

# Special Appropriations

## **Year 2000**

A total of \$19.6 million is authorized for planning and contingencies associated with the year 2000 computer issue. Funding will be used for projects requested by agencies and for any unforeseen emergencies.

## **Okanogan County Criminal Justice Costs**

The sum of \$1.2 million is provided from the Public Safety and Education Account to Okanogan County for extraordinary criminal justice costs associated with the adjudication of an aggravated murder case.

## **Across-the-Board Salary Increases**

Funding has been provided for salary increases of 3 percent July 1, 1999, and 3 percent July 1, 2000, for state employees. The budget provides \$98.5 million from the General Fund-State and \$109.3 million from other funds for these increases.

## **Personnel Resource Board Salary Adjustments**

Amounts of \$13.1 million from General Fund-State and \$26.3 million from other funds are provided for additional salary increases for classified state employees. Under Chapter 319, Laws of 1996 (SSB 6767), the Legislature identified the following criteria for reclassifying classified employees: salary inequities, recruitment and retention, increased duties and responsibilities, and compression and inversion. The Washington Personnel Resources Board identified 26 job groups for reclassifications based on these criteria in 1998. Funding is provided for salary increases for all 26 job groups beginning July 1, 1999. About 5,460 employees will receive these salary increases.

## **Salary Survey**

The budget provides \$5.6 million General Fund-State and \$14.5 million other funds to increase the salaries of classified state and higher education employees so that no job class is more than 25 percent behind its market rate. The market rate for classified job classes is determined by a salary survey conducted by the Department of Personnel. About 2,660 classified higher education employees and 3,670 classified state employees will receive these increases July 1, 1999.

## **Salary Increases for the Office of the Attorney General**

The sum of \$3.4 million from General Fund-State and \$3.4 million from other funds is provided for salary increases for assistant attorneys general to address recruitment and retention difficulties.

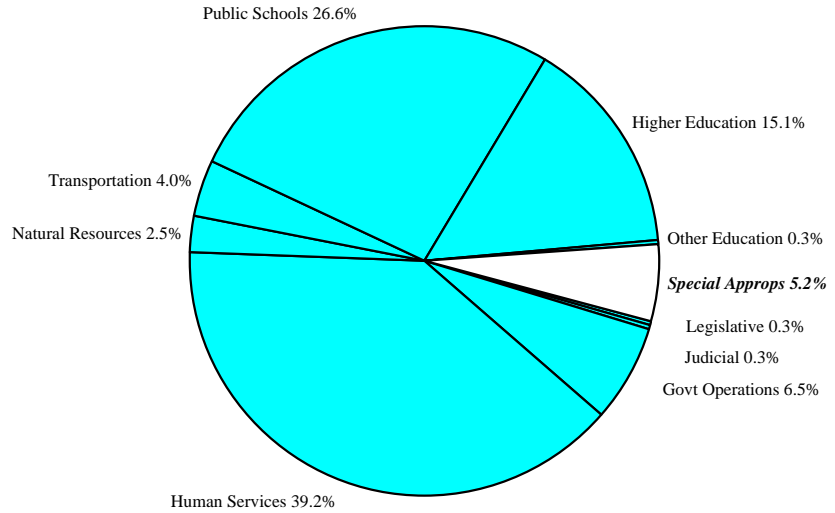
## **Employee Health Benefits**

The budget provides \$40 million General Fund-State and \$44.4 million from other funds for the increased costs of health and other insurance benefits for state and higher education employees. In addition, funding is provided to increase the subsidy provided to retired state, higher education, and K-12 employees who purchase benefits through the Health Care Authority and who are at least 65 years of age.

# 1999-01 Washington State Operating Budget Total Budgeted Funds

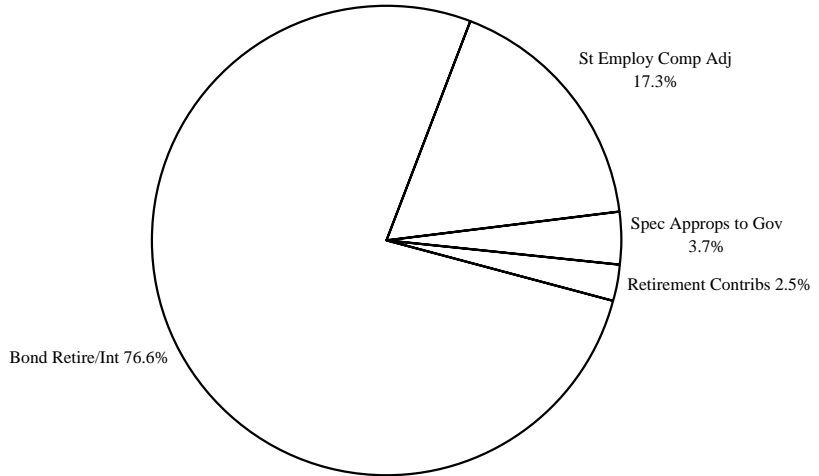
(Dollars in Thousands)

Legislative	134,074
Judicial	117,098
Governmental Operations	2,537,982
Human Services	15,261,315
Natural Resources	980,598
Transportation	1,549,524
Public Schools	10,327,599
Higher Education	5,862,453
Other Education	99,870
<b><i>Special Appropriations</i></b>	<b><i>2,025,008</i></b>
<b>Statewide Total</b>	<b>38,895,521</b>



## Washington State

Bond Retirement/Interest	1,550,278
State Employee Comp Adj	350,457
Special Approps to Governor	74,403
Retirement Contributions	49,870
<b><i>Special Appropriations</i></b>	<b><i>2,025,008</i></b>

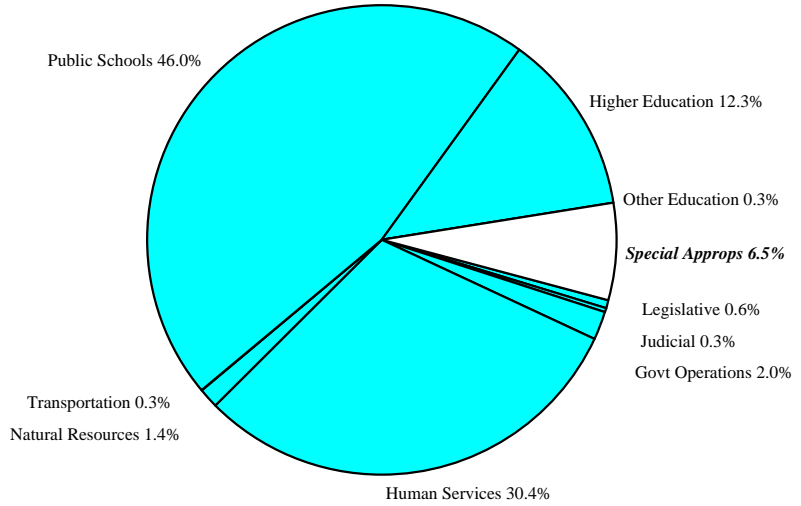


## *Special Appropriations*

**1999-01 Washington State Operating Budget  
General Fund-State**  
(Dollars in Thousands)

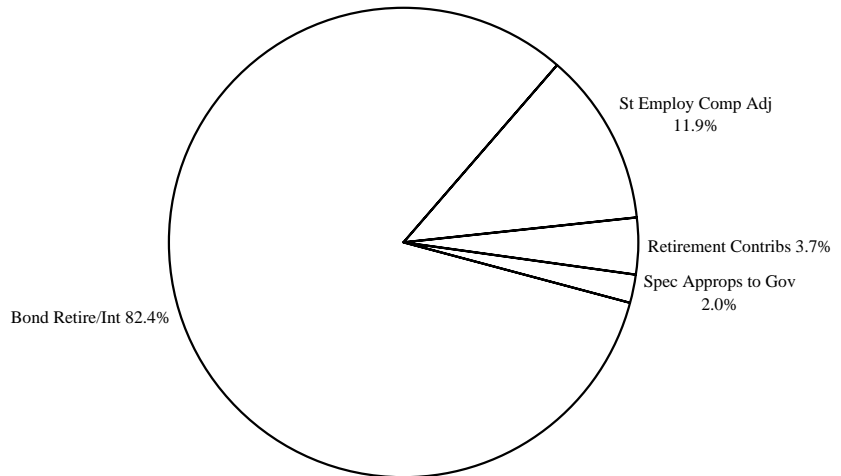
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Legislative	117,413
Judicial	62,060
Governmental Operations	403,375
Human Services	6,252,967
Natural Resources	282,072
Transportation	53,453
Public Schools	9,463,978
Higher Education	2,538,245
Other Education	52,930
<b><i>Special Appropriations</i></b>	<b><i>1,346,329</i></b>
<b>Statewide Total</b>	<b>20,572,822</b>



**Washington State**

Bond Retirement/Interest	1,108,747
State Employee Comp Adj	160,547
Retirement Contributions	49,870
Special Approps to Governor	27,165
<b><i>Special Appropriations</i></b>	<b><i>1,346,329</i></b>



***Special Appropriations***

**Bond Retirement & Interest**

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 Expenditure Authority</b>	<b>982,138</b>	<b>162,091</b>	<b>1,144,229</b>
1999 Supplemental *	-5,577	0	-5,577
<b>Total 1997-99 Biennium</b>	<b>976,561</b>	<b>162,091</b>	<b>1,138,652</b>
<b>1999-01 Maintenance Level</b>	<b>1,093,463</b>	<b>159,548</b>	<b>1,253,011</b>
<b>Policy Items</b>			
1. 1999-01 Capital Budget	15,284	544	15,828
<b>Total 1999-01 Biennium</b>	<b>1,108,747</b>	<b>160,092</b>	<b>1,268,839</b>
Fiscal Year 2000 Total	629,045	79,717	708,762
Fiscal Year 2001 Total	479,702	80,375	560,077

**Comments:**

1. 1999-01 CAPITAL BUDGET - Additional funds are provided to pay debt service and bond sale expenses for the 1999-01 capital budget.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Bond Retirement & Interest budget is shown in the Transportation Budget Section of this document.

\* Please see the 1999 Supplemental Operating Budget Section for additional information.

## Special Appropriations to the Governor

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 Expenditure Authority</b>	<b>29,830</b>	<b>34,185</b>	<b>64,015</b>
1999 Supplemental *	64,000	3,000	67,000
<b>Total 1997-99 Biennium</b>	<b>93,830</b>	<b>37,185</b>	<b>131,015</b>
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<b>1999-01 Maintenance Level</b>	<b>14,914</b>	<b>11,513</b>	<b>26,427</b>
<b>Policy Items</b>			
1. Collective Bargaining Bill	5,000	5,122	10,122
2. Year 2000 Pool/Projects	5,000	14,603	19,603
3. Tort Claims Revolving Account	-2,500	0	-2,500
4. Tort Defense Services	751	752	1,503
5. Fire Contingency Pool Carryforward	0	3,000	3,000
6. Salmon Recovery Account	9,000	13,538	22,538
7. Extraordinary Criminal Justice Cost	0	1,200	1,200
8. Agricultural Trust Management	0	2,632	2,632
9. Lapse: Collective Bargaining Bill	-5,000	-5,122	-10,122
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<b>Total 1999-01 Biennium</b>	<b>27,165</b>	<b>47,238</b>	<b>74,403</b>
Fiscal Year 2000 Total	20,182	27,799	47,981
Fiscal Year 2001 Total	6,983	19,439	26,422

**Comments:**

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| <p>1. COLLECTIVE BARGAINING BILL - To implement collective bargaining legislation (SB 5363), \$10.1 million was provided to upgrade or replace the existing payroll system in order to provide the state with sufficient information for the collective bargaining process. Because the bill was not enacted, this funding lapses (see item 9). (General Fund-State, Other Funds)</p> <p>2. YEAR 2000 POOL/PROJECTS - An allocation pool is created for agencies' Year 2000 (Y2K) projects and contingency funds for unplanned Y2K emergencies. (General Fund-State, Year 2000 Contingency Revolving Account, Various Other Funds)</p> <p>3. TORT CLAIMS REVOLVING ACCOUNT - Chapter 163, Laws of 1999 (SHB 2111), transfers the existing fund balance in the Tort Claims Revolving Account to the Liability Account, and requires that further liabilities for claims prior to 1990 be paid out of the Liability Account beginning July 1, 1999. Funding from the general fund and two dedicated accounts is no longer needed; therefore, it is removed. (General Fund-State)</p> <p>4. TORT DEFENSE SERVICES - An increase in funding is provided for allocation to agencies for Tort Defense Services. A total of \$6.5 million supports various agencies' expenses for Tort Defense Services from the Attorney General. (\$3.3 million General Fund-State, \$3.3 million Tort Defense Services Revolving Account)</p> <p>5. FIRE CONTINGENCY POOL CARRYFORWARD - Appropriation authority is continued for the \$3.0 million contingency pool created in the 1999 supplemental budget to address fire mobilization costs and emergency fire suppression costs in excess of the amounts appropriated to the Military Department and the Department of Natural Resources. (Disaster Response Account)</p> <p>6. SALMON RECOVERY ACCOUNT - Funds are transferred to the Salmon Recovery Account under Chapter 13, Laws of 1999, Partial Veto (E2SSB 5595). (General Fund-State, Water Quality Account, Aquatic Lands Enhancement Account, Resource Management Cost Account)</p> <p>7. EXTRAORDINARY CRIMINAL JUSTICE COST - Funding is provided for assistance to Okanogan County for extraordinary criminal justice costs incurred in the adjudication of an aggravated homicide case. (Public Safety and Education Account)</p> | <p>8. AGRICULTURAL TRUST MANAGEMENT - Funds are appropriated to the Agricultural College Trust Management Account, established by Chapter 279, Laws of 1999 (SSB 6090), for the management costs of agricultural college trust lands. (Resource Management Cost Account)</p> <p>9. LAPSE: COLLECTIVE BARGAINING BILL - Funds provided to upgrade or replace the existing payroll system under SSB 5363 will lapse because SSB 5363 failed to be enacted (see item 1). (General Fund-State, Other Funds)</p> <p>NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Special Appropriations to the Governor budget is shown in the Transportation Budget Section of this document.</p> <p>* Please see the 1999 Supplemental Operating Budget Section for additional information.</p> |
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## State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 Expenditure Authority</b>	<b>89,061</b>	<b>111,041</b>	<b>200,102</b>
1999 Supplemental *	-330	-374	-704
<b>Total 1997-99 Biennium</b>	<b>88,731</b>	<b>110,667</b>	<b>199,398</b>
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<b>1999-01 Maintenance Level</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Policy Items</b>			
1. State Employee Health Benefit Incr	40,020	44,421	84,441
2. State Employee Salary Increase	98,538	109,309	207,847
3. DSHS Pension Fund Source Adjustment	3,262	-3,262	0
4. Salary Reclass Implementation	13,086	26,298	39,384
5. Salary Survey for State Employees	5,610	14,460	20,070
6. Attorney Salary Increases	3,385	3,385	6,770
7. Pension Rate Savings	-3,524	-4,746	-8,270
8. Agency Officials' Salaries	108	42	150
9. HB 1023 TRS 3 Gain Sharing	62	3	65
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<b>Total 1999-01 Biennium</b>	<b>160,547</b>	<b>189,910</b>	<b>350,457</b>
Fiscal Year 2000 Total	54,459	66,625	121,084
Fiscal Year 2001 Total	106,088	123,285	229,373

### Comments:

1. STATE EMPLOYEE HEALTH BENEFIT INCR - Funding is provided for the increased costs of providing employee health benefits. The monthly employer funding rate for each employee for benefits and benefit administration is increased from the FY 1999 level of \$335.98 to \$388.02 in FY 2000 and \$423.57 in FY 2001. An additional \$3.13 for FY 2000 and \$3.89 for FY 2001 are provided for the costs of rebuilding reserves used to fund the settlement of a 1998 lawsuit and to pay for the 1999-01 costs of settling a lawsuit regarding life insurance funding. The funding rates assume the following: no contingency reserve; an increase in the average employee premium from the current level of \$14 per month to \$15.79 for calendar year (CY) 2000 and to \$16.89 for CY 2001; an increase in the subscriber pharmacy co-pay for multi-source drugs from the current \$20 to \$30 for a 100-day supply; and an increase in the explicit subsidy for Medicare-eligible retirees from the current \$43.16 per month to \$62.48 beginning January 1, 1999, and to \$69.98 beginning January 1, 2000. (General Fund State, General Fund Federal, Other Funds)
2. STATE EMPLOYEE SALARY INCREASE - Salary increases of 3 percent on July 1, 1999, and 3 percent on July 1, 2000, are provided to all state classified and exempt employees under the jurisdiction of the Washington Personnel Resources Board (WPRB). Funding is also included to provide average salary increases of 3 percent on the same dates to employees who are not under the jurisdiction of the WPRB, including Washington State Patrol commissioned officers, ferry workers, and judicial and legislative employees. (General Fund-State, General Fund-Federal, Other Funds)
3. DSHS PENSION FUND SOURCE ADJUSTMENT - The Department of Social and Health Services (DSHS) budget assumes that 71 percent of its compensation is paid from General Fund-State (GF-S) and 29 percent is paid from General Fund-Federal (GF-F) for purposes of calculating the cost of providing salary increases, health benefit increases, and pension rate savings. The actual FY 1998 fund split for DSHS compensation expenditures was about 50 percent GF-S and 50 percent GF-F. This item adjusts DSHS funding to reflect a 60 percent GF-S/40 percent GF-F fund split assumption for pension rate savings. The adjustments for DSHS salary increases and health benefit increases are included in the amounts provided for state employee salary increases and state employee health benefit increases. The additional pension savings for DSHS which result from changing the implementation date from September 1999 to July 1999 are included in item 7. (General Fund-State, General Fund-Federal)
4. SALARY RECLASS IMPLEMENTATION - Funding is provided for salary increases for the 26 classified job groups which have been recommended by the Washington Personnel Resources Board (WPRB) as the highest priorities for salary increases to address recruitment and retention and salary equity problems, and to recognize increased duties and responsibilities. The groups include, among others, various information technology classes, occupational and physical therapy classes, physicians, medical transcriptionists, psychiatric child care counselors, dieticians, developmental disability case resource managers, fisheries biometricians, and DOT job classes. The increases are provided as of July 1, 1999. (General Fund-State, General Fund-Federal, Other Funds)
5. SALARY SURVEY FOR STATE EMPLOYEES - WPRB conducts a comprehensive salary and fringe benefit survey for all classified personnel in the general government and higher education systems. Funding is provided to bring all job classes to within 25 percent of market rate, as identified by the 1998 salary survey, beginning July 1, 1999. (General Fund-State, General Fund-Federal, Other Funds)
6. ATTORNEY SALARY INCREASES - Funding is provided for the Attorney General's Office to provide salary increases for assistant attorneys general effective July 1, 1999, and July 1, 2000, to address recruitment and retention problems. (General Fund-State, Attorney General Salary Increase Revolving Fund)
7. PENSION RATE SAVINGS - State agency maintenance level budgets include funding for a 4.36 percent employer contribution to the Public Employees' Retirement System (PERS) effective September 1, 1999, as adopted by the Pension Funding Council. This is a reduction from the current PERS employer contribution rate of 7.32 percent. Funding for employer contributions to PERS are further reduced to reflect a July 1, 1999, implementation date for the new rates. This item reflects the net impact of the earlier implementation date and an increase of 0.05 percent in the contribution rate, as recommended by the Office of the State Actuary to adjust for the July implementation. (General Fund-State, General Fund-Federal, Pension Revolving Account)
8. AGENCY OFFICIALS' SALARIES - The Governor is provided a funding pool to implement salary increases, at his discretion and consistent with statute, for agency directors and various board members within the new ranges recommended by the State Committee on Agency Officials' Salaries. The combined average salary increases provided to agency directors from the funds in this item and the funds appropriated for cost-of-living increases must not exceed 3 percent beginning July 1, 1999, and 3 percent beginning July 1, 2000. (General Fund-State, Salary Increase Revolving Fund)

## State Employee Compensation Adjustments

9. HB 1023 TRS 3 GAIN SHARING - Funding is provided to state agencies for the 0.11 percent employer contribution rate increase for the Teachers' Retirement System (TRS) resulting from the enactment of Chapter 223, Laws of 1999 (HB 1023), which provides a technical fix for the 1998 TRS 3 gain-sharing legislation. (General Fund-State, General Fund-Federal)

\* Please see the 1999 Supplemental Operating Budget Section for additional information.

## Contributions to Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 Expenditure Authority</b>	<b>159,600</b>	<b>0</b>	<b>159,600</b>
1999 Supplemental *	-1,400	0	-1,400
<b>Total 1997-99 Biennium</b>	<b>158,200</b>	<b>0</b>	<b>158,200</b>
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<b>1999-01 Maintenance Level</b>	<b>59,570</b>	<b>0</b>	<b>59,570</b>
<b>Policy Items</b>			
1. July Rate Change	-9,700	0	-9,700
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<b>Total 1999-01 Biennium</b>	<b>49,870</b>	<b>0</b>	<b>49,870</b>
Fiscal Year 2000 Total	24,070	0	24,070
Fiscal Year 2001 Total	25,800	0	25,800

**Comments:**

1. JULY RATE CHANGE - The state contribution to the Law Enforcement Officers' and Fire Fighters' (LEOFF) retirement system is scheduled to change from the current rate of 9.21 percent of all LEOFF salaries to 2.33 percent of LEOFF Plan 2 salaries effective September 1, 1999, as adopted by the Pension Funding Council. This item adjusts the state's contribution to LEOFF to reflect a July 1, 1999, rate change.

\* Please see the 1999 Supplemental Operating Budget Section for additional information.