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2003-05 Omnibus Operating Budget
Passed House
(Dollars in Thousands)

April 27, 2003
1:47 pm

	FTEs	GF-S	Total
Legislative	831.3	130,854	137,610
Judicial	578.4	80,679	163,652
Governmental Operations	7,455.1	413,476	2,832,238
Other Human Services	15,246.0	1,334,565	3,642,110
DSHS	17,751.3	6,624,126	16,023,993
Natural Resources	5,671.2	288,994	1,087,330
Transportation	762.3	49,108	124,097
Public Schools	284.0	10,166,667	12,018,090
Higher Education	43,783.5	2,715,905	7,466,518
Other Education	320.8	40,174	99,844
Special Appropriations	0.0	1,365,874	1,663,667
Statewide Total	92,683.7	23,210,422	45,259,149

2003-05 Omnibus Operating Budget

April 27, 2003

Passed House

1:47 pm

(Dollars in Thousands)

	FTEs	GF-S	Total
Legislative			
House of Representatives	388.3	56,564	56,609
Senate	297.1	45,314	45,359
Jt Leg Audit & Review Committee	20.5	4,350	4,350
LEAP Committee	15.0	3,402	3,402
Office of the State Actuary	11.5	0	2,590
Joint Legislative Systems Comm	48.0	13,322	15,135
Statute Law Committee	51.0	7,902	10,165
Total Legislative	831.3	130,854	137,610
Judicial			
Supreme Court	61.9	11,117	11,117
State Law Library	13.8	4,114	4,114
Court of Appeals	140.6	25,303	25,303
Commission on Judicial Conduct	9.6	1,820	1,820
Office of Administrator for Courts	347.1	36,775	107,139
Office of Public Defense	5.5	1,550	14,159
Total Judicial	578.4	80,679	163,652
Total Legislative/Judicial	1,409.7	211,533	301,262

2003-05 Omnibus Operating Budget

April 27, 2003

Passed House

1:47 pm

(Dollars in Thousands)

	FTEs	GF-S	Total
Governmental Operations			
Office of the Governor	53.2	7,593	12,609
Office of the Lieutenant Governor	8.0	1,096	1,096
Public Disclosure Commission	24.6	3,573	3,573
Office of the Secretary of State	265.1	40,880	81,072
Governor's Office of Indian Affairs	2.3	465	465
Asian-Pacific-American Affrs	1.8	384	384
Office of the State Treasurer	72.2	0	13,215
Office of the State Auditor	285.9	2,613	46,595
Comm Salaries for Elected Officials	1.2	234	234
Office of the Attorney General	1,084.0	8,222	183,253
Caseload Forecast Council	7.0	1,279	1,279
Dept of Financial Institutions	149.4	0	28,987
Dept Community, Trade, Econ Dev	306.4	122,492	374,886
Economic & Revenue Forecast Council	5.2	1,037	1,037
Office of Financial Management	253.3	27,435	76,848
Office of Administrative Hearings	144.0	0	24,778
Department of Personnel	200.8	0	40,736
State Lottery Commission	176.1	0	818,154
Washington State Gambling Comm	178.0	0	27,268
WA State Comm on Hispanic Affairs	1.8	402	402
African-American Affairs Comm	1.8	393	393
Personnel Appeals Board	11.0	0	1,729
Department of Retirement Systems	265.0	0	49,930
State Investment Board	60.6	100	13,420
Department of Revenue	1,065.9	165,125	176,284
Board of Tax Appeals	10.0	2,133	2,133
Municipal Research Council	0.0	0	4,621
Minority & Women's Business Enterp	16.0	0	1,994
Dept of General Administration	556.9	472	129,623
Department of Information Services	429.5	0	205,771
Office of Insurance Commissioner	199.3	0	33,643
State Board of Accountancy	9.3	0	1,985
Forensic Investigations Council	0.0	0	274
Washington Horse Racing Commission	28.5	0	4,621
WA State Liquor Control Board	952.5	2,919	160,050
Utilities and Transportation Comm	153.4	0	30,504
Board for Volunteer Firefighters	3.0	0	699
Military Department	264.5	16,785	195,562
Public Employment Relations Comm	41.4	4,786	7,331
Growth Management Hearings Board	12.0	3,058	3,058
State Convention and Trade Center	155.0	0	71,742
Total Governmental Operations	7,455.1	413,476	2,832,238

2003-05 Omnibus Operating Budget

April 27, 2003

Passed House

1:47 pm

(Dollars in Thousands)

	FTEs	GF-S	Total
Other Human Services			
WA State Health Care Authority	271.9	76	541,525
Human Rights Commission	47.7	4,791	6,414
Bd of Industrial Insurance Appeals	159.1	0	30,277
Criminal Justice Training Comm	36.8	0	18,462
Department of Labor and Industries	2,601.9	11,754	475,980
Indeterminate Sentence Review Board	8.2	1,962	1,962
Home Care Quality Authority	5.0	1,999	1,999
Department of Health	1,260.1	122,494	743,723
Department of Veterans' Affairs	609.8	21,661	78,921
Department of Corrections	8,025.6	1,165,032	1,200,325
Dept of Services for the Blind	67.6	3,494	19,682
Sentencing Guidelines Commission	10.5	1,302	1,302
Department of Employment Security	2,142.0	0	521,538
Total Other Human Services	15,246.0	1,334,565	3,642,110

2003-05 Omnibus Operating Budget
Passed House
(Dollars in Thousands)

April 27, 2003
1:47 pm

	FTEs	GF-S	Total
DSHS			
Children and Family Services	2,372.9	462,379	908,023
Juvenile Rehabilitation	1,158.2	155,779	222,135
Mental Health	3,081.3	673,082	1,232,198
Developmental Disabilities	3,374.0	661,910	1,266,061
Long-Term Care	1,122.2	1,207,763	2,473,148
Economic Services Administration	4,515.8	828,577	2,072,682
Alcohol & Substance Abuse	97.6	70,879	233,832
Medical Assistance Payments	959.8	2,402,726	7,279,083
Vocational Rehabilitation	324.5	21,271	107,048
Administration/Support Svcs	594.0	51,996	98,345
Payments to Other Agencies	0.0	87,764	131,438
Information System Services	151.4	0	0
Total DSHS	17,751.3	6,624,126	16,023,993
Total Human Services	32,997.3	7,958,691	19,666,103

2003-05 Omnibus Operating Budget
Passed House
(Dollars in Thousands)

April 27, 2003
1:47 pm

	FTEs	GF-S	Total
Natural Resources			
Columbia River Gorge Commission	9.8	1,194	1,957
Department of Ecology	1,389.6	67,012	309,820
WA Pollution Liab Insurance Program	7.1	0	1,894
State Parks and Recreation Comm	697.4	54,234	101,888
Interagency Comm for Outdoor Rec	23.1	575	20,438
Environmental Hearings Office	9.0	1,887	1,887
State Conservation Commission	12.8	4,379	6,547
Dept of Fish and Wildlife	1,525.2	81,852	277,859
Department of Natural Resources	1,345.6	63,246	274,093
Department of Agriculture	651.9	14,615	90,947
Total Natural Resources	5,671.2	288,994	1,087,330

2003-05 Omnibus Operating Budget

April 27, 2003

Passed House

1:47 pm

(Dollars in Thousands)

	FTEs	GF-S	Total
Transportation			
Washington State Patrol	521.0	39,102	88,506
Department of Licensing	241.3	10,006	35,591
Total Transportation	762.3	49,108	124,097

2003-05 Omnibus Operating Budget

April 27, 2003

Passed House

1:47 pm

(Dollars in Thousands)

	FTEs	GF-S	Total
Public Schools			
OSPI & Statewide Programs	242.3	41,768	129,416
General Apportionment	0.0	7,958,003	7,958,003
Pupil Transportation	0.0	422,601	422,601
School Food Services	0.0	6,200	383,061
Special Education	1.5	858,714	1,268,575
Traffic Safety Education	0.0	0	4,456
Educational Service Districts	0.0	7,074	7,074
Levy Equalization	0.0	314,519	314,519
Elementary/Secondary School Improv	0.0	0	46,198
Institutional Education	0.0	37,688	37,688
Ed of Highly Capable Students	0.0	13,211	13,211
Student Achievement Program	0.0	0	443,133
Education Reform	40.2	74,062	202,964
Transitional Bilingual Instruction	0.0	101,853	148,162
Learning Assistance Program (LAP)	0.0	129,433	436,611
Compensation Adjustments	0.0	201,541	202,418
Total Public Schools	284.0	10,166,667	12,018,090

2003-05 Omnibus Operating Budget

April 27, 2003

Passed House

1:47 pm

(Dollars in Thousands)

	FTEs	GF-S	Total
Higher Education			
Higher Education Coordinating Board	77.6	300,174	317,531
University of Washington	19,684.1	648,247	3,656,423
Washington State University	5,585.8	382,019	875,439
Eastern Washington University	1,142.4	86,330	164,332
Central Washington University	1,111.7	85,605	185,576
The Evergreen State College	634.8	48,540	94,497
Spokane Intercollegiate & Tech Inst	18.1	2,828	2,928
Western Washington University	1,604.8	114,225	259,782
Community/Technical College System	13,924.2	1,047,937	1,910,010
Total Higher Education	43,783.5	2,715,905	7,466,518
Other Education			
State School for the Blind	82.2	9,355	10,690
State School for the Deaf	124.4	15,259	15,491
Work Force Trng & Educ Coord Board	22.8	3,290	57,585
Washington State Arts Commission	16.6	4,506	5,532
Washington State Historical Society	51.4	4,865	7,647
East Wash State Historical Society	23.5	2,899	2,899
Total Other Education	320.8	40,174	99,844
Total Education	44,388.2	12,922,746	19,584,452

2003-05 Omnibus Operating Budget
Passed House
(Dollars in Thousands)

April 27, 2003
1:47 pm

	FTEs	GF-S	Total
Special Appropriations			
Bond Retirement and Interest	0.0	1,249,251	1,439,607
Special Approps to the Governor	0.0	2,488	38,655
Sundry Claims	0.0	18	113
State Employee Compensation Adjust	0.0	59,117	130,292
Contributions to Retirement Systems	0.0	55,000	55,000
Total Special Appropriations	0.0	1,365,874	1,663,667

2003-05 Omnibus Operating Budget
House of Representatives
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	389.8	56,319	56,364
2003-05 Carryforward Level	386.8	54,773	54,818
2003-05 Maintenance Level	386.8	57,033	57,078
Policy Changes:			
1. Transfer Transpo Committee Staff	9.5	1,715	1,715
2. Fiscal Stability Study	0.0	150	150
3. Staff Reduc. & Oper. Efficiencies	-8.0	-2,334	-2,334
Total Policy Changes	1.5	-469	-469
Total 2003-05 Biennium	388.3	56,564	56,609
Difference from 2001-03	-1.5	245	245
% Change from 2001-03	-0.5%	0.4%	0.4%

Comments:

1. Transfer Transpo Committee Staff - Funding for House Transportation Committee support is transferred from the state transportation budget (Motor Vehicle Account-State) to the state operating budget (General Fund-State) in accordance with the transfer of committee staff into the Office of Program Research.

2. Fiscal Stability Study - One-time funding is provided to support the Legislature's Joint Select Committee on Fiscal Stability, the costs of which will be shared equally between the House of Representatives and the Senate. The work of the committee shall include public hearings held throughout the state and shall culminate in a report to the appropriate legislative fiscal committees by January 1, 2004.

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget**Senate**

(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	306.6	46,513	46,558
2003-05 Carryforward Level	303.6	45,184	45,229
2003-05 Maintenance Level	303.6	45,887	45,932
Policy Changes:			
1. Fiscal Stability Study	0.0	150	150
2. Staff Reduc. & Oper. Efficiencies	-6.5	-723	-723
Total Policy Changes	-6.5	-573	-573
Total 2003-05 Biennium	297.1	45,314	45,359
Difference from 2001-03	-9.5	-1,199	-1,199
% Change from 2001-03	-3.3%	-2.6%	-2.6%

Comments:

1. Fiscal Stability Study - One-time funding is provided to support the Legislature's Joint Select Committee on Fiscal Stability, the costs of which will be shared equally between the House of Representatives and the Senate. The work of the committee shall include public hearings held throughout the state and shall culminate in a report to the appropriate legislative fiscal committees by January 1, 2004.

2. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Jt Leg Audit & Review Committee
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	18.0	4,136	4,136
2003-05 Carryforward Level	18.0	3,347	3,347
2003-05 Maintenance Level	18.0	3,436	3,436
Policy Changes:			
1. Govt Accountability (ESHB 1053)	3.0	1,000	1,000
2. Staff Reduc. & Oper. Efficiencies	-0.5	-86	-86
Total Policy Changes	2.5	914	914
Total 2003-05 Biennium	20.5	4,350	4,350
Difference from 2001-03	2.5	214	214
% Change from 2001-03	11.1%	5.2%	5.2%

Comments:

1. Govt Accountability (ESHB 1053) - Engrossed Substitute House Bill 1053 requires the joint legislative audit and review committee (JLARC) to staff the newly-created citizen oversight board and conduct an annual statewide assessment of agency performance. \$1.0 million is provided for JLARC to implement the provisions of the bill.

2. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget**LEAP Committee**

(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	11.7	2,801	3,008
2003-05 Carryforward Level	11.7	2,744	2,950
2003-05 Maintenance Level	14.3	3,292	3,292
Policy Changes:			
1. Database Administrator	1.0	180	180
2. Staff Reduc. & Oper. Efficiencies	-0.3	-70	-70
Total Policy Changes	0.7	110	110
Total 2003-05 Biennium	15.0	3,402	3,402
Difference from 2001-03	3.3	601	394
% Change from 2001-03	25.0%	21.5%	13.1%

Comments:

1. Database Administrator - Funding is provided for a database administrator. This position will be responsible for optimizing database performance and design, including security, access, retrieval, data updates, and backups. Increased demand for databases, in addition to increasing database size, quantity, and complexity, are driving the need for a dedicated position.

2. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Office of the State Actuary
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	10.5	0	2,089
2003-05 Carryforward Level	10.5	0	2,056
2003-05 Maintenance Level	10.5	0	2,143
Policy Changes:			
1. Research Analyst Position Upgrade	0.0	0	58
2. LEOFF 2 Board Support	1.0	0	189
3. New Lease Costs	0.0	0	200
Total Policy Changes	1.0	0	447
Total 2003-05 Biennium	11.5	0	2,590
Difference from 2001-03	1.0	0	501
% Change from 2001-03	20.0%	0.0%	24.0%

Comments:

1. Research Analyst Position Upgrade - Funding is provided to upgrade a research analyst/legal position to a senior analyst/legal classification. (Department of Retirement Systems Expense Account-State)

2. LEOFF 2 Board Support - Funding is provided for an additional assistant actuary position to handle increased workload associated with the creation of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 Board by Initiative 790. The expenses of the Office of the State Actuary will initially be covered by the Department of Retirement Systems Expense Account, and then reimbursed by the LEOFF 2 Board from its expense fund. (Department of Retirement Systems Expense Account-State)

3. New Lease Costs - Funding is provided for the Office of the State Actuary (OSA) to relocate and lease a larger facility. Additional staff required to support the Law Enforcement Officers' and Fire Fighters Retirement System Plan 2 Board causes OSA to exceed the capacity of their current space. (Department of Retirement Systems Expense Fund-State)

2003-05 Omnibus Operating Budget
Joint Legislative Systems Comm
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	49.0	13,439	15,145
2003-05 Carryforward Level	48.0	12,945	14,651
2003-05 Maintenance Level	48.0	13,664	15,477
Policy Changes:			
1. Staff Reduc. & Oper. Efficiencies	0.0	-342	-342
Total Policy Changes	0.0	-342	-342
Total 2003-05 Biennium	48.0	13,322	15,135
Difference from 2001-03	-1.0	-117	-10
% Change from 2001-03	-2.0%	-0.9%	-0.1%

Comments:

1. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Statute Law Committee
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	53.5	7,973	10,212
2003-05 Carryforward Level	53.0	7,831	10,070
2003-05 Maintenance Level	53.0	8,105	10,368
Policy Changes:			
1. Staff Reduc. & Oper. Efficiencies	-2.0	-203	-203
Total Policy Changes	-2.0	-203	-203
Total 2003-05 Biennium	51.0	7,902	10,165
Difference from 2001-03	-2.5	-71	-47
% Change from 2001-03	-5.6%	-0.9%	-0.5%

Comments:

1. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Supreme Court
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	64.3	11,158	11,158
2003-05 Carryforward Level	64.3	11,064	11,064
2003-05 Maintenance Level	64.3	11,435	11,435
Policy Changes:			
1. General Inflation	0.0	-32	-32
2. Hiring Freeze & Admin. Reduction	-2.4	-286	-286
Total Policy Changes	-2.4	-318	-318
Total 2003-05 Biennium	61.9	11,117	11,117
Difference from 2001-03	-2.4	-41	-41
% Change from 2001-03	-3.1%	-0.4%	-0.4%

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 to perform their mission.

2. Hiring Freeze & Admin. Reduction - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
State Law Library
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	15.0	3,949	3,949
2003-05 Carryforward Level	15.0	3,884	3,884
2003-05 Maintenance Level	15.0	3,942	3,942
Policy Changes:			
1. General Inflation	0.0	-12	-12
2. One-time Pub. Renewal Relief	0.0	282	282
3. Hiring Freeze and Admin. Reduction	-1.2	-98	-98
Total Policy Changes	-1.2	172	172
Total 2003-05 Biennium	13.8	4,114	4,114
Difference from 2001-03	-1.2	165	165
% Change from 2001-03	-6.7%	4.2%	4.2%

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 to perform their mission.

2. One-time Pub. Renewal Relief - The cost of law publications has risen an average of 35 percent each year for the last 3 years. One-time funding is provided to offset these increased costs.

3. Hiring Freeze and Admin. Reduction - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Court of Appeals
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	147.6	25,942	25,942
2003-05 Carryforward Level	146.1	25,629	25,629
2003-05 Maintenance Level	146.1	26,016	26,016
Policy Changes:			
1. General Inflation	0.0	-93	-93
2. Division II Security	0.0	30	30
3. Hiring Freeze & Admin. Reduction	-5.5	-650	-650
Total Policy Changes	-5.5	-713	-713
Total 2003-05 Biennium	140.6	25,303	25,303
Difference from 2001-03	-7.0	-639	-639
% Change from 2001-03	-4.7%	-2.5%	-2.5%

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 to perform their mission.

2. Division II Security - Funding is provided to expand contracted court security personnel for Division II of the Court of Appeals. Additional resources will allow for staffing of metal detectors previously installed outside courtrooms.

3. Hiring Freeze & Admin. Reduction - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Commission on Judicial Conduct
(Dollars in Thousands)

	FTEs	Passed House		Total
			GF-S	
2001-03 Estimated Expenditures	9.6		1,926	1,926
2003-05 Carryforward Level	9.6		1,805	1,805
2003-05 Maintenance Level	9.6		1,820	1,820
Total 2003-05 Biennium	9.6		1,820	1,820
Difference from 2001-03	0.0		-106	-106
% Change from 2001-03	0.0%		-5.5%	-5.5%

Comments:

2003-05 Omnibus Operating Budget
Office of Administrator for Courts
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	356.0	30,151	85,894
2003-05 Carryforward Level	341.5	30,847	68,589
2003-05 Maintenance Level	351.5	33,465	75,584
Policy Changes:			
1. General Inflation	0.0	-65	-634
2. Transfer Civil Indigent Defense	0.0	0	9,261
3. SHB 1744 (court fees)	0.0	0	7,641
4. Judicial Info System Improvements	0.0	0	12,572
5. LFO Billing Shifted from DOC	1.3	3,375	3,375
6. Hiring Freeze and Admin. Reduction	-5.7	0	-660
Total Policy Changes	-4.4	3,310	31,555
Total 2003-05 Biennium	347.1	36,775	107,139
Difference from 2001-03	-8.9	6,624	21,245
% Change from 2001-03	-2.5%	22.0%	24.7%

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 to perform their mission. (General Fund-State, Public Safety and Education Account, Judicial Information Systems Account-State)

2. Transfer Civil Indigent Defense - Pursuant to House Bill 2150 (civil legal services), funding for the contract to provide civil indigent legal defense services is transferred from the Department of Community, Trade, and Economic Development to the Office of the Administrator for the Courts. (Civil Legal Services Account-State)

3. SHB 1744 (court fees) - Funding is provided pursuant to Substitute House Bill 1744 (court fees). The bill increases various court filing fees in order to fund the civil indigent legal services program. (Civil Legal Services Account-State)

4. Judicial Info System Improvements - Funding is provided to implement several Judicial Information System (JIS) improvement projects, including migrating JIS to a web-based system, providing additional on-line user help and juvenile parole case management, and constructing a data warehouse. Other expenditures include software licensing and hardware needs. These projects will assist courts statewide and prevent the need for local courts to develop stand-alone systems. Funding is also provided to enable JIS to exchange all state-shared data with non-JIS courts and criminal justice agencies using Seattle Municipal Court as the pilot site. The Office of the Administrator for the Courts may prioritize projects within the JIS appropriation as needed. (Judicial Information Systems Account-State)

5. LFO Billing Shifted from DOC - Currently, the Department of Corrections (DOC) is responsible for the monitoring and collection of court-ordered legal financial obligations (LFOs) for offenders supervised in the community. Savings are achieved in conjunction with Engrossed Substitute Senate Bill 5990 (supervision of offenders) and Engrossed Substitute Senate Bill 6002 (collection of financial obligations), which would eliminate DOC's responsibility for supervising offenders in the community for the purposes of collecting LFOs only. Effective January 2004, the collection of LFOs from offenders who have no other supervision requirements is shifted from DOC county clerks through the Office of the Administrator for the Courts.

6. Hiring Freeze and Admin. Reduction - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Office of Public Defense
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	5.5	600	12,964
2003-05 Carryforward Level	5.5	0	12,381
2003-05 Maintenance Level	5.5	0	12,383
Policy Changes:			
1. Per Page Rate Change	0.0	0	226
2. Dependency and Termination Program	0.0	1,550	1,550
Total Policy Changes	0.0	1,550	1,776
Total 2003-05 Biennium	5.5	1,550	14,159
Difference from 2001-03	0.0	950	1,195
% Change from 2001-03	0.0%	158.3%	9.2%

Comments:

1. Per Page Rate Change - Court reporters prepare the verbatim reports of proceedings for indigent appellate cases and are compensated on a per page rate set by the Washington Supreme Court. The last rate increase for these services was granted in July of 1995. Funding is provided to increase the rate from \$2.75 to \$3.00 per page. (Public Safety and Education Account-State)

2. Dependency and Termination Program - Funding is provided to continue the Dependency and Termination Parents' Representation Pilot Program in Benton-Franklin and Pierce County Juvenile Courts. This program seeks to improve defense services provided for parents involved in dependency and termination hearings.

2003-05 Omnibus Operating Budget
Office of the Governor
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	67.0	8,662	12,875
2003-05 Carryforward Level	64.0	8,144	13,252
2003-05 Maintenance Level	64.0	8,325	13,547
Policy Changes:			
1. Salmon Recovery Office	-1.5	-100	-100
2. General Inflation	0.0	-62	-88
3. Early Learning Task Force	0.0	100	100
4. Revolving Funds	0.0	6	6
5. Staff Reduc. & Oper. Efficiencies	-9.3	-676	-856
Total Policy Changes	-10.8	-732	-938
Total 2003-05 Biennium	53.2	7,593	12,609
Difference from 2001-03	-13.8	-1,069	-266
% Change from 2001-03	-20.9%	-12.3%	-2.1%

Comments:

1. Salmon Recovery Office - Funding for the Governor's Salmon Recovery Office is reduced. Natural resource agencies will continue to implement the Statewide Strategy to Recover Salmon. Two staff remain to implement the activities of the Governor's Salmon Recovery Office.

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. (General Fund-State, General Fund-Federal, Water Quality Account-State)

3. Early Learning Task Force - Funding is provided for a consultant who will assist the Early Learning and Child Care Task Force in developing consistent, aligned early learning goals for children younger than school age.

4. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

5. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal, Water Quality Account-State)

2003-05 Omnibus Operating Budget
Office of the Lieutenant Governor
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	6.0	891	891
2003-05 Carryforward Level	6.0	862	862
2003-05 Maintenance Level	8.0	1,154	1,154
Policy Changes:			
1. General Inflation	0.0	-4	-4
2. Staff Reduc. & Oper. Efficiencies	0.0	-54	-54
Total Policy Changes	0.0	-58	-58
Total 2003-05 Biennium	8.0	1,096	1,096
Difference from 2001-03	2.0	205	205
% Change from 2001-03	33.3%	23.0%	23.0%

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. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Public Disclosure Commission
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	25.7	3,823	3,823
2003-05 Carryforward Level	25.7	3,722	3,722
2003-05 Maintenance Level	25.7	3,920	3,920
Policy Changes:			
1. General Inflation	0.0	-11	-11
2. Revolving Funds	0.0	-6	-6
3. Staff Reduc. & Oper. Efficiencies	-1.2	-330	-330
Total Policy Changes	-1.2	-347	-347
Total 2003-05 Biennium	24.6	3,573	3,573
Difference from 2001-03	-1.1	-250	-250
% Change from 2001-03	-3.8%	-6.5%	-6.5%

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. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Office of the Secretary of State
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	174.5	17,170	35,952
2003-05 Carryforward Level	282.9	33,176	57,107
2003-05 Maintenance Level	283.2	42,096	68,278
Policy Changes:			
1. General Inflation	0.0	-133	-258
2. Initiative & Referendum Verify	0.0	-200	-200
3. Library Svcs to State Institutions	16.4	2,558	2,558
4. Defense of Blanket Primary	0.0	134	134
5. Public Affairs Broadcasting	0.0	-295	-295
6. Local Govt Security Microfilm	0.0	0	500
7. EHB 1152 (Archives Div Funding)	0.0	0	0
8. Help America Vote Act	0.0	0	13,121
9. State Library reduction	-21.6	-2,628	-2,628
10. Revolving Funds	0.0	356	1,060
11. Staff Reduc. & Oper. Efficiencies	-13.0	-1,008	-1,198
Total Policy Changes	-18.2	-1,216	12,794
Total 2003-05 Biennium	265.1	40,880	81,072
Difference from 2001-03	90.6	23,710	45,120
% Change from 2001-03	52.3%	138.1%	125.5%

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. (General Fund-State, various other funds)

2. Initiative & Referendum Verify - This activity facilitates the filing and processing of proposed initiatives and referenda, the filing of completed petitions, and verification of voter signatures on filed petitions. Historically there has been a fund balance at the end of each fiscal year. Funding is reduced to more accurately reflect the costs of this activity.

3. Library Svcs to State Institutions - Funding is restored so that the State Library can provide services to libraries in ten correctional facilities and two mental hospitals.

4. Defense of Blanket Primary - Funding is provided for the Office of the Secretary of State to reimburse the Attorney General's Office for legal expenses related to defending the state's statutorily mandated blanket primary system.

5. Public Affairs Broadcasting - The Office of the Secretary of State contracts with a non-profit organization to produce gavel-to-gavel television coverage of state government deliberations or other events of statewide significance. Funding for this contract is reduced by 7.5 percent.

6. Local Govt Security Microfilm - Funding is provided to contract services for the brown-toning (polysulfide treatment) of all essential local government security microfilm and to complete the security microfilm project. (Archives and Records Management Account-Private/Local)

**2003-05 Omnibus Operating Budget
Office of the Secretary of State**

7. EHB 1152 (Archives Div Funding) - Spending authority is provided pursuant to Engrossed House Bill 1152 (Archives Division Funding). All receipts collected for contract imaging, micrographics, reproduction, and duplication services provided by the Division of Archives and Records Management are to be deposited into the Imaging Account. All receipts collected by county auditors for local government services, such as providing records scheduling, security microfilm inspections and storage, archival preservation, and cataloguing, are to be deposited into the Local Government Archives Account. In addition, all surcharges for unpaid taxes or liabilities and recording documents are to be deposited into the Local Government Archives Account. (Imaging Account-Non-Appropriated, Local Government Archives Account-State, Local Government Archives Account-Non-Appropriated)

8. Help America Vote Act - Pursuant to Engrossed House Bill 1161 (Help America Vote Act), spending authority is provided in anticipation of receipt of federal funding for Title I of the federal Help America Vote Act of 2002. Federal funding received will assist states in replacing punch card voting equipment and improving administration of federal elections, including increased oversight of local elections. (Election Account-Federal)

9. State Library reduction - State Library funding is reduced by 18 percent. This reduction in state library services preserves the following services: (1) assistance to local libraries; (2) historic and northwest collections; (3) state and federal document depositories; and (4) talking book and braille services. Library services to state agencies and the Legislature are eliminated.

10. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, Archives and Records Management Account-State, Secretary of State's Revolving Account-Non-Appropriated, Department of Personnel Services Account-State)

11. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTEs, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal, Archives and Records Management Account-State, Archives and Records Management Account-Private/Local, Department of Personnel Services Account-State)

2003-05 Omnibus Operating Budget
Governor's Office of Indian Affairs
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	4.0	552	552
2003-05 Carryforward Level	4.0	537	537
2003-05 Maintenance Level	4.0	565	565
Policy Changes:			
1. General Inflation	0.0	-4	-4
2. Transfer Govt to Govt Training	-0.3	-100	-100
3. FTE Reduction	-1.4	0	0
4. Revolving Funds	0.0	4	4
Total Policy Changes	-1.7	-100	-100
Total 2003-05 Biennium	2.3	465	465
Difference from 2001-03	-1.7	-87	-87
% Change from 2001-03	-50.0%	-15.8%	-15.8%

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. Transfer Govt to Govt Training - Government-to-government training, conducted for stakeholders and federal, state, local, and tribal government employees, is transferred to the Department of Personnel.

3. FTE Reduction - Agency staffing is reduced to accommodate the agency's co-location at the beginning of the 2003-05 biennium with the Commission on Asian Pacific American Affairs, the Commission on African American Affairs, the Commission on Hispanic Affairs, and the Citizens' Commission on Salaries for Elected Officials.

4. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
Asian-Pacific-American Affrs
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	2.7	441	441
2003-05 Carryforward Level	2.3	407	407
2003-05 Maintenance Level	2.3	423	423
Policy Changes:			
1. General Inflation	0.0	-4	-4
2. Asian/Pacific-American Issues	-0.5	-39	-39
3. Revolving Funds	0.0	4	4
Total Policy Changes	-0.5	-39	-39
Total 2003-05 Biennium	1.8	384	384
Difference from 2001-03	-0.9	-57	-57
% Change from 2001-03	-33.3%	-12.9%	-12.9%

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. Asian/Pacific-American Issues - In order to increase administrative efficiency, the Governor's Office of Indian Affairs is to co-locate with the Commission on Asian Pacific American Affairs, the Commission on African American Affairs, the Commission on Hispanic Affairs, and the Citizens' Commission on Salaries for Elected Officials. Administrative and salary savings are assumed due to shared administrative functions and fixed costs.

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
Office of the State Treasurer
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	74.5	0	13,190
2003-05 Carryforward Level	74.5	0	13,160
2003-05 Maintenance Level	74.5	0	13,799
Policy Changes:			
1. General Inflation	0.0	0	-48
2. Revolving Funds	0.0	0	-30
3. Staff Reduc. & Oper. Efficiencies	-2.4	0	-506
Total Policy Changes	-2.4	0	-584
Total 2003-05 Biennium	72.2	0	13,215
Difference from 2001-03	-2.3	0	25
% Change from 2001-03	-2.7%	0.0%	0.2%

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. (State Treasurer's Service Account-State)

2. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (State Treasurer's Service Account-State)

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (State Treasurer's Service Account-State)

2003-05 Omnibus Operating Budget
Office of the State Auditor
(Dollars in Thousands)

	FTEs	Passed House		Total
		GF-S		
2001-03 Estimated Expenditures	315.2	1,990		44,332
2003-05 Carryforward Level	310.7	1,823		43,645
2003-05 Maintenance Level	310.7	1,831		47,356
Policy Changes:				
1. General Inflation	0.0	-2		-185
2. Sunset Life Building	0.0	0		1,187
3. SAO Network Security	0.0	0		80
4. SHB 1053 (Govt Accountability)	2.6	1,200		1,200
5. Staff Reduc. & Oper. Efficiencies	-27.4	-416		-3,043
Total Policy Changes	-24.8	782		-761
Total 2003-05 Biennium	285.9	2,613		46,595
Difference from 2001-03	-29.3	623		2,263
% Change from 2001-03	-9.2%	31.3%		5.1%

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. (General Fund-State, Municipal Revolving Account-State, Auditing Services Revolving Account-State)

2. Sunset Life Building - The State Auditor's Office will move staff out of the Department of General Administration's building and the Department of Social and Health Services' offices to the Sunset Life Building when the Treasurer's Office moves back to the Legislative Building upon completion of the Capitol Campus improvement project. Funding is provided for tenant improvements, equipment, and increased rent. (Municipal Revolving Account-State, Auditing Services Revolving Account-State)

3. SAO Network Security - Funding is provided for updates to internal security in order to authenticate auditors accessing of the State Auditor's network from field offices throughout the state. (Municipal Revolving Account-Non-Appropriated, Auditing Services Revolving Account-State)

4. SHB 1053 (Govt Accountability) - Funding is provided pursuant to House Bill 1053 (government accountability) to develop a plan for phasing in recurring performance audits of state and local government systems and operations. The State Auditor will develop a plan to phase in recurring performance audits of state and local government systems and operations by May 30, 2004, and will perform three audits of state government during the 2003-05 biennium.

5. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, Municipal Revolving Account-Non-Appropriated, Auditing Services Revolving Account-State)

2003-05 Omnibus Operating Budget
Comm Salaries for Elected Officials
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.9	231	231
2003-05 Carryforward Level	0.9	224	224
2003-05 Maintenance Level	1.2	232	232
Policy Changes:			
1. General Inflation	0.0	-2	-2
2. Revolving Funds	0.0	4	4
Total Policy Changes	0.0	2	2
Total 2003-05 Biennium	1.2	234	234
Difference from 2001-03	0.3	3	3
% Change from 2001-03	0.0%	1.3%	1.3%

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. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
Office of the Attorney General
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1,097.8	12,187	174,659
2003-05 Carryforward Level	1,096.3	9,639	174,330
2003-05 Maintenance Level	1,145.6	9,854	184,716
Policy Changes:			
1. General Inflation	0.0	-56	-1,023
2. Executive Ethics Board	0.0	-697	0
3. Homicide Investigation Tracking Sys	-1.5	-539	-449
4. Legal Services to State Agencies	9.1	0	2,660
5. Division Relocation	0.0	0	403
6. Revolving Funds	0.0	0	26
7. Staff Reduc. & Oper. Efficiencies	-69.3	-340	-3,754
8. Self-Insurance Premiums	0.0	0	674
Total Policy Changes	-61.7	-1,632	-1,463
Total 2003-05 Biennium	1,084.0	8,222	183,253
Difference from 2001-03	-13.8	-3,965	8,594
% Change from 2001-03	-1.3%	-32.5%	4.9%

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. (General Fund-State, General Fund-Federal, New Motor Vehicle Arbitration Account-State, Legal Services Revolving Account-State, Anti-Trust Revolving Account-Non-Appropriated)

2. Executive Ethics Board - Funding for the Executive Ethics Board is shifted from the state general fund to the Legal Services Revolving Account. (General Fund-State, Legal Services Revolving Account-State)

3. Homicide Investigation Tracking Sys - The Supervised Management and Recidivism Tracking (SMART) System, which is part of the Homicide Investigation Tracking System (HITS), is eliminated. The state general fund portion of HITS funding is shifted to the Public Safety and Education Account. (General Fund-State, Public Safety and Education Account-State)

4. Legal Services to State Agencies - Funding is provided for additional legal assistance to the Department of Social and Health Services. In addition, funding is provided for the culvert case, which is anticipated to go to trial in December 2003. Agencies involved in the case include the Departments of Transportation, Natural Resources, Fish and Wildlife, Ecology and the Washington State Parks and Recreation Commission. Funding is also provided for legal expenses, including attorney time and expert witnesses, related to defending the state's statutorily mandated blanket primary system. The case is currently pending in the Ninth Circuit Court of Appeals and has a potential for filing in the U.S. Supreme Court. (Legal Services Revolving Account-State)

5. Division Relocation - Funding is provided for two divisions of the Office of the Attorney General to relocate during the 2003-05 biennium. The Torts Division is presently located in a building with health and safety problems. The Revenue Division has been sharing office space with the Department of Revenue. (Legal Services Revolving Account-State)

6. Revolving Funds - Funding levels for services provided by other state agencies are adjusted to reflect what those agencies are expected to bill for their services. (Legal Services Revolving Account-State)

2003-05 Omnibus Operating Budget
Office of the Attorney General

7. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal, Public Safety and Education Account-State, New Motor Vehicle Arbitration Account-State, Legal Services Revolving Account-State)

8. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (Legal Services Revolving Account-State)

2003-05 Omnibus Operating Budget
Caseload Forecast Council
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	7.0	1,257	1,257
2003-05 Carryforward Level	7.0	1,234	1,234
2003-05 Maintenance Level	7.0	1,279	1,279
Policy Changes:			
1. General Inflation	0.0	-4	-4
2. Revolving Funds	0.0	4	4
Total Policy Changes	0.0	0	0
Total 2003-05 Biennium	7.0	1,279	1,279
Difference from 2001-03	0.0	22	22
% Change from 2001-03	0.0%	1.8%	1.8%

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. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
Dept of Financial Institutions
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	140.3	0	24,392
2003-05 Carryforward Level	139.3	0	23,971
2003-05 Maintenance Level	139.3	0	24,387
Policy Changes:			
1. General Inflation	0.0	0	-70
2. Non-Appropriated Fund Adjustment	0.0	0	168
3. Securities Violations (SHB 1219)	0.1	0	161
4. Workforce Planning	0.0	0	505
5. Space Request	0.0	0	682
6. IT Security & Software Licensing	0.0	0	150
7. Escrow Regulation & Enforcement	2.1	0	412
8. Money Transmitters	6.2	0	884
9. Examination Enhancement	0.0	0	110
10. STAR Application Development	0.0	0	658
11. IA Integrity & Consumer Protection	5.7	0	1,178
12. Revolving Funds	0.0	0	-20
13. Staff Reduc. & Oper. Efficiencies	-4.0	0	-218
Total Policy Changes	10.1	0	4,600
Total 2003-05 Biennium	149.4	0	28,987
Difference from 2001-03	9.1	0	4,595
% Change from 2001-03	6.4%	0.0%	18.8%

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. (Financial Services Regulation Account-Non-Appropriated)

2. Non-Appropriated Fund Adjustment - Increased allotment authority is provided to continue and enhance e-banking and information systems credit union examinations. Demand for these exams, instituted during the 2001-03 biennium, is greater than was originally estimated. (Financial Services Regulation Account-Non-Appropriated)

3. Securities Violations (SHB 1219) - Increased allotment authority is provided for the implementation of Substitute House Bill 1219 (securities violations). (Securities Prosecution Account-Non-Appropriated)

4. Workforce Planning - Increased allotment authority is provided to implement the compensation and class series packages approved by the Personnel Resources Board, which merged two of the Department's unique job classes into a revised Financial Examiner class series and created a new Financial Legal Examiner series. (Financial Services Regulation Account-Non-Appropriated)

5. Space Request - The Department's allotment authority is increased to cover the incremental costs of newly leased office space. (Financial Services Regulation Account-Non-Appropriated)

6. IT Security & Software Licensing - \$97,000 in increased allotment authority is provided for the Department's share of the Department of Information Services' new Microsoft Software Assurance Agreement annual fee for software use and upgrades. \$53,000 in increased allotment authority is provided to strengthen network security so that more data and services can be made available over the Internet. (Financial Services Regulation Account-Non-Appropriated)

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Dept of Financial Institutions

7. Escrow Regulation & Enforcement - Substitute House Bill 1339 (escrow regulation) provides additional resources for the regulation of escrow agents and escrow officers. This program has experienced many embezzlements over the last four years. The department will perform additional examinations of the records of escrow agencies, conduct additional enforcement, and evaluate quarterly trust account reporting. (Financial Services Regulation Account-Non-Appropriated)

8. Money Transmitters - Substitute House Bill 1455 (money transmitters) provides for the regulation and licensing of money transmitters and currency exchangers. Approximately 30 states currently regulate this activity, but Washington does not. The federal government requires registration of money service businesses, but does not regulate their activities. The purpose of the bill is to provide consumer protection and to prevent these businesses from being used for criminal purposes, such as money laundering. (Financial Services Regulation Account-Non-Appropriated)

9. Examination Enhancement - An allotment increase is provided for additional personal service contracts to conduct fraud investigations and to receive legal advice on complex consumer protection laws. Funding for such contracts was originally approved in the 2001-03 biennium upon advice of the State Auditor and is increased due to a growing need for specialized services in fraud investigation and legal advice on consumer protection laws. (Financial Services Regulation Account-Non-Appropriated)

10. STAR Application Development - Increased allotment authority is provided to develop the next phase of the Department's integrated relational database system (STAR). To date, registration, licensing and enforcement modules have been completed. This phase will add an imaging and document management system, increased electronic filing capabilities, enhancements to the existing modules, and ongoing maintenance. (Financial Services Regulation Account-Non-Appropriated)

11. IA Integrity & Consumer Protection - Increased allotment authority is provided to change the investment adviser examination cycle from 7 years to 3 years, raise pre-emptive regulatory standards, and allow for prompt corrective action for violations. This will align the regulatory program with national accreditation standards. Reducing the examination cycle requires three additional financial examiners and prompt enforcement action requires two additional attorneys. (Financial Services Regulation Account-Non-Appropriated)

12. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Financial Services Regulation Account-Non-Appropriated)

13. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Financial Services Regulation Account-Non-Appropriated)

2003-05 Omnibus Operating Budget
Dept Community, Trade, Econ Dev
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	325.6	131,799	355,537
2003-05 Carryforward Level	317.9	123,003	351,728
2003-05 Maintenance Level	320.7	123,003	378,916
Policy Changes:			
1. Community Services Block Grant	0.0	120	120
2. Washington Manufacturing Service	0.0	400	400
3. General Inflation	0.0	-174	-375
4. Intl Trade Small Business Asst	0.0	-380	-380
5. Financial Assistance to Business	-0.2	-49	-49
6. Housing Trust Fund Fees	0.0	0	1,212
7. Housing Trust Fund Admin	0.0	-1,638	0
8. Distr of Funds for Local Purposes	-0.5	-82	-82
9. Transfer Civil Legal Services	0.0	-1,679	-9,261
10. Shift CASA/GAL Funding	0.0	-409	0
11. Developmentally Disabled Endow Fund	0.0	-471	0
12. Industries of the Future	0.0	250	250
13. Reduce Comm Devlt Finance Staff	-0.5	-70	-70
14. ESSB 5586 (lead-based paint)	0.0	0	806
15. E2SHB 1338 (Municipal Water Rights)	0.0	75	75
16. Industrial Development	0.0	4,000	4,000
17. International Trade Alliance	0.0	100	100
18. Reduce Revolving Loan Staff	-0.8	-100	-100
19. Business Retention and Expansion	0.0	300	300
20. Revolving Funds	0.0	-32	-56
21. Staff Reduc. & Oper. Efficiencies	-12.4	-672	-920
Total Policy Changes	-14.4	-511	-4,030
Total 2003-05 Biennium	306.4	122,492	374,886
Difference from 2001-03	-19.2	-9,307	19,349
% Change from 2001-03	-6.1%	-7.1%	5.4%

Comments:

1. Community Services Block Grant - Funding is provided to the Community Services Block Grant program for pass through to community action agencies.

2. Washington Manufacturing Service - Funding is provided for the Washington Manufacturing Service to provide technical guidance to Washington-based manufacturers to enhance their competitiveness in the global market place.

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. (General Fund-State, various other funds)

4. Intl Trade Small Business Asst - Funding is reduced for local export development in Bellingham and Spokane and to the Center for International Trade in Forest Products (CINTRAFOR).

5. Financial Assistance to Business - The administrative portion of funding for the Child Care Advantages and Facility Fund is eliminated.

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Dept Community, Trade, Econ Dev**

- 6. Housing Trust Fund Fees** - The authority to spend the Housing Trust Fund Loan Origination Fee is shifted from the General Fund-Local Account to the Community and Economic Development Fee Account. Spending authority is provided for a new Housing Trust Fund Monitoring and Inspection Fee to be deposited into the Community and Economic Development Fee Account. (General Fund-Local, Community and Economic Development Fee Account-State)
- 7. Housing Trust Fund Admin** - Authority to spend administrative fees is moved from the general fund to the Housing Trust Fund. (General Fund-State, Washington Housing Trust Account-State)
- 8. Distr of Funds for Local Purposes** - Funding for administrative purposes is reduced pursuant to Substitute Senate Bill 5780 (Municipal Criminal Justice Account). The bill creates efficiencies by standardizing the distribution of Municipal Criminal Justice Assistance Account funds to counties and cities.
- 9. Transfer Civil Legal Services** - Pursuant to House Bill 2150 (civil legal services), funding for the contract to provide civil indigent legal defense services is transferred from the Department of Community, Trade, and Economic Development to the Office of the Administrator for the Courts. (General Fund-State, Public Safety and Education Account-State, Violence Reduction and Drug Enforcement Account-State)
- 10. Shift CASA/GAL Funding** - Funding for the court appointed special advocates/guardian ad litem program is shifted from the state general fund to the Public Safety and Education Account. (General Fund-State, Public Safety and Education Account-State)
- 11. Developmentally Disabled Endow Fund** - The Developmental Disabilities Endowment Fund offers special needs trusts to persons with developmental disabilities to enhance the quality of their lives. Fees are sufficient to fund administrative costs of the program. Funding is shifted from the General Fund-Local Account to the Community and Economic Development Fee Account. (General Fund-Local, Community and Economic Development Fee Account-State)
- 12. Industries of the Future** - Funding is provided to develop a research program in bioinformatics as part of the Industries of the Future strategy of economic development. The Industries of the Future strategy is designed to establish Washington as a leader in emerging, strategic industries in which we already have a significant competitive advantage.
- 13. Reduce Comm Devlt Finance Staff** - FTEs and funding for the community development finance program are reduced.
- 14. ESSB 5586 (lead-based paint)** - Funding is provided pursuant to Engrossed Substitute Senate Bill 5586 (lead-based paint). The authority to spend the federal funds will allow CTED to enter and inspect premises or facilities where lead-based paint removal activities have occurred, or where those engaged in training for lead-based paint activities conduct business. Costs will also include sampling activities and reviewing records. (General Fund-Federal, Lead Paint Account-State)
- 15. E2SHB 1338 (Municipal Water Rights)** - Funding is provided pursuant to Engrossed Second Substitute House Bill 1338 (Municipal Water Rights) for the Department of Community, Trade and Economic Development to work with the Department of Health in approving water system plans for public water systems and to ensure that water service provided for new industrial, commercial, or residential uses is consistent with the comprehensive plans and development regulations adopted under the Growth Management Act.
- 16. Industrial Development** - Funding is provided for the Port of Columbia to purchase food processing equipment for use by one or more private entities.
- 17. International Trade Alliance** - Funding is provided for a contract with the International Trade Alliance of Spokane to expand the sales and international trade capacity of companies in Eastern Washington.
- 18. Reduce Revolving Loan Staff** - FTEs and funding for the administration of revolving loans are reduced.

2003-05 Omnibus Operating Budget
Dept Community, Trade, Econ Dev

19. Business Retention and Expansion - Funding is provided for additional business retention and expansion activities throughout the state.

20. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, various other funds)

21. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

2003-05 Omnibus Operating Budget
Economic & Revenue Forecast Council
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	5.2	1,029	1,029
2003-05 Carryforward Level	5.2	1,010	1,010
2003-05 Maintenance Level	5.2	1,039	1,039
Policy Changes:			
1. General Inflation	0.0	-4	-4
2. Revolving Funds	0.0	2	2
Total Policy Changes	0.0	-2	-2
Total 2003-05 Biennium	5.2	1,037	1,037
Difference from 2001-03	0.0	8	8
% Change from 2001-03	0.0%	0.8%	0.8%

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. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
Office of Financial Management
(Dollars in Thousands)

	FTEs	Passed House	
		GF-S	Total
2001-03 Estimated Expenditures	235.7	25,599	71,602
2003-05 Carryforward Level	257.0	25,102	74,480
2003-05 Maintenance Level	257.0	27,004	76,533
Policy Changes:			
1. General Inflation	0.0	-107	-197
2. Accting Svcs for Other Agencies	0.0	-43	-43
3. K-12 Finance	2.5	1,200	1,200
4. SHB 1550 (Reg Asst Office)	1.0	100	100
5. 2SSB 5694 (Integrated Permit Syst)	0.0	249	249
6. Revolving Funds	0.0	-320	-330
7. Staff Reduc. & Oper. Efficiencies	-7.3	-648	-664
Total Policy Changes	-3.8	431	315
Total 2003-05 Biennium	253.3	27,435	76,848
Difference from 2001-03	17.6	1,836	5,246
% Change from 2001-03	7.2%	7.2%	7.3%

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. (General Fund-State, General Fund-Federal, Data Processing Revolving Account-Nonappropriated)

2. Accting Svcs for Other Agencies - The Small Agency Client Services' rate increase included in maintenance level reduces the need for General Fund-State funding.

3. K-12 Finance - Funding is provided for a comprehensive study of the Washington education finance system, including examination of alternative teacher compensation models.

4. SHB 1550 (Reg Asst Office) - Funding is provided pursuant to Substitute House Bill 1550 (regulatory assistance office) to develop a web site containing information on regulatory requirements for businesses and citizens in Washington state.

5. 2SSB 5694 (Integrated Permit Syst) - Funding is provided pursuant to Second Substitute Senate Bill 5694 (Integrated Permit System). The bill requires the Office of Permit Assistance (OPA) to develop and adopt an integrated permit system and guidance document to support all regulatory decision making.

6. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, Data Processing Revolving Account-Non-Appropriated)

7. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, Violence Reduction and Drug Enforcement Account-State)

2003-05 Omnibus Operating Budget
Office of Administrative Hearings
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	137.7	0	22,864
2003-05 Carryforward Level	135.7	0	22,562
2003-05 Maintenance Level	147.7	0	25,033
Policy Changes:			
1. General Inflation	0.0	0	-120
2. Revolving Funds	0.0	0	-12
3. Staff Reduc. & Oper. Efficiencies	-3.7	0	-184
4. Self-Insurance Premiums	0.0	0	61
Total Policy Changes	-3.7	0	-255
Total 2003-05 Biennium	144.0	0	24,778
Difference from 2001-03	6.3	0	1,914
% Change from 2001-03	4.3%	0.0%	8.4%

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. (Administrative Hearings Revolving Account-State)

2. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Administrative Hearings Revolving Account-State)

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Administrative Hearings Revolving Account-State)

4. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (Administrative Hearings Revolving Account-State)

2003-05 Omnibus Operating Budget
Department of Personnel
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	216.9	0	33,347
2003-05 Carryforward Level	212.4	0	43,452
2003-05 Maintenance Level	207.6	0	32,841
Policy Changes:			
1. General Inflation	0.0	0	-328
2. Governor's Internship Program	-1.2	0	-165
3. Human Resource Info Systems	1.3	0	8,947
4. Revolving Funds	0.0	0	-174
5. Staff Reduc. & Oper. Efficiencies	-6.9	0	-385
Total Policy Changes	-6.9	0	7,895
Total 2003-05 Biennium	200.8	0	40,736
Difference from 2001-03	-16.1	0	7,389
% Change from 2001-03	-7.4%	0.0%	22.2%

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. (Department of Personnel Services Account-State, Data Processing Revolving Account-Non Appropriated)

2. Governor's Internship Program - The Governor's Internship Program is eliminated. (Department of Personnel Service Account-State)

3. Human Resource Info Systems - Funding is provided to begin the replacement of the state payroll and personnel computer systems. (Department of Personnel Service Account-State, Department of Personnel Data Processing Revolving Fund-Non-Appropriated)

4. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Department of Personnel Services Account-State, Department of Personnel Revolving Account-Non-Appropriated)

5. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, benefits, and other operating efficiencies. (Department of Personnel Services Account-State, Department of Personnel Revolving Account-Non-Appropriated, Higher Education Personnel Services Account-State)

2003-05 Omnibus Operating Budget
State Lottery Commission
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	148.8	0	812,814
2003-05 Carryforward Level	146.5	0	895,963
2003-05 Maintenance Level	146.5	0	707,899
Policy Changes:			
1. General Inflation	0.0	0	-2,248
2. Information Services	1.0	0	158
3. Legal Services	0.0	0	50
4. Implement Quick Draw Keno	30.8	0	112,253
5. Mega Millions Implementation	4.5	0	430
6. Revolving Funds	0.0	0	-52
7. Staff Reduc. & Oper. Efficiencies	-6.7	0	-336
Total Policy Changes	29.6	0	110,255
Total 2003-05 Biennium	176.1	0	818,154
Difference from 2001-03	27.3	0	5,340
% Change from 2001-03	18.1%	0.0%	0.7%

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. (State Lottery Account-Non-Appropriated, Lottery Administrative Account-State)

2. Information Services - Funding is provided for a computer security specialist to enhance the protection of Lottery assets from unauthorized access, destruction, or tampering. This position will conduct additional comprehensive security reviews, evaluations, and systems analysis to ensure the security of Lottery information technology operations. (Lottery Administrative Account-State)

3. Legal Services - Funding is provided for legal services for the procurement of the Commission's online electronic gaming vendor contract and for online electronic gaming acceptance testing. The next online vendor contract is expected to cost in excess of \$10 million per year, with a six-to-ten year contract commitment. (Lottery Administrative Account-State)

4. Implement Quick Draw Keno - Increased appropriation and allotment authority are provided to implement Quick Draw Keno, which will replace the Lottery's existing Daily Keno game. Cost estimates are based on a Quick Draw Keno debut date of January 2004. (Lottery Administrative Account-State, State Lottery Account-Non-Appropriated)

5. Mega Millions Implementation - Funding is provided for one financial analyst, one programmer, one district sales representative, one part-time customer service specialist, and one security investigator as a result of the Mega Millions multi-jurisdictional lottery game. (Lottery Administrative Account-State)

6. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Lottery Administrative Account-State)

7. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Lottery Administrative Account-State)

2003-05 Omnibus Operating Budget
Washington State Gambling Comm
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	196.7	0	29,353
2003-05 Carryforward Level	196.3	0	30,030
2003-05 Maintenance Level	188.2	0	29,112
Policy Changes:			
1. General Inflation	0.0	0	-126
2. Self-Insurance Premiums, Experience	0.0	0	168
3. Revolving Funds	0.0	0	-6
4. Staff Reduc. & Oper. Efficiencies	-10.2	0	-1,880
Total Policy Changes	-10.2	0	-1,844
Total 2003-05 Biennium	178.0	0	27,268
Difference from 2001-03	-18.7	0	-2,085
% Change from 2001-03	-9.6%	0.0%	-7.1%

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. (Gambling Revolving Account-Non-Appropriated)

2. Self-Insurance Premiums, Experience - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (Gambling Revolving Account-Non-Appropriated)

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Gambling Revolving Account-Non-Appropriated)

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Gambling Revolving Account-Non-Appropriated)

2003-05 Omnibus Operating Budget
WA State Comm on Hispanic Affairs
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	2.8	444	444
2003-05 Carryforward Level	2.3	413	413
2003-05 Maintenance Level	2.3	439	439
Policy Changes:			
1. General Inflation	0.0	-4	-4
2. Coordinate Hispanic Comm Issues	-0.5	-35	-35
3. Revolving Funds	0.0	2	2
Total Policy Changes	-0.5	-37	-37
Total 2003-05 Biennium	1.8	402	402
Difference from 2001-03	-1.0	-42	-42
% Change from 2001-03	-33.3%	-9.5%	-9.5%

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. Coordinate Hispanic Comm Issues - In order to increase administrative efficiency, the Governor's Office of Indian Affairs is to co-locate with the Commission on Asian Pacific American Affairs, the Commission on African American Affairs, the Commission on Hispanic Affairs, and the Citizens' Commission on Salaries for Elected Officials. Administrative and salary savings are assumed due to shared administrative functions and fixed costs.

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
African-American Affairs Comm
(Dollars in Thousands)

	FTEs	Passed House		Total
			GF-S	
2001-03 Estimated Expenditures	2.7		425	425
2003-05 Carryforward Level	2.3		418	418
2003-05 Maintenance Level	2.3		447	447
Policy Changes:				
1. General Inflation	0.0		-3	-3
2. Coordinate African-American Issues	-0.5		-53	-53
3. Revolving Funds	0.0		2	2
Total Policy Changes	-0.5		-54	-54
Total 2003-05 Biennium	1.8		393	393
Difference from 2001-03	-0.9		-32	-32
% Change from 2001-03	-33.3%		-7.5%	-7.5%

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. Coordinate African-American Issues - In order to increase administrative efficiency, the Governor's Office of Indian Affairs is to co-locate with the Commission on Asian Pacific American Affairs, the Commission on African American Affairs, the Commission on Hispanic Affairs, and the Citizens' Commission on Salaries for Elected Officials. Administrative and salary savings are assumed due to shared administrative functions and fixed costs.

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
Personnel Appeals Board
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	11.0	0	1,738
2003-05 Carryforward Level	11.0	0	1,708
2003-05 Maintenance Level	11.0	0	1,737
Policy Changes:			
1. General Inflation	0.0	0	-6
2. Revolving Funds	0.0	0	4
3. Staff Reduc. & Oper. Efficiencies	-0.1	0	-6
Total Policy Changes	-0.1	0	-8
Total 2003-05 Biennium	11.0	0	1,729
Difference from 2001-03	0.0	0	-9
% Change from 2001-03	0.0%	0.0%	-0.5%

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. (Department of Personnel Service Account-State)

2. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Department of Personnel Services Account-State)

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Department of Personnel Services Account-State)

2003-05 Omnibus Operating Budget
Department of Retirement Systems
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	296.0	0	54,111
2003-05 Carryforward Level	274.6	0	45,046
2003-05 Maintenance Level	274.6	0	45,886
Policy Changes:			
1. General Inflation	0.0	0	-318
2. Unreduced Duty Death Survivor Ben.	0.0	0	31
3. LEOFF 2 Board Services	0.0	0	1,676
4. PERS 1 Early Retirement Incentive	0.0	0	358
5. EMT Service Credit Transfer	0.0	0	125
6. Substitute Employee Service Credit	0.0	0	124
7. Fallen Hero Survivor Benefits	0.0	0	77
8. Retire-Rehire Oversight	0.0	0	582
9. Complete Imaging of Member Files	0.0	0	1,678
10. Essential Maintenance of EDIMS	0.0	0	405
11. Plan 3 Contributions	0.0	0	21
12. Death Benefit for Public Employees	0.0	0	30
13. Revolving Funds	0.0	0	-204
14. Staff Reduc. & Oper. Efficiencies	-9.6	0	-541
Total Policy Changes	-9.6	0	4,044
Total 2003-05 Biennium	265.0	0	49,930
Difference from 2001-03	-31.0	0	-4,181
% Change from 2001-03	-10.5%	0.0%	-7.7%

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. (Dependent Care Administrative Account-State, Department of Retirement Expense Account-State)

2. Unreduced Duty Death Survivor Ben. - Funding is provided for the administrative costs associated with paying unreduced survivor benefits for members of the Public Employees', School Employees', and Teachers' Retirement Systems who were killed on the job. This appropriation is contingent upon the enactment of House Bill 1519 (unreduced survivor benefits). (Department of Retirement Systems Expense Fund-State)

3. LEOFF 2 Board Services - Funding is provided for additional duties associated with the Law Enforcement Officers' and Fire Fighters' Plan 2 (LEOFF 2) Board created by Initiative 790. The expenses of the Department of Retirement Systems will be reimbursed by the LEOFF 2 Board. (Department of Retirement Systems Expense Account-State)

4. PERS 1 Early Retirement Incentive - Funding is provided for administrative costs associated with the enhanced retirement opportunity provided by House Bill 2180 (PERS early retirement). The bill provides for Public Employees' Retirement System Plan 1 members to withdraw all or part of their employee contributions when they retire and receive a reduced allowance, and to also receive an additional \$200 per month for the first two years after they retire. (Department of Retirement Systems Expense Account-State)

2003-05 Omnibus Operating Budget
Department of Retirement Systems

5. EMT Service Credit Transfer - Funding is provided for administrative costs associated with the opportunity provided by House Bill 1202 (fire fighters' retirement). The bill provides for Emergency Medical Technicians to transfer service credit earned in the Public Employees' Retirement System into the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2. (Department of Retirement Systems Expense Account-State)

6. Substitute Employee Service Credit - Funding is provided for administrative costs of providing the optional purchase of service credit by substitute employees in the School Employees' Retirement System after the end of each school year as required by House Bill 1203 (school employees' retirement). (Department of Retirement Expense Account-State)

7. Fallen Hero Survivor Benefits - Funding is provided for administrative costs associated with removing the actuarial reduction for survivor benefits paid on behalf of public safety officers killed in the line of duty, in compliance with the federal Fallen Hero Survivor Benefit Fairness Act of 2001. (Department of Retirement Expense Account-State)

8. Retire-Rehire Oversight - Funding is provided for administrative costs associated with new oversight responsibilities related to the hiring of retired members of the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. (Department of Retirement Systems Expense Account-State)

9. Complete Imaging of Member Files - Funding is provided to complete the conversion of member files to electronic images for the agency's Electronic Document Image Management System (EDIMS). At the beginning of FY2004, the Department of Retirement Systems estimates that one-third of the files will remain non-imaged. (Department of Retirement Systems Expense Account-State)

10. Essential Maintenance of EDIMS - Funding is provided for the ongoing maintenance of the Electronic Document Image Management System (EDIMS). These funds will cover maintenance fee increases, the replacement of computer hardware, and software upgrades. (Department of Retirement Systems Expense Account-State)

11. Plan 3 Contributions - Funding is provided for administrative costs associated with provision of additional contribution options in Plan 3 of the Public Employees', Teachers', and School Employees' Retirement System under House Bill 1206 (retirement contributions for Plan 3). (Department of Retirement Expense Account-State)

12. Death Benefit for Public Employees - Funding is provided for administrative costs associated with paying a \$150,000 lump-sum death benefit for members of the Public Employees', School Employees', and Teachers' Retirement Systems under House Bill 1207 (public employee death benefits). (Department of Retirement Systems Expense Fund-State)

13. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Dependent Care Administrative Account-State, Department of Retirement Systems Expense Account-State, Deferred Compensation Administrative Account-Non Appropriated)

14. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Dependent Care Administrative Account-State, Department of Retirement Systems Expense Account-State, Deferred Compensation Administrative Account-Non Appropriated)

2003-05 Omnibus Operating Budget
State Investment Board
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	61.6	0	13,678
2003-05 Carryforward Level	61.6	0	13,181
2003-05 Maintenance Level	61.6	0	13,337
Policy Changes:			
1. General Inflation	0.0	0	-41
2. Investment Activities	0.0	0	150
3. Investment Consultant for Fircrest	0.0	100	100
4. Revolving Funds	0.0	0	-18
5. Staff Reduc. & Oper. Efficiencies	-1.0	0	-108
Total Policy Changes	-1.0	100	83
Total 2003-05 Biennium	60.6	100	13,420
Difference from 2001-03	-1.0	100	-258
% Change from 2001-03	-1.6%	0.0%	-1.9%

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. (State Investment Board Expense Account-State)

2. Investment Activities - Funding is provided for the State Investment Board (SIB) to hire a consultant to develop a plan with the securities industry and the Department of Information Services to allow SIB to implement the settlement of transactions within the same day for a security trade which is called straight-through-processing. The cost of the consultant will be \$150,000. (State Investment Board Expense Account-State)

3. Investment Consultant for Fircrest - Funding is provided for a contract with a real estate investment consultant to prepare options and recommended investment strategies for surplus property at the five state residential habilitation centers to be deposited into an account to support services for developmentally disabled clients. In developing recommended strategies for the Fircrest School property, the contractor shall identify the investment strategy that will produce the greatest long-term investment return on the property without sale of the land.

4. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (State Investment Board Expense Account-State)

5. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (State Investment Board Expense Account-State)

2003-05 Omnibus Operating Budget
Department of Revenue
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	999.2	153,458	163,854
2003-05 Carryforward Level	1,033.9	156,515	166,893
2003-05 Maintenance Level	1,036.5	160,114	171,329
Policy Changes:			
1. Revenue Enforcement Enhancement	61.0	6,180	6,180
2. B&O Tax Uniformity (EHB 2030)	0.6	104	104
3. Implementing the SSTA	1.7	303	303
4. Revolving Funds	0.0	-164	-168
5. Staff Reduc. & Oper. Efficiencies	-33.9	-1,566	-1,618
6. Self-Insurance Premiums	0.0	154	154
Total Policy Changes	29.5	5,011	4,955
Total 2003-05 Biennium	1,065.9	165,125	176,284
Difference from 2001-03	66.7	11,667	12,430
% Change from 2001-03	6.7%	7.6%	7.6%

Comments:

1. Revenue Enforcement Enhancement - \$6.18 million is provided for the Department for additional revenue enforcement efforts. Strategies may include, but are not limited to, additional taxpayer education, audit activity, tax discovery efforts, and delinquent account collections. Positions funded include auditors, revenue agents, excise tax examiners, one hearings examiner and one field audit manager. This investment is expected to produce \$32.0 million in revenue for the state general fund in the 2003-05 biennium.

2. B&O Tax Uniformity (EHB 2030) - Funding is provided for Engrossed House Bill 2030 (B&O tax uniformity) to study the net fiscal impacts of the act as specified in the bill.

3. Implementing the SSTA - Funding is provided for House Bill 1863 (streamlined sales and use tax agreement) to perform a study on sourcing issues, to assist taxpayers with new definitions and tax liability, and to amend rules pursuant to the agreement.

4. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, Timber Tax Distribution Account-State)

5. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, Timber Tax Distribution Account-State)

6. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

2003-05 Omnibus Operating Budget
Board of Tax Appeals
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	11.0	2,238	2,238
2003-05 Carryforward Level	11.0	2,166	2,166
2003-05 Maintenance Level	11.0	2,205	2,205
Policy Changes:			
1. General Inflation	0.0	-12	-12
2. Revolving Funds	0.0	4	4
3. Staff Reduc. & Oper. Efficiencies	-1.1	-64	-64
Total Policy Changes	-1.1	-72	-72
Total 2003-05 Biennium	10.0	2,133	2,133
Difference from 2001-03	-1.0	-105	-105
% Change from 2001-03	-9.1%	-4.7%	-4.7%

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. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Municipal Research Council
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	0	4,575
2003-05 Carryforward Level	0.0	0	4,511
2003-05 Maintenance Level	0.0	0	4,621
Total 2003-05 Biennium	0.0	0	4,621
Difference from 2001-03	0.0	0	46
% Change from 2001-03	0.0%	0.0%	1.0%

Comments:

2003-05 Omnibus Operating Budget
Minority & Women's Business Enterp
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	20.0	0	2,670
2003-05 Carryforward Level	20.0	0	2,664
2003-05 Maintenance Level	20.0	0	2,517
Policy Changes:			
1. General Inflation	0.0	0	-23
2. Adjust to Current Spending	-4.0	0	-500
Total Policy Changes	-4.0	0	-523
Total 2003-05 Biennium	16.0	0	1,994
Difference from 2001-03	-4.0	0	-676
% Change from 2001-03	-20.0%	0.0%	-25.3%

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. (Minority and Women's Business Enterprises Account-State)

2. Adjust to Current Spending - The Office's overall spending authority is reduced by \$500,000. The Office shall use its managerial discretion to reduce spending in areas that will have the least impact on client services. Revolving fund charges to state agencies may not exceed \$1,282,000. The Office is encouraged to become less dependent on state agency funding by adjusting its fees to a more meaningful level and soliciting grants from outside sources. In addition, the Legislature will review the Office's structure and functions and recommend changes during the FY 2004 session. (Minority and Women's Business Enterprises Account-State)

2003-05 Omnibus Operating Budget
Dept of General Administration
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	603.2	1,256	130,222
2003-05 Carryforward Level	583.8	1,193	122,650
2003-05 Maintenance Level	583.8	1,202	131,188
Policy Changes:			
1. General Inflation	0.0	-2	-1,266
2. Campus Tours	0.0	-616	0
3. Commute Trip Reduction	0.0	0	0
4. Dist Surplus Food/Prop:TEFAP/CSFP	0.0	0	967
5. Parking Management	0.0	0	0
6. Revolving Funds	0.0	0	-54
7. Staff Reduc. & Oper. Efficiencies	-26.9	-112	-1,400
8. Self-Insurance Premiums	0.0	0	188
Total Policy Changes	-26.9	-730	-1,565
Total 2003-05 Biennium	556.9	472	129,623
Difference from 2001-03	-46.3	-784	-599
% Change from 2001-03	-7.6%	-62.4%	-0.5%

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. (General Fund-State, General Fund-Federal, General Administration Services Account-State, General Administration Services Account-Non-Appropriated)

2. Campus Tours - In the 2003-05 biennium, tours of the State Capitol will be funded through the Seat of Government charge instead of the state general fund. (General Fund-State, General Administration Services Account-State)

3. Commute Trip Reduction - In the 2001-03 biennium, campus parking fees funded the Commute Trip Reduction Program Coordinator and other program administrative expenses. Beginning in the 2003-05 biennium, the Seat of Government charge will fund this program. (State Capitol Vehicle Parking Account-State, General Administration Services Account-State)

4. Dist Surplus Food/Prop:TEFAP/CSFP - The U.S. Department of Agriculture established the Commodity Supplemental Food Program (CSFP) to provide food and administrative funds to meet the needs of a client base that was not being served by other federal programs. The client will receive a monthly food package targeted to meet the special nutritional needs of children and the elderly. (General Fund-Federal)

5. Parking Management - Funding for parking services will be funded entirely by parking revenues from state employees in the 2003-05 biennium. Parking fee revenue will be placed in the State Vehicle Parking Account to pay costs in support of parking facility operational maintenance, parking regulation and enforcement, and parking facility capital reinvestment costs. The parking revenues and expenditures will be budgeted as a non-appropriated, allotted line-of-business. (State Vehicle Parking Account-Non-Appropriated, General Administration Services Account-State)

6. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, General Administration Services Account-State, General Administration Services Account-Non-Appropriated)

2003-05 Omnibus Operating Budget
Dept of General Administration

7. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal, State Vehicle Parking Account-Non-Appropriated, General Administration Services Account-State, General Administration Services Account-Non-Appropriated)

8. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (General Administration Services Account-Non-Appropriated)

2003-05 Omnibus Operating Budget
Department of Information Services
(Dollars in Thousands)

	FTEs	Passed House		Total
		GF-S		
2001-03 Estimated Expenditures	428.1	0		207,456
2003-05 Carryforward Level	443.6	0		206,054
2003-05 Maintenance Level	443.6	0		209,287
Policy Changes:				
1. General Inflation	0.0	0		-2,764
2. Revolving Funds	0.0	0		-76
3. Staff Reduc. & Oper. Efficiencies	-14.1	0		-676
Total Policy Changes	-14.1	0		-3,516
Total 2003-05 Biennium	429.5	0		205,771
Difference from 2001-03	1.4	0		-1,685
% Change from 2001-03	0.5%	0.0%		-0.8%

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. (Data Processing Revolving Account-State, Data Processing Revolving Account-Non-Appropriated, Education Technology Revolving Account-Non-Appropriated)

2. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Data Processing Revolving Account-Nonappropriated)

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Data Processing Revolving Account-Nonappropriated)

2003-05 Omnibus Operating Budget
Office of Insurance Commissioner
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	181.1	0	31,127
2003-05 Carryforward Level	190.1	0	31,380
2003-05 Maintenance Level	190.1	0	31,526
Policy Changes:			
1. Automated Systems Examinations	1.0	0	212
2. Health Insurance Market Options	2.0	0	557
3. Market Conduct Examinations	3.0	0	544
4. Health Plan Provider Networks	1.2	0	195
5. Agent & Broker Licensing	2.0	0	221
6. Revolving Funds	0.0	0	388
Total Policy Changes	9.2	0	2,117
Total 2003-05 Biennium	199.3	0	33,643
Difference from 2001-03	18.2	0	2,516
% Change from 2001-03	9.9%	0.0%	8.1%

Comments:

1. Automated Systems Examinations - Funding is provided to establish an Automation Examination Specialist (AES) position. The AES is responsible for evaluating a company's internal data security procedures and for identifying the strengths and weaknesses of a company's computer systems. Establishing this position is an accreditation criteria of the National Association of Insurance Commissioners. (Insurance Commissioner's Regulatory Account-State)

2. Health Insurance Market Options - Funding is provided to complete a two-year project to develop options for health insurance reform for consideration during the 2004 Legislative session. The goal of the project is to stabilize the market, improve access to affordable health insurance, and reduce the rate of medical inflation. Expenditures will be for activities such as stakeholder communications; research activities, including computer modeling; and analysis of the economic impacts of study recommendations. (Insurance Commissioner's Regulatory Account-State)

3. Market Conduct Examinations - Funding is provided to establish an adequate staffing level to conduct statutorily mandated market conduct examinations for all domestic insurers and health carriers at least once every five years. (Insurance Commissioner's Regulatory Account-State)

4. Health Plan Provider Networks - Funding is provided to reprogram data systems to allow data sharing with the Department of Social and Health Services and the Health Care Authority. Funding is also provided to hire one analyst to provide ongoing analysis of whether health care plans have provider networks that meet legal requirements for size, composition, and location of providers. (Insurance Commissioner's Regulatory Account-State)

5. Agent & Broker Licensing - Funding is provided for additional staff to address increased licensing requirements and caseloads, as well as for an automation examination specialist. These positions will reduce the waiting period for licenses, appointments, and affiliations from 20 to 5 business days. (Insurance Commissioner's Regulatory Account-State)

6. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Insurance Commissioner's Regulatory Account-State)

2003-05 Omnibus Operating Budget
State Board of Accountancy
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	9.0	0	1,738
2003-05 Carryforward Level	8.3	0	1,610
2003-05 Maintenance Level	8.3	0	1,649
Policy Changes:			
1. General Inflation	0.0	0	-11
2. Public Accountancy Act (SHB 1211)	1.0	0	351
3. Revolving Funds	0.0	0	2
4. Staff Reduc. & Oper. Efficiencies	0.0	0	-6
Total Policy Changes	1.0	0	336
Total 2003-05 Biennium	9.3	0	1,985
Difference from 2001-03	0.3	0	247
% Change from 2001-03	0.0%	0.0%	14.2%

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. (Certified Public Accountants' Account-State)

2. Public Accountancy Act (SHB 1211) - Funding is provided to implement Substitute House Bill 1211 (public accountancy act). (Certified Public Accountants' Account-State)

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Certified Public Accountants' Account-State)

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Certified Public Accountants' Account-State)

2003-05 Omnibus Operating Budget
Forensic Investigations Council
(Dollars in Thousands)

	FTEs	Passed House		Total
		GF-S		
2001-03 Estimated Expenditures	0.0	0		276
2003-05 Carryforward Level	0.0	0		276
2003-05 Maintenance Level	0.0	0		274
Total 2003-05 Biennium	0.0	0		274
Difference from 2001-03	0.0	0		-2
% Change from 2001-03	0.0%	0.0%		-0.7%

Comments:

2003-05 Omnibus Operating Budget
Washington Horse Racing Commission
(Dollars in Thousands)

April 27, 2003
1:35 pm

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	29.0	0	4,528
2003-05 Carryforward Level	28.5	0	4,454
2003-05 Maintenance Level	28.5	0	4,633
Policy Changes:			
1. General Inflation	0.0	0	-12
Total Policy Changes	0.0	0	-12
Total 2003-05 Biennium	28.5	0	4,621
Difference from 2001-03	-0.5	0	93
% Change from 2001-03	-3.4%	0.0%	2.1%

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. (Horse Racing Commission Account-State)

2003-05 Omnibus Operating Budget
WA State Liquor Control Board
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	949.5	2,969	157,961
2003-05 Carryforward Level	930.0	2,905	145,192
2003-05 Maintenance Level	942.0	2,932	150,570
Policy Changes:			
1. General Inflation	0.0	-13	-1,332
2. Liquor Store Relocations	0.0	0	369
3. Open Five New Liquor Stores	16.0	0	2,172
4. Reinstate Expenses for Liquor Store	0.0	0	3,136
5. MBS-Maintain Production System	3.0	0	1,309
6. MBS-Complete Migration	0.0	0	2,000
7. Operate Liquor Stores on Sundays	30.0	0	1,900
8. Revolving Funds	0.0	0	880
9. Staff Reduc. & Oper. Efficiencies	-38.5	0	-1,908
10. Self-Insurance Premiums	0.0	0	954
Total Policy Changes	10.5	-13	9,480
Total 2003-05 Biennium	952.5	2,919	160,050
Difference from 2001-03	3.0	-50	2,089
% Change from 2001-03	0.2%	-1.7%	1.3%

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. (General Fund-State, various other funds)

2. Liquor Store Relocations - Funding is provided to relocate 13 of the 157 total state-run stores to new locations consistent with population growth and improved marketing practices. The new locations are projected to increase net revenue to the state general fund by \$2.6 million and local governments by \$1.1 million during the 2003-05 biennium. (Liquor Revolving Account-State)

3. Open Five New Liquor Stores - Expenditure authority is provided for the Liquor Control Board to open five new liquor stores in areas of the state that are under-served due to rapid population growth. The new stores will generate \$3.4 million in net revenue for state and \$1.0 million in net revenue for local governments during the 2003-05 biennium. (Liquor Revolving Account-State, Liquor Revolving Account-Non-Appropriated)

4. Reinstate Expenses for Liquor Store - Funding authority of \$3.1 million is provided for adequate staffing to prevent the closure of eleven state liquor stores and to increase store hours for 82 liquor stores. Previous budget reductions, combined with costs unanticipated by the Legislature, resulted in store hours being reduced, expected store closures, and a reduction in revenues. This increased level of funding will prevent a \$1.2 million reduction in future state general fund revenues. (Liquor Revolving Account-State)

5. MBS-Maintain Production System - In the 2001-03 biennium, the Legislature appropriated funding for new point-of-sale technology, known as the Merchandising Business System (MBS), to replace the agency's obsolete system. The new MBS system will allow tracking of all state store retail sales, and include forecasting and data analysis that should encourage more effective purchasing and business practices. Additional funding is provided to purchase MBS software licenses, provide training, and hire technical staff to support the system. (Liquor Revolving Account-State)

**2003-05 Omnibus Operating Budget
WA State Liquor Control Board**

6. MBS-Complete Migration - In the 2001-03 biennium, the Legislature appropriated \$4.8 million to build a new Merchandising Business System (MBS) to improve point-of-sale data analysis and business practices. \$2.0 million of the \$4.8 million planned expenditures that are unspent for the current biennium due to contractor and other delays are reappropriated for the 2003-05 biennium. The total expenditures for the project shall not exceed the original appropriation of \$4.8 million, but the additional time to expend the funds should allow the agency to implement the project effectively. (Liquor Revolving Account-State)

7. Operate Liquor Stores on Sundays - \$1,900,000 is provided to expand state liquor store days of operation. Funding provided is sufficient to operate 50 state liquor stores on Sundays, which shall improve customer service and increase state revenue. (Liquor Revolving Account-State)

8. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Liquor Revolving Account-State)

9. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Liquor Revolving Account-State)

10. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (Liquor Revolving Account-State)

2003-05 Omnibus Operating Budget
Utilities and Transportation Comm
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	167.1	0	31,356
2003-05 Carryforward Level	164.1	0	30,219
2003-05 Maintenance Level	162.1	0	30,655
Policy Changes:			
1. General Inflation	0.0	0	-103
2. Financial and Budget Services	0.0	0	150
3. Performance Audit (SHB 1013)	0.0	0	200
4. Revolving Funds	0.0	0	-50
5. Staff Reduc. & Oper. Efficiencies	-8.8	0	-446
6. Self-Insurance Premiums	0.0	0	98
Total Policy Changes	-8.8	0	-151
Total 2003-05 Biennium	153.4	0	30,504
Difference from 2001-03	-13.7	0	-852
% Change from 2001-03	-8.4%	0.0%	-2.7%

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. (Public Service Revolving Account-State, Pipeline Safety Account-State)

2. Financial and Budget Services - Funding is provided to complete the Utilities and Transportation Commission's financial system upgrade. The upgrade will automate accounting entries, increase security and internal controls, and provide more timely and accurate data to agency managers through improved reporting. (Public Service Revolving Account-State, Pipeline Safety Account-State)

3. Performance Audit (SHB 1013) - \$200,000 in additional expenditure authority is granted to the Commission in recognition of Substitute House Bill 1013. These funds are to be transferred to the Joint Legislative Audit and Review Committee (JLARC) for the performance audit outlined in the bill. (Public Service Revolving Account-State)

4. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Public Service Revolving Account-State, Pipeline Safety Account-State)

5. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Public Service Revolving Account-State, Pipeline Safety Account-State, Pipeline Safety Account-Federal)

6. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (Public Service Revolving Account-State, Pipeline Safety Account-State)

2003-05 Omnibus Operating Budget
Board for Volunteer Firefighters
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	3.0	0	577
2003-05 Carryforward Level	3.0	0	575
2003-05 Maintenance Level	3.0	0	687
Policy Changes:			
1. General Inflation	0.0	0	-2
2. Revolving Funds	0.0	0	20
3. Staff Reduc. & Oper. Efficiencies	0.0	0	-6
Total Policy Changes	0.0	0	12
Total 2003-05 Biennium	3.0	0	699
Difference from 2001-03	0.0	0	122
% Change from 2001-03	0.0%	0.0%	21.1%

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. (Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Administration Account-State)

2. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Administration Account-State)

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Administration Account-State)

2003-05 Omnibus Operating Budget
Military Department
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	213.5	18,214	149,028
2003-05 Carryforward Level	213.0	17,611	103,194
2003-05 Maintenance Level	248.0	17,908	133,482
Policy Changes:			
1. General Inflation	0.0	-116	-371
2. Disaster Response and Recover	0.0	0	190
3. Employer Support of Guard/Reserves	0.0	-28	-28
4. Enhanced 911 Program	2.5	0	11,152
5. Facility Operations & Maintenance	0.0	-500	0
6. Military Records Management	0.0	-286	0
7. Real Property Management	0.0	-133	0
8. Homeland Security Federal Support	4.0	200	13,838
9. Homeland Security Supplemental	4.0	0	39,917
10. Vehicle/Equipment Maintenance	-1.2	-263	-263
11. WA Emergency Mgmt Council	-0.6	-133	-133
12. Washington State Guard	0.0	-26	-26
13. Additional Camp Murray Security	14.0	0	980
14. Nisqually Spending Adjustment	0.0	0	-6,200
15. Extend Earthqk. Discretionary Fund	0.0	0	3,000
16. Revolving Funds	0.0	128	128
17. Staff Reduc. & Oper. Efficiencies	-6.2	-228	-366
18. Self-Insurance Premiums	0.0	262	262
Total Policy Changes	16.5	-1,123	62,080
Total 2003-05 Biennium	264.5	16,785	195,562
Difference from 2001-03	51.0	-1,429	46,534
% Change from 2001-03	23.4%	-7.8%	31.2%

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. (General Fund-State, various other funds)

2. Disaster Response and Recover - One-time funding is provided to develop an automated system to collect and track damage assessment information following a disaster. The system will allow impacted organizations to provide information through an Internet template, and produce a database that can be updated as projects are developed, approved, and modified throughout the recovery process. Currently, the Military Department is managing over \$135 million in federal and state funds for recovery from floods and the Nisqually Earthquake. The funding level assumes modification of systems currently available through vendors. (Disaster Response Account-State)

3. Employer Support of Guard/Reserves - Funding is eliminated for the Employer Support of Guard/Reserves Program. The program provides advice to employers and military members about their rights and responsibilities under the law and seeks resolutions to misunderstandings between employers and reservists when forces are called for national defense. Full-time, federally-funded counsel is still available to provide legal advice and intervention.

2003-05 Omnibus Operating Budget Military Department

4. Enhanced 911 Program - Funding is provided to support the Enhanced 911 (E911) program. An increased level of support for counties is required due to new federal requirements that mandate that E911 systems work with wireless calls and for replacement of out-of-date equipment to support wireline calls. Funding is provided in the following three areas: 1) to cover the difference between local tax revenues and minimum service requirements costs (while all counties are collecting the maximum E911 taxes permitted by law, only seven counties collect sufficient revenue to meet minimum service requirements); 2) to pay for statewide expenses; and 3) to provide technical support staff specializing in wireless systems at the Department's Emergency Management Division. Total funding includes \$2.2 million for one-time equipment purchases. (Enhanced 911 Account-State)

5. Facility Operations & Maintenance - \$500,000 in funding for maintenance costs of Army and Air National Guard and Emergency Management Division facilities is shifted from state to federal funding. The facilities are primarily used for federal purposes. (General Fund-State, General Fund-Federal)

6. Military Records Management - \$286,000 in state funding for military records management is shifted to federal funding. Requirements for record keeping of all active, reserve, retired officers, and service records are primarily for federal purposes. (General Fund-State, General Fund-Federal)

7. Real Property Management - State funding for real property management of Army and Air National Guard and Emergency Management Division facilities is eliminated. Many of these facilities are used by local organizations that currently pay nominal rent for utility, maintenance, and operation costs. It is assumed that real property management, which includes the rental agreement function, will also be covered by rental fees. (General Fund-State, General Fund-Private/Local)

8. Homeland Security Federal Support - Based on recent congressional action, \$13.6 million in total federal funding is expected to be available to assist Washington state in improving homeland security, with no state or local matching fund requirements (except \$200,000 for state Terrorism Consequence Management). The Military Department will receive the funds and distribute them as determined by the Adjutant General and the Governor's Homeland Security Executive Group in conjunction with federal requirements and approval. \$11.3 million in confirmed funding from the federal fiscal year 2003 budget is available. Federal budget projections indicate another \$2.3 million will likely become available for statewide interoperable communication equipment, competitive grants for local governments, and Community Emergency Response Training (CERT)/Citizen Corps, bringing the total federal funding for state FY 2004 to \$13.6 million. Note the expected breakout of funding for state and local governments below. (General Fund-Federal)

Funding for State Needs:

\$2.97 million in federal funds, and \$200,000 in state funds, for prescribed equipment, exercises, planning and administration, Terrorism Consequence Management, and training.

Funding for Local Needs:

\$8.3 million for prescribed equipment, exercises, planning and administration, Terrorism Consequence Management, and competitive grants.

9. Homeland Security Supplemental - Based on the President's proposed federal FY 2003 supplemental budget, an additional \$39.9 million in federal homeland security funding is anticipated, with no state or local matching fund requirements. The Military Department will receive the funds and distribute them as determined by the Adjutant General and the Governor's Homeland Security Executive Group in conjunction with federal requirements and approval. Note the expected breakout of funding for state and local governments below. (General Fund-Federal)

Funding for State Needs:

\$5.9 million for prescribed equipment, training, exercises, and planning.

\$6.5 million for enhanced security at critical infrastructure facilities, as part of Operation Liberty Shield.

Funding for Local Needs:

\$23.9 million for prescribed equipment, training, exercises, and planning.

\$3.5 million for enhanced security at critical infrastructure facilities, as part of Operation Liberty Shield.

**2003-05 Omnibus Operating Budget
Military Department**

10. Vehicle/Equipment Maintenance - Funding is eliminated for the on-site repair of vehicles belonging to the state, or issued to the state by the federal government. Repairs will be continued through the use of local vendors. The Military Department may also increase the use of the state motor pool, equipment rental, and contract maintenance.

11. WA Emergency Mgmt Council - Funding is eliminated for administrative support to the Emergency Management Council (EMC). The EMC will continue to operate, but travel and support costs will be covered by the member organizations of the EMC, or funded by outside grants, if possible. The Emergency Management Division will absorb costs for the annual assessment report produced by the EMC.

12. Washington State Guard - Funding is eliminated for the uniform allowance for members of the Washington State Guard (WSG).

13. Additional Camp Murray Security - Federal funding is provided for additional security staff at entrances to Camp Murray, consistent with federal readiness measures. (General Fund-Federal)

14. Nisqually Spending Adjustment - The Department's expenditure authority from the state Nisqually earthquake account is reduced by \$6.2 million to reflect the decrease in funds needed for earthquake repair claims. (Nisqually Earthquake Account-State)

15. Extend Earthqk. Discretionary Fund - A total of \$17.2 million was provided in the 2001 Supplemental budget as a discretionary fund for the Office of Financial Management (OFM) to cover earthquake damage claims that will not be covered by the Federal Emergency Management Agency (FEMA) but have merit. To date, \$7.8 million of these claims have been approved, leaving a \$9.4 million balance. \$3.0 million of the remaining \$9.4 million is reappropriated for claims that still have appeals pending with FEMA or are otherwise waiting for approval. OFM shall manage the \$3.0 million by providing assistance only where it is most critical and shall report to the Legislature on any project approved over \$1.0 million. (Nisqually Earthquake Account-State)

16. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

17. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

18. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

2003-05 Omnibus Operating Budget
Public Employment Relations Comm
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	25.2	4,646	4,646
2003-05 Carryforward Level	38.1	6,795	6,795
2003-05 Maintenance Level	29.2	4,820	5,355
Policy Changes:			
1. General Inflation	0.0	-16	-16
2. Resolve Pub Employer Labor Disputes	12.4	0	2,099
3. Revolving Funds	0.0	2	2
4. Staff Reduc. & Oper. Efficiencies	-0.2	-20	-109
Total Policy Changes	12.2	-34	1,976
Total 2003-05 Biennium	41.4	4,786	7,331
Difference from 2001-03	16.2	140	2,685
% Change from 2001-03	64.0%	3.0%	57.8%

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. Resolve Pub Employer Labor Disputes - Funding is provided for workload increases due to increased oversight and mediation relating to the collective bargaining/civil service reform process as required by chapter law 354, laws of 2002. FTEs added include two administrators, eight mediators, and clerical and support staff. (General Fund-State, Department of Personnel Service Account-State)

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, Department of Personnel Service Account-State)

2003-05 Omnibus Operating Budget
Growth Management Hearings Board
(Dollars in Thousands)

	FTEs	Passed House	
		GF-S	Total
2001-03 Estimated Expenditures	12.0	3,008	3,008
2003-05 Carryforward Level	12.0	2,935	2,935
2003-05 Maintenance Level	12.0	3,067	3,067
Policy Changes:			
1. General Inflation	0.0	-12	-12
2. Temporary Administrative Support	0.0	32	32
3. Board Member Training	0.0	15	15
4. Staff Reduc. & Oper. Efficiencies	0.0	-44	-44
Total Policy Changes	0.0	-9	-9
Total 2003-05 Biennium	12.0	3,058	3,058
Difference from 2001-03	0.0	50	50
% Change from 2001-03	0.0%	1.7%	1.7%

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. Temporary Administrative Support - Funding is provided for increased temporary clerical services at the Western Board to accommodate scheduled absences. The number of reviews is anticipated to increase due to the requirement for updated plans from each jurisdiction.

3. Board Member Training - One-time funding is provided for new members to attend the Administrative Law Fair Hearings Course at the National Judicial College. Six of the nine current board members will be newly appointed during the 2003-05 Biennium.

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
State Convention and Trade Center
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	155.0	0	67,734
2003-05 Carryforward Level	155.0	0	69,048
2003-05 Maintenance Level	155.0	0	71,349
Policy Changes:			
1. General Inflation	0.0	0	-190
2. Convention Center Construction Pymt	0.0	0	525
3. Revolving Funds	0.0	0	58
Total Policy Changes	0.0	0	393
Total 2003-05 Biennium	155.0	0	71,742
Difference from 2001-03	0.0	0	4,008
% Change from 2001-03	0.0%	0.0%	5.9%

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. Convention Center Construction Pymt - Funding is provided to maintain the State Convention and Trade Center building in the 2003-05 biennium, including replacement and restoration of worn wall coverings, portable chairs, slate, steam traps, and the air system. (Convention and Trade Center Account-State)

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, Convention and Trade Center Operations Account-State)

2003-05 Omnibus Operating Budget
WA State Health Care Authority
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	300.7	6,665	723,447
2003-05 Carryforward Level	311.4	0	853,574
2003-05 Maintenance Level	322.3	0	915,792
Policy Changes:			
1. Consolidated Drug Purchasing	2.0	0	2,313
2. I-773 Basic Health Expansion	-35.8	0	-205,850
3. General Inflation	0.0	0	-209
4. Managed BHP Enrollment	0.0	0	-11,966
5. Restructure the Basic Health Plan	-6.6	0	-158,052
6. Home Care Worker Contract	0.0	76	76
7. Administrative Simplification	0.2	0	25
8. Revolving Funds	0.0	0	-106
9. Staff Reduc. & Oper. Efficiencies	-10.2	0	-498
Total Policy Changes	-50.5	76	-374,267
Total 2003-05 Biennium	271.9	76	541,525
Difference from 2001-03	-28.8	-6,589	-181,922
% Change from 2001-03	-9.6%	-98.9%	-25.1%

Comments:

1. Consolidated Drug Purchasing - Funding is provided for a prescription drug quality improvement and purchasing board to adopt a preferred drug list, establish drug utilization policies, and establish a drug purchasing consortium. Participation in the purchasing consortium is mandatory for state purchased health care programs and voluntary for units of local government, private entities, and individuals with inadequate coverage. Pharmacists will be required to dispense the preferred drugs unless the prescriber has indicated "dispense as written" on the prescription. The Administrator will contract with a third party to evaluate the prescription drug board's activities. The Health Care Authority will also establish a clearinghouse to assist seniors without prescription drug coverage to access assistance programs. (General Fund-State, General Fund-Federal, General Fund-Local, Health Care Authority Administration Account-State, Health Services Account-State)

2. I-773 Basic Health Expansion - Savings are achieved by halting the expansion of enrollment in the Basic Health Plan. This item represents the difference in cost between the increase to 160,000 persons for which funding is assumed in the budget base and the projected June 2003 Basic Health Plan enrollment in the 2003 Supplemental Budget of 120,777 persons. (Health Services Account-State, General Fund-Federal, Basic Health Trust Account Non-Appropriated)

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. (General Fund-Federal, Health Care Authority Administrative Account-State)

4. Managed BHP Enrollment - Savings are achieved by continuing to limit enrollment into the Basic Health Plan in order to reach the target level of 100,000 enrollees. It is anticipated that enrollment will reach the targeted level during the first half of CY 2004. Under the Health Care Authority's managed enrollment policy, the only persons admitted to the Basic Health Plan are: (1) those who have temporarily left the program due to a Medicaid-covered pregnancy; (2) children not eligible for Medicaid due to their immigration status; (3) enrollees who become current on their account after losing a month's coverage due to late payment; and (4) new dependents of existing enrollees. (Health Services Account-State, Basic Health Trust Account Non-Appropriated)

**2003-05 Omnibus Operating Budget
WA State Health Care Authority**

5. Restructure the Basic Health Plan - Savings are achieved by reducing Basic Health Plan enrollment from 120,777 persons at the beginning of the FY 2003 to 100,000 persons in the second half of FY 2004. Thereafter, enrollment remains at 100,000 persons. Beginning CY 2004, the benefit package is reduced to one approximately equal to 80 percent of the value of the benefits offered during CY 2003. (General Fund-Federal, Basic Health Trust Account-State, Health Services Account-State)

6. Home Care Worker Contract - Funding is provided for the purposes of implementing the collective bargaining agreement between the Home Care Quality Authority and the exclusive bargaining representative of individual home care workers. The collective bargaining agreement provides a \$2.07 per hour raise, increasing hourly wages from \$7.68 per hour to \$8.70 per hour in FY 2004 and to \$9.75 per hour in FY 2005. In addition, home care workers will receive worker's compensation coverage and workers meeting certain eligibility requirements would also be provided individual health care coverage through the Basic Health Plan or an equivalent plan determined by the terms of the collective bargaining agreement. Initiative Measure No. 775 provided individual home care workers with collective bargaining rights under the public employees' collective bargaining law.

7. Administrative Simplification - Funding is provided for the Health Care Authority, the Department of Social and Health Services, and the Department of Labor and Industries to assess strategies for improving administrative practices consistent with national and regional standards, and to standardize similar activities between the agencies. (Health Care Authority Administrative Account-State)

8. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Health Care Authority Administrative Account-State, Health Services Account-State)

9. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-Federal, Health Care Authority Administrative Account-State, Health Services Account-State)

2003-05 Omnibus Operating Budget
Human Rights Commission
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	51.9	5,426	7,095
2003-05 Carryforward Level	51.4	5,289	6,954
2003-05 Maintenance Level	51.4	5,434	7,149
Policy Changes:			
1. General Inflation	0.0	-27	-31
2. Reduce Agency Spending	-1.5	-478	-530
3. Revolving Funds	0.0	-10	-10
4. Staff Reduc. & Oper. Efficiencies	-2.3	-128	-164
Total Policy Changes	-3.8	-643	-735
Total 2003-05 Biennium	47.7	4,791	6,414
Difference from 2001-03	-4.2	-635	-681
% Change from 2001-03	-7.7%	-11.7%	-9.6%

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. (General Fund-State, General Fund-Federal)

2. Reduce Agency Spending - The Commission's budget is reduced by 7 percent from maintenance level as a general activity cut. The Commission shall use its managerial discretion to reduce spending in those areas that have the least impact on client service and federal requirements. (General Fund-State, General Fund-Federal)

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Bd of Industrial Insurance Appeals
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	159.8	0	30,115
2003-05 Carryforward Level	161.8	0	29,705
2003-05 Maintenance Level	163.8	0	30,695
Policy Changes:			
1. General Inflation	0.0	0	-190
2. Revolving Funds	0.0	0	-4
3. Staff Reduc. & Oper. Efficiencies	-4.8	0	-224
Total Policy Changes	-4.8	0	-418
Total 2003-05 Biennium	159.1	0	30,277
Difference from 2001-03	-0.7	0	162
% Change from 2001-03	-0.6%	0.0%	0.5%

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. (Accident Account-State, Medical Aid Account-State)

2. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (Accident Account-State, Medical Aid Account-State)

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Accident Account-State, Medical Aid Account-State)

2003-05 Omnibus Operating Budget
Criminal Justice Training Comm
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	40.9	0	18,881
2003-05 Carryforward Level	40.0	0	18,482
2003-05 Maintenance Level	40.0	0	18,861
Policy Changes:			
1. General Inflation	0.0	0	-227
2. Staff Reduc. & Oper. Efficiencies	-3.2	0	-172
Total Policy Changes	-3.2	0	-399
Total 2003-05 Biennium	36.8	0	18,462
Difference from 2001-03	-4.1	0	-419
% Change from 2001-03	-9.8%	0.0%	-2.2%

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. (Public Safety and Education Account-State)

2. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Public Safety and Education Account-State)

2003-05 Omnibus Operating Budget
Department of Labor and Industries
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	2,751.4	11,430	470,481
2003-05 Carryforward Level	2,743.9	11,221	463,866
2003-05 Maintenance Level	2,661.6	11,623	476,367
Policy Changes:			
1. General Inflation	0.0	-27	-1,898
2. Operating Costs/Exist Capital Proj	0.0	0	1,000
3. Technical Adjustment	0.0	0	0
4. Claims Appeal	1.9	0	280
5. Claims Management	0.0	0	9,923
6. Collections Unit Enhancement	4.4	0	606
7. Health Services Analysis	0.0	0	398
8. Accounts Receivable System	9.9	416	6,112
9. Litigation Costs Fund Shift	0.0	0	-3,182
10. Provider Fraud Unit	1.9	0	268
11. Third Party	1.0	0	149
12. ESSB 5713 (Electrical Contractors)	0.0	0	296
13. Cholinesterase Med Monitoring	0.0	0	378
14. State Purchased Health Care	0.0	0	100
15. Eliminate Health and Safety Grants	0.0	0	-10,000
16. Revolving Funds	0.0	-10	-1,708
17. Staff Reduc. & Oper. Efficiencies	-78.7	-248	-3,834
18. Self-Insurance Premiums	0.0	0	725
Total Policy Changes	-59.7	131	-387
Total 2003-05 Biennium	2,601.9	11,754	475,980
Difference from 2001-03	-149.5	324	5,499
% Change from 2001-03	-5.4%	2.8%	1.2%

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. (General Fund-State, various other funds)

2. Operating Costs/Exist Capital Proj - There is a growing backlog of extraordinary facility repairs that have exceeded the routine maintenance threshold. Funding is provided for selected upgrades that have been targeted for their contribution to improving operations and avoiding facility deterioration. (Accident Account-State, Medical Aid Account-State)

3. Technical Adjustment - In the 2001-03 biennium, the Apprenticeship Program was transferred from the general fund to the Medical Aid and Accident accounts. When the transfer was made, the federal funding portion of the program not transferred. A technical adjustment is made to transfer federal funding from General Fund-Federal to the Accident Account and the Medical Aid accounts to reflect actual fund source distributions. (General Fund-Federal, Accident Account-Federal, Medical Aid Account-Federal)

4. Claims Appeal - The Department of Labor and Industries reviews more than 9,000 appeals of workers' compensation decisions before they go to the Board of Industrial Insurance Appeals. The office serves as the last level of administrative review and adjudication within the department prior to formal litigation, and also serves as the single agency point of contact for all matters relating to litigation at the Board of Industrial Insurance Appeals and the court system. Additional FTEs and funding are provided to reduce the backlog of cases. (Accident Account-State, Medical Aid Account-State)

**2003-05 Omnibus Operating Budget
Department of Labor and Industries**

5. Claims Management - In the 2001-03 biennium, the Department of Labor and Industries conducted a feasibility study of methods to exchange workers' compensation claim-related information electronically with employers, health care providers, and workers. The feasibility study supported a comprehensive new system for electronic management of workers' compensation claims and employer information. Funding is provided to build this new system, called the Online Reporting and Customer Access Project (ORCA). The objective of the system is to provide customers the ability to exchange information and establish and manage workers' compensation claims online 24 hours a day. (Accident Account-State, Medical Aid Account-State)

6. Collections Unit Enhancement - The Collections Unit is responsible for all collections activity related to employers who do not pay proper workers' compensation premiums or do not pay fines for worker safety violations. This unit ensures that employers pay their premiums, responsible parties pay for the damage they cause, fraud is kept to a minimum, and appeals are handled in a timely manner. The additional staff will increase annual collections by an estimated \$2.5 million. (Accident Account-State, Medical Aid Account-State)

7. Health Services Analysis - The Department of Labor and Industries spends approximately \$16 million per year on independent medical examinations (IME) for injured workers. When the exams do not provide the necessary information to make a decision, the medical costs and treatment can be delayed, thereby increasing costs. Funding is provided to establish a peer review process of IMEs in order to enhance the quality of these exams so that the necessary information is provided. (Medical Aid Account-State)

8. Accounts Receivable System - Funding is provided to develop an enterprise accounts receivable system. This system will combine 16 separate accounts receivable systems within the agency for greater accountability and reconciliation with the state accounting system. An outside auditor will perform a one-time audit on the new system. (Accident Account, Medical Aid Account)

9. Litigation Costs Fund Shift - The Legal Services Program provides legal advice and representation for the department in litigation at the Board of Industrial Insurance, administrative hearings under the Administrative Procedures Act, and in Superior and Appellate Courts. Litigation costs, including fees for expert witness and court reporters and transcripts, continue to increase to support legal actions by the Attorney General's Office. These litigation costs are shifted from the state portions of the Accident and Medical Aid accounts to the nonappropriated. (Accident Account-State, Medical Aid Account-State)

10. Provider Fraud Unit - The Provider Fraud Investigation Program audits, investigates, and gathers information on alleged frauds and abuse. The program identifies fraudulent billing practices, pursues leads, and recommends methods to prevent fraudulent activities. This unit ensures employers pay their premiums, responsible parties pay for the damage they cause, fraud is kept to a minimum, and appeals are handled in a timely manner. Additional funding and FTEs are provided to investigate more cases of fraud and recover more funds for the workers' compensation system. It is estimated that these additional FTEs will be able to identify \$1 million dollars per year in fraudulent billings. (Accident Account-State, Medical Aid Account-State)

11. Third Party - The Third Party Unit recovers costs of workers' compensation claims from liable parties; the money is returned to the state fund. Funding for one additional FTE is provided to increase the recovery of benefits. The additional investigator will increase the recovery of benefits by \$600,000 per year. (Accident Account-State, Medical Aid Account-State)

12. ESSB 5713 (Electrical Contractors) - Funding is provided pursuant to Engrossed Substitute Senate Bill No. 5713 (Electrical Contractors). Expenditures will include implementing continuing education requirements, making necessary computer system modifications to address the requirements of the bill, and staff for the joint legislative task force established in the bill.

13. Cholinesterase Med Monitoring - Funding is provided for the Department of Labor and Industries to contract with medical laboratories, health care providers, and other entities to provide cholinesterase medical monitoring of farm workers who handle cholinesterase-inhibiting pesticides, and to collect and analyze data related to such monitoring.

14. State Purchased Health Care - Funding is provided pursuant to House Bill 2122 (state purchased health care). Costs include staffing for an inter-agency committee to assess proposed strategies and additional resources to plan, develop, and implement selected strategies. (Medical Aid Account-State)

**2003-05 Omnibus Operating Budget
Department of Labor and Industries**

15. Eliminate Health and Safety Grants - The Safety and Health Impact Grant program can only continue when there are excess funds over the 10 percent contingency reserve. Since there will be no excess funds in the 2003-05 biennium, this \$10 million dollar program is eliminated. (Medical Aid Account-State)

16. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, various other funds)

17. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

18. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 Biennium.

2003-05 Omnibus Operating Budget
Indeterminate Sentence Review Board
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	8.2	1,994	1,994
2003-05 Carryforward Level	8.2	1,950	1,950
2003-05 Maintenance Level	8.2	2,000	2,000
Policy Changes:			
1. General Inflation	0.0	-10	-10
2. Revolving Funds	0.0	4	4
3. Staff Reduc. & Oper. Efficiencies	0.0	-32	-32
Total Policy Changes	0.0	-38	-38
Total 2003-05 Biennium	8.2	1,962	1,962
Difference from 2001-03	0.0	-32	-32
% Change from 2001-03	0.0%	-1.6%	-1.6%

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. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Home Care Quality Authority
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1.6	152	152
2003-05 Carryforward Level	4.0	322	322
2003-05 Maintenance Level	5.0	509	509
Policy Changes:			
1. Registry of Home Care Providers	0.0	150	150
2. Home Care Worker Contract	0.0	1,342	1,342
3. Revolving Funds	0.0	-2	-2
Total Policy Changes	0.0	1,490	1,490
Total 2003-05 Biennium	5.0	1,999	1,999
Difference from 2001-03	3.4	1,847	1,847
% Change from 2001-03	150.0%	1215.1%	1215.1%

Comments:

1. Registry of Home Care Providers - One-time funding is provided to design and develop a referral registry of individual home care providers, as required by Initiative 775. The Home Care Quality Authority will develop procedures to remove from the registry providers who have committed improper acts in the performance of their duties.

2. Home Care Worker Contract - Funding is provided for the purposes of implementing the collective bargaining agreement between the Home Care Quality Authority and the exclusive bargaining representative of individual home care workers. The collective bargaining agreement provides a \$2.07 per hour raise, increasing hourly wages from \$7.68 per hour to \$8.70 per hour in FY 2004 and to \$9.75 per hour in FY 2005. In addition, home care workers will receive worker's compensation coverage and workers meeting certain eligibility requirements would also be provided individual health care coverage through the Basic Health Plan or an equivalent plan determined by the terms of the collective bargaining agreement. Initiative Measure No. 775 provided individual home care workers with collective bargaining rights under the public employees' collective bargaining law.

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
Department of Health
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1,183.5	113,882	656,829
2003-05 Carryforward Level	1,184.0	111,648	675,245
2003-05 Maintenance Level	1,260.7	119,213	696,548
Policy Changes:			
1. Expand Food Safety Program	3.5	622	622
2. Add Newborn Screening Tests	4.8	0	2,350
3. Newborn Hearing Screening	0.0	0	222
4. Web-Based Death Certificate System	6.6	0	3,433
5. Vital Records Fee Increase	0.0	-2,452	0
6. Transfer AIDS Insurance Program	0.0	6,798	6,798
7. State Toxics Account Reduction	-0.8	0	-231
8. General Inflation	0.0	-345	-1,477
9. Reduce CHARs Subsidy	0.0	0	0
10. Additional Federal Grants	3.4	0	28,223
11. EMS Certification & Regulation	0.0	-516	0
12. Hepatitis C	0.0	0	150
13. Recreational Shellfish Testing	0.0	-938	0
14. Transfer Trauma Funding	0.0	0	7,194
15. Municipal Water Systems	6.7	1,000	1,171
16. Mercury Reduction and Education	0.8	0	144
17. Optometrist Prescription Authority	0.4	0	67
18. Nursing Technician Registration	0.3	0	67
19. Revolving Funds	0.0	-4	-8
20. Staff Reduc. & Oper. Efficiencies	-26.2	-884	-1,550
Total Policy Changes	-0.6	3,281	47,175
Total 2003-05 Biennium	1,260.1	122,494	743,723
Difference from 2001-03	76.6	8,612	86,894
% Change from 2001-03	6.4%	7.6%	13.2%

Comments:

1. Expand Food Safety Program - Funding is provided for an increase in statewide coordination and quality enhancement of local food safety inspection efforts. This increase is required due to: (1) an increase in local and nationwide food recalls; (2) the need to update training materials, exams, and inspection forms to conform with the comprehensive revision of the state's food service rules scheduled for implementation in January 2005; (3) requests from the food industry and local health jurisdictions for the state to take a more active leadership role in promoting consistent food safety policies and training statewide; and (4) the need to develop and implement a plan to respond to emergencies which might result from sabotage of the food supply.

2. Add Newborn Screening Tests - The State Board of Health has recommended that all newborns be screened by the state public health laboratory for five additional disorders which can cause mental or motor retardation, blindness, hearing loss, physical abnormalities, and/or death if undetected. Testing for the five disorders will increase public health laboratory expenditures by approximately \$1.6 million per year beginning in CY 2004, requiring an estimated \$20.50 (50 percent) increase in the fee charged for newborn screenings. An estimated \$800,000 of the annual cost (\$400,000 state funds) will be borne by the state's Medical Assistance program, which pays for 43 percent of all births in the state. (General Fund-Local)

2003-05 Omnibus Operating Budget Department of Health

- 3. Newborn Hearing Screening** - The State Board of Health has recommended that all newborns be screened for early hearing loss. Providing technical assistance to hospitals that initiate universal newborn screening requires a \$1.85 increase in the fee charged for newborn screenings. In addition, the fee increase will fund surveillance and tracking activities associated with early hearing loss detection, diagnosis, and intervention since the actual test is conducted in hospitals, rather than the public health laboratory. (General Fund-Local)
- 4. Web-Based Death Certificate System** - The Department of Health's (DOH) Center for Health Statistics maintains the state's system of vital records and statistics. The state and local fee for all certified copies of vital records is raised to \$15.00. Of that increase, \$7.00 of each fee for second copies of death certificates ordered at the same time as the first copy will go to the DOH to maintain the state vital records system, including the implementation of a web-based electronic death registration system. Appropriation authority is provided for the implementation of a web-based death registration system. (General Fund-Local)
- 5. Vital Records Fee Increase** - The fee charged for a certified copy of all birth, death, marriage, and divorce certificates is to be increased by an additional \$2, from \$15 to \$17, in order to reduce the need for state subsidy of the vital records and statistics system. Maintenance and operation of the statewide system has become increasingly reliant upon state revenues since implementation of the automated birth certificate system in 1992. The automated system enables the public to pick up certified copies of birth certificates at local health departments, rather than driving or writing to Olympia. Since current law provides that fees collected remain with the local issuer, the more user-friendly system has resulted in reduced revenues to maintain and operate the databases upon which the entire vital records system depends. Substitute Senate Bill 5545 will provide for \$2 of all fees collected, regardless of issuer, to be deposited with the Department of Health to support maintenance and operation of the statewide system. (General Fund-State, General Fund-Private/Local)
- 6. Transfer AIDS Insurance Program** - Administrative responsibility for the Evergreen Health Insurance Program, which pays for insurance coverage for persons with AIDS who are not eligible for Medicaid, is transferred from the Department of Social and Health Services to the Department of Health. This will consolidate agency management and budgetary responsibility for all non-Medicaid services for persons with HIV disease into a single agency.
- 7. State Toxics Account Reduction** - Funding in the State Toxics Control Account is reduced by \$230,000 in the 2003-05 biennium. To achieve this reduction, the Department of Health will no longer test water and toxic samples at the public health laboratories; terminate toxicological consultations involving pesticides and fertilizers for environmental health programs, local health jurisdictions, and citizens; or reduce the level of response to requests for general toxicological consultations. (State Toxics 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. (General Fund-State, various other accounts)
- 9. Reduce CHARS Subsidy** - The state subsidy for the Comprehensive Hospital Accounting and Reporting System (CHARS) is eliminated. Since its inception, CHARS been funded by a statutory assessment on hospital revenues. During 1992-2000, this assessment averaged .033% of hospital revenues. During the 2000 legislative session, the system received a public subsidy for the first time, from the Health Services Account. As a result of the subsidy being eliminated, the assessment is expected to increase to approximately .018% of hospital revenues. (Health Services Account-State, Hospital Commission Account-State)
- 10. Additional Federal Grants** - Additional federal appropriation authority is provided due to the receipt of federal funds greater than anticipated in the base-level budget, including: \$18.9 million for the Women, Infant, and Child (WIC) nutrition program; \$2.1 million for sexually transmitted disease projects; \$2.1 million for childhood immunization operations; \$1.8 million for infectious disease laboratory work; \$1 million for small rural hospitals; and \$900,000 for HIV-AIDS services and epidemiology. (General Fund-Federal)
- 11. EMS Certification & Regulation** - Savings are realized by requiring that the licensing and certification program for paid emergency medical service personnel are funded through professional fees. Volunteer medical service personnel licensing and facility certification will continue to be state-subsidized. (General Fund-State, General Fund-Local)

**2003-05 Omnibus Operating Budget
Department of Health**

12. Hepatitis C - Funding is provided for implementation of Engrossed Second Substitute House Bill 1638 (Hepatitis C). The Department of Health shall design a state plan for the prevention and treatment of Hepatitis C. Funding for the development of the plan will be provided through federal and private sources. (General Fund-Private/Local)

13. Recreational Shellfish Testing - State general fund savings are realized by increasing the fee for recreational shellfish licenses issued by the Department of Fish and Wildlife by \$2, so that Department of Health lab testing and on-site inspection of recreationally-harvested shellfish will be fee-supported rather than state-subsidized. (General Fund-State, General Fund-Private/Local)

14. Transfer Trauma Funding - Emergency Medical Services and Trauma Account revenues previously appropriated to the Department of Social and Health Services are partially transferred to the Department of Health. Funds appropriated to the Department of Health will be distributed among hospitals and other trauma services through fixed grants and contracts. Funds appropriated to the Department of Social and Health Services will be used to provide increased reimbursement for trauma-related services under the regular federal Medicaid program. The Department of Social and Health Services is directed to implement a system to assure that state expenditures for increased reimbursement do not exceed the amount appropriated from the Emergency Medical Services and Trauma Account, and do not include federal disproportionate share hospital funding not specifically appropriated for this purpose. The previous system of attempting to distribute such funding through add-ons to the standard Medicaid fee-for-service payment rates in order to generate federal matching funds resulted in over-expenditures of \$3.8 million in FY 2000; \$13 million in FY 2001, and an additional \$11 million through the first ten months of FY 2002. Those over-expenditures had to be paid by the state general fund, rather than by the special-purpose trauma fund. (Emergency Medical Systems and Trauma Account-State)

15. Municipal Water Systems - Funding is provided for implementation of Engrossed Second Substitute House Bill 1338 (municipal water rights). The legislation is expected to result in 50 additional water systems seeking plan reviews each year in order to secure water rights. (General Fund-State, General Fund-Private/Local)

16. Mercury Reduction and Education - Funding is provided for the Department of Health develop a plan for educating schools, local governments, businesses, and the public on proper disposal methods for mercury-added products, as required by Engrossed Substitute House Bill 1002 (mercury). (State Toxics Control Account)

17. Optometrist Prescription Authority - Funding is provided for implementation of Substitute Senate Bill 5226 (optometry). (Health Professions Account-State)

18. Nursing Technician Registration - Funding is provided for implementation of Substitute Senate Bill 5829 (nursing technicians). (Health Professions Account-State)

19. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, various other funds)

20. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

2003-05 Omnibus Operating Budget
Department of Veterans' Affairs
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	582.3	20,636	73,811
2003-05 Carryforward Level	611.8	21,230	77,421
2003-05 Maintenance Level	611.8	22,143	79,425
Policy Changes:			
1. General Inflation	0.0	-292	-292
2. Revolving Funds	0.0	-2	-10
3. Staff Reduc. & Oper. Efficiencies	-2.0	-188	-202
Total Policy Changes	-2.0	-482	-504
Total 2003-05 Biennium	609.8	21,661	78,921
Difference from 2001-03	27.5	1,025	5,110
% Change from 2001-03	4.8%	5.0%	6.9%

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. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, various other funds)

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

2003-05 Omnibus Operating Budget
Department of Corrections
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	7,792.4	1,093,745	1,131,558
2003-05 Carryforward Level	7,895.6	1,093,935	1,126,103
2003-05 Maintenance Level	8,283.4	1,202,358	1,236,427
Policy Changes:			
1. General Inflation	0.0	-4,637	-4,785
2. Comm. Corr. Officer Training	0.0	400	400
3. Reduce Low/Mod-Risk Supervision	-112.1	-14,782	-14,782
4. Shift LFO Billing and Collection	-23.2	-3,709	-3,709
5. Drug Treatment Funding Adj.	0.0	-700	688
6. OMNI-Phase II Modifications	0.0	3,250	3,250
7. Info Tech Security Upgrades	2.0	327	327
8. Sentencing & Early Release Changes	-68.8	-28,843	-28,843
9. Revolving Funds	0.0	4,182	4,182
10. Staff Reduc. & Oper. Efficiencies	-55.8	-5,660	-5,676
11. Self-Insurance Premiums	0.0	12,846	12,846
Total Policy Changes	-257.8	-37,326	-36,102
Total 2003-05 Biennium	8,025.6	1,165,032	1,200,325
Difference from 2001-03	233.2	71,287	68,767
% Change from 2001-03	3.0%	6.5%	6.1%

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. (General Fund-State, General Fund-Federal, Public Health Services Account-State, Cost of Supervision Fund)

2. Comm. Corr. Officer Training - Funding is provided to expand the adult services academy from three weeks to four weeks in order to address training related to the implementation of the Offender Accountability Act (OAA). In addition, the training will address tort liability claims, OAA issues related to victims, and safety issues such as defensive tactics and search and seizure arrests. The additional funding will cover the increased expenses resulting from the Criminal Justice Training Commission's expansion of the academy to include these issues.

3. Reduce Low/Mod-Risk Supervision - The Department is responsible for supervising felony and misdemeanor offenders who have been sentenced in Superior Court and reside in the community. Using a risk assessment process, the Department classifies offenders into four risk levels. Funding is reduced in accordance with Engrossed Substitute Senate Bill 5990 (supervision of offenders), which would eliminate community supervision for offenders who have been assessed as low or moderate risk (risk management levels D and C). Regardless of risk level, the Department will continue to supervise offenders with a current or prior: sex offense; violent offense; crime against a person; residential burglary; felony domestic violence conviction; delivery of a controlled substance to a minor conviction; methamphetamine dealing conviction; and offenders who have been sentenced under the First-Time Offender Waiver or offenders whose conditions of community supervision include substance abuse treatment. For an offender sentenced to less than one in jail, the Department will only continue supervision for offenders who have been convicted of sex, violent, crimes against a person, or drug offenses.

**2003-05 Omnibus Operating Budget
Department of Corrections**

4. Shift LFO Billing and Collection - Currently, the Department of Corrections is responsible for the monitoring and collection of court-ordered legal financial obligations (LFOs) for offenders supervised in the community. Savings are achieved in conjunction with Engrossed Substitute Senate Bill 5990 (supervision of offenders), which would eliminate the Department's responsibility for supervising offenders in the community for the purposes of collecting LFOs only. Effective January 2004, the collection of LFOs from offenders who have no other supervision requirements is shifted from the Department of Corrections to county clerks through the Administrative Office of the Courts.

5. Drug Treatment Funding Adj. - Funding in the amount of \$2.9 million is provided to the Department of Corrections in accordance with Chapter 290, Laws of 2002 (drug offender sentencing), which lowered presumptive standard range sentences for certain drug offenders and devoted savings resulting from the implementation of the sentencing changes to drug offender treatment in prison and in the community. Existing funding is adjusted in conjunction with an assumed reduction in the drug offender population due to proposed drug sentencing and early release changes included in Engrossed Substitute Senate Bill 5990 (supervision of offenders). The reduction assumes that fewer offenders will need treatment services in prison than was previously estimated. (General Fund-State, Violence Reduction and Drug Enforcement Account-State)

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

7. Info Tech Security Upgrades - Funding is provided to implement information technology security protocols to reduce security gaps.

8. Sentencing & Early Release Changes - Savings are achieved through the implementation of Engrossed Substitute Senate Bill 5990 (supervision of offenders), which: (1) moves up the effective date of a new drug offender sentencing grid enacted during the 2002 legislative session (Chapter 290, Laws of 2002) from July 1, 2004 to July 1, 2003; (2) changes the maximum amount of earned release time that certain offenders may earn from 33 percent of their sentence to 50 percent; (3) reduces the amount of early release time an offender may earn for serious violent and Class A sex offenses from 15 percent to 10 percent of the sentence; and (4) changes the manner in which the Department of Corrections must supervise offenders in the community. The earned early release changes will only be made available to offenders who are classified as low- to moderate-risk and who do not have current or prior convictions for violent offenses, sex crimes, certain methamphetamine crimes, residential burglary offenses, felony domestic violence offenses, delivery of a controlled substance to a minor, or crimes against persons.

9. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

10. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, Public Safety and Education Account-State)

11. Self-Insurance Premiums - Funding is provided to reflect increased self-insurance premiums for the Department of Corrections in the 2003-05 biennium. State agencies pay an annual self-insurance premium to fund the state's self-insurance liability program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations.

2003-05 Omnibus Operating Budget
Dept of Services for the Blind
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	71.9	3,301	17,963
2003-05 Carryforward Level	71.9	3,200	18,030
2003-05 Maintenance Level	71.9	3,621	18,606
Policy Changes:			
1. Federal match update/revision	0.0	0	1,437
2. General Inflation	0.0	-23	-95
3. Revolving Funds	0.0	0	-2
4. Staff Reduc. & Oper. Efficiencies	-4.3	-104	-264
Total Policy Changes	-4.3	-127	1,076
Total 2003-05 Biennium	67.6	3,494	19,682
Difference from 2001-03	-4.3	193	1,719
% Change from 2001-03	-5.6%	5.8%	9.6%

Comments:

1. Federal match update/revision - Federal appropriation authority is provided for the Department of the Services for the Blind to maximize federal funding for vocational rehabilitation services. (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. (General Fund-State, General Fund-Federal)

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-Federal)

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Sentencing Guidelines Commission
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	12.1	1,798	1,798
2003-05 Carryforward Level	11.5	1,686	1,686
2003-05 Maintenance Level	11.5	1,698	1,698
Policy Changes:			
1. General Inflation	0.0	-10	-10
2. Revolving Funds	0.0	4	4
3. Staff Reduc. & Oper. Efficiencies	-1.1	-390	-390
Total Policy Changes	-1.1	-396	-396
Total 2003-05 Biennium	10.5	1,302	1,302
Difference from 2001-03	-1.6	-496	-496
% Change from 2001-03	-16.7%	-27.6%	-27.6%

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. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. Funding is adjusted to more closely reflect actual agency staffing patterns. It is assumed that the Commission can leave vacant one position on an ongoing basis. This represents 30 percent of the number of staff months actually vacant during the first eight months of FY 2003.

2003-05 Omnibus Operating Budget
Department of Employment Security
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	2,174.8	0	444,950
2003-05 Carryforward Level	2,148.4	0	413,145
2003-05 Maintenance Level	2,159.4	0	515,415
Policy Changes:			
1. General Inflation	0.0	0	-1,694
2. Re-Employment of UI Claimants	21.0	0	2,272
3. Social Security Crossmatch	5.0	0	644
4. Overpayment Cash Processing	0.0	0	387
5. Increased Revenue Collection	6.0	0	1,105
6. Electronic Data Management	0.0	0	1,881
7. Improve Initial UI Claim Process	6.0	0	2,065
8. UI Claimant Assistance	25.0	0	4,337
9. Manufacturing Advisory Partnership	0.0	0	100
10. Revolving Funds	0.0	0	-1,274
11. Staff Reduc. & Oper. Efficiencies	-80.4	0	-3,902
12. Self-Insurance Premiums	0.0	0	202
Total Policy Changes	-17.4	0	6,123
Total 2003-05 Biennium	2,142.0	0	521,538
Difference from 2001-03	-32.8	0	76,588
% Change from 2001-03	-1.5%	0.0%	17.2%

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. (General Fund-Federal, General Fund-Local, Employment Services Account-State)

2. Re-Employment of UI Claimants - Funding is provided to expedite the re-employment of claimants who are currently drawing unemployment insurance (UI) by providing the tools and technology needed to effectively link claimants to employers. The Employment Security Department (ESD) has been providing these services on a pilot basis and the projects have already resulted in a 40 percent decrease in UI benefit usage for long-term unemployed clients. This funding will allow ESD to implement the program statewide. (Employment Services Account-State)

3. Social Security Crossmatch - Funding is provided to increase unemployment insurance (UI) benefit overpayment prevention and detection by initiating a cross-match with the Social Security Administration and by increasing the investigative staff. This initiative will result in increased UI benefit payment accuracy due to verifying each social security number used to file claims. (Administrative Contingency Account-State)

4. Overpayment Cash Processing - One-time funding is provided to develop an automated cash processing computer system that interfaces with the Department's benefit payment system (GUIDE). This system will provide an efficient and effective method for processing payments, and will improve the audit and accounting functions for all claimant payments submitted to the agency. (Administrative Contingency Account-State)

5. Increased Revenue Collection - Funding is provided for additional collection staff. This will result in increased collection of unemployment insurance benefit overpayments of \$7.2 million annually (principal and interest). (Administrative Contingency Account-State)

**2003-05 Omnibus Operating Budget
Department of Employment Security**

6. Electronic Data Management - One-time funding is provided to build an electronic data management system to improve the collection, storage, and access of claimant and employer documents used regularly by the agency. The system will scan incoming documents (typically at a volume up to 37,016 per week), establish a bar code with routing information, and build an electronic delivery system. (General Fund-Federal)

7. Improve Initial UI Claim Process - One-time funding is provided for technology to collect information from unemployment insurance initial claim applicants using the key pad on their telephones, and providing the collected information to the claims taker at the beginning of the telephone interview. This will decrease the amount of time necessary for the initial claim telephone interview, while at the same time decreasing wait times for initial claim applicants. (General Fund-Federal)

8. UI Claimant Assistance - Funding is provided for 25 front-line staff to assist unemployment claimants in WorkSource offices state-wide. Half of the new staff will provide direct services to unemployment insurance (UI) claimants by helping them find employment, and half of the new staff will be enforcing work requirements by providing job search review. These new staff will enable the Department to retain UI claims-taking staff in their current positions while not sacrificing other employment and enforcement duties. (Unemployment Administrative Account-Federal)

9. Manufacturing Advisory Partnership - Funding is provided to establish an advisory partnership on the Washington manufacturing sector. (Administrative Contingency Account-State)

10. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-Federal, General Fund-Local, Administrative Contingency Account-State, Employment Services Account-State)

11. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-Federal, General Fund-Local, Unemployment Administrative Account-Federal, Administrative Contingency Account-State, Employment Services Account-State)

12. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (General Fund-Federal, General Fund-Local, Administrative Contingency Account-State, Employment Services Account-State)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	2,292.8	465,657	846,800
2003-05 Carryforward Level	2,378.9	485,546	876,140
2003-05 Maintenance Level	2,378.9	493,367	912,238
Policy Changes:			
1. General Inflation	0.0	-548	-1,452
2. Reduce Family Policy Council	-2.0	-814	-814
3. Increase Funds for Foster Children	0.0	5,386	10,520
4. Reduce Special Projects	0.0	-500	-500
5. Eliminate Half of Secure CRC Beds	0.0	-4,626	-4,626
6. HOPE Bed Reimbursement Change	0.0	-259	-259
7. HB 1233 - Kinship Care	0.0	-1,380	-2,078
8. Preserve Youth Programs w/PSEA \$	0.0	-23,000	0
9. Adoption Support-Federal Tax Credit	0.0	-5,000	-5,000
10. Increase Licensed Resources	8.0	1,024	1,406
11. Transfer Funds Between Years	0.0	0	0
12. Additional Admin Reductions	-12.0	-1,371	-1,512
13. Crosswalk program	0.0	100	100
Total Policy Changes	-6.0	-30,988	-4,215
Total 2003-05 Biennium	2,372.9	462,379	908,023
Difference from 2001-03	80.1	-3,278	61,223
% Change from 2001-03	3.5%	-0.7%	7.2%

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. (General Fund-State, General Fund-Federal, General Fund-Local, Public Safety and Education Account-State, Violence Reduction and Drug Enforcement Account-State)

2. Reduce Family Policy Council - Funding is reduced for the Family Policy Council (FPC) and Community Public Health and Safety Networks (CN). Savings are realized from eliminating two FTEs from the FPC (\$400,000), and reducing CN grants by 10 percent (\$414,000). The FPC shall provide the remaining 90 percent of grant funds to the CN based on a competitive grant application process.

3. Increase Funds for Foster Children - Funding is provided for increased services for foster children. Some children in the state system have more complex needs and have been moved into higher levels of care, therefore resulting in higher costs. The Department will manage foster care placements within this level. (General Fund-State, General Fund-Federal)

4. Reduce Special Projects - Funding is reduced in the following Children's Administration special projects: (1) \$61,000 for the Health Insurance Portability and Accountability Act (HIPAA); (2) \$91,000 for staff development and training overhead costs; (3) \$41,000 for social worker training; (4) \$47,000 for the quality improvement team; and (5) \$260,000 in Indian Child Welfare services. These reductions total \$500,000 General Fund-State.

5. Eliminate Half of Secure CRC Beds - Funding for half of the Secure Crisis Residential Center (SCRC) beds is eliminated. All SCRCs that are co-located with juvenile detention centers shall be closed and the remaining SCRCs reduced to maintain regionality of centers.

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Children and Family Services

- 6. HOPE Bed Reimbursement Change** - Savings are realized by changing the reimbursement methodology for HOPE beds to a \$1,000 reimbursement rate per month per bed to each provider as a base payment, and the rest of the reimbursement paid only when the HOPE bed is occupied. This savings reflects the current 43 percent occupancy rate for 31 HOPE beds.
- 7. HB 1233 - Kinship Care** - Savings are realized from Substitute House Bill 1233 (kinship care). The savings are a result of more children being placed with relatives than in traditional foster care. (General Fund-State, General Fund-Federal)
- 8. Preserve Youth Programs w/PSEA \$** - Public Safety and Education Account funding is provided to preserve programs that help youth and families in crisis. Programs that are preserved include Secure and Semi-Secure Crisis Residential Centers, HOPE Beds, the Family Policy Council and Community Public Health and Safety Networks, and the Street Youth Program. (General Fund-State, Public Safety and Education Account-State)
- 9. Adoption Support-Federal Tax Credit** - Congress has enacted a new federal tax credit for families adopting special needs children, including those in the foster care system. This adjustment is based on the estimated number of new adoption support cases with family incomes large enough to benefit from at least a portion of the new \$10,000 tax credit in the 2003-05 biennium. Families will receive the federal tax credit funds in lieu of state funds to provide for the children in their care.
- 10. Increase Licensed Resources** - Funding and FTEs are provided for the Foster Parent Training Initiative in response to the Braam lawsuit. (General Fund-State, General Fund-Federal)
- 11. Transfer Funds Between Years** - Funding is transferred between fiscal years to better reflect the Children's Administration expenditures in the 2003-05 biennium. (General Fund-State, General Fund-Federal)
- 12. Additional Admin Reductions** - Funding is reduced for program support and other administrative functions as recommended by the Governor's Priorities of Government initiative. (General Fund-State, General Fund-Federal)
- 13. Crosswalk program** - Funding is provided for a program in Spokane that works with high risk street youth.

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Juvenile Rehabilitation
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1,223.6	165,644	234,239
2003-05 Carryforward Level	1,164.4	160,426	228,609
2003-05 Maintenance Level	1,172.9	159,796	226,364
Policy Changes:			
1. General Inflation	0.0	-500	-506
2. Reinvest Caseload Savings in MH	4.8	518	518
3. Juvenile Probation Services	0.0	-1,316	-1,316
4. Juvenile Sentencing Alternatives	-12.2	-3,140	-3,328
5. Pymt. to Cos. for Disposition Alts.	0.0	1,081	1,081
6. Staff Reduc. & Oper. Efficiencies	-7.4	-660	-678
Total Policy Changes	-14.7	-4,017	-4,229
Total 2003-05 Biennium	1,158.2	155,779	222,135
Difference from 2001-03	-65.4	-9,865	-12,104
% Change from 2001-03	-5.4%	-6.0%	-5.2%

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. (General Fund-State, General Fund-Federal)

2. Reinvest Caseload Savings in MH - Caseload reductions projected by the Caseload Forecast Council necessitate the closure of a 16-bed cottage at the Echo Glen Children's Center and a 16-bed cottage at the Maple Lane School, saving \$840,000 at the maintenance level. Of these savings, \$518,000 is reinvested in extended mental health units at these two institutions.

3. Juvenile Probation Services - Currently, county juvenile probation departments fund up to half of their activities with state funds provided through the Consolidated Juvenile Services (CJS) contract. Effective December 2003, CJS funding is reduced under the assumption that counties will increase their average probation counselor caseloads from one counselor for every 32 youth to one counselor for every 40 youth. Of the total savings, \$1.3 million is redirected to local counties for the implementation of research-based interventions and treatment programs for juvenile offenders. The Juvenile Rehabilitation Administration, in consultation with juvenile court administrators and the Washington State Institute for Public Policy, will develop a funding formula that distributes the savings redirected for treatment in an equitable manner and in a way that considers county-by-county differences in probation services.

4. Juvenile Sentencing Alternatives - In accordance with Engrossed Substitute Senate Bill 5903 (juvenile sentencing alternatives), savings are achieved by: (1) restoring a disposition alternative that allows juvenile courts to suspend a standard range disposition involving confinement at the Juvenile Rehabilitation Administration for certain juvenile offenders, on the condition that the adjudicated youth comply with one or more local sanctions or treatment requirements; and (2) implementing a Mental Health Disposition Alternative (MHDA) that allows juvenile courts to suspend a disposition of 15 to 65 weeks for juvenile offenders diagnosed with mental disorders. Youth adjudicated under the MHDA would be required to participate in a mental health treatment program and be subject to community supervision and other local sanctions. (General Fund-State, General Fund-Federal)

5. Pymt. to Cos. for Disposition Alts. - Funding is provided to local juvenile courts to implement two new disposition alternatives established pursuant to Engrossed Substitute Senate Bill 5903 (juvenile offender sentencing), and to deliver research-based intervention programs to juvenile offenders that would have normally been sentenced to secure placement in Juvenile Rehabilitation Administration (JRA) facilities. Payments to counties are estimated based upon projected reductions in the JRA residential population for the biennium. Actual reimbursements to the counties will depend on utilization of the disposition alternatives.

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Juvenile Rehabilitation

6. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Mental Health
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	3,054.7	598,681	1,165,178
2003-05 Carryforward Level	2,924.6	621,476	1,144,862
2003-05 Maintenance Level	3,075.0	680,231	1,227,353
Policy Changes:			
1. General Inflation	0.0	-732	-953
2. Enhanced Local Match Options	0.0	0	18,640
3. Balanced Budget Act Implementation	4.2	4,314	8,628
4. Mental Health Community Services	0.0	-5,934	-11,868
5. Eliminate Community Inpatient Pool	0.0	-448	-2,898
6. On-Island SCTF Changes	-10.7	-2,175	-2,175
7. Fund Off-Island SCTF	18.2	2,353	2,353
8. Increased Eligibility Verification	0.0	-2,131	-4,262
9. Children's Medical Premiums	0.0	-1,369	-2,738
10. Mental Health Adv. Directives	0.0	80	155
11. Children's Mental Health	0.5	21	43
12. Mentally Ill Offender Pilot	0.0	-902	0
13. Marr Settlement Funding	2.0	502	690
14. Staff Reduc. & Oper. Efficiencies	-8.0	-728	-770
Total Policy Changes	6.3	-7,149	4,845
Total 2003-05 Biennium	3,081.3	673,082	1,232,198
Difference from 2001-03	26.6	74,401	67,020
% Change from 2001-03	0.9%	12.4%	5.8%

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. (General Fund-State, General Fund-Federal)

2. Enhanced Local Match Options - The Mental Health Division is authorized to increase Medicaid payment rates for Regional Support Network's whose allocations would otherwise not increase by at least 5.0 percent above the previous year's level in FY 2004 and by at least 5.0 percent more in FY 2005. To qualify for the higher payment, the RSN must use qualified local funds for the required non-federal share of the Medicaid payment. (General Fund-Federal)

3. Balanced Budget Act Implementation - Funding and FTEs are provided to address changes the Mental Health Division and Regional Support Networks must implement to be in compliance with the Balanced Budget Act of 1997 (BBA). The BBA places new record-keeping and reporting requirements on managed care organizations. The rules were published in final form in June 2002 and are to be implemented no later than August 13, 2003. The rules have an impact on the Regional Support Networks, as prepaid health plans are made administratively equal to Health Maintenance Organizations (HMOs) under the BBA. (General Fund-State, General Fund-Federal)

4. Mental Health Community Services - Capitated payments to the Regional Support Networks (RSNs) for community inpatient and outpatient services are reduced by 1.0 percent in FY 2004 and 1.5 percent in FY 2005. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Mental Health

5. Eliminate Community Inpatient Pool - Funding for the community inpatient pool is eliminated. The inpatient pool was established in FY 2001 to assist communities maintain capacity to provide short-term psychiatric hospitalizations locally. (General Fund-State, Health Services Account-State)

6. On-Island SCTF Changes - Funding and staffing for the Secure Community Transition Facility (SCTF) is reduced as a result of: (1) removing the roving patrol car support provided by the Washington State Patrol; and (2) reducing the staffing ratio at the SCTF to one staff per three residents during normal waking hours, and one staff per four residents during normal sleeping hours.

7. Fund Off-Island SCTF - Consistent with direction from the federal court, funding is provided for the operational and staffing costs for the first phase of a Secure Community Transition Facility (SCTF) located off of McNeil Island that can house up to twelve residents. The funding level is based on expected occupancy by October 1, 2003, and a projected population of six residents by the end of the biennium. Staffing ratios for this facility will be one staff per resident during waking hours and two staff per three residents during sleeping hours.

8. Increased Eligibility Verification - As provided in the 2003 supplemental budget, the Department will increase efforts to assure that recipients of publicly-funded medical assistance meet applicable income, residency, and other eligibility requirements. Specific changes are to include: (1) verifying applicants' declared income through employer contacts and electronic records checks; (2) re-verifying eligibility at least every six months, rather than annually as was previously done for children's and family medical coverage; and (3) discontinuing coverage if subsequent income changes make the child ineligible for coverage, rather than continuing the coverage for a full year despite such changes as was previously done.

These changes are expected to result in approximately 4,800 (1.9 percent) fewer persons qualifying for publicly-funded medical assistance in FY 2004, and in approximately 19,000 (3.4 percent) fewer receiving such assistance in FY 2005. The FY 2004 savings are significantly lower because electronic eligibility system changes needed to implement the six-month eligibility changes cannot be implemented until January 2004.

In addition, these changes are expected to result in \$4.3 million (\$2.1 million state funds) of avoided expenditures in the mental health program. Additionally, 96 FTEs are funded in the Economic Services Administration to conduct the necessary eligibility reviews, at a cost of \$10.6 million (\$5.8 million state funds). The net state savings from this change are expected to total approximately \$23 million for the biennium. (General Fund-State, Health Services Account-State, General Fund-Federal)

9. Children's Medical Premiums - Beginning in July 2004, families with incomes over the federal poverty level will be required to pay monthly premiums for their child's optionally categorically needy Medicaid coverage or SCHIP coverage. Premiums will average about \$10 per child per month for families with income between 100-150 percent of poverty (\$1,300 - \$1,900 per month for a family of three); \$15 per child per month for families with incomes up to 200 percent of poverty (\$1,900 - \$2,500 per month for a family of three); and \$20 per child per month for families with incomes up to 250 percent of poverty (\$2,500 - \$3,200 per month for a family of three). Under this proposal, families will pay less than 2.5 percent of income and premiums will be capped at three children per household.

Approximately \$3.9 million of administrative costs are included for the Economic Services Administration and the Office of Financial Recovery to accomplish the premium collections, and approximately \$1.3 million of reduced state fund expenditures will occur in the mental health program as a result of the reduction in the number of eligible children. (General Fund--State, General Fund--Federal)

10. Mental Health Adv. Directives - Funding is provided for training and case management activities associated with the implementation of Substitute House Bill 1041 (mental health advance directives), which establishes procedures and requirements for a person with capacity to create a mental health advance directive. (General Fund-State, General Fund-Federal)

11. Children's Mental Health - Funds are provided for the Mental Health Division to implement Second Substitute House Bill 1784 (children's mental health), which addresses the recommendations included in the Joint Legislative Audit and Review Committee's study on children's mental health services. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Mental Health

12. Mentally Ill Offender Pilot - Federal block grant funding, rather than state funds, will be used to support the Mentally Ill Offender Pilot Program that provides special services to assist approximately 25 mentally ill individuals released from a Department of Correction facility to successfully transition back into the community. (General Fund-State, General Fund-Federal)

13. Marr Settlement Funding - Funding is provided for Eastern State Hospital to provide additional specialized care, combining both habilitation and mental health treatment components, for persons with developmental disabilities who require the level and intensity of psychiatric care best provided by the state hospital. Funding will support additional FTEs, staff training, facility alteration and court monitors as provided in the final Marr settlement. (General Fund-State, General Fund-Federal)

14. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Developmental Disabilities
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	3,425.9	635,348	1,217,934
2003-05 Carryforward Level	3,336.7	664,292	1,261,644
2003-05 Maintenance Level	3,398.4	678,510	1,292,831
Policy Changes:			
1. General Inflation	0.0	-595	-1,327
2. Reduce Grants and Contracts	0.0	-1,000	-1,000
3. Employment and Day Efficiencies	0.0	-500	-500
4. Utilization and Cost Control	0.0	-5,000	-5,000
5. Community Residential	0.0	1,294	2,519
6. Raise Level of Care Standard	0.0	-486	-972
7. RHC Consolidation	-9.9	810	1,621
8. Reduce Funding for the ARC lawsuit	0.0	-8,814	-17,606
9. MPC Adjustment	0.0	-1,626	-3,252
10. Marr Settlement Funding	3.5	453	731
11. Staff Reduc. & Oper. Efficiencies	-18.0	-1,136	-1,984
Total Policy Changes	-24.4	-16,600	-26,770
Total 2003-05 Biennium	3,374.0	661,910	1,266,061
Difference from 2001-03	-51.9	26,562	48,127
% Change from 2001-03	-1.5%	4.2%	4.0%

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. (General Fund-State, General Fund-Federal)

2. Reduce Grants and Contracts - Funding for grants and contracts associated with activities that are not essential to the core mission of the Division are reduced. In determining which contracts to eliminate or reduce, the Division will work with the Developmental Disabilities Council to determine whether some activities might fall within their mission and can be funded through alternative sources. The Division will also consider whether some activities might be incorporated into activities that will be funded through the Division's share of the federal Real Choice Systems Change Grant for Community Living.

3. Employment and Day Efficiencies - The Aging and Disability Services Administration is directed to ensure that total payments to an individual client for all employment and day services including: individual employment, group employment, pre-vocational training, community access and person-to-person services are limited to 120 percent of the budgeted average daily rate (\$23 per day). Clients who exceed these rates shall be reviewed for more appropriate placements. Savings in excess of those budgeted shall be prioritized for services to graduating high school clients. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Developmental Disabilities

4. Utilization and Cost Control - The Aging and Disability Services Administration is directed to improve efforts to understand, manage, and control expenditure growth in the developmental disabilities programs. These efforts may include, but are not limited to: (1) improved utilization review of high cost clients, particularly those receiving total services in excess of \$400 a day; (2) improved monitoring efforts, including file review and implementation of policy changes that will reduce costs; (3) improved understanding and prior-authorization of professional services; (4) identification and recovery from clients receiving state residential and or medical services who are financially ineligible for Social Security Income (SSI) and Medicaid long-term care waivers; (5) greater coordination of benefits; and (6) examination of the development and negotiation of residential rates across the Administration. FTEs that are freed up as a result of these efforts may be redirected into other utilization and cost control efforts. In addition, the Administration may use savings in excess of those budgeted to develop and automate the comprehensive assessment revisions to CARES for use on developmentally disabled clients, allowing for a more standard assessment of client needs. The Administration is directed to establish semi-annual savings targets and report to the Legislature on the extent to which those targets are being achieved.

5. Community Residential - Funding is provided for community residential placements and support services for up to 14 clients in FY 2004. Priority consideration for these placements shall be as follows: (1) clients without residential services who are in crisis or immediate risk of needing an institutional placement; and (2) residents of residential habilitation centers who are able to be adequately cared for in community settings and who choose to live in those settings. (General Fund-State, General Fund-Federal)

6. Raise Level of Care Standard - Currently, elderly persons, disabled adults, and children may qualify for Medicaid by meeting certain functional and financial eligibility requirements. Generally, clients receiving publicly financed care in home and community-based settings may qualify for such services through a home and community-based services waiver or through the Medicaid Personal Care (MPC) program. Currently, a person is eligible for MPC if they require minimal assistance with one activity of daily living (e.g., eating, bathing, toileting, ambulation, medication assistance, etc.). Savings are achieved by raising the functional eligibility requirement for MPC to assistance with three activities of daily living, thus eliminating services for those clients who require minimal assistance with one or two activities of daily living. (General Fund-State, General Fund-Federal)

7. RHC Consolidation - Funding is provided to consolidate state residential habilitation centers (RHCs) by closing Fircrest School beginning in the 2003-05 biennium. The House proposal allows the Department of Social and Health Services (DSHS) three years to facilitate the transition of 255 Fircrest residents to other RHCs and community settings. A total of \$2.5 million is provided during the biennium for residents to transition to community residential settings, \$1.8 million total funds is provided in the DSHS Administration budget to establish a closure team to support the transition of clients to new settings and mitigate the impact on affected state employees. In addition, consistent with the provisions contained in Engrossed Senate Bill 5971 (residential habilitation), a trust account will be established where proceeds from the lease of the Fircrest property and any action taken on the surplus property at the remaining RHCs will be deposited to fund services for developmentally disabled clients. The state will retain ownership of the Fircrest property. (General Fund-State, General Fund-Federal)

8. Reduce Funding for the ARC lawsuit - In December 2002, the court denied ARC's and the Department of Social and Health Services joint motion for preliminary approval of a settlement regarding developmental disability services. However, the 2003-05 budgeted carry-forward level still includes \$26.2 million state general fund (\$39.2 million total funds) associated with the bow-wave of the original FY 2002 funding level. Consistent with the 2003 supplemental budget, funding for the residential services component is reduced from \$11.5 million state general fund to \$2.6 million state general fund. Of the funding that remains for new residential services, \$1.2 million state general fund shall be prioritized for expanded community services for 11 persons with developmental disabilities who are being diverted or discharged from state psychiatric hospitals within the next year. (General Fund-State, General Fund-Federal)

9. MPC Adjustment - Following the adoption of the February 2003 forecast for Medicaid Personal Care (MPC) in the developmental disabilities program, new information was provided which explains a recent decline in the growth observed for children receiving MPC. In deliberations prior to receipt of this information, the declining trend was discounted as a one-time occurrence. New information shows that only a portion of the declining trend is expected to be one-time and the remainder is the result of a freeze on enrollment in the Community Alternative Program (CAP) waiver. Savings reflect lower MPC expenditures as a result of an adjustment to the forecast that accounts for the impact of the enrollment freeze on the projected caseload and continued efforts by the Division to ensure that children receiving MPC services meet eligibility criteria. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Developmental Disabilities

10. Marr Settlement Funding - Funding is provided for a full-time psychologist, two intensive case managers, and one part-time case resource manager, to provide the necessary supports to individuals who require both habilitation and mental health treatment as provided in the Marr settlement agreement. (General Fund-State, General Fund-Federal)

11. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Long-Term Care
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1,069.3	1,022,487	2,094,619
2003-05 Carryforward Level	1,071.4	1,030,634	2,120,058
2003-05 Maintenance Level	1,142.6	1,073,773	2,206,292
Policy Changes:			
1. General Inflation	0.0	-306	-678
2. AAA Case Mgt. Adjustment	0.0	786	1,574
3. Home Care Worker Contract	0.0	97,458	193,576
4. Supplemental Nursing Home Payments	0.0	-50	-50
5. Spousal Resource Limits	11.2	-4,934	-9,868
6. Raise Level of Care Standard	0.0	-2,943	-5,737
7. Nursing Home Quality Maintenance	0.0	40,778	81,556
8. Review Elderly DD Clients	3.0	236	472
9. Additional Admin Reductions	-6.2	-650	-1,133
10. Agency Provider Increase	0.0	4,947	9,756
11. Staff Reduc. & Oper. Efficiencies	-28.4	-1,332	-2,612
Total Policy Changes	-20.5	133,990	266,856
Total 2003-05 Biennium	1,122.2	1,207,763	2,473,148
Difference from 2001-03	52.9	185,276	378,529
% Change from 2001-03	5.0%	18.1%	18.1%

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. (General Fund-State, General Fund-Federal, General Fund-Local)

2. AAA Case Mgt. Adjustment - The state contracts with local Area Agencies on Aging (AAAs) to provide case management and nursing services to clients that receive in-home long-term care services. Typically, AAAs receive funding increases based upon caseload growth and legislatively authorized vendor rate increases. However, the 1999 Legislature provided AAAs with additional funding to reduce the ratio of case managers to clients from one case manager for every 100 clients to one for every 85 clients. Additionally, in the 2002 supplemental budget, the Legislature raised the AAA funding rate to the equivalent of what it would cost the state to perform the case management function with state social workers. Subsequently, the Personnel Resources Board re-classified state social workers to a higher salary level through the 6767 process. Funding is provided for a corresponding increase in local AAA funding levels for case managers. (General Fund-State, General Fund-Federal)

3. Home Care Worker Contract - Funding is provided for the purposes of implementing the collective bargaining agreement between the Home Care Quality Authority and the exclusive bargaining representative of individual home care workers. The collective bargaining agreement provides a \$2.07 per hour raise, increasing hourly wages from \$7.68 per hour to \$8.70 per hour in FY 2004 and to \$9.75 per hour in FY 2005. In addition, home care workers will receive worker's compensation coverage and workers meeting certain eligibility requirements would also be provided individual health care coverage through the Basic Health Plan. Initiative Measure No. 775 provided individual home care workers with collective bargaining rights under the public employees' collective bargaining law. These funds may be transferred from the Aging and Adult Services program to various other programs within the department or to other agencies to implement the collective bargaining agreement. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Long-Term Care

4. Supplemental Nursing Home Payments - Funding for special supplemental payments to nursing facilities meeting certain criteria are eliminated. Funding for this program will be phased out over the next three years.

5. Spousal Resource Limits - The federal Social Security Act requires states to disregard a portion of the income and assets of the spouses of nursing home residents receiving Medicaid services and of nursing home-eligible persons receiving Medicaid services through a Community Options Program Entry System (COPES) waiver.

When one member of a couple receives medical assistance, the total value of all resources belonging to either spouse is computed to determine whether a spouse receiving long-term care services in a nursing facility or in the community meets the state resource standard for Medicaid. Half of the total is attributed to each spouse. The couple's home, household goods, automobile, and burial funds are disregarded when estimating the couple's combined resources. In accordance with federal requirements, the spouse not receiving long-term care services must be allowed to retain at least \$18,132 and not more than \$90,660 in liquid assets. States are authorized to set the level of protection higher than the federal minimum, but not more than the federal maximum.

In accordance with Substitute House Bill 2257 (treatment of resources), savings are achieved by reducing the state level of protection from \$90,660 to \$40,000 in liquid assets. Lowering the resource standard will result in couples having to "spend down" to the \$40,000 level prior to receiving Medicaid services. Additionally, funding is provided to the Department of Social and Health Services for additional workload associated with spousal share and eligibility determinations. (General Fund-State, General Fund-Federal)

6. Raise Level of Care Standard - Currently, elderly and disabled persons may qualify for Medicaid by meeting certain functional and financial eligibility requirements. Generally, clients receiving publicly-financed care in home and community-based settings may qualify for such services through a home and community-based services waiver or through the Medicaid Personal Care (MPC) program. A person qualifies for MPC if they need minimal assistance with one activity of daily living (e.g., eating, bathing, toileting, ambulation, medication assistance, etc.). Savings are achieved by raising functional eligibility requirements for MPC and eliminating services for clients needing minimal assistance with one or two activities of daily living. (General Fund-State, General Fund-Federal)

7. Nursing Home Quality Maintenance - As provided in Second Substitute Senate Bill 5341 (nursing facility fee), a fee of \$6.00 per day shall be applied to most days of nursing home care. This fee will support a 3.0 percent increase in direct care and operations payment rates effective July 1, 2003, to help maintain the quality of nursing home care in the state. Additionally, nursing facilities will be reimbursed for the Medicaid portion of the fee. With these increases, the weighted average nursing home payment is expected to be \$143.40 per patient day in FY 2004 and \$146.30 per patient day in FY 2005, a 5.7 percent average annual increase over the FY 2003 level of \$131.57 per patient day. (General Fund-State, General Fund-Federal)

8. Review Elderly DD Clients - Funding is provided for the home and community services division to annually assess each elderly resident residing in residential habilitation centers and state-operated living alternatives to determine if the resident can be more appropriately served in a less restrictive setting. The assessment will take into consideration the special needs of the resident, the types of services that will best meet those needs, and the type of facility that will best provide those services. Consideration will also be given to the proximity of the resident to their family, friends, and advocates concerned with the resident's well-being in determining whether the resident should be moved to a different facility or program. (General Fund-State, General Fund-Federal)

9. Additional Admin Reductions - Administrative funding is reduced by \$1.1 million and 6.2 FTEs under the assumption that the agency will implement operational efficiencies. (General Fund-State, General Fund-Federal)

10. Agency Provider Increase - Funding is provided to increase agency home care worker wages by \$1.00 per hour, effective July 1, 2004. As a result of these changes, payments to agency providers will increase from the current rate of \$13.44 per hour to \$14.55 per hour in FY 2005. (General Fund-State, General Fund-Federal)

11. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Economic Services Administration
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	4,777.5	847,787	2,236,624
2003-05 Carryforward Level	4,631.9	808,058	2,201,644
2003-05 Maintenance Level	4,651.4	830,502	2,077,973
Policy Changes:			
1. General Inflation	0.0	-2,275	-6,141
2. County Legal-Clerk Reimbursement	0.0	0	9,142
3. State Supplemental Payments	0.0	10,000	10,000
4. Administrative Reduction	-65.8	-3,062	-7,162
5. Shift GA-U Proof of Disability	0.0	-6,637	-6,637
6. Increased Eligibility Verification	88.5	5,819	10,579
7. Children's Medical Premiums	16.5	1,100	1,964
8. Staff Reduc. & Oper. Efficiencies	-174.9	-6,870	-17,036
Total Policy Changes	-135.7	-1,925	-5,291
Total 2003-05 Biennium	4,515.8	828,577	2,072,682
Difference from 2001-03	-261.7	-19,210	-163,942
% Change from 2001-03	-5.5%	-2.3%	-7.3%

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. (General Fund-State, General Fund-Federal, General Fund-Local)

2. County Legal-Clerk Reimbursement - Federal and local funding is provided for a new reimbursement methodology for county clerks who file child support orders for the state. (General Fund-Federal)

3. State Supplemental Payments - Funding is provided for one-time expenditures needed to meet the federally required level for Supplemental Security Income (SSI) State Supplemental Payments (SSP). The Department may transfer a portion of this amount to other programs within the agency to accomplish this purpose. To the extent that the required expenditure level must be met by funding new services, one-time payments to all SSI clients currently not receiving SSP shall be provided. Individuals receiving one-time payments shall not become eligible for medical assistance under 74.09.510 due solely to the receipt of SSI state supplemental payments.

4. Administrative Reduction - Four percent administrative reductions are taken in the following areas within the Economic Services Administration: (1) the client eligibility system (ACES); (2) the child support program; and (3) administrative program support. (General Fund-State, General Fund-Federal)

5. Shift GA-U Proof of Disability - Savings are achieved by implementing legislation that requires the Department of Social and Health Services to discontinue benefits for General Assistance-Unemployable (GA-U) clients unless the client demonstrates that their medical or mental condition has not improved, and they therefore still need a GA-U cash grant and medical benefits.

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Economic Services Administration

6. Increased Eligibility Verification - Additional funding is provided for the Department to: 1) increase and improve efforts to verify that children and pregnant women are in fact eligible for the medical assistance services they receive; and 2) review their continued eligibility for medical assistance services every six months, rather than annually as presently occurs. Improved income verification was implemented April 1, 2003 and included review of recipient documentation and employer contacts to verify that the income declared by applicants and recipients is accurate. These efforts are supplemented by electronic records checks that will be in place by July 1, 2003. The six-month rather than annual review of continued eligibility is to be implemented no later than November 2003. The Department is to have in place all computer changes, administrative rules and procedures, and staffing arrangements as required to timely implement the six-month eligibility reviews by November 2003. (General Fund-State, General Fund-Federal)

7. Children's Medical Premiums - Beginning in July 2004, families with incomes over the federal poverty level will be required to pay monthly premiums for their child's optionally categorically needy Medicaid coverage or SCHIP coverage. Premiums will average about \$10 per child per month for families with income between 100-150 percent of poverty (\$1,300 - \$1,900 per month for a family of three); \$15 per child per month for families with incomes up to 200 percent of poverty (\$1,900 - \$2,500 per month for a family of three); and \$20 per child per month for families with incomes up to 250 percent of poverty (\$2,500 - \$3,200 per month for a family of three). Under this proposal, families will pay less than 2.5 percent of income and premiums will be capped at three children per household.

Approximately \$3.9 million of administrative costs are included for the Economic Services Administration and the Office of Financial Recovery to accomplish the premium collections, and approximately \$1.3 million of reduced state fund expenditures will occur in the mental health program as a result of the reduction in the number of eligible children. (General Fund-State, General Fund-Federal)

8. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Alcohol & Substance Abuse
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	105.5	73,224	231,259
2003-05 Carryforward Level	102.9	74,358	231,532
2003-05 Maintenance Level	102.9	73,739	231,107
Policy Changes:			
1. General Inflation	0.0	-186	-388
2. Fund shifts (PSEA, VRDE & GF-S)	0.0	3,119	0
3. Reduce Svcs to Gravely Disabled	0.0	-2,000	-2,000
4. New Svcs for Offenders	0.0	0	8,950
5. Reduce DASA Headquarters	-1.9	-209	-209
6. Reduce TASC	0.0	-3,248	-3,248
7. Staff Reduc. & Oper. Efficiencies	-3.5	-336	-380
Total Policy Changes	-5.4	-2,860	2,725
Total 2003-05 Biennium	97.6	70,879	233,832
Difference from 2001-03	-7.9	-2,345	2,573
% Change from 2001-03	-7.5%	-3.2%	1.1%

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. (General Fund-State, General Fund-Federal/Local)

2. Fund shifts (PSEA, VRDE & GF-S) - Funds are shifted between accounts to balance the Violence Reduction and Drug Enforcement Account. (General Fund-State, Public Safety and Education Account-State, Violence Reduction and Drug Enforcement Account-State)

3. Reduce Svcs to Gravely Disabled - Treatment services for gravely disabled individuals are eliminated. Gravely-disabled individuals are people in danger of serious physical harm resulting from a failure to provide for their essential human needs of health or safety which manifests in severe deterioration in routine functioning, or who are a high utilizers of treatment services and other resources.

4. New Svcs for Offenders - Funding is provided for substance abuse treatment services for persons convicted of crimes. (Criminal Justice Treatment Account-State)

5. Reduce DASA Headquarters - The headquarters budget for the Division of Alcohol and Substance Abuse is reduced by \$209,000 and 1.9 FTEs. The program will implement operating efficiencies.

6. Reduce TASC - Funding is reduced for the Treatment Accountability for Safe Communities program.

7. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Medical Assistance Payments
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	936.1	2,206,555	7,153,805
2003-05 Carryforward Level	943.9	2,249,280	6,041,052
2003-05 Maintenance Level	987.4	2,728,221	7,593,973
Policy Changes:			
1. Additional Newborn Screening Tests	0.0	424	848
2. Transfer AIDS Insurance Program	0.0	-6,798	-6,798
3. Consolidated Drug Purchasing	8.0	-17,804	-34,588
4. General Inflation	0.0	-388	-1,173
5. DME and Transportation Co-pays	0.0	-891	-1,782
6. DME Efficiencies	0.0	-2,000	-4,000
7. Family Medical Services Refinancing	0.0	-171,000	0
8. Administrative Simplification	0.0	74	148
9. Spousal Resource Limits	0.0	-1,000	-2,000
10. Shift GA-U Proof of Disability	0.0	-3,531	-3,531
11. New Hospital Grant Program	0.0	40,000	80,000
12. State Savings from MI Elimination	0.0	-95,348	-107,385
13. Adult Dental Services	0.0	-11,725	-22,726
14. Adult Vision Services	0.0	-10,180	-19,980
15. Adult Hearing Services	0.0	-2,271	-4,368
16. Managed Care Rate Increases	0.0	-21,938	-83,814
17. Increased Eligibility Verification	0.0	-13,104	-53,091
18. Children's Medical Premiums	0.0	0	-30,352
19. Medicaid Integration Project	0.0	-6,335	-12,670
20. Transfer Trauma Funding	0.0	0	-4,200
21. Staff Reduc. & Oper. Efficiencies	-35.6	-1,680	-3,428
Total Policy Changes	-27.6	-325,495	-314,890
Total 2003-05 Biennium	959.8	2,402,726	7,279,083
Difference from 2001-03	23.7	196,171	125,278
% Change from 2001-03	2.6%	8.9%	1.8%

Comments:

1. Additional Newborn Screening Tests - The State Board of Health has recommended that all newborns be screened by the state public health laboratory for five additional disorders which can cause mental or motor retardation, blindness, hearing loss, physical abnormalities, and/or death if undetected. Testing for the five disorders will result in an estimated \$20.50 (50 percent) increase in the fee charged for newborn screenings. This item represents the share of that cost borne by the state's Medical Assistance program, which pays for 43 percent of all births in the state. (General Fund-State, General Fund-Federal)

2. Transfer AIDS Insurance Program - Administrative responsibility for the Evergreen Health Insurance Program (EHIP), which pays for insurance coverage for persons with AIDS who are not eligible for Medicaid, is transferred from the Department of Social and Health Services to the Department of Health. This will consolidate management and budgetary responsibility for all non-Medicaid services for persons with HIV disease into a single agency.

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Medical Assistance Payments

3. Consolidated Drug Purchasing - As provided in Second Substitute House Bill 1214 (prescription drugs), the Department of Social and Health Services Medical Assistance Administration, the Health Care Authority, and the Department of Labor and Industries are to adopt a preferred drug list for all state purchased health care programs. In addition, the agencies will consolidate prescription drug purchasing through a prescription drug purchasing consortium. Net savings of \$19.2 million state general funds will be achieved by purchasing drugs that are proven to be the most cost-effective. In administering prescription drug benefits under state purchased health care programs, agencies shall honor an endorsing prescriber's direction to dispense a prescription drug as written on the prescription order, or to continue therapy with an antipsychotic, antidepressant, chemotherapy, antiretroviral or immunosuppressive drug. (General Fund-State, 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. (General Fund-State, General Fund-Federal, Health Services Account-State)

5. DME and Transportation Co-pays - Savings are achieved by requiring Medicaid recipients to make a \$2 co-pay for medical supplies, equipment and transportation services costing \$25 - \$50, and a \$3 co-pay for supplies, equipment, and transportation services costing more than \$50. These amounts are the maximum co-pays allowed by federal Medicaid rules. (General Fund-State, General Fund-Federal)

6. DME Efficiencies - Savings are achieved by implementing a combination of cost containment and utilization strategies sufficient to reduce general fund state costs for durable medical equipment and supplies in FY 2005 by approximately 5 percent below the level projected for FY 2005 in the February 2003 forecast. In designing strategies, the primary strategy considered shall be selective or direct contracting with durable medical equipment and supply vendors or manufacturers. (General Fund-State, General Fund-Federal)

7. Family Medical Services Refinancing - A portion of the Family Medical Services program is funded with new revenues deposited into the Health Services Account. (General Fund-State, Health Services Account-State)

8. Administrative Simplification - Funding is provided for implementation of House Bill 2122 (state purchased health care), which directs the Department of Social and Health Services, the Health Care Authority, and Labor & Industries to reduce administrative burdens on health care providers and managed health care plans that contract to provide services through state-purchased health care programs. (General Fund-State, General Fund-Federal)

9. Spousal Resource Limits - The federal Social Security Act requires states to disregard a portion of the income and assets of spouses of nursing home residents receiving Medicaid services, and of nursing home-eligible persons receiving Medicaid services through a Community Options Program Entry System (COPES) waiver.

When one member of a couple receives medical assistance, the total value of all resources belonging to either spouse is computed to determine whether a spouse receiving long-term care services in a nursing facility or in the community meets the state resource standard for Medicaid. Half of the total is attributed to each spouse. The couple's home, household goods, automobile, and burial funds are disregarded when estimating the couple's combined resources. In accordance with federal requirements, the spouse not receiving long-term care services must be allowed to retain at least \$18,132 and not more than \$90,660 in liquid assets. States are authorized to set the level of protection higher than the federal minimum, but not more than the federal maximum.

In accordance with proposed legislation, savings are achieved by reducing the state level of protection from \$90,660 to \$40,000 in liquid assets. Lowering the resource standard will result in couples having to "spend down" to the \$40,000 level prior to receiving Medicaid services. Additionally, funding is provided to the Department of Social and Health Services for additional workload associated with spousal share and eligibility determinations. (General Fund-State, General Fund-Federal)

10. Shift GA-U Proof of Disability - Savings are achieved by implementing legislation that requires the Department of Social and Health Services to discontinue benefits for General Assistance-Unemployable (GA-U) clients unless the client demonstrates that their medical or mental condition has not improved, and they therefore still need a GA-U cash grant and medical benefits.

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Medical Assistance Payments

11. New Hospital Grant Program - To mitigate the effect of the elimination of the Medically Indigent program, grant payments to providers which serve a disproportionate share of Medicaid and uncompensated care patients are increased by \$40 million total funds per year. In determining the distribution of grants to hospitals, the Department may take into consideration the relative financial margins of hospitals. (General Fund-State, General Fund-Federal)

12. State Savings from MI Elimination - The Medically Indigent program is eliminated. The program provided partial compensation to hospitals and physicians for emergency care delivered to low-income, uninsured persons and operated as an open-ended, fully state-funded entitlement. (General Fund-State, General Fund-Local, General Fund-Federal)

13. Adult Dental Services - As an alternative to eliminating non-emergency dental services for adults, the Department is directed to reduce the scope of benefits provided by approximately 25 percent. In developing a new benefit, the Department is directed to work with dental providers and recipient representatives to select the highest priority procedures to include in the reduced benefit. (General Fund-State, General Fund-Federal)

14. Adult Vision Services - Optical services and eyeglasses for adults are eliminated. (General Fund-State, General Fund-Federal)

15. Adult Hearing Services - Hearing services for adults are eliminated. (General Fund-State, General Fund-Federal)

16. Managed Care Rate Increases - Funding is provided to increase managed care payment rates by 3.5 percent in CY 2004 and 5.0 percent in CY 2005, rather than the average of 8 to 9 percent per year by which they have increased in recent years. (General Fund-State, General Fund-Federal)

17. Increased Eligibility Verification - As provided in the 2003 supplemental budget, the Department will increase efforts to assure that recipients of publicly-funded medical assistance meet applicable income, residency, and other eligibility requirements. Specific changes are to include: (1) verifying applicants' declared income through employer contacts and electronic records checks; (2) re-verifying eligibility at least every six months, rather than annually as was previously done for children's and family medical coverage; and (3) discontinuing coverage if subsequent income changes make the child ineligible for coverage, rather than continuing the coverage for a full year despite such changes as was previously done.

These changes are expected to result in approximately 4,800 (1.9 percent) fewer persons qualifying for publicly-funded medical assistance in FY 2004, and in approximately 19,000 (3.4 percent) fewer receiving such assistance in FY 2005. The FY 2004 savings are significantly lower because electronic eligibility system changes needed to implement the six-month eligibility changes cannot be implemented until January 2004.

In addition, these changes are expected to result in \$4.3 million (\$2.1 million state funds) of avoided expenditures in the mental health program. Additionally, 96 FTEs are funded in the Economic Services Administration to conduct the necessary eligibility reviews, at a cost of \$10.6 million (\$5.8 million state funds). The net state savings from this change are expected to total approximately \$23 million for the biennium. (General Fund-State, Health Services Account-State, General Fund-Federal)

18. Children's Medical Premiums - Beginning in July 2004, families with incomes over the federal poverty level will be required to pay monthly premiums for their child's optionally categorically needy Medicaid coverage or SCHIP coverage. Premiums will average about \$10 per child per month for families with income between 100-150 percent of poverty (\$1,300 - \$1,900 per month for a family of three); \$15 per child per month for families with incomes up to 200 percent of poverty (\$1,900 - \$2,500 per month for a family of three); and \$20 per child per month for families with incomes up to 250 percent of poverty (\$2,500 - \$3,200 per month for a family of three). Under this proposal, families will pay less than 2.5 percent of income and premiums will be capped at three children per household.

Approximately \$3.9 million of administrative costs are included for the Economic Services Administration and the Office of Financial Recovery to accomplish the premium collections, and approximately \$1.3 million of reduced state fund expenditures will occur in the mental health program as a result of the reduction in the number of eligible children. (General Fund--State, General Fund--Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Medical Assistance Payments

19. Medicaid Integration Project - The Department of Social and Health Services plans to contract with a specialty organization to provide medical care to interested nursing home residents. Based upon similar efforts conducted on a limited basis in other states, the Department anticipates that total state hospitalization expenditures for nursing home residents can be reduced by 20 percent, and drug expenditures by 10 percent, through increased access to specialized care. The extent to which savings are actually occurring will begin to be known approximately one year after initial implementation. The Department also plans to seek a waiver arrangement with the federal government, so that the state may share in the substantial hospitalization savings which will accrue to the federal Medicare program if this state effort is successful. (General Fund-State, General Fund-Federal)

20. Transfer Trauma Funding - Emergency Medical Services and Trauma Account revenues previously appropriated to the Department of Social and Health Services are partially transferred to the Department of Health. Funds appropriated to the Department of Health will be distributed among hospitals and other trauma services through fixed grants and contracts. Funds appropriated to the Department of Social and Health Services will be used to provide increased reimbursement for trauma-related services under the regular federal Medicaid program. The Department of Social and Health Services is directed to implement a system to assure that state expenditures for increased reimbursement do not exceed the amount appropriated from the Emergency Medical Services and Trauma Account, and do not include federal disproportionate share hospital funding not specifically appropriated for this purpose. The previous system of attempting to distribute such funding through add-ons to the standard Medicaid fee-for-service payment rates in order to generate federal matching funds resulted in over-expenditures of \$3.8 million in FY 2000; \$13 million in FY 2001, and an additional \$11 million through the first ten months of FY 2002. Those over-expenditures had to be paid by the state general fund, rather than by the special-purpose trauma fund. (Emergency Medical Systems and Trauma Account-State)

21. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Vocational Rehabilitation
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	337.1	21,486	104,086
2003-05 Carryforward Level	337.1	19,406	102,912
2003-05 Maintenance Level	337.1	19,809	100,408
Policy Changes:			
1. General Inflation	0.0	-48	-335
2. Increase Work Opportunities	0.0	2,118	7,583
3. Staff Reduc. & Oper. Efficiencies	-12.6	-608	-608
Total Policy Changes	-12.6	1,462	6,640
Total 2003-05 Biennium	324.5	21,271	107,048
Difference from 2001-03	-12.6	-215	2,962
% Change from 2001-03	-3.9%	-1.0%	2.8%

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. (General Fund-State, General Fund-Federal)

2. Increase Work Opportunities - Funding is provided to capture all available federal basic support grant funds from the United States Department of Education Rehabilitation Services Administration. The basic support grant is a lidded formula grant with annual adjustments based on per capita income and population. In addition, reimbursement funding from other agencies is eliminated as it is no longer available. (General Fund-State, General Fund-Federal, General Fund-Local)

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Administration/Support Svcs
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	684.2	54,595	103,163
2003-05 Carryforward Level	664.4	44,810	87,770
2003-05 Maintenance Level	628.9	54,268	100,654
Policy Changes:			
1. General Inflation	0.0	-132	-611
2. RHC Transition Unit	5.3	900	1,799
3. Children's Medical Premiums	0.0	945	1,891
4. Reduce Admin & Support Services	-21.3	-2,181	-3,116
5. SSP Coordination	2.0	240	320
6. HIPAA Standard Transactions	4.0	200	400
7. Staff Reduc. & Oper. Efficiencies	-25.0	-2,244	-2,992
Total Policy Changes	-35.0	-2,272	-2,309
Total 2003-05 Biennium	594.0	51,996	98,345
Difference from 2001-03	-90.2	-2,599	-4,818
% Change from 2001-03	-13.2%	-4.8%	-4.7%

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. (General Fund-State, General Fund-Federal)

2. RHC Transition Unit - Funding is provided for transition costs associated with the closure of Fircrest School by the end of the 2005-07 biennium. Within the resources provided, the Department will: (1) establish a closure team that will develop a transition plan; (2) plan, develop, and implement the transfer of residents to other institutions or community placements; (3) assist employees affected by the closure of the facility; and (4) coordinate operational efforts between agencies. (General Fund-State, General Fund-Federal)

3. Children's Medical Premiums - Beginning in July 2004, families with incomes over the federal poverty level will be required to pay monthly premiums for their child's optionally categorically needy Medicaid coverage or SCHIP coverage. Premiums will average about \$10 per child per month for families with income between 100-150 percent of poverty (\$1,300 - \$1,900 per month for a family of three); \$15 per child per month for families with incomes up to 200 percent of poverty (\$1,900 - \$2,500 per month for a family of three); and \$20 per child per month for families with incomes up to 250 percent of poverty (\$2,500 - \$3,200 per month for a family of three). Under this proposal, families will pay less than 2.5 percent of income and premiums will be capped at three children per household.

Approximately \$3.9 million of administrative costs are included for the Economic Services Administration and the Office of Financial Recovery to accomplish the premium collections, and approximately \$1.3 million of reduced state fund expenditures will occur in the mental health program as a result of the reduction in the number of eligible children. (General Fund-State, General Fund-Federal)

4. Reduce Admin & Support Services - Administrative funding is reduced by 4 percent. (General Fund-State, General Fund-Federal)

5. SSP Coordination - Funding is provided for agency-wide coordination of Supplemental Security Income State Supplemental Payments. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Administration/Support Svcs

6. HIPAA Standard Transactions - Funding is provided to implement standards for electronic transactions to comply with the Health Insurance Portability and Accountability Act (HIPAA). Funding provided within the Administration and Supporting Services program is for any required changes in central agency reporting functions that must be done as a result of changes in the Medicaid Management Information System (MMIS). Funding is not provided for major changes to DSHS payment systems beyond MMIS. Funding for changes to MMIS is provided within the Medical Assistance Administration. (General Fund-State, General Fund-Federal)

7. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Payments to Other Agencies
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	86,106	112,771
2003-05 Carryforward Level	0.0	84,938	111,150
2003-05 Maintenance Level	0.0	85,508	111,954
Policy Changes:			
1. General Inflation	0.0	-72	-84
2. Revolving Funds	0.0	2,328	3,372
3. Self-Insurance Premiums	0.0	0	16,196
Total Policy Changes	0.0	2,256	19,484
Total 2003-05 Biennium	0.0	87,764	131,438
Difference from 2001-03	0.0	1,658	18,667
% Change from 2001-03	0.0%	1.9%	16.6%

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. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, various other funds)

3. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

2003-05 Omnibus Operating Budget
Dept of Social and Health Services
Information System Services
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	161.2	0	0
2003-05 Carryforward Level	161.2	0	0
2003-05 Maintenance Level	161.2	0	0
Policy Changes:			
1. Information System Svc Div (ISSD)	-4.1	0	0
2. Staff Reduc. & Oper. Efficiencies	-5.8	0	0
Total Policy Changes	-9.9	0	0
Total 2003-05 Biennium	151.4	0	0
Difference from 2001-03	-9.8	0	0
% Change from 2001-03	-6.2%	0.0%	0.0%

Comments:

1. Information System Svc Div (ISSD) - The Information System Services Division is the department's primary center for information technology (IT) services, including formulating agency IT policy; facilitating the agency's IT standards, guidelines, and best practices; maintaining a portfolio of IT projects used in strategic agency priority setting; and oversight reporting to the Information Services Board. Four FTE staff years are eliminated as part of the Department of Social and Health Services' administrative staff reduction proposal.

2. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Columbia River Gorge Commission
(Dollars in Thousands)

	FTEs	Passed House		Total
			GF-S	
2001-03 Estimated Expenditures	9.8		791	1,550
2003-05 Carryforward Level	9.8		776	1,534
2003-05 Maintenance Level	9.8		768	1,511
Policy Changes:				
1. Lease Rate Adjustments	0.0		15	30
2. General Inflation	0.0		-3	-6
3. Transfers	0.0		410	410
4. NSA Management Plan	0.0		10	20
5. Revolving Funds	0.0		2	4
6. Staff Reduc. & Oper. Efficiencies	-0.1		-8	-12
Total Policy Changes	-0.1		426	446
Total 2003-05 Biennium	9.8		1,194	1,957
Difference from 2001-03	0.0		403	407
% Change from 2001-03	0.0%		50.9%	26.3%

Comments:

1. Lease Rate Adjustments - Funding is provided for increased costs related to the relocation of the agency. One-time funding of \$7,000 is provided for moving costs. (General Fund-State, General Fund-Private 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. (General Fund-State, General Fund-Private Local)

3. Transfers - Appropriation authority is transferred from the Department of Community, Trade, and Economic Development for pass-through grants to Clark and Skamania counties to implement the required responsibilities under the National Scenic Area Management Plan, specifically to provide planning and permitting services.

4. NSA Management Plan - One-time funding is provided to obtain a technical writing contract to reorganize and edit the revised management plan and for distribution of the plan in FY 2004. (General Fund-State, General Fund-Private Local)

5. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, General Fund-Private Local)

6. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Private Local)

2003-05 Omnibus Operating Budget
Department of Ecology
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1,459.8	75,269	324,721
2003-05 Carryforward Level	1,438.0	68,287	297,740
2003-05 Maintenance Level	1,438.0	70,096	302,371
Policy Changes:			
1. General Inflation	0.0	-586	-1,018
2. Tire Recycling	3.0	0	3,000
3. PBT Reduction	0.0	0	-500
4. Air: Reduce Outreach	-1.5	-374	-274
5. Reduce Smoke & Dust in Eastern WA	0.0	-500	0
6. Haz Waste: Reduce Tech Assistance	-2.0	0	-406
7. Nuclear Program Office Move	0.0	0	650
8. 401 Cert: Shift to WQA	0.0	-160	0
9. Reduce FCAAP Grants	0.0	0	-2,000
10. Shoreline Master Programs	0.0	2,000	2,000
11. Reappropriate Watershed Grants	0.0	0	3,000
12. Solid Waste: Tech Assist Reduction	-0.4	0	-152
13. Charter/Rescue Tug Services	0.0	0	2,800
14. Site Cleanup Tech Assist. Reduction	-4.0	0	1,726
15. US v. WA Culverts Litigation	0.0	16	44
16. Metals Mining Inspection Transfer	-1.0	0	14
17. Aquatic Weeds Reappropriation	0.0	0	1,050
18. Delay Water Right Decisions	0.0	-2,000	-2,000
19. Ensure Drought Response	-2.6	0	226
20. Support Stream Gauging	0.0	0	221
21. Support Water Purchase/Lease	3.5	0	631
22. Pine Hollow EIS	0.0	0	325
23. Well Regulation: Reduce Tech. Asst	-1.0	-454	-154
24. Dam Safety: New Fee Revenue	0.5	90	90
25. Administrative Services	-1.0	-131	-131
26. Communication and Education	0.0	-12	-12
27. Employee Services	0.0	-29	-29
28. Executive Management & Support	0.0	-26	-26
29. Field Offices	0.0	-19	-19
30. Financial Services	-0.5	-67	-67
31. Governmental Relations	0.0	-17	-17
32. Regional Offices	-0.5	-55	-55
33. Mercury Reduction & Education	0.8	0	166
34. Revolving Funds	0.0	-74	-198
35. Staff Reduc. & Oper. Efficiencies	-41.7	-1,060	-2,470
36. Self-Insurance Premiums	0.0	374	1,034
Total Policy Changes	-48.4	-3,084	7,449
Total 2003-05 Biennium	1,389.6	67,012	309,820
Difference from 2001-03	-70.2	-8,257	-14,901
% Change from 2001-03	-4.8%	-11.0%	-4.6%

**2003-05 Omnibus Operating Budget
Department of Ecology***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. (General Fund-State, General Fund-Private/Local, General Fund-Federal, various other funds)
- 2. Tire Recycling** - Funding is provided to implement Engrossed Substitute House Bill 1705 (tire recycling). This bill provides grant money for local government tire recycling enforcement programs. (Vehicle Tire Recycling Account-State)
- 3. PBT Reduction** - Funding is reduced for the strategy to address persistent, bioaccumulative toxic (PBT) chemicals. Baseline PBT sampling and monitoring of fish tissue at 20 lakes per year will continue, in addition to the implementation of the mercury chemical action plan. (State Toxics Control Account-State)
- 4. Air: Reduce Outreach** - Funding is reduced for air quality public outreach. (General Fund-State, Air Pollution Control Account-State)
- 5. Reduce Smoke & Dust in Eastern WA** - \$500,000 appropriation authority is transferred from the state general fund to the Air Pollution Control Account. Funding is provided for source-specific air pollution activities. (General Fund-State, Air Pollution Control Account-State)
- 6. Haz Waste: Reduce Tech Assistance** - Due to a State Toxics Control Account revenue shortfall, a 15 percent reduction in education and technical assistance will be realized for businesses that generate less than 220 pounds of dangerous waste a month. This equates to 3,000 less technical assistance visits for the biennium, out of a total of approximately 18,000 inspections. (General Fund-Federal, State Toxics Account-State)
- 7. Nuclear Program Office Move** - Funding is provided for the relocation costs of Nuclear Waste Program staff from Kennewick to Richland. (General Fund-Federal, State Toxics Control Account-State)
- 8. 401 Cert: Shift to WQA** - Appropriation authority is transferred from the state general fund to the Water Quality Account. (General Fund-State, Water Quality Account-State)
- 9. Reduce FCAAP Grants** - Appropriation authority is reduced by half for the Flood Control Assistance Account Program. Funding is provided for local government flood damage reduction projects, Comprehensive Hazard Management Plans, flood mapping, technical assistance for the National Flood Insurance Program, and flood damage reduction projects. (Flood Control Assistance Account-State)
- 10. Shoreline Master Programs** - One-time funding is provided to implement Engrossed Substitute House Bill 1769 (shoreline master programs). This bill provides a staggered statutory schedule for local governments to develop or update shoreline master programs. Funding is provided for local governments who are identified in the first round of implementation deadlines.
- 11. Reappropriate Watershed Grants** - Funding is provided for watershed planning grants that were originally appropriated and obligated during the 2001-03 biennium, but have not been paid out to grant recipients due to the cash reimbursement nature of the program. (Water Quality Account-State)
- 12. Solid Waste: Tech Assist Reduction** - Funding from the State Toxics Account for technical assistance in the Solid Waste Division is reduced and is increased to a lesser amount from the Biosolids Permit Account. This results in an 18 percent program reduction to engineering and hydrology technical assistance to local health districts. (State Toxics Account-State, Biosolids Permit Account-State)

2003-05 Omnibus Operating Budget
Department of Ecology

13. Charter/Rescue Tug Services - Funding is provided for a dedicated tug for both years of the biennium. The tug provides emergency towing capability to assist disabled commercial vessels and reduces the risk of a catastrophic oil spill in Washington State. (Vessel Response Account-State)

14. Site Cleanup Tech Assist. Reduction - Funding for four staff who provide technical assistance related to hydrogeology, sediment, chemistry, and biological impact analysis for site clean-up is eliminated. A one-time \$2.1 million fund balance, from delayed payments to the United States Environmental Protection Agency and other savings, will be utilized for emergency site clean-ups. (State Toxics Control Account-State)

15. US v. WA Culverts Litigation - One-time funding is provided for Assistant Attorney General staff support for the US vs Washington State (Culverts Case) trial which is anticipated to occur in December 2003. Agencies involved in the case include the Departments of Transportation, Natural Resources, Fish and Wildlife, Ecology and the Washington State Parks and Recreation Commission. (General Fund-State, Water Quality Account-State, Water Quality Permit Account-State)

16. Metals Mining Inspection Transfer - Funding is provided to continue an existing contract to provide stormwater manual updates and training on the stormwater model. In addition, the State Metal Mining and Milling Act requires state agencies to conduct quarterly inspections for mining and milling operations. The Departments of Natural Resources (DNR) and the Department of Ecology (DOE) both conduct mining-related inspections. By mutual agreement of the two agencies, the appropriations from the Metals Mining Account are transferred from DNR to the DOE on an on-going basis. (Metals Mining Account-State)

17. Aquatic Weeds Reappropriation - Funding is provided to local governments to reduce the propagation of freshwater aquatic weeds. Funds were previously appropriated and obligated, but not dispersed due to seasonal limitations of weed control. (Freshwater Aquatic Weed Account-State)

18. Delay Water Right Decisions - Funding is reduced for processing water right decisions.

19. Ensure Drought Response - Funding is provided to increase program capacity for drought response activities. (State Emergency Water Projects Revolving Account-State)

20. Support Stream Gauging - Funding is provided for increased costs to maintain and operate new stream gauging facilities installed during the 2001-03 biennium and for additional state match needed for the federal stream gauging program. (State Drought Preparedness Account-State)

21. Support Water Purchase/Lease - Water Right Acquisition and/or Leasing Program appropriation authority for \$640,000 is transferred from the Water Quality Account to the Reclamation Account. Additional funding is provided from the State Drought Preparedness Account to support the program and to avoid eliminating the staff costs from the capital program. (Water Quality Account-State, State Drought Preparedness Account-State, Reclamation Account-State)

22. Pine Hollow EIS - Funding is provided to complete an Environmental Impact Statement for the Pine Hollow water storage project, contingent on the outcome of the planning process. (State Drought Preparedness Account-State)

23. Well Regulation: Reduce Tech. Asst - State general fund support for data management and technical assistance will be shifted to the State Reclamation Account and reduced by 8.8 percent. A reduced level of technical assistance will be provided to homeowners, well drillers, tribes, and local governments. (General Fund-State, Reclamation Account-State)

24. Dam Safety: New Fee Revenue - Funding is provided for an additional staff person in FY 2005, to increase the inspections of high risk dams to every five years, rather than the current schedule of every six to ten years. Fees for approving new dam construction and modifications will be increased to cover the actual cost of plan reviews and fees for periodic dam inspections will be instituted to begin covering the cost of inspections. \$243,000 in new revenue to the state general fund during the 2003-05 biennium, will be realized if fees are instituted before January 2004.

2003-05 Omnibus Operating Budget
Department of Ecology

25. Administrative Services - Savings are realized by taking an administration reduction in information services that are related to program activity reductions.

26. Communication and Education - Savings are realized by taking an administration reduction related to program activities.

27. Employee Services - Savings are realized by taking an administration reduction in employee services that are related to program activities.

28. Executive Management & Support - Savings are realized by taking an administration reduction in executive management and support that are related to program activities.

29. Field Offices - Savings are realized by taking an administration reduction in field offices that are related to program activities.

30. Financial Services - Savings are realized by taking an administration reduction in financial services that are related to program activities.

31. Governmental Relations - Savings are realized by taking an administration reduction in governmental relations that are related to program activities.

32. Regional Offices - Savings are realized by taking an administration reduction in regional offices that are related to program activities.

33. Mercury Reduction & Education - Funding is provided to implement Engrossed Substitute House Bill 1002 (mercury). This bill provides staff to assist with public education efforts, providing public notice and education about specific product bans, and developing guidelines for issuing penalties. (State Toxics Control Account-State)

34. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, State Toxics Account-State, various other funds)

35. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, Water Quality Permit Account-State, State Toxics Control Account-State, Oil Spill Prevention Account-State, various other funds)

36. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (General Fund-State, Water Quality Permit Account-State, State Toxics Control Account-State, various other funds)

2003-05 Omnibus Operating Budget
WA Pollution Liab Insurance Program
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	9.1	0	2,170
2003-05 Carryforward Level	9.1	0	2,167
2003-05 Maintenance Level	9.1	0	2,042
Policy Changes:			
1. General Inflation	0.0	0	-6
2. Agency Administration Fund Shift	0.0	0	0
3. Revolving Funds	0.0	0	-2
4. Staff Reduc. & Oper. Efficiencies	-2.0	0	-140
Total Policy Changes	-2.0	0	-148
Total 2003-05 Biennium	7.1	0	1,894
Difference from 2001-03	-2.0	0	-276
% Change from 2001-03	-22.2%	0.0%	-12.7%

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. (General Fund-State, Pollution Liability Insurance Program Trust Account-State, Heating Oil Pollution Liability Trust Account-Non-Appropriated)

2. Agency Administration Fund Shift - Appropriation authority is transferred from the Heating Oil Pollution Liability Trust Account to the Pollution Liability Insurance Program Trust Account. Funds are provided for program administration. (Pollution Liability Insurance Program Trust Account-State, Heating Oil Pollution Liability Trust Account-Non-Appropriated)

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, Pollution Liability Insurance Program Trust Account-State)

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, Pollution Liability Insurance Program Trust Account-State)

2003-05 Omnibus Operating Budget
State Parks and Recreation Comm
(Dollars in Thousands)

	FTEs	Passed House	
		GF-S	Total
2001-03 Estimated Expenditures	647.5	63,723	100,878
2003-05 Carryforward Level	648.7	62,500	100,172
2003-05 Maintenance Level	648.7	63,445	102,352
Policy Changes:			
1. Technical Adjustment	1.6	0	0
2. General Inflation	0.0	-547	-626
3. Operating Costs/Exist Capital Proj	22.8	2,673	2,673
4. Cama Beach Reduction	-17.3	-1,978	-1,978
5. Administrative Reduction	-0.4	-43	-43
6. Reduce PRSA to Match Revenue	0.0	0	-2,000
7. US v. Washington Culverts	0.0	22	22
8. Implement Parking Fee	50.0	0	4,061
9. Close Lower Priority Parks	-8.0	-388	-388
10. Reduce ORV to Match Statute Maximum	0.0	0	-81
11. Decrease Maintenance Backlog	0.0	0	750
12. WaterTrail Program Acct Elimination	0.0	0	0
13. Operational Efficiencies	0.0	-3,468	-4,310
14. PRSA Fund Shift	0.0	-6,500	0
15. Revolving Funds	0.0	-2	-2
16. Self-Insurance Premiums	0.0	1,020	1,458
Total Policy Changes	48.7	-9,211	-464
Total 2003-05 Biennium	697.4	54,234	101,888
Difference from 2001-03	49.9	-9,489	1,010
% Change from 2001-03	7.6%	-14.9%	1.0%

Comments:

- 1. Technical Adjustment** - Staffing level and technical funding adjustments are made to several funds. (General Fund-Local, various other funds)
- 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. (General Fund-State, various other funds)
- 3. Operating Costs/Exist Capital Proj** - A combination of one-time and on-going funding is provided for operating and maintenance impacts for projects funded in the 2001-03 capital budget.
- 4. Cama Beach Reduction** - Funding and staffing are reduced to reflect a delay in the opening of Cama Beach State Park.
- 5. Administrative Reduction** - Funding and staff are reduced to reflect administrative support services reductions.
- 6. Reduce PRSA to Match Revenue** - Funding is reduced in the Parks Renewal and Stewardship Account to match available revenues. (Parks Renewal and Stewardship Account-State)

**2003-05 Omnibus Operating Budget
State Parks and Recreation Comm**

7. US v. Washington Culverts - One-time funding is provided for Assistant Attorney General staff support for the US vs Washington State (Culverts Case) trial which is anticipated to occur in December 2003. Agencies involved in the case include the Departments of Transportation, Natural Resources, Fish and Wildlife, Ecology and the Washington State Parks and Recreation Commission.

8. Implement Parking Fee - Funding and staffing are increased to implement the system-wide parking fee that went into effect January 1, 2003. Staff will communicate the new payment options and collect parking fees from visitors at state parks. The State Parks and Recreation Commission projects the new fee will generate \$10 million in revenue during the 2003-05 biennium. (Parks Renewal and Stewardship Account-State)

9. Close Lower Priority Parks - Funding and staffing are reduced to reflect closure of approximately five lower-priority parks to be selected by the State Parks and Recreation Commission.

10. Reduce ORV to Match Statute Maximum - Funding is reduced to match available revenues. (Off Road Vehicle Account-State)

11. Decrease Maintenance Backlog - Funding is provided to decrease the backlog of maintenance projects in the state park system. The State Parks and Recreation Commission will prioritize projects to address critical maintenance projects that protect public health and safety. (Parks Renewal and Stewardship Account-State)

12. Water Trail Program Acct Elimination - Funding is provided to implement House Bill 1335 (water trail recreation program). This bill eliminates the Water Trail Program Account and transfers the remaining fund balance into the Parks Renewal Stewardship Account. (Water Trail Program Account-State, Parks Renewal Stewardship Account-State)

13. Operational Efficiencies - Savings are realized by attaining operational and administrative efficiencies. (General Fund-State, various other funds)

14. PRSA Fund Shift - Expenditures are shifted on a one-time basis. (General Fund-State, Parks Renewal and Stewardship Account-State)

15. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

16. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (General Fund-State, Parks Renewal Stewardship Account-State)

2003-05 Omnibus Operating Budget
Interagency Comm for Outdoor Rec
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	23.4	338	14,346
2003-05 Carryforward Level	22.4	294	12,144
2003-05 Maintenance Level	22.7	329	20,273
Policy Changes:			
1. SWIM Coordinator	1.0	168	168
2. General Inflation	0.0	-2	-16
3. Natural Resources Data Portal	0.5	82	82
4. Fund Adjust to Match Revenue	0.0	0	-15
5. Revolving Funds	0.0	-2	-4
6. Staff Reduc. & Oper. Efficiencies	-1.1	0	-50
Total Policy Changes	0.4	246	165
Total 2003-05 Biennium	23.1	575	20,438
Difference from 2001-03	-0.3	237	6,092
% Change from 2001-03	0.0%	70.1%	42.5%

Comments:

1. SWIM Coordinator - Funding is provided for a Salmon and Watershed Information Management Coordinator position to provide increased accessibility to monitoring information and coordinated natural resource data. The Joint Natural Resource Agency Cabinet (JNRC) identified access to data as a barrier in restoring and protecting natural resources. This item implements a recommendation of the Monitoring Oversight Committee.

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. (General Fund-State, Salmon Recovery Account-State, Recreation Resources Account-State)

3. Natural Resources Data Portal - Funding is provided for a part-time webmaster position to support the operations and maintenance of the Natural Resources Data Portal. The Data Portal is a website that provides access to a variety of distributed natural resource data and information which is maintained by various state agencies. It is a single place to access available data related to watershed health and salmon recovery efforts.

4. Fund Adjust to Match Revenue - Appropriation authority is reduced to align available revenue and operating expenses with statutory requirements. Statute requires a maximum of 10 percent of the Off-Road Vehicle Activities Program Account and the Firearms Range Account revenue to be used for operating expenses. (Firearms Range Account-State, Nonhighway and Off-Road Vehicle Activities Program Account-State)

5. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, Recreation Resources Account-State)

6. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (Recreation Resources Account-State)

2003-05 Omnibus Operating Budget
Environmental Hearings Office
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	8.0	1,698	1,698
2003-05 Carryforward Level	8.0	1,663	1,663
2003-05 Maintenance Level	9.0	1,963	1,963
Policy Changes:			
1. General Inflation	0.0	-8	-8
2. Land Use Hearings Board	0.0	50	50
3. Revolving Funds	0.0	2	2
4. Staff Reduc. & Oper. Efficiencies	0.0	-120	-120
Total Policy Changes	0.0	-76	-76
Total 2003-05 Biennium	9.0	1,887	1,887
Difference from 2001-03	1.0	189	189
% Change from 2001-03	12.5%	11.1%	11.1%

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. Land Use Hearings Board - Funding is provided to implement Engrossed Substitute Senate Bill 5776 (review of permit decisions). This bill provides funds for the increased costs associated with the creation of the Environmental and Land Use Hearings Board.

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
State Conservation Commission
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	15.0	4,292	7,811
2003-05 Carryforward Level	12.5	4,232	6,482
2003-05 Maintenance Level	12.5	4,258	6,540
Policy Changes:			
1. General Inflation	0.0	-10	-30
2. Drainage Infrastructure	0.5	139	139
3. Dairy Nutrient Program	0.0	0	-90
4. Staff Reduc. & Oper. Efficiencies	-0.2	-8	-12
Total Policy Changes	0.3	121	7
Total 2003-05 Biennium	12.8	4,379	6,547
Difference from 2001-03	-2.2	87	-1,264
% Change from 2001-03	-13.3%	2.0%	-16.2%

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. (General Fund-State, Water Quality Account)

2. Drainage Infrastructure - One-time funding is provided to implement Engrossed Second Substitute House Bill 1418 (drainage infrastructure). Increased funding will be used to provide support to the newly created task force as they address issues related to agricultural drainage systems.

3. Dairy Nutrient Program - Spending authority is transferred from the Conservation Commission to the Department of Agriculture for implementation of Engrossed Substitute Senate Bill 5889 (animal feeding operations). Upon the effective date of the legislation, the account will be renamed the Livestock Nutrient Management Account. (Dairy Waste Management Account-Non-Appropriated)

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, Water Quality Account)

2003-05 Omnibus Operating Budget
Dept of Fish and Wildlife
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1,557.5	92,942	292,171
2003-05 Carryforward Level	1,538.2	88,528	280,074
2003-05 Maintenance Level	1,609.2	90,368	284,034
Policy Changes:			
1. General Inflation	0.0	-502	-1,515
2. Reduce Regional Customer Service	-9.0	-850	-1,050
3. Consolidate Regions 2 & 3	-2.0	-282	-282
4. US v. Washington Culvert Lawsuit	0.0	112	112
5. Safety Equipment Upgrade	0.0	60	110
6. Admin Technical Adjustment	0.0	0	-24
7. Admin General Reduction	0.0	-405	-405
8. ORV Reduce to Revenue	0.0	0	-140
9. Computer & Software Upgrade	0.0	0	400
10. Enforcement: Evidence Storage	0.0	0	300
11. Enforcement Vacancy Savings	0.0	-1,000	-1,000
12. Spartina Funding to ALEA	0.0	0	466
13. Reduce Warm Water Assessment	-2.0	-550	-300
14. Hatchery Science Review Group	0.0	450	1,000
15. Fish Hatcheries Division Reduction	-6.0	-1,284	-1,284
16. Habitat: Cut Pre-Project Screening	-2.2	-465	-465
17. WCC: Working Circles with DNR	0.0	-410	-410
18. Lands - Stewardship & Maintenance	0.0	0	850
19. Migratory Waterfowl	0.0	0	900
20. Wildlife - Marine Bird Monitoring	0.0	0	402
21. Small Forest Landowners	1.1	157	157
22. Intergovernmental Affairs Assistant	-1.0	-160	-160
23. Fish Management Division Reduction	0.0	-160	-160
24. Enforcement Program fund shift	0.0	-800	0
25. Catch Record Cards	0.0	0	35
26. Municipal Water Rights	0.5	50	50
27. Pacific Salmon Treaty	0.0	220	220
28. Revolving Funds	0.0	-40	-70
29. Staff Reduc. & Oper. Efficiencies	-63.4	-3,060	-4,644
30. Self-Insurance Premiums	0.0	403	732
Total Policy Changes	-84.0	-8,516	-6,175
Total 2003-05 Biennium	1,525.2	81,852	277,859
Difference from 2001-03	-32.3	-11,090	-14,312
% Change from 2001-03	-2.1%	-11.9%	-4.9%

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. Reduce Regional Customer Service - Savings are realized through the elimination of customer service staff within each regional office. License sales will be eliminated in all regional offices which will require customers to purchase licenses through a retail establishment. (General Fund-State, State Wildlife Account-State)

**2003-05 Omnibus Operating Budget
Dept of Fish and Wildlife**

- 3. Consolidate Regions 2 & 3** - Savings are realized through the consolidation of management within the Ephrata and Yakima offices to include elimination of one regional director and one office manager.
- 4. US v. Washington Culvert Lawsuit** - One-time funding is provided for Assistant Attorney General staff support for the US vs Washington State (Culverts Case) trial which is anticipated to occur in December 2003. Agencies involved in the case include the Departments of Transportation, Natural Resources, Fish and Wildlife, Ecology and the Washington State Parks and Recreation Commission.
- 5. Safety Equipment Upgrade** - Funding is provided for replacement of emergency communication radios with equipment that meets federal standards, is compatible with equipment used by other state agencies, and is used by employees working alone in remote locations that lack cell phone coverage. (General Fund-State, State Wildlife Account-State)
- 6. Admin Technical Adjustment** - Savings are realized through an administrative technical adjustment. (General Fund-Federal, General Fund-Private/Local, State Wildlife Account-Federal, State Wildlife Account-Local)
- 7. Admin General Reduction** - A general reduction to administration is taken.
- 8. ORV Reduce to Revenue** - Due to revenue shortfalls, expenditures from the Off Road Vehicle Account are reduced by \$139,000, resulting in a reduction of grant dollars available to maintain roads and recreational facilities in state wildlife areas. (General Fund-Private/Local, Off Road Vehicle Account-State)
- 9. Computer & Software Upgrade** - Funding is provided for the Information Services Division to upgrade agency computer backup systems and to continue the transition of agency personal computers and software to current standards. (State Wildlife Account-State, various other funds)
- 10. Enforcement: Evidence Storage** - Funding is provided to implement evidence storage upgrades, provide mobile data terminals to all officers, and to replace vehicles in order to conform to recognized replacement schedules and ensure employee safety. (State Wildlife Account-State)
- 11. Enforcement Vacancy Savings** - The Enforcement Program will continue to hold open five vacancies.
- 12. Spartina Funding to ALEA** - Funding is provided to continue efforts to control and manage Spartina infestations within the state. (Aquatic Lands Enhancement Account-State)
- 13. Reduce Warm Water Assessment** - Savings are realized through the elimination of the Western Washington Warm Water Assessment Team and the transfer of certain General Fund-State activities to other fund sources. (General Fund-State, General Fund-Local, State Wildlife Account-State, various other funds)
- 14. Hatchery Science Review Group** - Funding is provided to implement the Hatchery Scientific Review Group recommendations to reform hatchery programs for the benefit of recovering wild salmon and providing sustainable fisheries. (General Fund-State, General Fund-Federal, General Fund-Local, State Wildlife Account-State, various other funds)
- 15. Fish Hatcheries Division Reduction** - Savings are realized by taking reductions to the Hatchery Division that may include the closure of hatcheries. Hatchery closures are to be prioritized by the recommendations from the Hatchery Scientific Review Group.
- 16. Habitat: Cut Pre-Project Screening** - Funding is eliminated for pre-project screening activities related to habitat resotation projects. While this activity is being eliminated, project screening will continue at a reduced level.

**2003-05 Omnibus Operating Budget
Dept of Fish and Wildlife**

17. WCC: Working Circles with DNR - Funding and staffing are reduced for Washington Conservation Corps (WCC) activities. The Department of Natural Resources and the Departments of Fish and Wildlife will coordinate the management of remaining WCC crews in "working circles" around the state.

18. Lands - Stewardship & Maintenance - Funding is provided to address stewardship and maintenance needs on approximately 90,000 acres and over 600 water access sites. (General Fund-Private/Local, State Wildlife Account-State, State Wildlife Account-Federal)

19. Migratory Waterfowl - Funding is provided for wetland restoration and landowner incentives to create or maintain habitat for migratory waterfowl. These activities are supported by revenue from an increase in the migratory waterfowl stamp, authorized by Chapter 283, Laws of 2002. (State Wildlife Fund-State)

20. Wildlife - Marine Bird Monitoring - Funding is provided to investigate recent declines in marine bird populations within Puget Sound and begin implementation of a recovery plan. State funds will be used to match and leverage resources from other private or government partners. (Wildlife Account-State)

21. Small Forest Landowners - Funding is provided to implement Second Substitute House Bill 1095 (small forest landowners). Increased funding is for an agency program administrator to establish an assistance program for small forest landowners.

22. Intergovernmental Affairs Assistant - Funding for one intergovernmental affairs assistant position is eliminated.

23. Fish Management Division Reduction - Funding is reduced for the Fish Management Division.

24. Enforcement Program fund shift - One-time funding is transferred from the state general fund to the state wildlife account for the Enforcement Program. (General Fund-State, Wildlife Account-State)

25. Catch Record Cards - Funding is provided to implement Second Substitute House Bill 1725 (catch record cards). (Wildlife Account-State)

26. Municipal Water Rights - Funding is provided to implement Engrossed Second Substitute House Bill 1338 (municipal water rights). This bill provides for staff consultation for the review of water system plans of public water systems and participation in selecting watershed areas to participate in voluntary pilot watershed agreements.

27. Pacific Salmon Treaty - Funding is provided to implement license buyback provisions of the United States - Canada salmon treaty.

28. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, State Wildlife Account-State, Water Quality Account-State)

29. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

30. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (General Fund-State, Wildlife Account-State)

2003-05 Omnibus Operating Budget
Department of Natural Resources
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1,581.0	67,425	280,474
2003-05 Carryforward Level	1,574.0	63,045	269,562
2003-05 Maintenance Level	1,576.2	75,764	284,434
Policy Changes:			
1. Culverts Lawsuit Funding	0.0	0	302
2. General Inflation	0.0	-517	-1,426
3. Revenue Management System	5.2	50	2,464
4. Improved Data Storage & Access	0.0	262	913
5. Administrative Reduction	-4.2	-429	-429
6. Fund Adjustment to Match Revenue	-36.1	0	-3,683
7. Aquatic Restoration Land Mgmt	1.0	0	254
8. Contaminated Sediments Liability	0.0	0	1,000
9. Derelict Vessel Removal	0.0	0	1,050
10. Dredged Material Program Monitoring	0.0	0	250
11. Fund Shift to FFPA	0.0	-110	0
12. Suppression: Shift to Disaster Acct	0.0	-6,200	0
13. Fire Control: Fund Shift to FFPA	0.0	-2,000	0
14. Fire Prevent: Adjustment to Revenue	-1.0	0	-101
15. Forest Practices HCP	0.0	0	1,077
16. Increase Forest & Fish Info System	5.6	1,200	1,200
17. Forest Stewardship: Cut Level 3	-2.5	-920	-920
18. Reduce Geology Public Information	-5.5	-730	-730
19. Law Enforcement Investigations	2.0	12	381
20. Fund Shift to NRCA Stewardship	0.0	-49	0
21. Natural Area Operating Impacts	0.3	269	269
22. Aquatic Land ESA	5.5	0	1,101
23. Eliminate GF-S for Public Access	-3.0	-429	-429
24. Reduce ORV Fund to RCW Limit	-3.0	0	-307
25. Shellfish Biotoxin Testing	0.0	0	40
26. Spartina Control: Shift to ALEA	0.0	-182	0
27. State Lands: Match Revenue	-106.7	-296	-16,543
28. Contract Harvesting	0.0	0	8,780
29. PSAMP Expenditures	0.0	0	300
30. Metals Mining Transfer	-1.0	0	-64
31. Surface Mining: Match Revenue	0.0	0	-157
32. WCC: Working Circles with WDFW	-1.2	-779	-779
33. Small Forest Landowners	0.5	278	278
34. Revolving Funds	0.0	26	108
35. Staff Reduc. & Oper. Efficiencies	-86.5	-2,364	-5,630
36. Self-Insurance Premiums	0.0	390	1,090
Total Policy Changes	-230.7	-12,518	-10,341
Total 2003-05 Biennium	1,345.6	63,246	274,093
Difference from 2001-03	-235.4	-4,179	-6,381
% Change from 2001-03	-14.9%	-6.2%	-2.3%

2003-05 Omnibus Operating Budget
Department of Natural Resources*Comments:*

- 1. Culverts Lawsuit Funding** - One-time funding is provided for Assistant Attorney General staff support for the US vs Washington State (Culverts Case) trial which is anticipated to occur in December 2003. Agencies involved in the case include the Departments of Transportation, Natural Resources, Fish and Wildlife, Ecology and the Washington State Parks and Recreation Commission. (Resource Management Cost Account-State, Forest Development 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. (General Fund-State, various other funds)
- 3. Revenue Management System** - One-time and on-going funding and staffing are provided to replace the revenue management system. The current mainframe computer system will be replaced with a commercial system that is compatible with a web-based database. (General Fund-State, Resource Management Cost Account-State, Forest Development Account-State, various other funds)
- 4. Improved Data Storage & Access** - Funding is provided for the network structure that supports storage and access to data. (General Fund-State, Resource Management Cost Account-State, Forest Development Account-State, various other funds)
- 5. Administrative Reduction** - Funding and staffing are reduced to reflect an administrative reduction.
- 6. Fund Adjustment to Match Revenue** - Spending authority is reduced by \$3.6 million to match available revenues in four funds. (Resource Management Cost Account-State, Surface Mining Reclamation Account-State, Air Pollution Control Account-State, Forest Development Account-State)
- 7. Aquatic Restoration Land Mgmt** - One-time and on-going funding and staffing is provided to develop and manage conservation and restoration projects on state-owned aquatic lands. (Resource Management Cost Account-State, Aquatic Lands Enhancement Account-State)
- 8. Contaminated Sediments Liability** - One-time funding is provided for the state's share of costs to cleanup contaminated sediments on the state's aquatic lands. Identified sites include Commencement Bay, Middle Waterway and additional funds for the Thea Foss waterway. Cleanup of contaminated sediments on state-owned aquatic lands is directed by the U.S. Environmental Protection Agency under the Comprehensive Environmental Response and Liability Act, or by the Washington State Department of Ecology under the Model Toxics Control Act. (Aquatic Lands Enhancement Account-State)
- 9. Derelict Vessel Removal** - Funding is provided for costs associated with removing derelict vessels. The 2002 Legislature passed Engrossed Substitute House Bill 2376 (derelict vessels), which gives specified public entities the authority to seize, remove, and dispose of derelict vessels. (Aquatic Lands Enhancement Account-State, Derelict Vessel Removal Account-State)
- 10. Dredged Material Program Monitoring** - Funding is provided for increased costs associated with environmental monitoring of open-water disposal sites used for the disposal of dredged material. The Dredge Materials Management Program coordinates permitting, site authorizations, billings, contracting and monitoring of two disposal sites. (Aquatic Land Dredged Material Disposal Site Account-State)
- 11. Fund Shift to FFPA** - Expenditure authority for several activities are shifted to the Forest Fire Protection Assessment Account. Primary activities include providing accurate and timely collection of fire protection assessments by annually auditing 20 percent of tax assessment rolls, monitoring county collections for accurate distributions of funds, and providing appropriate refunds to taxpayers as provided by law. (General Fund-State, Forest Fire Protection Assessment Account-Non-Appropriated)
- 12. Suppression: Shift to Disaster Acct** - One-time funding is provided for the estimated costs of fire suppression from the Disaster Response Account. (General Fund-State, Disaster Response Account-State)

**2003-05 Omnibus Operating Budget
Department of Natural Resources**

13. Fire Control: Fund Shift to FFPA - A portion of General Fund-State expenditures are shifted, on a one-time basis, to the Forest Fire Protection Assessment Account. Primary activities include preparing fire mobilization and other plans, purchasing and maintaining fire equipment, and establishing fire precaution levels. (General Fund-State, General Fund-Federal, Clarke-McNary Account-Nonappropriated, Forest Fire Protection Assessment Account-Non-Appropriated)

14. Fire Prevent: Adjustment to Revenue - Funding is reduced to match available revenues for the regulation of burning on timber lands. (Air Pollution Control Account-State)

15. Forest Practices HCP - Authority is provided to spend federal funds to support the development of a statewide habitat conservation plan for non-federal forest landowners. The Department will prepare the environmental impact statement and the draft implementation agreement with federal agencies implementing the Endangered Species Act. (General Fund-Federal)

16. Increase Forest & Fish Info System - A combination of on-going and one-time funding and staffing are provided to maintain and update computer systems that support salmon recovery, the state's Forests and Fish Report, and provides basic geographic information system analysis and support for the Forest Practices Program.

17. Forest Stewardship: Cut Level 3 - Funding and staff are reduced for forest stewardship assistance. The Department provides non-industrial private forest owners advice, assistance, and educational opportunities to enhance stewardship of their lands.

18. Reduce Geology Public Information - Funding and staff are reduced for the geology library. One geology librarian is retained for limited interaction with the general public, organized groups, or the educational community.

19. Law Enforcement Investigations - Funding is provided to hire two additional staff to conduct investigations of criminal and civil incidents occurring on the Department's managed and protected lands. The Law Enforcement Services program currently has one Natural Resources Investigator in each of the seven administrative regions. (General Fund-State, Resource Management Cost Account-State, Forest Development Account-State, various other funds)

20. Fund Shift to NRCA Stewardship - Funds are shifted, on a one-time basis, to the Natural Resources Conservation Areas Stewardship Account. This program conducts maintenance activities and provides operational support for 115,000 acres of natural area preserves and natural resource conservation areas. These activities allow for the protection of native ecosystems, rare plants, and animal species, while providing low-impact public use where appropriate. (General Fund-State, Natural Resources Conservation Areas Stewardship Account-State)

21. Natural Area Operating Impacts - Funding is provided for the operating and maintenance impacts for 4,700 acres of Natural Area Preserves and Natural Resources Conservation Areas that were funded in the 2001-03 capital budget.

22. Aquatic Land ESA - One-time and on-going funding and staffing is provided to develop an Endangered Species Act compliance plan for 2.4 million acres of state-owned aquatic lands. (Aquatic Lands Enhancement Account-State)

23. Eliminate GF-S for Public Access - General Fund-State funding and associated staffing are eliminated for support of approximately 950 miles of trails statewide. One third of the 152 recreation sites will be closed.

24. Reduce ORV Fund to RCW Limit - Funding and staff are reduced to match available revenues in the Off-Road Vehicle Account. (Off Road Vehicle Account-State)

25. Shellfish Biotoxin Testing - Funding is provided to continue shellfish biotoxin testing to assure the safe harvest of geoducks. Toxin-producing algae present a health hazard to shellfish harvesters. Previously, the Department of Health (DOH) funded shellfish biotoxin testing. However, DOH will no longer provide this service due to budget reductions. (Resource Management Cost Account-State)

2003-05 Omnibus Operating Budget
Department of Natural Resources

26. Spartina Control: Shift to ALEA - General Fund-State funding for Spartina control is shifted to the Aquatic Lands Enhancement Account. (General Fund-State, Aquatic Lands Enhancement Account-State)

27. State Lands: Match Revenue - Land management activities are reduced to match available revenues in the Forest Development Account (\$187,000) and Resource Management Cost Account (\$16.1 million). General Fund-State funding and associated staffing are reduced by \$296,000, on a one-time basis, to take advantage of operational efficiencies. (General Fund-State, Forest Development Account-State, and Resource Management Cost Account-State)

28. Contract Harvesting - Funding is provided from the Resource Management Cost Account and Forest Development Account to fund the Contract Harvesting Revolving Account, created by Second Substitute House Bill 1245 (timber harvest/trust lands). Spending authority is provided from the Contract Harvesting Revolving Account for payment of harvesting costs incurred on contract harvesting sales. (Resource Management Cost Account, Forest Development Account, Contract Harvesting Revolving Account-Non-Appropriated)

29. PSAMP Expenditures - Funding is provided to improve and expand monitoring activities in the Puget Sound Ambient Monitoring Program. Data obtained will enhance the ability of state, federal, and local governments to manage, protect, and restore local marine ecosystems, and the fish stocks they support. (Aquatic Lands Enhancement Account-State)

30. Metals Mining Transfer - The Departments of Natural Resources (DNR) and the Department of Ecology (DOE) both conduct mining-related inspections. By mutual agreement of the two agencies, the appropriations from the Metals Mining Account are transferred from the DNR to the DOE on an on-going basis. (Metals Mining Account-State)

31. Surface Mining: Match Revenue - Spending authority is reduced to match revenue. (Surface Mining Reclamation Account-State)

32. WCC: Working Circles with WDFW - Funding and staffing are reduced for Washington Conservation Corps (WCC) activities. The Department of Natural Resources and the Departments of Fish and Wildlife will coordinate the management of remaining WCC crews in "working circles" around the state.

33. Small Forest Landowners - Funding is provided to implement Second Substitute House Bill 1095 (small forest landowners). One-time funding is provided for producing an environmental impact statement and cost-benefit analysis in support of rule making. On-going funding is provided for a natural resource engineer to assist with program implementation.

34. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, Resource Management Cost Account-State, Forest Development Account-State, various other funds)

35. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, Resource Management Cost Account-State, Forest Development Account-State, various other funds)

36. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (General Fund-State, Resource Management Cost Account-State, Forest Development Account-State, various other funds)

2003-05 Omnibus Operating Budget
Department of Agriculture
(Dollars in Thousands)

	FTEs	Passed House	
		GF-S	Total
2001-03 Estimated Expenditures	717.6	15,561	91,548
2003-05 Carryforward Level	716.4	15,136	95,011
2003-05 Maintenance Level	676.4	15,396	91,450
Policy Changes:			
1. General Inflation	0.0	-99	-311
2. Ag Statistics Service Reduction	-2.3	-350	-350
3. Dairy Nutrient Program	4.5	0	840
4. Seed Program	2.0	0	198
5. Livestock Identification	3.3	0	360
6. Revolving Funds	0.0	72	232
7. Staff Reduc. & Oper. Efficiencies	-32.0	-492	-1,892
8. Self-Insurance Premiums	0.0	88	420
Total Policy Changes	-24.5	-781	-503
Total 2003-05 Biennium	651.9	14,615	90,947
Difference from 2001-03	-65.7	-946	-601
% Change from 2001-03	-9.2%	-6.1%	-0.7%

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. (General Fund-State, General Fund-Federal, General Fund-Private/Local, various other funds)

2. Ag Statistics Service Reduction - Funding and staffing are reduced to reflect removal of General Fund-State support for the Washington Agriculture Statistics Service. The effect of this change will be production of fewer county-level crop analyses, while retaining state-level crop analyses. Additional funding and staffing are reduced to reflect a corresponding administrative reduction.

3. Dairy Nutrient Program - Funding is provided for the transfer of the Dairy Nutrient Program from the Department of Ecology to the Department of Agriculture for implementation of Engrossed Substitute Senate Bill 5889 (animal feeding operations). Additionally, spending authority is transferred from the Conservation Commission to the Department of Agriculture for the Dairy Waste Management Account and upon the effective date of the legislation, the account will be renamed the Livestock Nutrient Management Account. (Water Quality Account-State, Water Quality Permit Account-State, Dairy Waste Management Account-Non-Appropriated)

4. Seed Program - Spending authority is provided to implement House Bill 1126 (seed testing fees). This bill provides funds for 2 additional staff for the Seed Program to prepare for the anticipated growth in seed production and increased testing of genetically altered crops. (Agricultural Local Account-Non-Appropriated)

5. Livestock Identification - Spending authority is provided to implement Substitute Senate Bill 5891 (livestock identification). This bill increases the fees charged under the livestock identification, certified feed lot, and public livestock market laws. Spending authority is provided for inspections at certified feed lots and slaughter plants and to increase livestock theft investigation activities. (Agricultural Local Account-Non-Appropriated)

6. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, General Fund-Federal, various other funds)

2003-05 Omnibus Operating Budget
Department of Agriculture

7. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal, various other funds)

8. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium. (General Fund-State, General Fund-Federal, various other funds)

2003-05 Omnibus Operating Budget
Washington State Patrol
(Dollars in Thousands)

	FTEs	Passed House	
		GF-S	Total
2001-03 Estimated Expenditures	520.4	31,059	73,806
2003-05 Carryforward Level	533.2	43,805	86,991
2003-05 Maintenance Level	533.2	44,240	88,393
Policy Changes:			
1. General Inflation	0.0	-19	-62
2. Investigative Assist: Drug Enforce	-2.2	-4,507	-507
3. SB 5176 - Wildland Fire Training	0.0	0	750
4. School Fire Prevention	2.0	0	200
5. Enhanced 911 Equipment	0.0	0	612
6. Revolving Funds	0.0	90	90
7. Staff Reduc. & Oper. Efficiencies	-12.0	-760	-1,028
8. Self-Insurance Premiums	0.0	58	58
Total Policy Changes	-12.2	-5,138	113
Total 2003-05 Biennium	521.0	39,102	88,506
Difference from 2001-03	0.6	8,043	14,700
% Change from 2001-03	0.2%	25.9%	19.9%

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. (General Fund-State, various other funds)

2. Investigative Assist: Drug Enforce - General Fund-State support is eliminated (\$4,507,000) and partially replaced with \$4,000,000 in Public Safety and Education Account funds. The net reduction of \$507,000 will eliminate 1.2 Trooper Detective FTE in the Narcotics Section and 1.0 FTE in the Methamphetamine Resource Center. (General Fund-State, Public Safety and Education Account-State)

3. SB 5176 - Wildland Fire Training - Funding is provided to implement Senate Bill 5176 (wildland fire training). This bill provides for wildland fire fighter training, and increases the allowable reimbursement hours and the reimbursement rate to fire districts and cities who provide this training. (Fire Services Training Account-State)

4. School Fire Prevention - Funding is provided for two staff positions in the State Fire Marshal's office to review K-12 construction documents for fire and life safety issues. During the 2001-03 biennium, these staff positions were funded in the capital budget. (Fire Services Account-State)

5. Enhanced 911 Equipment - Funding is provided to replace the State Patrol's computer aided dispatch (CAD) system for emergency 911 calls. The CAD system will enable the agency to provide Enhanced 911 caller/location identification and positioning for wireless calls. The funding level reflects the 2003-05 portion of debt service on a Certificate of Participation. (Enhanced 911 Account-State)

6. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

7. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, various other funds)

**2003-05 Omnibus Operating Budget
Washington State Patrol**

8. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the agency's self-insurance premium in the 2003-05 biennium.

2003-05 Omnibus Operating Budget
Department of Licensing
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	246.3	10,896	34,934
2003-05 Carryforward Level	245.5	10,960	34,717
2003-05 Maintenance Level	245.5	10,308	35,237
Policy Changes:			
1. General Inflation	0.0	-42	-136
2. Master License Services	2.9	0	403
3. Expanded Internet 03-05	1.0	0	229
4. Information Technology Svcs (ITS)	0.1	0	319
5. Decentralized Admin Services	0.0	0	70
6. Revolving Funds	0.0	0	-25
7. Staff Reduc. & Oper. Efficiencies	-8.1	-260	-506
Total Policy Changes	-4.2	-302	354
Total 2003-05 Biennium	241.3	10,006	35,591
Difference from 2001-03	-5.0	-890	657
% Change from 2001-03	-2.0%	-8.2%	1.9%

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. Master License Services - Funding is provided to cover the costs of partnering with cities, and additional state agencies to perform new business licensing functions within the Master License Service program. The funding is for three additional FTEs and anticipated credit card fees associated with on-line payments. (Master License Account-State)

3. Expanded Internet 03-05 - Funding is provided to expand the internet services provided by the Business and Professions Division. Expanding the range of digital services available through the Department of Licensing's Internet site affects both businesses and individuals in professions licensed by the state. The renewal of the following new business and professional licenses will be provided on-line: Architects, Landscape Architects, Bail Bonds, Security Guards, Funeral Directors, Notaries, Real Estate Brokers, Real Estate Sales, Real Estate Appraisers, Cemeteries, Liquor Shopkeepers, Collection Agencies, Private Investigators, Sellers of Travel, Employment Agencies, Bulk Fertilizer Dealers, Refrigerated Lockers, Seed Dealers, Pesticide Dealers, Cigarette Retail/Wholesale, Whitewater River Outfitters, Underground Storage Tanks. (Architects License Account-State, Cemetery Account-State, Real Estate Commission Account-State, Master License Account-State, Funeral Directors and Embalmers Account-State, Geologists Account-Nonappropriated)

4. Information Technology Svcs (ITS) - Funding is provided for Information Technology expansion and support associated with a variety of projects. These projects include information technology infrastructure improvements, Unisys re-platforming, call center improvements, one-stop business licensing, and the Special Investigations Unit. The Unisys Re-Platforming project represents Phase I of a comprehensive program to migrate core agency systems from existing main-frame "legacy" systems to a modern server-based environment. (Architects Account-State, Cemetery Account-State, Professional Engineers Account-State, Real Estate Commission Account-State, Master License Account-State, Uniform Commercial Code Account-State, Real Estate Appraisers Account-State, Real Estate Research Account-State, Funeral Directors and Embalmers Account-State, Geologists' Account-Nonappropriated)

**2003-05 Omnibus Operating Budget
Department of Licensing**

5. Decentralized Admin Services - Funding is provided for the administrative costs associated with a variety of enhancements in other program areas. These projects include information technology infrastructure improvements, Unisys re-platforming, call center improvements, one-stop business licensing, and the Special Investigations Unit. (Professional Engineers Account-State, Real Estate Commission Account-State, Master License Account-State, Uniform Commercial Code Account-State)

6. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, Professional Engineers Account-State, Real Estate Commission Account-State, Geologists Account-State)

7. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, Architects Account-State, Cemetery Account-State, Professional Engineers Account-State, Real Estate Commission Account-State, Master License Account-State, Uniform Commercial Code Account-State, Funeral Directors and Embalmers Account-State)

2003-05 Omnibus Operating Budget
Public Schools
OSPI & Statewide Programs
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	261.3	52,149	193,116
2003-05 Carryforward Level	257.3	43,888	189,577
2003-05 Maintenance Level	257.3	44,618	132,429
Policy Changes:			
1. Alternative Certification Routes	0.0	-1,792	-1,792
2. Anti-Bullying/Harassment Training	0.0	-486	-486
3. General Inflation	0.0	-37	-200
4. HB 2012 Pilot Projects	0.0	965	965
5. Early Learning Task Force	0.0	220	220
6. World War II Oral History Project	0.0	-292	-292
7. Revolving Funds	0.0	-110	-110
8. Staff Reduc. & Oper. Efficiencies	-15.0	-1,318	-1,318
Total Policy Changes	-15.0	-2,850	-3,013
Total 2003-05 Biennium	242.3	41,768	129,416
Difference from 2001-03	-19.0	-10,381	-63,700
% Change from 2001-03	-7.3%	-19.9%	-33.0%

Comments:

1. Alternative Certification Routes - Alternative certification routes are teacher-training programs that serve as an alternative to the traditional teacher preparation programs. The alternative route programs are developed as partnerships between school districts and higher education teacher preparation programs. Savings are achieved based on proposed changes to the program. Existing successful alternative route partnership programs will be continued, a greater number of teacher interns and mentors will be enrolled at less cost, and new regional certification-only teacher preparation centers will be established in areas of the state not currently served.

2. Anti-Bullying/Harassment Training - State funding for this activity has been eliminated.

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. (General Fund-State, General Fund-Federal)

4. HB 2012 Pilot Projects - Under HB 2012 (special services pilot projects), two districts will be selected to provide early intensive reading and language assistance to students who are struggling academically. To the extent that the pilot projects are successful in reducing the number of students in special education and therefore reducing state special education expenditures, funding is provided for the pilot projects.

5. Early Learning Task Force - Funding is provided to support the work of an early learning and child care task force. The task force will assist the Office of the Superintendent of Public Instruction and the Governor's Office in developing a plan for the coordination of early learning and child care programs, including a plan for consolidating such programs. In addition, the task force will assist in creating, for children younger than school age, consistent aligned early learning goals that are aligned with K-12 standards.

6. World War II Oral History Project - State funding for this program is eliminated.

2003-05 Omnibus Operating Budget
Public Schools
OSPI & Statewide Programs

7. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

8. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Public Schools
General Apportionment
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	7,498,021	7,498,021
2003-05 Carryforward Level	0.0	7,869,386	7,869,386
2003-05 Maintenance Level	0.0	8,011,027	8,011,027
Policy Changes:			
1. Skills Centers - Extended Day	0.0	-970	-970
2. Pension Funding Chg	0.0	-52,054	-52,054
Total Policy Changes	0.0	-53,024	-53,024
Total 2003-05 Biennium	0.0	7,958,003	7,958,003
Difference from 2001-03	0.0	459,982	459,982
% Change from 2001-03	0.0%	6.1%	6.1%

Comments:

1. Skills Centers - Extended Day - State funding for this program is eliminated.

2. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made towards the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005.

2003-05 Omnibus Operating Budget
Public Schools
Pupil Transportation
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	385,695	385,695
2003-05 Carryforward Level	0.0	403,878	403,878
2003-05 Maintenance Level	0.0	424,148	424,148
Policy Changes:			
1. Pension Funding Chg	0.0	-1,547	-1,547
Total Policy Changes	0.0	-1,547	-1,547
Total 2003-05 Biennium	0.0	422,601	422,601
Difference from 2001-03	0.0	36,906	36,906
% Change from 2001-03	0.0%	9.6%	9.6%

Comments:

1. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made towards the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005.

2003-05 Omnibus Operating Budget
Public Schools
School Food Services
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	6,200	296,387
2003-05 Carryforward Level	0.0	6,200	323,224
2003-05 Maintenance Level	0.0	6,200	383,061
Total 2003-05 Biennium	0.0	6,200	383,061
Difference from 2001-03	0.0	0	86,674
% Change from 2001-03	0.0%	0.0%	29.2%

Comments:

2003-05 Omnibus Operating Budget
Public Schools
Special Education
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1.5	828,926	1,085,333
2003-05 Carryforward Level	1.5	870,055	1,126,940
2003-05 Maintenance Level	1.5	885,131	1,295,090
Policy Changes:			
1. Federal Funding Adjustment	0.0	0	-19,624
2. HB 2012 Pilot Projects	0.0	-965	-996
3. Pension Funding Chg	0.0	-5,828	-5,895
4. Integrating Federal Funds	0.0	-19,624	0
Total Policy Changes	0.0	-26,417	-26,515
Total 2003-05 Biennium	1.5	858,714	1,268,575
Difference from 2001-03	0.0	29,788	183,242
% Change from 2001-03	0.0%	3.6%	16.9%

Comments:

- 1. Federal Funding Adjustment** - Due to the integration of federal funds to fund a portion of the increased costs of the special education program (see separate item), federal spending authority is reduced to reflect estimated federal special education award amounts for the 2003-05 biennium. (General Fund-Federal)

- 2. HB 2012 Pilot Projects** - Under HB 2012 (special services pilot projects), two districts will be selected to provide early intensive reading and language assistance to students who are struggling academically. To the extent that the pilot projects are successful in reducing the number of students in special education and therefore reducing state special education expenditures, funding is provided for the pilot projects.

- 3. Pension Funding Chg** - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made towards the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005.

- 4. Integrating Federal Funds** - Federal funds to Washington state for special education will increase by \$20 million in the 2003-04 school year and an additional \$20 million in the 2004-05 school year. The budget incorporates a portion of the federal funds to pay for some of the increased costs of the special education program. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Public Schools
Traffic Safety Education
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	4,277	4,277
2003-05 Carryforward Level	0.0	0	0
2003-05 Maintenance Level	0.0	0	0
Policy Changes:			
1. Traffic Safety Ed Low Inc Subsidy	<u>0.0</u>	<u>0</u>	<u>4,456</u>
Total Policy Changes	0.0	0	4,456
Total 2003-05 Biennium	0.0	0	4,456
Difference from 2001-03	0.0	-4,277	179
% Change from 2001-03	0.0%	-100.0%	4.2%

Comments:

1. Traffic Safety Ed Low Inc Subsidy - A subsidy is provided for low-income students taking traffic safety education courses from a school district or, in school districts that do not offer such courses, through a private drivers' school. Revenues for the subsidy will be raised through a \$1 per plate fee on the issuance of reflective license plates, as authorized by HB 1796 (funding drivers' education for low-income students). The maximum subsidy will be \$169.78 in the 2003-04 school year and \$182.14 in the 2004-05 school year. (Public Safety and Education Account-State)

2003-05 Omnibus Operating Budget
Public Schools
Educational Service Districts
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	9,328	9,328
2003-05 Carryforward Level	0.0	10,068	10,068
2003-05 Maintenance Level	0.0	10,132	10,132
Policy Changes:			
1. Educational Service Districts	0.0	-2,022	-2,022
2. Teacher Training Coord (ESDs)	0.0	-486	-486
3. Student Teacher Centers (ESDs)	0.0	-486	-486
4. Pension Funding Chg	0.0	-64	-64
Total Policy Changes	0.0	-3,058	-3,058
Total 2003-05 Biennium	0.0	7,074	7,074
Difference from 2001-03	0.0	-2,254	-2,254
% Change from 2001-03	0.0%	-24.2%	-24.2%

Comments:

1. Educational Service Districts - State funding for the nine regional Educational Service Districts is reduced. The State Board of Education has the authority to establish the number and boundaries of the Educational Service Districts. The Board is encouraged to consider options to reduce the number of ESDs to seven through consolidation.

2. Teacher Training Coord (ESDs) - State funding for teacher training coordination at the Educational Service Districts is eliminated.

3. Student Teacher Centers (ESDs) - State funding for the student teacher centers at the Educational Service Districts is eliminated.

4. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made towards the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005.

2003-05 Omnibus Operating Budget
Public Schools
Levy Equalization
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	295,863	295,863
2003-05 Carryforward Level	0.0	322,381	322,381
2003-05 Maintenance Level	0.0	346,564	346,564
Policy Changes:			
1. Levy Equalization #	<u>0.0</u>	<u>-32,045</u>	<u>-32,045</u>
Total Policy Changes	0.0	-32,045	-32,045
Total 2003-05 Biennium	0.0	314,519	314,519
Difference from 2001-03	0.0	18,656	18,656
% Change from 2001-03	0.0%	6.3%	6.3%

Comments:

1. Levy Equalization # - State Local Effort Assistance (Levy Equalization) allocations are reduced by 11.7 percent in calendar years 2004 and 2005.

2003-05 Omnibus Operating Budget
Public Schools
Elementary/Secondary School Improv
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	0	201,737
2003-05 Carryforward Level	0.0	0	201,737
2003-05 Maintenance Level	0.0	0	46,198
Total 2003-05 Biennium	0.0	0	46,198
Difference from 2001-03	0.0	0	-155,539
% Change from 2001-03	0.0%	0.0%	-77.1%

Comments:

2003-05 Omnibus Operating Budget
Public Schools
Institutional Education
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	37,731	46,279
2003-05 Carryforward Level	0.0	39,566	39,566
2003-05 Maintenance Level	0.0	37,949	37,949
Policy Changes:			
1. Pension Funding Chg	<u>0.0</u>	<u>-261</u>	<u>-261</u>
Total Policy Changes	0.0	-261	-261
Total 2003-05 Biennium	0.0	37,688	37,688
Difference from 2001-03	0.0	-43	-8,591
% Change from 2001-03	0.0%	-0.1%	-18.6%

Comments:

1. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made towards the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005.

2003-05 Omnibus Operating Budget
Public Schools
Ed of Highly Capable Students
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	12,699	12,699
2003-05 Carryforward Level	0.0	13,434	13,434
2003-05 Maintenance Level	0.0	13,291	13,291
Policy Changes:			
1. Pension Funding Chg	0.0	-80	-80
Total Policy Changes	0.0	-80	-80
Total 2003-05 Biennium	0.0	13,211	13,211
Difference from 2001-03	0.0	512	512
% Change from 2001-03	0.0%	4.0%	4.0%

Comments:

1. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made towards the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005.

2003-05 Omnibus Operating Budget
Public Schools
Student Achievement Program
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	0	391,149
2003-05 Carryforward Level	0.0	0	420,624
2003-05 Maintenance Level	0.0	0	635,142
Policy Changes:			
1. Student Achievement Fund #	<u>0.0</u>	<u>0</u>	<u>-192,009</u>
Total Policy Changes	0.0	0	-192,009
Total 2003-05 Biennium	0.0	0	443,133
Difference from 2001-03	0.0	0	51,984
% Change from 2001-03	0.0%	0.0%	13.3%

Comments:

1. Student Achievement Fund # - Under Initiative 728, Student Achievement Fund per student allocations to school districts are scheduled to increase from \$211.67 in the 2003-04 school year to \$450 in the 2004-05 school year. Legislation is proposed to increase the per student allocation from \$211.67 in the 2003-04 school year to \$300.00 in the 2004-05 school year. In addition, the 2004-05 amount will be distributed over twelve months rather than ten. (Student Achievement Fund-State)

2003-05 Omnibus Operating Budget
Public Schools
Education Reform
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	37.7	67,022	128,093
2003-05 Carryforward Level	37.7	60,102	121,173
2003-05 Maintenance Level	42.7	75,021	203,923
Policy Changes:			
1. Focused Assistance - Schools	0.0	2,600	2,600
2. Math Helping Corps	0.0	-3,528	-3,528
3. National Board Certification Bonus	0.0	405	405
4. General Inflation	0.0	-128	-128
5. Re-Takes for 10th Grade WASLs	0.0	897	897
6. High School Assessmnts (HB 2124)	0.0	150	150
7. Align & Review WASLs	0.0	450	450
8. Classroom Based Goal 2	0.0	-1,177	-1,177
9. Eliminate Listening WASL	0.0	-388	-388
10. Staff Reduc. & Oper. Efficiencies	-2.5	-240	-240
Total Policy Changes	-2.5	-959	-959
Total 2003-05 Biennium	40.2	74,062	202,964
Difference from 2001-03	2.5	7,040	74,871
% Change from 2001-03	5.3%	10.5%	58.5%

Comments:

1. Focused Assistance - Schools - This program combines federal Title I School Improvement funds and state Focused Assistance funds in a collaborative effort with participating districts, schools, and communities to develop long-term capacity for improving student learning. Low-performing schools are eligible to apply for grants and assistance. Each is assigned a facilitator to work with a school improvement team consisting of district and school staff, parents, and community members to develop and implement a school improvement plan and a two-year performance agreement based on both an educational audit and input from staff, parents, and the community. Thirty-eight schools participated in the school improvement process during the 2001-03 Biennium using state and federal funds. State funding is provided to assist an additional 30 schools during the 2003-05 Biennium.

2. Math Helping Corps - Funding for the Math Helping Corps is eliminated.

3. National Board Certification Bonus - The certification process by the National Board for Professional Teaching Standards (NBPTS) requires an educator to demonstrate teaching practices that meet high and rigorous standards. Washington State supports this effort by providing annual \$3,500 bonuses for over 400 national board certified teachers. The current four-year limit on these bonuses will be extended by two years.

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. Re-Takes for 10th Grade WASLs - Funding is provided to allow those high school students who are not successful in one or more content areas of the Washington Assessment of Student Learning the opportunity to retake the test at no cost to the students, in accordance with 2SHB 2124 (high school graduation requirements).

2003-05 Omnibus Operating Budget
Public Schools
Education Reform

6. High School Assessmnts (HB 2124) - In accordance with 2SHB 2124 (high school graduation requirements), funding is provided to OSPI to develop alternatives to the Washington Assessment of Student Learning (WASL) for high school students to use to demonstrate achievement of the state standards. In addition, funding is provided for a task force to develop and recommend best practices that schools can use with middle and high school students who need additional assistance to meet state standards.

7. Align & Review WASLs - Funding is provided for independent research on the alignment and technical review of the reading, writing, and science content areas of the Washington Assessment of Student Learning, as provided by ESHB 2195 (state academic standards).

8. Classroom Based Goal 2 - The social studies, arts, and health and fitness portions of the Washington Assessment of Student Learning will be developed as classroom-based assessments rather than being centrally administered and scored.

9. Eliminate Listening WASL - As provided in HB 2238 (eliminating the communication portion of the WASL), the listening portion of the fourth, seventh, and tenth grade WASLs is eliminated.

10. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Public Schools
Transitional Bilingual Instruction
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	87,501	107,781
2003-05 Carryforward Level	0.0	96,943	117,223
2003-05 Maintenance Level	0.0	102,645	148,954
Policy Changes:			
1. Pension Funding Chg	0.0	-792	-792
Total Policy Changes	0.0	-792	-792
Total 2003-05 Biennium	0.0	101,853	148,162
Difference from 2001-03	0.0	14,352	40,381
% Change from 2001-03	0.0%	16.4%	37.5%

Comments:

1. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made towards the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005.

2003-05 Omnibus Operating Budget
Public Schools
Learning Assistance Program (LAP)
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	135,956	266,587
2003-05 Carryforward Level	0.0	132,937	263,568
2003-05 Maintenance Level	0.0	130,200	437,378
Policy Changes:			
1. Pension Funding Chg	0.0	-767	-767
Total Policy Changes	0.0	-767	-767
Total 2003-05 Biennium	0.0	129,433	436,611
Difference from 2001-03	0.0	-6,523	170,024
% Change from 2001-03	0.0%	-4.8%	63.8%

Comments:

1. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made towards the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005.

2003-05 Omnibus Operating Budget
Public Schools
Compensation Adjustments
 (Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	380,813	381,004
2003-05 Carryforward Level	0.0	0	0
2003-05 Maintenance Level	0.0	190,563	190,771
Policy Changes:			
1. Health Benefits	0.0	143,071	143,661
2. Initiative 732 COLA	0.0	-190,563	-190,771
3. Second Year Salary Increase	0.0	58,470	58,757
Total Policy Changes	0.0	10,978	11,647
Total 2003-05 Biennium	0.0	201,541	202,418
Difference from 2001-03	0.0	-179,272	-178,586
% Change from 2001-03	0.0%	-47.1%	-46.9%

Comments:

1. Health Benefits - Funding is provided to increase the K-12 monthly benefit rate from \$457.07 per employee in the 2002-03 school year to \$496.69 in the 2003-04 school year and to \$584.69 in the 2004-2005 school year. This increases the K-12 funding rate by the same amount as the state employer rates. (General Fund-State, General Fund-Federal)

2. Initiative 732 COLA - The first year salary increase provided by Initiative 732 is eliminated.

3. Second Year Salary Increase - Funding is provided for a 2.0 percent salary increase beginning September 1, 2004.

2003-05 Omnibus Operating Budget
Higher Education Coordinating Board
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	74.0	264,344	280,151
2003-05 Carryforward Level	73.1	270,406	286,213
2003-05 Maintenance Level	77.6	276,037	293,394
Policy Changes:			
1. Jefferson County Pilot Project	0.0	350	350
2. State Need Grant Increase	0.0	22,344	22,344
3. Washington Scholars	0.0	1,229	1,229
4. Washington Award for Voc Excellence	0.0	466	466
5. Reduction	0.0	-232	-232
6. Revolving Funds	0.0	-20	-20
Total Policy Changes	0.0	24,137	24,137
Total 2003-05 Biennium	77.6	300,174	317,531
Difference from 2001-03	3.6	35,830	37,380
% Change from 2001-03	5.4%	13.6%	13.3%

Comments:

- 1. Jefferson County Pilot Project** - Continued funding is provided for a demonstration project to increase opportunities and participation in postsecondary education in rural areas of Jefferson County.
- 2. State Need Grant Increase** - Funding is provided for new enrollments, and to keep pace with tuition increases that state universities and colleges may adopt under limits proposed for undergraduate study during the 2003-05 biennium. The effective income cutoff for need grants is 55 percent of the state's median family income.
- 3. Washington Scholars** - Funds are provided to support increased use of state merit awards (24 each year) by students at Washington higher education institutions (\$259,000), and to restore awards to full tuition and fee scholarships (\$970,000) for all participants.
- 4. Washington Award for Voc Excellence** - Funding is provided to support increased use of excellence awards in vocational arts by students enrolling at Washington higher education institutions (\$76,000), and to restore awards to full tuition and fee scholarships (\$390,000) for all recipients.
- 5. Reduction** - The policy and coordination function within the Higher Education Coordinating Board is reduced.
- 6. Revolving Funds** - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
University of Washington
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	18,017.2	680,044	2,925,910
2003-05 Carryforward Level	17,924.7	663,945	2,909,930
2003-05 Maintenance Level	19,683.0	676,257	3,677,321
Policy Changes:			
1. Pension Reduction Correction	0.0	134	134
2. High Demand	0.0	2,500	2,500
3. General Inflation	0.0	-3,818	-28,217
4. Recruitment and Retention	0.0	4,622	4,622
5. Facility Maintenance and Operations	0.0	4,777	4,777
6. Operating Cost Reduction	0.0	-33,650	-3,363
7. Building Maintenance to Capital	0.0	-19,700	-19,700
8. Pension Funding Chg	0.0	-1,076	-1,504
9. Cost of Living Adjustment	0.0	5,476	6,368
10. Shellfish Biotoxin Monitoring	1.1	0	300
11. Health Benefits	0.0	11,869	12,059
12. Revolving Funds	0.0	856	1,126
Total Policy Changes	1.1	-28,010	-20,898
Total 2003-05 Biennium	19,684.1	648,247	3,656,423
Difference from 2001-03	1,666.9	-31,797	730,513
% Change from 2001-03	9.3%	-4.7%	25.0%

Comments:

1. Pension Reduction Correction - In the 2002 supplemental budget, the pension allotment reduction was calculated on the assumption that all higher education employees are in Department of Retirement System plans. However, some higher education employees are in retirement plans that are not managed by the Department. As a result, the reductions for higher education institutions were too high. This item restores part of the General Fund-State reduction.

2. High Demand - Funding is provided as state match to attract or retain federal research grants in high demand and technologically advanced fields.

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. (General Fund-State, various other funds)

4. Recruitment and Retention - Funding is provided for competitive salary adjustments or offers to attract and retain quality faculty and staff.

5. Facility Maintenance and Operations - Funding is provided to maintain existing buildings and preserve related infrastructure during the 2003-05 biennium.

6. Operating Cost Reduction - A state general fund reduction is made that may be partially offset by increasing tuition rates 6 percent each academic year for undergraduate, graduate, law, and professional students. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

2003-05 Omnibus Operating Budget
University of Washington

7. Building Maintenance to Capital - Funding for routine maintenance and preventive inspections, mechanical adjustments, and minor work to replace or repair building systems, surfaces or materials is shifted to the capital budget. This is in response to the findings and recommendations of the Joint Legislative Audit & Review Committee who studied higher education facility preservation. This sum will be replaced with capital funds to sustain levels of investment necessary to keep the current inventory of buildings in "superior" to "good" working condition until such time as the State would choose to modernize, renovate or replace it.

8. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made toward the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005. (General Fund-State, various other funds)

9. Cost of Living Adjustment - A cost of living adjustment (COLA) of 2 percent, effective September 1, 2004, is provided for state-funded higher education employees. Institutions may provide the same average increase to similar positions that are not state-funded. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

10. Shellfish Biotxin Monitoring - Funding is provided for shellfish biotoxin monitoring by the Olympic region harmful algal bloom program of the Olympic Natural Resources Center pursuant to Substitute Senate Bill 6073 (shellfish license fee). (General Fund-Local)

11. Health Benefits - Employer contribution rates are increased from \$482.38 in FY 2003 to \$520.29 in FY 2004 and \$606.26 in FY 2005. State employee contributions are expected to be 16 percent of the total rate. The average monthly contribution is expected to be \$72.38 in CY 2003 to \$87.50 in CY 2004 and \$157.40 in CY 2005. (General Fund-State, Accident Account-State, Medical Aid Account-State)

12. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services. (General Fund-State, Institutions of Higher Education-Dedicated Local Account-Non-Appropriated)

2003-05 Omnibus Operating Budget
Washington State University
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	5,511.7	395,880	818,035
2003-05 Carryforward Level	5,472.2	387,499	809,654
2003-05 Maintenance Level	5,585.8	391,638	874,375
Policy Changes:			
1. Pension Reduction Correction	0.0	74	74
2. High Demand	0.0	1,521	1,521
3. General Inflation	0.0	-1,313	-5,206
4. Recruitment and Retention	0.0	2,876	2,876
5. Facility Maintenance and Operations	0.0	1,144	1,144
6. Operating Cost Reduction	0.0	-16,348	-1,952
7. Building Maintenance to Capital	0.0	-8,050	-8,050
8. Pension Funding Chg	0.0	-662	-906
9. Cost of Living Adjustment	0.0	3,108	3,532
10. Health Benefits	0.0	7,290	7,290
11. Revolving Funds	0.0	696	696
12. Self-Insurance Premiums	0.0	45	45
Total Policy Changes	0.0	-9,619	1,064
Total 2003-05 Biennium	5,585.8	382,019	875,439
Difference from 2001-03	74.1	-13,861	57,404
% Change from 2001-03	1.3%	-3.5%	7.0%

Comments:

1. Pension Reduction Correction - In the 2002 supplemental budget, the pension allotment reduction was calculated on the assumption that all higher education employees are in Department of Retirement System plans. However, some higher education employees are in retirement plans that are not managed by the Department. As a result, the reductions for higher education institutions were too high. This item restores part of the General Fund-State reduction.

2. High Demand - Funding is provided solely to expand enrollment in high-demand fields. High demand fields include veterinary medicine. The University shall expand the entering class of veterinary medicine students by 16 full-time equivalent resident students each academic year during the 2003-05 biennium.

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. (General Fund-State, various other funds)

4. Recruitment and Retention - Funding is provided for competitive salary adjustments or offers to attract and retain quality faculty and staff.

5. Facility Maintenance and Operations - Funding is provided to maintain existing buildings and preserve related infrastructure during the 2003-05 biennium.

6. Operating Cost Reduction - A state general fund reduction is made that may be partially offset by increasing tuition rates 6 percent each academic year for undergraduate, graduate and professional students. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

**2003-05 Omnibus Operating Budget
Washington State University**

7. Building Maintenance to Capital - Funding for routine maintenance and preventive inspections, mechanical adjustments, and minor work to replace or repair building systems, surfaces or materials is shifted to the capital budget. This is in response to the findings and recommendations of the Joint Legislative Audit & Review Committee who studied higher education facility preservation. This sum will be replaced with capital funds to sustain levels of investment necessary to keep the current inventory of buildings in "superior" to "good" working condition until such time as the State would choose to modernize, renovate or replace it.

8. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made toward the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005. (General Fund-State, various other funds)

9. Cost of Living Adjustment - A cost of living adjustment (COLA) of 2 percent, effective September 1, 2004, is provided for state-funded higher education employees. Institutions may provide the same average increase to similar positions that are not state-funded. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

10. Health Benefits - Employer contribution rates are increased from \$482.38 in FY 2003 to \$520.29 in FY 2004 and \$606.26 in FY 2005. State employee contributions are expected to be 16 percent of the total rate. The average monthly contribution is expected to be \$72.38 in CY 2003 to \$87.50 in CY 2004 and \$157.40 in CY 2005.

11. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

12. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the University's self-insurance premium in the 2003-05 biennium.

2003-05 Omnibus Operating Budget
Eastern Washington University
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1,153.4	89,676	163,164
2003-05 Carryforward Level	1,142.4	87,692	161,180
2003-05 Maintenance Level	1,142.4	88,059	162,028
Policy Changes:			
1. Pension Reduction Correction	0.0	18	18
2. High Demand	0.0	1,174	1,174
3. General Inflation	0.0	-207	-688
4. Recruitment and Retention	0.0	751	751
5. Facility Maintenance and Operations	0.0	41	41
6. Operating Cost Reduction	0.0	-4,868	-419
7. Building Maintenance to Capital	0.0	-1,650	-1,650
8. Pension Funding Chg	0.0	-154	-220
9. Cost of Living Adjustment	0.0	743	874
10. Health Benefits	0.0	1,797	1,797
11. Revolving Funds	0.0	10	10
12. Self-Insurance Premiums	0.0	616	616
Total Policy Changes	0.0	-1,729	2,304
Total 2003-05 Biennium	1,142.4	86,330	164,332
Difference from 2001-03	-11.0	-3,346	1,168
% Change from 2001-03	-1.0%	-3.7%	0.7%

Comments:

1. Pension Reduction Correction - In the 2002 supplemental budget, the pension allotment reduction was calculated on the assumption that all higher education employees are in Department of Retirement System plans. However, some higher education employees are in retirement plans that are not managed by the Department. As a result, the reductions for higher education institutions were too high. This item restores part of the General Fund-State reduction.

2. High Demand - Funding is provided solely to expand enrollment in high-demand fields. High-demand fields include health sciences, and computing and engineering sciences.

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. (General Fund-State, various other funds)

4. Recruitment and Retention - Funding is provided for competitive salary adjustments or offers to attract and retain quality faculty and staff.

5. Facility Maintenance and Operations - Funding is provided to maintain existing buildings and preserve related infrastructure during the 2003-05 biennium.

6. Operating Cost Reduction - A state general fund reduction is made that may be partially offset by increasing tuition rates 6 percent each academic year for undergraduate, graduate and professional students. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

**2003-05 Omnibus Operating Budget
Eastern Washington University**

7. Building Maintenance to Capital - Funding for routine maintenance and preventive inspections, mechanical adjustments, and minor work to replace or repair building systems, surfaces or materials is shifted to the capital budget. This is in response to the findings and recommendations of the Joint Legislative Audit & Review Committee who studied higher education facility preservation. This sum will be replaced with capital funds to sustain levels of investment necessary to keep the current inventory of buildings in "superior" to "good" working condition until such time as the State would choose to modernize, renovate or replace it.

8. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made toward the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

9. Cost of Living Adjustment - A cost of living adjustment (COLA) of 2 percent, effective September 1, 2004, is provided for state-funded higher education employees. Institutions may provide the same average increase to similar positions that are not state-funded. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

10. Health Benefits - Employer contribution rates are increased from \$482.38 in FY 2003 to \$520.29 in FY 2004 and \$606.26 in FY 2005. State employee contributions are expected to be 16 percent of the total rate. The average monthly contribution is expected to be \$72.38 in CY 2003 to \$87.50 in CY 2004 and \$157.40 in CY 2005.

11. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

12. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the University's self-insurance premium in the 2003-05 biennium.

2003-05 Omnibus Operating Budget
Central Washington University
(Dollars in Thousands)

	FTEs	Passed House	
		GF-S	Total
2001-03 Estimated Expenditures	1,053.9	86,046	175,623
2003-05 Carryforward Level	1,045.7	83,200	172,777
2003-05 Maintenance Level	1,111.7	83,629	180,225
Policy Changes:			
1. Pension Reduction Correction	0.0	16	16
2. High Demand	0.0	800	800
3. General Inflation	0.0	-29	-580
4. Recruitment and Retention	0.0	624	624
5. Facility Maintenance and Operations	0.0	67	67
6. Operating Cost Reduction	0.0	-4,329	-418
7. Building Maintenance to Capital	0.0	-1,650	-1,650
8. Enrollment Stabilization & Recovery	0.0	3,304	3,304
9. Pension Funding Chg	0.0	-120	-240
10. Cost of Living Adjustment	0.0	765	900
11. Health Benefits	0.0	1,960	1,960
12. Revolving Funds	0.0	96	96
13. Self-Insurance Premiums	0.0	472	472
Total Policy Changes	0.0	1,976	5,351
Total 2003-05 Biennium	1,111.7	85,605	185,576
Difference from 2001-03	57.8	-441	9,953
% Change from 2001-03	5.5%	-0.5%	5.7%

Comments:

1. Pension Reduction Correction - In the 2002 supplemental budget, the pension allotment reduction was calculated on the assumption that all higher education employees are in Department of Retirement System plans. However, some higher education employees are in retirement plans that are not managed by the Department. As a result, the reductions for higher education institutions were too high. This item restores part of the General Fund-State reduction.

2. High Demand - Funding is provided solely to expand enrollment in high-demand fields. High-demand fields include special education, and elementary math and science programs.

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. (General Fund-State, various other funds)

4. Recruitment and Retention - Funding is provided for competitive salary adjustments or offers to attract and retain quality faculty and staff.

5. Facility Maintenance and Operations - Funding is provided to maintain existing buildings and preserve related infrastructure during the 2003-05 biennium.

6. Operating Cost Reduction - A state general fund reduction is made that may be partially offset by increasing tuition rates 6 percent each academic year for undergraduate, graduate and professional students. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

**2003-05 Omnibus Operating Budget
Central Washington University**

7. Building Maintenance to Capital - Funding for routine maintenance and preventive inspections, mechanical adjustments, and minor work to replace or repair building systems, surfaces or materials is shifted to the capital budget. This is in response to the findings and recommendations of the Joint Legislative Audit & Review Committee who studied higher education facility preservation. This sum will be replaced with capital funds to sustain levels of investment necessary to keep the current inventory of buildings in "superior" to "good" working condition until such time as the State would choose to modernize, renovate or replace it.

8. Enrollment Stabilization & Recovery - Funding is provided to partially restore state funded full-time equivalent (FTE) students that were deducted from the budgeted base in 2001, given that enrollment has been fully recovered. This funding will provide for 306 additional FTE students during the 2003-05 biennium.

9. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made toward the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

10. Cost of Living Adjustment - A cost of living adjustment (COLA) of 2 percent, effective September 1, 2004, is provided for state-funded higher education employees. Institutions may provide the same average increase to similar positions that are not state-funded. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

11. Health Benefits - Employer contribution rates are increased from \$482.38 in FY 2003 to \$520.29 in FY 2004 and \$606.26 in FY 2005. State employee contributions are expected to be 16 percent of the total rate. The average monthly contribution is expected to be \$72.38 in CY 2003 to \$87.50 in CY 2004 and \$157.40 in CY 2005.

12. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

13. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the University's self-insurance premium in the 2003-05 biennium.

2003-05 Omnibus Operating Budget
The Evergreen State College
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	632.3	49,780	89,091
2003-05 Carryforward Level	623.1	48,328	87,639
2003-05 Maintenance Level	634.8	49,725	92,673
Policy Changes:			
1. Pension Reduction Correction	0.0	8	8
2. High Demand	0.0	545	545
3. General Inflation	0.0	0	-356
4. Recruitment and Retention	0.0	376	376
5. Facility Maintenance and Operations	0.0	260	260
6. Operating Cost Reduction	0.0	-3,579	-248
7. Building Maintenance to Capital	0.0	-550	-550
8. Pension Funding Chg	0.0	-109	-155
9. Cost of Living Adjustment	0.0	452	532
10. Juvenile Offender Sentencing	0.0	26	26
11. Standards for Release of Offenders	0.0	24	24
12. WSIPP Youth Intervention Study	0.0	110	110
13. Prison Capacity Study	0.0	100	100
14. Health Benefits	0.0	1,134	1,134
15. Revolving Funds	0.0	18	18
Total Policy Changes	0.0	-1,185	1,824
Total 2003-05 Biennium	634.8	48,540	94,497
Difference from 2001-03	2.5	-1,240	5,406
% Change from 2001-03	0.5%	-2.5%	6.1%

Comments:

1. Pension Reduction Correction - In the 2002 supplemental budget, the pension allotment reduction was calculated on the assumption that all higher education employees are in Department of Retirement System plans. However, some higher education employees are in retirement plans that are not managed by the Department. As a result, the reductions for higher education institutions were too high. This item restores part of the General Fund-State reduction.

2. High Demand - Funding is provided solely to expand enrollment in high-demand fields. High-demand fields include reservation based tribal programs for undergraduate students.

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. (Various other funds)

4. Recruitment and Retention - Funding is provided for competitive recruitment and retention salary offers to attract and preserve quality faculty and staff.

5. Facility Maintenance and Operations - Funding is provided to maintain existing buildings and preserve related infrastructure during the 2003-05 biennium.

**2003-05 Omnibus Operating Budget
The Evergreen State College**

- 6. Operating Cost Reduction** - A state general fund reduction is made that may be partially offset by increasing tuition rates 6 percent each academic year for undergraduate, graduate and professional students. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
- 7. Building Maintenance to Capital** - Funding for routine maintenance and preventive inspections, mechanical adjustments, and minor work to replace or repair building systems, surfaces or materials is shifted to the capital budget. This is in response to the findings and recommendations of the Joint Legislative Audit & Review Committee who studied higher education facility preservation. This sum will be replaced with capital funds to sustain levels of investment necessary to keep the current inventory of buildings in "superior" to "good" working condition until such time as the State would choose to modernize, renovate or replace it.
- 8. Pension Funding Chg** - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made toward the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
- 9. Cost of Living Adjustment** - A cost of living adjustment (COLA) of 2 percent, effective September 1, 2004, is provided for state-funded higher education employees. Institutions may provide the same average increase to similar positions that are not state-funded. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)
- 10. Juvenile Offender Sentencing** - Funding is provided for the Institute for Public Policy to develop adherence and outcome standards for measuring the effectiveness of treatment programs referred to in Engrossed Second Substitute Senate Bill 5903 (juvenile offender sentencing). The Institute shall present its conclusions and recommend standards to the Governor and Legislature by no later than January 1, 2004.
- 11. Standards for Release of Offenders** - Funding is provided for the Institute for Public Policy to study the results of the changes in "earned release" under Engrossed Substitute Senate Bill 5990 (changing times and supervision standards for release of offenders). The study shall determine whether the new policy affects the rate of recidivism or the type of offenses committed by persons whose release dates were affected by changes in ESSB 5990. The Institute shall report its findings to the Governor and appropriate legislative committees by no later than December 1, 2008.
- 12. WSIPP Youth Intervention Study** - Funding is provided for the Washington State Institute for Public Policy to review research assessing the effectiveness of prevention and early intervention programs concerning children and youth, including programs designed to reduce the at-risk behaviors for children and youth identified in RCW 70.190.010(4).
- 13. Prison Capacity Study** - Funding is provided to the Washington State Institute for Public Policy to conduct a study of the relationship between prison overcrowding and construction, and the current state criminal sentencing structure. The Institute will present preliminary findings to the Governor and to the Legislature by December 15, 2003, and a final report by March 15, 2004.
- 14. Health Benefits** - Employer contribution rates are increased from \$482.38 in FY 2003 to \$520.29 in FY 2004 and \$606.26 in FY 2005. State employee contributions are expected to be 16 percent of the total rate. The average monthly contribution is expected to be \$72.38 in CY 2003 to \$87.50 in CY 2004 and \$157.40 in CY 2005.
- 15. Revolving Funds** - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
Spokane Intercoll Rsch & Tech Inst
(Dollars in Thousands)

	FTEs	Passed House	
		GF-S	Total
2001-03 Estimated Expenditures	19.1	2,941	4,268
2003-05 Carryforward Level	19.1	2,822	4,149
2003-05 Maintenance Level	18.1	2,835	2,937
Policy Changes:			
1. General Inflation	0.0	-21	-23
2. Pension Funding Chg	0.0	-14	-14
3. Health Benefits	0.0	30	30
4. Revolving Funds	0.0	-2	-2
Total Policy Changes	0.0	-7	-9
Total 2003-05 Biennium	18.1	2,828	2,928
Difference from 2001-03	-1.0	-113	-1,340
% Change from 2001-03	-5.3%	-3.8%	-31.4%

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. (General Fund-State, Institutions of Higher Education-Dedicated Local Account-Non-Appropriated)

2. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made toward the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005.

3. Health Benefits - Employer contribution rates are increased from \$482.38 in FY 2003 to \$520.29 in FY 2004 and \$606.26 in FY 2005. State employee contributions are expected to be 16 percent of the total rate. The average monthly contribution is expected to be \$72.38 in CY 2003 to \$87.50 in CY 2004 and \$157.40 in CY 2005.

4. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
Western Washington University
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	1,562.9	118,025	235,795
2003-05 Carryforward Level	1,554.7	115,843	233,613
2003-05 Maintenance Level	1,604.8	117,572	257,793
Policy Changes:			
1. Pension Reduction Correction	0.0	22	22
2. High Demand	0.0	1,285	1,285
3. General Inflation	0.0	0	-949
4. Recruitment and Retention	0.0	751	751
5. Facility Maintenance and Operations	0.0	592	592
6. Operating Cost Reduction	0.0	-6,780	-588
7. Building Maintenance to Capital	0.0	-2,550	-2,550
8. Pension Funding Chg	0.0	-225	-315
9. Cost of Living Adjustment	0.0	1,038	1,221
10. Health Benefits	0.0	2,314	2,314
11. Revolving Funds	0.0	206	206
Total Policy Changes	0.0	-3,347	1,989
Total 2003-05 Biennium	1,604.8	114,225	259,782
Difference from 2001-03	41.9	-3,800	23,987
% Change from 2001-03	2.7%	-3.2%	10.2%

Comments:

1. Pension Reduction Correction - In the 2002 supplemental budget, the pension allotment reduction was calculated on the assumption that all higher education employees are in Department of Retirement System plans. However, some higher education employees are in retirement plans that are not managed by the Department. As a result, the reductions for higher education institutions were too high. This item restores part of the General Fund-State reduction.

2. High Demand - Funding is provided solely to expand enrollment in high-demand fields. High-demand fields include special education, computer science, and information technology.

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. (Various other funds)

4. Recruitment and Retention - Funding is provided for competitive salary adjustments or offers to attract and retain quality faculty and staff.

5. Facility Maintenance and Operations - Funding is provided to maintain existing buildings and preserve related infrastructure during the 2003-05 biennium.

6. Operating Cost Reduction - A state general fund reduction is made that may be partially offset by increasing tuition rates 6 percent each academic year for undergraduate, graduate and professional students. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

**2003-05 Omnibus Operating Budget
Western Washington University**

7. Building Maintenance to Capital - Funding for routine maintenance and preventive inspections, mechanical adjustments, and minor work to replace or repair building systems, surfaces or materials is shifted to the capital budget. This is in response to the findings and recommendations of the Joint Legislative Audit & Review Committee who studied higher education facility preservation. This sum will be replaced with capital funds to sustain levels of investment necessary to keep the current inventory of buildings in "superior" to "good" working condition until such time as the State would choose to modernize, renovate or replace it.

8. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made toward the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

9. Cost of Living Adjustment - A cost of living adjustment (COLA) of 2 percent, effective September 1, 2004, is provided for state-funded higher education employees. Institutions may provide the same average increase to similar positions that are not state-funded. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

10. Health Benefits - Employer contribution rates are increased from \$482.38 in FY 2003 to \$520.29 in FY 2004 and \$606.26 in FY 2005. State employee contributions are expected to be 16 percent of the total rate. The average monthly contribution is expected to be \$72.38 in CY 2003 to \$87.50 in CY 2004 and \$157.40 in CY 2005.

11. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

2003-05 Omnibus Operating Budget
Community/Technical College System
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	13,966.4	1,050,517	1,759,281
2003-05 Carryforward Level	13,854.6	1,042,451	1,741,615
2003-05 Maintenance Level	13,923.2	1,069,344	1,910,106
Policy Changes:			
1. Pension Reduction Correction	0.0	168	168
2. Alliance for Corporate Education	1.0	250	250
3. High Demand	0.0	12,335	12,335
4. General Inflation	0.0	-2,236	-8,289
5. Delay I-732 Implementation	0.0	-16,791	-18,973
6. Part-Time Faculty Compensation	0.0	5,000	5,000
7. Facility Maintenance and Operations	0.0	5,382	5,382
8. Operating Cost Reduction	0.0	-34,248	-5,252
9. Building Maintenance to Capital	0.0	-22,600	-22,600
10. Pension Funding Chg	0.0	-2,034	-2,642
11. Cost of Living Adjustment	0.0	8,915	10,073
12. Health Benefits	0.0	21,360	21,360
13. Revolving Funds	0.0	996	996
14. Self-Insurance Premiums	0.0	2,096	2,096
Total Policy Changes	1.0	-21,407	-96
Total 2003-05 Biennium	13,924.2	1,047,937	1,910,010
Difference from 2001-03	-42.2	-2,580	150,729
% Change from 2001-03	-0.3%	-0.2%	8.6%

Comments:

1. Pension Reduction Correction - In the 2002 supplemental budget, the pension allotment reduction was calculated on the assumption that all higher education employees are in Department of Retirement System plans. However, some higher education employees are in retirement plans that are not managed by the Department. As a result, the reductions for higher education institutions were too high. This item restores part of the General Fund-State reduction.

2. Alliance for Corporate Education - One-time funding is provided for creation of a partnership between 17 colleges who have formed an alliance to simplify and provide a single-source of contact for corporations seeking to out-source job skills training.

3. High Demand - Funding is provided solely to expand enrollment in high-demand fields. High-demand fields include health care, viticulture and enology, and expansion of worker retraining programs. The Board will manage a competitive process for awarding high demand resources.

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. (General Fund-State, various other funds)

5. Delay I-732 Implementation - Implementation of Initiative 732 cost-of-living adjustment (COLA) increases for selected community and technical college staff are delayed. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

2003-05 Omnibus Operating Budget Community/Technical College System

6. Part-Time Faculty Compensation - Funding is provided to increase the statewide average compensation of part-time faculty at state community and technical colleges. The Board will report annually on the distribution of state funds, wage adjustments for part-time faculty, and progress to close the gap between full-time and part-time equivalent salaries for each college district. Such information is to be provided to the fiscal and higher education committees of the Legislature by January 30th of each fiscal year.

7. Facility Maintenance and Operations - Funding is provided to maintain existing buildings and preserve related infrastructure during the 2003-05 biennium.

8. Operating Cost Reduction - A state general fund reduction is made that may be partially offset by increasing tuition rates 6 percent each academic year for undergraduate, graduate and professional students. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

9. Building Maintenance to Capital - Funding for routine maintenance and preventive inspections, mechanical adjustments, and minor work to replace or repair building systems, surfaces or materials is shifted to the capital budget. This is in response to the findings and recommendations of the Joint Legislative Audit & Review Committee who studied higher education facility preservation. This sum will be replaced with capital funds to sustain levels of investment necessary to keep the current inventory of buildings in "superior" to "good" working condition until such time as the State would choose to modernize, renovate or replace it.

10. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made toward the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

11. Cost of Living Adjustment - A cost of living adjustment (COLA) of 2 percent, effective September 1, 2004, is provided for state-funded higher education employees. Institutions may provide the same average increase to similar positions that are not state-funded. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Non-Appropriated)

12. Health Benefits - Employer contribution rates are increased from \$482.38 in FY 2003 to \$520.29 in FY 2004 and \$606.26 in FY 2005. State employee contributions are expected to be 16 percent of the total rate. The average monthly contribution is expected to be \$72.38 in CY 2003 to \$87.50 in CY 2004 and \$157.40 in CY 2005.

13. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

14. Self-Insurance Premiums - State agencies pay an annual self-insurance premium to fund the state's Self-Insurance Liability Program. This program is responsible for paying costs related to tort lawsuits associated with state agency programs. An agency's self-insurance premium is based on factors such as past and current claims experience, the agency staffing levels, and estimated obligations. This item reflects the increased amount for the Community and Technical College's self-insurance premium in the 2003-05 biennium.

2003-05 Omnibus Operating Budget
State School for the Blind
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	80.0	9,257	10,511
2003-05 Carryforward Level	81.5	9,217	10,552
2003-05 Maintenance Level	84.5	9,571	10,906
Policy Changes:			
1. General Inflation	0.0	-54	-54
2. Delay I-732 Implementation	0.0	-92	-92
3. Initiative 732 COLA	0.0	51	51
4. Revolving Funds	0.0	16	16
5. Staff Reduc. & Oper. Efficiencies	-2.4	-137	-137
Total Policy Changes	-2.4	-216	-216
Total 2003-05 Biennium	82.2	9,355	10,690
Difference from 2001-03	2.2	98	179
% Change from 2001-03	2.5%	1.1%	1.7%

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. Delay I-732 Implementation - Salary increases provided under Initiative 732 are delayed by four months. This item backs out the entire costs of the 2.0 percent increase beginning September 1, 2003, and the 1.9 percent increase beginning September 1, 2005, for those staff at the School for the Blind subject to the provisions of Initiative 732. The costs for the delayed increases are shown under "Initiative 732 COLA."

3. Initiative 732 COLA - For those staff at the School for the Blind subject to the provisions of Initiative 732, funding is provided for a 2.0 percent salary increase beginning January 1, 2004, and a 1.9 percent salary increase beginning January 1, 2005.

4. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

5. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
State School for the Deaf
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	130.5	15,307	15,539
2003-05 Carryforward Level	131.0	15,236	15,236
2003-05 Maintenance Level	128.0	15,540	15,540
Policy Changes:			
1. General Inflation	0.0	-83	-83
2. Delay I-732 Implementation	0.0	-101	-101
3. Initiative 732 COLA	0.0	56	56
4. Outreach Services	0.0	0	232
5. Revolving Funds	0.0	44	44
6. Staff Reduc. & Oper. Efficiencies	-3.6	-197	-197
Total Policy Changes	-3.6	-281	-49
Total 2003-05 Biennium	124.4	15,259	15,491
Difference from 2001-03	-6.1	-48	-48
% Change from 2001-03	-4.6%	-0.3%	-0.3%

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. Delay I-732 Implementation - Salary increases provided under Initiative 732 are delayed by four months. This item backs out the entire costs of the 2.0 percent increase beginning September 1, 2003, and the 1.9 percent increase beginning September 1, 2005, for those staff at the School for the Deaf subject to the provisions of Initiative 732. The costs for the delayed increases are shown under "Initiative 732 COLA."

3. Initiative 732 COLA - For those staff at the School for the Deaf subject to the provisions of Initiative 732, funding is provided for a 2.0 percent salary increase beginning January 1, 2004, and a 1.9 percent salary increase beginning January 1, 2005.

4. Outreach Services - Spending authority from local funds is provided for the School for the Deaf to conduct additional outreach services to school districts. The school provides evaluations, consultations, training, technical information, and clinical resources to deaf and hard-of-hearing students in public schools, their families, and the staff members who serve them. (General Fund-Private/Local)

5. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

6. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Work Force Trng & Educ Coord Board
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	24.0	3,450	48,952
2003-05 Carryforward Level	23.9	3,336	48,837
2003-05 Maintenance Level	23.9	3,375	57,694
Policy Changes:			
1. General Inflation	0.0	-21	-27
2. Staff Reduc. & Oper. Efficiencies	-1.1	-64	-82
Total Policy Changes	-1.1	-85	-109
Total 2003-05 Biennium	22.8	3,290	57,585
Difference from 2001-03	-1.2	-160	8,633
% Change from 2001-03	-4.2%	-4.6%	17.6%

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. (General Fund-State, General Fund-Federal)

2. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs. (General Fund-State, General Fund-Federal)

2003-05 Omnibus Operating Budget
Washington State Arts Commission
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	18.4	5,715	6,718
2003-05 Carryforward Level	18.1	5,610	6,610
2003-05 Maintenance Level	18.1	5,654	6,682
Policy Changes:			
1. General Inflation	0.0	-14	-16
2. Program Reductions	-1.5	-1,080	-1,080
3. Revolving Funds	0.0	2	2
4. Staff Reduc. & Oper. Efficiencies	-0.1	-56	-56
Total Policy Changes	-1.6	-1,148	-1,150
Total 2003-05 Biennium	16.6	4,506	5,532
Difference from 2001-03	-1.8	-1,209	-1,186
% Change from 2001-03	-5.6%	-21.2%	-17.7%

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. (General Fund-State, General Fund-Federal)

2. Program Reductions - The Commission's budget is reduced by 20 percent from maintenance level as a general activity cut. The Commission shall use its managerial discretion to reduce spending in those areas that will have the least impact on implementing its mission.

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Washington State Historical Society
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	54.6	6,034	7,594
2003-05 Carryforward Level	53.6	5,547	8,089
2003-05 Maintenance Level	53.6	5,682	8,265
Policy Changes:			
1. General Inflation	0.0	-45	-76
2. Program/Activity Reductions	0.0	-560	-330
3. Staff Reduc. & Oper. Efficiencies	-2.3	-212	-212
Total Policy Changes	-2.3	-817	-618
Total 2003-05 Biennium	51.4	4,865	7,647
Difference from 2001-03	-3.2	-1,169	53
% Change from 2001-03	-7.3%	-19.4%	0.7%

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. (General Fund-State, Local Museum Account-Non-Appropriated)

2. Program/Activity Reductions - State general fund support for the Commission's budget is reduced by 10 percent from maintenance level as a general activity cut. The Commission shall use its managerial discretion to reduce spending in those areas that will have the least impact on implementing its mission. (General Fund-State, Local Museum Account-Non-Appropriated)

3. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
East Wash State Historical Society
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	25.2	3,224	3,224
2003-05 Carryforward Level	24.7	3,017	3,017
2003-05 Maintenance Level	24.7	3,311	3,311
Policy Changes:			
1. General Inflation	0.0	-25	-25
2. Program Reductions	0.0	-291	-291
3. Revolving Funds	0.0	4	4
4. Staff Reduc. & Oper. Efficiencies	-1.2	-100	-100
Total Policy Changes	-1.2	-412	-412
Total 2003-05 Biennium	23.5	2,899	2,899
Difference from 2001-03	-1.7	-325	-325
% Change from 2001-03	-4.0%	-10.1%	-10.1%

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. Program Reductions - The Commission's budget is reduced by nine percent from maintenance level as a general activity cut. The Commission shall use its managerial discretion to reduce spending in those areas that will have the least impact on implementing its mission.

3. Revolving Funds - Funding levels for services provided by other state agencies, such as the Attorney General, are adjusted to reflect what those agencies are expected to bill for their services.

4. Staff Reduc. & Oper. Efficiencies - In order to attain administrative efficiencies, agency budgets are reduced for FTE staff years, salaries, benefits, and other operating costs.

2003-05 Omnibus Operating Budget
Bond Retirement and Interest
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	1,251,110	1,432,580
2003-05 Carryforward Level	0.0	1,306,985	1,488,455
2003-05 Maintenance Level	0.0	1,227,608	1,413,853
Policy Changes:			
1. General Inflation	0.0	-18	-130
2. New Debt 2003-05 Capital Budget	0.0	21,661	25,884
Total Policy Changes	0.0	21,643	25,754
Total 2003-05 Biennium	0.0	1,249,251	1,439,607
Difference from 2001-03	0.0	-1,859	7,027
% Change from 2001-03	0.0%	-0.1%	0.5%

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. (General Fund-State, State Building Construction Account-State)

2. New Debt 2003-05 Capital Budget - Debt service and bond sale expenses will be incurred for new debt issued to fund the 2003-05 capital budget. (General Fund-State, State Building Construction Account-State, State Taxable Building Construction Account-State)

2003-05 Omnibus Operating Budget
Special Approps to the Governor
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	107,369	209,014
2003-05 Carryforward Level	0.0	0	0
2003-05 Maintenance Level	0.0	22,636	74,636
Policy Changes:			
1. County Public Health Assistance	0.0	0	-24,000
2. Liability Account	0.0	-18,000	-18,000
3. Transfer Civil Legal Services	0.0	4,652	9,261
4. Extraordinary Crim Justice Costs	0.0	0	766
5. Travel, Equipment, Contracts	0.0	-20,000	-20,000
6. I-695 Backfill for Counties	0.0	3,000	3,000
7. I-695 Backfill for Cities	0.0	3,500	3,500
8. Revolving Fund Corrections	0.0	6,700	9,492
Total Policy Changes	0.0	-20,148	-35,981
Total 2003-05 Biennium	0.0	2,488	38,655
Difference from 2001-03	0.0	-104,881	-170,359
% Change from 2001-03	0.0%	-97.7%	-81.5%

Comments:

- 1. County Public Health Assistance** - Assistance provided to local public health districts, begun after the passage of I-695, is discontinued after fiscal year 2004. (Health Services Account-State)

- 2. Liability Account** - Savings are projected in the state general fund based on historical patterns in tort claims, settlements, and judgments.

- 3. Transfer Civil Legal Services** - Funding is provided for transfer into the Civil Legal Services Account-State. (General Fund-State, Public Safety and Education Account-State)

- 4. Extraordinary Crim Justice Costs** - Funding is provided for assistance to King County for extraordinary criminal justice costs incurred in the adjudication of aggravated murder cases. (Public Safety and Education Account-State)

- 5. Travel, Equipment, Contracts** - Funding is reduced resulting from an across the board reduction in travel, equipment, and personal service contract expenditures.

- 6. I-695 Backfill for Counties** - Funding is provided for distribution to specified counties to mitigate the loss of local revenue following the passage of Initiative 695.

- 7. I-695 Backfill for Cities** - Funding is provided for distribution to cities to mitigate the loss of local revenue following the passage of Initiative 695.

- 8. Revolving Fund Corrections** - Revolving fund assessments for internal services are adjusted to reflect increased appropriations for legal and archival services, the restoration of the Office of Minority and Women's Business Enterprises, and the cancellation of the proposed merger of the Department of Personnel and the Department of Retirement Systems. To facilitate these transfers, the Revolving Fund Revolving Account is created. (General Fund-State, Revolving Fund Revolving Account-State)

2003-05 Omnibus Operating Budget
Sundry Claims
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	274	279
2003-05 Carryforward Level	0.0	0	0
2003-05 Maintenance Level	0.0	0	0
Policy Changes:			
1. Deer and Elk Damage Claims	0.0	0	95
2. Self-Defense Claims	0.0	18	18
Total Policy Changes	0.0	18	113
Total 2003-05 Biennium	0.0	18	113
Difference from 2001-03	0.0	-256	-166
% Change from 2001-03	0.0%	-93.4%	-59.5%

Comments:

1. Deer and Elk Damage Claims - On the recommendation of the State Office of Risk Management, payment is made under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. (State Wildlife Account-State)

2. Self-Defense Claims - On the recommendation of the State Office of Risk Management, payment is made under RCW 9A.16.110 for claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self-defense.

2003-05 Omnibus Operating Budget
State Employee Compensation Adjust
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	0	0
2003-05 Carryforward Level	0.0	0	0
2003-05 Maintenance Level	0.0	1,357	1,627
Policy Changes:			
1. Salary Survey for State Employees	0.0	3,000	5,460
2. Pension Funding Chg	0.0	-21,921	-37,674
3. Cost of Living Adjustment	0.0	22,826	43,873
4. Health Benefits	0.0	53,855	117,006
Total Policy Changes	0.0	57,760	128,665
Total 2003-05 Biennium	0.0	59,117	130,292
Difference from 2001-03	0.0	59,117	130,292
% Change from 2001-03	0.0%	0.0%	0.0%

Comments:

1. Salary Survey for State Employees - Funding is provided to increase salaries for state employees whose pay trails the farthest behind market rates according to the 2002 Total Compensation Survey, beginning September 1, 2004. (General Fund-State, Salary/Insurance Increase Revolving Account-State)

2. Pension Funding Chg - Savings are achieved by adopting a new actuarial method for smoothing returns on assets for the Public Employees' Retirement System, the School Employees' Retirement System, and the Teachers' Retirement System. The new method varies the length of smoothing of a particular year's gain or loss depending on the difference from the actuarially assumed rate of investment return. In addition, no contributions will be made toward the unfunded liabilities in the Public Employees' and Teachers' Retirement System Plans 1 during FY 2004 and FY 2005. (General Fund-State, General Fund-Federal, General Fund-Local, Retirement Contribution Increase Revolving Account-State)

3. Cost of Living Adjustment - Funding is provided for a 2 percent salary increase for state agency employees beginning in September 1, 2004. (General Fund-State, General Fund-Federal, General Fund-Local, Salary/Insurance Increase Revolving Account-State)

4. Health Benefits - Employer contribution rates are increased from \$482.38 in Fiscal Year 2003 to \$520.29 in Fiscal Year 2004 and \$606.26 in Fiscal Year 2005. State employee contributions are expected to be 16 percent of the total rate. The average monthly contribution is expected to be \$72.38 in calendar year 2003 to \$87.50 in calendar year 2004 and \$157.40 in calendar year 2005. (General Fund-State, General Fund-Federal, General Fund-Local, Salary/Insurance Increase Revolving Account-State)

2003-05 Omnibus Operating Budget
Contributions to Retirement Systems
(Dollars in Thousands)

	FTEs	Passed House GF-S	Total
2001-03 Estimated Expenditures	0.0	44,145	44,145
2003-05 Carryforward Level	0.0	45,258	45,258
2003-05 Maintenance Level	0.0	55,000	55,000
Total 2003-05 Biennium	0.0	55,000	55,000
Difference from 2001-03	0.0	10,855	10,855
% Change from 2001-03	0.0%	24.6%	24.6%

Comments: