1991-93 OPERATING BUDGET OVERVIEW

The 1991-93 biennial operating budget authorized by ESHB 1330 totals $24.7 billion. Of that amount, $15.7 billion is from the state general fund and $9.1 billion is from all other funding sources.

The total budget represents a 21 percent increase over the 1989-91 state operating budget. The state general fund portion of that increase equates to $2.5 billion, while all other fund expenditures increase by $1.8 billion.

Improvements to the state's education system accounted for 60 percent of the state general fund increase. Public schools are expected to educate 60,000 more K-12 students during the next two years and are scheduled to receive $7.2 billion, a 21 percent increase over the previous budget cycle. Specific improvements include reduced class size, increased teacher pay, and expansion of the Fair Start and early childhood education programs. The budget also provides additional funds to increase enrollments at the state colleges and universities.

Increases in the cost of health care accounted for $589 million, or 23 percent of the state general fund growth. Included in this total are costs for state employee health benefits (but excluding education employees), health care for low-income and disabled persons, mental health, long term care, and public health.

The human services budget provides additional funding for the expansion of community services for the developmentally disabled, inflation adjustments for community based service providers, and continuation of mental health reforms.

The balance of the budget increase targets funding for an average 9.8 percent salary increase, including seniority increments, over the biennium for state employees, teachers, and college faculty, as well as funding for economically distressed timber communities, state and local growth management activities, and Puget Sound cleanup programs.

The Legislature redirected funds from administration to direct services to the public. This redirection includes refinancing equipment purchases, reducing costs of General Administration and Department of Information Services, and requiring agencies to absorb the cost of inflation; also included are reduced travel, overtime, and outside consulting. Finally, the Legislature redirected savings expected from employee vacancies and implementation of information systems. As an incentive for additional efficiencies, the Legislature created the Savings Recovery Account to recover savings recommended by the Efficiency Commission and the Productivity Board.

The budget maintains the Budget Stabilization Account balance at $260 million. The budget assumes no increase in general state taxes.

Budget Highlights
(General Fund–State)

The 1991 Legislature provided the following major enhancements to government services. Greater detail on all these items and more are contained in the body of the publication.

K–12 Enhancements

Salary Increase:	$316.9
K–3 Class Size Reduction	40.0
Voc–Ed Class Size Reduction	5.2
Early Childhood Education (DCD)	5.3
Vocational Ed Equipment	4.9
REACH Grant Program	15.0
Fair Start Program Enhancement	8.0
Special Needs Factors	6.0

Higher Education Enhancements

Salary/Benefit Increases	$95.2
Enrollment Expansion	39.1
Financial Aid	19.4

Human Resources Enhancements

Developmental Disabilities	$77.1
Mental Health	34.0
Vendor Rate Increases (excluding DD)	34.2
Welfare Grant Increases	24.4
Basic Health Enrollment Expansion	9.8
Hunger Prevention	8.2
Growth Management (DCD)	7.7
AIDS Networks	3.5
Migrant Health Services	2.4
Emergency and Trauma System	2.4
Health Care Purchasing	2.3

Natural Resources Enhancements
($ in millions/GF–S only)

Puget Sound Water Quality Management Plan	$8.0
Water Resource Management	6.1
Forest Management: Sustainable Forestry, Timber, Fish/Wildlife	9.6
Energy Conservation: Energy Partnerships & Energy Strategy	1.3
Timber Assistance	16.2

General Government Enhancements

Department of Revenue: Audit/Compliance staff and Improved Information Technology	$9.3

Other Special Appropriations

Bond Retirement and Interest	$8.5
State Employee Salary Increases 3.6% Each Year	62.5
Salary Increases – Nurses, Engineers, Psychologists	4.9
Retiree Cost–of–Living Increases	12.0