High Capacity Transportation Account-State)

Department of Agriculture

Total Appropriated Funds

(Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	304	304	304
1998 Supplemental Budget			
1. Fuel Tax Evasion	0	10	10
Total Supplemental Items	0	10	10
1997-99 REVISED APPROPRIATIONS	304	314	314

Comments:

1. FUEL TAX EVASION - These dedicated funds are for the sole use of fuel tax evasion efforts. This activity will be combined with the existing fuel quality program activities. (Motor Vehicle Fund-State)

AGY VER: 0
 GOV VER: 0
 STC VER: 0
 HSE COM: 10 K
 LEG FIN: 10 K
 ENACTED: 10 K

Department of Community, Trade, & Economic Development

Total Appropriated Funds (Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	252	252	252
1998 Supplemental Budget			
1. Transfer to General Fund	-126	-126	-126
Total Supplemental Items	-126	-126	-126
1997-99 REVISED APPROPRIATIONS	126	126	126

Comments:

1. TRANSFER TO GENERAL FUND - These activities are transferred to the general fund on a permanent basis beginning on July 1, 1998. This is part of the 1993 transfer reversal. (Motor Vehicle Fund-State)

AGY VER: 0
 GOV VER: 0
 STC VER: (126 K)
 HSE COM: (126 K)
 LEG FIN: (126 K)
 ENACTED: (126 K)

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

Office of Financial Management

Total Appropriated Funds

(Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	116	116	116
1998 Supplemental Budget			
1. Transfer to General Fund	-58	-58	-58
Total Supplemental Items	-58	-58	-58
1997-99 REVISED APPROPRIATIONS	58	58	58

Comments:

1. TRANSFER TO GENERAL FUND - These activities are transferred to the general fund on a permanent basis beginning on July 1, 1998. This is part of the 1993 transfer reversal. (Motor Vehicle Fund-State)

AGY VER: 0
 GOV VER: 0
 STC VER: (58 K)
 HSE COM: (58 K)
 LEG FIN: (58 K)
 ENACTED: (58 K)

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

Bond Retirement & Interest

Total Appropriated Funds
(Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	245,854	245,854	245,854
1998 Supplemental Budget			
1. Debt Service Update	0	809	-160
2. TIB Bond Retirement Account	40,000	40,000	40,000
Total Supplemental Items	40,000	40,809	39,840
1997-99 REVISED APPROPRIATIONS	285,854	286,663	285,694

Comments:

1. DEBT SERVICE UPDATE - The appropriations for debt service are updated to reflect the debt service cost on sales that have occurred since April 1997 and more recent interest rate estimates for future sales during the 1997-99 biennium. (General Fund-State, Highway Bond Retirement Account-State). The supplemental expenditures are not supported by additional bond revenues, there is no increase in appropriation necessary, just an adjustment for rate changes. (Ferry Bond Retirement Account-State)

AGY VER: 0
 GOV VER: 809 K
 STC VER: 0
 HSE COM: 809 K
 LEG FIN: 809 K
 ENACTED: (160 K)

2. TIB BOND RETIREMENT ACCOUNT - A new bond withholding account was created during the 1997 legislative session to receive funds for transportation improvement debt service separately from other transportation debt service obligations. The new account provides the Transportation Improvement Board (TIB) more control over the accounting of its debt service payments and reduces paperwork between the Board and the Department of Transportation. This item establishes the appropriation for the new TIB Bond Retirement Account. (Highway Bond Retirement Account-State, Transportation Improvement Board Bond Retirement Account-State)

AGY VER: 0
 GOV VER: 40.0 M
 STC VER: 40.0 M
 HSE COM: 40.0 M
 LEG FIN: 40.0 M
 ENACTED: 40.0 M

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

State Parks and Recreation Commission - Capital

Total Appropriated Funds

(Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	3,500	3,500	3,500
1998 Supplemental Budget			
1. Transfer to General Fund	-1,750	0	0
Total Supplemental Items	-1,750	0	0
1997-99 REVISED APPROPRIATIONS	1,750	3,500	3,500

Comments:

1. TRANSFER TO GENERAL FUND - These activities are transferred to the general fund on a permanent basis beginning on July 1, 1998. This is part of the 1993 transfer reversal. (Motor Vehicle Fund-State)

AGY VER: 0
 GOV VER: 0
 STC VER: (1.8 M)
 HSE COM: 0
 LEG FIN: 0
 ENACTED: 0

State Parks and Recreation Commission - Operating

Total Appropriated Funds

(Dollars in Thousands)

	Senate	House	Enacted
1997-99 ORIGINAL APPROPRIATIONS	931	931	931
1998 Supplemental Budget			
1. County Road Snow Removal	128	0	0
2. Transfer to General Fund	-548	0	0
Total Supplemental Items	-420	0	0
1997-99 REVISED APPROPRIATIONS	511	931	931

Comments:

1. COUNTY ROAD SNOW REMOVAL - Funding is provided for snow and ice removal on approach roads to snow parks in Skamania County administered by Washington State Parks and Recreation Commission as well as other state parks. (Motor Vehicle Fund-State)

AGY VER: 0
 GOV VER: 0
 STC VER: 46 K
 SEN FLR: 128 K
 HSE COM: 0
 LEG FIN: 0
 ENACTED: 0

2. TRANSFER TO GENERAL FUND - These activities are transferred to the general fund on a permanent basis beginning on July 1, 1998. This is part of the 1993 transfer reversal. (Motor Vehicle Fund-State)

AGY VER: 0
 GOV VER: 0
 STC VER: (548 K)
 HSE COM: 0
 LEG FIN: 0
 ENACTED: 0