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2001-03 Omnibus Operating Budget
House of Representatives
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	376.0	52,826	52,871
2001-03 Maintenance Level	376.0	56,795	56,840
Policy Changes:			
1. Developmental Disabilities Counsel	0.0	15	15
Total Policy Changes	0.0	15	15
Total 2001-03 Biennium	376.0	56,810	56,855

Comments:

1. Developmental Disabilities Counsel - One-time funding is provided, for fiscal year 2002, for the Legislature to continue the services of expert counsel on legal and policy issues relating to services for persons with developmental disabilities.

The appropriations to the House of Representatives include \$84,000 in FY 2002 and \$84,000 in FY 2003 for the independent operations of the Legislative Ethics Board. Expenditure decisions of the board, including employment of staff, shall be independent of the House of Representatives and the Senate.

2001-03 Omnibus Operating Budget**Senate**

(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	308.1	42,928	42,973
2001-03 Maintenance Level	309.6	45,170	45,215
Policy Changes:			
1. Developmental Disabilities Counsel	0.0	15	15
Total Policy Changes	0.0	15	15
Total 2001-03 Biennium	309.6	45,185	45,230

Comments:

1. Developmental Disabilities Counsel - One-time funding is provided, for fiscal year 2002, for the Legislature to continue the services of expert counsel on legal and policy issues relating to services for persons with developmental disabilities.

The appropriations to the Senate include \$84,000 in FY 2002 and \$84,000 in FY 2003 for the independent operations of the Legislative Ethics Board. Expenditure decisions of the board, including employment of staff, shall be independent of the Senate and the House of Representatives.

2001-03 Omnibus Operating Budget
Jt Leg Audit & Review Committee
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	18.0	3,497	3,497
2001-03 Maintenance Level	18.0	3,321	3,321
Policy Changes:			
1. Special Education Study	0.0	100	100
2. Audit Follow-Up Activities	0.0	100	100
3. General Inflation	0.0	-12	-12
4. Field Services Caseload Studies	0.0	375	375
5. Developmental Disabilities Study	0.0	225	225
Total Policy Changes	0.0	788	788
Total 2001-03 Biennium	18.0	4,109	4,109

Comments:

1. Special Education Study - One-time funding is provided to conduct an examination of the K-12 special education program. This study was originally mandated in the 2000 Supplemental Budget.

2. Audit Follow-Up Activities - One-time funding is provided for audit and study follow-up activities. The primary activities will be directed toward the Mental Health System Performance Audit.

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

4. Field Services Caseload Studies - One-time funding is provided for studies of the field services caseloads in the Division of Developmental Disabilities and the Child Protective Services and Child Welfare Services caseloads in the Children's Administration of the Department of Social and Health Services. A report will be submitted to the fiscal committees of the Legislature and to the Office of Financial Management by July 30, 2002.

5. Developmental Disabilities Study - One-time funding is provided to conduct an evaluation of the client outcomes of the High School Transition Program operated by the Division of Developmental Disabilities, Department of Social and Health Services. The study shall identify the different approaches that have been used in providing transition services and whether some approaches are more or less successful in helping young adults with developmental disabilities achieve greater levels of independence. The study shall evaluate how transition programs reduce the level of support provided to clients as they achieve greater levels of independence.

2001-03 Omnibus Operating Budget
LEAP Committee
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	13.5	2,532	2,937
2001-03 Maintenance Level	13.5	2,741	2,944
Policy Changes:			
1. Central Teacher Infrmtn Repository	0.0	80	80
2. Additional Staff Resources	1.0	106	106
3. Recruitment & Retention	0.0	24	24
Total Policy Changes	1.0	210	210
Total 2001-03 Biennium	14.5	2,951	3,154

Comments:

1. Central Teacher Infrmtn Repository - One-time funding is provided for consulting and travel costs associated with conducting a feasibility study for creation of a central repository for teacher education and experience information.

2. Additional Staff Resources - Funding is provided for one additional staff person to manage the increased volume of state and local government information LEAP maintains; support the increased number of fiscal staff using LEAP systems and data; respond to the increasing number of requests for specialized access to fiscal data; and to support the analysis of the impact of changes to funding sources and uses.

3. Recruitment & Retention - Funding is provided to change the salary steps for information technology professionals. This will add two steps to the pay range maximums and eliminate the bottom two steps. As individual technical staff reach the top of their pay range, this change will allow for an additional five percent salary growth.

2001-03 Omnibus Operating Budget
Office of the State Actuary
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	9.5	0	2,025
2001-03 Maintenance Level	10.5	0	1,929
Policy Changes:			
1. General Inflation	0.0	0	-6
Total Policy Changes	0.0	0	-6
Total 2001-03 Biennium	10.5	0	1,923

Comments:

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

2001-03 Omnibus Operating Budget
Joint Legislative Systems Comm
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	48.0	12,000	14,181
2001-03 Maintenance Level	48.0	13,630	15,466
Policy Changes:			
1. General Inflation	0.0	0	-130
2. Additional Staffing	1.5	246	246
Total Policy Changes	1.5	246	116
Total 2001-03 Biennium	49.5	13,876	15,582

Comments:

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

2. Additional Staffing - Funding is provided for the addition of an information technology position in the applications support group to meet application development demands. One-time funding is provided for a geographic information system analyst position, for fiscal year 2002, to support the Redistricting Commission, as well as to evaluate the potential applications using the demographic and geographic information derived from the Redistricting effort.

2001-03 Omnibus Operating Budget
Statute Law Committee
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	54.0	7,523	10,012
2001-03 Maintenance Level	54.0	7,947	10,186
Total 2001-03 Biennium	54.0	7,947	10,186

Comments:

2001-03 Omnibus Operating Budget
Redistricting Commission
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	2.7	520	520
2001-03 Maintenance Level	6.3	876	876
Total 2001-03 Biennium	6.3	876	876

Comments:

2001-03 Omnibus Operating Budget**Supreme Court**

(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	64.3	10,437	10,437
2001-03 Maintenance Level	64.3	10,916	10,916
Policy Changes:			
1. General Inflation	0.0	-28	-28
2. Historic Furnishings Survey	0.0	11	11
3. Reclass for Reporter's Office	0.0	24	24
4. Feasibility Study of Court Reports	0.0	10	10
Total Policy Changes	0.0	17	17
Total 2001-03 Biennium	64.3	10,933	10,933

Comments:

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

2. Historic Furnishings Survey - Funding is provided for a survey to review and catalog all historic furnishings in the Justices' chambers, private staff offices, and conference rooms located in the Temple of Justice. This survey will produce a catalog of historic furnishings by type and provide a room-by-room listing of historic furnishings. The survey also will provide recommendations for restoring and preserving historical items.

3. Reclass for Reporter's Office - Funding is provided to reclassify three positions in the Reporter's Office to reflect the increased skills and knowledge required to perform the jobs.

4. Feasibility Study of Court Reports - Funding is provided for an eleven member committee that will study and develop recommendations on the publication of court reports, for public access, in an electronic format.

2001-03 Omnibus Operating Budget
State Law Library
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	15.0	3,764	3,764
2001-03 Maintenance Level	15.0	3,970	3,970
Policy Changes:			
1. General Inflation	0.0	-41	-41
2. Reclassification	0.0	36	36
Total Policy Changes	0.0	-5	-5
Total 2001-03 Biennium	15.0	3,965	3,965

Comments:

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

2. Reclassification - Funding is provided for the reclassification of State Law Library technician positions. The increases are related to recent adjustments made in executive branch library technician salary levels.

2001-03 Omnibus Operating Budget
Court of Appeals
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	147.1	23,517	23,517
2001-03 Maintenance Level	147.1	25,249	25,249
Policy Changes:			
1. General Inflation	0.0	-111	-111
2. ADA Compliance/Court Security	0.0	54	54
3. Salary Reclassifications	0.0	294	294
Total Policy Changes	0.0	237	237
Total 2001-03 Biennium	147.1	25,486	25,486

Comments:

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

2. ADA Compliance/Court Security - Funding is provided for monitoring equipment and personnel to improve court security.

3. Salary Reclassifications - Funding is provided to implement the salary and job reclassification recommendations of the court's personnel committee. Fifty-eight positions are affected by this reclassification.

2001-03 Omnibus Operating Budget
Commission on Judicial Conduct
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	8.6	1,809	1,809
2001-03 Maintenance Level	8.6	1,766	1,766
Policy Changes:			
1. General Inflation	0.0	-6	-6
2. Increased Workload	1.0	131	131
Total Policy Changes	1.0	125	125
Total 2001-03 Biennium	9.6	1,891	1,891

Comments:

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

2. Increased Workload - Funding is provided to reduce a backlog in investigating, evaluating, and resolving pending complaints. The backlog developed as a result of certain investigations and public proceedings in FY 99-01 which required more staff time than usual.

2001-03 Omnibus Operating Budget
Office of Administrator for Courts
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	342.5	27,974	73,026
2001-03 Maintenance Level	344.5	28,711	66,355
Policy Changes:			
1. General Inflation	0.0	-78	-730
2. Board of Judicial Administration	0.0	66	66
3. Local Court Backlog Assistance	0.0	0	138
4. Juror Compensation	0.0	0	1,600
5. Judicial Information Enhancements	12.0	0	17,894
6. Judicial Enhancement Pool	2.0	0	750
Total Policy Changes	14.0	-12	19,718
Total 2001-03 Biennium	358.5	28,699	86,073

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Board of Judicial Administration** - Funding is provided for travel and pro-tem costs to increase the participation of judges in the Board for Judicial Administration's studies of statewide court system operations. (General Fund-State, Public Safety and Education Account-State)
- 3. Local Court Backlog Assistance** - Funding is provided to pay for pro-tem, travel, and per diem costs for judges who travel outside of their jurisdictions to assist other courts in reducing temporary backlogs. (Public Safety and Education Account--State)
- 4. Juror Compensation** - Funding of \$600,000 per year is provided to increase the rate of juror compensation from \$10 per day to \$15 per day, beginning on the second day of juror service. Additionally, \$200,000 per year is provided for the Administrator for the Courts to distribute as grants to counties in which jurors routinely pay \$10 or more per day to park. Counties receiving these parking grant funds would then reduce jurors' out-of-pocket parking costs.
- 5. Judicial Information Enhancements** - Funding is provided for the Office of the Administrator for the Courts to enhance and upgrade various judicial information systems (JIS). Of the total funds appropriated, \$410,000 is to be used to replace the audio system in Division I of the Court of Appeals and to purchase audio recording, courtroom presentation, and video conferencing equipment for all divisions of the Court of Appeals. The spending authority reflected in the appropriation level for information technology systems is based on an assumption that the Supreme Court will increase the JIS assessment from \$10 to \$12. (Public Safety and Education Account, Judicial Information System)
- 6. Judicial Enhancement Pool** - Funding is provided for enhancements to selected judicial programs as determined by the Office of the Administrator for the Courts in consultation with the Supreme Court. Unified family courts are among the programs that may be funded from this appropriation. (Public Safety and Education Account)

2001-03 Omnibus Operating Budget**Office of Public Defense**

(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	5.5	500	13,025
2001-03 Maintenance Level	5.5	0	12,262
Policy Changes:			
1. General Inflation	0.0	0	-104
2. Attorney Fee Vendor Rate Increase	0.0	0	251
3. Dependency and Termination	0.0	600	600
Total Policy Changes	0.0	600	747
Total 2001-03 Biennium	5.5	600	13,009

Comments:

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

2. Attorney Fee Vendor Rate Increase - A vendor rate increase of 2.2 percent for fiscal year 2002 and 2.5 percent for fiscal year 2003 is provided for attorneys who perform indigent appellate case work under contract. (Public Safety and Education Account-State)

3. Dependency and Termination - Funding is provided to continue a pilot program through June 30, 2002, to improve defense services provided for parents involved in dependency and termination hearings. A final evaluation of this pilot project will be submitted to the governor and to the fiscal committees of the legislature by October 1, 2002. An implementation committee is also created to develop criteria for a statewide program to improve dependency and termination defense.

2001-03 Omnibus Operating Budget
Office of the Governor
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	70.0	11,827	12,772
2001-03 Maintenance Level	70.0	12,357	13,280
Policy Changes:			
1. Puget Sound Action Team	0.0	-700	0
Total Policy Changes	0.0	-700	0
Total 2001-03 Biennium	70.0	11,657	13,280

Comments:

1. Puget Sound Action Team - Funding from the State Toxics Account is provided to the Puget Sound Action Team to support activities of the Puget Sound Action Team currently supported by the State General Fund. (General Fund - State, State Toxics Account - State)

2001-03 Omnibus Operating Budget
Office of the Lieutenant Governor
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	5.0	708	868
2001-03 Maintenance Level	5.0	747	747
Policy Changes:			
1. General Inflation	0.0	-3	-3
2. Salary Administration Fund	0.0	34	34
3. Technical Support	0.0	18	18
4. Chief of Staff Position	1.0	79	79
Total Policy Changes	1.0	128	128
Total 2001-03 Biennium	6.0	875	875

Comments:

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

2. Salary Administration Fund - Funding is provided for compensation increases to reflect professional development and advancement. The Personnel Board does not administer exempt salary ranges for the staff of statewide elected officials.

3. Technical Support - Funding for staff travel is increased. Staff will provide on-site technical and administrative support to the Lieutenant Governor for public appearances.

4. Chief of Staff Position - Funding is provided to establish the position of Chief of Staff.

2001-03 Omnibus Operating Budget
Public Disclosure Commission
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	23.3	4,042	4,042
2001-03 Maintenance Level	25.7	3,819	3,819
Policy Changes:			
1. General Inflation	0.0	-6	-6
Total Policy Changes	0.0	-6	-6
Total 2001-03 Biennium	25.7	3,813	3,813

Comments:

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

2001-03 Omnibus Operating Budget
Office of the Secretary of State
(Dollars in Thousands)

	FTEs	House As Passed	House	Total
		GF-S		
1999-01 Estimated Expenditures	180.0		22,869	35,994
2001-03 Maintenance Level	172.5		19,353	32,204
Policy Changes:				
1. General Inflation	0.0		-133	-223
2. Eastern Regional Archives Move *	3.0		0	1,824
3. Archives Records Center Space	1.1		0	641
4. Southwest Regional Archives Rent *	0.0		0	115
Total Policy Changes	4.1		-133	2,357
Total 2001-03 Biennium	176.5		19,220	34,561

Comments:

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

2. Eastern Regional Archives Move * - One-time and on-going funding and staff are provided to move into, then operate, the new Eastern Washington Regional Archives building. The funding provided lapses if either the financing contract for an Eastern Washington Regional Archives is not authorized in the 2001-03 capital budget or House Bill No. 1926 (surcharge on county auditor recording fees) is not enacted by June 30, 2001. Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

3. Archives Records Center Space - One-time funding is provided for temporary staff and costs associated with a capital budget item expanding the State Records Center, and on-going funding is provided for staff to operate the expanded facility. The State Records Center provides temporary storage of state agencies' records. Funding appropriated for this item lapses if the financing contract for the expansion of State Records Center is not authorized in the capital budget for the 2001-2003 fiscal biennium. (Archives and Records Management Account-State)

4. Southwest Regional Archives Rent * - Funding is provided for a rent increase associated with expanded space for the Southwest Records Archive Center. (Archives and Records Management Account-State, Archives and Records Management Account-Private/Local)

2001-03 Omnibus Operating Budget
Governor's Office of Indian Affairs
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	4.0	542	542
2001-03 Maintenance Level	4.0	553	553
Policy Changes:			
1. General Inflation	0.0	-2	-2
Total Policy Changes	0.0	-2	-2
Total 2001-03 Biennium	4.0	551	551

Comments:

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

2001-03 Omnibus Operating Budget
Asian-Pacific-American Affrs
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	3.0	450	450
2001-03 Maintenance Level	3.0	469	469
Policy Changes:			
1. General Inflation	<u>0.0</u>	<u>-3</u>	<u>-3</u>
Total Policy Changes	0.0	-3	-3
Total 2001-03 Biennium	3.0	466	466

Comments:

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

2001-03 Omnibus Operating Budget
Office of the State Treasurer
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	73.8	0	14,715
2001-03 Maintenance Level	74.5	0	12,918
Policy Changes:			
1. General Inflation	0.0	0	-48
Total Policy Changes	0.0	0	-48
Total 2001-03 Biennium	74.5	0	12,870

Comments:

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

2001-03 Omnibus Operating Budget**Office of the State Auditor**

(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	317.6	2,230	43,629
2001-03 Maintenance Level	319.7	2,229	45,608
Policy Changes:			
1. General Inflation	0.0	-17	-358
2. Local Government Finance Project	0.0	0	100
Total Policy Changes	0.0	-17	-258
Total 2001-03 Biennium	319.7	2,212	45,350

Comments:

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

2. Local Government Finance Project - Funding is provided for ongoing maintenance of the Local Government Finance Project. (Municipal Revolving Account-Nonappropriated)

2001-03 Omnibus Operating Budget
Comm Salaries for Elected Officials
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.9	202	202
2001-03 Maintenance Level	0.9	235	235
Policy Changes:			
1. General Inflation	0.0	-3	-3
Total Policy Changes	0.0	-3	-3
Total 2001-03 Biennium	0.9	232	232

Comments:

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

2001-03 Omnibus Operating Budget
Office of the Attorney General
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	1,035.4	12,391	146,601
2001-03 Maintenance Level	1,059.9	9,643	157,545
Policy Changes:			
1. General Inflation	0.0	-26	-634
2. Labor & Industries Support Staff	6.0	0	672
3. Water Resources	1.4	0	318
4. New Retirement System	0.4	0	79
5. Sexually Violent Predators	4.7	0	1,253
6. Medicaid Fraud	4.0	0	480
7. Criminal Litigation Capability	1.9	0	334
8. Children's Services Litigation	3.8	0	672
9. Endangered Species Act	1.7	0	147
10. Nuclear Waste	1.9	0	382
11. Network Equipment	0.0	0	276
12. Office/Windows 2000 Upgrade	2.0	0	662
13. Tobacco Litigation	1.0	0	277
14. Indeterminate Sentence Review Board	0.5	0	83
15. Industrial Insurance Appeals Judges	6.8	0	1,084
16. Labor & Industries Cases	3.9	0	888
Total Policy Changes	40.0	-26	6,973
Total 2001-03 Biennium	1,099.9	9,617	164,518

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Labor & Industries Support Staff** - Funding is provided to hire support staff for the Attorney General's Labor and Industries Division. The new hires will be directly employed by the Office of the Attorney General rather than by the Department of Labor and Industries. (Legal Services Revolving Account)
- 3. Water Resources** - Funding for legal services provided for the Department of Ecology is increased to reflect added workload associated with water allocation issues. (Legal Services Revolving Account)
- 4. New Retirement System** - Funding for additional legal services provided for the Department of Retirement Systems is increased to reflect added workload associated with the new Public Employees Retirement System Plan 3. (Legal Services Revolving Account)
- 5. Sexually Violent Predators** - The addition of two assistant attorneys general and support staff will enable the Sexually Violent Predator Unit in the Office of the Attorney General to decrease the wait time and number of cases awaiting initial commitment trial and to assume cases that have been handled by the Snohomish County Prosecutors Office. (Legal Services Revolving Account)
- 6. Medicaid Fraud** - Funding is provided for the Medicaid Fraud Control Unit to increase the number of fraud and resident abuse investigations by 20 percent and to examine a larger portion of the Medicaid budget. (General Fund-Federal, Public Safety and Education Account)
- 7. Criminal Litigation Capability** - Funding is increased for investigative and prosecutorial assistance provided to local governments for cases that involve conflicts of interest or present complex criminal issues requiring additional expertise. (Public Safety and Education Account)

**2001-03 Omnibus Operating Budget
Office of the Attorney General**

8. Children's Services Litigation - Funding is provided to increase legal services for children's services litigation. Implementation of the federal Child Abuse Prevention and Treatment Act (CAPTA) by the Department of Social and Health Services has increased legal hearings. Under CAPTA, anyone who has been found to have committed an act of child abuse or neglect through a Child Protective Services investigation has the right to an administrative fair hearing. Assistant attorneys general represent the state in these proceedings. (Legal Services Revolving Account)

9. Endangered Species Act - Funding for legal services provided for the Department of Fish and Wildlife is increased to reflect added workload associated with the listing of salmon and other fish species under the Endangered Species Act. (Legal Services Revolving Account)

10. Nuclear Waste - Funding for legal services provided for the Department of Ecology is increased to reflect added workload associated with regulation of the United States Department of Energy's cleanup activities at Hanford. (Legal Services Revolving Account)

11. Network Equipment - Funding is provided to replace network equipment on a three-year lease purchase cycle. (Legal Services Revolving Account)

12. Office/Windows 2000 Upgrade - Funding is provided to upgrade Microsoft software, train staff to use software, and replace 600 desktop computers. (Legal Service Revolving Account)

13. Tobacco Litigation - The Office of the Attorney General will enforce a statute which requires manufacturers not participating in the Tobacco Master Settlement Agreement to deposit funds in an escrow account based on cigarette product sales in Washington State. If costs are recovered from tobacco manufacturers, funds will be returned to the Tobacco Prevention and Control Account. (Tobacco Prevention and Control Account)

14. Indeterminate Sentence Review Board - Funding for legal services provided for the Indeterminate Sentence Review Board is increased to reflect added workload. Cases heard by the Indeterminate Sentence Review Board have become more complex and involve offenders who have committed serious offenses, creating a need for additional legal services from the Office of the Attorney General. (Legal Services Revolving Account)

15. Industrial Insurance Appeals Judges - The Attorney General represents the state in workers' compensation cases that are appealed and heard by the Board of Industrial Insurance Appeals (BIIA). To address a backlog of cases, the BIIA will hire more judges in 2001-2003 and hear more cases. Given the increase in hearings, funding is provided to increase Attorney General services provided. (Legal Services Revolving Account)

16. Labor & Industries Cases - One-time funding for fiscal year 2002 is provided for the costs of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits. The Department of Labor and Industries is to develop and recommend statutory language to the Legislature by October 1, 2001, that provides greater certainty in the calculation of workers' compensation benefits. (Legal Services Revolving Account)

2001-03 Omnibus Operating Budget
Caseload Forecast Council
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	5.6	946	946
2001-03 Maintenance Level	6.0	1,052	1,052
Policy Changes:			
1. General Inflation	0.0	-3	-3
Total Policy Changes	0.0	-3	-3
Total 2001-03 Biennium	6.0	1,049	1,049

Comments:

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

2001-03 Omnibus Operating Budget
Dept of Financial Institutions
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	133.8	0	20,606
2001-03 Maintenance Level	132.8	0	21,472
Policy Changes:			
1. General Inflation	0.0	0	-90
2. Application Development	0.0	0	495
3. Broker-Dealer Field Examinations	1.0	0	245
4. Internet Fraud Program	1.0	0	159
5. Senior Examiner, Credit Unions	0.5	0	90
6. Office Assistant, Human Resources	1.0	0	85
7. Consumer Complaints & Enforcements	3.0	0	450
8. Electronic Banking Exams	0.0	0	212
9. Internet & Intranet Development	1.0	0	462
10. Financial Literacy	1.0	0	196
11. Fund Consolidation #	0.0	0	0
Total Policy Changes	8.5	0	2,304
Total 2001-03 Biennium	141.3	0	23,776

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Application Development** - Funding is provided for Phase II of the Department's effort to develop a comprehensive regulatory database for the storage, retrieval, analysis, and tracking of regulatory information. Phase I, Database Of Licensed Financial Institutions (DOLFIN) system, was implemented in the 1999-2001 biennium. (Banking Examination Account-Nonappropriated, Securities Regulation Account)
- 3. Broker-Dealer Field Examinations** - Funding is provided for the addition of one field examiner and the development of a database module to help target high risk broker-dealer offices. The cycle for examination of securities broker-dealer offices will be reduced from ten years to nine years by the end of the biennium and the examination cycle of high-risk securities offices will be increased. (Securities Regulation Account)
- 4. Internet Fraud Program** - Funding is provided for the creation of an Internet Fraud Program. It will be staffed by a technology specialist who will respond to the increasing number of complaints of investment fraud on the Internet. The Securities Division estimates that 25 percent of its complaints relate to Internet activity. (Securities Regulation Account)
- 5. Senior Examiner, Credit Unions** - Funding is provided for a part-time senior examiner position to be increased to full-time. The Division of Credit Unions (DCU) implemented a stronger off-site monitoring program in fiscal year 1999 to detect negative financial trends and to undertake earlier review of the status of the DCU required corrective actions of regulated credit unions. The senior examiner will also assist with credit union field examinations and consumer complaint resolution. (Credit Unions Examination Account-Nonappropriated)
- 6. Office Assistant, Human Resources** - Funding is provided for a clerical support staff position in the Human Resources' Office. This position will assist the current staff's ability to provide services that directly support new strategic plan objectives. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

**2001-03 Omnibus Operating Budget
Dept of Financial Institutions**

7. Consumer Complaints & Enforcements - Funding is provided for two new financial examiner positions and a securities examiner position. The Division of Consumer Services is experiencing growth in the number of licensees it regulates and the complexity of legal interpretative issues it confronts. The financial examiners will conduct examinations and audits. The securities examiner will provide legal expertise in the conduct of complaint investigations, enforcement actions and in the development of interpretive letters for the Department. (Banking Examination Account-Nonappropriated)

8. Electronic Banking Exams - Funding is provided to allow the Division of Credit Unions to enter into a personal service contract to conduct information systems and electronic banking examinations of credit unions. Electronic banking involves individuals' use of personal computers connected to their credit union over the Internet to transfer funds between accounts, make payments, or obtain information. Electronic banking heightens credit union risks. (Credit Unions Examination Account-Nonappropriated)

9. Internet & Intranet Development - Funding is provided for one web programmer/analyst position and for a personal service contract that will support the agency's Intranet efforts and Internet information delivery requirement. The Department's clients and stakeholders are making greater use of the Internet to conduct their business transactions. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

10. Financial Literacy - Funding is provided for the temporary financial literacy position to be promoted to a permanent position. This staff position ensures the continuation of the financial literacy assistance program. The Department helps Washington consumers avoid scams and fraud and provides advice to consumers on how to protect themselves in a broad range of financial transactions. (Banking Examination Account-Nonappropriated, Credit Unions Examination Account-Nonappropriated, Securities Regulation Account)

11. Fund Consolidation # - The Department's three funds (Banking Examination Fund-Nonappropriated, Credit Union Examination Fund-Nonappropriated, and Securities Regulation Fund-Appropriated) are consolidated into a single dedicated and non-appropriated fund, the Financial Services Regulation Fund. The purpose of this consolidation is to provide the Department with the flexibility to employ its staff to perform regulatory activities across all financial institutions. This new funding framework will allow the Department to develop, train, and fund cross-division teams that have the capacity to regulate all financial institutions. (Financial Services Regulation Fund-Nonappropriated)

2001-03 Omnibus Operating Budget
Dept Community, Trade, Econ Dev
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	333.6	146,669	361,927
2001-03 Maintenance Level	331.0	143,194	355,142
Policy Changes:			
1. Vendor Rate Increase	0.0	1,785	1,785
2. General Inflation	0.0	-223	-311
3. Housing Initiative	0.0	0	680
4. Transfer SIRTI Funding	0.0	-3,496	-3,496
5. Pacific NW Economic Region Dues	0.0	-50	-50
6. Business Loan Portfolio Staff	-1.0	-162	-162
7. Community Mobilization	0.0	0	-1,700
8. Economic Development Administration	0.0	-58	-58
9. Rural Development Council	0.0	-34	-34
10. Archaeology Grant Funding	0.0	0	1,400
11. King County Public Health	0.0	-2,347	-2,347
12. Reemployment Support Center	0.0	-12	-12
13. Developmental Disabilities Endowmnt	0.0	-460	0
14. WSU Technical Services Agreement	0.0	-36	-36
15. Foreign Office Contract - Japan	0.0	-183	-183
16. Reduce Washington Technology Center	0.0	-394	-394
17. SIRTI Reduction	0.0	-223	-223
18. Rural Opportunity Fund	0.0	-360	-360
19. Mortgage & Rental Assistance	-0.8	-1,221	-1,221
20. Washington State Film Office	0.0	144	144
21. Community Connections Program	0.0	-150	-150
22. Business Information Hotline	-1.8	-240	-240
Total Policy Changes	-3.6	-7,720	-6,968
Total 2001-03 Biennium	327.4	135,474	348,174

Comments:

1. Vendor Rate Increase - Department vendors (Early Childhood Education and Assistance Program) will have their rates increased by 2.2 percent on July 1, 2001, and an additional 2.5 percent on July 1, 2002.

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

3. Housing Initiative - The Office of Community Development will conduct a pilot project designed to lower infrastructure costs and make housing more affordable to prospective home buyers. (Washington Housing Trust Account)

4. Transfer SIRTI Funding - Funding for operations of the Spokane Intercollegiate Research Technical Institute (SIRTI) have been appropriated through the Department of Community, Trade, and Economic Development. Beginning in the 2001-03 biennium, funding for SIRTI will be appropriated directly to the institute.

5. Pacific NW Economic Region Dues - The Pacific Northwest Economic Region (PNWER) is a statutory public/private partnership composed of the states of Washington, Oregon, Idaho, Montana, Alaska, and the Provinces of British Columbia and Alberta. The state of Washington will no longer pay membership dues to PNWER.

6. Business Loan Portfolio Staff - The Economic Development Division will reduce business loan portfolio staff.

**2001-03 Omnibus Operating Budget
Dept Community, Trade, Econ Dev**

- 7. Community Mobilization** - Funding for the community mobilization program is reduced. (Violence Reduction and Education Account)
- 8. Economic Development Administration** - Funding for travel for on-site technical assistance to rural communities and for staff training in the Economic Development Division is reduced.
- 9. Rural Development Council** - The Office of Trade and Economic Development will no longer provide administrative support to the Washington Rural Development Council.
- 10. Archaeology Grant Funding** - Federal funds are appropriated for the Office of Archaeology and Historic Preservation to increase grants awarded to local governments. Required matching funds will come from existing state appropriations and local sources. (General Fund-Federal)
- 11. King County Public Health** - In order to consolidate all replacement of local public health funding associated with Initiative 695, funding for King County Public Health is transferred from the Department of Community, Trade, and Economic Development's budget to Special Appropriations to the Governor.
- 12. Reemployment Support Center** - The Reemployment Support Centers program provides counseling and referral services to persons displaced by declines in the timber and salmon industry or by large-scale layoffs. General Fund-State funding accounts for 2.8 percent of the program's funding. The portion of funding that comes from the General Fund-State is eliminated, but funding received by the Office of Community and Economic Development through an interagency agreement with the Employment Security Department will continue.
- 13. Developmental Disabilities Endowment** - The Developmental Disabilities Endowment Fund program is moving from the planning phase to become operational in fiscal year 2002. The director of the department, or the director of the subsequent department of community development, shall implement fees to support the administrative costs of the program as provided under RCW 43.330.152, with fee revenues being deposited into, and expended from, the trust fund. (Developmental Disabilities Endowment Trust Fund)
- 14. WSU Technical Services Agreement** - The Energy Policy Division contracts with Washington State University (WSU) for technical assistance and support on a number of energy related issues. Funding for the technical services agreement with WSU is reduced.
- 15. Foreign Office Contract - Japan** - The state of Washington maintains an International Trade Office in Japan to promote the state and its products. Costs are reduced by relocating the Japan office from Tokyo to Kobe.
- 16. Reduce Washington Technology Center** - The Washington Technology Center helps Washington companies overcome technical challenges of product development by linking companies to the scientific and engineering resources of the state's universities. Funding is reduced, and the base funding level is adjusted so that the appropriated amounts are equal for the two fiscal years.
- 17. SIRT Reduction** - The Spokane Intercollegiate Research and Technology Institute helps entrepreneurs create and grow technology-based companies in eastern Washington. Funding for the program is reduced.
- 18. Rural Opportunity Fund** - Funding for the Rural Opportunity Fund is reduced.
- 19. Mortgage & Rental Assistance** - The Mortgage and Rental Assistance Program provides money to timber and fishing workers in Grays Harbor, Pacific, Lewis, and Skamania counties to prevent them from losing their homes while they look for work or retrain for new careers. This program sunsets on June 30, 2001.
- 20. Washington State Film Office** - The Washington State Film Office works to bring film and video production to Washington State. Funding is provided for on-going costs associated with marketing film production in Washington State.
- 21. Community Connections Program** - The Community Connections program in Walla Walla provides prevention, intervention, and treatment services to youth with high risk behaviors. State funding for the program is eliminated.
- 22. Business Information Hotline** - The toll-free number for business information hotline in the Office of Trade and Economic Development's Business Technical Assistance Unit is eliminated.

2001-03 Omnibus Operating Budget
Economic & Revenue Forecast Council
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	5.2	986	986
2001-03 Maintenance Level	5.2	1,033	1,033
Policy Changes:			
1. General Inflation	0.0	-7	-7
Total Policy Changes	0.0	-7	-7
Total 2001-03 Biennium	5.2	1,026	1,026

Comments:

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

2001-03 Omnibus Operating Budget
Office of Financial Management
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	207.8	27,018	65,632
2001-03 Maintenance Level	205.3	24,698	59,648
Policy Changes:			
1. Transfer to Health Care Authority	-2.0	-208	-208
2. File Server Replacement	0.0	0	542
3. AFRS Core Financial Systems	6.5	0	1,966
4. Budget & Allotment Support System	6.0	0	2,597
5. Enterprise Reporting	7.5	0	2,989
6. Information Architecture	2.0	0	747
7. Payables Improvement Process	4.5	0	1,531
8. Reduction of Expenditures	0.0	-504	-504
9. Statewide Jail Booking System	0.0	0	229
10. AmeriCorps Funds	0.0	198	798
11. Activity-Based Costing Project	1.0	0	651
12. Head Start Collaboration Project	-2.0	0	-345
13. Audit of Whistleblower Program	0.0	0	25
Total Policy Changes	23.5	-514	11,018
Total 2001-03 Biennium	228.8	24,184	70,666

Comments:

- 1. Transfer to Health Care Authority** - Two positions are transferred from the Office of Financial Management to the Health Care Authority for purposes of staffing the health policy subcabinet.
- 2. File Server Replacement** - The Office of Financial Management will replace network servers. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Data Processing Revolving Account)
- 3. AFRS Core Financial Systems** - Funding is provided to continue work on the Agency Financial Reporting System (AFRS) core financial systems by integrating the Department of Social and Health Services cost allocation system, supporting the Ultimate Purchasing System developed by the Department of General Administration, supporting quality control requirements, and supporting a statewide accounts receivable system. (Data Processing Revolving Account)
- 4. Budget & Allotment Support System** - The Office of Financial Management will continue product development of the Budget and Allotment Support System. (Data Processing Revolving Account)
- 5. Enterprise Reporting** - Funding is provided to move and integrate DSHS's financial reporting system into the statewide enterprise financial reporting system know as Fastrack. (Data Processing Revolving Account)
- 6. Information Architecture** - The Office of Financial Management, in coordination with agencies, will continue development and implementation of the state's information architecture for financial and administrative systems. (Data Processing Revolving Account)
- 7. Payables Improvement Process** - The Office of Financial Management will continue development of the Intranet-based statewide Travel Voucher System. (Data Processing Revolving Account)
- 8. Reduction of Expenditures** - The Office of Financial Management will reduce General Fund-State operating expenditures by approximately two percent.

**2001-03 Omnibus Operating Budget
Office of Financial Management**

9. Statewide Jail Booking System - Funding is provided for the Office of Financial Management to contract with the Washington Association of Sheriffs and Police Chiefs to maintain and operate the statewide jail booking and reporting system. (Violence Reduction and Drug Enforcement Account)

10. AmeriCorps Funds - Funding is provided for the state match required to receive an increase in the federal AmeriCorps grant for the Governor's Youth Safety Initiative. As a result of increased funding, AmeriCorp members in schools in Seattle and Yakima will initiate recreation projects for at-risk youth, provide tutoring assistance, and oversee homework clubs. (General Fund-State, General Fund-Federal)

11. Activity-Based Costing Project - Funding is provided for the Office of Financial Management to conduct a two-year study of Activity-Based Cost Management (ABCM). The study will identify specific benefits the ABCM would provide Washington State, describe how ABCM would be implemented, and outline specifications for an ABCM financial system. (Data Processing Revolving Account)

12. Head Start Collaboration Project - The Head Start Collaboration Project is transferred to the Department of Social and Health Services. (General Fund-Federal)

13. Audit of Whistleblower Program - RCW 42.40.110 requires the Office of Financial Management to contract for a performance audit of the Washington State Employee Whistleblower Program. Funding is provided for an audit to be performed during the 2001-03 biennium. (Auditing Services Revolving Account)

2001-03 Omnibus Operating Budget
Office of Administrative Hearings
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	139.7	0	21,496
2001-03 Maintenance Level	139.7	0	22,027
Policy Changes:			
1. General Inflation	0.0	0	-95
2. Purchase Personal Computers	0.0	0	56
Total Policy Changes	0.0	0	-39
Total 2001-03 Biennium	139.7	0	21,988

Comments:

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

2. Purchase Personal Computers - Funding is provided to convert personal computer replacement to a three year replacement cycle using a leasing arrangement with the State Treasurer's office. (Administrative Hearings Revolving Account)

2001-03 Omnibus Operating Budget
Department of Personnel
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	217.6	0	34,867
2001-03 Maintenance Level	217.6	0	33,402
Policy Changes:			
1. General Inflation	0.0	0	-270
2. Human Resources Systems Project	2.5	0	561
Total Policy Changes	2.5	0	291
Total 2001-03 Biennium	220.1	0	33,693

Comments:

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

2. Human Resources Systems Project - Funding is provided for DOP to prepare a Human Resources Business Process and Payroll and Personnel Systems Detail Requirements and Feasibility study. Funding will be used to hire information technology and office support staff, and to hire a consultant to assist in analyzing business requirements and preparing a request for proposal. (Data Processing Revolving Account)

2001-03 Omnibus Operating Budget
State Lottery Commission
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	151.0	0	797,058
2001-03 Maintenance Level	151.0	0	763,445
Policy Changes:			
1. General Inflation	0.0	0	-283
Total Policy Changes	0.0	0	-283
Total 2001-03 Biennium	151.0	0	763,162

Comments:

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

2001-03 Omnibus Operating Budget
Washington State Gambling Comm
(Dollars in Thousands)

	FTEs	House As Passed	House	Total
		GF-S		
1999-01 Estimated Expenditures	188.3	0		27,492
2001-03 Maintenance Level	198.7	0		29,536
Policy Changes:				
1. General Inflation	0.0	0		-207
2. Web-Based Services	1.0	0		234
3. Efficiency through Technology	0.0	0		180
4. Renton Field Office	0.0	0		60
Total Policy Changes	1.0	0		267
Total 2001-03 Biennium	199.7	0		29,803

Comments:

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

2. Web-Based Services - Funding is provided for an information technology staff person and to expand the agency's website. One-time funding is provided for office equipment, a personal computer, document imaging scanners, digital certificate licenses and forms management software, as well as document management software for archiving and retrieval. License applications, licensee reporting forms, and electronic fund transfer capability for amounts due the agency will be migrated to a web-based electronic process. (Gambling Revolving Account-Nonappropriated)

3. Efficiency through Technology - One-time funding is provided to obtain software to implement a central case reporting system and on-going funds are provided for an annual maintenance contract. One-time funds are also provided for setup costs to develop a digital photo identification system. (Gambling Revolving Account-Nonappropriated)

4. Renton Field Office - Funding is provided to establish a Renton field office for agents who are responsible for overseeing licensees located in south King County. Agents are currently commuting from the Lynnwood field office. (Gambling Revolving Account-Nonappropriated)

2001-03 Omnibus Operating Budget
WA State Comm on Hispanic Affairs
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	3.3	461	461
2001-03 Maintenance Level	3.3	464	464
Policy Changes:			
1. General Inflation	0.0	-4	-4
Total Policy Changes	0.0	-4	-4
Total 2001-03 Biennium	3.3	460	460

Comments:

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

2001-03 Omnibus Operating Budget
African-American Affairs Comm
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	3.0	398	398
2001-03 Maintenance Level	3.0	422	422
Policy Changes:			
1. General Inflation	0.0	-2	-2
Total Policy Changes	0.0	-2	-2
Total 2001-03 Biennium	3.0	420	420

Comments:

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

2001-03 Omnibus Operating Budget
Personnel Appeals Board
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	11.0	0	1,673
2001-03 Maintenance Level	11.0	0	1,687
Policy Changes:			
1. General Inflation	0.0	0	-8
Total Policy Changes	0.0	0	-8
Total 2001-03 Biennium	11.0	0	1,679

Comments:

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

2001-03 Omnibus Operating Budget
Department of Retirement Systems
(Dollars in Thousands)

	FTEs	House As Passed	House	Total
		GF-S		
1999-01 Estimated Expenditures	276.4	0		51,472
2001-03 Maintenance Level	292.2	0		52,301
Policy Changes:				
1. General Inflation	0.0	0		-178
2. Locating Entitled Inactive Members	0.0	0		120
3. Modify Retiree Return-to-Work Rules	0.0	0		117
4. Implement WSPRS Plan 2	2.6	0		440
Total Policy Changes	2.6	0		499
Total 2001-03 Biennium	294.8	0		52,800

Comments:

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

- 2. Locating Entitled Inactive Members** - Funding is provided to the Department of Retirement Systems (DRS) to identify and centralize inactive accounts of former retirement system members who have left funds in their accounts. DRS will take administrative steps to attempt to notify the former members of their account balances, in compliance with IRS requirements that members begin receiving distributions no later than age 70 and one-half. (Department of Retirement Systems Expense Account)

- 3. Modify Retiree Return-to-Work Rules** - Funding is provided for modifications to retirement information systems to accommodate tracking of post-retirement employment on an hourly basis. (Department of Retirement Systems Expense Account)

- 4. Implement WSPRS Plan 2** - Funding is provided for the implementation of the Washington State Patrol Retirement System Plan 2, created by Engrossed House Bill 1046 (modifying the Washington state patrol retirement system retirement and survivor benefits), including modifications to computer systems and program information. (Department of Retirement Systems Expense Account)

2001-03 Omnibus Operating Budget
State Investment Board
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	53.1	0	11,469
2001-03 Maintenance Level	59.6	0	12,486
Policy Changes:			
1. General Inflation	0.0	0	-24
2. Financial Statements	0.0	0	97
3. Private Equity Transaction Mgmt	2.0	0	317
Total Policy Changes	2.0	0	390
Total 2001-03 Biennium	61.6	0	12,876

Comments:

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

2. Financial Statements - Funding is provided for the State Auditor to do an independent audit of annual financial statements of assets under State Investment Board management. The State Auditor's Office has indicated that they would be able to conduct audits within the timeline required by the State Investment Board. (State Investment Board Expense Account)

3. Private Equity Transaction Mgmt - Funding is provided for the State Investment Board to hire two additional staff to perform work previously done by a private equity consultant. The staff will perform investment related duties and comprehensive back office functions, such as daily accounting and reporting, legal review, and financial statement review, to replace the \$3.4 million contract. A new consultant contract has been signed for \$1.5 million but the new consultant cannot deliver all of the same services. As a result, additional administrative funding is needed to supplement the back office services. The new operating model will save \$1.7 million. (State Investment Board Expense Account)

2001-03 Omnibus Operating Budget
Department of Revenue
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	991.7	144,739	154,796
2001-03 Maintenance Level	972.6	144,197	154,344
Policy Changes:			
1. General Inflation	0.0	-429	-435
2. Efficiency Savings	-6.1	-609	-609
3. Improve Tax Collections	70.0	10,100	10,100
4. Tax Collections - DOL/Customs	0.0	300	300
5. Tax Collections - Contract Auditors	0.0	1,430	1,430
Total Policy Changes	63.9	10,792	10,786
Total 2001-03 Biennium	1,036.5	154,989	165,130

Comments:

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

2. Efficiency Savings - Savings are achieved through implementation of information technology projects and process improvements to increase efficiencies. Staff positions have been eliminated as a result of the document imaging project for excise tax returns and process improvements within the miscellaneous tax section. Further planned efficiencies include the revision of the Local Tax Distribution System and quality review of the audit standard and procedures work processes. The Aberdeen Field Office may be closed and alternate service delivery methods could be employed to assist customers.

3. Improve Tax Collections - Funding is provided to improve tax collection, increase tax discovery and overall tax compliance by employing additional revenue auditors, revenue agents, and excise tax examiners to increase audit activity, tax discovery efforts, and delinquent account collections. Enhanced efforts to educate different taxpayer groups on tax compliance issues will be undertaken to increase voluntary tax compliance. This will generate an additional \$80 million in General Fund - State revenue in the 2001-03 biennium and an additional \$11.8 million for local governments.

4. Tax Collections - DOL/Customs - Funding is provided for the Department of Revenue to better utilize the Department of Licensing vehicle licensing system and its own automated collection system to improve collections of taxes due on recreational vehicles and vessels. Funding is provided to increase enforcement of use tax collections through U.S. customs. And funding is provided to shift audit effort to put a higher emphasis on tax discovery and high dollar accounts. These tax compliance efforts are expected to generate an additional \$15 million in General Fund - State revenue during the 2001-03 biennium and an additional \$2.2 million for local governments.

5. Tax Collections - Contract Auditors - Additional out-of-state independent contractors will be hired to perform audits of businesses that conduct operations in Washington State but are located out of state. This will generate an additional \$12.8 million in General Fund - State revenue for the 2001-03 biennium and an additional \$1.9 million for local governments.

2001-03 Omnibus Operating Budget
Board of Tax Appeals
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	10.4	1,944	1,944
2001-03 Maintenance Level	10.9	2,138	2,138
Policy Changes:			
1. General Inflation	0.0	-5	-5
2. Tax Referee Funding	0.1	60	60
3. Seattle Hearing Room Relocation	0.0	38	38
Total Policy Changes	0.1	93	93
Total 2001-03 Biennium	11.0	2,231	2,231

Comments:

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

2. Tax Referee Funding - Funding is provided for a part-time tax referee position to be increased to full-time. The tax referee must pass the Washington State Bar exam and be able to practice in Washington. This staff person will provide assistance on cases involving complex legal issues.

3. Seattle Hearing Room Relocation - Funding is provided to relocate the Seattle hearing room. The relocation will move the office out of the core of Seattle's downtown district.

2001-03 Omnibus Operating Budget
Municipal Research Council
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	1,766	4,146
2001-03 Maintenance Level	0.0	0	4,264
Policy Changes:			
1. Compensation Adjustments	0.0	0	257
2. Agency Relocation	0.0	0	130
3. General Inflation	0.0	0	-136
Total Policy Changes	0.0	0	251
Total 2001-03 Biennium	0.0	0	4,515

Comments:

1. Compensation Adjustments - Funding is provided to the Municipal Research Council to increase the contract amount for the Municipal Research and Services Center. (County Research Services Account, City and Town Research Services Account)

2. Agency Relocation - Funding is provided for one-time moving costs and increased lease costs. The agency is located in downtown Seattle and the lease costs at the current facility are expected to increase substantially. The current lease expires on July 31, 2002 and the agency anticipates moving at that time. (County Research Services Account, City and Town Research Services Account)

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

2001-03 Omnibus Operating Budget
Minority & Women's Business Enterp
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	20.0	0	2,663
2001-03 Maintenance Level	20.0	0	2,412
Total 2001-03 Biennium	20.0	0	2,412

Comments:

2001-03 Omnibus Operating Budget
Dept of General Administration
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	609.7	916	128,227
2001-03 Maintenance Level	618.8	1,181	131,321
Policy Changes:			
1. General Inflation	0.0	-2	-989
2. Capitol Facilities Maintenance	1.0	0	344
3. Transfer of Property Management #	-4.0	0	-1,372
4. Service Based Funding on New Leases	0.0	0	0
5. Procurement Contract Management #	0.0	0	0
6. Claims Database Management	0.0	0	60
7. The Ultimate Purchasing System	3.0	0	3,411
8. Consolidate Energy Programs #	1.3	0	243
Total Policy Changes	1.3	-2	1,697
Total 2001-03 Biennium	620.1	1,179	133,018

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Capitol Facilities Maintenance** - Funding is provided to improve Capitol Campus maintenance. A fire/safety and insulation specialist is added to perform preventative maintenance on fire suppression systems and asbestos abatement. A Capitol Campus building exterior maintenance program is initiated to maintain all brick, cement and sandstone building exteriors to extend benefits from building exterior preservation projects funded by capital funds. (General Administration Services Account, General Administration Services Account-Nonappropriated)
- 3. Transfer of Property Management #** - Property management of the Washington State Training and Conference Center is transferred from the Department of General Administration to the Criminal Justice Training Commission. (General Administration Services Account-Nonappropriated)
- 4. Service Based Funding on New Leases** - The methodology used by the Division of Real Estate Services to charge clients for new leases is changed from a cost allocation basis to a fee for actual services performed basis. The new cost recovery method will be based upon actual services provided to the client agencies to procure new leases. (General Administration Services Account, General Administration Services Account-Nonappropriated)
- 5. Procurement Contract Management #** - The Procurement Contract Administration (PCA) funding is changed from appropriated to non-appropriated status per House Bill No. 1342/Senate Bill No. 5474. (General Administration Services Account, General Administration Services Account-Nonappropriated)
- 6. Claims Database Management** - In the 1999-2001 biennium, the State Office of Risk Management staff assumed responsibility for the payment of Attorney General's Office tort defense-related expenses and for tort claims administration and payments. Funding is provided to contract for information technology architecture changes to improve tort claim data access for the Office of Risk Management and the Attorney General's Tort Division. Funding is also provided for additional contracts to assist with defense payment administration and reconciliation. (General Administration Services Account)
- 7. The Ultimate Purchasing System** - In FY 99-01, the department began to develop an electronic procurement system, The Ultimate Purchasing System (TUPS). This new system streamlines purchasing processes from product request through payment. Additional funding is provided this biennium for three FTE staff and on-going goods and services to directly support the implementation of TUPS. Funds are also provided to develop cross-operability between procurement's contract management system and TUPS and between central stores' warehouse management system and TUPS. (General Administration Services Account-Non-appropriated)

**2001-03 Omnibus Operating Budget
Dept of General Administration**

8. Consolidate Energy Programs # - Activities for the energy program have been funded through two accounts: the Energy Efficiency Services Account on an appropriated basis and the General Administration Services Account on a non-appropriated basis. The Energy Efficiency Services Account, an appropriated account, is eliminated. All funding for the energy program is made non-appropriated and is consolidated in the General Administration Services Account per House Bill No. 1342/Senate Bill No. 5474. In addition, 1.3 FTE positions are transferred from the capital budget to the operating budget. (General Administration Services Account-Nonappropriated, Energy Efficiency Services Account)

2001-03 Omnibus Operating Budget
Department of Information Services
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	428.6	0	215,905
2001-03 Maintenance Level	428.6	0	209,188
Policy Changes:			
1. General Inflation	0.0	0	-649
2. K-20 Network Private Colleges	0.0	0	804
3. K-20 Network Private K-12 Schools	0.0	0	145
Total Policy Changes	0.0	0	300
Total 2001-03 Biennium	428.6	0	209,488

Comments:

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

2. K-20 Network Private Colleges - Fifteen independent private, non-profit colleges, located in Washington State, have requested connection to the K-20 Educational Telecommunications Network. These K-20 connections are provided to the private colleges on a full cost reimbursement basis, net of the value of services and information provided by the K-12 schools based on criteria approved by the K-20 Board. (Education Technology Revolving Account-Nonappropriated)

3. K-20 Network Private K-12 Schools - Some private K-12 schools have requested limited "pilot connections" to the K-20 Network to test the technical and economic feasibility of one or more connection models. These K-20 connections will be provided to the private K-12 schools on a full cost reimbursement basis, net of the value of services and information provided by the private K-12 schools based on criteria approved by the K-20 Board. (Education Technology Revolving Account-Nonappropriated)

2001-03 Omnibus Operating Budget
Office of Insurance Commissioner
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	173.1	0	26,827
2001-03 Maintenance Level	171.1	0	26,695
Policy Changes:			
1. General Inflation	0.0	0	-104
2. Consumer Advocacy Workload	1.0	0	132
3. Monitor Auxiliary Lines Companies	5.0	0	821
4. Third-Party Administrators	0.0	0	45
5. Holding Companies	0.0	0	164
6. Access to Insurance Information	3.0	0	409
7. Insurance e-Commerce Regulation	1.0	0	184
8. Insurance Examiner Salaries	0.0	0	412
9. HelpLine Volunteer Network	0.0	0	224
Total Policy Changes	10.0	0	2,287
Total 2001-03 Biennium	181.1	0	28,982

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Consumer Advocacy Workload** - An increase in insurance inquiries and complaints from the public have increased the workload in the Consumer Advocacy Division. Funding is provided for one staff position to be added to the Consumer Advocacy Division. (Commissioner's Regulatory Account)
- 3. Monitor Auxiliary Lines Companies** - Funding is provided for examination and financial analysis of auxiliary line companies. (Commissioner's Regulatory Account)
- 4. Third-Party Administrators** - Funding is provided for a study of the use and possible regulation of third-party administrators. (Commissioner's Regulatory Account)
- 5. Holding Companies** - Funding is provided to implement Substitute House Bill 1792, which creates a holding company act for health care service contractors and health maintenance organizations. (Commissioner's Regulatory Account)
- 6. Access to Insurance Information** - Funding is provided to facilitate direct access to a variety of insurance information including ratings, complaint data and company profiles via the Internet. Funding will also be used to address increased internal agency demands for information service support functions. (Commissioner's Regulatory Account)
- 7. Insurance e-Commerce Regulation** - Funding is provided to allow the Office of Insurance Commissioner to work with industry representatives, the National Association of Insurance Commissioners, and stakeholders to recommend changes to the insurance code that would allow the industry to use the Internet to conduct business, address electronic commerce issues, and maintain consumer protection. (Commissioner's Regulatory Account)
- 8. Insurance Examiner Salaries** - Funding is provided for salary reclassifications for insurance examiners. (Commissioner's Regulatory Account)
- 9. HelpLine Volunteer Network** - State Health Insurance Benefits Advisors (SHIBA) HelpLine volunteers serve consumers statewide. Additional funding is provided for 25 sponsoring organizations to continue coordination and administration of the SHIBA volunteer and community networks. (Commissioner's Regulatory Account)

2001-03 Omnibus Operating Budget

Friday, April 27, 2001

State Board of Accountancy

4:33 pm

(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	7.5	0	1,304
2001-03 Maintenance Level	8.0	0	1,371
Policy Changes:			
1. General Inflation	0.0	0	-10
2. Revise Public Accountancy Act	1.0	0	355
Total Policy Changes	1.0	0	345
Total 2001-03 Biennium	9.0	0	1,716

Comments:

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

2. Revise Public Accountancy Act - Funding is provided for the Board of Accountancy to conduct rulemaking, set license fees and distribute consumer alert and public protection information in accordance with E2SSB 5593. (Certified Public Accountants' Account)

2001-03 Omnibus Operating Budget
Forensic Investigations Council
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	0	272
2001-03 Maintenance Level	0.0	0	276
Policy Changes:			
1. Investigating Sudden Deaths	0.0	0	34
Total Policy Changes	0.0	0	34
Total 2001-03 Biennium	0.0	0	310

Comments:

1. Investigating Sudden Deaths - Funding is provided for implementation of House Bill 1216 (investigating sudden unexplained deaths of children), which authorizes the Forensic Investigations Council to reimburse counties for an autopsy of a child under the age of three whose death was sudden and unexplained, if the death scene investigation and the autopsy were conducted under the Forensic Investigations Council protocols and the autopsy was done at a facility designed for the performance of autopsies. (Death Investigations Account--State)

2001-03 Omnibus Operating Budget
Washington Horse Racing Commission
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	29.4	0	4,733
2001-03 Maintenance Level	29.4	0	4,518
Policy Changes:			
1. General Inflation	<u>0.0</u>	<u>0</u>	<u>-14</u>
Total Policy Changes	0.0	0	-14
Total 2001-03 Biennium	29.4	0	4,504

Comments:

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

2001-03 Omnibus Operating Budget
WA State Liquor Control Board
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	976.6	2,657	145,302
2001-03 Maintenance Level	950.3	2,975	146,786
Policy Changes:			
1. General Inflation	0.0	-8	-279
2. Merchandising Business System	0.0	0	4,803
3. Regional Wholesale Center	0.0	0	260
4. Transition Training	0.0	0	108
5. Aged Vehicle Replacement	0.0	0	556
6. Provide Quality Enforcement	0.0	0	67
7. Agency Commission Increase	0.0	0	928
Total Policy Changes	0.0	-8	6,443
Total 2001-03 Biennium	950.3	2,967	153,229

Comments:

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

2. Merchandising Business System - Funding is provided for a new merchandising business system (MBS) and data marts that will link merchandising, distribution center activities, and financial activities into a fully automated retail system. (Liquor Revolving Account-Appropriated)

3. Regional Wholesale Center - Funding is provided for a regional wholesale center that will be established at Seattle's Store 101. Retail operations and sales will continue at Store 101, but the Store Development Program will be relocated to free up space for the establishment of a wholesale center. (Liquor Revolving Account-Appropriated)

4. Transition Training - One-time funding is provided for employees within the board's Information Technology Services Division to receive training in client/server and web based technology platforms. The board is transitioning from a mainframe to a client-server platform with web-enabled applications for e-commerce purposes using current technologies. (Liquor Revolving Account-Appropriated)

5. Aged Vehicle Replacement - One-time funding is provided for thirty-two vehicles to be replaced when they reach five years or 100,000 miles of service. The Washington State Liquor Control Board's 130 vehicles are used in statewide liquor retail merchandising, enforcement and regulatory activities. (Liquor Revolving Account-Appropriated)

6. Provide Quality Enforcement - One-time funding is provided for the Enforcement and Education Division's enforcement staff to undergo a two-day community policing training tailored for liquor enforcement staff. Eight enforcement officers will receive an additional one day community policing training session designed to prepare them to serve as future instructors. (Liquor Revolving Account-Appropriated)

7. Agency Commission Increase - Funding is provided for increased commissions, paid to agency liquor vendor stores, to reflect a rate increase of six percent. Retail sale of liquor is managed through 157 state-run agency stores and 157 independently owned agencies that contract to sell liquor. Agency store owners are paid a commission, a portion of which is based upon liquor sales. Currently, sales up to \$10,500 generate 20.914 percent commissions; sales from \$10,500 to \$21,000 generate 7.315 percent commissions; and sales over \$21,000 generate 5.683 percent commissions for agency liquor vendor store owners. The agency liquor vendor store commission rate has not been increased since 1996. (Liquor Revolving Account-Appropriated)

2001-03 Omnibus Operating Budget
Utilities and Transportation Comm
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	163.8	0	28,361
2001-03 Maintenance Level	160.1	0	28,786
Policy Changes:			
1. Cost Accounting System	0.0	0	170
2. Transportation Process Study	1.0	0	134
3. Pipeline Safety Program *	8.0	0	1,962
4. General Inflation	0.0	0	-111
5. Pipeline Safety Program Review	0.0	0	294
Total Policy Changes	9.0	0	2,449
Total 2001-03 Biennium	169.1	0	31,235

Comments:

1. Cost Accounting System - One-time funding is provided for a study of the cost and time accounting system. A consultant will be hired to undertake a study of the agency's requirements for regulatory and financial information. The study will include recommendations for integration with existing statewide applications and development of a new application. The agency calculates cost and expenditure data by industry. (Public Service Revolving Account)

2. Transportation Process Study - One-time funding is provided to hire staff to perform a study of the business processes in the transportation programs and to support development of a new application in the second year of the biennium. (Public Service Revolving Account)

3. Pipeline Safety Program * - Funding is provided to the commission for pipeline safety in Washington. With passage of the Washington Pipeline Safety Act 2000, the commission has taken on additional responsibilities, including interstate pipeline inspection. In July 2000, the commission signed an agreement with the federal office of pipeline safety authorizing state inspectors to inspect interstate natural gas and hazardous liquid pipelines. The 2000 Legislature provided funding to implement interstate pipeline safety activities and directed the commission to develop a proposal to collect a fee from the regulated industries to cover the costs of interstate pipeline safety regulation in the future. This program is supported by the fees that are deposited into the pipeline safety account as directed by Substitute Senate Bill No. 5182 (pipeline safety). (Pipeline Safety Account-State, Pipeline Safety Account-Federal)

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

5. Pipeline Safety Program Review - One-time funding is provided for an interagency agreement with the Joint Legislative Audit and Review Committee for a review of staff use, inspection activity, fee methodology, and costs of the hazardous liquid and gas pipeline safety programs. (Pipeline Safety Account--State)

2001-03 Omnibus Operating Budget
Board for Volunteer Firefighters
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	3.0	0	587
2001-03 Maintenance Level	3.0	0	542
Policy Changes:			
1. General Inflation	0.0	0	-2
2. Internet Website	0.0	0	3
Total Policy Changes	0.0	0	1
Total 2001-03 Biennium	3.0	0	543

Comments:

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

2. Internet Website - Funding is provided for the agency to develop a web site that provides volunteer firefighters and fire departments better access to information, report forms, and e-mail. (Volunteer Firefighters' and Reserve Officers' Administrative Account)

2001-03 Omnibus Operating Budget
Military Department
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	224.4	22,912	122,522
2001-03 Maintenance Level	214.4	17,993	61,808
Policy Changes:			
1. General Inflation	0.0	-115	-294
2. Yakima Armory Support	1.0	128	128
3. Caretaker Support	0.0	125	125
4. Reduce Emergency Mgmt Training	0.0	-36	-54
5. Reduce Maintenance of Armories	-2.4	-230	-230
6. Reduction in Maintenance and Repair	-1.0	-24	-98
7. Earthquake Response & Recovery	0.0	0	195,679
8. Emergency Management Compact #	0.5	120	120
Total Policy Changes	-1.9	-32	195,376
Total 2001-03 Biennium	212.5	17,961	257,184

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Yakima Armory Support** - Funding is provided to operate and maintain the facility and grounds of the new Army National Guard Readiness Center in Yakima. The facility, which will open in August 2001, will help meet military readiness standards and provide facilities for public education and civic use.
- 3. Caretaker Support** - Funding is provided to purchase janitorial services to provide cleaning for 30 armories twice each month. Currently, Washington Army National Guard armories are cleaned once each month by Army National Guard soldiers.
- 4. Reduce Emergency Mgmt Training** - Savings are achieved by reducing the Emergency Management Division's travel reimbursements to approximately 250 students of general emergency management and search and rescue training. (General Fund - State, General Fund - Federal)
- 5. Reduce Maintenance of Armories** - Savings are achieved by reducing the Washington Army National Guard's maintenance and repair staff for armories by 18 percent. This will lengthen the time to respond to non-emergency work orders. The current response time is over 100 days.
- 6. Reduction in Maintenance and Repair** - Savings are achieved by reducing the Air National Guard's maintenance and repair staff by one position. This will lengthen the time to respond to non-emergency work orders. (General Fund-State, General Fund-Federal)
- 7. Earthquake Response & Recovery** - Funding is provided to the Department from the Nisqually Earthquake Account for costs associated with the response and recovery activities as a result of the February 28, 2001 earthquake. Of the Nisqually Earthquake Account --State amount, \$898,000 is provided as the hazard mitigation state matching share for state agencies, \$449,000 is provided for one half of the hazard mitigation local matching share for local entities, \$20,801,000 is provided as the public assistance state matching share for state agencies, and \$14,362,000 is provided as one half of the public assistance local matching share for local entities. (Nisqually Earthquake Account - State, Nisqually Earthquake Account - Federal)
- 8. Emergency Management Compact #** - One-time funding is provided for a part-time staff position to assist with the development of these agreements. Senate Bill 5256 (emergency management assistance compact) authorizes the Military Department to enter into interstate compacts for mutual aid during disasters or emergencies.

2001-03 Omnibus Operating Budget
Public Employment Relations Comm
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	24.7	4,251	4,251
2001-03 Maintenance Level	24.7	4,299	4,299
Policy Changes:			
1. General Inflation	0.0	-13	-13
2. Office Space Increase	0.0	32	32
Total Policy Changes	0.0	19	19
Total 2001-03 Biennium	24.7	4,318	4,318

Comments:

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

2. Office Space Increase - Funding is provided for an increase in square footage in the Olympia office. (General Fund-State)

2001-03 Omnibus Operating Budget
Growth Management Hearings Board
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	12.0	2,899	2,899
2001-03 Maintenance Level	12.0	3,014	3,014
Policy Changes:			
1. General Inflation	0.0	-11	-11
Total Policy Changes	0.0	-11	-11
Total 2001-03 Biennium	12.0	3,003	3,003

Comments:

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

2001-03 Omnibus Operating Budget
State Convention and Trade Center
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	144.0	0	32,313
2001-03 Maintenance Level	155.0	0	67,734
Total 2001-03 Biennium	155.0	0	67,734

Comments:

2001-03 Omnibus Operating Budget
WA State Health Care Authority
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	291.5	13,165	604,751
2001-03 Maintenance Level	289.4	13,323	712,734
Policy Changes:			
1. Insurance System Upgrade	0.0	0	3,635
2. Community Health Services Reduction	0.0	-262	-262
3. Basic Health Alternative Contracts	1.0	0	2,553
4. UMP Pharmacy Benefit Management	0.0	0	170
5. Administrative Efficiencies	-2.8	-6	-1,091
6. General Inflation	0.0	-8	-195
7. Basic Health Plan Adjustment	0.0	0	-103,168
8. Shift Admin Costs	0.0	13,353	0
Total Policy Changes	-1.8	13,077	-98,358
Total 2001-03 Biennium	287.6	26,400	614,376

Comments:

- 1. Insurance System Upgrade** - Funding is provided to enable the Health Care Authority to contract for a new insurance eligibility and member management information system for the Basic Health and the Public Employees Benefit Board health plans, in part to address the new requirements of the Health Insurance Portability and Accountability Act. (Health Care Authority Administrative Account-State, Health Services Account-State)

- 2. Community Health Services Reduction** - Funding is reduced by two percent for Community Health Services to low income clients and migrants throughout the state.

- 3. Basic Health Alternative Contracts** - Funding is provided for the Basic Health Plan (BHP) to develop and implement alternative purchasing strategies in areas of the state where managed care contractors might otherwise not be available for BHP enrollees. As authorized during the 2000 legislative session, this may include strategies such as differential geographic rating of bids, and direct negotiation with plans and provider networks in areas where there are not sufficient competitive bids. (Health Services Account-State)

- 4. UMP Pharmacy Benefit Management** - The Uniform Medical Plan (UMP) pharmacy claims costs have increased 28 percent from 1998 to 1999, as compared to 17 to 20 percent pharmacy increases nationwide. In order to better manage pharmacy costs, the budget provides funding for the UMP to contract with a pharmacy consultant to develop a pharmaceutical use policy and utilization review system and provide ongoing data analysis and recommendations for pharmacy benefit design and utilization management. (Uniform Medical Plan Benefits Administration Account-Nonappropriated)

- 5. Administrative Efficiencies** - Efficiency savings of two percent are assumed in the Program Support and Health Planning Programs. Additionally, funding for research and planning is reduced to reflect actual 1999-01 spending levels. (Health Care Authority Administrative Account-State, Health Services Account-State)

- 6. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

- 7. Basic Health Plan Adjustment** - By maintaining the Basic Health Plan at the current biennium funding level of \$421 million, savings are generated as the cost of the program would otherwise have grown by approximately \$103 million. (Health Services Account-State)

- 8. Shift Admin Costs** - Administrative costs are shifted from the Health Services Account to the state general fund. (Other Funds: Health Services Account)

2001-03 Omnibus Operating Budget
Human Rights Commission
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	52.4	5,346	6,976
2001-03 Maintenance Level	52.4	5,418	7,062
Policy Changes:			
1. General Inflation	0.0	-30	-30
Total Policy Changes	0.0	-30	-30
Total 2001-03 Biennium	52.4	5,388	7,032

Comments:

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

2001-03 Omnibus Operating Budget
Bd of Industrial Insurance Appeals
(Dollars in Thousands)

	FTEs	House As Passed	House	Total
1999-01 Estimated Expenditures	142.7	0		23,940
2001-03 Maintenance Level	143.3	0		25,412
Policy Changes:				
1. General Inflation	0.0	0		-146
2. Upgrade Information Technology	6.5	0		1,013
3. Increase in Appeals Workload	12.0	0		2,066
4. Temp Costs for Cockle Decision	6.5	0		1,078
Total Policy Changes	25.0	0		4,011
Total 2001-03 Biennium	168.3	0		29,423

Comments:

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

2. Upgrade Information Technology - Technology infrastructure enhancements are funded to improve business processes. The implementation of a continuous replacement cycle of information technology items will enable upgrades to cables, networks, web servers and wide area network. (Accident Account, Medical Aid Account)

3. Increase in Appeals Workload - The number of appeals heard by the Board of Industrial Insurance Appeals is increasing. Funding is provided for six additional judges and six support staff to help the agency provide services to workers, employers, and other parties who dispute the Department of Labor and Industries' workers' compensation decisions before the board. (Accident Account, Medical Aid Account)

4. Temp Costs for Cockle Decision - One-time funding for fiscal year 2002 is provided for the cost of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits. The Department of Labor and Industries is to develop and recommend statutory language to the Legislature by October 1, 2001, that provides greater certainty in the calculation of workers' compensation benefits. (Accident Fund and Medical Aid Fund)

2001-03 Omnibus Operating Budget
Criminal Justice Training Comm
(Dollars in Thousands)

	FTEs	House As Passed	House	Total
1999-01 Estimated Expenditures	38.0	0		18,162
2001-03 Maintenance Level	35.0	0		17,923
Policy Changes:				
1. General Inflation	0.0	0		-311
2. Certification/Decertification #	1.9	0		374
3. Facility Responsibilities #	5.0	0		0
4. School Mapping	0.0	0		100
5. Methamphetamine Initiative	0.0	0		233
6. Vendor Rate Change	0.0	0		57
7. WASPC - Increased Training	0.0	0		124
8. Prosecutors - Increased Training	0.0	0		136
Total Policy Changes	6.9	0		713
Total 2001-03 Biennium	41.9	0		18,636

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Certification/Decertification #** - In accordance with House Bill 1062 (certification of peace officers), funding is provided for the Commission to institute a certification and decertification process for peace officers. (Public Safety and Education Account-State)
- 3. Facility Responsibilities #** - Operation and maintenance responsibilities for the Criminal and Justice Training Commission (CJTC) Conference Center at Burien is transferred from the Department of General Administration to the CJTC.
- 4. School Mapping** - Funding is provided for the Washington Association of Sheriffs and Police Chiefs to implement school mapping, or electronic pre-incident plans, for K-12 schools. (Public Safety and Education Account-State)
- 5. Methamphetamine Initiative** - Funding is provided for local governments to receive training and equipment to address methamphetamine crime. (Public Safety and Education Account-State)
- 6. Vendor Rate Change** - Funding is provided for a vendor rate increase of 2.2 percent on July 1, 2001, and an additional increase of 2.5 percent on July 1, 2002. (Public Safety and Education Account-State)
- 7. WASPC - Increased Training** - Funding is provided for the Washington Association of Sheriffs and Police Chiefs to increase the technical and training support provided to local criminal justice agencies for the use of the Washington Incident-Based Reporting System and the National Incident-Based Reporting System. (Public Safety and Education Account-State)
- 8. Prosecutors - Increased Training** - Funding is provided to the Washington Association of Prosecuting Attorneys to increase training provided to the criminal justice community, including prosecutors, law enforcement, judges, fish and wildlife officers, corrections staff, school personnel, and Department of Social and Health Services employees. (Public Safety and Education Account-State)

2001-03 Omnibus Operating Budget
Department of Labor and Industries
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	2,731.9	15,061	437,035
2001-03 Maintenance Level	2,722.1	15,510	444,892
Policy Changes:			
1. Consumer Protection/Contractors *	2.0	268	268
2. Improving Claims Collection	4.0	0	2,690
3. Internet Filing of Claims	2.0	0	1,520
4. Internet Payment of Premiums	2.5	0	1,394
5. Faster Pension Benefits	4.0	0	2,352
6. Critical Safety and Health Data	3.0	0	2,942
7. Internet Registration and Licensing	0.0	0	445
8. General Inflation	0.0	-38	-2,101
9. Fund Source Shift	0.0	0	0
10. Expanding Apprenticeship	2.0	0	1,250
11. Sexually Violent Predator Victims	0.0	0	53
12. Improving Customer Telephone Svc	0.0	0	1,492
13. Replace Incompatible Computers	0.0	0	3,868
14. Program Reductions	-3.5	-320	-320
15. Increase for Crime Victims Comp	0.0	0	3,014
16. Temp Cost for Cockle Decision	11.4	0	2,876
Total Policy Changes	27.4	-90	21,743
Total 2001-03 Biennium	2,749.5	15,420	466,635

Comments:

- 1. Consumer Protection/Contractors *** - Funding is provided for activities to increase consumer awareness of available legal protection and contractor awareness of legal obligations. Funding is also provided to increase enforcement against unregistered contractors.
- 2. Improving Claims Collection** - Funding is provided to replace the claims accounts receiveable system which is used to collect \$8.5 million in yearly overpayments of workers' compensation claims and to recover \$17 million per year in workers' compensation costs from third parties. The new system will facilitate computation and collection of interest on outstanding claims. The system is expected to increase post-implementation revenues by \$1,092,000 per year. (Accident Account, Medical Aid Account)
- 3. Internet Filing of Claims** - Funding is provided for a study to assess the feasibility of using electronic commerce to exchange information, which may include claim-related reports, forms and bills and department information. Based on the results of the feasibility study, one or more components of the recommended solution would be piloted. (Accident Account, Medical Aid Account)
- 4. Internet Payment of Premiums** - Funding is provided to develop systems that allow employers to file and pay workers' compensation premiums via the Internet. Features to be included are the development of an interface with automatic-error checking, a secure encrypted environment, online help, and automated electronic payment methods. (Accident Account, Medical Aid Account)
- 5. Faster Pension Benefits** - Under the workers' compensation program, pensions are provided to 17,500 permanently disabled workers and surviving beneficiaries. Funding is provided to develop a new pension payment system to replace a manual system that is being used to calculate and process pensions. (Accident Account, Medical Aid Account)

2001-03 Omnibus Operating Budget
Department of Labor and Industries

6. Critical Safety and Health Data - Funding is provided for a computer data system that will be used to track workplace safety and health activities, manage resources, and identify the most hazardous industries. The system will also provide data to other Labor and Industries' information systems and interface with a federal safety and health data system developed by the U.S. Occupational Safety and Health Administration. (Accident Account, Medical Aid Account)

7. Internet Registration and Licensing - Funding is provided to develop a computer system that would allow electrical contractors to apply for licenses using the Internet. The new system will provide contractors with 24-hour access and improve accuracy and speed through automation. (Electrical License Account)

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

9. Fund Source Shift - Increases in asbestos certification and training are resulting in increased expenditures in the Asbestos Account and decreased expenditures in the Accident Account and the Medical Aid Account. In addition, an increase in the federal appropriation and a decrease in the state appropriation of the Accident Account and the Medical Aid Account to more closely match the federal grants. Transfers of full time equivalent staff positions between various programs also require funding adjustments between the Accident Account and the Medical Aid Account. These adjustments reflect transfers in the Administrative Services, Insurance Services, Information Services and Washington Industrial Safety and Health Act Services Programs. (Accident Account-State, Accident Account-Federal, Asbestos Account, Medical Aid Account-State, Medical Aid Account-Federal)

10. Expanding Apprenticeship - A grant program is established for new apprenticeship and pre-apprenticeship programs in new and emerging technologies to help meet the state's need for skilled and qualified workers. Additionally, new apprenticeship programs will be developed for non-traditional areas such as telecommunications, child care services, and public services. (General Fund-Federal)

11. Sexually Violent Predator Victims - Funding is provided to implement HB 1271 (modifying requirements for certain victims of sexually violent predators to be eligible for victims' compensation) which allows victims involved in the civil commitment process of sexually violent predators to access benefits under the Crime Victims Compensation Act. (Public Safety and Education Account-State)

12. Improving Customer Telephone Svc - Funding is provided to replace telephones in L&I's Region 2 (Seattle, Tukwila, Bellevue) and Region 5 (Yakima, Kennewick, East Wenatchee, Moses Lake) offices. Upgrading these telephone systems will allow calls to be networked or shared among offices, improving L&I staff's ability to handle call volumes and to respond to callers' needs in a timely manner. (Accident Account, Medical Aid Account)

13. Replace Incompatible Computers - Funding is provided to lease 1,400 new personal computers, to update 1,400 other computers, and to support migration to Windows 2000. In the 1999-01 biennium, Labor and Industries received an appropriation to begin implementation of a continuous three-year replacement cycle for computers and this item provides funding to continue that replacement cycle. (Accident Account, Medical Aid Account)

14. Program Reductions - Factory Assembled Structures inspection activities and Contractor Registration hotline staff are reduced.

15. Increase for Crime Victims Comp - Funding is increased for victims of violent crimes. This amount covers expected inflation, growth in claim costs for medical, time-loss, and pension benefits. (Public Safety & Education Account-State, Public Safety & Education Account-Federal, Public Safety & Education Account-Private/Local)

16. Temp Cost for Cockle Decision - One-time funding for fiscal year 2002 is provided for the cost of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits. The Department of Labor and Industries is to develop and recommend statutory language to the Legislature by October 1, 2001, that provides greater certainty in the calculation of workers' compensation benefits. (Accident Fund and Medical Aid Fund)

2001-03 Omnibus Operating Budget
Indeterminate Sentence Review Board
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	9.2	1,923	1,923
2001-03 Maintenance Level	8.2	2,004	2,004
Policy Changes:			
1. General Inflation	0.0	-6	-6
Total Policy Changes	0.0	-6	-6
Total 2001-03 Biennium	8.2	1,998	1,998

Comments:

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

2001-03 Omnibus Operating Budget
Department of Health
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	1,186.7	130,159	572,910
2001-03 Maintenance Level	1,187.4	133,088	612,634
Policy Changes:			
1. WIC Program Efficiencies	0.0	-418	-418
2. Consolidate Child Death Reviews	-1.8	-1,000	-1,000
3. Reduce Teen Pregnancy Grants	0.0	-1,116	-1,116
4. Community Wellness and Prevention	-0.3	-68	-68
5. Reduce EMS Coordination Activities	-1.0	-378	-378
6. Reduce State Trauma Administration	-4.2	-550	-550
7. Federal Revenue	0.0	0	1,173
8. Technology for Newborn Screen	0.0	0	660
9. Consolidate Water Lab Testing	-1.6	-307	-307
10. Delay Shellfish Database	0.0	-60	-60
11. American Legacy Foundation Grant	0.0	0	1,443
12. Regulating Meth Precursor Drug #	0.0	0	13
13. Reduce Acute Care Education	0.0	-162	-162
14. Eliminate Rural Health Data Book	0.0	-38	-38
15. Medicare Designation Start-Up	0.0	-177	-177
16. Child Health Enhancements	1.2	0	10,610
17. AIDS Prescription Drug Increase	0.0	1,031	1,839
18. DSHS/DASA Appropriation Transfer	0.0	340	340
19. General Inflation	0.0	-517	-999
20. Administrative Reductions	-1.7	-840	-840
21. Create Child Development Office	-6.3	-882	-882
22. Infant & Children Product Safety	0.5	150	150
23. Workplace Breastfeeding Policy	0.4	83	83
24. Health Professions Acct Legislation	0.0	0	248
25. Shift Administrative Costs	0.0	1,135	0
26. Dental Sealants	0.3	0	72
27. Vendor Rate Change	0.0	281	281
Total Policy Changes	-14.5	-3,493	9,917
Total 2001-03 Biennium	1,172.9	129,595	622,551

Comments:

1. WIC Program Efficiencies - During the summer of 2000, the Department of Health began providing "help desk" support for Women, Infants and Children (WIC) clinics with state employees, rather than contracting for the service. The change resulted in the identified efficiency savings, with no reduction reported in the level of support provided to clinics. (General Fund-State)

2. Consolidate Child Death Reviews - Multiple entities are currently involved in the review of circumstances leading to unexpected deaths. Savings are achieved by consolidating these activities through the elimination of the Department of Health's Child Death Review program. The program duplicates efforts in the Department of Social and Health Services, the Office of the Superintendent of Public Instruction, the Traffic Safety Commission and other organizations. (General Fund-State)

**2001-03 Omnibus Operating Budget
Department of Health**

- 3. Reduce Teen Pregnancy Grants** - Direct grant support from the Department of Health is discontinued for nine of the 10 teen pregnancy prevention projects in urban and rural communities. Department of Health's teen pregnancy prevention efforts will be redirected to statewide activities such as information development and dissemination, web page communications, parent education, and a reduced program evaluation effort. (General Fund-State)
- 4. Community Wellness and Prevention** - Assessment, evaluation and surveillance for Community Wellness and Prevention Programs are discontinued. (General Fund-State)
- 5. Reduce EMS Coordination Activities** - Funding is no longer provided to the Regional Emergency Medical Services and Trauma Care Councils to promote emergency medical dispatch training; to participate in local and regional disaster preparedness training; or to support quality improvement initiatives. Funding is also eliminated for data management and technical assistance support to the trauma registry. (General Fund-State)
- 6. Reduce State Trauma Administration** - Funding for state-level oversight, coordination, and state-office assistance to the regional trauma networks is reduced by 15 percent. Standards, protocols, and training curricula have been developed; data systems established; and trauma providers certified in all regions, thereby reducing the need for oversight and coordination funding. (General Fund-State)
- 7. Federal Revenue** - Federal grants have been awarded to the Department of Health for Early Hearing Detection and Intervention, State-Based Birth Defects Surveillance Program, Improving Data Quality in Pesticide Illness, and Federal Domestic Violence for Pregnant Women. (General Fund-Federal)
- 8. Technology for Newborn Screen** - The Department of Health will begin using non-radioactive tests to screen for certain conditions among newborns in order to eliminate the need to dispose of radioactive wastes. The new tests are more expensive than using radioactive technology. As a result, the fee for newborn screening is expected to increase to \$38.20 from the current level of \$33.80. (General Fund-Private/Local)
- 9. Consolidate Water Lab Testing** - The Department of Health (DOH) operates a program which certifies drinking water testing laboratories, and maintains its own drinking water laboratory to support the certification program. During the first year of the biennium, the DOH certification program and laboratory will be closed and merged with the other environmental laboratory certification programs operated by the Department of Ecology. Savings will result from the greater economies of scale possible under the larger, merged program. (General Fund-State)
- 10. Delay Shellfish Database** - The Department of Health Shellfish Program is developing an integrated database for water quality and other program elements, including biotoxins and licensing of commercial shellfish growers. The water quality portion of the database has been completed. The development of the remaining portions of the database will be extended over a longer period. (General Fund-State)
- 11. American Legacy Foundation Grant** - The American Legacy Foundation awarded the state a three-year grant totaling \$2,250,000 under the Statewide Youth Movement Against Tobacco Use Initiative. The department, through its subcontract with the University of Washington, will foster a statewide youth empowerment initiative by creating regional teams to develop and foster media efforts to reduce youth tobacco. Partner organizations will include school districts, voluntary community organizations, voluntary health organizations, and universities. (General Fund-Private/Local)
- 12. Regulating Meth Precursor Drug #** - Substitute Senate Bill 5017 restricts the purchase of large quantities of certain over-the-counter medications which are sometimes used in the manufacture of methamphetamine. Funding is provided for the Department of Health to develop regulations implementing the new law. (Public Safety & Education Account)
- 13. Reduce Acute Care Education** - The Regional Trauma Care Councils will no longer receive designated funding for training of acute care and rehabilitation facility personnel. Trauma and rehabilitation facilities may use other state funds which they receive from trauma participation grants for this training. (General Fund-State)
- 14. Eliminate Rural Health Data Book** - Funding for the Rural Health Data Book is eliminated. The book provides information on health status and systems, and has been produced every two years. (General Fund-State)

2001-03 Omnibus Operating Budget
Department of Health

15. Medicare Designation Start-Up - This item eliminates the state share of start-up funding that was provided in the 1999-01 biennium to assist small rural hospitals prepare for the "critical access hospital" designation, which enables them to qualify for higher federal Medicare payments. Approximately \$450,000 per year of federal funding subsequently became available for the same purpose in 1999-01. (General Fund-State)

16. Child Health Enhancements - Funding is provided to add the new pneumococcal conjugate vaccine to the list of state-funded vaccines. Under the "universal distribution" policy first adopted by Washington in the 1991 budget, the state makes medically-recommended childhood vaccines available free of charge for all children through age five. Inclusion of a vaccine on the universal distribution list means that all doses used in the state may be purchased at the federal discount rate, which is substantially lower than if they were purchased privately. In addition, health care providers are freed from the administrative burden of separately accounting for the income and insurance status of immunized children. The pneumococcal conjugate vaccine has been determined by the federal Centers for Disease Control to be cost-effective in the prevention of meningitis, middle ear, blood stream, and sinus infections among children under age two. (Health Services Account-State)

17. AIDS Prescription Drug Increase - The AIDS Prescription Drug Program (APDP) uses state and federal funds to pay for prescription medications, laboratory services, and outpatient medical care for persons with HIV infection who have incomes below 370 percent of the federal poverty level. Enrollment in the program is increasing by about 14 percent per year and is expected to reach 2,600 by the end of the 2001-03 biennium. Expenditures per enrollee are expected to increase by only about 3 percent per year, primarily because a larger share of enrollees is expected to receive insurance coverage through the high-risk pool. (General Fund-State, General Fund-Federal, General Fund-Local)

18. DSHS/DASA Appropriation Transfer - Funding is transferred from the Department of Social and Health Services/Division of Alcohol and Substance Abuse to the Department of Health for screening by providers aimed at reducing perinatal substance abuse.

19. General Inflation - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State)

20. Administrative Reductions - Administrative reductions will occur throughout the Department of Health and at the State Board of Health. Examples of these reductions may include, but are not limited to, changing business practices, reducing levels of policy support, limiting the use of consulting services, and implementing efficiency measures for mailings and publications.

21. Create Child Development Office - Child care and early learning programs from the Department of Social and Health Services (DSHS), the Department of Health, and the Office of Financial Management are consolidated into a new division within the DSHS Economic Services Administration. The new division will focus on child care and early learning programs with an emphasis on quality and availability of care. (General Fund-State)

22. Infant & Children Product Safety - Funds are provided for the Department of Health to establish and maintain a safety education campaign pursuant to the criteria established in Substitute House Bill 1365 (infant and child products). The campaign will promote awareness of products designed to be used by infants and children that have been determined to be unsafe by the consumer products safety commission. (General Fund-State)

23. Workplace Breastfeeding Policy - Funds are provided for the Department of Health to develop and implement infant-friendly designations for state and local governments and businesses who support a workplace breastfeeding policy as established in Second Substitute House Bill 1590 (breastfeeding). (General Fund-State)

24. Health Professions Acct Legislation - Funding is provided to implement the provisions of the following bills: HB 1309 (hemodialysis technicians); SHB 1759 (sale of hypodermic syringes); SSB 5565 (controlled substance orders); SHB 5621 (animal therapy); and ESSB 5877 (social workers & counselors). (Health Professions Account-State)

25. Shift Administrative Costs - Administrative costs funded by the Health Services Account are shifted to the state general fund. (General Fund-State, Health Services Account-State)

26. Dental Sealants - Substitute Senate Bill 6020 authorizes registered dental hygienists to administer dental sealant and fluoride varnishes without a dentist's supervision in schools with a significant percentage of low-income students. Funding is provided for the Department of Health to develop a training and certification program for newly-licensed hygienists and dental assistants who wish to perform this service. The cost of the program is to be covered with applicant fees. (Health Professions Account-State)

2001-03 Omnibus Operating Budget
Department of Veterans' Affairs
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	499.7	20,745	62,097
2001-03 Maintenance Level	508.2	20,238	62,825
Policy Changes:			
1. Vendor Rate Increase	0.0	104	104
2. Bed Conversion	18.7	-616	1,748
3. PTSD Counseling	0.0	0	74
4. Homeless Veterans Grant	0.0	0	155
5. Statewide Outreach	0.0	36	36
6. Rehabilitative Placement Pilot	0.0	0	40
7. Eastern Washington Veterans Home	92.9	0	11,041
Total Policy Changes	111.6	-476	13,198
Total 2001-03 Biennium	619.8	19,762	76,023

Comments:

1. Vendor Rate Increase - Department vendors will have their rates increased by 2.2 percent on July 1, 2001, and an additional 2.5 percent on July 1, 2002.

2. Bed Conversion - The Department of Veterans Affairs will reconfigure 65 beds at the state veterans' homes to provide a higher level of nursing care. The additional cost of providing a higher level of care will be offset by additional federal revenues and higher pension benefits for residents, resulting in a net savings to the state general fund. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

3. PTSD Counseling - The Post Traumatic Stress Disorder (PTSD) program helps veterans maintain employment, assists veterans' families, and offers psychological assessments and counseling. Funding is provided to expand outpatient treatment services offered by PTSD providers and to increase services for women veterans and family members of veterans. (General Fund-Private/Local)

4. Homeless Veterans Grant - Federal funding is provided for a homeless veterans' employment and training project. Outreach and training will be provided to lower the number of jobless and homeless veterans. (General Fund-Federal)

5. Statewide Outreach - Funding is provided to recruit and train additional volunteers who will assist veterans in underserved areas to obtain federal benefits.

6. Rehabilitative Placement Pilot - Funding is provided for a new rehabilitative placement pilot program. This pilot project will provide financial assistance to help veterans move out of institutionalized care and into the community. Under this pilot project a resident will receive three dollars as a match for every dollar he or she saves toward costs associated with moving back into the community. (General Fund-Federal)

7. Eastern Washington Veterans Home - Funding is provided for acquisition and operation of a new state facility to serve the veterans of eastern Washington. The department will acquire an existing nursing facility in the Spokane area through a lease-purchase arrangement, and operate it with a combination of federal funding, resident charges, and state and federal Medicaid payments. In fiscal year 2002, \$400,000 is appropriated from the General Fund-State to pay for start-up costs associated with the new home. In fiscal year 2003 the department shall reimburse the General Fund-State for the \$400,000 provided in FY 2002 for start-up costs. All amounts appropriated for the eastern Washington home lapse if the financing contract for acquisition of the home is not included in the capital budget for the 2001-03 fiscal biennium. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

2001-03 Omnibus Operating Budget
Department of Corrections
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	7,317.8	951,426	1,018,101
2001-03 Maintenance Level	7,648.3	1,048,907	1,086,642
Policy Changes:			
1. Vendor Rate Increase	0.0	1,931	1,931
2. General Inflation	0.0	-5,974	-6,124
3. Tracking System Replacement Phase 2	6.0	0	12,500
4. Efficiency and Quality Initiatives	-11.1	-2,176	-2,176
5. Equipment Savings	0.0	-1,858	-1,858
6. Medical Payments	0.0	-831	-831
7. Offender Legal Services	-4.8	-512	-512
8. Reduce General Fund-State Support	-30.0	-8,416	-8,416
9. Interstate Supervision Compact #	0.0	60	60
Total Policy Changes	-39.9	-17,776	-5,426
Total 2001-03 Biennium	7,608.4	1,031,131	1,081,216

Comments:

1. Vendor Rate Increase - Funding is provided for Department vendors to have their rates increased by 2.2 percent on July 1, 2001, and an additional 2.5 percent on July 1, 2002. Vendor rate increases fund contracted services in education, chemical dependency treatment, and work release programs.

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

3. Tracking System Replacement Phase 2 - The Offender-Based Tracking System (OBTS) is the primary information system used by the Department of Corrections to track and manage offenders in prisons and in the community. Currently, the system supports approximately 5,900 users who supervise 15,000 incarcerated offenders and roughly 55,000 offenders in the community. Funding is provided for the second phase of a project to replace OBTS with the new Offender Management Network Information (OMNI) system, which is expected to improve the Department's reporting capabilities, reduce data entry efforts and redirect staff time towards offender supervision. In addition to the provided funding, the Department will utilize \$1.2 million from the Savings Incentive Account for the project. The full cost of the OMNI project is estimated to be \$44 million. (Violence Reduction and Drug Enforcement Account-State)

4. Efficiency and Quality Initiatives - Savings are achieved by implementing a housing and programming alternative for youthful female offenders, reducing goods and services, and reducing facility maintenance activities.

5. Equipment Savings - Efficiency savings are achieved by using a five-year lease purchase option for equipment that has exceeded life expectancy and for facility start-up equipment.

6. Medical Payments - Funding is adjusted for the Department to reimburse hospitals under the diagnosis-related group reimbursement schedule utilized and maintained by the Department of Social and Health Services.

7. Offender Legal Services - Funding for law libraries is eliminated. The Department will provide legal resources in an electronic format and will continue to provide access to contracted legal services for offenders who are illiterate or who do not speak English.

8. Reduce General Fund-State Support - The level of General Fund-State funding for the Correctional Industries program is reduced and funding for the Jail Industries Board and Correctional Industries Board liaison is transferred to the Correctional Operations program.

**2001-03 Omnibus Operating Budget
Department of Corrections**

9. Interstate Supervision Compact # - Funding is provided for the implementation of SSB 5118 (compact on interstate adult offender supervision), which enacts a new reciprocal agreement among states for the supervision of offenders who move between states.

2001-03 Omnibus Operating Budget
Dept of Services for the Blind
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	71.9	3,078	16,340
2001-03 Maintenance Level	71.9	3,011	16,024
Policy Changes:			
1. Efficiency Reduction	<u>0.0</u>	<u>-60</u>	<u>-60</u>
Total Policy Changes	0.0	-60	-60
Total 2001-03 Biennium	71.9	2,951	15,964

Comments:

- 1. Efficiency Reduction** - Savings are achieved through general staffing reductions in field programs.

2001-03 Omnibus Operating Budget
Sentencing Guidelines Commission
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	12.8	1,747	1,747
2001-03 Maintenance Level	12.3	1,801	1,801
Policy Changes:			
1. General Inflation	0.0	-8	-8
Total Policy Changes	0.0	-8	-8
Total 2001-03 Biennium	12.3	1,793	1,793

Comments:

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

2001-03 Omnibus Operating Budget
Department of Employment Security
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	2,191.9	2,614	449,462
2001-03 Maintenance Level	2,172.1	2,638	426,368
Policy Changes:			
1. General Inflation	0.0	-25	-5,321
2. Improve Web-Based Security System	0.0	0	165
3. Reemployment Services	1.8	0	600
4. Integrate Labor Market Information	1.0	0	396
5. Unemployment Insurance Program	0.0	0	3,159
6. Overpayment Identification	0.0	0	972
7. Fund GF-S With Other Funds	0.0	-2,613	0
Total Policy Changes	2.8	-2,638	-29
Total 2001-03 Biennium	2,174.8	0	426,339

Comments:

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

2. Improve Web-Based Security System - One-time funding is provided for security hardware and software for the Department's internet based systems. This security will allow people to file initial unemployment claims over the Internet while protecting the Department's confidential information. (Administrative Contingency Account-State)

3. Reemployment Services - One-time funding is provided to enhance the electronic model that is used to select and refer unemployment insurance claimants to reemployment services. The changes will identify the services that will most likely lead to reemployment and reduce the amount of time individuals spend unemployed. (Employment Services Administrative Account-State)

4. Integrate Labor Market Information - One-time funding is provided to make state labor market information available through one website, including local wage rates, employment projections, job skills, employer listings, economic indicators, and news articles. This information is currently on multiple internet sites or only available on CD-ROM. (Administrative Contingency Account-State)

5. Unemployment Insurance Program - One-time federal funding is provided for one-time unemployment insurance administrative expenses. These funds will be used to improve the effectiveness of the unemployment insurance claims telecenters, make corrections to the Department's benefit and tax systems, improve other agency technology, and pay off the telecenter debt. (Unemployment Compensation Administrative Account-Federal)

6. Overpayment Identification - One-time funding is provided to link employer information to the fraud management system, and to enhance the system to improve unemployment insurance overpayment identification. These enhancements will allow earlier detection of overpayments and help to balance staff workload, and will be paid out of the overpayment interest fund portion of the Administrative Contingency Account. (Administrative Contingency Account-State)

7. Fund GF-S With Other Funds - Funding is provided from the Administrative Contingency Account in place of General Fund-State. The Administrative Contingency Account has sufficient funds available to finance activities that were previously funded with General Fund-State. If revenues into the Administrative Contingency Account fall short of the Department's projections, reductions in the use of the fund for administrative purposes shall be made prior to reductions in direct client services or production of labor market information. (General Fund-State, Administrative Contingency Account-State)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	2,334.1	420,015	783,128
2001-03 Maintenance Level	2,351.8	455,803	845,808
Policy Changes:			
1. Vendor Rate Increases	0.0	12,845	16,462
2. General Inflation	0.0	-740	-981
3. Payment Integrity	0.0	-81	-165
4. Eliminate Unused Bed Capacity	0.0	-7,230	-7,230
5. Reduce Caseworker Ratio	72.8	5,421	10,017
6. Division of Licensed Resources	3.1	365	486
7. Methamphetamine Treatment	0.0	0	50
8. Risk Assessment Model	0.0	254	339
9. Fire Marshal Inspections	0.0	106	106
10. Native American Child Welfare	0.0	412	412
11. Child Placing Agency Rate Increase	0.0	2,150	2,905
12. Quality Assurance Improvements	7.8	966	1,288
13. Foster Care Basic Rate Increase	0.0	2,706	4,941
14. Community College Reimbursement	0.0	292	400
15. Regional Foster Care Recruitment	0.0	400	400
16. Child Care and Early Learning	-125.2	-15,682	-58,590
17. Eliminate Family Policy Council	-7.5	-4,743	-8,939
18. Respite Care	0.0	1,589	1,690
19. Private Rooms for Aggressive Youth	0.0	1,506	2,064
20. Expand Child Placing Agencies	0.0	2,078	2,808
21. Foster Parent Retention	0.0	250	250
22. Centennial Building Lease Savings	0.0	-127	-170
Total Policy Changes	-49.1	2,737	-31,457
Total 2001-03 Biennium	2,302.8	458,540	814,351

Comments:

1. Vendor Rate Increases - Department vendors will have their rates increased by 2.2 percent on July 1, 2001, and an additional 2.5 percent on July 1, 2002. (General Fund-State, General Fund-Federal)

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

3. Payment Integrity - Funding is saved through the Payment Integrity Program. (General Fund-State, General Fund-Federal)

4. Eliminate Unused Bed Capacity - Unused bed capacity at staff secure group homes and secure crisis residential centers is eliminated.

5. Reduce Caseworker Ratio - Funding is provided to reduce the social worker to client caseload ratio from 1:29 to 1:24. Caseworkers will be phased in through fiscal year 2002 and the number of caseworkers will be held constant through fiscal year 2003 pending the results of a Joint Legislative Audit and Review Committee study regarding caseload staffing models for the Children's Administration. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services

6. Division of Licensed Resources - Funding is provided for additional licensors to meet the projected increase in foster homes. The goal of 100 cases per licensor is funded. (General Fund-State, General Fund-Federal)

7. Methamphetamine Treatment - As part of a state-wide methamphetamine initiative, funding is provided for training all Child Protective Services social workers on responding to children found at methamphetamine labs or sites. (Public Safety and Education Account-State)

8. Risk Assessment Model - Funding is provided for enhancements to the risk assessment model. The risk assessment model allows caseworkers to provide an assessment of the risk of abuse and/or neglect to children reported to the Department. The enhancements will allow for re-assessment of risk throughout the life of the case, and will include a special assessment tool if reunification is being considered for a child in out-of-home placement. Funding is also included for training caseworkers on the new model. (General Fund-State, General Fund-Federal)

9. Fire Marshal Inspections - Funding is provided for the Washington State Patrol Fire Marshal to perform inspections of childcare centers and group care facilities that must have a fire safety inspection and certification prior to licensing by the Children's Administration. This funding is sufficient to meet the expected growth in the program.

10. Native American Child Welfare - Funding is provided for child welfare services to three new tribes (the Samish Nation, Snoqualmie Tribe, and Cowlitz Tribe) and new tribes in the Small Tribes of Western Washington (STOWW). The Children's Administration contracts with the state's federally recognized Native American tribes, off-reservation Native American organizations, and STOWW to provide child welfare services to Native American families.

11. Child Placing Agency Rate Increase - Funding is provided to increase the rate paid to child placing agencies by 35 percent to \$400 per month at the beginning of the 2001-03 biennium. Child placing agencies provide foster and adoption services including placement and monitoring of children that reside in family foster care. This rate increase is in addition to a state-wide vendor rate increase. (General Fund-State, General Fund-Federal)

12. Quality Assurance Improvements - Funding is provided for ten quality assurance staff to conduct additional program reviews of case records. Currently the Department is reviewing 600 records per year. This funding would allow the review of 6,000 case files per year, and would move the Department to the national accreditors recommended level of ten percent of case files reviewed per year. These positions will be phased-in over the biennium. (General Fund-State, General Fund-Federal)

13. Foster Care Basic Rate Increase - Funding is provided to increase the basic rate for family foster care by 5 percent to \$425 per month on July 1, 2001, and an additional 6 percent to \$450 per month on July 1, 2002. This rate increase is in addition to a state-wide vendor rate increase. (General Fund-State, General Fund-Federal)

14. Community College Reimbursement - Funding is provided for 200 additional foster parents to take on-line college courses to enhance their foster parenting knowledge and skills. These courses include clinical psychology, childhood development, and addiction psychology. There are currently 150 foster parents taking courses on-line through Pierce College. (General Fund-State, General Fund-Federal)

15. Regional Foster Care Recruitment - Funding is provided for tribal foster parent recruitment, foster parent mentors, foster parent support hotlines, and recognition of foster parent achievement.

16. Child Care and Early Learning - Funding is reduced due to the consolidation of child care and early learning programs from the Department of Social and Health Services (DSHS), the Department of Health, and the Office of Financial Management into a new division within the DSHS Economic Services Administration. This division will focus on child care and early learning programs with an emphasis on quality and availability of care. (General Fund-State, General Fund-Federal)

17. Eliminate Family Policy Council - Funding for the Family Policy Council and community public health and safety networks is eliminated. (General Fund-State, Violence Reduction and Drug Enforcement Account-State)

18. Respite Care - Funding is provided for increased respite care for foster parents. The department shall provide respite care for foster parents so as to best improve child placement stability in the foster care system. Payments for respite services will be made to the respite provider. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services

19. Private Rooms for Aggressive Youth - Funding is provided for single rooms for sexually aggressive youth in the group care system who do not currently reside in single rooms. This funding will provide for 43 additional rooms. (General Fund-State, General Fund-Federal)

20. Expand Child Placing Agencies - Funding is provided to increase the capacity of Child Placing Agencies by 15 percent in fiscal year 2002 and 30 percent in fiscal year 2003. Child Placing Agencies provide adoption support and foster care services including placement and monitoring services for children who reside in family foster care. (General Fund-State, General Fund-Federal)

21. Foster Parent Retention - Funding is provided for continuation of a foster parent retention program directed at foster parents caring for children who act out sexually.

22. Centennial Building Lease Savings - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Juvenile Rehabilitation
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	1,313.6	177,688	245,045
2001-03 Maintenance Level	1,298.4	174,252	243,626
Policy Changes:			
1. Vendor Rate Increases	0.0	2,536	3,749
2. General Inflation	0.0	-535	-535
3. Centennial Building Lease Savings	0.0	-20	-20
4. Efficiencies in Regional Services	-3.0	-1,574	-1,574
5. Stabilize Funding	0.0	8,202	0
6. Mental Health Services	10.6	1,118	1,118
7. Basic Training Camp	0.2	38	46
8. Administrative Efficiencies	-1.0	-120	-180
9. Chemical Dependency Alternative #	-1.3	-57	-60
Total Policy Changes	5.6	9,588	2,544
Total 2001-03 Biennium	1,303.9	183,840	246,170

Comments:

1. Vendor Rate Increases - Department vendors will have their rates increased by 2.2 percent on July 1, 2001, and an additional 2.5 percent on July 1, 2002. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement-State, Public Safety and Education Account-State)

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

3. Centennial Building Lease Savings - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma.

4. Efficiencies in Regional Services - The Department shall identify efficiencies in the administration of regional services programs in the community. Regional services includes parole services, community facilities, drug and alcohol services, learning and life skills centers, regional support staff, regional administration, diagnostics, and the co-occurring disorder pilot project.

5. Stabilize Funding - Program costs are shifted from the Violence Reduction and Drug Enforcement Account (VRDE) to the state general fund. This transfer better aligns long-term spending with projected VRDE revenues. (Violence Reduction and Drug Enforcement Account-State, General Fund-State)

6. Mental Health Services - Based on recent assessments, it is estimated that approximately 40 percent of youth in Department of Social and Health Services Juvenile Rehabilitation Administration facilities have a need for mental health services. Funding is provided for increased mental health staffing at the Maple Lane School and for increased medication management needs at Juvenile Rehabilitation Administration facilities.

7. Basic Training Camp - Funding is provided to implement House Bill 1070 (juvenile offender basic training training camp), which authorizes the Juvenile Rehabilitation Administration to extend the current Basic Training Camp (BTC) program from 120 days up to 160 days for residents who need additional time to meet the BTC requirements. The Secretary of the Department of Social and Health Services is authorized to order sanctions for parole violations, including ordering BTC graduates to return to institutions for the remainder of their original sentence. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Juvenile Rehabilitation

8. Administrative Efficiencies - Efficiencies are realized by consolidating Office of Juvenile Justice (OJJ) staff and the Governor's Juvenile Justice Advisory Committee (GJJAC) staff into the administrative operations of Juvenile Rehabilitation Administration (JRA). Cost savings will result from the elimination of duplicative administrative operations, and from aligning OJJ contract monitoring responsibilities with the monitoring expectations of JRA central office staff. (General Fund-State, General Fund-Federal)

9. Chemical Dependency Alternative # - Savings are achieved through the implementation of SB 5468 (chemical dependency disposition alternative), which expands eligibility criteria for the Chemical Dependency Disposition Alternative (CDDA). As a result of the changes, it is expected that an additional six juvenile offenders will complete the CDDA requirements. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Mental Health
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	3,047.9	531,003	1,032,468
2001-03 Maintenance Level	3,083.0	595,752	1,111,376
Policy Changes:			
1. Vendor Rate Increases	0.0	76	8,142
2. General Inflation	0.0	-951	-1,100
3. Special Commitment Center/Community	30.2	1,652	1,652
4. LRA Mitigation Funding	0.0	2,000	2,000
5. Special Commitment Center/Program	18.1	2,452	2,452
6. Special Commitment Center/Facility	0.3	26	26
7. Special Commitment Center/Legal	4.7	1,253	1,253
8. Prevalence Study	0.0	250	500
9. Performance Measurement System	3.0	618	1,237
10. Children's Inpatient Vendor Rates	0.0	546	1,102
11. Non-Medicaid Comm Inpatient Funding	0.0	-1,389	-1,389
12. RSN Program Data Collection	4.0	0	606
13. Eliminate Inpatient Emergency Pool	0.0	-4,698	-4,698
14. Medicare/Medicaid Crossovers	0.0	-1,514	-3,053
15. Allen Settlement Work Plan 3	8.0	3,268	3,268
16. Expand Community Services	-80.1	-3,449	-2,498
Total Policy Changes	-11.9	140	9,500
Total 2001-03 Biennium	3,071.1	595,892	1,120,876

Comments:

1. Vendor Rate Increases - Federal matching funds are provided so that the three Regional Support Networks whose allocations under the new funding formula would result in a decrease from the amounts that would have been received under the historical distribution formula are able to use local funds to match federal funds in order to be held harmless. The non-federal share of that increase is to be provided by the Regional Support Network from accumulated fund balances or other local fund sources. (General Fund-State, General Fund-Federal, General Fund-Local)

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

3. Special Commitment Center/Community - Funding is provided to establish a community transition program for residents of the Special Commitment Center. In a Less Restrictive Alternative (LRA) environment, the program will focus on teaching transitional skills and putting previous skills into practical application. Residents in the LRA facility will also receive additional treatment as needed. Estimates are based on an opening date of October 2001. (General Fund-State)

4. LRA Mitigation Funding - Mitigation funding is provided for jurisdictions affected by the placement of less restrictive alternative facilities for persons conditionally released from the Special Commitment Center at McNeil Island. (General Fund-State)

5. Special Commitment Center/Program - The Special Commitment Center (SCC) adopted a plan to satisfy the United States District Court's rulings. The plan includes enhancements to the current SCC program including the establishment of a vocational program, the adoption of a preventative health program, the establishment of an additional assistant resident manager position to help cover evening hours, and the development of a tracking system to collect resident information, treatment progress, and other activities designed to assist residents in achieving successful treatment. (General Fund-State)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Mental Health

6. Special Commitment Center/Facility - Funding is provided for three key positions in facility operations to plan for and coordinate occupancy of the new 258-bed special commitment facility, scheduled to open July 2003. (General Fund-State)

7. Special Commitment Center/Legal - Funding is provided for two assistant attorney generals and support staff needed to decrease wait times and the number of cases awaiting initial commitment trials to the Special Commitment Center at McNeil Island. Funding will also allow the Attorney General's office to support cases currently being handled by the Snohomish County Prosecutor's office. (General Fund-State)

8. Prevalence Study - Funding is provided for a study of the prevalence of mental illness among the state Regional Support Networks' service areas. The Mental Health Division will provide sufficient resources, through an interagency agreement, for the Joint Legislative Audit and Review Committee to review all aspects of the study. (General Fund-State, General Fund-Federal)

9. Performance Measurement System - Funds are provided for the Mental Health Division to develop and support the operation of an outcome-based performance measurement system for the public mental health system. (General Fund-State, General Fund-Federal)

10. Children's Inpatient Vendor Rates - Funding is provided for a 10 percent rate increase for the four facilities from which the state purchases 24-hour residential treatment for severely troubled children. The increase is needed for the facilities to address significant recruitment and retention problems and the rising cost of medical insurance and utilities. (General Fund-State, General Fund-Federal)

11. Non-Medicaid Comm Inpatient Funding - The Regional Support Networks (RSNs) are responsible for the utilization and cost of community psychiatric hospitalization services for Medicaid recipients, and for other persons who qualify for "state-only" medical assistance, such as the medically indigent and recipients of General Assistance for the Unemployed. The Department has historically deducted the actual cost of hospitalization for these "state-only" groups from the RSNs' capitation payments. However, because half of those payments are federal funds which cannot be used for non-Medicaid recipients, the Department has covered the balance of the cost with state funds which were available in the Department's base budget. Under the new formula for allocating state and federal funds among the RSNs proposed by the Mental Health Division, RSNs will be allocated state funds for the "state-only" groups at 100 percent of the payment rate the RSN would receive for a comparable Medicaid enrollee. This item reduces the Department's base funding by having the Department charge 25 percent of the state-only costs not covered by the previous capitation rates against RSN allocations in fiscal year 2002, and 50 percent in fiscal year 2003. The total amount of funding available to the RSN's is not reduced. (General Fund-State)

12. RSN Program Data Collection - Additional staffing is authorized for the Mental Health Division to improve collection, monitoring, and analysis of community mental health fiscal, client characteristics, and outcomes data. Additional federal funds are available to offset this cost. (General Fund-Federal)

13. Eliminate Inpatient Emergency Pool - Funding is eliminated for the Inpatient Emergency Pool. (General Fund-State)

14. Medicare/Medicaid Crossovers - For persons who are eligible for both Medicare and Medicaid, the state Medicaid program is responsible for the share of community mental health costs which, under Medicare, are the patient's financial responsibility. Such Medicaid co-insurance costs were included in the original expenditure base which was used to calculate the Regional Support Network (RSN) capitation rates. In 1996, the Mental Health Division began paying the co-insurance costs directly out of a separate appropriation, without a corresponding reduction in the RSN capitation rates. This item eliminates that separate appropriation and requires that RSNs cover the Medicare co-insurance costs out of their current Medicaid funding levels. (General Fund-State, General Fund-Federal)

15. Allen Settlement Work Plan 3 - Funding is provided for the state hospitals 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 hospitals. These funds are in addition to the \$2.2 million per year provided in the 2000 supplemental appropriation for such additional specialized care, and fulfills the state's commitments under the *Allen vs. Department of Social and Health Services* settlement agreement. The lawsuit contended that the state was not providing adequate care for persons with developmental disabilities in the state psychiatric hospitals. The department will continue to pursue ICF/MR certification for the intensive treatment centers. (General Fund-State, General Fund-Federal).

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Mental Health

16. Expand Community Services - A total of \$5.7 million is provided for the development of community residential placements and support services for persons who would otherwise be served in the state psychiatric hospitals. This is expected to permit closure of four state hospital wards over the course of the 2001-03 biennium, resulting in a net reduction in total public expenditures. Most of the new community funding available through this initiative will be used to provide community residential placements, mental health, and other services for long-term state hospital residents who can be better cared for in the community. In addition to the state and federal funding which is provided for ongoing service delivery, the Department is expected to use federal block grant funding for up-front development, training, and operation of the community support teams. Primary responsibility and accountability for community support for persons who would otherwise require long-term state hospital care shall reside with the Mental Health Division and the Regional Support Networks, with partnership and support from other Department and Social and Health Service programs such as the Division of Alcohol and Substance Abuse and the Aging and Adult Services Administration. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Developmental Disabilities
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	3,529.2	539,302	1,042,696
2001-03 Maintenance Level	3,490.3	582,630	1,120,319
Policy Changes:			
1. Vendor Rate Increases	0.0	14,073	25,701
2. General Inflation	0.0	-707	-1,397
3. Payment Integrity	0.0	-403	-823
4. Caseload Ratio Improvement	83.5	3,267	5,855
5. Community Residential	0.0	2,054	4,012
6. RHC Cottage Consolidation	-70.0	-2,934	-4,925
7. DDD- Improve Public Safety	1.0	4,481	8,792
8. Administrative Reduction	0.0	-304	-478
9. Limit Residential Vacancy Payments	0.0	-708	-1,416
10. Voluntary Placement Program Costs	0.0	9,706	17,434
Total Policy Changes	14.5	28,525	52,755
Total 2001-03 Biennium	3,504.8	611,155	1,173,074

Comments:

1. Vendor Rate Increases - Department vendors will have their rates increased by 2.2 percent on July 1, 2001, and an additional 2.5 percent on July 1, 2002. (General Fund-State, General Fund-Federal)

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

3. Payment Integrity - Savings are achieved by the Payment Integrity Program. (General Fund-State, General Fund-Federal)

4. Caseload Ratio Improvement - Funding is provided to improve the case manager to client ratio for clients enrolled on the Home and Community Based Waiver in the Division of Developmental Disabilities. A total of 48 new caseworkers plus support staff will be phased-in over a 10-month period during the 2001-03 biennium. In addition, the Division is given authority to convert 37.5 temporary FTEs to permanent positions. These additional staff resources shall be deployed to ensure better monitoring of client health and safety. (General Fund-State, General Fund-Federal)

5. Community Residential - Funding is provided for community residential placements and corresponding support services to 50 individuals who will transition from state residential habilitation centers. This item is consistent with the division's overall planning related to the U.S Supreme Court decision in the *L.C. vs Olmstead* case and builds upon past efforts to enable integrated, community living. (General Fund-State, General Fund-Federal)

6. RHC Cottage Consolidation - Savings will be achieved through the consolidation of cottages resulting from vacancies at the Residential Habilitation Centers. Vacancies are due to normal attrition and anticipated vacancies accruing as a result of the continued efforts of the Division to move residents to community settings. Savings include costs related to staff and goods and services expenditures. (General Fund-State, General Fund-Federal)

7. DDD- Improve Public Safety - Funding is provided for residential housing and support services for individuals with community protection issues. Funding will specifically support: 26 placements for individuals with developmental disabilities that will be released by the Department of Corrections during the 2001-2003 biennium; 30 placements for individuals in crisis utilizing statewide diversion beds but who lack permanent residential placement; and 18 placements for individuals currently in the state psychiatric hospitals. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Developmental Disabilities

8. Administrative Reduction - Savings are achieved by reducing training, planning, and other activities at Residential Habilitation Centers. (General Fund-State, General Fund-Federal)

9. Limit Residential Vacancy Payments - Under current practice, as vacancies occur in contracted residential settings for a Division of Developmental Disabilities client, the Division continues to pay a provider in order to ensure that capacity is maintained. This items limits such payments to three months. (General Fund-State, General Fund-Federal)

10. Voluntary Placement Program Costs - Funding is increased for clients in the Voluntary Placement Program and for clients who will age-out of the program. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Long-Term Care
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	1,020.1	924,724	1,912,356
2001-03 Maintenance Level	1,045.6	1,010,373	2,050,141
Policy Changes:			
1. Scale Back Adult Day Health	0.0	-2,000	-3,848
2. Drop State-Funded Chore Services	0.0	-3,800	-3,800
3. COPEs for Medically Needy #	6.5	-507	-1,033
4. Vendor Rate Increases	0.0	18,715	36,613
5. General Inflation	0.0	-258	-529
6. Payment Integrity	0.0	-1,029	-2,101
7. Centennial Building Lease Savings	0.0	-10	-19
8. Nursing Home Rates	0.0	19,165	38,280
9. Guardianship	0.0	-96	-193
10. Estate Recovery	3.5	-2,277	-4,577
Total Policy Changes	10.0	27,903	58,793
Total 2001-03 Biennium	1,055.5	1,038,276	2,108,934

Comments:

1. Scale Back Adult Day Health - Adult Day Health (ADH) services are reduced by approximately 25 percent. ADH provides skilled health treatments, social activity, and nutrition to eligible participants in a day center setting. Currently, the program services 1,000 clients a month who participate an average of 10 days a month. (General Fund-State, General Fund-Federal)

2. Drop State-Funded Chore Services - The Chore services program is eliminated. The elimination of this program has been progressing through a planned reduction schedule since 1994. Similar services to persons meeting Medicaid eligibility standards are continued in the Medicaid Personal Care and Community Options Program Entry System programs.

3. COPEs for Medically Needy # - Savings are achieved through the implementation of House Bill 1341 (community options), which provides for the establishment of two new Community Options Program Entry System (COPEs) waivers that allow more nursing home-eligible clients to qualify for home and community residential long-term care services. It is anticipated that 375 of the 1,500 "medically needy" persons who currently receive Medicaid-funded nursing home care, but whose incomes exceed the current eligibility standard for community-based care, would be served in community-based settings at a lower public cost. Those savings will be partially offset by the cost of Medicaid-funded medical and long-term care services for up to 725 additional persons who are not presently eligible for publicly-funded services because their incomes exceed the current eligibility limit. The Department is directed to limit total enrollment in the two waivers to 650 persons by June 2002, and to 1,100 persons by June 2003 and is directed to transfer funds from the Aging and Adult Services Administration to the Medical Assistance Administration program to cover the medical costs that will result from making these additional persons eligible for state medical assistance. (General Fund-State, General Fund-Federal)

4. Vendor Rate Increases - Department vendors will have their rates increased by 2.2 percent on July 1, 2001, and an additional 2.5 percent on July 1, 2002. (General Fund-State, General Fund-Federal)

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

6. Payment Integrity - Savings are achieved through the Payment Integrity Program. (General Fund-State, General Fund-Federal)

7. Centennial Building Lease Savings - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Long-Term Care

8. Nursing Home Rates - Funding is provided to implement House Bill 2242 (nursing home rates) and to grant a 2.2 percent rate increase on July 1, 2001 and a 2.5 percent rate increase on July 1, 2002. When combined with increases in the capital portion of the rate and increases in client acuity, the average nursing home payment rate will increase an average of 3.9 percent per year during the 2001-03 Biennium. The average nursing home payment rate will be \$129.61 per patient day in fiscal year 2002 and \$132.61 per patient day in fiscal year 2003, as compared to the average payment rate of \$122.65 per patient day in fiscal year 2001. (General Fund-State, General Fund-Federal)

9. Guardianship - Existing rules on guardianship fees are modified to: (1) establish a fixed maximum fee charged to Medicaid recipients receiving long-term care services who are required to participate in the cost of their care; (2) preclude the allowance of retroactive guardianship fees and administrative costs prior to the Medicaid recipient's eligibility for long-term care services or for a time period when the client was not receiving long-term care services; and (3) allow deductions from current income only for guardianship fees and administrative costs. (General Fund-State, General Fund-Federal)

10. Estate Recovery - All medical assistance provided to a client while receiving long-term care services is included in estate recovery instead of limiting collection to only hospital and prescription drug services. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Economic Services Administration
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	4,886.8	849,592	2,126,701
2001-03 Maintenance Level	4,810.7	864,015	2,181,901
Policy Changes:			
1. Adjust WorkFirst Funding	0.0	0	21,000
2. Vendor Rate Increases	0.0	2,474	4,025
3. General Inflation	0.0	-2,511	-5,736
4. Child Care and Early Learning	133.5	16,564	59,817
5. Administrative Cost Containment	0.0	-4,000	-5,100
6. Staffing Efficiencies	-24.0	-800	-2,400
7. Reduce Welfare to Work Match	0.0	-7,076	-7,076
8. Child Support Documents	0.0	-32	-96
9. Centennial Building Lease Savings	0.0	-215	-421
10. Cut SSI State Suppl Admin Costs	0.0	-6,562	-6,562
11. Filipino Veterans	0.0	48	48
12. Expand Access to Child Care	0.0	0	27,000
Total Policy Changes	109.5	-2,110	84,499
Total 2001-03 Biennium	4,920.2	861,905	2,266,400

Comments:

1. Adjust WorkFirst Funding - Expenditure authority for federal Temporary Assistance for Needy Families (TANF) is increased to reflect current investment decisions for the WorkFirst program and available funding for the 2001-03 biennium. (General Fund-Federal)

2. Vendor Rate Increases - Department vendors will have their rates increased by 2.2 percent on July 1, 2001, and an additional 2.5 percent on July 1, 2002. (General Fund-State, General Fund-Federal)

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

4. Child Care and Early Learning - Child care and early learning programs and funding from the Department of Social and Health Services (DSHS), the Department of Health, and the Office of Financial Management are consolidated into a new division within the DSHS Economic Services Administration. This division will focus on child care and early learning programs with an emphasis on quality and availability of care. (General Fund-State, General Fund-Federal)

5. Administrative Cost Containment - Funding for travel and goods and services is reduced, and unused capacity in state funded programs is eliminated. (General Fund-State, General Fund-Federal)

6. Staffing Efficiencies - Funding is reduced through efficiencies in the Division of Child Support. The Division has been applying technology and quality improvements to their operations, resulting in staffing efficiencies. (General-Fund State, General Fund-Federal)

7. Reduce Welfare to Work Match - State matching funds for the federal welfare to work grant are reduced to the level needed for the biennium.

8. Child Support Documents - Funding is saved by allowing the Division of Child Support to serve documents by parcel delivery. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Economic Services Administration

9. Centennial Building Lease Savings - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma.
(General Fund-State, General Fund-Federal)

10. Cut SSI State Suppl Admin Costs - Funding is saved by moving to state administration of the Supplemental Security Income (SSI) state supplement payment. Currently, the state is contracting with the federal government for this service at a cost of approximately \$10 million per year. The state cost for administering the supplement payments will be about \$1.5 million per year. As a result, administering these payments at the state level will save \$6.5 million in fiscal year 2003, and \$8-9 million per year after that. State administered SSI supplement payments will be made to clients receiving federal SSI, therefore no additional eligibility determination is required by the Department of Social and Health Services. Funding is included for start-up costs in fiscal years 2002 and 2003, and for annual state administration costs starting in fiscal year 2003.

11. Filipino Veterans - One-time funding is provided to veterans of World War II if they were members of the Commonwealth of the Philippines military forces and were in the service of the United States on July 26, 1941, or thereafter, and who move to the Philippines to establish and maintain a residence.

12. Expand Access to Child Care - Federal expenditure authority is provided for the anticipated increase in subsidized child care for low-income working families. (General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Alcohol & Substance Abuse
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	104.2	44,010	219,888
2001-03 Maintenance Level	104.0	43,989	220,243
Policy Changes:			
1. SSI Client Treatment	1.5	0	3,570
2. Vendor Rate Increases	0.0	3,961	7,641
3. General Inflation	0.0	-42	-42
4. Methamphetamine Treatment	0.0	0	2,616
5. Transfer Drug Screening	0.0	-340	-340
6. Vocational Program Eliminated	0.0	-1,806	-1,806
7. Additional Drug Courts	0.0	0	1,083
8. Shift DASA programs to GF-S	0.0	28,000	0
Total Policy Changes	1.5	29,773	12,722
Total 2001-03 Biennium	105.5	73,762	232,965

Comments:

1. SSI Client Treatment - Funding is provided for drug and alcohol treatment for Supplemental Security Income (SSI) clients. The increased cost for treatment is offset by savings in the Medical Assistance program due to consolidated treatment services and increased service effectiveness. Funding is also included for on-going research and post-program evaluation to further determine the post-treatment utilization of medical services and the service effectiveness of consolidation. (Public Safety and Education Account-State)

2. Vendor Rate Increases - Department vendors will have their rates increased by 2.2 percent on July 1, 2001, and an additional 2.5 percent on July 1, 2002. (General Fund-State, General Fund-Federal)

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

4. Methamphetamine Treatment - As part of a state-wide methamphetamine initiative, funding is provided to enhance treatment programs for methamphetamine clients and offenders who receive prison-based treatment but do not qualify for community-based treatment. (Public Safety and Education Account-State)

5. Transfer Drug Screening - The 1999 Legislature authorized the Division of Alcohol and Substance Abuse (DASA) to develop and implement comprehensive programs for women who are abusing alcohol and drugs and provide help for their young children. The comprehensive programs include increased drug screening through the Department of Health (DOH) aimed at reducing perinatal substance abuse. Funding is transferred from DASA to DOH for these drug screening activities.

6. Vocational Program Eliminated - The Vocational Opportunities Training and Education (VOTE) program is eliminated. The VOTE program assists the recovering population in becoming employed, as part of an aftercare recovery plan.

7. Additional Drug Courts - Funding is provided for adult and youth drug courts in Thurston, Cowlitz, Skagit, Kitsap and Clallam counties. Research indicates that drug courts provide savings for state and local governments because program participants are less likely to re-offend, resulting in reduced jail, court, and treatment costs. These drug courts will receive state assistance equal to one-half of their net federal funding loss. (Public Safety and Education Account-State)

8. Shift DASA programs to GF-S - Funding for drug and alcohol treatment is shifted from the Violence Reduction and Drug Enforcement Account to the General Fund-State. (General Fund-State, Violence Reduction and Drug Enforcement Account-State)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Medical Assistance Payments
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	853.9	1,580,705	4,881,096
2001-03 Maintenance Level	882.8	2,233,954	6,026,300
Policy Changes:			
1. Medicare Pharmacy	0.0	-16,874	-34,000
2. SSI Client Treatment	0.0	-6,077	-6,077
3. Vendor Rate Increases	0.0	35,033	73,662
4. General Inflation	0.0	-345	-1,309
5. Utilization and Cost Containment	78.3	-50,416	-83,148
6. Medically Indigent Program	0.0	-12,000	-12,000
7. Health Center Prospective Payment	0.0	-110	-398
8. Centennial Building Lease Savings	0.0	-28	-56
9. Rural Hospital Reimbursement	0.0	1,367	2,193
10. Emergency Room Co-Pays	0.0	-184	-372
11. TANF Transitional Medical Premiums	0.0	-1,032	-1,032
12. Shift Administration Costs	0.0	3,423	0
13. Expand Proshare and DSH Programs	0.0	0	272,836
14. Reconfigure Adult Dental Services	-0.4	-15,000	-28,393
15. Dental Sealants	0.0	61	123
16. Children's Hair Prosthetics	0.0	750	750
17. Breast & Cervical Cancer	0.0	0	2,578
18. Estate Recovery	0.0	-273	-550
Total Policy Changes	77.9	-61,705	184,807
Total 2001-03 Biennium	960.7	2,172,249	6,211,107

Comments:

1. Medicare Pharmacy - Outpatient prescription drugs are currently not covered under Medicare's mandated benefits package. For some low-income individuals, Medicaid will cover prescription drug expenditures. Recent actions at the federal level suggest that there will be a provision in a final federal budget for a prescription drug benefit for Medicare clients. This item reflects anticipated Medicaid cost avoidance associated with such a benefit. (General Fund-State, General Fund-Federal)

2. SSI Client Treatment - Savings are achieved as a result of increased funding for drug and alcohol treatment for Supplemental Security Income (SSI) clients. Progress reports from an earlier pilot showed that the increased cost of treatment is offset by savings in medical costs such as hospitalizations, physician visits, and prescription drug expenditures for clients receiving treatment. (General Fund - State, General Fund - Federal)

3. Vendor Rate Increases - Funding is provided to increase the rates paid to hospitals, physicians, dentists, home health agencies, family planning clinics, and other organizations and individuals which contract with the state to provide medical assistance services. Rates are to be increased by 2.2 percent on July 1, 2001, and by an additional 2.5 percent on July 1, 2002. (General Fund-State, Health Services Account, General Fund-Federal)

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

5. Utilization and Cost Containment - The Department is directed to increase its efforts to restrain the growth of health care costs funded in the 2001-03 biennium. Program savings will be realized through a combination of cost containment and utilization strategies aimed at reducing overall health care costs. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Medical Assistance Payments

- 6. Medically Indigent Program** - The Department will reduce the scope of the Medically Indigent program to achieve \$12 million in savings. (General Fund-State)
- 7. Health Center Prospective Payment** - The Medical Assistance program will implement a new prospective payment system for federally-qualified urban and rural health centers effective January 1, 2002. Consistent with new federal legislation, the new system will limit increases in Medicaid payment rates to a national index of medical inflation. Washington's previous practice, as required by federal law prior to 1997, has been to provide full cost reimbursement to these centers. Implementing this change will avoid a projected \$5 million of state expenditure growth which would otherwise occur during 2001-03. Even with the change, the federally-qualified centers will continue to be paid about twice the amount which would be paid other community providers for the same service. (General Fund-State, Health Services Account, General Fund-Federal)
- 8. Centennial Building Lease Savings** - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma. (General Fund-State, General Fund-Federal)
- 9. Rural Hospital Reimbursement** - Funds are provided for the Department to develop a state enhanced reimbursement program for rural hospitals meeting specific criteria established in House Bill 1162 (small rural hospitals). (General Fund-State, General Fund-Federal)
- 10. Emergency Room Co-Pays** - Co-payments will be imposed for non-emergency services provided in a hospital emergency room effective January 1, 2002. (General Fund-State, General Fund-Federal)
- 11. TANF Transitional Medical Premiums** - Premiums will be imposed for adult members of families during the second six-months of transitional Medicaid coverage. (General Fund-State, General Fund-Federal)
- 12. Shift Administration Costs** - Administrative costs funded in the Health Services Account are shifted to General Fund-State. (General Fund-State, Health Services Account)
- 13. Expand Proshare and DSH Programs** - New federal legislation enacted in December 2000 enables the state to collect additional Medicaid matching funds. These funds are deposited into the state's Health Services Account, to fund the Basic health Plan and Medicaid coverage for children with incomes below 200 percent of the federal poverty level. (General Fund-State, General Fund-Federal, Health Services Account-State)
- 14. Reconfigure Adult Dental Services** - Funding is provided for a limited adult dental program. (General Fund-State, General Fund-Federal)
- 15. Dental Sealants** - Substitute Senate Bill 6020 (access to dental care) authorizes registered dental hygienists to administer dental sealants and fluoride varnishes in schools without a dentist's supervision. This is expected to result in a 1 percent increase in the number of children for whom such treatments are reimbursed by Medicaid. In future biennia, these costs are expected to be fully offset by reductions in treatment costs. (General Fund-State, General Fund-Federal)
- 16. Children's Hair Prosthetics** - Substitute Senate Bill 5430 (cranial hair prostheses) provides coverage of custom-designed wigs for children suffering severe hair loss as a result of alopecia. The department shall operate the cranial hair prosthesis program within the amounts appropriated by the legislature for this purpose. (General Fund-State, General Fund-Federal)
- 17. Breast & Cervical Cancer** - In accordance with Substitute House Bill 1058 (breast/cervical cancer), the Medical Assistance program will provide full-scope Medicaid benefits for low-income uninsured women who have been diagnosed with breast or cervical cancer through the federal screening program administered by the Department of Health. Federal Medicaid matching funds will cover approximately 65 percent of the cost. The Susan G. Komen Foundation has committed \$400,000 of private funds to cover approximately 45 percent of the remaining state share of program costs. (Health Services Account, General Fund-Federal, General Fund-Private/Local)
- 18. Estate Recovery** - Under current policy, the Department of Social and Health Services attempts to recover the cost of publicly-funded care from the estate of a recipient of state-funded long-term care after their death. This item allows recovery of all medical assistance provided to the client while receiving long-term care services that are included in estate recovery instead of limiting collection to only hospital and prescription drug services. The department will also initiate recoveries in the case of persons who have not received long-term care, but who have incurred substantial hospitalization or other medical assistance costs prior to death. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Vocational Rehabilitation
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	339.7	19,542	103,204
2001-03 Maintenance Level	333.4	20,642	101,582
Policy Changes:			
1. Vendor Rate Increases	0.0	29	29
2. General Inflation	0.0	-314	-314
3. ESS Phase-Down	0.0	-189	-189
4. High School Transition	2.0	425	1,989
5. Centennial Building Lease Savings	0.0	-25	-25
6. Serve Additional Persons	3.7	954	4,112
Total Policy Changes	5.7	880	5,602
Total 2001-03 Biennium	339.1	21,522	107,184

Comments:

1. Vendor Rate Increases - Department vendors will have their rates increased by 2.2 percent on July 1, 2001, and an additional 2.5 percent on July 1, 2002.

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

3. ESS Phase-Down - Funding is adjusted to the level needed for continuing extended job support services for all persons currently enrolled in the program. Because the program no longer reflects current approaches to employment for persons with disabilities, new admissions to the program have been frozen for a number of years in order to allow a gradual phase-out.

4. High School Transition - One-time funding is provided to the high school transition program for employment/day services necessary to transition students into the job market and social independence. Funding will cover additional staff to deliver job training and placements for students with developmental disabilities who will graduate from high school in 2001 and 2002, and are classified as most significantly disabled. (General Fund-State, General Fund-Federal)

5. Centennial Building Lease Savings - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma.

6. Serve Additional Persons - State matching funds are provided to enable Washington to draw down all available federal funds under the federal vocational rehabilitation formula grant. (General Fund-State, General Fund-Federal, General Fund-Local)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Administration/Support Svcs
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	708.9	56,090	105,678
2001-03 Maintenance Level	701.8	57,702	107,102
Policy Changes:			
1. General Inflation	0.0	-265	-378
2. Centennial Building Lease Savings	0.0	-8	-8
3. Payment Integrity	0.0	648	2,024
4. State Hospital Billing System	2.0	164	235
5. Financial Rpt'g Improvement Project	0.0	1,365	1,920
6. Foster Care Trust Fund System	0.0	202	286
Total Policy Changes	2.0	2,106	4,079
Total 2001-03 Biennium	703.8	59,808	111,181

Comments:

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

2. Centennial Building Lease Savings - Lease costs are reduced due to the purchase of the Centennial buildings in Tacoma.

3. Payment Integrity - Funding is provided for the Payment Integrity Program. This funding will cover three items: 1) the contract amount that exceeded the original estimate for the fraud and abuse detection system vendor; 2) an algorithm specialist who will respond to provider inquiries and relate them to data analysis and detailed algorithm results and findings; and 3) enhancements to the travel and training budget. (General Fund-State, General Fund-Federal)

4. State Hospital Billing System - The Health Care Financing Administration (HCFA) has directed the Mental Health Division to improve billing compliance with federal regulations. HCFA requires no less than 95% compliance with charges submitted, but the Finance Division has only achieved a 70% compliance level. Funding is provided for a fiscal technician and an accountant 2 to achieve billing compliance and reduce the payment backlog. (General Fund-State, General Fund-Federal)

5. Financial Rpt'g Improvement Project - One-time funding is provided for a joint effort between the Department of Social and Health Services (DSHS) Finance Division and the Office of Financial Management (OFM) for the development and maintenance of a new financial reporting system. The new system will bring DSHS in line with other state agencies that use the Agency Financial Reporting System (AFRS), and will move the responsibility of the cost allocation system to OFM. This move to AFRS will save DSHS \$517,000 per year in fiscal year 2004 and every year thereafter. (General Fund-State, General Fund-Federal)

6. Foster Care Trust Fund System - One-time funding is provided to develop a comprehensive management and accounting system for the Children's Administration Case and Management Information System (CAMIS). The current accounting system for foster care trust funds could result in audit findings and disallowance of federal funds. A new system will automate the distribution of funds and provide immediate updates of financial information to social workers. (General Fund-State, General Fund-Federal)

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Payments to Other Agencies
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	62,415	84,347
2001-03 Maintenance Level	0.0	86,106	112,771
Total 2001-03 Biennium	0.0	86,106	112,771

Comments:

2001-03 Omnibus Operating Budget
Dept of Social and Health Services
Information System Services
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	167.4	0	0
2001-03 Maintenance Level	165.2	0	0
Total 2001-03 Biennium	165.2	0	0

Comments:

2001-03 Omnibus Operating Budget
Columbia River Gorge Commission
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	9.8	730	1,406
2001-03 Maintenance Level	9.8	711	1,383
Policy Changes:			
1. Match Oregon Current Service Level	0.0	5	9
2. Agency Legal Services	0.0	73	146
Total Policy Changes	0.0	78	155
Total 2001-03 Biennium	9.8	789	1,538

Comments:

1. Match Oregon Current Service Level - Funding is provided to match Oregon's proposed level of funding for the Columbia River Gorge Commission. The joint program is required by law to be equally funded by both states.

2. Agency Legal Services - Funding is provided for increased Attorneys General costs for the Columbia River Gorge Commission. (General Fund- State, General Fund-Local)

2001-03 Omnibus Operating Budget
Department of Ecology
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	1,426.3	82,332	288,679
2001-03 Maintenance Level	1,430.5	86,103	289,996
Policy Changes:			
1. Methamphetamine Lab Cleanup	6.0	0	1,809
2. Inflation Rate Exception	0.0	0	128
3. Eliminate Air Emission Hot-Lines	-2.0	-230	-230
4. Reduction to Match Revenue	0.0	0	-141
5. Access Waste Information	2.0	0	431
6. Eliminate Air Permit Help to Locals	-1.0	-226	-226
7. Network Infrastructure	0.0	0	323
8. Assess Hazardous Waste Liability	1.5	0	500
9. Area Wide Contamination	0.0	0	1,200
10. Reduce Toxics Studies	-1.0	-148	-148
11. Consolidating Lab Accreditation	1.2	202	202
12. The Clean Sites Initiative	0.0	0	9,365
13. Aquatic Weeds Grants	0.0	0	450
14. Waste Reduction Efforts	0.0	0	200
15. Reduce Lab Accreditation Activities	-0.4	-54	-54
16. Water Law Compliance	0.0	1,148	1,148
17. Reducing Hazardous Waste Generation	1.0	0	200
18. Superfund Cleanup Match	0.0	0	2,000
19. Pine Hollow EIS	0.0	0	325
20. General Inflation	0.0	-1,450	-2,797
21. Enhanced Stream Flow Monitoring	2.0	1,049	1,613
22. Sharing Costs to Manage Stormwater	1.0	0	1,000
23. Water Right Change Decisions	27.0	6,000	6,000
24. Drought Response	7.0	0	5,000
25. Water Rights Data	2.0	847	847
26. Salmon Recovery Account Adjustment	0.0	0	-1,148
27. Yakima Groundwater Study	0.0	700	1,000
28. Instream Flows	0.0	600	600
29. Environmental Excellence Program	0.0	0	484
30. Support Local Watershed Planning	3.5	0	3,114
31. Water Resources Attorney Support	0.0	318	318
32. Nuclear Waste Attorney Support	0.0	0	382
33. Latah Creek Flood Control	0.0	0	84
Total Policy Changes	49.8	8,756	33,979
Total 2001-03 Biennium	1,480.3	94,859	323,975

Comments:

1. Methamphetamine Lab Cleanup - Funding is provided for six additional staff to address the increase in methamphetamine lab cleanups. (State Toxics Control Account)

2. Inflation Rate Exception - Funding is provided for increased costs for janitorial, landscaping and security contracts for agency facilities. (State Toxics Control Account, Waste Reduction, Water Quality Account, Water Permit Account, Underground Storage Account, Hazardous Waste Account, Oil Spill Account, Air Operating Permit Account)

2001-03 Omnibus Operating Budget
Department of Ecology

3. Eliminate Air Emission Hot-Lines - Funding is reduced for the statewide Vehicle Emission Check Information Line. The information line will be replaced with local toll-free information lines operated out of regional offices.

4. Reduction to Match Revenue - Appropriation authority is reduced for the Air Operating Permit Account to a level that can be supported by estimated revenue for the 2001-2003 biennium. This account funds the permitting and oversight of air emissions within the state. (Air Operating Permit Account)

5. Access Waste Information - Funding is provided for Internet technology and support to enhance public access to environmental data via the Internet. Additional solid and hazardous waste related information will be placed on the Internet, and reporting and mapping options will be developed, including the delivery of information on a geographic basis. (State Toxics Control Account)

6. Eliminate Air Permit Help to Locals - Funding is eliminated for pre-application permit assistance to other state and local air permitting agencies. Air Quality Program staff will continue to provide assistance in situations where the Department of Ecology has direct permitting responsibility.

7. Network Infrastructure - Funding is provided to increase agency-wide telecommunication line capacity and to upgrade the northwest regional office computer system cabling to allow for more efficient communication. (State Toxics Control Account, various other funds)

8. Assess Hazardous Waste Liability - One-time funding is provided to assess the limits of current statutes and regulations governing hazardous waste facilities, including financial assurances to ensure that bankruptcy or other unexpected site closures do not leave an unmet cleanup liability. (State Toxics Control Account)

9. Area Wide Contamination - One-time funding is provided for the department to work with local governments to develop a strategy to address area-wide soil contamination problems arising from arsenic and other toxic chemicals in Western Washington. A public involvement process will be initiated and an assessment of the locations of contamination will be conducted. (State Toxics Control Account)

10. Reduce Toxics Studies - Funding is reduced for toxic chemical studies currently conducted to assist in addressing contamination problems, identifying regulatory strategies, and developing water cleanup plans. The number of toxics studies completed by the Department of Ecology is reduced from 20 to 17 per year.

11. Consolidating Lab Accreditation - The Department of Ecology, in cooperation with the Department of Health (DOH) and client laboratories, has determined the DOH Drinking Water Laboratory Certification program should be combined with the DOE Environmental Laboratory Accreditation Program. This will provide a one-stop validation agency for client labs, and will reduce costs as a result of more efficient operations. Increased costs to the Department of Ecology will be offset by corresponding reductions in the DOH budget.

12. The Clean Sites Initiative - One-time funding is provided to clean up sites contaminated by toxic chemicals that present a threat to human health and the environment. Any funds recovered from responsible parties will be reimbursed into the State Toxics Control Account. (State Toxics Control Account)

13. Aquatic Weeds Grants - Funding is provided to support previous grant awards and to maximize the amount of new grants that can be awarded to local governments in the 2001-03 biennium. (Freshwater Aquatic Weeds Account)

14. Waste Reduction Efforts - One-time funding is provided for an assessment of the current toxic pollution prevention and dangerous waste programs. The Department of Ecology will work with stakeholder focus groups to evaluate the performance of existing programs and assess waste generating activities to identify improvements in waste reduction. (State Toxics Control Account)

15. Reduce Lab Accreditation Activities - Funding is reduced for the Department of Ecology's Environmental Assessment Program reducing the number of audits conducted for accredited labs.

16. Water Law Compliance - Ongoing funding is provided for water law compliance, originally funded in the 1999-01 biennium from the Salmon Recovery Account. Funding supports technical assistance and enforcement efforts for water quantity and non-point water quality.

2001-03 Omnibus Operating Budget
Department of Ecology

- 17. Reducing Hazardous Waste Generation** - One-time funding is provided for additional hazardous waste management technical assistance and pollution prevention activities including assisting 60 businesses in developing pollution prevention plans, implementing pollution prevention measures, and integrating best management practices into business operations. (Hazardous Waste Assistance Account)
- 18. Superfund Cleanup Match** - One-time funding is provided for the state match for federal Superfund cleanup costs. Federal law requires states to pay ten percent of all remedial action costs and all operation and maintenance costs at federally funded cleanup sites. (State Toxics Control Account)
- 19. Pine Hollow EIS** - Funding is provided to complete the Pine Hollow Environmental Impact Statement initiated in the 1999-01 biennium (State Drought Preparedness Account)
- 20. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 21. Enhanced Stream Flow Monitoring** - Funding is provided for enhanced stream flow gauging and monitoring in five critical basins. Of this amount, \$500,000 is provided for local governments to hire stream gauging staff, \$700,000 to purchase the equipment, and \$400,000 in technical assistance to develop gauging plans, install and maintain gauges, and provide data management services including real-time data transmission and web base data access. (General Fund State, Emergency Water Reserve Account State)
- 22. Sharing Costs to Manage Stormwater** - Funding is provided for the Department to update stormwater manuals, write new stormwater permits, and provide technical assistance to local governments to implement new stormwater requirements under the Environmental Protection Agency Phase II Stormwater requirements. (State Toxics Control Account)
- 23. Water Right Change Decisions** - Funding is provided to implement Substitute House Bill 1832 (Water Resources Management). Funding is provided for staff to process water right change applications, provide technical assistance to support local county Conservancy Boards in reviewing water right change applications, and implement other provisions of the bill.
- 24. Drought Response** - Funding is provided to purchase or lease water in response to low stream flows due to the drought. Of the total amount of funding, \$564,000 is provided for staff to implement a drought response strategy and operate a drought emergency center. Staff will process drought related water rights changes in 15 days. (State Drought Preparedness Account, Emergency Water Reserve Account State)
- 25. Water Rights Data** - Funding is provided to replace the water rights information system with a system designed to provide geographic information accessible via the Internet.
- 26. Salmon Recovery Account Adjustment** - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)
- 27. Yakima Groundwater Study** - One-time funding is provided to match federal funds for a groundwater study in the Yakima basin. (General Fund State, Water Quality Account)
- 28. Instream Flows** - Funding is provided for the department to set instream flows in six critical basins currently not planning under the Watershed Planning Act.
- 29. Environmental Excellence Program** - Funding is provided for the department to implement projects with sponsors participating in the Environmental Excellence Program. (Environmental Excellence Account)
- 30. Support Local Watershed Planning** - Funding is provided to implement SHB 1832 (water resources management). Of the total funding, \$2.1 million is provided for grants for targeted watershed assessments in seven basins to provide information to local planning units. In addition, funding is provided to develop a State Environmental Policy Act template to streamline environmental review and plan implementation. The departments of Ecology and Fish and Wildlife will also provide technical assistance in hydrogeology, fish biology, streamflows, and water rights. Finally, a panel will be created to develop long term options to fund watershed plan implementation. (Water Quality Account)
- 31. Water Resources Attorney Support** - Funding is provided for additional support from the Attorney General's office associated with water resources litigation.

2001-03 Omnibus Operating Budget
Department of Ecology

32. Nuclear Waste Attorney Support - Funding is provided for additional attorney support to enforce the Hanford Tri-Party Agreement among the state, the Environmental Protection Agency and the U.S. Department of Energy. (State Toxics Control Account)

33. Latah Creek Flood Control - Funding is provided for the Latah Creek feeder bank stabilization project. (Flood Control Assistance Account)

2001-03 Omnibus Operating Budget
WA Pollution Liab Insurance Program
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	9.1	0	2,138
2001-03 Maintenance Level	9.1	0	2,167
Policy Changes:			
1. General Inflation	<u>0.0</u>	<u>0</u>	<u>-17</u>
Total Policy Changes	0.0	0	-17
Total 2001-03 Biennium	9.1	0	2,150

Comments:

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

2001-03 Omnibus Operating Budget
State Parks and Recreation Comm
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	604.8	57,954	92,391
2001-03 Maintenance Level	638.9	59,720	93,228
Policy Changes:			
1. General Inflation	0.0	-273	-448
2. Park Preservation	15.0	0	9,900
3. Maintenance Backlog	0.0	1,000	1,000
4. Seaquest Sewage Treatment Operator	1.0	149	149
5. Lewis and Clark Interpretive Center	3.8	375	375
6. Ranger & Visitor Safety	5.0	1,000	1,000
7. Forest Road Inventory	0.0	200	200
8. Internet Materials and Permits	1.1	0	166
9. Native American Artifacts	0.3	167	167
10. Silver Lake Visitor Center	3.9	0	432
11. Winter Recreation - Snowmobile	0.0	0	1,000
12. Water Trails Enhancements	0.0	0	10
13. Boating Safety & Education	0.0	0	534
14. Cama Beach Operating Reduction	-4.0	-440	-440
15. Assistance/Planning Reductions	-1.5	-168	-168
Total Policy Changes	24.6	2,010	13,877
Total 2001-03 Biennium	663.5	61,730	107,105

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Park Preservation** - Funding is provided to preserve and maintain the state park system. State Parks shall prioritize projects to address critical maintenance projects that protect public health and safety. (Parks Renewal and Stewardship Account)
- 3. Maintenance Backlog** - Funding is provided to address the backlog of health and safety maintenance projects at State Park facilities.
- 4. Seaquest Sewage Treatment Operator** - Funding is provided for staff and maintenance costs associated with operating the sewage treatment plant at Seaquest State Park. The U.S. Forest Service is proposing closure of its Mt. St. Helen's Visitor Center at Silver Lake/Seaquest State Park. Co-located with the Center and operated by the Forest Service is a sewage treatment facility that processes wastes from Seaquest State Park. The Washington State Parks & Recreation Commission has entered into an agreement with the Forest Service to take over the operation and maintenance of Mt. St. Helen's Visitor Center for one year to see if the visitor center is economically viable.
- 5. Lewis and Clark Interpretive Center** - Funding is provided for staff at the Lewis and Clark Interpretive Center at Fort Canby in anticipation of the bicentennial celebration of the Lewis and Clark expedition.
- 6. Ranger & Visitor Safety** - Funding is provided for additional rangers to reduce single-ranger patrols and for response agreements with local law enforcement and emergency 911 dispatch centers.
- 7. Forest Road Inventory** - Funding is provided for State Parks and Recreation Commission to evaluate, survey and map all forest roads on state parks lands to determine future actions needed to protect salmon and water quality.

**2001-03 Omnibus Operating Budget
State Parks and Recreation Comm**

8. Internet Materials and Permits - Funding is provided to develop a system to make permits and other materials available to citizens over the Internet. Parks Renewal and Stewardship Account, Winter Recreation Program Account, Snowmobile Account)

9. Native American Artifacts - Pursuant to federal law, State Parks began work to inventory and catalogue its collection of Native American artifacts and human remains in the 1999-01 Biennium. Additional funding is provided to conduct consultations with Native American tribal representatives and to construct appropriate storage for artifacts and remains.

10. Silver Lake Visitor Center - Funding is provided for the operation and maintenance of the Mt. St. Helens Visitor Center. (Parks Renewal and Stewardship Account)

11. Winter Recreation - Snowmobile - Funding is provided to open new snow parks, increase the parking lot size of snow parks, increase grooming of trails, and fund additional parking lot snow removal. Funds for services are derived from snowmobile registrations and a portion of the gasoline tax. (Snowmobile Account - State)

12. Water Trails Enhancements - Funding is provided for improvements to facilities maintained by the Water Trails program. (Water Trails Program Account-State)

13. Boating Safety & Education - Additional federal funding will be used for grants for law enforcement training and equipment, and to increase the frequency of boater education messages. (General Fund-Federal)

14. Cama Beach Operating Reduction - Funding is reduced for implementation of historic building maintenance and park management services at the new Cama Beach State Park. This park is expected to open in September 2002. Four staff positions will not be hired until the 2003-05 biennium.

15. Assistance/Planning Reductions - Funding is eliminated for a position coordinating requests to use state parks facilities by special recreation groups and a part time position for park construction and planning.

2001-03 Omnibus Operating Budget
Interagency Comm for Outdoor Rec
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	20.6	275	6,792
2001-03 Maintenance Level	20.6	291	3,553
Policy Changes:			
1. General Inflation	0.0	-3	-15
2. Programmatic Adjustments	0.0	0	-6
3. Outdoor Recreation Resource Plan	1.0	0	445
4. Statewide Monitoring Strategy	0.0	750	750
5. Forests and Fish Agreement Rules	0.0	0	8,000
6. SRFB Administration	0.0	0	358
Total Policy Changes	1.0	747	9,532
Total 2001-03 Biennium	21.6	1,038	13,085

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Programmatic Adjustments** - Funding is reduced for operating expenses for the Firearms Range Account and Nonhighway and Off-Road Vehicle Activities Program Account. This reduction aligns available revenue and operating expenses with the statutory requirements for these two accounts. (Firearms Range Account-State, Nonhighway and Off-Road Vehicle Activities Program Account-State)
- 3. Outdoor Recreation Resource Plan** - One-time funds are provided to update the Statewide Comprehensive Outdoor Recreation Plan and to meet federal requirements. The current statewide plan expires December 2001 and the Interagency Committee for Outdoor Recreation is required develop a statewide strategic plan for the acquisition, renovation, and development of recreational resources and the conservation of open space. (Recreation Resources Account-State, Recreation Resources Account-Federal)
- 4. Statewide Monitoring Strategy** - Funding is provided to implement SSB5637 (watershed health monitoring). The Salmon Recovery Funding Board will work with the Salmon Recovery Office and natural resource agencies to develop a coordinated and comprehensive statewide adaptive management and monitoring strategy to meet the needs of the Statewide Strategy to Recover Salmon.
- 5. Forests and Fish Agreement Rules** - Funding is provided for the Salmon Recovery Funding Board to pass through to the Department of Natural Resources and the Department of Fish and Wildlife to implement the Forest and Fish Agreement. Specific work will include completion of databases for streams and lakes, wetlands and forest roads, a new forest practices application system, and adaptive management activities. (General Fund-Federal)
- 6. SRFB Administration** - Funding is provided for administrative support for the Salmon Recovery Funding Board. (General Fund-Federal)

2001-03 Omnibus Operating Budget
Environmental Hearings Office
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	8.0	1,708	1,708
2001-03 Maintenance Level	8.0	1,703	1,703
Policy Changes:			
1. General Inflation	0.0	-10	-10
Total Policy Changes	0.0	-10	-10
Total 2001-03 Biennium	8.0	1,693	1,693

Comments:

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

2001-03 Omnibus Operating Budget
State Conservation Commission
(Dollars in Thousands)

	FTEs	House As Passed House	
		GF-S	Total
1999-01 Estimated Expenditures	14.5	5,302	9,398
2001-03 Maintenance Level	14.5	4,301	8,194
Policy Changes:			
1. Conservation District Manual	0.0	20	29
2. Statewide Habitat Limiting Factors	2.0	1,601	1,601
3. Administrative Manager	0.0	21	51
4. Engineering Grants	0.0	900	900
5. Audit Costs	0.0	0	128
6. Salmon Recovery Account Adjustment	0.0	0	-3,368
7. AFW Negotiations	0.0	500	500
Total Policy Changes	2.0	3,042	-159
Total 2001-03 Biennium	16.5	7,343	8,035

Comments:

1. Conservation District Manual - One-time funding is provided to update the Conservation District Procedure Manual. The manual is used by conservation districts and contains at least 20 sections that will be revised based on changes in policies and regulations, changes in state or federal law, and changes in the structure of agencies and organizations. (General Fund-State, Water Quality Account-State)

2. Statewide Habitat Limiting Factors - Funding is provided to continue identifying limiting factors for salmon.

3. Administrative Manager - Funding is provided for an administrative manager to prepare and manage its operating and capital budgets and provide financial planning assistance to its grants program. (General Fund-State, Water Quality Account-State)

4. Engineering Grants - Funding is provided for conservation district grants to hire engineers to design salmon recovery and other projects that benefit salmon.

5. Audit Costs - Funding for audits of conservation districts is moved from the capital budget to the operating budget. (Water Quality Account)

6. Salmon Recovery Account Adjustment - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)

7. AFW Negotiations - Funding is provided for grants to various stakeholder groups to participate in negotiations with the agricultural community through the Agriculture, Fish, and Water (AFW) process to develop best management practices that will protect and recover salmon.

2001-03 Omnibus Operating Budget**Dept of Fish and Wildlife**

(Dollars in Thousands)

	House As Passed House		
	FTEs	GF-S	Total
1999-01 Estimated Expenditures	1,573.5	91,249	285,767
2001-03 Maintenance Level	1,582.0	94,602	282,403
Policy Changes:			
1. General Inflation	0.0	-764	-2,083
2. Wildlife Conservation and Education	4.0	0	1,000
3. Salmonid Stock Inventory	0.0	400	400
4. Smolt Production Monitoring	0.0	1,100	1,100
5. Implement Forest and Fish Agreement	0.0	776	776
6. Forest Roads Management Plan	0.0	265	265
7. Hydropower Relicensing	2.8	389	389
8. Lead Entity Core Operations	0.0	3,750	3,750
9. Local Technical Assistance	0.0	1,700	1,700
10. Hatchery ESA Strategy	0.0	500	500
11. Pacific Salmon Treaty State Match	0.0	1,300	6,300
12. Hatchery Operations	0.0	0	7,050
13. Nongame Wildlife Program	0.0	0	360
14. Recreational Site Enhancements	0.0	0	124
15. Salmon Recovery Account Adjustment	0.0	0	-7,219
16. Fish Screen Compliance	0.0	1,200	1,200
17. Regional Salmon Recovery Planning	0.0	1,750	1,750
18. Information Systems Strategic Plan	4.0	0	451
19. Geographic Information System	2.0	0	373
20. Wildlife Area Operations	0.3	0	48
21. Recover Endangered Wildlife Species	1.4	0	204
22. Vehicle and Vessel Replacement	0.0	0	125
23. Resident and Marine Fish Management	0.0	450	0
24. Youth Sport Fishing Program	1.0	0	156
25. Enhance Web-Based Communication	0.0	0	75
26. Point-of-Sale Data Analysis	0.0	0	80
27. Core Salmon Recovery Activities	0.0	1,000	0
28. Fence Maintenance	1.7	0	206
29. Coastal Crab Pot Tags	0.2	0	160
30. Attorney Support for ESA Compliance	0.0	88	147
31. Oyster Reserve Lands	0.0	0	135
32. Lower Skykomish HCP	0.0	250	250
33. Business Services Reductions	-7.4	-1,114	-1,114
34. Technical Assistance Reductions	-4.3	-568	-568
35. Fish, Hatchery and Land Stewardship	-4.5	-1,318	-1,318
36. Program Services Reductions	-4.0	-635	-635
37. Programmatic Adjustments	0.0	0	-819
Total Policy Changes	-2.8	10,519	15,318
Total 2001-03 Biennium	1,579.2	105,121	297,721

Comments:

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

2001-03 Omnibus Operating Budget

Dept of Fish and Wildlife

2. Wildlife Conservation and Education - Funding is provided to enhance wildlife conservation and education programs. The types of work to be undertaken include species inventorying, priority habitat and species mapping, expansion of watchable wildlife programs and public education. (General Fund-Federal)

3. Salmonid Stock Inventory - Funding is provided to continue the Salmonid Stock Inventory (SaSI) to identify and monitor the status of Washington's salmonid fish stocks.

4. Smolt Production Monitoring - Ongoing funding is provided to conduct smolt monitoring to continue assessing the productivity of juvenile salmonids as a measure of the health of stream systems and to measure the success of salmon recovery efforts.

5. Implement Forest and Fish Agreement - Ongoing funding is provided for five biologists to continue statewide coordination and implementation of the forest and fish rules; integration of portions of the Hydraulic Code into the forest practices rules to provide permit streamlining; and sharing the responsibility of developing and implementing the required Forests and Fish Agreement monitoring and adaptive management program.

6. Forest Roads Management Plan - Funding is provided for a statewide road plan and a Geographic Information Systems database for forest roads on departmental lands. The Department of Fish and Wildlife has over 725 miles of forest roads on state wildlife areas. Under the forest and fish agreement, a road management plan must be completed within five years for all timberlands to address issues such as fish passage, sedimentation, and erosion.

7. Hydropower Relicensing - Funding is provided for staff to participate in the hydropower project relicensing process.

8. Lead Entity Core Operations - Funding is provided for grants to lead entities for costs associated with habitat project solicitation, habitat project lists and development and maintenance of habitat work schedules. The Department of Fish and Wildlife will continue to provide grants to the existing 15 lead entities and 10 new lead entities expected to be created in the 2001-03 biennium.

9. Local Technical Assistance - Ongoing funding is provided for the Department of Fish and Wildlife's Watershed Steward Team to provide technical assistance for engineering and design, and fish and habitat science to project sponsors, lead entities, landowners, local governments, regional fisheries enhancement groups, and others involved in local salmon recovery projects.

10. Hatchery ESA Strategy - Funding is provided to continue implementation of a Hatchery Endangered Species Act program at the Department of Fish and Wildlife.

11. Pacific Salmon Treaty State Match - Funding is provided to match federal funds to implement license buyback provisions of the United States - Canada salmon treaty. (General Fund State, General Fund Federal)

12. Hatchery Operations - Funding is provided to support hatchery operations at facilities supported by agreements with public utility districts. (General Fund Private Local)

13. Nongame Wildlife Program - Funding is provided for administrative costs of the nongame wildlife program at the department. Revenues from personalized license plate sales will be used to support both program and administrative costs of the nongame program. (Wildlife Fund State)

14. Recreational Site Enhancements - Funding is provided to improve sanitation and maintenance of public recreation access sites statewide. (Wildlife Fund State)

15. Salmon Recovery Account Adjustment - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)

16. Fish Screen Compliance - Funding is provided to implement four cooperative fish screen compliance programs, two in Western Washington and two in Eastern Washington. The cooperative compliance program will conduct fish screen, fish way, and fish passage barrier assessments and correction plans for landowners seeking cooperative compliance agreements with the Department.

17. Regional Salmon Recovery Planning - Funding is provided for grants to lead entities or watershed planning units that agree to coordinate the development of comprehensive local and regional salmon recovery plans. Annual grants may be up to \$125,000.

**2001-03 Omnibus Operating Budget
Dept of Fish and Wildlife**

18. Information Systems Strategic Plan - Funding is provided to continue implementation of the Information Systems Strategic plan including a personal computer leasing program, migration to office suite software, modernizing agency file server and network infrastructure, and standardizing data administration. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (State Wildlife Account-State)

19. Geographic Information System - Funding is provided for updating the department's Geographic Information System (GIS) data to more current software. The department must ensure that the new data management system is consistent with other state natural resource systems and develop protocols for sharing data. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (General Fund-State, State Wildlife Account-State)

20. Wildlife Area Operations - Funding is provided for operating impacts associated with habitat acquisitions authorized by the legislature during the 1999-01 biennium. (State Wildlife Account-State)

21. Recover Endangered Wildlife Species - Funding is provided for scientific review, collection, and analysis of data to determine the status of wildlife species for wildlife and game species management. The department will complete additional research, develop recovery plans and initiate recovery actions for endangered and threatened wildlife species, including western pond turtles, pigmy rabbits, caribou and Columbia white-tailed deer. (State Wildlife Account-State)

22. Vehicle and Vessel Replacement - Funding is provided for the department to replace vehicles and vessels that have exceeded replacement schedule requirements. (State Wildlife Account-State)

23. Resident and Marine Fish Management - Funding is provided to backfill a decrease in federal funding for many core marine and resident fish management and stock assessment activities. The State General Fund will be used to support fish management activities including biological sampling, fishery monitoring, and stock status. (General Fund-State, General Fund-Federal)

24. Youth Sport Fishing Program - Funding is provided for a youth fishing coordinator to develop partnerships with local communities and to promote youth fishing events. Event coordination and promotion services will be contracted to a private consultant. (State Wildlife Account-State)

25. Enhance Web-Based Communication - Funding is provided for a contract to enhance web-based communication to improve internal services and productivity by increasing access to recreational opportunity information, regulatory changes, scientific data, document libraries, and technical assistance for agency employees. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (State Wildlife Account-State)

26. Point-of-Sale Data Analysis - Funding is provided for a private contractor to develop reports from data gathered using the new automated point-of-sale system. These reports will provide information to manage recreational opportunities and license sale revenues. (State Wildlife Account-State)

27. Core Salmon Recovery Activities - Funding is provided to replace decreases in federal funding levels for core salmonid recovery activities including monitoring and biological sampling, smolt trapping, and fishery planning. (General Fund-Federal)

28. Fence Maintenance - Funding for fence maintenance is transferred from the capital budget to the operating budget. (State Wildlife Fund-State)

29. Coastal Crab Pot Tags - Funding is provided to implement SSB 6110 (puget sound crab pot buoy). The department shall purchase buoy tags to ensure that coastal crab pot limits are followed. (Coastal Crab Account-Nonappropriated)

30. Attorney Support for ESA Compliance - Funding is provided for increased legal assistance from the Attorney General's Office for compliance with the requirements of the Endangered Species Act. (General Fund-State, Wildlife Fund-State)

31. Oyster Reserve Lands - Funding is provided to implement SHB 1658 (state oyster reserve lands). In addition to the management activities on state oyster reserve lands, the department shall provide funding for on-site septic grants to the Puget Sound Action Team. (Oyster Reserve Land State)

32. Lower Skykomish HCP - Funding is provided for a grant to the Lower Skykomish River Habitat Conservation Group to develop a habitat conservation plan for the lower Skykomish River.

**2001-03 Omnibus Operating Budget
Dept of Fish and Wildlife**

33. Business Services Reductions - Funding is reduced within the business services program by eliminating 6.4 staff positions from the Licenses and Financial Services Divisions, Director's Office and Public Affairs office. Additional savings will result from the elimination of Automated Financial Reporting System reports through the implementation of an automated license system and a reduction to the goods, services and travel budget of the Fish and Wildlife Commission. A contract with the United States Department of Agriculture-Wildlife Services that provides assistance to landowners in alleviating livestock, crop and property damage from wildlife disturbances will also be reduced. The elimination of the Poaching Hotline contract with the Washington State Patrol will save money and improve service levels by routing all calls directly to the enforcement program during regular business hours. The State Patrol will continue to handle poaching complaints after hours.

34. Technical Assistance Reductions - Funding is reduced for the Wetlands Technical Assistance program reducing participation in the Corps of Engineers Nationwide Permit Program, the Corps of Engineers Regional Permit Program and the State Mitigation Banking Rule Technical Committee. One-half of a staff position from the Priority Habitats and Species and Growth Management Act programs will be eliminated resulting in fewer and more limited review of land use decisions affecting fish and wildlife resources in Benton, Kittitas, Franklin and Yakima counties. One and one-half staff positions providing technical assistance to the Department of Ecology and the Environmental Protection Agency for Superfund and Toxic Control Act site cleanup will be eliminated. One-half of a staff position providing technical assistance to the rural landowner program will be eliminated resulting in delays for rural landowners to obtain assistance in converting marginal farmland to more productive recreational and wildlife habitat.

35. Fish, Hatchery and Land Stewardship - Funding is reduced due to the elimination of salmon production at the Samish Hatchery and the Fox Island Net Pens and reductions at the Wallace River Hatchery. A total of 558,248 fewer chinook and 60,000 fewer coho salmon will be available to commercial and recreational fishers. Administrative support is also reduced for hatchery programs. A reduction to the Lake Washington sockeye salmon fishery monitoring and research program will eliminate diet and abundance estimates used for preseason run predictions. A reduction in oyster reserve management funding will result in less oyster seed being available for private shellfish growers. Lake management use of rotenone will be reduced 52 percent resulting in three fewer lakes in Eastern Washington being managed for high quality trout. The Washington Conservation Corps will reduce two full-time crews to two half-time crews, reducing stewardship and maintenance activities at statewide wildlife areas and public recreational access sites.

36. Program Services Reductions - Retirement vacancies expected at the beginning of the 2001-2003 biennium will remain unfilled resulting in reductions to non-field enforcement program positions. Additional savings for the enforcement program will result in reducing equipment and goods and services. Two administrative positions will be eliminated from the fish program, resulting in reduced secretarial, customer service, visitor service, and employee support to each program.

37. Programmatic Adjustments - Funding is reduced to adjust appropriation authority with estimated revenues for the Recreational Fisheries Enhancement Account, Eastern Washington Pheasant Enhancement Account, Regional Fisheries Enhancement Account and the Off Road Vehicle Account. (Recreational Fisheries Enhancement Account-State, Eastern Washington Pheasant Enhancement Account-State, Regional Fisheries Enhancement Account-Nonappropriated, Off Road Vehicle Account-State)

2001-03 Omnibus Operating Budget
Department of Natural Resources
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	1,635.6	56,506	258,856
2001-03 Maintenance Level	1,489.9	58,029	258,294
Policy Changes:			
1. General Inflation	0.0	-99	-557
2. Attorney General Support	0.0	130	540
3. Forest Nursery Investments	0.0	0	350
4. Stabilize Fire Protection Funding	0.0	4,400	0
5. Stabilize Fire Protection - Fees *	0.0	0	446
6. Public Use	0.0	750	750
7. Salmon Recovery Account Adjustment	0.0	0	-3,459
8. Trust Land Management Activities	61.4	0	6,029
9. Mgmt Funding for Ag Trust Lands	0.0	1,790	2,244
10. Trust Land Forest Road Improvements	20.2	0	5,608
11. Forest and Fish Implementation	0.0	5,400	6,025
12. Surface Mine Reclamation Program	4.0	0	828
13. Dredged Material Management	0.0	0	266
14. Cherry Point Ecological Evaluation	0.0	0	300
15. Implementing Legislative Fire Study	24.0	5,400	5,400
16. Continued Control of Spruce Budworm	0.3	0	246
17. Forest Legacy Support	2.0	300	300
18. Outdoor Burning Program Reduction	0.0	0	-157
19. Program/Administration Efficiencies	0.0	-400	-400
20. Off Road Vehicle Program Reduction	0.0	0	-164
21. Lake Whatcom Roads Decommissioning	0.0	0	2,000
Total Policy Changes	111.9	17,671	26,595
Total 2001-03 Biennium	1,601.8	75,700	284,889

Comments:

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

2. Attorney General Support - Funding is provided to support increased legal services from the Office of the Attorney General relating to upland and aquatic property issues including trespass, rights of way applications, real property transactions, implementing the incidental take permit and assistance with pending forest practice litigation. (General Fund-State, various other funds)

3. Forest Nursery Investments - One-time funding for forest nursery investments will be used to maintain the reforestation information management system, construct an additional greenhouse to culture and produce nursery stock, and to convert water cooled compressors to air cooled compressors. (State Forest Nursery Revolving Account)

4. Stabilize Fire Protection Funding - Funding is provided to offset insufficient revenues to the Forest Fire Protection Assessment Account to cover on-going fire prevention activities in the 2001-03 biennium. The General Fund State account will be used to help offset the shortfall. (General Fund-State, Forest Fire Protection Assessment Account-Nonappropriated)

5. Stabilize Fire Protection - Fees * - Funding is provided to implement SHB 2104 (forest fire protection). Landowners are currently assessed a fee to pay for fire protection from the Department of Natural Resources, and the bill increases assessments from .22 cents to .25 cents per acre. (Forest Fire Protection Assessment Account-Nonappropriated)

2001-03 Omnibus Operating Budget
Department of Natural Resources

- 6. Public Use** - Funding is provided for maintenance of state lands open to public use.
- 7. Salmon Recovery Account Adjustment** - Funding is removed for activities supported by the Salmon Recovery Account funded in the 1999-01 biennium from one-time revenue sources. (Salmon Recovery Account)
- 8. Trust Land Management Activities** - Funding is provided for enhanced silviculture activities, improvements to the product sales system and additional timber sales staff. (Forest Development Account, Resource Management Cost Account,)
- 9. Mgmt Funding for Ag Trust Lands** - Funding is provided for management expenses for agricultural trust lands. General Fund-State funds are appropriated to the Agricultural College Trust Management fund to manage approximately 70,700 acres of Washington State University's Agricultural College Trust Lands. (General Fund State, Agricultural College Trust Management)
- 10. Trust Land Forest Road Improvements** - Funding is provided to inventory state forest roads within five years and upgrade road systems in fifteen years to meet the requirements of the new forest and fish agreement. The work will include the evaluation, survey, and mapping of forest roads as well as improvements or abandonment of these roads. (Access Road Revolving Account, Forest Development Account, Agricultural College Trust Account)
- 11. Forest and Fish Implementation** - Funding is provided to DNR to continue implementation of the Forests and Fish Agreement. Specific work will include forest practices rule enforcement, completion of a ten county small forest landowner data system, a road maintenance and abandonment plan and desired future condition data systems, and cultural resources protection. (General Fund State, Salmon Recovery Account)
- 12. Surface Mine Reclamation Program** - Funding is provided to implement SHB 1845 (surface mine reclamation account). Increased funding will be used to provide technical assistance to surface mine operators.
- 13. Dredged Material Management** - Funding is provided for managing dredged material disposal sites on state owned aquatic lands. The department plans to increase disposal monitoring to address the construction of a new shipping terminal in Pierce County and new requirements under the federal Endangered Species Act. (Aquatic Lands Dredged Material Disposal Site)
- 14. Cherry Point Ecological Evaluation** - Funding is provided to evaluate the Cherry Point herring stock and marine ecosystem. Results of these evaluations will provide the scientific basis to make management decisions concerning aquatic use requests. (Resource Management Cost Account)
- 15. Implementing Legislative Fire Study** - Funding is provided to implement provisions of a 1997 review of the Department of Natural Resources' fire program. Additional staff and equipment are provided to fully support 113 firefighter engines.
- 16. Continued Control of Spruce Budworm** - Funding is provided to treat six thousand acres of forest impacted by the spruce budworm epidemic. The department will also cooperate with other landowners to monitor the continuing spread of the spruce budworm and plan control projects. (Resource Management Cost Account)
- 17. Forest Legacy Support** - Funding is provided to support administrative costs of the Forest Legacy Program. New federal requirements will no longer allow federal funds to be used to support the cost of program administration.
- 18. Outdoor Burning Program Reduction** - Funding is decreased for the Outdoor Burning Program due to a projected revenue decrease and reallocation of administration costs. The Department will make the following changes to the program: 1) increase the minimum size fire that requires smoke management approval from 100 tons to 500 tons of fuel; and 2) increase the minimum fire size that requires a permit from 10' x 10' to 20' x 20'. (Air Pollution Control Account)
- 19. Program/Administration Efficiencies** - Funding is reduced for General Fund-State supported programs and administration. In implementing this reduction, the Department shall not reduce expenditures authorized in the 2001-03 biennium for fire protection, fire suppression, or forest practices activities.
- 20. Off Road Vehicle Program Reduction** - Due to a projected revenue decrease and increased operating costs, the department anticipates closing approximately 11 campground sites where off road vehicle use occurs. (Off Road Vehicle Account)
- 21. Lake Whatcom Roads Decommissioning** - Funding is provided to decommission, maintain and repair roads in the Lake Whatcom watershed. (Forest Development Account)

2001-03 Omnibus Operating Budget
Department of Agriculture
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	711.2	15,932	82,109
2001-03 Maintenance Level	711.2	15,443	84,091
Policy Changes:			
1. General Inflation	0.0	-104	-373
2. Salmon Recovery Pesticide Strategy	4.5	0	943
3. Agricultural Marketing	0.0	700	1,400
4. Abandoned Orchards	0.0	450	900
5. Information Technology Coordinator	0.7	0	134
6. Spartina Eradication	0.0	0	1,480
7. Small Farm Direct Marketing	1.5	100	200
8. Fair Funding	0.0	4,000	4,000
Total Policy Changes	6.7	5,146	8,684
Total 2001-03 Biennium	717.9	20,589	92,775

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. Salmon Recovery Pesticide Strategy** - Funding is provided to establish a program to monitor pesticides in surface water, evaluate pesticide exposure on Endangered Species Act listed salmonids, and implement actions needed to protect salmonids. This program is designed to meet both Endangered Species Act and Clean Water Act requirements. (Agricultural Local Account-Private/Local, State Toxics Account)
- 3. Agricultural Marketing** - Funding is provided to implement SHB 1891 (marketing of agriculture). State funds will be matched with agriculture industry funds to promote Washington agricultural products and address trade barriers. (General Fund -State, Private Fund Local)
- 4. Abandoned Orchards** - Funding is provided to the department to reimburse county horticultural pest and disease boards for the cost of pest control activities, including tree removal, on abandoned orchards. (General Fund State, Agriculture Local Nonappropriated)
- 5. Information Technology Coordinator** - Funding is provided for the agency's digital government efforts including coordination of on-line information and web-based services. (Agricultural Local Account-Nonappropriated)
- 6. Spartina Eradication** - Funding is provided to implement a four year plan to eradicate all known infestations of spartina in Puget Sound, Hood Canal and Grays Harbor and begins the first reduction in spartina infestations in Willapa Bay, eradicating 25 percent of the 4,000-plus solid acres of spartina in Willapa Bay in the first two years. (Aquatic Lands Enhancement Account-State)
- 7. Small Farm Direct Marketing** - Funding is provided to implement HB 1984 (agricultural products). The bill establishes a small farm and direct marketing program at the Department of Agriculture to improve the economic sustainability of the state's small farms by reducing market barriers and developing direct marketing opportunities. This program will support small farms in complying with federal, state, and local regulations along with facilitating access to food processing centers and assisting with grant funding requests. (General Fund-State, General Fund-Federal)
- 8. Fair Funding** - Funding is provided to the Fair Fund to continue supporting agricultural fairs and youth shows, community fairs, county fairs, and area fairs. (General Fund State, Fair Fund)

2001-03 Omnibus Operating Budget
Washington State Patrol
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	505.1	44,340	80,323
2001-03 Maintenance Level	523.5	45,033	80,146
Policy Changes:			
1. General Inflation	0.0	-385	-632
2. Fund GF-S with other funds	0.0	-2,100	0
3. Regional Methamphetamine Program	5.0	0	1,419
4. Crime Intelligence Index	0.0	0	328
5. Transfer Activities to Transpo	-15.0	-10,639	-10,639
6. DNA Testing #	0.0	0	100
7. Spokane Toxicology Lab Services	1.5	0	553
8. Offender Information System Support	2.0	0	607
Total Policy Changes	-6.5	-13,124	-8,264
Total 2001-03 Biennium	517.0	31,909	71,882

Comments:

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

2. Fund GF-S with other funds - Funding is provided from the Public Safety and Education Account in place of General Fund-State. The Public Safety and Education Account has sufficient funds available to finance some of the State Patrol's activities that were previously funded with General Fund-State. (Public Safety and Education Account-State, General Fund-State)

3. Regional Methamphetamine Program - As part of a state-wide methamphetamine initiative, funding is provided for the following activities: (1) the establishment of a regional methamphetamine enforcement, training and education program; (2) additional officers for the statewide meth lab response team; and (3) two forensic scientists with the necessary equipment to perform lab analysis in the crime laboratory division. (Public Safety and Education Account-State)

4. Crime Intelligence Index - One-time funding is provided to establish a state criminal intelligence index. This index will utilize the existing nation-wide Regional Information Sharing System Network (RISS.net), and will provide 24-hour access to intelligence information for all criminal justice agencies. (Public Safety and Education Account-State)

5. Transfer Activities to Transpo - In the 1998 legislative session, certain activities and portions of programs within Washington State Patrol were transferred to the omnibus operating budget from the transportation budget. Beginning in fiscal year 2003, these activities are transferred back to the transportation budget, with the exception of the crime labs and the executive protection unit which will remain in the operating budget.

6. DNA Testing # - Funding is provided for the implementation of SSB 5896 (DNA testing of evidence), which allows any convicted felon, currently incarcerated, to request post-conviction DNA testing. If the request is approved by the local prosecutor or the Attorney General's office, the State Patrol crime labs will conduct the DNA testing and analysis. (Public Safety and Education Account-State)

7. Spokane Toxicology Lab Services - Funding is provided for two forensic scientist positions and associated scientific equipment to enhance toxicology services to eastern Washington. About 25 percent of toxicology casework and court testimony originates in eastern Washington. The State Patrol will house these additional forensic scientists in the Seattle crime lab until a new Spokane crime and toxicology laboratory is constructed in the 2003-05 biennium. (Death Investigations Account-State)

**2001-03 Omnibus Operating Budget
Washington State Patrol**

8. Offender Information System Support - Funding is provided for staff support for the Washington State Identification System, the Washington Crime Information Center and the Sex Offender Registry systems. These three systems have been integrated into a single system known as "W2", which allows criminal justice agencies and other users to get information concerning an offender from one point of entry at any time. (State Patrol Highway Account-State)

2001-03 Omnibus Operating Budget
Department of Licensing
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	261.6	10,933	34,481
2001-03 Maintenance Level	241.8	10,561	33,810
Policy Changes:			
1. Expanded Internet Services	1.5	0	130
2. Equipment Replacement	0.0	0	13
3. Internet Payment Option	1.5	0	621
4. General Inflation	0.0	-27	-68
5. Private Investigator Exam	0.6	125	125
6. Security Guard Adjudicative Process	0.8	107	107
7. Adjust Real Estate Account	0.0	0	-333
8. Implement Technology Strategies	0.4	0	124
9. Technology Security Enhancements	0.0	0	36
Total Policy Changes	4.8	205	755
Total 2001-03 Biennium	246.6	10,766	34,565

Comments:

1. Expanded Internet Services - Funding is provided to offer services over the Internet, however, only services to be provided by the Business and Professions Division are included in the Omnibus Operating Budget. Costs associated with services to be provided by the Vehicle Division and Driver Services Division are reflected in the Transportation Budget. Business and Professions Division will use funding to provide electronic license renewals for engineers, cosmetologists, geologists, and plant nurseries. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Professional Engineers Account, Master License Account, Highway Safety Account, Geologists' Account, Data Processing Revolving Account)

2. Equipment Replacement - A regular three-year information technology equipment replacement program is established for the agency's Management and Support Services and Business and Professions Divisions. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Architects' License Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Marine Fuel Tax Refund Account, Motorcycle Safety Education Account, State Wildlife Account, Highway Safety Account, Motor Vehicle Account)

3. Internet Payment Option - Funding is provided so that the Department of Licensing (DOL) continues to offer Master License Service business license and vehicle license renewals over the Internet. DOL customers will be able to pay using a credit card. (Master License Account, Motor Vehicle Account-State)

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

5. Private Investigator Exam - Funding is provided for costs associated with a half-time management analyst position and contracted psychometrician services to allow the Private Investigator program to review and revise tests to meet statutory requirements. Tests are to be conducted to determine minimum knowledge required to open a private investigator company or to act as a certified trainer for investigation companies. (General Fund-State)

6. Security Guard Adjudicative Process - Funding is provided for costs associated with conducting adjudicative proceedings in the Security Guard licensing program. Funding is also provided to train security guard companies on preventative measures to mitigate the number of applications that require brief adjudicative proceedings.

7. Adjust Real Estate Account - An adjustment is made to align expenditures with actual revenues in the Real Estate Education Account. (Real Estate Education Account-State)

**2001-03 Omnibus Operating Budget
Department of Licensing**

8. Implement Technology Strategies - Funding is provided to convert existing legacy computer applications (circa 1970) to newer, server-based technology. Training and additional staff to facilitate the conversion and software tools are also funded. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Architects' License Account, Cemetery Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Uniform Commercial Code Account, Motorcycle Safety Education Account, State Wildlife Account, Highway Safety Account, Motor Vehicle Account, Funeral Director and Embalmers' Account)

9. Technology Security Enhancements - Funding is provided for the department to hire an outside consulting firm to perform an agency-wide information technology risk assessment and vulnerability analysis. This assessment will enable the department to update its on-going security and business resumption plans. The general fund portion of this project may seek one-time funding from the combined technology pool appropriated separately. (Architects' License Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Uniform Commercial Code Account, Motorcycle Safety Education Account, State Wildlife Account, Highway Safety Account, Motor Vehicle Account, Funeral Directors and Embalmers Account)

2001-03 Omnibus Operating Budget
Public Schools
OSPI & Statewide Programs
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	262.6	85,345	170,292
2001-03 Maintenance Level	264.2	59,210	173,667
Policy Changes:			
1. Information Tech Workforce Training	0.0	-1,600	-1,600
2. State Office Admin Reductions	-4.2	-680	-680
3. Alternative Certification Routes #	0.0	2,000	2,000
4. Anti-Bullying/Harrassment Training	0.0	500	500
5. Advanced Placement Opportunities	0.0	0	860
6. LASER Science Program	0.0	1,729	1,729
7. OSPI Information Systems	0.0	700	700
8. School Safety Allocation	0.0	11,287	11,287
9. Federal Funds Update	0.0	0	112,808
10. Geographic Alliance	0.0	-100	-100
11. Magnet Schools	0.0	-1,600	-1,600
12. Filtering Servers	0.0	200	200
13. Cispus	0.0	-64	-64
14. Federal Reading Excellence Grant	3.5	0	9,900
Total Policy Changes	-0.7	12,372	135,940
Total 2001-03 Biennium	263.5	71,582	309,607

Comments:

1. Information Tech Workforce Training - Funding for information technology workforce training grants is reduced from \$3.6 million to \$2 million for the biennium. The grants may be used to provide or improve internet access, purchase and install networking or computer equipment, train faculty, or acquire technology curriculum materials.

2. State Office Admin Reductions - The administration budget of the Superintendent of Public Instruction is reduced by three percent through administrative efficiencies and reductions at the state office.

3. Alternative Certification Routes # - Funding is provided for the partnership grant program and the alternative route conditional scholarship program established by Senate Bill 5695 (teacher certification). The partnership grants and the scholarships support the three alternative routes to teacher certification under Senate Bill 5695. The first route is for classified school district employees with associate degrees; the second route is for classified school district employees with baccalaureate degrees; and the third route is for individuals with baccalaureate degrees who are not employed by a school district or who hold emergency substitute certificates, who have five years' experience in the workforce. In selecting school districts to receive the partnership grants, the Professional Educator Standards Board must give priority to districts emphasizing route three candidates.

4. Anti-Bullying/Harrassment Training - Funds are provided to implement anti-bullying and harassment training as specified in Engrossed Substitute Senate Bill 5528 or House Bill 1444 (schools/bullying).

5. Advanced Placement Opportunities - Additional federal funding for the Advanced Placement Fee Program will increase enrollment of low-income individuals in advanced placement (AP) courses and increase the availability of these courses in schools serving high poverty areas. In addition, the expanded grant will focus on removing obstacles to AP participation at three pilot sites serving remote schools or high poverty areas. (General Fund-Federal)

2001-03 Omnibus Operating Budget
Public Schools
OSPI & Statewide Programs

6. LASER Science Program - The Washington State Leadership Assistance for Science Education Reform (LASER) Regional Partnership assists school districts in implementing an ongoing, inquiry-based K-8 science program. Districts participating in the LASER program write a five-year strategic plan for implementing a science education program for grades K-8 and provide professional development for teachers and administrators. The Superintendent of Public Instruction will contract with the Pacific Science Center for a statewide program coordinator and the initial purchase of science kits for districts that participate in the LASER program.

7. OSPI Information Systems - Funding is provided for information systems in the the Office of the Superintendent of Public Instruction. Priority will be given to upgrading the general apportionment system and continuing work on the student information system.

8. School Safety Allocation - A school safety allocation is provided to every school district at a rate of \$10 per full time equivalent student each school year. No district will receive less than \$2,000 per year. The allocation can be used for building security monitors and for school safety purposes such as planning, training, equipment, and minor building renovations related to school safety or security.

9. Federal Funds Update - Expected expenditures from federal funds are updated based on revised estimates provided by the Office of the Superintendent of Public instruction in March 2001. (General Fund-Federal)

10. Geographic Alliance - State funding for the geographic alliance is eliminated.

11. Magnet Schools - State funding for magnet schools is eliminated.

12. Filtering Servers - Funding is provided for grants to school districts to purchase filtering servers.

13. Cispus - State funding for the Cispus environmental learning center is eliminated.

14. Federal Reading Excellence Grant - In 2000, Washington was awarded a Reading Excellence grant through the United States Department of Education. The grant initiated the Washington Reads project, which uses scientifically based reading research to enhance high quality reading instruction and school programs. The program is established in 30 demonstration schools.

2001-03 Omnibus Operating Budget
Public Schools
General Apportionment
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	6,987,997	6,987,997
2001-03 Maintenance Level	0.0	7,547,634	7,547,634
Policy Changes:			
1. Natl Grd Youth Challenge	0.0	470	470
2. Pension Changes	0.0	-115,447	-115,447
3. Audit Team Savings	0.0	-1,000	-1,000
Total Policy Changes	0.0	-115,977	-115,977
Total 2001-03 Biennium	0.0	7,431,657	7,431,657

Comments:

1. Natl Grd Youth Challenge - The National Guard Youth Challenge program is a national program that seeks to provide educational assistance, structure, and mentoring to young people who have dropped out of school or are at risk of dropping out. The Superintendent of Public Instruction will allocate per pupil funding directly to the National Guard Youth Challenge program for eligible students after the program is established in this state in the 2002-03 school year. Enrollment is expected to be about 300 students a year, half of whom are assumed to be students who would not otherwise be attending school.

2. Pension Changes - The employer contribution rates for the Public Employees Retirement System (PERS) and the School Employees Retirement System are reduced from 3.21 percent to 1.54 percent effective July 1, 2001. The employer contribution rate for the Teachers Retirement System (TRS) is reduced from 5.38 percent to 2.75 percent, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by HB 2236 (public pension systems), which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1.

3. Audit Team Savings - Periodic audits of school districts by the Office of the State Auditor routinely find corrections that need to be made to amounts sent by the state to school districts.

2001-03 Omnibus Operating Budget
Public Schools
Pupil Transportation
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	362,265	362,265
2001-03 Maintenance Level	0.0	390,071	390,071
Policy Changes:			
1. Pension Changes	0.0	-2,580	-2,580
Total Policy Changes	0.0	-2,580	-2,580
Total 2001-03 Biennium	0.0	387,491	387,491

Comments:

1. Pension Changes - The employer contribution rates for the Public Employees Retirement System (PERS) and the School Employees Retirement System are reduced from 3.21 percent to 1.54 percent effective July 1, 2001. The employer contribution rate for the Teachers Retirement System (TRS) is reduced from 5.38 percent to 2.75 percent, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by HB 2236 (public pension systems), which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1.

2001-03 Omnibus Operating Budget
Public Schools
School Food Services
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	6,200	297,961
2001-03 Maintenance Level	0.0	6,200	289,387
Total 2001-03 Biennium	0.0	6,200	289,387

Comments:

2001-03 Omnibus Operating Budget

Public Schools Special Education (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	1.5	772,493	944,160
2001-03 Maintenance Level	1.5	851,111	1,029,796
Policy Changes:			
1. Natl Grd Youth Challenge	0.0	51	51
2. Pension Changes	0.0	-12,792	-12,792
3. Audit Team Savings	0.0	-1,000	-1,000
Total Policy Changes	0.0	-13,741	-13,741
Total 2001-03 Biennium	1.5	837,370	1,016,055

Comments:

1. Natl Grd Youth Challenge - The National Guard Youth Challenge program is a national program that seeks to provide educational assistance, structure, and mentoring to young people who have dropped out of school or are at risk of dropping out. The Superintendent of Public Instruction will allocate per pupil funding directly to the National Guard Youth Challenge program for eligible students after the program is established in this state in the 2002-03 school year. Enrollment is expected to be about 300 students a year, half of whom are assumed to be students who would not otherwise be attending school.

2. Pension Changes - The employer contribution rates for the Public Employees Retirement System (PERS) and the School Employees Retirement System are reduced from 3.21 percent to 1.54 percent effective July 1, 2001. The employer contribution rate for the Teachers Retirement System (TRS) is reduced from 5.38 percent to 2.75 percent, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by HB 2236 (public pension systems), which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1.

3. Audit Team Savings - Periodic audits of school districts by the Office of the State Auditor routinely find corrections that need to be made to amounts sent by the state to school districts.

2001-03 Omnibus Operating Budget
Public Schools
Traffic Safety Education
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	15,509	15,509
2001-03 Maintenance Level	0.0	14,266	14,266
Policy Changes:			
1. Traffic Safety Ed. Allocation	0.0	-8,082	-8,082
Total Policy Changes	0.0	-8,082	-8,082
Total 2001-03 Biennium	0.0	6,184	6,184

Comments:

1. Traffic Safety Ed. Allocation - The state subsidy of \$137 per student for the driver education program is eliminated beginning in the 2001-02 school year. The subsidy of \$203.97 is continued for driver education students eligible for free and reduced price lunch.

2001-03 Omnibus Operating Budget
Public Schools
Educational Service Districts
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	9,067	9,067
2001-03 Maintenance Level	0.0	9,682	9,682
Policy Changes:			
1. Pension Changes	0.0	-146	-146
Total Policy Changes	0.0	-146	-146
Total 2001-03 Biennium	0.0	9,536	9,536

Comments:

1. Pension Changes - The employer contribution rates for the Public Employees Retirement System (PERS) and the School Employees Retirement System are reduced from 3.21 percent to 1.54 percent effective July 1, 2001. The employer contribution rate for the Teachers Retirement System (TRS) is reduced from 5.38 percent to 2.75 percent, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by HB 2236 (public pension systems), which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1.

2001-03 Omnibus Operating Budget
Public Schools
Levy Equalization
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	224,677	224,677
2001-03 Maintenance Level	0.0	284,644	284,644
Total 2001-03 Biennium	0.0	284,644	284,644

Comments:

2001-03 Omnibus Operating Budget
Public Schools
Elementary/Secondary School Improv
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	0	285,193
2001-03 Maintenance Level	0.0	0	283,182
Policy Changes:			
1. Federal Funds Update	0.0	0	4,984
Total Policy Changes	0.0	0	4,984
Total 2001-03 Biennium	0.0	0	288,166

Comments:

1. Federal Funds Update - Expected expenditures from federal funds are updated based on revised estimates provided by the Office of the Superintendent of Public instruction in March 2001. (General Fund-Federal)

2001-03 Omnibus Operating Budget
Public Schools
Institutional Education
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	38,765	47,313
2001-03 Maintenance Level	0.0	38,888	47,436
Policy Changes:			
1. Pension Changes	0.0	-640	-640
Total Policy Changes	0.0	-640	-640
Total 2001-03 Biennium	0.0	38,248	46,796

Comments:

1. Pension Changes - The employer contribution rates for the Public Employees Retirement System (PERS) and the School Employees Retirement System are reduced from 3.21 percent to 1.54 percent effective July 1, 2001. The employer contribution rate for the Teachers Retirement System (TRS) is reduced from 5.38 percent to 2.75 percent, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by HB 2236 (public pension systems), which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1.

2001-03 Omnibus Operating Budget
Public Schools
Ed of Highly Capable Students
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	12,269	12,269
2001-03 Maintenance Level	0.0	13,030	13,030
Policy Changes:			
1. Pension Changes	0.0	-190	-190
Total Policy Changes	0.0	-190	-190
Total 2001-03 Biennium	0.0	12,840	12,840

Comments:

1. Pension Changes - The employer contribution rates for the Public Employees Retirement System (PERS) and the School Employees Retirement System are reduced from 3.21 percent to 1.54 percent effective July 1, 2001. The employer contribution rate for the Teachers Retirement System (TRS) is reduced from 5.38 percent to 2.75 percent, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by HB 2236 (public pension systems), which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1.

2001-03 Omnibus Operating Budget
Public Schools
Student Achievement Program
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	0	0
2001-03 Maintenance Level	0.0	0	0
Policy Changes:			
1. Increasing Student Achievement	<u>0.0</u>	<u>0</u>	<u>393,300</u>
Total Policy Changes	0.0	0	393,300
Total 2001-03 Biennium	0.0	0	393,300

Comments:

1. Increasing Student Achievement - Initiative 728 requires lottery revenues, a portion of state property taxes with established dollar per student amounts, and any funds accumulated in the state's Emergency Reserve Fund in excess of five percent of annual General Fund revenues to be deposited into the newly created Student Achievement Fund and the Education Construction Account. The House operating budget appropriates \$393.3 million of student achievement fund moneys to be distributed to school districts at a rate of \$193.92 per full time equivalent (FTE) student for the 2001-02 school year and \$220.59 per FTE student for the 2002-03 school year. As provided in Initiative 728, the permissible uses of this money are as follows: smaller classes in grades K-4; smaller classes for certain grade 5-12 classes; extended learning opportunities in grades K-12; professional development for educators; early childhood programs; and building improvements or additions to support class size reductions or extended learning programs. (Student Achievement Fund)

The \$76.7 million of education construction account moneys are appropriated in the capital budget.

2001-03 Omnibus Operating Budget
Public Schools
Education Reform
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	35.4	69,534	69,767
2001-03 Maintenance Level	35.8	62,090	62,323
Policy Changes:			
1. Scoring of 10th Grade Writing WASL	0.0	209	209
2. Change Assessment Timeline #	0.0	-1,594	-1,594
3. Reading Corps	0.0	5,000	5,000
4. Expand Math Helping Corps	0.0	2,656	2,656
5. Focused Assistance to Schools	4.0	7,700	7,700
6. Principal Leadership Development	0.0	1,000	1,000
7. Mentor/Beginning Teacher Asst.	0.0	2,500	2,500
8. State Leadership for Sch Improvemen	3.3	768	768
9. Web-Based Instructional Network	1.3	260	260
10. Return Writing WASL#	0.0	93	93
11. Summer Accountability Institutes	0.0	-1,000	-1,000
12. Discontinue CISL	-5.8	-1,260	-1,260
13. WASL Adjustments	0.0	-286	-286
14. Transfer CISL Staff	1.2	230	230
Total Policy Changes	4.0	16,276	16,276
Total 2001-03 Biennium	39.8	78,366	78,599

Comments:

1. Scoring of 10th Grade Writing WASL - All tenth grade writing tests for the Washington Assessment of Student Learning (WASL) will be scored twice to increase the accuracy and validity of individual student test scores. In the past, only a sample percentage of the writing tests were double-scored.

2. Change Assessment Timeline # - The timelines for the administration of the Washington Assessment of Student Learning (WASL) tests for science, social studies and arts are changed according to the provisions of Senate Bill 5686 (school assessments), resulting in reduced expenditures in the 2001-03 biennium.

3. Reading Corps - Funds are provided for Reading Corps grants for schools in which significant numbers of students in grades K-6 do not perform well on reading assessments. The reading programs may be provided before, during or after the school day, and on Saturdays, summer, intercessions or other vacation periods. The grants are to be used for proven, research-based programs provided by mentors or tutors and must include pre- and post- testing to determine the effectiveness of the programs.

4. Expand Math Helping Corps - Funding for the Math Helping Corps is expanded from \$2 million to \$4.7 million. Preliminary evidence shows a dramatic improvement in the number of students meeting math standards in the initial 13 schools provided with assistance through the Math Helping Corps in the 1999-00 school year. Under the program, exemplary teachers are assigned to help schools identify barriers to student learning and develop and implement an action plan for improving learning. The funding level provided will allow about 32 schools to be provided with expert math teachers each year.

5. Focused Assistance to Schools - Funding is provided for focused assistance to schools as provided in Senate Bill 5625 (academic achievement commission). Of the amount provided, \$700,000 is for increased responsibilities for the Office of the Superintendent of Public Instruction and the Academic Achievement and Accountability Commission.

2001-03 Omnibus Operating Budget
Public Schools
Education Reform

6. Principal Leadership Development - Funding is provided to expand the Principal Leadership Development Program. Principals participating in the program will establish a growth plan in coordination with an assigned mentor who will monitor and assist the principal in achieving the desired professional growth.

7. Mentor/Beginning Teacher Asst. - Funding for teacher mentoring is increased from \$3.4 million per year to \$4.7 million per year. Of the amounts provided, \$200,000 each year may be used for a mentor teacher academy. In the 2001-02 school year, funding is provided for the existing teacher assistance program. In the 2002-03 school year, funding is provided for a new peer mentor program. In order to receive funding from the new program, a district's peer mentor program must include an orientation process and individualized assistance for beginning teachers, and the assignment of a peer mentor whose responsibilities include constructive feedback, modeling of instructional strategies, and guidance in critical areas such as classroom management, student discipline, curriculum management and professional conduct.

8. State Leadership for Sch Improvemen - Funding and staff previously allocated to the Center for the Improvement of Student Learning are redirected for the Superintendent to assist schools in implementing high academic standards, aligning curriculum with these standards, and training teachers to use assessments to improve student learning. Funds may also be used to increase community and parental awareness of education reform.

9. Web-Based Instructional Network - Funding is provided for the development and posting of web-based instructional tools, assessment data, and other information that assists schools and teachers in implementing higher academic standards.

10. Return Writing WASL# - Funding is provided to make the scored writing portion of the Washington Assessment of Student Learning available to schools, students, and parents. Each school will also make available information on the criteria used to determine writing scores.

11. Summer Accountability Institutes - State funding for Summer Accountability Institutes is eliminated. If the Office of the Superintendent of Public Instruction continues to provide the Summer Accountability Institutes, school districts may use their own discretionary state and local funds to send school district employees to the institutes.

12. Discontinue CISL - The Center for the Improvement of Student Learning located in the Office of the Superintendent of Public Instruction is eliminated.

13. WASL Adjustments - Membership on the advisory committee for the Washington Assessment of Student Learning is reduced from seventy-two to thirty.

14. Transfer CISL Staff - Funding and staff previously allocated to the Center for the Improvement of Student Learning are transferred to development and implementation of the Washington Assessment of Student Learning.

2001-03 Omnibus Operating Budget
Public Schools
Transitional Bilingual Instruction
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	73,481	73,481
2001-03 Maintenance Level	0.0	89,839	89,839
Policy Changes:			
1. Bilingual Assessments and Tracking	0.0	70	70
2. Pension Changes	0.0	-1,694	-1,694
Total Policy Changes	0.0	-1,624	-1,624
Total 2001-03 Biennium	0.0	88,215	88,215

Comments:

1. Bilingual Assessments and Tracking - Additional funding is provided to the Office of the Superintendent of Public Instruction (OSPI) to contract for tracking increases in the English and academic proficiency of students who are or were in the transitional bilingual program. The purpose of the evaluation and tracking system is to provide information on the effectiveness of transitional bilingual programs in teaching English and other content areas, such as mathematics and writing. In addition, OSPI may withhold up to \$563,000 of the biennial transitional bilingual allocation to school districts by adjusting the per pupil funding rate in order to pay for centralized purchasing and scoring of bilingual assessments. Currently, each school district purchases and pays for the administration and scoring of these assessments.

2. Pension Changes - The employer contribution rates for the Public Employees Retirement System (PERS) and the School Employees Retirement System are reduced from 3.21 percent to 1.54 percent effective July 1, 2001. The employer contribution rate for the Teachers Retirement System (TRS) is reduced from 5.38 percent to 2.75 percent, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by HB 2236 (public pension systems), which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1.

2001-03 Omnibus Operating Budget
Public Schools
Learning Assistance Program (LAP)
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	138,406	138,406
2001-03 Maintenance Level	0.0	141,235	141,235
Policy Changes:			
1. Natl Grd Youth Challenge	0.0	10	10
2. Pension Changes	0.0	-1,825	-1,825
Total Policy Changes	0.0	-1,815	-1,815
Total 2001-03 Biennium	0.0	139,420	139,420

Comments:

1. Natl Grd Youth Challenge - The National Guard Youth Challenge program is a national program that seeks to provide educational assistance, structure, and mentoring to young people who have dropped out of school or are at risk of dropping out. The Superintendent of Public Instruction will allocate per pupil funding directly to the National Guard Youth Challenge program for eligible students after the program is established in this state in the 2002-03 school year. Enrollment is expected to be about 300 students a year, half of whom are assumed to be students who would not otherwise be attending school.

2. Pension Changes - The employer contribution rates for the Public Employees Retirement System (PERS) and the School Employees Retirement System are reduced from 3.21 percent to 1.54 percent effective July 1, 2001. The employer contribution rate for the Teachers Retirement System (TRS) is reduced from 5.38 percent to 2.75 percent, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by HB 2236 (public pension systems), which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1.

2001-03 Omnibus Operating Budget
Public Schools
Block Grants
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	60,296	60,296
2001-03 Maintenance Level	0.0	54,666	54,666
Policy Changes:			
1. Natl Grd Youth Challenge	0.0	3	3
Total Policy Changes	0.0	3	3
Total 2001-03 Biennium	0.0	54,669	54,669

Comments:

1. Natl Grd Youth Challenge - The National Guard Youth Challenge program is a national program that seeks to provide educational assistance, structure, and mentoring to young people who have dropped out of school or are at risk of dropping out. The Superintendent of Public Instruction will allocate per pupil funding directly to the National Guard Youth Challenge program for eligible students after the program is established in this state in the 2002-03 school year. Enrollment is expected to be about 300 students a year, half of whom are assumed to be students who would not otherwise be attending school.

2001-03 Omnibus Operating Budget
Public Schools
Better Schools Program
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	57,500	57,500
2001-03 Maintenance Level	0.0	131,629	131,629
Policy Changes:			
1. Better Schools Program	0.0	-122,633	-122,633
Total Policy Changes	0.0	-122,633	-122,633
Total 2001-03 Biennium	0.0	8,996	8,996

Comments:

1. Better Schools Program - The Better Schools Program created by the 2000 Legislature is not continued. The \$393.3 million provided to school districts by Initiative 728 may be used for the same purposes.

2001-03 Omnibus Operating Budget
Public Schools
Compensation Adjustments
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	530,327	530,327
2001-03 Maintenance Level	0.0	310,240	310,240
Policy Changes:			
1. Health Benefit Adj	0.0	75,673	75,673
2. Better Schools Program	0.0	-3,134	-3,134
3. Natl Grd Youth Challenge	0.0	25	25
4. Pension Changes	0.0	-6,625	-6,625
Total Policy Changes	0.0	65,939	65,939
Total 2001-03 Biennium	0.0	376,179	376,179

Comments:

Initiative 732 Salary Increases - \$300.5 million is provided for K-12 state-funded staff cost-of-living increases of 3.7 percent for school year 2001-02 and 2.6 percent for school year 2002-03. Pursuant to the provisions of Initiative 732, the salary increase provided for school year 2002-03 will be adjusted as necessary to reflect the actual increase in the Seattle Consumer Price Index for calendar year 2001.

1. Health Benefit Adj - The monthly health benefit allocation for each K-12 state-funded full-time equivalent employee is increased from the 2000-01 school year rate of \$425.89 to \$453.77 in the 2001-02 school year and to \$490.18 in the 2002-03 school year. These changes in rates are consistent with increases provided to state employees.

2. Better Schools Program - Eliminating the increased staffing in the Better Schools Program causes a change in the amount needed to fund salary increases.

3. Natl Grd Youth Challenge - Providing allocations to the National Guard Youth Challenge Program in the second year of the biennium increases the cost of the salary increase.

4. Pension Changes - Employer contribution rates for the Teachers Retirement System, the Public Employees Retirement System and the School Employees Retirement System are decreased in accordance with HB 2236 (public pension systems). The pension rate changes reduce the amount necessary to fund salary increases by \$6.6 million.

2001-03 Omnibus Operating Budget
Public Schools
Common School Construction
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	0	113,612
2001-03 Maintenance Level	0.0	0	0
Policy Changes:			
1. Transfer to School Construction	0.0	0	191,220
Total Policy Changes	0.0	0	191,220
Total 2001-03 Biennium	0.0	0	191,220

Comments:

1. Transfer to School Construction - A total of \$36.7 million from the Education Savings Account and \$154.5 million from the Education Construction Account will be deposited into the Common School Construction Account to be used for state matching funds for K-12 school construction projects. (Education Construction Account, Education Savings Account)

2001-03 Omnibus Operating Budget
Higher Education Coordinating Board
 (Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	74.2	241,029	251,254
2001-03 Maintenance Level	73.4	222,201	237,579
Policy Changes:			
1. General Inflation	0.0	-35	-35
2. High Demand Enrollments	0.0	2,200	2,200
3. Washington State Work Study	0.0	3,000	3,000
4. Jefferson County Pilot Project	0.0	250	250
5. State Need Grant Increase	0.0	16,000	16,000
6. Eliminate Educator Excellence Award	0.0	-431	-431
7. Reprogram Timber Worker Enrollment	0.0	-560	-560
8. Promise Scholarships	0.0	10,000	10,000
Total Policy Changes	0.0	30,424	30,424
Total 2001-03 Biennium	73.4	252,625	268,003

Comments:

- 1. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- 2. High Demand Enrollments** - Funding is provided to contract for 250 full-time equivalent (FTE) undergraduate students in high demand fields with limited current access to educational programs. Priority will be given by the HECB to proposals that address health professions, education, and other high demand fields.
- 3. Washington State Work Study** - Funding is provided to expand awards to students.
- 4. Jefferson County Pilot Project** - Funding is provided for the second phase of a pilot project to increase access to higher education in rural areas. Funding will enhance efforts to provide information on education opportunities, counseling for prospective students, and the establishment of a computer classroom in a Brinnon public school facility.
- 5. State Need Grant Increase** - Funding is provided to continue serving eligible students from families with incomes up to 55 percent of the state's median family income. Increased need grant funding will serve approximately 3,000 new recipients in the 2001-03 biennium.
- 6. Eliminate Educator Excellence Award** - Funding is eliminated from the HECB for Christa McAuliffe excellence awards. The Legislature assumes that the Office of the Superintendent of Public Instruction, through savings incentive credits, internal reallocation, or by soliciting private donors, can make it possible for the suspended grants to resume in future years.
- 7. Reprogram Timber Worker Enrollment** - To consolidate program funding and coordinate economic development and worker training programs in rural areas, the Rural Natural Resource Impact Area funding is eliminated from the HECB budget and moved to the Community Development Program at the State Board for Community and Technical Colleges.
- 8. Promise Scholarships** - Funding is provided to enhance the Promise Scholarship program. Promise Scholarships provide two-year scholarships for Washington seniors graduating in the top 15 percent of their high school class or attaining a score of 1200 or above on the Scholastic Aptitude Test (SAT). Scholarships are valued up to the full-time community college tuition rate and can be used at public and private colleges and universities in the state of Washington.

2001-03 Omnibus Operating Budget
University of Washington
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	17,439.7	652,389	2,712,509
2001-03 Maintenance Level	18,016.7	674,309	2,889,305
Policy Changes:			
1. Health Benefit Changes	0.0	6,332	6,409
2. General Inflation	0.0	-4,579	-4,672
3. Faculty and Staff Salary Increase	0.0	28,817	29,115
4. Enrollment Increase	58.7	5,982	8,705
5. Department of Environmental Health	2.0	0	292
6. Pension Savings/Economic Assumption	0.0	-2,138	-2,174
7. FICA Savings	0.0	-524	-524
8. Tuition Rate Increase	0.0	0	27,054
9. Advanced Technology Initiative	3.0	300	1,000
10. Operating Cost Reductions	0.0	-5,773	-5,773
Total Policy Changes	63.7	28,417	59,432
Total 2001-03 Biennium	18,080.4	702,726	2,948,737

Comments:

1. Health Benefit Changes - The monthly employer contribution rates are increased from \$436.16 in fiscal Year 2001 to \$455.79 for fiscal Year 2002 and \$494.28 for fiscal year 2003. These rates assume an increase in employee co-payments for certain medical and pharmaceutical services.

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

3. Faculty and Staff Salary Increase - All faculty, exempt personnel and classified staff are provided salary adjustments of 3.0 percent effective July 1, 2001 and 2.6 percent effective July 1, 2002. To remain consistent with past practice in higher education, full General Fund--State funding is provided for salary adjustments.

4. Enrollment Increase - Funding is provided for 55 new full-time equivalent (FTE) student enrollments in 2001-02 and 106 new FTE student enrollments in 2002-03 at the Seattle campus; 33 new FTE student enrollments in 2001-02 and 66 new FTE student enrollments in 2002-03 at the Bothell branch campus; and 44 new FTE student enrollments in 2001-02 and 154 new FTE student enrollments in 2002-03 at the Tacoma branch campus. 99 of the new enrollments in 2002-03 at the Tacoma branch campus are intended to be used for establishing the technology institute. Enrollments are funded at the Higher Education Coordinating Board (HECB) cost of instruction, except that undergraduate enrollments at the Bothell and Tacoma branch campuses are funded at the upper division rate. (General Fund - State, Non Appropriated Institutional Operating Fees Account)

5. Department of Environmental Health - Funding is provided for two new initiatives, including general and occupational medical support to the Department of Labor and Industries and the creation of an Industrial Hygiene Technician Certificate Program. Funding is also increased for the current K-12 School-to-Work, Policy Analysis and Program Evaluation, and Agricultural Health and Safety programs. (Accident Account, Medical Aid Account)

6. Pension Savings/Economic Assumption - The Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) employer contribution rates are reduced based on the 1999 valuation study conducted by the Office of the State Actuary. In addition, rates are adjusted to reflect the long-term actuarial assumptions for future wage growth and investment returns based on HB 2236 (public pension systems) which also re-establishes the June 30, 2024 deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1. (General Fund-State, General Fund-Federal, General Fund-Local; Special Retirement Contribution Increase Account)

2001-03 Omnibus Operating Budget
University of Washington

7. FICA Savings - Federal Insurance Contributions Act (FICA) funding is reduced to reflect the institution's savings resulting from the increase in the average employee health benefit premiums, which are paid on a pre-tax basis.

9. Advanced Technology Initiative - Funding is provided to support further technology research efforts by the university. The university will apply its research efforts in photonics, distributed diagnostics and home health care, structural and computational neuroscience, and construction research and education. (General Fund - State; Education Savings Account - State)

10. Operating Cost Reductions - Non-instruction program costs are reduced by two percent.

2001-03 Omnibus Operating Budget
Washington State University
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	5,498.1	380,438	789,655
2001-03 Maintenance Level	5,568.1	399,010	808,438
Policy Changes:			
1. Health Benefit Changes	0.0	3,568	3,568
2. General Inflation	0.0	-2,108	-2,108
3. Faculty and Staff Salary Increase	0.0	16,552	16,552
4. Enrollment Increase	17.8	2,206	3,367
5. Rebase for Pullman (-277 FTE)	-24.9	-2,518	-2,518
6. Pension Savings/Economic Assumption	0.0	-1,710	-1,710
7. FICA Savings	0.0	-295	-295
8. Tuition Rate Increase	0.0	0	14,261
9. Advanced Technology Initiative	3.0	300	1,000
10. Operating Cost Reductions	0.0	-4,695	-4,695
Total Policy Changes	-4.1	11,300	27,422
Total 2001-03 Biennium	5,564.0	410,310	835,860

Comments:

1. Health Benefit Changes - The monthly employer contribution rates are increased from \$436.16 in fiscal Year 2001 to \$455.79 for fiscal Year 2002 and \$494.28 for fiscal year 2003. These rates assume an increase in employee co-payments for certain medical and pharmaceutical services.

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

3. Faculty and Staff Salary Increase - All faculty, exempt personnel and classified staff are provided salary adjustments of 3.0 percent effective July 1, 2001 and 2.6 percent effective July 1, 2002. To remain consistent with past practice in higher education, full General Fund--State funding is provided for salary adjustments.

4. Enrollment Increase - Funding is provided for 161 new full-time equivalent (FTE) student enrollments at the Pullman campus in 2002-03; 42 new FTE student enrollments at the Spokane campus in 2002-03; and 82 new FTE student enrollments at the Vancouver campus in 2002-03. Enrollments are funded at the Higher Education Coordinating Board (HECB) cost of instruction, except that undergraduate enrollments at the Spokane and Vancouver branch campuses are funded at the upper division rate. (General Fund - State, Non Appropriated Institutional Operating Fees Account)

5. Rebase for Pullman (-277 FTE) - The university's budgeted enrollments in Pullman are reduced by 277 FTE students in Pullman.

6. Pension Savings/Economic Assumption - The Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) employer contribution rates are reduced based on the 1999 valuation study conducted by the Office of the State Actuary. In addition, rates are adjusted to reflect the long-term actuarial assumptions for future wage growth and investment returns based on HB 2236 (public pension systems) which also re-establishes the June 30, 2024 deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1. (General Fund-State, General Fund-Federal, General Fund-Local; Special Retirement Contribution Increase Account)

7. FICA Savings - Federal Insurance Contributions Act (FICA) funding is reduced to reflect the institution's savings resulting from the increase in the average employee health benefit premiums, which are paid on a pre-tax basis.

**2001-03 Omnibus Operating Budget
Washington State University**

9. Advanced Technology Initiative - Funding is provided to support further technology research efforts by the university. The university will apply its research efforts in the genomics of reproduction, agriculture and forestry genomics, and advanced wood composites. (General Fund - State; Education Savings Account - State)

10. Operating Cost Reductions - Non-instruction program costs are reduced by two percent.

2001-03 Omnibus Operating Budget
Eastern Washington University
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	1,155.4	85,638	153,568
2001-03 Maintenance Level	1,155.4	88,855	157,747
Policy Changes:			
1. Health Benefit Changes	0.0	913	913
2. General Inflation	0.0	-697	-697
3. Faculty and Staff Salary Increase	0.0	3,946	3,946
4. Enrollment Increase	6.4	869	1,343
5. Pension Savings/Economic Assumption	0.0	-419	-419
6. FICA Savings	0.0	-75	-75
7. Tuition Rate Increase	0.0	0	4,042
8. Operating Cost Reductions	0.0	-752	-752
Total Policy Changes	6.4	3,785	8,301
Total 2001-03 Biennium	1,161.8	92,640	166,048

Comments:

1. Health Benefit Changes - The monthly employer contribution rates are increased from \$436.16 in fiscal Year 2001 to \$455.79 for fiscal Year 2002 and \$494.28 for fiscal year 2003. These rates assume an increase in employee co-payments for certain medical and pharmaceutical services.

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

3. Faculty and Staff Salary Increase - All faculty, exempt personnel and classified staff are provided salary adjustments of 3.0 percent effective July 1, 2001 and 2.6 percent effective July 1, 2002. To remain consistent with past practice in higher education, full General Fund--State funding is provided for salary adjustments.

4. Enrollment Increase - Funding is provided for 44 new full-time equivalent (FTE) student enrollments in 2001-02 and 84 new FTE student enrollments in 2002-03. Enrollments are funded at the Higher Education Coordinating Board (HECB) cost of instruction. (General Fund - State, Non Appropriated Institutional Operating Fees Account)

5. Pension Savings/Economic Assumption - The Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) employer contribution rates are reduced based on the 1999 valuation study conducted by the Office of the State Actuary. In addition, rates are adjusted to reflect the long-term actuarial assumptions for future wage growth and investment returns based on HB 2236 (public pension systems) which also re-establishes the June 30, 2024 deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1. (General Fund-State, General Fund-Federal, General Fund-Local; Special Retirement Contribution Increase Account)

6. FICA Savings - Federal Insurance Contributions Act (FICA) funding is reduced to reflect the institution's savings resulting from the increase in the average employee health benefit premiums, which are paid on a pre-tax basis.

8. Operating Cost Reductions - Non-instruction program costs are reduced by two percent.

2001-03 Omnibus Operating Budget
Central Washington University
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	1,037.1	86,928	156,101
2001-03 Maintenance Level	1,069.7	87,346	176,430
Policy Changes:			
1. Health Benefit Changes	0.0	991	991
2. General Inflation	0.0	-250	-589
3. Faculty and Staff Salary Increase	0.0	3,908	3,908
4. Enrollment Adjustment	-15.0	-1,926	-1,926
5. Pension Savings/Economic Assumption	0.0	-476	-476
6. FICA Savings	0.0	-82	-82
7. Tuition Rate Increase	0.0	0	4,099
8. Operating Cost Reductions	0.0	-1,085	-1,085
9. Institution Development	0.0	1,000	1,000
Total Policy Changes	-15.0	2,080	5,840
Total 2001-03 Biennium	1,054.7	89,426	182,270

Comments:

1. Health Benefit Changes - The monthly employer contribution rates are increased from \$436.16 in fiscal Year 2001 to \$455.79 for fiscal Year 2002 and \$494.28 for fiscal year 2003. These rates assume an increase in employee co-payments for certain medical and pharmaceutical services.

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

3. Faculty and Staff Salary Increase - All faculty, exempt personnel and classified staff are provided salary adjustments of 3.0 percent effective July 1, 2001 and 2.6 percent effective July 1, 2002. To remain consistent with past practice in higher education, full General Fund--State funding is provided for salary adjustments.

4. Enrollment Adjustment - Budgeted enrollments are lowered from 7,867 full time equivalent (FTE) students to 7,470 FTE students for Fiscal Year 2002 and Fiscal Year 2003.

5. Pension Savings/Economic Assumption - The Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) employer contribution rates are reduced based on the 1999 valuation study conducted by the Office of the State Actuary. In addition, rates are adjusted to reflect the long-term actuarial assumptions for future wage growth and investment returns based on HB 2236 (public pension systems) which also re-establishes the June 30, 2024 deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1. (General Fund-State, General Fund-Federal, General Fund-Local; Special Retirement Contribution Increase Account)

6. FICA Savings - Federal Insurance Contributions Act (FICA) funding is reduced to reflect the institution's savings resulting from the increase in the average employee health benefit premiums, which are paid on a pre-tax basis.

8. Operating Cost Reductions - Non-instruction program costs are reduced by two percent.

9. Institution Development - Funding is provided for the university to begin development and implementation of a plan to stabilize enrollments.

2001-03 Omnibus Operating Budget
The Evergreen State College
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	633.5	47,295	82,326
2001-03 Maintenance Level	633.5	48,693	84,375
Policy Changes:			
1. Health Benefit Changes	0.0	536	536
2. General Inflation	0.0	-316	-316
3. Faculty and Staff Salary Increase	0.0	2,360	2,360
4. Enrollment Increase	6.8	673	1,386
5. Pension Savings/Economic Assumption	0.0	-262	-262
6. FICA Savings	0.0	-44	-44
7. Tuition Rate Increase	0.0	0	2,946
8. WSIPP Alternate Teacher Certificate	0.0	44	44
9. WSIPP Initiative 728	0.0	180	180
10. WSIPP Learning Assistance	0.0	60	60
11. Operating Cost Reductions	0.0	-598	-598
Total Policy Changes	6.8	2,633	6,292
Total 2001-03 Biennium	640.3	51,326	90,667

Comments:

1. Health Benefit Changes - The monthly employer contribution rates are increased from \$436.16 in fiscal Year 2001 to \$455.79 for fiscal Year 2002 and \$494.28 for fiscal year 2003. These rates assume an increase in employee co-payments for certain medical and pharmaceutical services.

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

3. Faculty and Staff Salary Increase - All faculty, exempt personnel and classified staff are provided salary adjustments of 3.0 percent effective July 1, 2001 and 2.6 percent effective July 1, 2002. To remain consistent with past practice in higher education, full General Fund--State funding is provided for salary adjustments.

4. Enrollment Increase - Funding is provided for 41 new full-time equivalent (FTE) student enrollments in 2001-02 and 83 new FTE student enrollments in 2002-03. Enrollments are funded at the Higher Education Coordinating Board (HECB) cost of instruction. (General Fund - State, Non Appropriated Institutional Operating Fees Account)

5. Pension Savings/Economic Assumption - The Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) employer contribution rates are reduced based on the 1999 valuation study conducted by the Office of the State Actuary. In addition, rates are adjusted to reflect the long-term actuarial assumptions for future wage growth and investment returns based on HB 2236 (public pension systems) which also re-establishes the June 30, 2024 deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1. (General Fund-State, General Fund-Federal, General Fund-Local; Special Retirement Contribution Increase Account)

6. FICA Savings - Federal Insurance Contributions Act (FICA) funding is reduced to reflect the institution's savings resulting from the increase in the average employee health benefit premiums, which are paid on a pre-tax basis.

8. WSIPP Alternate Teacher Certificate - Funding is provided to the Washington Institute of Public Policy to evaluate the alternative routes to teacher certification partnership grants program pursuant to Senate Bill 5695 (teacher certification). An interim evaluation is due to the Legislature, the Governor, the State Board of Education and the Washington Professional Educator Standards Board by December 1, 2002, and a final evaluation is due December 1, 2004.

**2001-03 Omnibus Operating Budget
The Evergreen State College**

9. WSIPP Initiative 728 - Funding is provided to the Institute of Public Policy to examine school districts' use of student achievement fund allocations provided pursuant to Initiative 728. The Institute will establish a baseline of current class sizes in schools, extended learning opportunities, staff training and pre-kindergarten programs. They will also examine school district plans for student achievement fund allocations, and implementation of those plans. Finally, the Institute will examine the impact of the new programs on student learning through case studies and whether there has been a shift in other school resources and priorities to accomplish districts' stated priorities.

10. WSIPP Learning Assistance - The Institute for Public Policy will examine options for revising the state's funding formula for the Learning Assistance Program to enhance accountability for school performance in meeting education reform goals. The report will be submitted to the Legislature by June 30, 2002.

11. Operating Cost Reductions - Non-instruction program costs are reduced by two percent.

2001-03 Omnibus Operating Budget
Spokane Intercoll Rsch & Tech Inst
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	11.6	0	2,659
2001-03 Maintenance Level	4.5	0	1,327
Policy Changes:			
1. Agency Operating Funds	0.0	2,400	2,400
Total Policy Changes	0.0	2,400	2,400
Total 2001-03 Biennium	4.5	2,400	3,727

Comments:

1. Agency Operating Funds - General Fund-State operating funds are appropriated directly to the Spokane Intercollegiate Research and Technology Institute instead of through the Department of Community, Trade and Economic Development. Funding is provided with the expectation that the institute will become self-supporting in future years from revenue generated by local ventures and development efforts.

2001-03 Omnibus Operating Budget
Western Washington University
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	1,609.5	110,004	219,869
2001-03 Maintenance Level	1,550.0	114,823	225,906
Policy Changes:			
1. Health Benefit Changes	0.0	1,123	1,123
2. General Inflation	0.0	-581	-581
3. Faculty and Staff Salary Increase	0.0	5,458	5,458
4. Enrollment Increase	16.1	1,085	1,756
5. Higher Education Consortium	3.5	1,436	1,436
6. Pension Savings/Economic Assumption	0.0	-595	-595
7. FICA Savings	0.0	-93	-93
8. Tuition Rate Increase	0.0	0	5,348
9. Operating Cost Reductions	0.0	-1,026	-1,026
Total Policy Changes	19.6	6,807	12,826
Total 2001-03 Biennium	1,569.6	121,630	238,732

Comments:

1. Health Benefit Changes - The monthly employer contribution rates are increased from \$436.16 in fiscal Year 2001 to \$455.79 for fiscal Year 2002 and \$494.28 for fiscal year 2003. These rates assume an increase in employee co-payments for certain medical and pharmaceutical services.

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

3. Faculty and Staff Salary Increase - All faculty, exempt personnel and classified staff are provided salary adjustments of 3.0 percent effective July 1, 2001 and 2.6 percent effective July 1, 2002. To remain consistent with past practice in higher education, full General Fund--State funding is provided for salary adjustments.

4. Enrollment Increase - Funding is provided for 51 new full-time equivalent (FTE) student enrollments in 2001-02 and 107 new FTE student enrollments in 2002-03. Enrollments are funded at the Higher Education Coordinating Board (HECB) cost of instruction. (General Fund - State, Non Appropriated Institutional Operating Fees Account)

5. Higher Education Consortium - Western Washington University is the fiscal agent for the seven-institution North Snohomish, Island, Skagit Consortium (NSIS). Funding is provided for operating expenditures and office space lease costs. Program staff will be added to provide student services, and technical staff will be added to support interactive television classrooms and computer labs.

6. Pension Savings/Economic Assumption - The Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) employer contribution rates are reduced based on the 1999 valuation study conducted by the Office of the State Actuary. In addition, rates are adjusted to reflect the long-term actuarial assumptions for future wage growth and investment returns based on HB 2236 (public pension systems) which also re-establishes the June 30, 2024 deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1. (General Fund-State, General Fund-Federal, General Fund-Local; Special Retirement Contribution Increase Account)

7. FICA Savings - Federal Insurance Contributions Act (FICA) funding is reduced to reflect the institution's savings resulting from the increase in the average employee health benefit premiums, which are paid on a pre-tax basis.

9. Operating Cost Reductions - The budget assumes a reduction of two percent of non-instructional program costs.

2001-03 Omnibus Operating Budget
Community/Technical College System
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	13,567.6	946,496	1,509,874
2001-03 Maintenance Level	13,823.0	1,017,175	1,676,884
Policy Changes:			
1. Health Benefit Changes	0.0	10,489	10,489
2. On-Line Campus	11.5	0	4,500
3. General Inflation	0.0	-4,474	-4,474
4. Community Development Program	0.0	2,000	2,000
5. Staff and Administrator Salaries	0.0	16,621	16,621
6. Enrollment Increase	126.0	23,954	30,324
7. Pension Savings/Economic Assumption	0.0	-5,894	-5,894
8. FICA Savings	0.0	-869	-869
9. Tuition Rate Increase	0.0	0	27,061
10. Reprogram Timber Worker Enrollment	0.0	-2,882	-2,882
11. Part-Time Faculty Salary Increase	0.0	5,000	5,000
12. Faculty Increments	0.0	4,300	4,300
13. Program Development Grants	0.0	2,000	2,000
14. Operating Cost Reductions	0.0	-8,989	-8,989
Total Policy Changes	137.5	41,256	79,187
Total 2001-03 Biennium	13,960.5	1,058,431	1,756,071

Comments:

Initiative 732 Salary Increases - All faculty and exempt personnel covered under Initiative 732 are provided salary adjustments of 3.7 percent effective July 1, 2001 and 2.6 percent effective July 1, 2002. To remain consistent with past practice in higher education, full general fund--state funding is provided for salary adjustments.

1. Health Benefit Changes - The monthly employer contribution rates are increased from \$436.16 in fiscal Year 2001 to \$455.79 for fiscal Year 2002 and \$494.28 for fiscal year 2003. These rates assume an increase in employee co-payments for certain medical and pharmaceutical services.

2. On-Line Campus - Funding is provided to enhance the distance learning project. An online student service center will expand access to courses and programs among all college campuses. Help desk service will be available to students 24 hours a day, seven days a week. (Education Savings Account - State)

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

4. Community Development Program - Funding is provided for the development of new community and technical college programs in rural counties and in communities impacted by business closures and job reductions.

5. Staff and Administrator Salaries - All faculty, exempt personnel and classified staff are provided salary adjustments of 3.0 percent effective July 1, 2001 and 2.6 percent effective July 1, 2002. To remain consistent with past practices in higher education, full General Fund--State funding is provided for salary adjustments.

6. Enrollment Increase - Funding is provided for 1,750 new full-time equivalent (FTE) student enrollments in 2001-02 and 1,750 new FTE student enrollments in 2002-03. Enrollments are funded at the Higher Education Coordinating Board (HECB) cost of instruction. (General Fund - State, Non Appropriated Institutional Operating Fees Account)

2001-03 Omnibus Operating Budget Community/Technical College System

7. Pension Savings/Economic Assumption - The Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) employer contribution rates are reduced based on the 1999 valuation study conducted by the Office of the State Actuary. In addition, rates are adjusted to reflect the long-term actuarial assumptions for future wage growth and investment returns based on HB 2236 (public pension systems) which also re-establishes the June 30, 2024 deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1. (General Fund-State, General Fund-Federal, General Fund-Local; Special Retirement Contribution Increase Account)

8. FICA Savings - Federal Insurance Contributions Act (FICA) funding is reduced to reflect the institution's savings resulting from the increase in the average employee health benefit premiums, which are paid on a pre-tax basis.

10. Reprogram Timber Worker Enrollment - Timber Worker funding is redirected to the Community Development Program to support the development of training programs in rural counties and in communities affected by rapidly rising energy costs resulting in dislocated workers. Timber Worker enrollments are reduced by 500 full time equivalent (FTE) student enrollments to reflect redirected funding.

11. Part-Time Faculty Salary Increase - Funding is provided to increase the statewide average compensation of part-time instructors at state community colleges. The state board will decide how best to allocate this money among all 34 districts. The state board shall report by December 1 of each fiscal year to the Office of Financial Management and the legislative fiscal and higher education committees on the distribution of these funds and the resulting wage adjustments for part-time faculty.

12. Faculty Increments - Funding is provided for incremental salary adjustments for faculty. Savings from faculty turnover will also be used to fund salary increments.

13. Program Development Grants - Program development grants will be used to expand high demand programs including information technology and other computer science programs. The grants will be competitively awarded. Priority will be given to proposals that include competency based graduation requirements and cooperative partnerships between institutions.

14. Operating Cost Reductions - The budget assumes a reduction of two percent of non-instruction program costs.

2001-03 Omnibus Operating Budget
State School for the Blind
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	77.0	8,611	9,255
2001-03 Maintenance Level	78.0	8,963	9,607
Policy Changes:			
1. School Safety Officer	0.0	10	10
2. K-12 Cost of Living Adjustment	0.0	113	113
3. General Inflation	0.0	-43	-43
4. Regional Outreach Program	0.5	62	291
5. Digital Classroom/Accessible Media	0.0	0	300
Total Policy Changes	0.5	142	671
Total 2001-03 Biennium	78.5	9,105	10,278

Comments:

1. School Safety Officer - One-time funding is provided for a safety resource officer to assist the school in developing guidelines and procedures to maintain a safe campus. This funding will be used as a match for the federal safety resource officer program funding.

2. K-12 Cost of Living Adjustment - Funding is provided for teachers and other Certificated Instructional Staff (CIS) cost-of-living increases of 3.7 percent for school year 2001-02 and 2.6 percent for school year 2002-03. Currently, salaries for teachers and other CIS at the School for the Blind (WSSB) are paid according to the Vancouver School District's salary schedule, as required under state law. When state salary increases are provided to Vancouver public school teachers and CIS, the WSSB teachers and CIS receive equivalent salary increases. Pursuant to the provisions of Initiative 732, the salary increase provided for school year 2002-03 will be adjusted as necessary to reflect the actual increase in the Seattle Consumer Price Index for calendar year 2001.

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

4. Regional Outreach Program - Funding is provided for a part-time orientation and mobility specialist staff person. The School for the Blind and Education Service District 101 have developed a regional program to coordinate the delivery of orientation and mobility services to blind children in Northeast Washington. Additional staffing for the program will be coordinated at the local level with on-going program operations funded through local sources. (General Fund-State, General Fund-Private/Local)

5. Digital Classroom/Accessible Media - Spending authority is granted to provide specialized training to teachers in their local school districts, via the K-20 network. The School for the Blind is pursuing partnerships with higher education teacher training programs to help teachers provide services to blind and visually impaired children, in response to the shortage of trained teachers of the blind. (General Fund-Private/Local)

2001-03 Omnibus Operating Budget
State School for the Deaf
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	129.0	14,320	14,320
2001-03 Maintenance Level	128.0	14,483	14,483
Policy Changes:			
1. School Safety Officer	0.0	10	10
2. K-12 Salary COLA	0.0	159	159
3. General Inflation	0.0	-63	-63
4. Academic Excellence	0.0	102	102
5. Outreach Program	1.0	136	368
Total Policy Changes	1.0	344	576
Total 2001-03 Biennium	129.0	14,827	15,059

Comments:

1. School Safety Officer - One-time funding is provided for a safety resource officer to assist the school in developing guidelines and procedures to maintain a safe campus. This funding will be used as a match for the federal safety resource officer program funding.

2. K-12 Salary COLA - Funding is provided for teachers and other Certificated Instructional Staff (CIS) cost-of-living increases of 3.7 percent for school year 2001-02 and 2.6 percent for school year 2002-03. Currently, salaries for teachers and other CIS at the School for the Deaf (WSD) are paid according to the Vancouver School District's salary schedule, as required under state law. When state salary increases are provided to Vancouver public school teachers and CIS, the WSD teachers and CIS receive equivalent salary increases. Pursuant to the provisions of Initiative 732, the salary increase provided for school year 2002-03 will be adjusted as necessary to reflect the actual increase in the Seattle Consumer Price Index for calendar year 2001.

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

4. Academic Excellence - One-time funding is provided for replacement of textbooks and classroom materials and to pay tuition costs for students participating in off-campus running start and vocational education programs at Clark College and Clark County Skill Center.

5. Outreach Program - One-time funding is provided to initiate an outreach program. Services will include direct evaluation and assessment of students attending local public schools, consultation and training to parents, and consultation and training to professional educators serving these students. The school will expand on-campus weekend and summer programs, which will enhance the educational and social skill building opportunities for participating deaf and hard of hearing students. Delivery of outreach services to students will be funded through contracts with local school districts. (General Fund-State, General Fund-Private/Local)

2001-03 Omnibus Operating Budget
Work Force Trng & Educ Coord Board
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	23.7	2,970	37,913
2001-03 Maintenance Level	23.7	2,489	47,988
Policy Changes:			
1. General Inflation	0.0	-7	-20
Total Policy Changes	0.0	-7	-20
Total 2001-03 Biennium	23.7	2,482	47,968

Comments:

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

2001-03 Omnibus Operating Budget**State Library**

(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	136.1	17,912	26,929
2001-03 Maintenance Level	136.6	18,273	25,293
Policy Changes:			
1. Administrative Budget Reduction	0.0	-548	-548
2. General Inflation	0.0	-148	-192
Total Policy Changes	0.0	-696	-740
Total 2001-03 Biennium	136.6	17,577	24,553

Comments:

- 1. Administrative Budget Reduction** - Savings are achieved by reducing the State Library's administrative budget by three percent.
- 2. General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

2001-03 Omnibus Operating Budget
Washington State Arts Commission
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	17.9	4,971	6,016
2001-03 Maintenance Level	18.6	5,350	6,350
Policy Changes:			
1. General Inflation	0.0	-103	-103
Total Policy Changes	0.0	-103	-103
Total 2001-03 Biennium	18.6	5,247	6,247

Comments:

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

2001-03 Omnibus Operating Budget
Washington State Historical Society
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	54.6	5,811	7,353
2001-03 Maintenance Level	55.6	5,688	7,263
Policy Changes:			
1. General Inflation	0.0	-35	-50
2. Lewis & Clark Bicentennial	0.0	375	375
Total Policy Changes	0.0	340	325
Total 2001-03 Biennium	55.6	6,028	7,588

Comments:

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

2. Lewis & Clark Bicentennial - One-time funding is provided to the Historical Society to work with local communities, tribal governments, neighboring states, and the national bicentennial council to plan local events and community education programs in preparation for the 2004 bicentennial celebration of the Lewis and Clark Trail.

2001-03 Omnibus Operating Budget
East Wash State Historical Society
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	14.1	2,609	2,609
2001-03 Maintenance Level	20.4	2,759	2,759
Policy Changes:			
1. General Inflation	0.0	-15	-15
2. Increase Community Partnerships	2.0	153	153
Total Policy Changes	2.0	138	138
Total 2001-03 Biennium	22.4	2,897	2,897

Comments:

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

2. Increase Community Partnerships - Funding is provided for two new staff members to improve services to visitors and researchers at the newly expanded Cheney Cowles Museum. The museum staff will increase partnerships with the community to enhance and expand exhibits, display more of the museum's permanent collections, feature regional and national collections, and offer more interactive learning environments.

2001-03 Omnibus Operating Budget
Bond Retirement and Interest
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	1,118,176	1,295,863
2001-03 Maintenance Level	0.0	1,227,146	1,412,727
Policy Changes:			
1. Debt Service Pay Off & Other Adj	0.0	0	0
2. New Issuance 2001-03 Exist Auth	0.0	0	10,134
3. New Debt 2001-03 Capital Budget	0.0	21,624	22,418
Total Policy Changes	0.0	21,624	32,552
Total 2001-03 Biennium	0.0	1,248,770	1,445,279

Comments:

2. New Issuance 2001-03 Exist Auth - New issuance in the 2001-03 biennium from existing authorizations (previous bond bills) and bonds newly authorized in the 2001 session including the bonds for the plaza garage, the University of Washington and the Legislative building.

3. New Debt 2001-03 Capital Budget - Debt service and bond sale expenses will be incurred for the new debt issued to fund the 2001-03 biennium capital plan. (General Fund-State, various debt service accounts)

2001-03 Omnibus Operating Budget
Special Approps to the Governor
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	307,014	413,305
2001-03 Maintenance Level	0.0	206,913	253,071
Policy Changes:			
1. King County Public Health	0.0	0	2,112
2. Digital Government	0.0	0	5,000
3. Fire Contingency Pool	0.0	2,000	5,000
4. Local Public Health Fund Shift	0.0	24,490	0
5. Extraordinary Criminal Justice Cost	0.0	0	975
6. Ferry Assistance	0.0	-10,000	-10,000
7. Local Government Assistance	0.0	-24,707	-24,707
8. Technology Pool	0.0	0	10,000
9. Tort Claims	0.0	34,628	34,628
Total Policy Changes	0.0	26,411	23,008
Total 2001-03 Biennium	0.0	233,324	276,079

Comments:

1. King County Public Health - In order to consolidate replacement of local public health funding associated with the loss of local revenue following the passage of Initiative 695, funds for King County Public Health are transferred from the Department of Community, Trade, and Economic Development to Special Appropriations to the Governor. The amount is reduced by 10% to align King County funding with other public health districts. (Health Services Account)

2. Digital Government - The implementation of on-line services will be provided from a funding pool in order to facilitate the consideration of project requests from various state agencies. (Data Processing Account-State, Digital Government Revolving Account-State)

3. Fire Contingency Pool - A fire contingency pool was created in the 1999 Supplemental Budget to address fire mobilization costs and fire suppression costs in excess of the amounts appropriated to the Military Department and the Department of Natural Resources. During the 2000 fire season, this pool was depleted. Funds are appropriated from the General Fund to the Disaster Response Account to replenish this contingency pool. (General Fund-State, Disaster Response Account-State)

4. Local Public Health Fund Shift - Public health funding is shifted from the Health Services Account to the General Fund-State. (General Fund-State, Health Services Account)

5. Extraordinary Criminal Justice Cost - Funding is provided for assistance to Franklin, Klickitat, Cowlitz, Skagit, Yakima, Thurston, and Spokane Counties for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases. (Public Safety and Education Account--State)

6. Ferry Assistance - For the 2001-03 biennium, funding for ferry assistance is reduced by \$10 million dollars from the carryforward level. The total amount of ferry assistance to be provided in the 2001-03 biennium is \$30 million dollars.

7. Local Government Assistance - Funding for cities and counties to address the loss of Motor Vehicle Excise Tax revenues as a result of passage of Initiative-695 is reduced by \$24.7 million from the carryforward level. Amounts to be distributed in the 2001-03 biennium are \$76.4 million for cities and \$41.6 million for counties for a total of \$118 million. In comparison, the total amount provided in the 1999-01 biennium was \$102 million.

**2001-03 Omnibus Operating Budget
Special Approps to the Governor**

8. Technology Pool - Funding is provided for a competitive information technology pool for state executive branch agencies, excluding schools and institutions of higher education. Agencies may apply to the Department of Information Services to receive a share of these funds. Funds are to distributed to state agencies by the Office of Financial Management. (Digital Government Revolving Account--State)

9. Tort Claims - \$34.6 million is appropriated from the General Fund-State for deposit into the Liability Account to pay increased costs associated with tort claims and tort defense. This appropriation is in addition to \$38 million for tort costs that is incorporated as increases in state agencies' revolving fund charges for the 2001-03 biennium and \$75 million already in the state's base budget for tort claims and tort defense.

2001-03 Omnibus Operating Budget
State Employee Compensation Adjust
(Dollars in Thousands)

	FTEs	House As Passed House GF-S	Total
1999-01 Estimated Expenditures	0.0	256	10,077
2001-03 Maintenance Level	0.0	0	0
Policy Changes:			
1. Health Benefit Changes	0.0	27,193	55,839
2. Attorney Salary Increases	0.0	3,071	6,142
3. State Employee Salary Increase	0.0	98,961	213,256
4. Salary Survey for State Employees	0.0	9,604	19,131
5. Pension Savings/Economic Assumption	0.0	-43,874	-82,128
6. Recruitment and Retention	0.0	21,000	42,000
7. FICA Savings	0.0	-1,610	-3,307
Total Policy Changes	0.0	114,345	250,933
Total 2001-03 Biennium	0.0	114,345	250,933

Comments:

1. Health Benefit Changes - Employee and non-Medicare retiree health benefit costs are expected to increase 9.1% for managed care plans and 10.7% for the Uniform Medical Plan (UMP) in calendar year 2002 , and by 12% for all plans in calendar year 2003. The monthly employer contribution rate is increased from \$436.16 in fiscal year 2001 to \$455.79 in fiscal year 2002 and \$494.28 in fiscal year 2003. At these rates, the employer contribution is approximately 92 percent of the total premium rate in fiscal year 2002 and 90 percent of the total premium rate in fiscal year 2003. These rates assume an increase in co-payments for certain medical services (office visits from \$10 to \$15; emergency room \$50 to \$75, etc.) and switch from a three tier copay structure to a three tier co-insurance plan for prescription drugs. The Health Care Authority estimates the average employee monthly premium rate would increase from \$27.78 in calendar year 2001 to \$51.55 in 2002 and \$57.70 in 2003, and the average retiree subsidy would increase from \$69.98 to \$83.98 in 2002 and \$100.77 in 2003. The monthly K-12 subsidy remittance, to fund the cost of K-12 retiree subsidies, would increase from \$25.06 to \$32.21 for the 2001-02 school year, and to \$37.10 for the 2002-03 school year. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Fund)

2. Attorney Salary Increases - Funding is provided for the following targeted salary increases for assistant attorneys general for: (1) increases in beginning salaries; (2) merit-based increases to recognize outstanding performance; and (3) increases to address critical recruitment and retention problems in specialty practice areas such as torts, revenue, utility regulation, and other high demand fields. Increases shall be effective July 1, 2001 and July 1, 2002. (General Fund-State, Legal Services Revolving Account)

3. State Employee Salary Increase - Funding is provided for a cost-of-living increase (COLA) of 3.0 percent effective July 1, 2001 and 2.6 percent effective July 1, 2002 for all state classified employees. Funding is also included to provide similar average COLAs to exempt personnel at the discretion of agency directors. (General Fund-State, General Fund-Federal, various other funds)

4. Salary Survey for State Employees - Funding is provided for Washington Personnel Resources Board's salary survey, in accordance with RCW 41.06.160, for certain classified personnel. Funding is provided to bring all classifications farther than 25 percent behind market rate up to 25 percent of market rate. (General Fund-State, General Fund-Federal, various other funds)

5. Pension Savings/Economic Assumption - The Public Employees Retirement System (PERS) and the School Employees Retirement System employer contribution rate is reduced from 3.21% to 1.54% effective July 1, 2001, and the Teachers Retirement System (TRS) employer contribution rate is reduced from 5.38% to 2.75%, effective September 1, 2001. The new rates are based on the 1999 plan year valuation studies conducted by the Office of the State Actuary in 2000, but are adjusted to reflect the changes made by HB 2236 (public pension systems), which increases the long-term actuarial assumptions for future wage growth and investment returns, and re-establishes the June 30, 2024, deadline for funding all of the liabilities of PERS Plan 1 and TRS Plan 1. (General Fund-State, General Fund-Federal, General Fund-Local; Special Retirement Contribution Increase Account)

**2001-03 Omnibus Operating Budget
State Employee Compensation Adjust**

6. Recruitment and Retention - Funding is provided for targeted salary increases to address recruitment and retention problems, pursuant to Washington Personnel Resources Board rules. Special priority will be given to those professions providing direct care, nursing, mental health, and job classes similar to these, which have documented recruitment and retention problems. (General Fund-State, General Fund-Federal, Salary and Insurance Increase Revolving fund)

7. FICA Savings - Funding for health insurance rate increases is reduced to recognize the agency FICA (social security) savings from payment of employee premiums on a pre-tax basis. Funding is reduced by \$2.00 per month per employee for fiscal year 2002, and by \$3.00 per month per employee for fiscal year 2003. This reflects most of the agency savings resulting from the increase in the average employee premium from \$28 per month in calendar year 2001, to \$52 in calendar year 2002, and to \$58 in calendar year 2003. Additional state agency savings equal to \$1.00 per month for both years is left with the agencies to cover the cost of Human Resources Information Systems Division rate increases for a study of payroll system options and costs associated with changes needed to implement PERS Plan 3 and other costs. (General Fund-State, General Fund-Federal, General Fund-Local, Salary and Insurance Increase Revolving Fund)

2001-03 Omnibus Operating Budget
Contributions to Retirement Systems
(Dollars in Thousands)

	FTEs	House As Passed	House	Total
		GF-S		
1999-01 Estimated Expenditures	0.0	51,712		51,712
2001-03 Maintenance Level	0.0	52,700		52,700
Policy Changes:				
1. Pension Savings/Economic Assumption	0.0	-7,980		-7,980
Total Policy Changes	0.0	-7,980		-7,980
Total 2001-03 Biennium	0.0	44,720		44,720

Comments:

1. Pension Savings/Economic Assumption - The LEOFF Plan 2 state contribution rate is reduced from 2.31% to 1.80%, effective July 1, 2001. The new rate is based on the 1999 plan year valuation study conducted by the Office of the State Actuary in 2000, but is adjusted to reflect the changes made by HB 2236 (public pension systems), which increases the long-term actuarial assumptions for future wage growth and investment returns.

2001-03 Operating Budget

(Dollars in Thousands)

Friday, April 27, 2001

4:40 pm

	House As Passed House		
	FTEs	GF-S	Total
Legislative	838.4	131,754	137,915
Judicial	600.0	71,574	141,357
Governmental Operations	7,435.0	397,904	2,707,640
Other Human Services	14,967.9	1,234,438	3,361,986
DSHS	18,432.3	6,163,055	14,505,013
Natural Resources	6,107.6	368,862	1,132,966
Transportation	763.6	42,675	106,447
Public Schools	304.8	9,831,597	11,412,961
Higher Education	42,109.1	2,781,514	6,490,115
Other Education	464.4	58,163	114,590
Special Appropriations	0.0	1,641,159	2,017,011
Statewide Total	92,022.8	22,722,695	42,128,001

2001-03 Operating Budget

(Dollars in Thousands)

Friday, April 27, 2001

4:40 pm

	House As Passed House		
	FTEs	GF-S	Total
Legislative			
House of Representatives	376.0	56,810	56,855
Senate	309.6	45,185	45,230
Jt Leg Audit & Review Committee	18.0	4,109	4,109
LEAP Committee	14.5	2,951	3,154
Office of the State Actuary	10.5	0	1,923
Joint Legislative Systems Comm	49.5	13,876	15,582
Statute Law Committee	54.0	7,947	10,186
Redistricting Commission	6.3	876	876
Total Legislative	838.4	131,754	137,915
Judicial			
Supreme Court	64.3	10,933	10,933
State Law Library	15.0	3,965	3,965
Court of Appeals	147.1	25,486	25,486
Commission on Judicial Conduct	9.6	1,891	1,891
Office of Administrator for Courts	358.5	28,699	86,073
Office of Public Defense	5.5	600	13,009
Total Judicial	600.0	71,574	141,357
Total Legislative/Judicial	1,438.4	203,328	279,272

2001-03 Operating Budget

(Dollars in Thousands)

Friday, April 27, 2001

4:40 pm

	House As Passed House		Total
	FTEs	GF-S	
Governmental Operations			
Office of the Governor	70.0	11,657	13,280
Office of the Lieutenant Governor	6.0	875	875
Public Disclosure Commission	25.7	3,813	3,813
Office of the Secretary of State	176.5	19,220	34,561
Governor's Office of Indian Affairs	4.0	551	551
Asian-Pacific-American Affrs	3.0	466	466
Office of the State Treasurer	74.5	0	12,870
Office of the State Auditor	319.7	2,212	45,350
Comm Salaries for Elected Officials	0.9	232	232
Office of the Attorney General	1,099.9	9,617	164,518
Caseload Forecast Council	6.0	1,049	1,049
Dept of Financial Institutions	141.3	0	23,776
Dept Community, Trade, Econ Dev	327.4	135,474	348,174
Economic & Revenue Forecast Council	5.2	1,026	1,026
Office of Financial Management	228.8	24,184	70,666
Office of Administrative Hearings	139.7	0	21,988
Department of Personnel	220.1	0	33,693
State Lottery Commission	151.0	0	763,162
Washington State Gambling Comm	199.7	0	29,803
WA State Comm on Hispanic Affairs	3.3	460	460
African-American Affairs Comm	3.0	420	420
Personnel Appeals Board	11.0	0	1,679
Department of Retirement Systems	294.8	0	52,800
State Investment Board	61.6	0	12,876
Department of Revenue	1,036.5	154,989	165,130
Board of Tax Appeals	11.0	2,231	2,231
Municipal Research Council	0.0	0	4,515
Minority & Women's Business Enterp	20.0	0	2,412
Dept of General Administration	620.1	1,179	133,018
Department of Information Services	428.6	0	209,488
Office of Insurance Commissioner	181.1	0	28,982
State Board of Accountancy	9.0	0	1,716
Forensic Investigations Council	0.0	0	310
Washington Horse Racing Commission	29.4	0	4,504
WA State Liquor Control Board	950.3	2,967	153,229
Utilities and Transportation Comm	169.1	0	31,235
Board for Volunteer Firefighters	3.0	0	543
Military Department	212.5	17,961	257,184
Public Employment Relations Comm	24.7	4,318	4,318
Growth Management Hearings Board	12.0	3,003	3,003
State Convention and Trade Center	155.0	0	67,734
Total Governmental Operations	7,435.0	397,904	2,707,640

2001-03 Operating Budget

(Dollars in Thousands)

Friday, April 27, 2001

4:40 pm

	House As Passed House		Total
	FTEs	GF-S	
Other Human Services			
WA State Health Care Authority	287.6	26,400	614,376
Human Rights Commission	52.4	5,388	7,032
Bd of Industrial Insurance Appeals	168.3	0	29,423
Criminal Justice Training Comm	41.9	0	18,636
Department of Labor and Industries	2,749.5	15,420	466,635
Indeterminate Sentence Review Board	8.2	1,998	1,998
Department of Health	1,172.9	129,595	622,551
Department of Veterans' Affairs	619.8	19,762	76,023
Department of Corrections	7,608.4	1,031,131	1,081,216
Dept of Services for the Blind	71.9	2,951	15,964
Sentencing Guidelines Commission	12.3	1,793	1,793
Department of Employment Security	2,174.8	0	426,339
Total Other Human Services	14,967.9	1,234,438	3,361,986

2001-03 Operating Budget

(Dollars in Thousands)

Friday, April 27, 2001

4:40 pm

	House As Passed House		
	FTEs	GF-S	Total
DSHS			
Children and Family Services	2,302.8	458,540	814,351
Juvenile Rehabilitation	1,303.9	183,840	246,170
Mental Health	3,071.1	595,892	1,120,876
Developmental Disabilities	3,504.8	611,155	1,173,074
Long-Term Care	1,055.5	1,038,276	2,108,934
Economic Services Administration	4,920.2	861,905	2,266,400
Alcohol & Substance Abuse	105.5	73,762	232,965
Medical Assistance Payments	960.7	2,172,249	6,211,107
Vocational Rehabilitation	339.1	21,522	107,184
Administration/Support Svcs	703.8	59,808	111,181
Payments to Other Agencies	0.0	86,106	112,771
Information System Services	165.2	0	0
Total DSHS	18,432.3	6,163,055	14,505,013
Total Human Services	33,400.2	7,397,493	17,866,999

2001-03 Operating Budget

(Dollars in Thousands)

Friday, April 27, 2001

4:40 pm

	House As Passed House		
	FTEs	GF-S	Total
Natural Resources			
Columbia River Gorge Commission	9.8	789	1,538
Department of Ecology	1,480.3	94,859	323,975
WA Pollution Liab Insurance Program	9.1	0	2,150
State Parks and Recreation Comm	663.5	61,730	107,105
Interagency Comm for Outdoor Rec	21.6	1,038	13,085
Environmental Hearings Office	8.0	1,693	1,693
State Conservation Commission	16.5	7,343	8,035
Dept of Fish and Wildlife	1,579.2	105,121	297,721
Department of Natural Resources	1,601.8	75,700	284,889
Department of Agriculture	717.9	20,589	92,775
Total Natural Resources	6,107.6	368,862	1,132,966

2001-03 Operating Budget
(Dollars in Thousands)

Friday, April 27, 2001
4:40 pm

	House As Passed House		
	FTEs	GF-S	Total
Transportation			
Washington State Patrol	517.0	31,909	71,882
Department of Licensing	246.6	10,766	34,565
Total Transportation	763.6	42,675	106,447

2001-03 Operating Budget

(Dollars in Thousands)

Friday, April 27, 2001

4:40 pm

	House As Passed House		Total
	FTEs	GF-S	
Public Schools			
OSPI & Statewide Programs	263.5	71,582	309,607
General Apportionment	0.0	7,431,657	7,431,657
Pupil Transportation	0.0	387,491	387,491
School Food Services	0.0	6,200	289,387
Special Education	1.5	837,370	1,016,055
Traffic Safety Education	0.0	6,184	6,184
Educational Service Districts	0.0	9,536	9,536
Levy Equalization	0.0	284,644	284,644
Elementary/Secondary School Improv	0.0	0	288,166
Institutional Education	0.0	38,248	46,796
Ed of Highly Capable Students	0.0	12,840	12,840
Student Achievement Program	0.0	0	393,300
Education Reform	39.8	78,366	78,599
Transitional Bilingual Instruction	0.0	88,215	88,215
Learning Assistance Program (LAP)	0.0	139,420	139,420
Block Grants	0.0	54,669	54,669
Better Schools Program	0.0	8,996	8,996
Compensation Adjustments	0.0	376,179	376,179
Common School Construction	0.0	0	191,220
Total Public Schools	304.8	9,831,597	11,412,961

2001-03 Operating Budget

(Dollars in Thousands)

Friday, April 27, 2001

4:40 pm

	House As Passed House		Total
	FTEs	GF-S	
Higher Education			
Higher Education Coordinating Board	73.4	252,625	268,003
University of Washington	18,080.4	702,726	2,948,737
Washington State University	5,564.0	410,310	835,860
Eastern Washington University	1,161.8	92,640	166,048
Central Washington University	1,054.7	89,426	182,270
The Evergreen State College	640.3	51,326	90,667
Spokane Intercollegiate & Tech Inst	4.5	2,400	3,727
Western Washington University	1,569.6	121,630	238,732
Community/Technical College System	13,960.5	1,058,431	1,756,071
Total Higher Education	42,109.1	2,781,514	6,490,115
Other Education			
State School for the Blind	78.5	9,105	10,278
State School for the Deaf	129.0	14,827	15,059
Work Force Trng & Educ Coord Board	23.7	2,482	47,968
State Library	136.6	17,577	24,553
Washington State Arts Commission	18.6	5,247	6,247
Washington State Historical Society	55.6	6,028	7,588
East Wash State Historical Society	22.4	2,897	2,897
Total Other Education	464.4	58,163	114,590
Total Education	42,878.3	12,671,274	18,017,666

2001-03 Operating Budget

(Dollars in Thousands)

Friday, April 27, 2001

4:40 pm

	House As Passed House		
	FTEs	GF-S	Total
Special Appropriations			
Bond Retirement and Interest	0.0	1,248,770	1,445,279
Special Approps to the Governor	0.0	233,324	276,079
State Employee Compensation Adjust	0.0	114,345	250,933
Contributions to Retirement Systems	0.0	44,720	44,720
Total Special Appropriations	0.0	1,641,159	2,017,011