

2003 Supplemental Omnibus Operating Budget

2001-03 Estimated Revenues and Expenditures

General Fund-State

(Dollars in Millions)

Resources	
Beginning Fund Balance	599.1
March 2003 Revenue Forecast	21,163.0
Fund Transfers to General Fund	289.0
Tobacco Securitization	450.0
Transfer from Emergency Reserve Fund	325.0
Changes in Reserves and Other Adjustments	55.7
Total Resources (Revenue/Fund Balance)	22,881.8
Appropriations	
Biennial Appropriation *	22,451.5
2003 Supplemental and Adjustments to FY 2003 in 2003-05 Budget	130.9
Spending Level	22,582.4
Unrestricted General Fund Balance	
Projected Ending Fund Balance	299.3
Emergency Reserve Fund	
Beginning Fund Balance	462.1
Actual/Estimated Interest Earnings	15.5
Transfers and Appropriations	(420.0)
Projected Ending Fund Balance	57.6

* Not shown above are federal assistance funds appropriated to states pursuant to Public Law (PL) 108-27. Washington expects to receive a total of \$400.5 million from this source, \$390.5 million of which was appropriated in the 2001-03 biennium.

Washington State Omnibus Operating Budget

2001-03 Expenditure Authority

TOTAL STATE

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	2001-03	2003 Supp	Rev 2001-03	2001-03	2003 Supp	Rev 2001-03
Legislative	129,818	0	129,818	136,110	0	136,110
Judicial	73,294	2,212	75,506	140,864	2,217	143,081
Governmental Operations	383,769	-1,362	382,407	2,649,413	36,128	2,685,541
Other Human Services	1,234,610	19,787	1,254,397	3,538,947	-47,648	3,491,299
DSHS	6,126,587	90,898	6,217,485	15,437,738	-570,616	14,867,122
Natural Resources	315,637	17,738	333,375	1,102,464	28,068	1,130,532
Transportation	40,166	388	40,554	105,690	1,813	107,503
Total Education	12,640,369	36,554	12,676,923	18,054,276	100,679	18,154,955
Public Schools	9,854,332	36,765	9,891,097	11,503,685	100,890	11,604,575
Higher Education	2,731,564	-29	2,731,535	6,439,607	-29	6,439,578
Other Education	54,473	-182	54,291	110,984	-182	110,802
Special Appropriations	<u>1,506,841</u>	<u>-35,318</u>	<u>1,471,523</u>	<u>1,879,268</u>	<u>-44,900</u>	<u>1,834,368</u>
Total Budget Bill	22,451,091	130,897	22,581,988	43,044,770	-494,259	42,550,511
Appropriations in Other Legislation	<u>100</u>	<u>0</u>	<u>100</u>	<u>25,100</u>	<u>0</u>	<u>25,100</u>
Statewide Total	22,451,191	130,897	22,582,088	43,069,870	-494,259	42,575,611

Note: Includes all operating appropriations from both the Omnibus and Transportation Budgets enacted through the 2003 legislative session.

Washington State Omnibus Operating Budget

2001-03 Expenditure Authority

LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	2001-03	2003 Supp	Rev 2001-03	2001-03	2003 Supp	Rev 2001-03
House of Representatives	55,385	0	55,385	55,430	0	55,430
Senate	45,662	0	45,662	45,707	0	45,707
Jt Leg Audit & Review Committee	4,069	0	4,069	4,069	0	4,069
LEAP Committee	2,747	0	2,747	2,950	0	2,950
Office of the State Actuary	0	0	0	2,054	0	2,054
Joint Legislative Systems Comm	13,253	0	13,253	14,959	0	14,959
Statute Law Committee	7,826	0	7,826	10,065	0	10,065
Redistricting Commission	876	0	876	876	0	876
Total Legislative	129,818	0	129,818	136,110	0	136,110
Supreme Court	10,987	0	10,987	10,987	0	10,987
State Law Library	3,906	0	3,906	3,906	0	3,906
Court of Appeals	25,618	0	25,618	25,618	0	25,618
Commission on Judicial Conduct	1,895	0	1,895	1,895	0	1,895
Office of Administrator for Courts	30,288	2,042	32,330	85,514	2,042	87,556
Office of Public Defense	600	170	770	12,944	175	13,119
Total Judicial	73,294	2,212	75,506	140,864	2,217	143,081
Total Legislative/Judicial	203,112	2,212	205,324	276,974	2,217	279,191

Washington State Omnibus Operating Budget

2001-03 Expenditure Authority

GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	2001-03	2003 Supp	Rev 2001-03	2001-03	2003 Supp	Rev 2001-03
Office of the Governor	8,525	-58	8,467	12,652	-84	12,568
Office of the Lieutenant Governor	877	0	877	877	0	877
Public Disclosure Commission	3,756	0	3,756	3,756	0	3,756
Office of the Secretary of State	16,931	0	16,931	35,548	0	35,548
Governor's Office of Indian Affairs	543	5	548	543	5	548
Asian-Pacific-American Affrs	434	-17	417	434	-17	417
Office of the State Treasurer	0	0	0	12,870	0	12,870
Office of the State Auditor	1,952	0	1,952	43,984	0	43,984
Comm Salaries for Elected Officials	227	0	227	227	0	227
Office of the Attorney General	8,881	3	8,884	164,973	3	164,976
Caseload Forecast Council	1,231	0	1,231	1,231	0	1,231
Dept of Financial Institutions	0	0	0	24,392	0	24,392
Dept Community, Trade, Econ Dev	131,092	-476	130,616	354,566	28,147	382,713
Economic & Revenue Forecast Cncl	1,011	0	1,011	1,011	0	1,011
Office of Financial Management	24,964	-20	24,944	70,952	11,980	82,932
Office of Administrative Hearings	0	0	0	22,444	1,079	23,523
Department of Personnel	0	0	0	32,886	0	32,886
State Lottery Commission	0	0	0	812,320	0	812,320
Washington State Gambling Comm	0	0	0	29,353	0	29,353
WA State Comm on Hispanic Affairs	436	5	441	436	5	441
African-American Affairs Comm	418	5	423	418	5	423
Personnel Appeals Board	0	0	0	1,705	0	1,705
Department of Retirement Systems	0	0	0	53,244	0	53,244
State Investment Board	0	0	0	13,461	0	13,461
Department of Revenue	150,768	-830	149,938	161,068	-830	160,238
Board of Tax Appeals	2,200	0	2,200	2,200	0	2,200
Municipal Research Council	0	0	0	4,575	0	4,575
Minority & Women's Business Enterp	0	0	0	2,616	0	2,616
Dept of General Administration	1,204	-9	1,195	129,658	-9	129,649
Department of Information Services	0	0	0	207,397	0	207,397
Office of Insurance Commissioner	0	0	0	30,550	0	30,550
State Board of Accountancy	0	0	0	1,716	0	1,716
Forensic Investigations Council	0	0	0	276	0	276
Washington Horse Racing Commission	0	0	0	4,436	0	4,436
WA State Liquor Control Board	2,922	0	2,922	155,626	480	156,106
Utilities and Transportation Comm	0	0	0	30,829	0	30,829
Board for Volunteer Firefighters	0	0	0	569	0	569
Military Department	17,875	30	17,905	148,358	-4,636	143,722
Public Employment Relations Comm	4,564	0	4,564	4,564	0	4,564
Growth Management Hearings Board	2,958	0	2,958	2,958	0	2,958
State Convention and Trade Center	0	0	0	67,734	0	67,734
Total Governmental Operations	383,769	-1,362	382,407	2,649,413	36,128	2,685,541

Washington State Omnibus Operating Budget

2001-03 Expenditure Authority

HUMAN SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	2001-03	2003 Supp	Rev 2001-03	2001-03	2003 Supp	Rev 2001-03
WA State Health Care Authority	6,655	0	6,655	722,545	-58,132	664,413
Human Rights Commission	5,307	-136	5,171	6,951	114	7,065
Bd of Industrial Insurance Appeals	0	0	0	29,619	0	29,619
Criminal Justice Training Comm	0	0	0	18,756	0	18,756
Department of Labor and Industries	11,094	0	11,094	463,701	-6,173	457,528
Indeterminate Sentence Review Board	1,968	0	1,968	1,968	0	1,968
Home Care Quality Authority	152	19	171	152	19	171
Department of Health	112,277	-95	112,182	653,217	-3,734	649,483
Department of Veterans' Affairs	19,590	554	20,144	71,918	226	72,144
Department of Corrections	1,072,559	19,451	1,092,010	1,110,323	20,245	1,130,568
Dept of Services for the Blind	3,240	-6	3,234	17,756	537	18,293
Sentencing Guidelines Commission	1,768	0	1,768	1,768	0	1,768
Department of Employment Security	0	0	0	440,273	-750	439,523
Total Other Human Services	1,234,610	19,787	1,254,397	3,538,947	-47,648	3,491,299

Washington State Omnibus Operating Budget

2001-03 Expenditure Authority

DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	2001-03	2003 Supp	Rev 2001-03	2001-03	2003 Supp	Rev 2001-03
Children and Family Services	456,146	0	456,146	832,552	6,733	839,285
Juvenile Rehabilitation	162,258	-826	161,432	230,853	-984	229,869
Mental Health	583,737	11,546	595,283	1,147,254	9,761	1,157,015
Developmental Disabilities	629,106	-1,659	627,447	1,207,851	-4,282	1,203,569
Long-Term Care	1,019,137	522	1,019,659	2,088,762	314	2,089,076
Economic Services Administration	837,958	11,998	849,956	2,231,343	16,314	2,247,657
Alcohol & Substance Abuse	72,873	-474	72,399	230,878	-484	230,394
Medical Assistance Payments	2,205,908	67,406	2,273,314	7,151,576	-601,345	6,550,231
Vocational Rehabilitation	20,520	-14	20,506	103,115	-64	103,051
Administration/Support Svcs	52,838	2,399	55,237	100,783	3,421	104,204
Payments to Other Agencies	86,106	0	86,106	112,771	0	112,771
Total DSHS	6,126,587	90,898	6,217,485	15,437,738	-570,616	14,867,122
Total Human Services	7,361,197	110,685	7,471,882	18,976,685	-618,264	18,358,421

Washington State Omnibus Operating Budget

2001-03 Expenditure Authority

NATURAL RESOURCES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	2001-03	2003 Supp	Rev 2001-03	2001-03	2003 Supp	Rev 2001-03
Columbia River Gorge Commission	777	0	777	1,526	0	1,526
Department of Ecology	73,687	-58	73,629	320,271	-39	320,232
WA Pollution Liab Insurance Program	0	0	0	2,150	0	2,150
State Parks and Recreation Comm	62,538	-8	62,530	99,285	532	99,817
Interagency Comm for Outdoor Rec	323	0	323	14,270	0	14,270
Environmental Hearings Office	1,668	0	1,668	1,668	0	1,668
State Conservation Commission	4,272	0	4,272	7,770	0	7,770
Dept of Fish and Wildlife	90,709	-6	90,703	287,586	444	288,030
Department of Natural Resources	66,414	17,867	84,281	276,766	27,396	304,162
Department of Agriculture	15,249	-57	15,192	91,172	-265	90,907
Total Natural Resources	315,637	17,738	333,375	1,102,464	28,068	1,130,532

Washington State Omnibus Operating Budget

2001-03 Expenditure Authority

TRANSPORTATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>2001-03</u>	<u>2003 Supp</u>	<u>Rev 2001-03</u>	<u>2001-03</u>	<u>2003 Supp</u>	<u>Rev 2001-03</u>
Washington State Patrol	29,500	338	29,838	71,397	1,669	73,066
Department of Licensing	<u>10,666</u>	<u>50</u>	<u>10,716</u>	<u>34,293</u>	<u>144</u>	<u>34,437</u>
Total Transportation	40,166	388	40,554	105,690	1,813	107,503

Washington State Omnibus Operating Budget

2001-03 Expenditure Authority

EDUCATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	2001-03	2003 Supp	Rev 2001-03	2001-03	2003 Supp	Rev 2001-03
OSPI & Statewide Programs	51,480	0	51,480	192,176	17,195	209,371
General Apportionment	7,498,021	16,692	7,514,713	7,498,021	16,692	7,514,713
Pupil Transportation	385,695	18,726	404,421	385,695	18,726	404,421
School Food Services	6,200	0	6,200	296,387	10,805	307,192
Special Education	828,926	1,502	830,428	1,085,333	40,110	1,125,443
Traffic Safety Education	4,277	1	4,278	4,277	1	4,278
Educational Service Districts	9,328	0	9,328	9,328	0	9,328
Levy Equalization	295,863	857	296,720	295,863	857	296,720
Elementary/Secondary School Improv	0	0	0	201,737	-2,077	199,660
Institutional Education	37,731	-814	36,917	46,279	-814	45,465
Ed of Highly Capable Students	12,699	17	12,716	12,699	17	12,716
Student Achievement Program	0	0	0	391,149	64	391,213
Education Reform	67,030	119	67,149	128,101	119	128,220
Transitional Bilingual Instruction	87,501	-592	86,909	107,781	-1,117	106,664
Learning Assistance Program (LAP)	135,956	-633	135,323	266,587	-633	265,954
Block Grants	23,204	-9	23,195	23,204	-9	23,195
State Flexible Education Funds	20,612	0	20,612	20,612	0	20,612
Better Schools Program	8,996	0	8,996	8,996	0	8,996
Compensation Adjustments	380,813	899	381,712	381,004	954	381,958
Common School Construction	0	0	0	148,456	0	148,456
Total Public Schools	9,854,332	36,765	9,891,097	11,503,685	100,890	11,604,575

Washington State Omnibus Operating Budget

2001-03 Expenditure Authority

PUBLIC SCHOOLS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	2001-03	2003 Supp	Rev 2001-03	2001-03	2003 Supp	Rev 2001-03
Higher Education Coordinating Board	264,158	-29	264,129	279,943	-29	279,914
University of Washington	679,674	0	679,674	2,925,540	0	2,925,540
Washington State University	395,169	0	395,169	817,324	0	817,324
Eastern Washington University	89,241	0	89,241	162,729	0	162,729
Central Washington University	85,572	0	85,572	175,149	0	175,149
The Evergreen State College	49,513	0	49,513	88,824	0	88,824
Spokane Intercollegiate & Tech Inst	2,896	0	2,896	4,223	0	4,223
Western Washington University	117,700	0	117,700	235,470	0	235,470
Community/Technical College System	1,047,641	0	1,047,641	1,750,405	0	1,750,405
Total Higher Education	2,731,564	-29	2,731,535	6,439,607	-29	6,439,578
State School for the Blind	9,174	0	9,174	10,428	0	10,428
State School for the Deaf	15,146	-53	15,093	15,378	-53	15,325
Work Force Training & Education Coord Board	3,395	-4	3,391	48,881	-4	48,877
State Library	12,000	0	12,000	18,976	0	18,976
Washington State Arts Commission	5,661	0	5,661	6,664	0	6,664
Washington State Historical Society	5,934	-83	5,851	7,494	-83	7,411
East Washington State Historical Society	3,163	-42	3,121	3,163	-42	3,121
Total Other Education	54,473	-182	54,291	110,984	-182	110,802
Total Education	12,640,369	36,554	12,676,923	18,054,276	100,679	18,154,955

Washington State Omnibus Operating Budget

2001-03 Expenditure Authority

SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	2001-03	2003 Supp	Rev 2001-03	2001-03	2003 Supp	Rev 2001-03
Bond Retirement and Interest	1,251,110	-40,040	1,211,070	1,432,580	-49,638	1,382,942
Special Approps to the Governor	107,369	4,000	111,369	204,773	4,000	208,773
Sundry Claims	274	490	764	279	506	785
State Employee Compensation Adjust	103,943	0	103,943	197,491	0	197,491
Contributions to Retirement Systems	44,145	232	44,377	44,145	232	44,377
Total Budget Bill	1,506,841	-35,318	1,471,523	1,879,268	-44,900	1,834,368
Appropriations in Other Legislation	100	0	100	25,100	0	25,100
Total Special Appropriations	1,506,941	-35,318	1,471,623	1,904,368	-44,900	1,859,468

2001-03 Washington State Omnibus Operating Budget
2003 Supplemental Budget
Chapter 10, Laws of 2003, Partial Veto (SSB 5403)
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Judicial			
Office of the Administrator for the Courts			
1. Superior Court Judges' Benefits	2,042	0	2,042
Office of Public Defense			
2. Dependency and Termination	170	5	175
Total Judicial	<u>2,212</u>	<u>5</u>	<u>2,217</u>
Governmental Operations			
Office of the Governor			
3. 2003 Supplemental FTE Reduction	-58	-26	-84
Governor's Office of Indian Affairs			
4. Collocation of Offices	5	0	5
Comm on Asian-Pacific-American Affairs			
5. Collocation of Office	5	0	5
6. Adjustment for Actual Underspending	-22	0	-22
Total	<u>-17</u>	<u>0</u>	<u>-17</u>
Office of the Attorney General			
7. Tort Defense County Prosecutors	12	0	12
8. 2003 Supplemental FTE Reduction	-9	0	-9
Total	<u>3</u>	<u>0</u>	<u>3</u>
Dept of Community, Trade, & Economic Development			
9. Federal Authority Level Increase	0	28,623	28,623
10. 2003 Supplemental FTE Reduction	-476	0	-476
Total	<u>-476</u>	<u>28,623</u>	<u>28,147</u>
Office of Financial Management			
11. Increased Federal Authority	0	12,000	12,000
12. 2003 Supplemental FTE Reduction	-20	0	-20
Total	<u>-20</u>	<u>12,000</u>	<u>11,980</u>
Office of Administrative Hearings			
13. 2003 Unemployment Caseload Increase	0	1,079	1,079
WA State Commission on Hispanic Affairs			
14. Collocation of Office	5	0	5
WA State Comm on African-American Affairs			
15. Collocation of Office	5	0	5
Department of Revenue			
16. Property Tax Deferral Payments	-380	0	-380
17. 2003 Supplemental FTE Reduction	-450	0	-450
Total	<u>-830</u>	<u>0</u>	<u>-830</u>

2001-03 Washington State Omnibus Operating Budget
2003 Supplemental Budget
Chapter 10, Laws of 2003, Partial Veto (SSB 5403)
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Department of General Administration			
18. 2003 Supplemental FTE Reduction	-9	0	-9
Washington State Liquor Control Board			
19. Distribution Center Costs	0	480	480
Military Department			
20. Nisqually Earthquake Adjustment	0	-6,414	-6,414
21. Disaster Response Adjustment	0	-3,891	-3,891
22. Federal Funding Adjustment	0	3,996	3,996
23. Flood Lawsuit Defense Costs	0	145	145
24. National Guard Activation Costs	30	0	30
25. Homeland Security	0	1,498	1,498
Total	30	-4,666	-4,636
Total Governmental Operations	<u>-1,362</u>	<u>37,490</u>	<u>36,128</u>

DSHS

Children and Family Services

26. Mandatory Caseload Changes	3,661	744	4,405
27. Centennial Building Lease Savings	132	44	176
28. Postage	58	21	79
29. Administrative Reductions	-56	-18	-74
30. Cost Allocation/Incr Fed Revenue	-7,556	7,556	0
31. Foster Parent Training	271	100	371
32. DD Parent Participation	690	122	812
33. 2003 Supplemental FTE Reduction	-904	-1,836	-2,740
34. Adoption Tax Credit	-100	0	-100
35. Governor Veto	3,804	0	3,804
Total	0	6,733	6,733

Juvenile Rehabilitation

36. Mandatory Workload Changes	-763	-154	-917
37. Centennial Building Lease Savings	20	0	20
38. Postage	7	0	7
39. Administrative Reductions	-90	-4	-94
Total	-826	-158	-984

Mental Health

40. Mandatory Workload Changes	672	178	850
41. Mandatory Caseload Changes	2,341	2,350	4,691
42. Balanced Budget Act Implementation	500	500	1,000
43. Special Commitment Ctr Legal Fees	392	0	392
44. Postage	6	1	7
45. Increase DSH	5,778	-5,778	0
46. Administrative Reductions	-194	-71	-265
47. HIPAA Standard Transactions	928	928	1,856
48. Marr Lawsuit	1,123	107	1,230
Total	11,546	-1,785	9,761

2001-03 Washington State Omnibus Operating Budget
2003 Supplemental Budget
Chapter 10, Laws of 2003, Partial Veto (SSB 5403)
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Developmental Disabilities			
49. Mandatory Caseload Changes	-363	-363	-726
50. State Supplemental Payments	156	157	313
51. SSI Client Contributions	153	0	153
52. Postage	12	11	23
53. Administrative Reductions	-222	-109	-331
54. Olmstead Placement Reversal	-192	-124	-316
55. Audit Responses	143	96	239
56. Headquarters Overspending	934	709	1,643
57. Reduce funding for Arc Settlement	-3,000	-3,000	-6,000
58. DD Parent Participation	720	0	720
Total	<u>-1,659</u>	<u>-2,623</u>	<u>-4,282</u>
Long-Term Care			
59. Mandatory Caseload Changes	6,016	5,816	11,832
60. Centennial Building Lease Savings	36	35	71
61. SSI Client Contributions	218	34	252
62. Basic Health Plan	35	1,116	1,151
63. Home Care Worker Wage	-2,927	-2,945	-5,872
64. Postage	16	15	31
65. 2003 Supplemental FTE Reduction	-91	-146	-237
66. Administrative Reductions	-411	-154	-565
67. Forecast Cost/Utilization	-2,762	-4,359	-7,121
68. Abuse Prevention	0	772	772
69. Adult Family Homes Licensing Fee	392	-392	0
Total	<u>522</u>	<u>-208</u>	<u>314</u>
Economic Services Administration			
70. Mandatory Caseload Changes	10,574	3,436	14,010
71. Centennial Building Lease Savings	215	207	422
72. Increase Incapacity Exams	1,469	301	1,770
73. Banking Fees	105	204	309
74. IRS Intercept Program Costs	31	61	92
75. Food Assistance Program	2,820	0	2,820
76. Postage	242	268	510
77. Administrative Reductions	-1,822	-416	-2,238
78. 2003 Supplemental FTE Reduction	-1,947	0	-1,947
79. Improved Eligibility Verification	311	255	566
Total	<u>11,998</u>	<u>4,316</u>	<u>16,314</u>
Alcohol and Substance Abuse			
80. Postage	8	2	10
81. Administrative Reductions	-455	-12	-467
82. 2003 Supplemental FTE Reduction	-27	0	-27
Total	<u>-474</u>	<u>-10</u>	<u>-484</u>
Medical Assistance Payments			
83. Mandatory Workload Changes	0	478	478
84. Mandatory Caseload Changes	8,189	26,301	34,490

2001-03 Washington State Omnibus Operating Budget
2003 Supplemental Budget
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	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Medical Assistance Payments (continued)			
85. Program Transfers	887	1,938	2,825
86. MMIS Procurement	21	189	210
87. ProShare & UPL Adjustments	0	-731,888	-731,888
88. Postage	23	41	64
89. Utilization Changes	56,752	23,686	80,438
90. Administrative Reductions	-1,200	-2,116	-3,316
91. Trauma Assistance	5,600	6,100	11,700
92. HIPAA Standard Transactions	454	3,633	4,087
93. DSH Disallowance	6,892	-6,892	0
94. 2003 Supplemental FTE Reduction	-99	-224	-323
95. Immigrant Prenatal Care	-10,113	10,113	0
96. Improved Eligibility Verification	0	-110	-110
Total	<u>67,406</u>	<u>-668,751</u>	<u>-601,345</u>
Vocational Rehabilitation			
97. Centennial Building Lease Savings	25	0	25
98. Postage	8	0	8
99. Administrative Reductions	-47	-50	-97
Total	<u>-14</u>	<u>-50</u>	<u>-64</u>
Administration and Supporting Services			
100. Program Transfers	-887	-1,938	-2,825
101. Centennial Building Lease Savings	3	1	4
102. Postage	24	10	34
103. Administrative Reductions	4,497	2,950	7,447
104. HIPAA Standard Transactions	100	100	200
105. 2003 Supplemental FTE Reduction	-1,368	-111	-1,479
106. SSP Coordination	30	10	40
Total	<u>2,399</u>	<u>1,022</u>	<u>3,421</u>
Total DSHS	<u>90,898</u>	<u>-661,514</u>	<u>-570,616</u>
Other Human Services			
Washington State Health Care Authority			
107. Technical Correction	0	0	0
108. Defer Basic Health Expansion	0	-28,556	-28,556
109. Increased Income Verification	0	288	288
110. Basic Health Enrollment Management	0	-27,524	-27,524
111. Transfer for Insurance Sys. Project	0	-2,200	-2,200
112. 2003 Supplemental FTE Reduction	0	-140	-140
Total	<u>0</u>	<u>-58,132</u>	<u>-58,132</u>
Human Rights Commission			
113. Capture State Savings to Date	-136	250	114
Department of Labor and Industries			
114. Adjust CVC Projection	0	-1,173	-1,173

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	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Department of Labor and Industries (continued)			
115. Safety & Health Impact Grant Prog	0	-5,000	-5,000
Total	<u>0</u>	<u>-6,173</u>	<u>-6,173</u>
Home Care Quality Authority			
116. Labor Negotiator	19	0	19
Department of Health			
117. Operator Cert. Fee Authority	0	121	121
118. Federal Vaccine Purchases	0	-5,060	-5,060
119. Private/Local Expenditure Authority	0	1,300	1,300
120. 2003 Supplemental FTE Reduction	-95	0	-95
Total	<u>-95</u>	<u>-3,639</u>	<u>-3,734</u>
Department of Veterans' Affairs			
121. New MicroSoft Licensing Fee Imposed	103	0	103
122. Workers Compensation Changes	123	0	123
123. Updated Revenue Forecast	328	-328	0
Total	<u>554</u>	<u>-328</u>	<u>226</u>
Department of Corrections			
124. Utility Rate Adjustments	1,324	0	1,324
125. Federal Fund Transfer	-794	794	0
126. Health Care Inflation	1,880	0	1,880
127. Kent Office Fire	280	0	280
128. Legal Mandates	77	0	77
129. Rate Increases	222	0	222
130. Regulatory Compliance	140	0	140
131. Workload Increase	20,268	0	20,268
132. 2003 Supplemental FTE Reduction	-696	0	-696
133. Delay OMNI Phase II Modifications	-3,250	0	-3,250
Total	<u>19,451</u>	<u>794</u>	<u>20,245</u>
Department of Services for the Blind			
134. 2003 Supplemental FTE Reduction	-6	0	-6
135. Federal Funds Adjustment	0	543	543
Total	<u>-6</u>	<u>543</u>	<u>537</u>
Department of Employment Security			
136. Technical Correction	0	-750	-750
Total Other Human Services	<u><u>19,787</u></u>	<u><u>-67,435</u></u>	<u><u>-47,648</u></u>
Natural Resources			
Department of Ecology			
137. Loan Tracking System	0	28	28
138. 2003 Supplemental FTE Reduction	-58	-9	-67
Total	<u>-58</u>	<u>19</u>	<u>-39</u>

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	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
State Parks and Recreation Commission			
139. Parking Fee Implementation	0	540	540
140. Firefighting at Steamboat Rock	16	0	16
141. 2003 Supplemental FTE Reduction	-24	0	-24
Total	-8	540	532
Department of Fish and Wildlife			
142. 2002-03 Winter Feeding	0	200	200
143. Federal Spending Authority	0	0	0
144. Spartina Weed Control	0	233	233
145. Fish Food Cost Increase	35	17	52
146. 2003 Supplemental FTE Reduction	-41	0	-41
Total	-6	450	444
Department of Natural Resources			
147. 2003 Supplemental FTE Reduction	-29	-2	-31
148. Fire Suppression	17,896	9,331	27,227
149. Derelict Vessel Removal	0	200	200
Total	17,867	9,529	27,396
Department of Agriculture			
150. Pesticide Strategy Reduction	0	-225	-225
151. 2003 Supplemental FTE Reduction	-57	0	-57
152. State Toxics Reduction	0	-416	-416
153. Governor Veto	0	433	433
Total	-57	-208	-265
Total Natural Resources	17,738	10,330	28,068
Transportation			
Washington State Patrol			
154. Administrative Fee Recovery	0	712	712
155. Federal Spending Authority	0	640	640
156. DNA Kits	375	0	375
157. 2003 Supplemental FTE Reduction	-37	-21	-58
Total	338	1,331	1,669
Department of Licensing			
158. Credit Card Costs	40	0	40
159. Lease Rate Adjustments	43	94	137
160. 2003 Supplemental FTE Reduction	-33	0	-33
Total	50	94	144
Total Transportation	388	1,425	1,813

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	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Public Schools			
OSPI & Statewide Programs			
161. Federal and Other Funds Update	0	17,195	17,195
General Apportionment			
162. Enrollment and Workload Adjustments	16,692	0	16,692
Pupil Transportation			
163. Enrollment and Workload Adjustments	18,726	0	18,726
School Food Services			
164. Federal and Other Funds Update	0	10,805	10,805
Special Education			
165. Federal and Other Funds Update	0	37,640	37,640
166. Enrollment and Workload Adjustments	1,502	968	2,470
Total	1,502	38,608	40,110
Traffic Safety Education			
167. Enrollment and Workload Adjustments	1	0	1
Levy Equalization			
168. Levy Equalization Update	857	0	857
Elementary & Secondary School Improvement			
169. Federal and Other Funds Update	0	-2,077	-2,077
Institutional Education			
170. Enrollment and Workload Adjustments	-814	0	-814
Education of Highly Capable Students			
171. Enrollment and Workload Adjustments	17	0	17
Student Achievement Program			
172. Enrollment and Workload Adjustments	0	64	64
Education Reform			
173. Enrollment and Workload Adjustments	119	0	119
Transitional Bilingual Instruction			
174. Federal and Other Funds Update	0	-525	-525
175. Enrollment and Workload Adjustments	-592	0	-592
Total	-592	-525	-1,117
Learning Assistance Program (LAP)			
176. Enrollment and Workload Adjustments	-633	0	-633
Block Grants			
177. Enrollment and Workload Adjustments	-9	0	-9

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	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
Compensation Adjustments			
178. Enrollment and Workload Adjustments	899	55	954
Total Public Schools	<u>36,765</u>	<u>64,125</u>	<u>100,890</u>
Higher Education			
Higher Education Coordinating Board			
179. Staff Reduction & Efficiencies	-29	0	-29
Total Higher Education	<u>-29</u>	<u>0</u>	<u>-29</u>
Other Education			
State School for the Deaf			
180. 2003 Supplemental FTE Reduction	-53	0	-53
Work Force Training & Education Coordinating Board			
181. Staff Reduction & Efficiencies	-4	0	-4
Washington State Historical Society			
182. Acq & Maint Historic Collection	-8	0	-8
183. Agency Administration	-23	0	-23
184. Community Outreach Activities	-6	0	-6
185. Historical Education	-9	0	-9
186. Museum Op & Facilities Maintenance	-13	0	-13
187. State Historical Exhibits	-24	0	-24
Total	<u>-83</u>	<u>0</u>	<u>-83</u>
Eastern Washington State Historical Society			
188. Maintain Cultural/Art/Hist Collect	-3	0	-3
189. Agency Administration	-8	0	-8
190. Museum Operations, Maint & Exhibits	-31	0	-31
Total	<u>-42</u>	<u>0</u>	<u>-42</u>
Total Other Education	<u>-182</u>	<u>0</u>	<u>-182</u>
Special Appropriations			
Bond Retirement and Interest			
191. Supplemental 2003	-40,040	-9,598	-49,638
Special Approps to the Governor			
192. FTE Reduction Contingency Pool	1,000	0	1,000
193. Liability Account	3,000	0	3,000
194. Reduce Travel, Equipment, Contracts	-6,000	-6,000	-12,000
195. Emergency Travel, Equipment, etc.	1,000	1,000	2,000
196. Governor Veto	5,000	5,000	10,000
Total	<u>4,000</u>	<u>0</u>	<u>4,000</u>

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	GF-S	Other	Total
Sundry Claims			
197. Self-Defense Claims	33	0	33
198. State Employee Death Benefit	450	0	450
199. Deer and Elk Damage Claims	0	16	16
200. RCW 27.44.040(1) Claims	7	0	7
Total	490	16	506
Contributions to Retirement Systems			
201. FY 2003 Spending Level	232	0	232
Total Special Appropriations	-35,318	-9,582	-44,900
Total 2003 Supplemental	130,897	-625,156	-494,259

Comments:

Office of the Administrator for the Courts

1. SUPERIOR COURT JUDGES' BENEFITS - Funding is provided pursuant to a recent Thurston County Superior Court decision that requires the state to reimburse counties for 100 percent of Superior Court judges' benefits. The agency will reimburse all counties for amounts paid during FY 2002, as well as pay 100 percent of the Superior Court judges' benefits in FY 2003.

Office of Public Defense

2. DEPENDENCY AND TERMINATION - Funding is provided to continue the Dependency and Termination Program, currently underway in Benton, Franklin, and Pierce Counties. The agency has since secured some grant funding and providing \$170,000 in additional state funds will allow the program to continue through the end of the 2001-03 biennium. (General Fund-State, General Fund-Local)

Office of the Governor

3. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act. (General Fund-State, Water Quality Account-State)

Governor's Office of Indian Affairs

4. COLLOCATION OF OFFICES - One-time funding is provided to collocate the Governor's Office of Indian Affairs with the Commissions on Asian-Pacific-American Affairs, African-American Affairs, and Hispanic Affairs.

Comm on Asian-Pacific-American Affairs

5. COLLOCATION OF OFFICE - One-time funding is provided to collocate the Governor's Office of Indian Affairs with the Commissions on Asian-Pacific-American Affairs, African-American Affairs, and Hispanic Affairs.
6. ADJUSTMENT FOR ACTUAL UNDERSPENDING - Appropriation authority is reduced to reflect actual expenditures.

Office of the Attorney General

7. TORT DEFENSE COUNTY PROSECUTORS - Funding is provided for the payment of ongoing tort defense costs related to county prosecutor actions.
8. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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Dept of Community, Trade, & Economic Development

9. FEDERAL AUTHORITY LEVEL INCREASE - Congress has increased federal appropriations for the Low-Income Home Energy Assistance Program (LIHEAP). LIHEAP provides payments to utility companies on behalf of low-income households that cannot afford to pay their energy bills. (General Fund-Federal)
10. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

Office of Financial Management

11. INCREASED FEDERAL AUTHORITY - Congress has increased the federal appropriation for the AmeriCorps Program, which supports the Washington Reading Corps, the Washington Conservation Corps, and various other programs designed to benefit the citizens of Washington State. Federal funding is also provided for National Criminal History projects. (General Fund-Federal)
12. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

Office of Administrative Hearings

13. 2003 UNEMPLOYMENT CASELOAD INCREASE - The unemployment caseload continues to increase due to economic conditions in the state of Washington. The Employment Security Department will pay the Office of Administrative Hearings for the increase in hearings from federal funds. (Administrative Hearings Revolving Account-State)

WA State Commission on Hispanic Affairs

14. COLLOCATION OF OFFICE - One-time funding is provided to collocate the Governor's Office of Indian Affairs with the Commissions on Asian-Pacific-American Affairs, African-American Affairs, and Hispanic Affairs.

WA State Comm on African-American Affairs

15. COLLOCATION OF OFFICE - One-time funding is provided to collocate the Governor's Office of Indian Affairs with the Commissions on Asian-Pacific-American Affairs, African-American Affairs, and Hispanic Affairs.

Department of Revenue

16. PROPERTY TAX DEFERRAL PAYMENTS - The number of applications for the Property Tax Deferral Program has been declining, resulting in lower expenditures. The Department of Revenue expects this change to have an ongoing impact on the program.
17. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

Department of General Administration

18. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

Washington State Liquor Control Board

19. DISTRIBUTION CENTER COSTS - Additional expenditure authority is provided for staffing in order to accommodate increased sales volumes. (Liquor Revolving Account-State)

Military Department

20. NISQUALLY EARTHQUAKE ADJUSTMENT - Funding is adjusted to reflect the most recent estimates available to repair damages caused by the 2001 Nisqually Earthquake. The adjustment is based on estimates produced by the Department in January 2003. (Nisqually Earthquake Account-State, Nisqually Earthquake Account-Federal)
21. DISASTER RESPONSE ADJUSTMENT - Funding is adjusted to reflect the most recent estimates available to repair damages caused by floods and other disasters in the mid-1990s. The adjustment is based on estimates produced by the Department in January 2003. (Disaster Response Account-State, Disaster Response Account-Federal)

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Military Department (continued)

22. FEDERAL FUNDING ADJUSTMENT - Funding is adjusted to reflect increased federal support for operations, maintenance, environmental management, electronic and physical security, and telecommunications support by the National Guard Bureau. (General Fund-Federal)
23. FLOOD LAWSUIT DEFENSE COSTS - One-time funding is provided for lawsuit defense costs related to 1996 Nisqually River floods. (Disaster Response Account-State)
24. NATIONAL GUARD ACTIVATION COSTS - One-time funding is provided for the medical costs of a National Guard member related to fighting fires while on state active duty, as required under RCW 38.40.030.
25. HOMELAND SECURITY - The Federal Emergency Management Agency (FEMA) has awarded \$2.5 million to Washington for homeland security purposes. Of that amount, FEMA has earmarked \$1.6 million for local jurisdictions; \$0.4 million for the Citizen Corps and Community Emergency Response Teams; \$50,000 to conduct assessments of state and local Emergency Operation Centers; and \$0.3 million for terrorism consequence management. Of the remaining \$0.2 million, the Military Department will retain \$0.1 million for administration of the grant, and \$0.1 million is available to state agencies on a competitive basis for homeland security preparedness. No state match is required for this grant award. Funding is provided for the portion of the award the Department expects to spend during FY 2003. (General Fund-Federal)

DSHS -- Children and Family Services

26. MANDATORY CASELOAD CHANGES - Funding is provided for workload increases based on the February 2002 caseload forecast adopted by the Caseload Forecast Council and the expenditure forecast projected by the Department of Social and Health Services (DSHS) Office of Forecasting and Policy Analysis for the Adoption and Foster Care Programs. (General Fund-State, General Fund-Federal)
27. CENTENNIAL BUILDING LEASE SAVINGS - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur; therefore, funding to support existing Centennial Building leases is restored. (General Fund-State, General Fund-Federal)
28. POSTAGE - Funding is provided for the increase in postage rates from \$0.34 to \$0.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)
29. ADMINISTRATIVE REDUCTIONS - Administrative reductions made in the 2002 supplemental budget are distributed to all programs within DSHS. (General Fund-State, General Fund-Federal)
30. COST ALLOCATION/INCR FED REVENUE - FY 2003 federal earnings for the Division of Children and Family Services Direct Social Services through December exceed the level anticipated in the budget. This adjustment assumes that the Department's successful initiative to improve federal earnings continues for the rest of the fiscal year. (General Fund-State, General Fund-Federal)
31. FOSTER PARENT TRAINING - The amount of \$371,000 and 4.5 FTEs are provided to meet the requirements of Section IV, the unsafe placements provision, of the Braam lawsuit injunction. Although the remaining sections of the lawsuit were stayed, pending appeal to the Washington State Supreme Court, unsafe placements was not. As a result, in August 2002, DSHS began providing specialized training for foster parents and staff on sexually-aggressive and physically-assaultive youth. (General Fund-State, General Fund-Federal)
32. DD PARENT PARTICIPATION - Funding was reduced in the 2002 supplemental budget, anticipating that legislation needed to authorize the Division of Child Support to assess and collect child support from parents of children with developmental disabilities (DD) would pass. That legislation was not enacted; therefore, funding is restored. (General Fund-State, General Fund-Federal)
33. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act. (General Fund-State, General Fund-Federal)

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DSHS -- Children and Family Services (continued)

34. **ADOPTION TAX CREDIT** - The Governor's proposed 2003-05 budget includes a savings in the Adoption Support Program based on negotiating lower adoption support payments in recognition of the new \$10,000 federal income tax credit available to families who adopt a child. This reduction assumes that the Department implements that proposed policy beginning in April 2003.
35. **GOVERNOR VETO** - The Governor vetoed a portion of Section 202 of Chapter 10, Laws of 2003, Partial Veto (SSB 5403), which restores \$3.804 million General Fund-State funding in FY 2003 for the Children's Administration.

DSHS -- Juvenile Rehabilitation

36. **MANDATORY WORKLOAD CHANGES** - Funding is adjusted to reflect the February 2003 caseload forecast adopted by the Caseload Forecast Council, which assumes that 83 fewer juvenile offenders will require residential services in FY 2003 than were previously budgeted. Adjustments also reflect projected changes in parole, diagnostics, and additional suicide prevention watches. (General Fund-State, General Fund-Federal)
37. **CENTENNIAL BUILDING LEASE SAVINGS** - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur; therefore, funding to support existing Centennial Building leases is restored.
38. **POSTAGE** - Funding is provided for the increase in postage rates from \$0.34 to \$0.37, which went into effect June 30, 2002.
39. **ADMINISTRATIVE REDUCTIONS** - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within DSHS. (General Fund-State, General Fund-Federal)

DSHS -- Mental Health

40. **MANDATORY WORKLOAD CHANGES** - Expenditures at Western State Hospital (WSH) are exceeding budgeted levels even though the patient population is currently below the level assumed in the budget. Additional funding is provided to address some of the over-expenditures at WSH, which are partially the result of an increase in the number of patients who, in addition to their behavioral or mental condition, are also developmentally disabled. (General Fund-State, General Fund-Federal)
41. **MANDATORY CASELOAD CHANGES** - Based on the February 2003 projections adopted by the Caseload Forecast Council, an average of 835,000 children and adults will be eligible for Medicaid-funded community mental health services during the 2001-03 biennium. As a result of the forecast, managed care payments to the Regional Support Networks (RSNs) will also be higher than originally budgeted. (General Fund-State, General Fund-Federal)
42. **BALANCED BUDGET ACT IMPLEMENTATION** - The Balanced Budget Act of 1997 (BBA) places new recordkeeping and reporting requirements on managed care organizations. The rules were published in final form in June 2002 and are to be implemented no later than August 13, 2003. The rules have an impact on the Regional Support Networks (RSNs), as prepaid health plans are made administratively equal to Health Maintenance Organizations (HMOs) under the BBA. Funding is provided for: (1) client notifications as required under the BBA; and (2) an actuarial rate analysis/cost effectiveness study. (General Fund-State, General Fund-Federal)
43. **SPECIAL COMMITMENT CTR LEGAL FEES** - Funding is provided to cover state reimbursement to counties for the cost of civil commitment proceedings that were higher than originally budgeted.
44. **POSTAGE** - Funding is provided for the increase in postage rates from \$0.34 to \$0.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)
45. **INCREASE DSH** - The amount of federal funding available under the Institution for Mental Disease Disproportionate Share Hospital (DSH) Program has decreased to \$49,572,600 in FY 2003 from \$55,350,000 in FY 2002, resulting in a need for additional state funding to offset the lost federal funding. (General Fund-State, General Fund-Federal)
46. **ADMINISTRATIVE REDUCTIONS** - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within DSHS. (General Fund-State, General Fund-Federal)

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DSHS -- Mental Health (continued)

47. HIPAA STANDARD TRANSACTIONS - Funding is provided to the Mental Health Division to comply with the new standardized codes for electronic transactions that the federal Health Insurance Portability and Accountability Act (HIPAA) requires to be used for all health billing transactions. (General Fund-State, General Fund-Federal)
48. MARR LAWSUIT - Funding is provided for Eastern State Hospital (ESH) to provide additional specialized care, combining both habilitation and mental health treatment components, for persons with developmental disabilities who require the level and intensity of psychiatric care best provided by the state hospital. Funding will support an additional two FTEs, staff training, facility alteration, court monitors, and attorney fees as provided in the final settlement agreement. (General Fund-State, General Fund-Federal)

DSHS -- Developmental Disabilities

49. MANDATORY CASELOAD CHANGES - Medicaid Personal Care Program expenditures are projected to be lower than the level assumed in the 2002 supplemental budget for FY 2003 based on the February 2003 projections adopted by the Caseload Forecast Council and actual program expenditures for July through September 2002. (General Fund-State, General Fund-Federal)
50. STATE SUPPLEMENTAL PAYMENTS - Funding is provided for additional staff to manage the implementation of the Supplemental Security Income (SSI)/State Supplemental Payment (SSP) Program established during the 2002 legislative session. (General Fund-State, General Fund-Federal)
51. SSI CLIENT CONTRIBUTIONS - The 2002 supplemental budget eliminated supplemental state payments to some recipients of SSI. As a result, those who are in state-funded residential care have less income to contribute to their cost of care, resulting in increased state costs.
52. POSTAGE - Funding is provided for the increase in postage rates from \$0.34 to \$0.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)
53. ADMINISTRATIVE REDUCTIONS - The administrative reductions made in the 2002 supplemental budget are spread to all programs within DSHS. (General Fund-State, General Fund-Federal)
54. OLMSTEAD PLACEMENT REVERSAL - The 2001-03 biennial budget provided funding for community residential placements and corresponding support services for up to 80 individuals to transition from state RHCs. In addition, savings were to be achieved through the consolidation of cottages resulting from vacancies at RHCs due to normal attrition and anticipated vacancies accruing as a result of residents moving to community settings. A negative funding adjustment in community residential is made to reflect the fact that: (1) 18 fewer clients moved to community settings in FY 2002 than originally budgeted; and (2) there is a slower rate of placement into the community than projected for the first half of FY 2003. Fewer client moves to the community results in a need for additional funding to the RHCs to account for: (1) a six-month delay in a cottage closing at Rainier School; and (2) two less cottages being consolidated at Fircrest School. (General Fund-State, General Fund-Federal)
55. AUDIT RESPONSES - Recent audits by the Joint Legislative Audit Review Committee, Sterling Associates, and the Center for Medicaid and Medicare Services identified a need to improve the quality of program data, fiscal and program management, and operational control over the Developmental Disabilities Program. Funding and FTE authority are provided for those positions that have already been filled. (General Fund-State, General Fund-Federal)
56. HEADQUARTERS OVERSPENDING - Funding and FTEs are provided to address program support over-expenditures that have been occurring for the past several years. The adjustment covers projected over-expenditures for FY 2003. (General Fund-State, General Fund-Federal)
57. REDUCE FUNDING FOR ARC SETTLEMENT - In December 2002, the court denied Arc's and DSHS's joint motion for preliminary approval of a settlement regarding developmental disabilities services. Funding included for the proposed settlement in the FY 2002 supplemental budget is reduced based on the level of funding that has not already been committed for services. (General Fund-State, General Fund-Federal)

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DSHS -- Developmental Disabilities (continued)

58. DD PARENT PARTICIPATION - Funding was reduced in the 2002 supplemental budget, anticipating that legislation needed to authorize the Division of Child Support to assess and collect child support from parents of children with developmental disabilities would pass. That legislation was not enacted; therefore, funding is restored. (General Fund-State, General Fund-Federal)

DSHS -- Long-Term Care

59. MANDATORY CASELOAD CHANGES - Funding is provided for changes in the number of clients who utilize long-term care services based upon forecasts adopted by the Caseload Forecast Council. An average of 46,800 people are now expected to receive state-funded long-term care services in FY 2003, which is 0.3 percent more than previously forecasted and budgeted. A majority of the increase is attributable to an average of 29 more people than expected receiving state-funded nursing home care and to an average of 283 more people than budgeted receiving publicly-funded care in their own homes. (General Fund-State, General Fund-Federal)
60. CENTENNIAL BUILDING LEASE SAVINGS - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur; therefore, funding to support existing Centennial Building leases is restored. (General Fund-State, General Fund-Federal)
61. SSI CLIENT CONTRIBUTIONS - The 2002 supplemental budget eliminated SSP to some recipients of SSI. As a result, those who are in state-funded residential care have less income to contribute to their cost of care, resulting in increased state costs for that care. (General Fund-State, General Fund-Federal)
62. BASIC HEALTH PLAN - Home care workers who contract directly with the state are eligible to enroll in the Basic Health Plan (BHP) at a cost of \$10 per month if their income is less than 200 percent of the federal poverty level. For those employed by home care agencies, DSHS reimburses the agency for the cost of employee coverage equivalent to that offered by BHP, regardless of the worker's income. Expenditures on such coverage increased by 35 percent in FY 2002, and exceeded budgeted levels by 15 percent, primarily due to increased billings by home care agencies. Similar increases are occurring in FY 2003, resulting in the need for additional funding. (General Fund-State, General Fund-Federal, Health Services Account)
63. HOME CARE WORKER WAGE - The Governor vetoed the provision in the 2002 supplemental budget that provided funding for a 25-cent per hour wage increase for individual and agency providers of home care services. This item adjusts appropriation levels accordingly. (General Fund-State, General Fund-Federal)
64. POSTAGE - Funding is provided for the increase in postage rates from \$0.34 to \$0.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)
65. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.
66. ADMINISTRATIVE REDUCTIONS - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within DSHS. (General Fund-State, General Fund-Federal)
67. FORECAST COST/UTILIZATION - The net public cost per long-term care recipient is now projected to be about 0.9 percent less than previously budgeted for FY 2003. This is primarily because nursing home rates are about 0.8 percent lower than originally budgeted; and nursing home resident contributions toward their cost of care are slightly higher than budgeted, as are financial recoveries from the estates of deceased long-term care recipients. These savings are partially offset by payments for adult family homes, which are 4.6 percent higher per recipient than budgeted; and for assisted living facilities, which are 3.9 percent higher. (General Fund-State, General Fund-Federal)
68. ABUSE PREVENTION - The federal government requires that allegations of actual or potential harm to nursing home residents be investigated within ten days. Since 1999, Washington has employed 14 quality assurance nurses to assure that this standard is met, five of whom were funded with additional funds appropriated by the Legislature in 2000, and the other nine of whom have been funded with federal matching funds and grants. This item provides appropriation authority for the federally-funded staff. (General Fund-Federal)

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DSHS -- Long-Term Care (continued)

69. ADULT FAMILY HOMES LICENSING FEE - The 2002 supplemental budget anticipated that adult family home licensing fees would be increased from \$50 per home to about \$233 per home in FY 2003, to offset approximately one-third of the state cost of licensing and inspecting such facilities. The necessary authorizing legislation was not enacted, and so the anticipated state savings have not occurred. (General Fund-State, General Fund-Private/Local)

DSHS -- Economic Services Administration

70. MANDATORY CASELOAD CHANGES - Funding is provided for caseload changes in the Refugee Assistance and General Assistance Programs and for decreasing child support recoveries. (General Fund-State, General Fund-Federal)
71. CENTENNIAL BUILDING LEASE SAVINGS - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur; therefore, funding to support existing Centennial Building leases is restored. (General Fund-State, General Fund-Federal)
72. INCREASE INCAPACITY EXAMS - Funding is provided for increased quantity and cost of incapacity exams for the General Assistance (GA) Program. The number of GA incapacity exams has increased due to the growing number of applicants and increased emphasis on objective "evidence-based" eligibility determination. (General Fund-State, General Fund-Federal)
73. BANKING FEES - Funding is provided for increased banking fees. Funds recovered by the Division of Child Support from increased use of electronic fund transfers have been subtracted from the banking fees increase. (General Fund-State, General-Fund Federal)
74. IRS INTERCEPT PROGRAM COSTS - Federal regulations require Washington State's Child Support Enforcement Program to participate in the federal Internal Revenue Service (IRS) Tax Intercept Program. Funding is provided for an incremental increase in the cost per intercept and for growth in the number of intercepts. (General Fund-State, General Fund-Federal)
75. FOOD ASSISTANCE PROGRAM - In the 2002 supplemental budget, the Legislature reduced the FY 2003 funding for State Food Assistance for Legal Immigrants, assuming the federal Farm Bill would restore federal benefits to most legal immigrants effective October 1, 2002. Under the Food Stamp Reauthorization Act of 2002, federal benefit restoration for the largest portion of the legal immigrant population was delayed until April 2003; therefore, partial funding is restored to provide state food assistance for those months that were not federally funded in FY 2003.
76. POSTAGE - Funding is provided for the increase in postage rates from \$0.34 to \$0.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)
77. ADMINISTRATIVE REDUCTIONS - Administrative reductions made in the 2002 supplemental budget are distributed to all programs within DSHS. (General Fund-State, General Fund-Federal)
78. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.
79. IMPROVED ELIGIBILITY VERIFICATION - Additional funding is provided for the Department to: (1) increase and improve efforts to verify that children and pregnant women are in fact eligible for the medical assistance services they receive; and (2) review their continued eligibility for medical assistance services every six months, rather than annually as presently occurs. The improved income verification efforts are to be implemented no later than April 1, 2003, and are to include review of recipient documentation and employer contacts to verify that the income declared by applicants and recipients is accurate. These efforts will be supplemented by electronic records checks that will be in place by July 1, 2003. The six-month rather than annual review of continued eligibility is to be implemented no later than November 2003. The Department is to have in place all computer changes, administrative rules and procedures, and staffing arrangements as required to timely implement the six-month eligibility reviews by November 2003. (General Fund-State, General Fund-Federal)

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DSHS -- Alcohol and Substance Abuse

80. POSTAGE - Funding is provided for the increase in postage rates from \$0.34 to \$0.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)
81. ADMINISTRATIVE REDUCTIONS - Administrative reductions made in the 2002 supplemental budget are distributed to all programs within DSHS. (General Fund-State, General Fund-Federal)
82. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

DSHS -- Medical Assistance Payments

83. MANDATORY WORKLOAD CHANGES - Additional federally-funded staff are authorized for the Division of Disability Determination Services (DDS) to determine eligibility for social security disability benefits in accordance with federal rules. The DDS has sufficient state-fund under-expenditures to meet federal matching requirements. (General Fund-Federal)
84. MANDATORY CASELOAD CHANGES - On average, approximately 865,000 persons per month are now expected to enroll in state medical assistance programs in FY 2003. This is about 1 percent less than previously budgeted; however, there is a net increase in required state and federal expenditures, because enrollment of two high-cost groups, pregnant women and persons with disabilities, has grown more than anticipated, offsetting the savings from slower growth among other groups. (General Fund-State, General Fund-Federal, Health Services Account-State)
85. PROGRAM TRANSFERS - The Payment Review Program, which uses technological tools and software to identify and prevent inappropriate provider billings, is transferred from the Administration and Support Services Administration to the Medical Assistance Administration. (General Fund-State, General Fund-Federal)
86. MMIS PROCUREMENT - The Medicaid Management Information System (MMIS) is the system which supports payment and management analysis of over 20 million individual medical billings, totaling over \$3 billion, each year. The current system has been in operation for almost 20 years and is based upon a 1979 design for which adequate technical support is increasingly difficult to obtain. Funding is provided for a feasibility study to assess long-term, system-wide needs and develop a strategy to replace, rather than reprocure, the existing system. (General Fund-State, General Fund-Federal)
87. PROSHARE & UPL ADJUSTMENTS - This item adjusts appropriation levels to reflect the reduced level of federal intergovernmental transfer payments to the Health Services Account now anticipated for the 2001-03 biennium. The 2002 supplemental budget anticipated that the federal government would approve \$1.05 billion of "pro-share" intergovernmental transfer payments to public hospital districts, resulting in \$550 million of net revenue gain for the state Health Services Account and public hospitals. Since then, the federal government has agreed to only \$396 million of such payments, resulting in \$218 million net revenue for the state and hospitals. In addition, both the original 2001-03 budget and the 2002 supplemental budget anticipated approximately \$99 million of other "Medicare Upper Payment Limit" (UPL) transactions with public hospital districts, which were expected to result in about \$50 million of net revenues for the hospitals and the Health Services Account. DSHS has now concluded that only about \$21 million of such transactions will be feasible. (Health Services Account-State, General Fund-Federal)
88. POSTAGE - Funding is provided for the increase in postage rates from \$0.34 to \$0.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)
89. UTILIZATION CHANGES - Costs per eligible medical assistance recipient are now projected to be about 4.2 percent higher in FY 2003 than anticipated in the 2002 supplemental budget forecast. The primary reasons for the increase are: higher drug and hospitalization costs for aged and disabled recipients; a substantial increase in federally-required enhancement payments to community and rural health clinics; and \$15 million of increased expenditures for the Take Charge Family Planning Program. (General Fund-State, General Fund-Federal, Health Services Account)
90. ADMINISTRATIVE REDUCTIONS - The administrative reductions made in the 2002 supplemental budget are distributed to all programs within DSHS. (General Fund-State, General Fund-Federal)

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DSHS -- Medical Assistance Payments (continued)

91. **TRAUMA ASSISTANCE** - The Department of Health and the DSHS Medical Assistance Program jointly administer a system for paying enhanced rates to hospitals and physicians for treating traumatically-injured recipients of state medical assistance. In the spring of 2002, the departments concluded that the enhanced hospital and physician payment rates had significantly exceeded appropriations from the Trauma Account during the 1999-01 biennium, and were exceeding budgeted levels at an even faster pace in the current biennium. In response, the agencies suspended all payments from the Trauma Account in spring 2002, both for the enhancement rates which were exceeding budgeted levels, and also for the hospital and ambulance service grant programs, which were not.

Subsequent analysis has shown that the enhancement billings exceeded budgeted levels by \$16.9 million during the 1999-01 biennium, resulting in unbudgeted claims upon the state general fund and by \$11 million during the first 10 months of the 2001-03 biennium.

Sufficient additional funding is provided for the agencies to: (1) resume hospital and ambulance service grant payments at the levels originally budgeted for the current biennium; and (2) pay any outstanding claims at the enhanced rate for services delivered prior to the suspension of the enhanced rate system in spring 2002. The enhanced rate system is not to be resumed for services delivered subsequent to the spring 2002 suspension, pending development by the agencies and authorization in the 2003-05 biennial budget of a method for avoiding future cost overruns. (General Fund-State, Emergency Medical Services and Trauma Care Systems Trust Account-State)

92. **HIPAA STANDARD TRANSACTIONS** - Funding is provided to modify MMIS to comply with the new standardized codes which the federal Health Insurance Portability and Accountability Act (HIPAA) requires be used for all health billing transactions. (General Fund-State, General Fund-Federal)
93. **DSH DISALLOWANCE** - The Medical Assistance Administration makes additional state and federal disproportionate share hospital (DSH) payments to hospitals which serve a disproportionate number of Medicaid and medically indigent patients. Recently, the federal Office of the Inspector General completed an audit of FY 1999 payments under the program, and identified \$23.3 million of federal monies which may need to be refunded, primarily on the grounds that some of the hospitals' actual uncompensated care costs were less than the projected uncompensated care costs upon which the payments were based. The state is currently disputing \$16.4 million of the federal disallowance. The remaining \$6.9 million will be deducted from federal payments otherwise due the state this year and are replaced with state funds.
94. **2003 SUPPLEMENTAL FTE REDUCTION** - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.
95. **IMMIGRANT PRENATAL CARE** - Under new federal regulations, the state expects to be able to use federal funds available under the State Children's Health Initiative Program (SCHIP) to cover 65 percent of the cost of providing prenatal care to women who are not eligible for Medicaid because of their immigration status. (General Fund-State, General Fund-Federal)
96. **IMPROVED ELIGIBILITY VERIFICATION** - Additional funding is provided for the Department to: (1) increase and improve efforts to verify that children and pregnant women are in fact eligible for the medical assistance services they receive; and (2) review their continued eligibility for medical assistance services every six months, rather than annually as presently occurs. The improved income verification efforts are to be implemented no later than April 1, 2003, and are to include review of recipient documentation and employer contacts to verify that the income declared by applicants and recipients is accurate. These efforts will be supplemented by electronic records checks that will be in place by July 1, 2003. The six-month rather than annual review of continued eligibility is to be implemented no later than November 2003. The Department is to have in place all computer changes, administrative rules and procedures, and staffing arrangements as required to timely implement the six-month eligibility reviews by November 2003. (General Fund-State, Health Services Account-State, General Fund-Federal)

DSHS -- Vocational Rehabilitation

97. **CENTENNIAL BUILDING LEASE SAVINGS** - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur; therefore, funding to support existing Centennial Building leases is restored.

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DSHS -- Vocational Rehabilitation (continued)

98. POSTAGE - Funding is provided for the increase in postage rates from \$0.34 to \$0.37, which went into effect June 30, 2002.
99. ADMINISTRATIVE REDUCTIONS - Administrative reductions made in the 2002 supplemental budget are distributed to all programs within DSHS. (General Fund-State, General Fund-Federal)

DSHS -- Administration and Supporting Services

100. PROGRAM TRANSFERS - The Payment Review Program is transferred from the Administration and Supporting Services Division to the Medical Assistance Administration. (General Fund-State, General Fund-Federal)
101. CENTENNIAL BUILDING LEASE SAVINGS - Funding was reduced in the 2001-03 biennial budget, anticipating that Centennial Buildings I and II would be purchased by the Department of General Administration. These purchases did not occur; therefore, funding to support existing Centennial Building leases is restored. (General Fund-State, General Fund-Federal)
102. POSTAGE - Funding is provided for the increase in postage rates from \$0.34 to \$0.37, which went into effect June 30, 2002. (General Fund-State, General Fund-Federal)
103. ADMINISTRATIVE REDUCTIONS - Administrative reductions made in the 2002 supplemental budget are distributed to all programs within DSHS. (General Fund-State, General Fund-Federal)
104. HIPAA STANDARD TRANSACTIONS - Funding is provided to implement standards for electronic transactions to comply with the Health Insurance Portability and Accountability Act (HIPAA). Funding provided within the Administration and Supporting Services Division is for any required changes in central agency reporting functions that must be done as a result of changes in MMIS. Funding is not provided for major changes to payment systems beyond MMIS. Funding for MMIS changes is provided within the Medical Assistance Administration. (General Fund-State, General Fund-Federal)
105. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act. (General Fund-State, General Fund-Federal)
106. SSP COORDINATION - Funding is provided for coordination of efforts to meet State Supplemental Payment (SSP) requirements of the federal Supplemental Security Income Program (SSI). The Department shall include allowable payments for foster children who are eligible for SSI in achieving the federal maintenance of effort requirement. (General Fund-State, General Fund-Federal)

Washington State Health Care Authority

107. TECHNICAL CORRECTION - Funding incorrectly allocated to the Uniform Dental Plan Benefits Administration Account in the 2002 Supplemental Budget is re-allocated to the State Health Care Authority Administrative Account.
108. DEFER BASIC HEALTH EXPANSION - In the 2002 supplemental budget, increased tax revenues generated by Initiative 773 were to be used to expand Basic Health Plan (BHP) enrollments to a total of 172,000 persons per month by June 2003. This item represents the difference in cost between the increase to 172,000 enrollments funded in the 2002 supplemental budget and the estimated December 2002 BHP enrollment level of 140,575. (Health Services Account-State, General Fund-Federal, Basic Health Trust Account-Non-Appropriated)
109. INCREASED INCOME VERIFICATION - Additional funding and staff are assigned to verifying the eligibility of BHP enrollees for membership and subsidy levels. This additional staffing level is offset by a staff reduction in enrollment, permitted by the management of BHP enrollment that limits admission solely to children and limited groups of adults with dependents. In combination with prior efforts to improve enrollee eligibility verification, some additional enrollees are expected to be found ineligible through these efforts. (Health Services Account -State, General Fund-Federal)

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Washington State Health Care Authority (continued)

110. BASIC HEALTH ENROLLMENT MANAGEMENT - As directed by the Governor, the Health Care Authority (HCA) has been limiting new admissions to BHP since December 2002. This item represents the additional premium subsidy and administrative savings which will occur as a result of only enrolling children and limited groups of adults with dependents. As a result of this managed enrollment policy, subsidized enrollment is expected to total about 120,777 in June 2003. (Health Services Account-State, General Fund-Federal, Basic Health Trust Account-Non-Appropriated)
111. TRANSFER FOR INSURANCE SYS. PROJECT - HCA is replacing a computer system that handles accounting for public employee and BHP benefits. The project was originally scheduled for completion by June 30, 2003, but completion is now not expected until September 30, 2003. Because final payments will not be made until testing and acceptance of the completed system, \$2.2 million of appropriation authority for the project is shifted from the 2001-03 biennium to the 2003-05 biennium. (HCA Administrative-State, Health Services-State)
112. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

Human Rights Commission

113. CAPTURE STATE SAVINGS TO DATE - Appropriation authority is adjusted to reflect actual expenditures. (General Fund-State, General Fund-Federal)

Department of Labor and Industries

114. ADJUST CVC PROJECTION - Spending authority for Crime Victims Compensation (CVC) is reduced due to a revised revenue forecast. (Public Safety and Education-Local)
115. SAFETY & HEALTH IMPACT GRANT PROG - The Safety and Health Impact Grant Program can only continue when there are excess funds over the 10 percent contingency reserve. Since there are no excess funds in this fiscal year, this program is eliminated. (Medical Aid Account)

Home Care Quality Authority

116. LABOR NEGOTIATOR - Funding is provided for a half-time labor negotiator to provide ongoing assistance in negotiating and developing the collective bargaining agreement between the Home Care Quality Authority and home care workers.

Department of Health

117. OPERATOR CERT. FEE AUTHORITY - New federal requirements, effective in January 2001, require that there be at least one certified operator for every community water system which serves 50 or more connections. As a result, approximately 1,500 additional operators have had to be tested and certified, with the cost of those functions covered by the applicants' certification fees. This item provides the Department with the appropriation authority to cover those costs. No additional fee increase is required. (Waterworks Operator Certification Account-State)
118. FEDERAL VACCINE PURCHASES - Despite a temporary national shortage of four vaccines, the Department of Health projects that it will expend \$69 million this biennium on childhood vaccines, rather than \$67 million as previously projected. State Health Services Account expenditures are reduced during the current year through the use of the calendar year 2003 allotment of federally-provided vaccine funding in state FY 2003, rather than in state FY 2004 as originally budgeted. (Health Services Account-State)
119. PRIVATE/LOCAL EXPENDITURE AUTHORITY - The Department of Health receives contributions from private and local sources and some fee revenues which are deposited into "local" rather than other dedicated accounts. Such "local fund" revenues may only be expended to the extent that the Legislature has provided sufficient appropriation authority. This item provides the authority to expend the higher-than-anticipated revenues from three sources: (1) the Susan G. Komen Foundation, for breast and cervical cancer screening; (2) the Seattle-King County Health Department's federal Ryan White grant, for payment of insurance premiums on behalf of persons with HIV/AIDS; and (3) the Newborn Screening Program, for conducting and collecting fees for screenings. (General Fund-Private/Local)
120. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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Department of Veterans' Affairs

121. NEW MICROSOFT LICENSING FEE IMPOSED - Effective July 2002, the cost of upgrading from older versions of software increased substantially, and technical support was discontinued for software older than the previous release. Under these circumstances, it became more cost-effective for the agency to pay an annual licensing fee than to continue its previous practice of purchasing upgrades as conditions warranted. Funding is provided to cover the difference in cost between the new annual licensing fee arrangement and the agency's average expenditures on software licensing, purchases, and upgrades in prior years.
122. WORKERS COMPENSATION CHANGES - Funding is provided to cover the cost of the 38 percent average increase in workers compensation rates which was applied to the state veterans' homes effective January 1, 2003. Increased costs will be absorbed within existing funding levels by the agency's headquarters and field offices, as is being done by other state administrative units.
123. UPDATED REVENUE FORECAST - Funding is provided to cover lower-than-anticipated earnings from federal and private/local sources. (General Fund-State, General Fund-Federal, and General Fund-Private/Local)

Department of Corrections

124. UTILITY RATE ADJUSTMENTS - Funding is provided for costs associated with utility rate and price increases experienced at the Department's facilities.
125. FEDERAL FUND TRANSFER - The federal Bureau of Justice Assistance allocated \$794,000 more in State Criminal Alien Assistance Program (SCAAP) funds than was originally estimated. The Department receives federal SCAAP funds to assist in paying the cost of incarcerating illegal aliens who have committed serious crimes in Washington. (General Fund-State, General Fund-Federal)
126. HEALTH CARE INFLATION - Funding is provided for inflation in health care services, including increased costs for psychotropic drugs and for medical supplies and services.
127. KENT OFFICE FIRE - Funding is provided to replace lost equipment and reimburse other expenses that the Department incurred as a result of the Kent Community Corrections Office fire on July 6, 2002.
128. LEGAL MANDATES - Funding is provided for an additional sewer bond at Stafford Creek Corrections Center, pursuant to a mediation agreement between the Department of Corrections, the city of Aberdeen, and the Friends of Grays Harbor. Additional sewer needs are related to the opening of two additional units at the Stafford Creek Corrections Center.
129. RATE INCREASES - Funding is provided to cover increased Department of Health fees authorized by the 2002 Legislature and increased rates from the Office of the Secretary of State for archives and records retention. Funding is also provided to cover impact fees for Snohomish County Sheriff's Department personnel as part of the Department's obligations under a Memorandum of Understanding on the Twin Rivers Corrections Center.
130. REGULATORY COMPLIANCE - Funding is provided for regulatory compliance activities that include lease purchasing automated medication devices and paying impact fees to the Snohomish County Fire District.
131. WORKLOAD INCREASE - Funding is provided for workload increases based upon the February 2003 forecast adopted by the Caseload Forecast Council. The forecast includes an average of 933 additional inmates during FY 2003 and 732 additional offenders on active supervision in the community by the end of FY 2003. Funding is adjusted to reflect: (1) The opening of the last two units at the Stafford Creek Corrections Center; (2) the anticipated acquisition of 250 rent-a-beds from other jurisdictions; (3) the acquisition of the Mission Creek minimum-security facility from the Department of Social and Health Services; (4) the addition of 90 minimum security beds at the Airway Heights Corrections Center; and (5) the establishment of various emergency measures to accommodate the growth in the inmate population at the Monroe Correctional Complex and other facilities. It is assumed that the agency would not be able to add administrative staff by the end of the biennium and can therefore maintain current spending patterns in the Administration Program.
132. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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Department of Corrections (continued)

133. DELAY OMNI PHASE II MODIFICATIONS - Funding from the second phase of the Department's project to replace the Offender-Based Tracking System with the new Offender Management Network Information (OMNI) system is shifted from FY 2003 to the 2003-05 biennium to account for modifications to the sentence structure and classification modules. These modules will be carried forward from the 2001-03 biennium in order to prevent the Department from incurring additional costs to the OMNI project as a result of offender sentencing and supervision changes enacted by the Legislature in Chapter 379, Laws of 2003 (ESSB 5990).

Department of Services for the Blind

134. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.
135. FEDERAL FUNDS ADJUSTMENT - Federal appropriation authority is provided to allow the Department to spend all federal funds received in FY 2003. (General Fund-Federal)

Department of Employment Security

136. TECHNICAL CORRECTION - A technical adjustment is made to correct the fund source and dollar amount for Chapter 149, Laws of 2002, Partial Veto (EHB 2901 - Unemployment Insurance) passed during the 2002 legislative session. Funding should have been provided from the Employment Services Administrative Account, rather than the Administrative Contingency Account. In addition, portions of the bill were repealed by Referendum 53; therefore, the Department does not need as much funding to implement the remainder of the bill. (Administrative Contingency Account-State, Employment Services Account-State)

Department of Ecology

137. LOAN TRACKING SYSTEM - Funding is provided to complete an automated loan tracking system to manage current and future water quality improvement loans. (Water Pollution Control Revolving-State)
138. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

State Parks and Recreation Commission

139. PARKING FEE IMPLEMENTATION - Funding is provided for costs incurred by the commission due to implementing the vehicle parking fee that went into effect on January 1, 2003. (Parks Renewal and Stewardship Account-State)
140. FIREFIGHTING AT STEAMBOAT ROCK - Funding is provided for fire mobilization costs associated with the 2001 fire at Steamboat Rock State Park.
141. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

Department of Fish and Wildlife

142. 2002-03 WINTER FEEDING - Funding is provided for increased costs of hay and to purchase emergency winter feed (alfalfa hay and deer pellets) to maintain deer and elk herds. Increased feeding is in response to habitat damage from fires on the north shore of Lake Chelan. (Wildlife Fund-State)
143. FEDERAL SPENDING AUTHORITY - Federal and local appropriation authority is redistributed between the General Fund and the Wildlife Fund to reflect actual federal and local expenditures through July 2002. (General Fund-Federal, Wildlife Fund-Private/Local)
144. SPARTINA WEED CONTROL - Funding is provided to continue spartina control activities in Willapa Bay, Grays Harbor, and Camano Island in north Puget Sound. In response to a non-specific reduction in the 2002 Supplemental Budget, the Department of Fish and Wildlife reduced spartina control funding in FY 2003. (Aquatic Lands Enhancement Account-State)

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Department of Fish and Wildlife (continued)

- 145. FISH FOOD COST INCREASE - Funding is provided to cover a 7.5 percent increase in the cost of fish food used by hatcheries across the state to produce salmon and trout for recreational and commercial purposes. General Fund-State and Wildlife Fund-State funds are provided proportionate to each funds' contribution to hatchery operations. (General Fund-State, Wildlife Fund-State)
- 146. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

Department of Natural Resources

- 147. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.
- 148. FIRE SUPPRESSION - Funding is provided for fire suppression costs incurred during the 2002 fire season. The General Fund-Federal appropriation is reduced by \$326,000 to match expected federal reimbursements. (General Fund-State, General Fund-Federal)
- 149. DERELICT VESSEL REMOVAL - Appropriation authority is provided for costs incurred by authorized public entities for removal of derelict and abandoned vessels. Chapter 286, Laws of 2002 (ESHB 2376), provides the authority and funding mechanism to seize, remove, and dispose of derelict vessels. (Derelict Vessel Removal Account-State)

Department of Agriculture

- 150. PESTICIDE STRATEGY REDUCTION - One-time savings are realized from staffing and other efficiencies during the current biennium. Funding and staffing are reduced to match the expected expenditure level of the Pesticide Strategy Program during FY 2003. (State Toxics Control Account-State)
- 151. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.
- 152. STATE TOXICS REDUCTION - Savings are realized from a lower level of reimbursement to county horticultural pest and disease boards for the costs of pest control and tree removal on abandoned orchards. (Agricultural Local Account-Non-Appropriated, State Toxics Control Account-State)
- 153. GOVERNOR VETO - The Governor vetoed a portion of Section 305 of Chapter 10, Laws of 2003, Partial Veto (SSB 5403), which had the effect of restoring a reduction made to the non-provisoed portion of the State Toxics Control Account appropriation. The Governor then directed the Department to place an equal amount of the agency's provisoed State Toxics Control appropriation (\$433,000) in reserve. (State Toxics Control Account-State)

Washington State Patrol

- 154. ADMINISTRATIVE FEE RECOVERY - Additional expenditure authority is provided for the payment of administrative fees collected for the Office of the Superintendent of Public Instruction and the Department of Social and Health Services for fingerprint-based background checks of applicants. (Fingerprint Identification Account-State)
- 155. FEDERAL SPENDING AUTHORITY - Additional federal appropriation authority is provided to fully expend grant funds awarded to the State Patrol. (General Fund-Federal)
- 156. DNA KITS - One-time funding is provided to the Crime Laboratory Division for additional DNA kits. The kits are needed for an increased number of DNA analysis cases, due to using a more advanced method which allows analysis of trace evidence. The State Patrol is encouraged to apply for federal grants to assist in reducing the backlog.
- 157. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

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Department of Licensing

158. CREDIT CARD COSTS - Funding is provided for credit card transaction fees due to more expensive vessel licenses and a greater number of vessel licenses being renewed over the Internet than originally anticipated.
159. LEASE RATE ADJUSTMENTS - Funding is provided to cover increased lease costs at the Olympia Black Lake offices. (General Fund-State, other funds)
160. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

Public Schools -- OSPI & Statewide Programs

161. FEDERAL AND OTHER FUNDS UPDATE - The Superintendent of Public Instruction has submitted revised estimates for federal grants and other non-state revenues. The appropriation authority is increased to match higher-than-expected revenues. (General Fund-Federal, Miscellaneous Program Account-Non-Appropriated)

Public Schools -- General Apportionment

162. ENROLLMENT AND WORKLOAD ADJUSTMENTS - The public school enrollment for the 2002-03 school year is higher than expected by 672 FTE students (from 958,563 to 959,234). The education and experience of certificated instructional staff (staff mix) is also slightly above the levels assumed in the 2002 supplemental budget. In addition, the funding needed to complete school district allocations for the 2001-02 school year is \$4.3 million higher than expected, due to school district adjustments submitted after the end of the 2002 state fiscal year.

Public Schools -- Pupil Transportation

163. ENROLLMENT AND WORKLOAD ADJUSTMENTS - Public school enrollment growth is higher than expected, resulting in a funding increase for student transportation (from 4,621,751 weighted student miles to 4,700,801). The depreciation system payments are significantly higher than expected with new system depreciation more than doubling (from \$13.8 million to \$30.3 million) and contractor depreciation increasing from \$6.0 million to \$6.3 million. Prices on the state bid were significantly higher for one category of bus, which received only one contractor bid. This category will be removed from future state bid lists, which is expected to return depreciation payments to historical averages after this biennium.

Public Schools -- School Food Services

164. FEDERAL AND OTHER FUNDS UPDATE - The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations. The appropriation authority is increased to match higher-than-expected revenues. (General Fund-Federal)

Public Schools -- Special Education

165. FEDERAL AND OTHER FUNDS UPDATE - The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. The appropriation authority is increased to match higher-than-expected revenues. (General Fund-Federal)
166. ENROLLMENT AND WORKLOAD ADJUSTMENTS - Enrollment in special education programs is higher than expected for the 2002-03 school year (up from 118,146 students to 118,389 students). In addition, the funding needed to complete school district allocations for the 2001-02 school year is \$1.3 million higher than expected, due to school district adjustments submitted after the end of the 2002 state fiscal year.

The special education funds are allocated to districts for students ages 3-21, up to 13 percent of the district's total enrollment. State funds are provided for the first 12.7 percent of enrollment, with the remaining allocation for special education enrollment between 12.7 percent and 13.0 percent provided through federal special education funds. The 2002-03 school year is the first year in which the additional funding is provided for special education enrollment above 12.7 percent of total district enrollment. The estimates for 12.7 percent enrollment and the additional 0.3 percent enrollment have been adjusted since the original budget proposal (from 117,097 to 116,992 for the 12.7 percent enrollment with state funding, and from 1,049 to 1,398 for the 0.3 percent enhancement funded through federal funds). (General Fund-State, General Fund-Federal)

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Public Schools -- Traffic Safety Education

167. ENROLLMENT AND WORKLOAD ADJUSTMENTS - The funding necessary to complete the final Traffic Safety Education allocations is increased due to higher-than-expected enrollments in traffic safety programs in the 2001-02 school year.

Public Schools -- Levy Equalization

168. LEVY EQUALIZATION UPDATE - Higher-than-expected assessed property values, local levy bases, and increased voter approval of local levies combined to increase the amounts needed for Local Effort Assistance.

Public Schools -- Elementary & Secondary School Improvement

169. FEDERAL AND OTHER FUNDS UPDATE - The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. The appropriation authority is adjusted to match the expected revenues. (General Fund-Federal)

Public Schools -- Institutional Education

170. ENROLLMENT AND WORKLOAD ADJUSTMENTS - Enrollment in institutions is lower than anticipated by 155 FTE students (from 2,191 to 2,036).

Public Schools -- Education of Highly Capable Students

171. ENROLLMENT AND WORKLOAD ADJUSTMENTS - Funding for the Highly Capable Program is provided for up to 2 percent of each district's K-12 enrollment. To account for higher-than-expected K-12 enrollment, funding for the gifted program is increased.

Public Schools -- Student Achievement Program

172. ENROLLMENT AND WORKLOAD ADJUSTMENTS - Property tax revenues are deposited into the Student Achievement Fund, to be distributed to school districts based on the full-time equivalent (FTE) student enrollment from the prior school year. A portion of lottery revenues are also deposited into the Student Achievement Fund. FY 2003 revenues into the Student Achievement Fund from each source are updated, resulting in a net increase of \$64,000 and changing the maximum allocation per FTE student from \$219.84 to \$220.00 for the 2002-03 school year. (Student Achievement Fund-State)

Public Schools -- Education Reform

173. ENROLLMENT AND WORKLOAD ADJUSTMENTS - More teachers attained certification from the National Board for Professional Teaching Standards than was originally expected, bringing the total to 218 National Board certified teachers in Washington classrooms.

Public Schools -- Transitional Bilingual Instruction

174. FEDERAL AND OTHER FUNDS UPDATE - The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. The appropriation authority is adjusted to match the revenue estimates. (General Fund-Federal)
175. ENROLLMENT AND WORKLOAD ADJUSTMENTS - Enrollment in transitional bilingual programs is 809 students lower than expected for the 2002-03 school year (down from 66,866 students to 66,058).

Public Schools -- Learning Assistance Program (LAP)

176. ENROLLMENT AND WORKLOAD ADJUSTMENTS - The Learning Assistance Program provides funds to school districts based on the proportion of low-achieving students in each district, defined by the percentage of students scoring in the lowest quartile on nationally-normed tests. Districts also receive LAP funds based on the percentage of students, beyond the statewide average, who receive free and reduced-price lunch. The percentage of students scoring in the lowest national quartile is declining, lowering the LAP allocation to school districts. The percentage of students above the state average for free and reduced-price lunch is higher than expected. These combined factors result in a \$633,000 reduction in the LAP budget.

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Public Schools -- Block Grants

177. ENROLLMENT AND WORKLOAD ADJUSTMENTS - The funding to complete the final block grant allocations is reduced by \$9,000 due to lower-than-expected final enrollments for the 2001-02 school year.

Public Schools -- Compensation Adjustments

178. ENROLLMENT AND WORKLOAD ADJUSTMENTS - Public school enrollment is higher than expected in the 2002-03 school year, increasing the number of teachers and staff funded by the state. Additionally, the education and experience of certificated instructional staff (staff mix) is slightly above the levels assumed in the 2002 supplemental budget. Both of these factors raise the cost of providing the health benefit and Initiative 732 cost-of-living increases in the 2002-03 school year. (General Fund-State, General Fund-Federal)

Higher Education Coordinating Board

179. STAFF REDUCTION & EFFICIENCIES - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce full-time equivalent (FTE) employment. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

State School for the Deaf

180. 2003 SUPPLEMENTAL FTE REDUCTION - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions assumed or reflected in the supplemental budget act.

Work Force Training & Education Coordinating Board

181. STAFF REDUCTION & EFFICIENCIES - Funding is reduced as a result of a statewide hiring freeze and/or other staffing reductions imposed by the Governor to reduce full-time equivalent (FTE) employment. The reduction in staffing is assumed to be permanent and will reduce ongoing 2003-05 expenditures.

Washington State Historical Society

182. ACQ & MAINT HISTORIC COLLECTION - Funding for acquisition and maintenance of historic collections is reduced by 9 percent starting April 2003.
183. AGENCY ADMINISTRATION - Funding for agency administration is reduced by 7 percent starting April 2003.
184. COMMUNITY OUTREACH ACTIVITIES - Funding for community outreach activities is reduced by 10 percent starting April 2003.
185. HISTORICAL EDUCATION - Funding for historical education activities is reduced by 14 percent starting April 2003.
186. MUSEUM OP & FACILITIES MAINTENANCE - Funding for museum operations and facilities maintenance is reduced by 6 percent starting April 2003.
187. STATE HISTORICAL EXHIBITS - Funding for state historical exhibits is reduced by 17 percent starting April 2003.

Eastern Washington State Historical Society

188. MAINTAIN CULTURAL/ART/HIST COLLECT - Funding for maintenance of historic collections is reduced by 6 percent starting April 2003.
189. AGENCY ADMINISTRATION - Funding for agency administration is reduced by 6 percent starting April 2003.
190. MUSEUM OPERATIONS, MAINT & EXHIBITS - Funding for museum operations, maintenance, and exhibits is reduced by 10 percent starting April 2003.

Bond Retirement and Interest

191. SUPPLEMENTAL 2003 - Savings are achieved in debt service due to lower interest rates. (General Fund-State and various other funds)

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Special Approps to the Governor

192. FTE REDUCTION CONTINGENCY POOL - Funding is reduced in state agencies to reflect reduced employment levels in those agencies. Up to \$1 million is provided for assistance to state agencies that are unable to effectively absorb the FTE reductions made in the 2003 supplemental budget.
193. LIABILITY ACCOUNT - Additional funding is provided to cover settlement costs anticipated by the end of the 2001-03 biennium.
194. REDUCE TRAVEL, EQUIPMENT, CONTRACTS - State agency expenditures for discretionary travel, equipment, and personal service contracts are reduced by \$5 million. A portion of these savings is appropriated to the Governor for emergency allocation to state agencies to address critical needs (see next item). *The Governor vetoed this provision.*
195. EMERGENCY TRAVEL, EQUIPMENT, ETC. - A portion of the savings from the 20 percent reduction in agency expenditures for travel, equipment, and personal service contracts is appropriated to the Governor to be used on an emergency basis to allocate to state agencies to fund critically-necessary travel, equipment, and personal service contracts. *The Governor vetoed this provision.*
196. GOVERNOR VETO - The Governor vetoed Sections 706 and 707 of Chapter 10, Laws of 2003, Partial Veto (SSB 5403), which reduced state agency expenditures for discretionary travel, equipment, and personal service contracts from the state general fund by \$5 million.

The Governor also vetoed Section 707 which imposed restrictions on state employment.

Sundry Claims

197. SELF-DEFENSE CLAIMS - On the recommendation of the State Office of Risk Management, payment is made 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.
198. STATE EMPLOYEE DEATH BENEFIT - A death benefit payment is paid to the families of three state employees pursuant to section 715, chapter 7, Laws of 2001, 2nd sp.s.
199. DEER AND ELK DAMAGE CLAIMS - On the recommendation of the State Office of Risk Management, payment is made under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. (Wildlife Account-State)
200. RCW 27.44.040(1) CLAIMS - Payment is made for a claim arising pursuant to RCW 27.44.040(1) (Indian Graves).

Contributions to Retirement Systems

201. FY 2003 SPENDING LEVEL - Funding is increased to compensate for a higher-than-expected salary base in the Law Enforcement and Fire Fighters Retirement System.

