



PROPOSED 2002  
SUPPLEMENTAL  
OPERATING BUDGET

STATEWIDE SUMMARY  
AND AGENCY DETAIL

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REPRESENTATIVE SOMMERS, CHAIR  
HOUSE APPROPRIATIONS COMMITTEE  
MARCH 7, 2002

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## 2002 Supplemental Budget

(Dollars in Thousands)

	GF-S	House Proposed Other	Total
Legislative	-3,059	131	-2,928
Judicial	1,183	-2,484	-1,301
Governmental Operations	-13,503	-16,678	-30,181
Other Human Services	-5,927	107,605	101,678
DSHS	-101,915	783,752	681,837
Natural Resources	-35,472	20,574	-14,898
Transportation	-389	2,427	2,038
Public Schools	-48,459	23,021	-25,438
Higher Education	-53,024	5,217	-47,807
Other Education	-5,824	84	-5,740
Special Appropriations	-68,648	-32,208	-100,856
Total Budget Bill	-335,037	891,441	556,404
Appropriations in Other Legislation	0	5,000	5,000
Statewide Total	-335,037	896,441	561,404

## 2002 Supplemental Budget

(Dollars in Thousands)

	GF-S	House Proposed Other	Total
<b>Legislative</b>			
House of Representatives	-1,425	0	-1,425
Senate	-1,200	0	-1,200
Jt Leg Audit & Review Committee	-58	0	-58
LEAP Committee	-44	0	-44
Office of the State Actuary	0	131	131
Joint Legislative Systems Comm	-211	0	-211
Statute Law Committee	-121	0	-121
Total Legislative	-3,059	131	-2,928
<b>Judicial</b>			
Supreme Court	54	0	54
State Law Library	-59	0	-59
Court of Appeals	-6	0	-6
Commission on Judicial Conduct	-29	0	-29
Office of Administrator for Courts	1,223	-2,127	-904
Office of Public Defense	0	-357	-357
Total Judicial	1,183	-2,484	-1,301
Total Legislative/Judicial	-1,876	-2,353	-4,229

## 2002 Supplemental Budget

(Dollars in Thousands)

	GF-S	House Proposed Other	Total
<b>Governmental Operations</b>			
Office of the Governor	-226	0	-226
Office of the Lieutenant Governor	-23	0	-23
Public Disclosure Commission	-57	0	-57
Office of the Secretary of State	-2,793	3,276	483
Governor's Office of Indian Affairs	-8	0	-8
Asian-Pacific-American Affrs	-32	0	-32
Office of the State Treasurer	0	-322	-322
Office of the State Auditor	36	-1,106	-1,070
Comm Salaries for Elected Officials	-5	0	-5
Office of the Attorney General	-3,641	39,629	35,988
Caseload Forecast Council	-19	0	-19
Dept of Financial Institutions	0	616	616
Dept Community, Trade, Econ Dev	-12,050	5,808	-6,242
Economic & Revenue Forecast Council	-15	0	-15
Office of Financial Management	-101	1,245	1,144
Office of Administrative Hearings	0	456	456
Department of Personnel	0	-260	-260
State Lottery Commission	0	49,158	49,158
Washington State Gambling Comm	0	-450	-450
WA State Comm on Hispanic Affairs	-24	0	-24
African-American Affairs Comm	-2	0	-2
Personnel Appeals Board	0	26	26
Department of Retirement Systems	0	333	333
State Investment Board	0	585	585
Department of Revenue	5,561	115	5,676
Board of Tax Appeals	-31	0	-31
Dept of General Administration	-19	-3,396	-3,415
Department of Information Services	0	-2,756	-2,756
Office of Insurance Commissioner	0	154	154
WA State Liquor Control Board	-45	1,879	1,834
Utilities and Transportation Comm	0	-6	-6
Military Department	-163	-111,662	-111,825
Public Employment Relations Comm	199	0	199
Growth Management Hearings Board	-45	0	-45
<b>Total Governmental Operations</b>	<b>-13,503</b>	<b>-16,678</b>	<b>-30,181</b>

## 2002 Supplemental Budget

(Dollars in Thousands)

	GF-S	House Proposed Other	Total
<b>Other Human Services</b>			
WA State Health Care Authority	-6,654	45,232	38,578
Human Rights Commission	-81	0	-81
Bd of Industrial Insurance Appeals	0	213	213
Criminal Justice Training Comm	0	-263	-263
Department of Labor and Industries	-4,492	6,661	2,169
Indeterminate Sentence Review Board	-30	0	-30
Home Care Quality Authority	152	0	152
Department of Health	-22,003	46,075	24,072
Department of Veterans' Affairs	-139	-3,893	-4,032
Department of Corrections	27,395	-3,033	24,362
Dept of Services for the Blind	-49	1,503	1,454
Sentencing Guidelines Commission	-26	0	-26
Department of Employment Security	0	15,110	15,110
Total Other Human Services	-5,927	107,605	101,678

## 2002 Supplemental Budget

(Dollars in Thousands)

	GF-S	House Proposed Other	Total
<b>DSHS</b>			
Children and Family Services	-19,287	-5,306	-24,593
Juvenile Rehabilitation	-12,147	-2,683	-14,830
Mental Health	-16,983	37,872	20,889
Developmental Disabilities	298	5,592	5,890
Long-Term Care	-42,876	-48,147	-91,023
Economic Services Administration	-20,807	5,285	-15,522
Alcohol & Substance Abuse	-8,446	-1,708	-10,154
Medical Assistance Payments	26,041	797,777	823,818
Vocational Rehabilitation	-733	-1,503	-2,236
Administration/Support Svcs	-6,975	-3,427	-10,402
Total DSHS	-101,915	783,752	681,837
Total Human Services	-107,842	891,357	783,515

## 2002 Supplemental Budget

(Dollars in Thousands)

	GF-S	House Proposed Other	Total
<b>Natural Resources</b>			
Department of Ecology	-17,851	12,202	-5,649
State Parks and Recreation Comm	-2,886	3,771	885
Interagency Comm for Outdoor Rec	-500	500	0
State Conservation Commission	-110	-1,601	-1,711
Dept of Fish and Wildlife	-11,141	2,435	-8,706
Department of Natural Resources	-2,369	917	-1,452
Department of Agriculture	-615	2,350	1,735
Total Natural Resources	-35,472	20,574	-14,898

**2002 Supplemental Budget**  
(Dollars in Thousands)

	GF-S	House Proposed Other	Total
<b>Transportation</b>			
Washington State Patrol	-256	2,537	2,281
Department of Licensing	-133	-110	-243
Total Transportation	-389	2,427	2,038

## 2002 Supplemental Budget

(Dollars in Thousands)

	GF-S	House Proposed Other	Total
<b>Public Schools</b>			
OSPI & Statewide Programs	-2,813	-97,329	-100,142
General Apportionment	-3,773	0	-3,773
Pupil Transportation	-1,772	0	-1,772
Special Education	-6,175	0	-6,175
Traffic Safety Education	-1,653	0	-1,653
Educational Service Districts	-47	0	-47
Levy Equalization	11,219	0	11,219
Elementary/Secondary School Improv	0	-86,429	-86,429
Institutional Education	-464	0	-464
Ed of Highly Capable Students	43	0	43
Student Achievement Program	0	-2,151	-2,151
Education Reform	-8,730	57,838	49,108
Transitional Bilingual Instruction	-551	20,280	19,729
Learning Assistance Program (LAP)	-3,367	130,876	127,509
Block Grants	-13,827	0	-13,827
Compensation Adjustments	-16,549	0	-16,549
Common School Construction	0	-64	-64
Total Public Schools	-48,459	23,021	-25,438

## 2002 Supplemental Budget

(Dollars in Thousands)

	GF-S	House Proposed Other	Total
<b>Higher Education</b>			
Higher Education Coordinating Board	444	696	1,140
University of Washington	-20,118	-41	-20,159
Washington State University	-11,909	0	-11,909
Eastern Washington University	-2,708	0	-2,708
Central Washington University	-2,303	0	-2,303
The Evergreen State College	-1,440	0	-1,440
Spokane Intercoll Rsch & Tech Inst	-504	0	-504
Western Washington University	-3,585	0	-3,585
Community/Technical College System	-10,901	4,562	-6,339
Total Higher Education	-53,024	5,217	-47,807
<b>Other Education</b>			
State School for the Blind	-68	81	13
State School for the Deaf	99	0	99
Work Force Trng & Educ Coord Board	-52	0	-52
State Library	-5,577	0	-5,577
Washington State Arts Commission	-86	3	-83
Washington State Historical Society	-94	0	-94
East Wash State Historical Society	-46	0	-46
Total Other Education	-5,824	84	-5,740
Total Education	-107,307	28,322	-78,985

## 2002 Supplemental Budget

(Dollars in Thousands)

	GF-S	House Proposed Other	Total
<b>Special Appropriations</b>			
Bond Retirement and Interest	0	-15,039	-15,039
Special Approps to the Governor	-41,258	15,915	-25,343
Sundry Claims	274	4	278
State Employee Compensation Adjust	-27,089	-33,088	-60,177
Contributions to Retirement Systems	-575	0	-575
Total Budget Bill	-68,648	-32,208	-100,856
Appropriations in Other Legislation	0	5,000	5,000
Total Special Appropriations	-68,648	-27,208	-95,856

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**House of Representatives**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	56,810	45	56,855
<b>2002 Policy Changes:</b>			
1. Efficiencies & Savings	-1,425	0	-1,425
Total Policy Changes	-1,425	0	-1,425
2001-03 Revised Appropriations	55,385	45	55,430

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Senate**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	46,862	45	46,907
<b>2002 Policy Changes:</b>			
1. Efficiencies & Savings	-1,200	0	-1,200
Total Policy Changes	-1,200	0	-1,200
2001-03 Revised Appropriations	45,662	45	45,707

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Jt Leg Audit & Review Committee**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	4,374	0	4,374
<b>2002 Policy Changes:</b>			
1.    Efficiencies & Savings	-58	0	-58
2.    Developmental Disabilities Studies	<u>0</u>	<u>0</u>	<u>0</u>
Total Policy Changes	-58	0	-58
2001-03 Revised Appropriations	4,316	0	4,316

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2. Developmental Disabilities Studies** - Funding for two existing developmental disabilities studies, that were funded in the 2001-03 biennium, are consolidated and the \$600,000 appropriation is redirected into a performance audit of the department of social and health services' division of developmental disabilities. This item reflects an adjustment to the fiscal year appropriations.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****LEAP Committee**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	2,791	203	2,994
<b>2002 Policy Changes:</b>			
1. Efficiencies & Savings	-44	0	-44
Total Policy Changes	-44	0	-44
2001-03 Revised Appropriations	2,747	203	2,950

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Office of the State Actuary**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	1,923	1,923
<b>2002 Policy Changes:</b>			
1. Senior Research Analyst	0	160	160
2. Efficiencies and Savings	0	-29	-29
Total Policy Changes	0	131	131
2001-03 Revised Appropriations	0	2,054	2,054

*Comments:*

**1. Senior Research Analyst** - Funding is provided for salary and benefits for a senior research analyst to support the Joint Committee on Pension Policy. Department of Retirement Systems Expense Account)

**2. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such actions, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Joint Legislative Systems Comm**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	13,464	1,706	15,170
<b>2002 Policy Changes:</b>			
1. Efficiencies & Savings	<u>-211</u>	<u>0</u>	<u>-211</u>
Total Policy Changes	-211	0	-211
2001-03 Revised Appropriations	13,253	1,706	14,959

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Statute Law Committee**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	7,947	2,239	10,186
<b>2002 Policy Changes:</b>			
1. Efficiencies & Savings	-121	0	-121
Total Policy Changes	-121	0	-121
2001-03 Revised Appropriations	7,826	2,239	10,065

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Supreme Court**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	10,933	0	10,933
<b>2002 Policy Changes:</b>			
1. Supreme Court Justice Salary Incr	219	0	219
2. Efficiencies & Savings	-165	0	-165
Total Policy Changes	54	0	54
2001-03 Revised Appropriations	10,987	0	10,987

*Comments:*

**1. Supreme Court Justice Salary Incr** - Funding is provided for salary increases granted to Supreme Court Justices by the Washington Citizens' Commission on Salaries for Elected Officials.

**2. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**State Law Library**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	3,965	0	3,965
<b>2002 Policy Changes:</b>			
1. Efficiencies & Savings	<u>-59</u>	<u>0</u>	<u>-59</u>
Total Policy Changes	-59	0	-59
2001-03 Revised Appropriations	3,906	0	3,906

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Court of Appeals**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	25,624	0	25,624
<b>2002 Policy Changes:</b>			
1. Judges Salary Increase	380	0	380
2. Efficiencies & Savings	-386	0	-386
Total Policy Changes	-6	0	-6
2001-03 Revised Appropriations	25,618	0	25,618

*Comments:*

**1. Judges Salary Increase** - Funding is provided for salary increases granted to the Court of Appeals judges by the Washington Citizens' Commission on Salaries for Elected Officials.

**2. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Commission on Judicial Conduct**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,924	0	1,924
<b>2002 Policy Changes:</b>			
1. Efficiencies & Savings	-29	0	-29
Total Policy Changes	-29	0	-29
2001-03 Revised Appropriations	1,895	0	1,895

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Office of Administrator for Courts**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	28,633	57,392	86,025
Total Maintenance Changes	0	12	12
<b>2002 Policy Changes:</b>			
1. Superior Court Salary Increase	1,655	0	1,655
2. Efficiencies and Savings	-432	0	-432
3. PSEA Reduction	0	-521	-521
4. Eliminate Juror Rate Increase	0	-1,618	-1,618
Total Policy Changes	1,223	-2,139	-916
2001-03 Revised Appropriations	29,856	55,265	85,121

*Comments:*

**1. Superior Court Salary Increase** - Funding is provided for salary increases granted to Superior Court judges by the Washington Citizens' Commission on Salaries for Elected Officials.

**2. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**3. PSEA Reduction** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**4. Eliminate Juror Rate Increase** - In the original 2001-03 biennial budget, FY 2003 funding from the Public Safety and Education Account (PSEA) was provided to increase juror compensation from \$10 per day to \$25 per day, beginning on the second day of juror service. Due to a revenue shortfall in PSEA, funding for the increase is eliminated. (Public Safety and Education Account-State)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Office of Public Defense**  
(Dollars in Thousands)

	GF-S	House Proposed Other	Total
2001-03 Original Appropriations	600	12,626	13,226
<b>2002 Policy Changes:</b>			
1. Capital Defense Center	0	-100	-100
2. PSEA Reduction	0	-233	-233
3. Vendor Rate Change	0	-24	-24
Total Policy Changes	0	-357	-357
2001-03 Revised Appropriations	600	12,269	12,869

*Comments:*

**1. Capital Defense Center** - The 2001-03 biennial budget provided funds for a new capital defense center. The center's \$100,000 appropriation for FY 2003 is eliminated. (Public Safety and Education Account)

**2. PSEA Reduction** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**3. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Office of the Governor**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	9,061	4,127	13,188
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-226	0	-226
2. Salmon Recovery Office	-500	0	-500
3. Permit Assistance Center #	500	0	500
Total Policy Changes	-226	0	-226
2001-03 Revised Appropriations	8,835	4,127	12,962

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2. 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. Core staff remain to implement the activities of the Governor's Salmon Recovery Office.

**3. Permit Assistance Center #** - Funding and staff are transferred from the Department of Ecology's Permit Assistance Center to the Office of the Governor pursuant to Engrossed Second Substitute House Bill 2671 (permit assistance center).

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Office of the Lieutenant Governor**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	900	0	900
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-23	0	-23
Total Policy Changes	-23	0	-23
2001-03 Revised Appropriations	877	0	877

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Disclosure Commission**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	3,813	0	3,813
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	<u>-57</u>	<u>0</u>	<u>-57</u>
Total Policy Changes	-57	0	-57
2001-03 Revised Appropriations	3,756	0	3,756

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Office of the Secretary of State**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	19,220	15,341	34,561
Total Maintenance Changes	0	-46	-46
<b>2002 Policy Changes:</b>			
1. Corporations Fund Shift	-2,000	2,000	0
2. Efficiencies and Savings	-435	0	-435
3. Revolving Fund Reductions	0	-195	-195
4. Blanket Primary Litigation Costs	212	0	212
5. Elections Savings and Efficiencies	-570	0	-570
6. Archives Security Microfilm Project	0	586	586
7. Microfilm Imaging	0	768	768
8. Training & Grants	0	163	163
Total Policy Changes	-2,793	3,322	529
2001-03 Revised Appropriations	16,427	18,617	35,044

*Comments:*

**1. Corporations Fund Shift** - Funding for the Corporations Division's expenditures is shifted on a one-time basis from the General Fund-State to the Secretary of State's Revolving Account. (General Fund-State, Secretary of State's Revolving Account-Nonappropriated)

**2. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**3. Revolving Fund Reductions** - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings by reducing their revolving fund billings to client state agencies. An on-going 5 percent reduction in expenditures and revolving fund billings shall be achieved. For the Office of the Secretary of State, archives and Productivity Board activities are affected by this reduction. (Archives and Records Management Account-State, Department of Personnel Service Account-State)

**4. Blanket Primary Litigation Costs** - Funding is provided to the Secretary of State to pay legal billings from the Attorney General for costs incurred in defending the blanket primary system.

**5. Elections Savings and Efficiencies** - The Secretary of State reimburses local governments for the state's share of odd-year election costs. November 2001 election ballots contained fewer state issues and offices, in comparison to other years, that resulted in one-time savings. In addition, efficiencies in other agency activities allow the Secretary of State to achieve a one-time reduction in expenditures.

**6. Archives Security Microfilm Project** - State law authorizes the state archivist to microfilm and safeguard copies of records necessary for re-establishing government services after a disaster. During the 1999-01 biennium, restoration work was begun on deteriorating local government records. One-time funding is provided to complete the local government microfilm preservation project. (Archives and Records Management Account-Private/Local)

**7. Microfilm Imaging** - The Secretary of State is required to microfilm state and local government records at cost. Due to higher than anticipated demand for microfilming services, one-time funding is provided to allow for an increase in microfilming activities. Funding for this increased level of activity comes from user fees. (Archives and Records Management Account-State)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Office of the Secretary of State**

**8. Training & Grants** - Legislation passed during the 2001 session (Chapter 13, Laws of 2001, 2nd extraordinary special session) directs the Archives Division to provide records management training and grants for local governments. Ongoing funding is provided for these new services. (Archives and Records Management Account-Private/Local)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Governor's Office of Indian Affairs**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	551	0	551
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-8	0	-8
Total Policy Changes	-8	0	-8
2001-03 Revised Appropriations	543	0	543

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Asian-Pacific-American Affrs**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	466	0	466
<b>2002 Policy Changes:</b>			
1. Co-locate and Consolidate Administr	<u>-32</u>	<u>0</u>	<u>-32</u>
Total Policy Changes	-32	0	-32
2001-03 Revised Appropriations	434	0	434

*Comments:*

**1. Co-locate and Consolidate Administr** - Savings will be achieved by the administrative consolidation and co-location of the Commission on African American Affairs, the Commission on Hispanic Affairs, and the Commission on Asian Pacific American Affairs into one office building. Additional savings will be achieved by sharing administrative services.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Office of the State Treasurer**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	12,870	12,870
<b>2002 Policy Changes:</b>			
1. Efficiencies & Savings	0	-322	-322
Total Policy Changes	0	-322	-322
2001-03 Revised Appropriations	0	12,548	12,548

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction. (State Treasurer's Service Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Office of the State Auditor**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,802	43,138	44,940
Total Maintenance Changes	0	0	0
<b>2002 Policy Changes:</b>			
1. Revolving Fund Reductions	0	-1,106	-1,106
2. Performance Audits	87	0	87
3. Efficiencies & Savings	-51	0	-51
Total Policy Changes	36	-1,106	-1,070
2001-03 Revised Appropriations	1,838	42,032	43,870

*Comments:*

**1. Revolving Fund Reductions** - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings by reducing their revolving fund billings to client state agencies. An ongoing 5 percent reduction in expenditures and revolving fund billings shall be achieved. For the State Auditor, state and local government auditing activities are affected by this reduction. (Auditing Services Revolving Account, Municipal Revolving Account-Nonappropriated)

**2. Performance Audits** - Funding is provided to implement House Bill 2563 (performance audits) which includes a requirement that the State Auditor conduct a pilot performance audit of the Department of Agriculture. This funding lapses if HB 2563 is not enacted by June 30, 2002.

**3. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Comm Salaries for Elected Officials**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	232	0	232
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-5	0	-5
Total Policy Changes	-5	0	-5
2001-03 Revised Appropriations	227	0	227

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Office of the Attorney General**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	9,617	155,189	164,806
<b>2002 Policy Changes:</b>			
1. Public Safety and Education Account	0	-33	-33
2. Revolving Fund Reductions	0	-3,745	-3,745
3. Blanket Primary Litigation	0	183	183
4. United States vs. WA (Culverts)	0	885	885
5. Cockle Decision	0	642	642
6. Anti-Trust Transfer	-141	141	0
7. Consumer Protection Transfer	-3,439	3,400	-39
8. Reduce Growth Management Legal Svcs	0	-51	-51
9. Torts Division	0	38,087	38,087
10. Telephone Solicitations	0	120	120
11. Efficiencies & Savings	-61	0	-61
Total Policy Changes	-3,641	39,629	35,988
2001-03 Revised Appropriations	5,976	194,818	200,794

*Comments:*

**1. Public Safety and Education Account** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**2. Revolving Fund Reductions** - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings by reducing their revolving fund billings to client state agencies. An ongoing 5 percent reduction in expenditures and revolving fund billings shall be achieved. (Legal Services Revolving Account)

**3. Blanket Primary Litigation** - In July 2000, political parties in Washington State filed suit in federal court against the Secretary of State, alleging the blanket primary statutes are unconstitutional. Funding is provided to pay for legal services associated with the case, including attorney time and expert witnesses. The case is set for trial in March 2002. (Legal Services Revolving Account)

**4. United States vs. WA (Culverts)** - Funding is provided for the culvert case. The court has framed the issue as whether the state is "affirmatively diminishing the number of fish available for harvest" by "build[ing] and manag[ing] its roadway culverts in a fashion that impermissibly blocks the passage of fish destined for the Tribes' usual and accustomed fishing grounds." Trial is anticipated to be in June 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. (Legal Services Revolving Account)

**5. Cockle Decision** - The Washington Supreme Court ruled in January 2001 that the value of employer-provided health care benefits must be included in the calculation workers' compensation benefits. As a result of the Cockle decision, the Department of Labor and Industries anticipates approximately 500 more appeals each year. Funding is provided to increase legal services provided to the Department of Labor and Industries. (Legal Services Revolving Account)

**6. Anti-Trust Transfer** - Funding for Anti-Trust Unit activities is transferred from the General Fund-State to the Anti-Trust Revolving Account. (General Fund-State, Anti-Trust Revolving Account)

**7. Consumer Protection Transfer** - Funding for the Consumer Protection Division is transferred from the General Fund-State to the Anti-Trust Revolving Account. (General Fund-State, Anti-Trust Revolving Account)

**8. Reduce Growth Management Legal Svcs** - Expenditure authority is reduced to match funds available for growth management legal services in the budget for the Department of Community, Trade, and Economic Development. (Legal Services Revolving Account-State)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Office of the Attorney General**

**9. Torts Division** - Expenditure authority for tort defense legal services is provided through the legal services revolving account. This is a change in budgeting practices, as previously tort defense costs were not appropriated. It is assumed that the Office of Financial Management will transfer all existing FTE staff in the tort division to appropriated status in the financial reporting systems. (Legal Services Revolving Account-State)

**10. Telephone Solicitations** - Funding is provided for the Attorney General to enforce compliance with commercial telephone solicitation laws. Revenue for these enforcement activities comes from the Commercial Telephone Solicitation Account created by SHB 2611. This funding lapses if Substitute House Bill 2611 is not enacted by June 30, 2002. (Commercial Telephone Solicitation Account - Nonappropriated.)

**11. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Caseload Forecast Council**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,250	0	1,250
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	<u>-19</u>	<u>0</u>	<u>-19</u>
Total Policy Changes	-19	0	-19
2001-03 Revised Appropriations	1,231	0	1,231

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Dept of Financial Institutions**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	23,776	23,776
<b>2002 Policy Changes:</b>			
1. Job Class Realignment	0	973	973
2. Efficiencies and Savings	0	-357	-357
Total Policy Changes	0	616	616
2001-03 Revised Appropriations	0	24,392	24,392

*Comments:*

**1. Job Class Realignment** - Funding is provided for the Department of Financial Institutions to realign three of its job classes, as approved by the Personnel Resources Board. This will provide flexibility in the financial services examination process, facilitate the use of legal staff in all program areas, and make salaries more competitive. (Financial Services Regulation Account-Nonappropriated)

**2. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction. (Financial Services Regulation Account-Nonappropriated)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept Community, Trade, Econ Dev**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	141,957	215,936	357,893
Total Maintenance Changes	0	-197	-197
<b>2002 Policy Changes:</b>			
1. Public Safety and Education Account	0	-192	-192
2. CTED Administrative Reduction	-187	0	-187
3. Salmon Recovery Fund Reallocation	-1,500	1,500	0
4. Low-Income Housing	0	2,306	2,306
5. Building Code Council Fee Increase	0	165	165
6. Mobile Home Relocation Funding	0	202	202
7. Special Trade Representative	-40	0	-40
8. Energy Policy Division Reduction	-42	0	-42
9. Community Empowerment Zones	-45	0	-45
10. Washington State Int'l Trade Fair	-168	0	-168
11. CERB Position	-56	36	-20
12. Tourism Office Reduction	-320	0	-320
13. Rural Opportunity Fund	-420	0	-420
14. Washington Technology Center	-247	0	-247
15. Community Services Administration	-11	0	-11
16. Community Connections	-75	0	-75
17. Community Services Block Grant	-673	0	-673
18. WA State Senior Games	-23	0	-23
19. Early Childhood Education Assistanc	-2,144	0	-2,144
20. Head Start State Match	-470	0	-470
21. Housing Division Administration	-12	0	-12
22. Local Government Division Administr	-18	0	-18
23. Archaeology Month	-15	0	-15
24. Growth Management Conferences	-15	0	-15
25. Growth Management Attorney General	-51	0	-51
26. Growth Mgmt Administration	-17	0	-17
27. Buildable Land Grants	-1,251	0	-1,251
28. Growth Mgmt Tech Assistance	-28	0	-28
29. Growth Mgmt Review & Response	-24	0	-24
30. Columbia River Scenic Gorge	-205	0	-205
31. Public Broadcasting Grants	-208	0	-208
32. Trade & Market Development Administ	-35	0	-35
33. WA-CERT	-69	0	-69
34. Economic Development Administration	-37	0	-37
35. Washington Manufacturing Service	-300	0	-300
36. Rural WA Manufacturing Service	-100	0	-100
37. Emergency Shelter Program	-1,868	1,868	0
38. Overnight Youth Shelters	-120	120	0
39. Tourism Marketing Activities	-1,000	0	-1,000
40. Vendor Rate Change	-256	0	-256
Total Policy Changes	-12,050	6,005	-6,045
2001-03 Revised Appropriations	129,907	221,744	351,651

## 2001-03 Revised Omnibus Operating Budget (2002 Supp)

### Dept Community, Trade, Econ Dev

#### Comments:

- 1. Public Safety and Education Account** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)
- 2. CTED Administrative Reduction** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.
- 3. Salmon Recovery Fund Reallocation** - Funding for critical area ordinance updates, which are part of the Salmon Initiative, is shifted from General Fund-State to the Salmon Recovery Account. (General Fund-State, Salmon Recovery Account)
- 4. Low-Income Housing** - Funding is provided for operation and maintenance costs associated with emergency shelters, youth shelters, and other housing programs for very low-income persons. This funding lapses if House Bill 2060 or Senate Bill 5936 (low income housing) is not enacted to provide the revenue for these expenditures. (Washington Housing Trust Account)
- 5. Building Code Council Fee Increase** - A funding increase is provided for the Building Code Council's activities. This funding lapses if House Bill 1363 or Senate Bill 5352 (increasing the building code council fee) is not enacted by June 30, 2002. (Building Code Council Account)
- 6. Mobile Home Relocation Funding** - Funding is provided to assist residents who must relocate when a mobile home park is closed. This funding lapses if HB 1630 or SB 5354 (mobile home relocation assistance) is not enacted. (Mobile Home Park Relocation Account)
- 7. Special Trade Representative** - The Special Trade Representative position in the Governor's Office is funded through the Office of Trade and Economic Development's budget. Beginning in FY 2003, the Department of Agriculture will pay \$40,000 of the cost of the Special Trade Representative, and the Office of Trade and Economic Development's budget will be reduced by \$40,000.
- 8. Energy Policy Division Reduction** - General Fund-State funding for the Energy Policy Division is reduced by 15 percent.
- 9. Community Empowerment Zones** - Funding is eliminated for a one-half FTE staff position for the Community Empowerment Zone program in FY 2003. The Office of Trade and Economic Development must continue to fulfill statutory requirements for the Community Empowerment Zone program using other existing staff.
- 10. Washington State Int'l Trade Fair** - Funding for logistical, promotional, and administrative support for the businesses at domestic and international trade fairs promoted by the International Trade Division of the Office of Trade and Economic Development and the Department of Agriculture is reduced in FY 2002 and eliminated in FY 2003.
- 11. CERB Position** - General Fund-State funding for an administrative support position is eliminated. If House Bill 2425 or Senate Bill 6543 (community economic revitalization board) is enacted, this FTE staff position will be funded from the Public Facility Construction Loan Revolving Account. (General Fund-State, Public Facility Construction Loan Revolving Account)
- 12. Tourism Office Reduction** - Savings are achieved by consolidating the Tourism and the Business Development Offices and eliminating two FTE staff positions. Savings are also achieved by reducing coordination and management of the on-site Tourism Resource Center and tourism development lending library and by reducing technical assistance provided to the Tourism Office's clients.
- 13. Rural Opportunity Fund** - Pass-through funding to rural communities for local economic development capacity planning, pre-construction activities, and rural development projects is reduced in FY 2002 and eliminated in FY 2003.
- 14. Washington Technology Center** - General Fund-State funding for the Washington Technology Center is reduced by 15 percent.
- 15. Community Services Administration** - Administrative expenses in the Community Services Division are reduced by 5 percent.
- 16. Community Connections** - State funds are eliminated for the Community Connections program in Walla Walla.

## 2001-03 Revised Omnibus Operating Budget (2002 Supp) Dept Community, Trade, Econ Dev

- 17. Community Services Block Grant** - State funding for the community services block grant program is eliminated. An increase in federal funds is expected to offset this reduction.
- 18. WA State Senior Games** - Funding is eliminated for the Washington Senior Games.
- 19. Early Childhood Education Assistanc** - Funding for administrative services, training and staff development are reduced. No reduction is made to the number of slots for children enrolled in the Early Childhood Education Assistance Program.
- 20. Head Start State Match** - State funding assistance for Head Start contractors is eliminated. Head Start contractors must provide a 20 percent match to obtain federal funds. The matching requirement is \$1,806 per child slot, and state fund have paid about \$51 of the \$1,806 match.
- 21. Housing Division Administration** - Administrative expenses in the Housing Division are reduced by 5 percent.
- 22. Local Government Division Administr** - Administrative expenses in the Local Government Division are reduced by 5 percent.
- 23. Archaeology Month** - Funding is eliminated for archaeology month.
- 24. Growth Management Conferences** - Funding is eliminated for growth management conferences and workshops.
- 25. Growth Management Attorney General** - Funding to pay the Office of the Attorney General for growth management legal services is reduced.
- 26. Growth Mgmt Administration** - Administrative expenses in the Growth Management Unit are reduced by 5 percent.
- 27. Buildable Land Grants** - Funding is eliminated for buildable land grants to local governments. These grants help local governments track data, report, and take actions regarding land supply, urban densities, and actual development as required under a 1997 amendment to the Growth Management Act. If House Bill 2846 is enacted, buildable land requirements will be suspended if funding is not available.
- 28. Growth Mgmt Tech Assistance** - Funding for Growth Management Technical Assistance is reduced.
- 29. Growth Mgmt Review & Response** - Funding is reduced for the growth management review and response unit.
- 30. Columbia River Scenic Gorge** - Funding distributed to Skamania and Clark Counties to assist them in complying with requirements under the national scenic areas management act is eliminated.
- 31. Public Broadcasting Grants** - Funding is eliminated for grants to public radio and television stations.
- 32. Trade & Market Development Administ** - Administrative expenses for the Trade and Market Development Division are reduced by 5 percent.
- 33. WA-CERT** - Funding for the Washington Economic Revitalization Team (WA-CERT) is eliminated. The Certified Communities Initiative shall be discontinued.
- 34. Economic Development Administration** - The Economic Development Division is to reduce administrative expenses by five percent.
- 35. Washington Manufacturing Service** - Funding is eliminated for the Washington Manufacturing Service contract.
- 36. Rural WA Manufacturing Service** - Funding is eliminated for the Washington Manufacturer Service rural program.
- 37. Emergency Shelter Program** - Funding for emergency shelters for FY 2003 is shifted from the General Fund-State to the Washington Housing Trust Account. If House Bill 2060 or Senate Bill 5936 (providing funds for housing projects) is not enacted by June 30, 2002, the appropriation from the Washington Housing Trust Account lapses. (General Fund-State, Washington Housing Trust Account-State)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept Community, Trade, Econ Dev**

**38. Overnight Youth Shelters** - Funding for overnight youth shelters in FY 2003 is shifted from the General Fund-State to the Washington Housing Trust Account. If House Bill 2060 or Senate Bill 5936 (providing funds for housing projects) is not enacted by June 30, 2002, the appropriation from the Washington Housing Trust Account lapses.

**39. Tourism Marketing Activities** - Funding for tourism marketing is reduced.

**40. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Economic & Revenue Forecast Council**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,026	0	1,026
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-15	0	-15
Total Policy Changes	-15	0	-15
2001-03 Revised Appropriations	1,011	0	1,011

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Office of Financial Management**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	24,480	44,746	69,226
<b>2002 Policy Changes:</b>			
1. Transfer Risk Management Office #	0	1,452	1,452
2. Efficiencies and Savings	-601	0	-601
3. Performance Audits	500	0	500
4. Financial Systems Rate Reductions	0	-339	-339
5. Agency Loss Prevention Reviews	0	132	132
Total Policy Changes	-101	1,245	1,144
2001-03 Revised Appropriations	24,379	45,991	70,370

*Comments:*

**1. Transfer Risk Management Office #** - The Office of Risk Management is transferred from the Department of General Administration to the Office of Financial Management. (Risk Management Account-State, Risk Management Account-Local)

**2. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**3. Performance Audits** - Funding is provided to implement House Bill 2563 (performance audits). This funding lapses if HB 2563 is not enacted by June 30, 2002.

**4. Financial Systems Rate Reductions** - The Office of Financial Management shall reduce its financial system services rates so that client state agencies realize a total savings of \$339,000 in FY 2003. (Data Processing Revolving Account-Nonappropriated)

**5. Agency Loss Prevention Reviews** - Funding is provided to implement House Bill 2353 (loss prevention review teams). This funding lapses if HB 2353 is not enacted by June 30, 2002. (Risk Management Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Office of Administrative Hearings**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	21,988	21,988
<b>2002 Policy Changes:</b>			
1. Unemployment Insurance Appeals	0	786	786
2. Efficiencies and Savings	0	-330	-330
Total Policy Changes	0	456	456
2001-03 Revised Appropriations	0	22,444	22,444

*Comments:*

**1. Unemployment Insurance Appeals** - Appropriation authority is provided for the costs of increased unemployment insurance appeals. The Employment Security Department will reimburse the Office of Administrative Hearings for the increase with Federal Block Grant money that is already included in their budget. (Administrative Hearings Revolving Account)

**2. Efficiencies and Savings** - The agency shall reduce its rates for administrative hearings so as to achieve \$330,000 in savings for client state agencies in FY 2003. (Administrative Hearings Revolving Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Department of Personnel**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	33,693	33,693
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	<u>0</u>	<u>-260</u>	<u>-260</u>
Total Policy Changes	0	-260	-260
2001-03 Revised Appropriations	0	33,433	33,433

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**State Lottery Commission**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	763,162	763,162
<b>2002 Policy Changes:</b>			
1. "Big Game" Multi-State Lottery *	0	64,604	64,604
2. Reduced Existing Lottery Activity	0	-15,111	-15,111
3. Efficiencies and Savings	0	-335	-335
Total Policy Changes	0	49,158	49,158
2001-03 Revised Appropriations	0	812,320	812,320

*Comments:*

**1. "Big Game" Multi-State Lottery \*** - Funding is provided for the Lottery Commission to join seven eastern states in membership in the "Big Game," a multi-state Lotto game consortium. Participation in the "Big Game" will generate approximately \$24.9 million dollars in additional revenue in FY 2003 for the state general fund and \$5.4 million dollars in additional commissions for Washington's retail community. (State Lottery Account-Nonappropriated)

**2. Reduced Existing Lottery Activity** - Funding is reduced due to Washington's entry into the multi-state "Big Game." This reduction corresponds with an expected revenue loss that the Lottery's current games will face. (State Lottery Account-Nonappropriated)

**3. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction. (Lottery Administrative Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Washington State Gambling Comm**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	29,803	29,803
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	0	-450	-450
Total Policy Changes	0	-450	-450
2001-03 Revised Appropriations	0	29,353	29,353

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction. (Gambling Revolving Account-Nonappropriated)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**WA State Comm on Hispanic Affairs**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	460	0	460
<b>2002 Policy Changes:</b>			
1. Co-locate and Consolidate Administr	<u>-24</u>	<u>0</u>	<u>-24</u>
Total Policy Changes	-24	0	-24
2001-03 Revised Appropriations	436	0	436

*Comments:*

**1. Co-locate and Consolidate Administr** - Savings will be achieved by the administrative consolidation and co-location of the Commission on African American Affairs, the Commission on Hispanic Affairs, and the Commission on Asian Pacific American Affairs into one office building. Additional savings will be achieved by sharing administrative services.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**African-American Affairs Comm**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	420	0	420
<b>2002 Policy Changes:</b>			
1. Co-locate and Consolidate Administr	<u>-2</u>	<u>0</u>	<u>-2</u>
Total Policy Changes	-2	0	-2
2001-03 Revised Appropriations	418	0	418

*Comments:*

**1. Co-locate and Consolidate Administr** - Savings will be achieved by the administrative consolidation and co-location of the Commission on African American Affairs, the Commission on Hispanic Affairs, and the Commission on Asian Pacific American Affairs into one office building. Additional savings will be achieved by sharing administrative services.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Personnel Appeals Board**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	1,679	1,679
<b>2002 Policy Changes:</b>			
1. Leave Cash Out for Board Members	<u>0</u>	<u>26</u>	<u>26</u>
Total Policy Changes	0	26	26
2001-03 Revised Appropriations	0	1,705	1,705

*Comments:*

**1. Leave Cash Out for Board Members** - Funding is provided for payments to Board members who have retired or whose terms on the Board expired during the biennium. (Personnel Services Revolving Fund)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Department of Retirement Systems**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	52,917	52,917
Total Maintenance Changes	0	125	125
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	0	-711	-711
2. PERS 3 Transfer Payment	0	96	96
3. TRS 1 Extended School Year	0	9	9
4. LEOFF 2 Part-Time Leave of Absence	0	12	12
5. Transferring Service Credit to WSPRS	0	122	122
6. Survivor Benefits	0	627	627
7. PERS 1 Terminated Vested	0	53	53
Total Policy Changes	0	208	208
2001-03 Revised Appropriations	0	53,250	53,250

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such actions, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2. PERS 3 Transfer Payment** - Funding is provided for the Department of Retirement Systems to modify computer systems, communication materials and member presentation materials relating to the new transfer payment dates created by House Bill 2389 (PERS plan 3). (Department of Retirement Systems Expense Account)

**3. TRS 1 Extended School Year** - Pursuant to Senate Bill 6377 (TRS plan 1), funding is provided for the Department of Retirement Systems to update Teachers' Retirement System Plan 1 communication materials and the retiree applications to provide information to those members who work in schools with extended school years. (Department of Retirement Systems Expense Account)

**4. LEOFF 2 Part-Time Leave of Absence** - Funding is provided for the Department of Retirement Systems to change communication materials and modify the member information system to identify law enforcement members who take part-time leaves of absence under House Bill 2391 (LEOFFRS plan 2). (Department of Retirement Systems Expense Account)

**5. Transferring Service Credit to WSPRS** - Funding is provided to the Department of Retirement Systems to update communication materials, operations manual and the member information system for eligible members who elect to transfer all past Public Employees' Retirement System Plan 2 service credit into the Washington State Patrol Retirement System pursuant to House Bill 2392 (state patrol retirement). (Department of Retirement Systems Expense Account)

**6. Survivor Benefits** - Funding is provided to the Department of Retirement Systems for computer system modification costs related to the changes in automatic and optional survivor benefits pursuant to Engrossed Senate Bill 6380 (retirement). (Department of Retirement Systems Expense Account)

**7. PERS 1 Terminated Vested** - Funding is provided for the Department of Retirement Systems to make system modifications and update member educational materials for future, vested Public Employees' Retirement System Plan 1 members who separate from service and elect to receive retirement benefits at age 60 pursuant to Senate Bill 6381 (PERS). (Department of Retirement Systems Expense Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**State Investment Board**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	12,876	12,876
<b>2002 Policy Changes:</b>			
1. New Leased Facility	0	779	779
2. Efficiencies and Savings	0	-194	-194
Total Policy Changes	0	585	585
2001-03 Revised Appropriations	0	13,461	13,461

*Comments:*

**1. New Leased Facility** - Funding is provided for the State Investment Board to move to a new facility. The funding will cover rent, tenant improvements, moving costs, design costs, furniture, filing systems, telephone system, and a public address system for the board room. (State Investment Board Expense Account)

**2. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such actions, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Department of Revenue**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	145,207	10,291	155,498
<b>2002 Policy Changes:</b>			
1. Tax Education and Tax Collection	6,260	0	6,260
2. Efficiencies and Savings	-699	0	-699
3. Motor Vehicle Sales Tax *	0	115	115
Total Policy Changes	5,561	115	5,676
2001-03 Revised Appropriations	150,768	10,406	161,174

*Comments:*

**1. Tax Education and Tax Collection** - Funding is provided to improve tax collection, tax discovery, and overall tax compliance. Additional taxpayer education, audit activity, tax discovery efforts, and delinquent account collections will be undertaken to increase tax compliance. These strategies are projected to generate \$41.6 million dollars in General Fund-State revenue and \$6.8 million dollars in revenue for local governments during FY 2003; and another \$110.8 million dollars in revenue for both state and local government in the 2003-05 biennium.

**2. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**3. Motor Vehicle Sales Tax \*** - Funding is provided to conduct tax education and tax collection activities associated with the implementation of a phased increase in the state sales and use tax on motor vehicles. In support of his ten-year transportation plan, Governor Locke has proposed this increase to sales and use taxes, the proceeds of which would be dedicated to transportation. (Multimodal Transportation Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Board of Tax Appeals**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	2,231	0	2,231
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-31	0	-31
Total Policy Changes	-31	0	-31
2001-03 Revised Appropriations	2,200	0	2,200

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Dept of General Administration**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,179	131,850	133,029
<b>2002 Policy Changes:</b>			
1. Revolving Fund Reductions	0	-642	-642
2. Rate Reductions	0	-1,302	-1,302
3. Efficiencies and Savings	-19	0	-19
4. Transfer Risk Management Office	0	-1,452	-1,452
Total Policy Changes	-19	-3,396	-3,415
2001-03 Revised Appropriations	1,160	128,454	129,614

*Comments:*

**1. Revolving Fund Reductions** - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings by reducing their revolving fund billings to client state agencies. An ongoing 5 percent reduction in expenditures and revolving fund billings shall be achieved. The Department of General Administration's charges to state agencies for real estate services, seat of government charges, and capitol campus operations are affected by this reduction. (General Services Administration Account)

**2. Rate Reductions** - General Administration is to reduce its rates for motor pool, consolidated mail, and other services that state agencies purchase so that client state agencies realize a total savings of \$1,302,000 in FY 2003. (General Administration Services Account - Nonappropriated)

**3. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**4. Transfer Risk Management Office** - The Office of Risk Management is transferred from the Department of General Administration to the Office of Financial Management. (General Administration Services Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Department of Information Services**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	209,488	209,488
<b>2002 Policy Changes:</b>			
1. Revolving Fund Reductions	0	-96	-96
2. Rate Reductions	0	-2,660	-2,660
Total Policy Changes	0	-2,756	-2,756
2001-03 Revised Appropriations	0	206,732	206,732

*Comments:*

**1. Revolving Fund Reductions** - State agencies that provide services to other state agencies are expected to reduce their expenditures and to share the savings by reducing their revolving fund billings to client state agencies. An ongoing 5 percent reduction in expenditures and revolving fund billings shall be achieved. The Department of Information Services' Policy and Regulation Division's billings to state agencies for technology consulting services and staff support for the Information Services Board are affected by this reduction. (Data Processing Revolving Account)

**2. Rate Reductions** - The department shall reduce rates for data processing and other computer services so that client state agencies realize a total savings of \$2,660,000 in fiscal year 2003.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Office of Insurance Commissioner**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	29,675	29,675
<b>2002 Policy Changes:</b>			
1. SHIBA HelpLine	0	204	204
2. SHIBA Sponsor Reimbursement	0	176	176
3. Health Carrier Examinations	0	495	495
4. Efficiencies & Savings	0	-721	-721
Total Policy Changes	0	154	154
2001-03 Revised Appropriations	0	29,829	29,829

*Comments:*

**1. SHIBA HelpLine** - Funding is provided to extend Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine functions to culturally diverse populations. This state funding replaces federal grant funds that expire on June 30, 2002. (Insurance Commissioner's Regulatory Account)

**2. SHIBA Sponsor Reimbursement** - Funding is provided for Statewide Health Insurance Benefits Advisors (SHIBA) sponsor reimbursements. The sponsors recruit and train volunteers who provide insurance assistance, advocacy, and education to Washington residents. (Insurance Commissioner's Regulatory Account)

**3. Health Carrier Examinations** - Funding is provided to increase on-site financial examinations of health carriers. (Insurance Commissioner's Regulatory Account)

**4. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**WA State Liquor Control Board**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	2,967	150,262	153,229
Total Maintenance Changes	0	3,098	3,098
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-45	-2,059	-2,104
2. Material Handling System Components	0	741	741
3. Law Enforcement Equipment	0	99	99
Total Policy Changes	-45	-1,219	-1,264
2001-03 Revised Appropriations	2,922	152,141	155,063

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction. (General Fund - State, Liquor Revolving Account)

**2. Material Handling System Components** - Funding is provided for material handling system back-up parts that were not included in the 2001-03 biennial budget, because specific system requirements were not known at the time of the system design. Funding is also provided for unanticipated system requirements, such as material handling system labels, software license costs and insurance. (Liquor Revolving Account)

**3. Law Enforcement Equipment** - One-time funding is provided for the purchase of law enforcement equipment. The Liquor Control Board has received a portion of federal asset sharing funds from forfeited property that was earned from a joint investigation with the federal government. (General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Utilities and Transportation Comm**  
(Dollars in Thousands)

	GF-S	House Proposed Other	Total
2001-03 Original Appropriations	0	31,235	31,235
<b>2002 Policy Changes:</b>			
1. Performance Audit	0	400	400
2. Efficiencies and Savings	0	-406	-406
Total Policy Changes	0	-6	-6
2001-03 Revised Appropriations	0	31,229	31,229

*Comments:*

**1. Performance Audit** - One-time funding is provided for an interagency agreement with the Joint Legislative Audit and Review Committee to conduct a performance audit of the Washington Utilities and Transportation Commission that will focused on its' responsibilities regarding telecommunications, energy, and natural gas, as directed in Substitute House Bill 2845 (Utilities & Transportation Commission). (Public Service Revolving Account)

**2. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction. (Public Service Revolving Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Military Department**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	18,144	239,223	257,367
Total Maintenance Changes	0	-112,569	-112,569
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-269	0	-269
2. Homeland Security	106	0	106
3. E911 Program Network Upgrade	0	907	907
Total Policy Changes	-163	907	744
2001-03 Revised Appropriations	17,981	127,561	145,542

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2. Homeland Security** - One-time funding is provided for the implementation of House Bill 2853 (Terrorism/Infrastructure).

**3. E911 Program Network Upgrade** - One-time funding is provided to upgrade the 911 network that transfers calls from one Public Safety Answering Point (PSAP) to another PSAP within the state. (Enhanced 911 Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Employment Relations Comm**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	4,318	0	4,318
<b>2002 Policy Changes:</b>			
1. Initiative 775 Impact	285	0	285
2. Efficiencies and Savings	-86	0	-86
Total Policy Changes	199	0	199
2001-03 Revised Appropriations	4,517	0	4,517

*Comments:*

**1. Initiative 775 Impact** - Funding is provided for the Public Employees' Relations Commission (PERC) to comply with Initiative 775, which grants home care workers full collective bargaining rights under the Public Employee's Collective Bargaining Act administered by the PERC. As a result of this Initiative, the Commission will 1) run an election process to determine if the home care workers want to be represented by a labor organization and which organization would represent them; 2) adopt rules required for the Initiative; 3) negotiate the first collective bargaining agreement; and 4) process anticipated unfair labor practice allegations.

**2. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Growth Management Hearings Board**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	3,003	0	3,003
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-45	0	-45
Total Policy Changes	-45	0	-45
2001-03 Revised Appropriations	2,958	0	2,958

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**WA State Health Care Authority**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	13,309	669,578	682,887
Total Maintenance Changes	0	-3,997	-3,997
<b>2002 Policy Changes:</b>			
1. Transfer Community Health Services	-6,654	6,654	0
2. Basic Health Enrollment Expansion	0	41,238	41,238
3. Efficiencies and Savings	0	-200	-200
4. PEBB Participation for K-12	0	178	178
5. Consolidated Drug Purchasing	0	1,359	1,359
Total Policy Changes	-6,654	49,229	42,575
2001-03 Revised Appropriations	6,655	714,810	721,465

*Comments:*

**1. Transfer Community Health Services** - Funding for Community Health Services is shifted from the General Fund-State to the Health Services Account beginning July 1, 2002. (General Fund-State, Health Services Account)

**2. Basic Health Enrollment Expansion** - With revenue generated by Initiative 773, Basic Health Plan enrollment will expand from 125,000 in July 2002 to 172,000 by the end of the biennium. During July-October 2002, opportunities for subsidized coverage will be offered on a phased-in basis for 27,000 non-citizen children and adults who will no longer be eligible for state medical assistance programs in the Department of Social and Health Services. Beginning in January 2003, subsidized coverage will be offered on a phased-in basis for an additional 20,000 enrollees. (Health Services Account-State, Basic Health Plan Trust Account-Nonappropriated)

**3. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such actions, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**4. PEBB Participation for K-12** - Funding is provided to implement Substitute House Bill 2536 (School district employees/health care). The bill requires that the Health Care Authority charge a composite rate rather than a tiered rate based on family size, for K-12 employees purchasing benefits from the Health Care Authority unless it is determined too costly to do so.

**5. Consolidated Drug Purchasing** - Funding is provided for implementation of Substitute Senate Bill 6368 (prescription drugs). The bill will increase the affordability and cost-effective utilization of prescription drugs by state agencies through: (1) the establishment of an evidence-based preferred drug list for use by all state agencies; (2) the education of providers and consumers regarding effective use of drugs on the preferred list; (3) the implementation of uniform drug utilization review procedures across all state agencies; and (4) the institution of two to five disease management programs. (Health Services Account-State, General Fund-Medicaid, Medical Aid Account-State)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Human Rights Commission**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	5,388	1,644	7,032
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-81	0	-81
Total Policy Changes	-81	0	-81
2001-03 Revised Appropriations	5,307	1,644	6,951

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Bd of Industrial Insurance Appeals**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	29,406	29,406
Total Maintenance Changes	0	213	213
2001-03 Revised Appropriations	0	29,619	29,619

*Comments:*

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Criminal Justice Training Comm**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	19,047	19,047
Total Maintenance Changes	0	85	85
<b>2002 Policy Changes:</b>			
1. Public Safety and Education	0	-343	-343
2. Vendor Rate Change	0	-5	-5
Total Policy Changes	0	-348	-348
2001-03 Revised Appropriations	0	18,784	18,784

*Comments:*

**1. Public Safety and Education** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**2. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002. (Public Safety and Education Account-State)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Department of Labor and Industries**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	15,420	439,723	455,143
Total Maintenance Changes	0	1,322	1,322
<b>2002 Policy Changes:</b>			
1. Increased Farm Safety Inspections	0	507	507
2. Apprenticeship Transfer	-2,103	2,103	0
3. Employment Standards Transfer	-2,223	2,223	0
4. Crime Victims Program Reduction	0	-370	-370
5. Efficiencies and Savings	-166	0	-166
6. Plumbing Contractors	0	96	96
7. Boiler Safety Inspection Increases	0	251	251
8. Increased Litigation Costs	0	529	529
Total Policy Changes	-4,492	5,339	847
2001-03 Revised Appropriations	10,928	446,384	457,312

*Comments:*

**1. Increased Farm Safety Inspections** - Funding is provided to increase labor law enforcement and workplace safety inspections for agricultural workers in Washington. (Accident Account, Medical Aid Account)

**2. Apprenticeship Transfer** - Funding is provided for the apprenticeship program from the Accident and Medical Aid funds. Previously, apprenticeship activities were funded from the General Fund-State. (General Fund-State, Accident Account, Medical Aid Account)

**3. Employment Standards Transfer** - Funding is provided for the employment standards program from the Accident and Medical Aid funds. Previously, the employment standards program was funded from the General Fund-State. (General Fund-State, Accident Account, Medical Aid Account)

**4. Crime Victims Program Reduction** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**5. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**6. Plumbing Contractors** - Funding is provided to implement House Bill 2470 (plumbing contractors) which requires plumbing contractors to verify plumbing trainees' hours and that the hours were properly supervised. The Department of Labor and Industries is permitted, in certain circumstances, to audit records and issue infractions to plumbing contractors that verify trainees' hours. If HB 2470 is not enacted by June 30, 2002, the funding provided lapses. (Plumbing Certificate Account-State)

**7. Boiler Safety Inspection Increases** - Funding is provided for increased boiler inspections. The Board of Boiler Rules is requiring boiler installers to notify the Department about new boiler installations and to obtain safety inspections. Previously, boiler owners were responsible for notifying the Department. Increased inspections are anticipated as a result of the change in notification requirements. Revenue to pay the cost of the boiler inspection program comes from boiler permit and inspection fees. (Pressure Systems Safety Account)

**8. Increased Litigation Costs** - Funding is provided for increased litigation costs. Litigation costs include expenses for items such as expert witnesses, court-ordered attorney fees, court reporters, couriers, medical records, medical consultations, and court filing fees. (Accident Account, Medical Aid Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Indeterminate Sentence Review Board**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,998	0	1,998
<b>2002 Policy Changes:</b>			
1. Efficiencies & Savings	<u>-30</u>	<u>0</u>	<u>-30</u>
Total Policy Changes	-30	0	-30
2001-03 Revised Appropriations	1,968	0	1,968

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Home Care Quality Authority**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	0	0
Total Maintenance Changes	152	0	152
2001-03 Revised Appropriations	152	0	152

*Comments:*

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Department of Health**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	132,249	498,912	631,161
Total Maintenance Changes	0	2,325	2,325
<b>2002 Policy Changes:</b>			
1. Maximize Use of Federal Funds	-1,111	788	-323
2. Administrative Reductions #	-421	0	-421
3. HIV Early Intervention Funding	-757	724	-33
4. Transfer COBRA Insurance Coverage #	3,203	0	3,203
5. Cost-Sharing for HIV Assistance	-717	0	-717
6. I-773 Tobacco Plan Enhancement	0	8,745	8,745
7. AIDS Prescription Drug Program Fund	-4,339	4,339	0
8. Childhood Vaccines Fund Shift	-11,641	11,641	0
9. Federal Bio-Terrorism Funding	0	18,121	18,121
10. Upgrade Hospital Reporting System	0	599	599
11. Certificate of Need Staff Increase	0	105	105
12. Disciplinary Tracking System	0	294	294
13. Efficiencies & Savings	0	-574	-574
14. Recreation Therapy	0	56	56
15. Northwest Family Center	-174	0	-174
16. Vaccine Funding Savings	-3,680	-1,828	-5,508
17. Initiate Fees for Syphilis Testing	-80	80	0
18. Initiate Fees for Shellfish Testing	-702	702	0
19. Water Conservation and Reuse	-182	182	0
20. Group B Water Inventory Completion	-220	0	-220
21. Reduce Children's Hospital Contract	-182	0	-182
22. AIDSNETS Funding Reduction	-1,000	0	-1,000
23. Regulate Adult Family Homes	0	-224	-224
Total Policy Changes	-22,003	43,750	21,747
2001-03 Revised Appropriations	110,246	544,987	655,233

*Comments:*

**1. Maximize Use of Federal Funds** - Increased federal funding is substituted for state general funds in the following areas: (1) administrative costs in the Childhood Immunization program; (2) technical assistance to hospitals in the Early Hearing Loss Detection, Diagnosis and Intervention program; and (3) nutrition services and administration costs in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Additionally, substantial increases in state tobacco funding over the last three years enable the department to reallocate a portion of the Preventive Health and Human Services Block Grant from tobacco prevention to support health promotion and education activities which were previously state-funded. (General Fund-State, General Fund-Federal)

**2. Administrative Reductions #** - Funding for a variety of administrative functions is reduced. RCW 68.50 is repealed, so that the corneal eyebank will no longer be subject to regulation by both the state and federal governments. RCW 43.72.310 is repealed, so that the Department of Health (DOH) will no longer review and approve applications by integrated health systems for immunity from federal anti-trust laws. In addition, the Department will reduce its capacity to conduct sunrise reviews of proposed insurance benefit mandates. Various administrative services within the Division of Community and Family Health will be reduced and a position will be eliminated in the Policy, Legislative, and Constituent Relations Office. The Board of Health will reduce formal meetings, staff time, and contracted research.

## 2001-03 Revised Omnibus Operating Budget (2002 Supp)

### Department of Health

**3. HIV Early Intervention Funding** - The HIV Early Intervention program uses state and federal funds to provide prescription drugs, limited medical and dental services, and insurance premium assistance for persons with HIV disease. Because of increased federal funding and drug manufacturer rebates, state general fund support for the program only needs to increase by \$327,000 in FY 2003, to \$2.65 million, rather than by \$970,000 as originally budgeted. (General Fund-State, General Fund-Federal, General Fund-Local)

**4. Transfer COBRA Insurance Coverage #** - Effective July 1, 2002, the Evergreen Health Insurance Program (EHIP), currently managed by DSHS under RCW 74.09.757, is transferred to the Department of Health (DOH). DOH will combine EHIP with other services provided to people with HIV/AIDS to create a single streamlined education, prevention, early intervention, and health insurance program.

**5. Cost-Sharing for HIV Assistance** - The HIV Early Intervention program provides financial assistance with drug costs, insurance premiums, and medical, dental, and laboratory testing for persons with HIV disease. Due to the expense of drug therapies and enrollment increases from increased longevity and earlier onset of therapy, expenditures in the program are growing about 17 percent annually. Enrollment in the program is open to any HIV-infected person with an income below 370 percent of poverty (\$31,000 for a single person), and less than \$10,000 to \$15,000 in liquid assets.

To reduce the growth in state expenditures, approximately 45 percent of enrollees with incomes between 125-370 percent of poverty will be required to cover an average of 20 percent of the costs which would otherwise be paid by the state/federal program. The percentage of the costs for which the enrollee is responsible will increase according to income, and there will be an annual cap on the percentage of their income and assets which enrollees are required to pay. Savings are assumed for the final nine months of FY 2003, in order to allow time for development of administrative rules and systems. This change is projected to avoid \$3.3 million of increased state expenditures in the 2003-05 biennium.

**6. I-773 Tobacco Plan Enhancement** - Initiative 773 requires an appropriation of no less than \$26,240,000 each fiscal year, beginning with FY 2003, for implementation of the state tobacco prevention and control plan. This item brings the total appropriation to the level required by the initiative. (Tobacco Prevention and Control Account)

**7. AIDS Prescription Drug Program Fund** - 2001-03 funding for the AIDS Prescription Drug program is shifted from the state General Fund to the Health Services Account. (General Fund-State, Health Services Account)

**8. Childhood Vaccines Fund Shift** - 2001-03 funding for the Childhood Vaccine program is shifted from the state General Fund to the Health Services Account. (General Fund-State, Health Services Account)

**9. Federal Bio-Terrorism Funding** - In consultation with the federal government, local public health departments, hospitals, medical professionals, and state and local public safety agencies, the Department of Health will develop and begin implementation of a comprehensive plan for improving state and local response to public health emergencies and threats, including acts of bio-terrorism. Major components of the comprehensive plan will include state-wide and regional responses to bio-terrorism incidents and infectious disease outbreaks; mass distribution of antibiotics, vaccines, and medical material from the National Pharmaceutical Stockpile; assessment of needed statutory and regulatory changes regarding medical professional credentialing and liability in the event of a public health emergency; development of a communications system which assures round-the-clock sharing of critical health information among emergency departments, state and local health officials, and law enforcement personnel; and training for such personnel. (General Fund-Federal)

**10. Upgrade Hospital Reporting System** - The Comprehensive Hospital Abstract Reporting System will be modernized to a secure, web-based application, keeping much of its current functionality while reducing costs, and improving quality. This project will not require an increase in fees. (Hospital Data Collection Account)

**11. Certificate of Need Staff Increase** - Funding authority is provided to increase by one FTE the number of staff supporting the Certificate of Need program. The Department of Health will increase the fee for review of certificate of need applications and requests for exemptions from certificate of need reviews as needed to support the additional FTE. (General Fund-Local)

**12. Disciplinary Tracking System** - During the 1999-01 biennium, the Department of Health received \$2.4 million to obtain a new licensing and disciplinary tracking system that would consolidate reporting for all health professions. It was determined that an "off-the-shelf" product that met the Department's business needs was not available. The spending authority for this project lapsed. This funding enables the Department to link and enhance the current separate disciplinary tracking systems. (Health Professions Account)

## 2001-03 Revised Omnibus Operating Budget (2002 Supp)

### Department of Health

**13. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with OFM approval, can use fiscal year 2002 savings to offset the fiscal year 2003 reduction. (Health Professions Account)

**14. Recreation Therapy** - Funding is provided to implement Substitute House Bill 2315 (recreation therapy). SHB 2315 creates a registration program for recreational therapists. (Health Professions Account)

**15. Northwest Family Center** - State grant support to the Northwest Family Center (NWFC) is eliminated. The NWFC provides case management, prevention, risk reduction, outreach, and chemical dependency counseling for women and children with HIV disease. State grant support is less important now than when it began in 1990 because: (1) HIV transmission from mothers to infants has been dramatically reduced as a result of more effective treatments; (2) federal grant and Medicaid funding to the center has increased substantially in recent years without any corresponding reduction in state grant assistance; and (3) other obstetric and pediatric providers now have technological links to specialists in the field.

**16. Vaccine Funding Savings** - The state purchases medically-recommended childhood vaccines, so that they are available at no cost to families and medical providers. State expenditures for this function are less than originally projected because: (1) Vaccines for Children funding is available to cover a larger share of expenditures than previously budgeted; and (2) manufacturer shortages have delayed purchase of two vaccines, most notably the expensive new Prevnar vaccine recently made available on the market. (General Fund-State, Health Services Account)

**17. Initiate Fees for Syphilis Testing** - Current law requires the state public health laboratory to provide syphilis testing free of charge upon request. While intended to support public health and community health agencies, physicians and laboratories in the general medical community also use this service. This proposal would limit free syphilis tests to those requested by public health and community health agencies, and impose an approximately \$25 fee to cover the cost of tests ordered by all other individuals and organizations. (General Fund-State, General Fund-Private/Local)

**18. Initiate Fees for Shellfish Testing** - The state public health laboratory tests shellfish from public beaches and commercial growers for the presence of bacteria or biotoxins to ensure that contaminated shellfish are not consumed by the public. Testing is currently supported by the state general fund. Commercial shellfish growers will now be required to pay for testing related to their commercial product beginning July 1, 2002, at an average fee of approximately \$100 per test. In addition, a surcharge will be added to recreational shellfish licenses issued by the Department of Fish and Wildlife, effective April, 2002. (General Fund-State, General Fund-Private/Local)

**19. Water Conservation and Reuse** - Funding for the water conservation and reuse program is transferred from the state general fund to the Salmon Recovery Account. (General Fund-State, Salmon Recovery Account)

**20. Group B Water Inventory Completion** - The 2001 Legislature appropriated funds of which \$800,000 per calendar year are used to assist local health departments assure the safety of very small water systems. This item reduces the calendar year 2003 appropriation level for start-up and baseline inventory activities already completed in calendar year 2002. Sufficient funds remain to continue financial assistance grants at the \$800,000 per year level in calendar year 2003.

**21. Reduce Children's Hospital Contract** - State funding to Children's Hospital and Regional Medical Center (CHRMC) is reduced. This contract supports the CHRMC for Children with Special Needs to provide collaborative efforts to improve statewide systems of care for children with special health care needs. The CHRMC develops assessment strategies, quality assurance processes, and family involvement strategies. The center also informs and educates providers, policy makers, and others about children with special health care needs.

**22. AIDSNETS Funding Reduction** - State funding to the six regional AIDS networks is reduced. The AIDS networks receive state and federal funding to provide outreach and prevention activities targeted to populations at high risk of contracting HIV disease, to conduct education and testing programs for the general public, and to coordinate care and case management for affected individuals.

**23. Regulate Adult Family Homes** - 2SHB 2312 removes unnecessary duplication in the regulatory requirements for Adult Family Home (AFH) providers and resident managers. Currently the facilities are licensed by the Department of Social and Health Services (DSHS) and the providers and managers are registered by the Department of Health. This legislation will eliminate the registration of the AFH providers and resident managers by DOH and the fees they pay to cover the cost of that registration. (Health Professions Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Department of Veterans' Affairs**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	19,756	56,221	75,977
Total Maintenance Changes	97	0	97
<b>2002 Policy Changes:</b>			
1. Reduce Vendor Rate	-10	0	-10
2. Efficiencies and Savings	-219	0	-219
3. Bed Conversions Shortfall	-7	-1,532	-1,539
4. Facility Start-Up Delays	0	-2,516	-2,516
5. Homeless Veterans Reintegration	0	155	155
Total Policy Changes	-236	-3,893	-4,129
2001-03 Revised Appropriations	19,617	52,328	71,945

*Comments:*

**1. Reduce Vendor Rate** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002.

**2. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**3. Bed Conversions Shortfall** - The state has received federal funds to begin construction of the new veterans home in Retsil. As a result of changes in the construction schedule and new federal accreditation standards, the Retsil home will not increase light nursing beds by 50 residents per day as projected in the original 2001-03 biennial budget. Expenditures are adjusted to reflect actual staffing and workload levels, to align with available revenues, and to take into account the availability of some deferred federal and local revenues. (General Fund-State, General Fund-Federal, and General Fund-Private/Local)

**4. Facility Start-Up Delays** - Beds in the new eastern Washington veterans' home are filling more slowly than projected. Expenditures and staff are adjusted to reflect actual resident populations and workloads. (General Fund-Federal, General Fund-Local)

**5. Homeless Veterans Reintegration** - Federal funding is provided to extend the Homeless Veterans Reintegration grant. (General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Department of Corrections**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,039,588	40,839	1,080,427
Total Maintenance Changes	41,103	-2,709	38,394
<b>2002 Policy Changes:</b>			
1. Public Safety and Education Account	0	-324	-324
2. Drug Offender Sentencing	-100	0	-100
3. Work Release Privatization #	-1,610	0	-1,610
4. Eliminate Monetary Supervision #	-2,273	0	-2,273
5. Eliminate Low Community Supervn #	-3,127	0	-3,127
6. Elim PreSentence Investigation #	-2,173	0	-2,173
7. Education Contract Consolidation	-1,223	0	-1,223
8. Food Service Efficiencies	-464	0	-464
9. Eliminate Mental Health Contract	-330	0	-330
10. Motor Vehicle Theft #	53	0	53
11. Efficiencies and Savings	-2,263	0	-2,263
12. Vendor Rate Change	-198	0	-198
Total Policy Changes	-13,708	-324	-14,032
2001-03 Revised Appropriations	1,066,983	37,806	1,104,789

*Comments:*

**1. Public Safety and Education Account** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**2. Drug Offender Sentencing** - Savings are achieved through the implementation of 2SHB 2338 (drug offender sentencing), which reduces sentences for the manufacture, delivery, or possession with intent to deliver heroin or cocaine from seriousness level VIII to seriousness level VII on the adult felony sentencing grid. Additionally, when calculating the effect of accompanying drug offense convictions, each prior conviction will count as one instead of three for the purposes of determining an offender's standard range sentence under the Sentencing Reform Act. Methamphetamine manufacturing offenses will not be eligible for these sentencing changes.

**3. Work Release Privatization #** - Currently, the Department of Corrections operates one work release facility in the Tri-Cities area and contracts with private providers for the remaining 14 work release facilities. State funded community correction officers are located in the contracted facilities to provide case management services. In accordance with ESSB 6499 (supervision of offenders), the Department will contract out all work release facilities and will no longer have community corrections officers located at the existing contracted work release facilities.

**4. Eliminate Monetary Supervision #** - 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. In accordance with ESSB 6499 (supervision of offenders), savings are achieved through the elimination of the Department's responsibility for supervising offenders in the community for the purposes of collecting LFOs only, including issuing monthly billing statements, receiving payments, and distributing moneys to counties.

## 2001-03 Revised Omnibus Operating Budget (2002 Supp) Department of Corrections

**5. Eliminate Low Community Supervn #** - The Department is authorized to terminate supervision for offenders classified as low risk. The Department is responsible for supervising felony and misdemeanor offenders, sentenced in Superior Court, who reside in the community. Using a risk assessment process, the Department classifies offenders based on the risk to reoffend and the nature of the harm done. Offenders are classified into four types: Risk Management A (RM-A), RM-B, RM-C, and RM-D. Offenders classified as RM-A pose the most serious risk to re-offend, and therefore require a higher level of supervision. The lowest risk level (RM-D) includes offenders that the Department's risk assessment process has determined to have minimal violent offense behavior risk in the community. These offenders report by telephone whenever there is a change in their residence, employment, alternative contact person, or new arrests. In accordance with ESSB 6499 (supervision of offenders), the Department will no longer supervise the lowest risk offenders (RM-D) with the exception of offenders sentenced under the special Drug Offender Sentencing Alternative.

**6. Elim PreSentence Investigation #** - A portion of the funding for the Department to conduct pre-sentence investigations (PSIs) is eliminated. Currently, the Department provides PSIs upon the request of the courts for use in determining an offender's sentence. The Department will continue to prepare PSIs requested by the courts for all sex offenders and dangerously mentally-ill offenders.

**7. Education Contract Consolidation** - The Department of Corrections contracts with several community colleges for educational services in prison facilities. Savings are achieved as a result of the Department reducing administrative costs in the delivery of these educational services. The Department, in consultation with the State Board for Community and Technical Colleges, will develop a plan for achieving this level of savings without impacting current direct service levels.

**8. Food Service Efficiencies** - The Department will utilize standardized meal planning and menus in their correctional facilities, thereby eliminating duplicate workload between facilities.

**9. Eliminate Mental Health Contract** - The Department contracts with a third party reviewer to conduct staff training, program evaluation and periodic updates for the Department's mental health program. The Department will investigate existing services for efficiencies, and eliminate the contract with the University of Washington. This change will not affect mental health services to offenders.

**10. Motor Vehicle Theft #** - Funding is provided for the implementation either Second Substitute House Bill 2507 or Engrossed Second Substitute Senate Bill 6490 (motor vehicle theft), which increase penalties for motor vehicle theft.

**11. Efficiencies and Savings** - The budget assumes that the Department will take a variety of actions to reduce operating costs and achieve administrative savings. These steps include: (1) finding efficiencies in business, human resources, and information technology support activities; (2) reducing administrative costs associated with offender programs; (3) mitigating the need for outside training resources by using Department staff to perform these functions; and (4) reducing administrative costs at the regional level.

**12. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Services for the Blind**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	3,321	13,013	16,334
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-49	0	-49
2. Transfer from DSHS Voc Rehab	0	1,503	1,503
Total Policy Changes	-49	1,503	1,454
2001-03 Revised Appropriations	3,272	14,516	17,788

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2. Transfer from DSHS Voc Rehab** - The Department of Services for the Blind (DSB) and the DSHS - Division of Vocational Rehabilitation (DVR) have agreed to change the split of federal vocational rehabilitation grant funds from 12 percent DSB and 88 percent DVR to 14 percent DSB and 86 percent DVR. This transfer allows the state to meet federal maintenance-of-effort requirements while reducing General Fund-State expenditures at DVR by (\$ 232,000). DSB will enter into an interagency agreement with the School for the Blind to obtain state matching funds to meet federal matching requirements. (General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Sentencing Guidelines Commission**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,793	0	1,793
<b>2002 Policy Changes:</b>			
1. Efficiencies & Savings	<u>-26</u>	<u>0</u>	<u>-26</u>
Total Policy Changes	-26	0	-26
2001-03 Revised Appropriations	1,767	0	1,767

*Comments:*

**1. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Department of Employment Security**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	426,339	426,339
Total Maintenance Changes	0	10,831	10,831
<b>2002 Policy Changes:</b>			
1. Unemployment Insurance Program	0	1,370	1,370
2. Overpayment Identification	0	2,620	2,620
3. UI Contribution Rate Increase	0	133	133
4. Redetermination for FML	0	156	156
Total Policy Changes	0	4,279	4,279
2001-03 Revised Appropriations	0	441,449	441,449

*Comments:*

**1. Unemployment Insurance Program** - One-time federal funding is provided for technology improvements that will reduce the time intake agents are on the phone with a client, reconfiguring space at the telecenters to facilitate the increase in seasonal staff that are needed to respond to expected increases in unemployment insurance claims, and to increase the accuracy of the employer tax system. (Unemployment Compensation Administrative Account-Federal)

**2. Overpayment Identification** - The Department will crossmatch social security numbers with the Social Security Administration database to verify eligibility and research unusual activity related to multiple unemployment insurance claims. Funds will also be used to increase detection and collection of unemployment insurance benefit overpayments. (Administrative Contingency Account-State)

**3. UI Contribution Rate Increase** - One-time funding is provided to implement Substitute House Bill 2604 (unemployment compensation). SHB 2604 changes the unemployment insurance contribution rate for certain unqualified employers to the average industry rate plus 20 percent. These funds will cover the administrative costs necessary to implement the increase. (Unemployment Compensation Administrative Account-Federal)

**4. Redetermination for FML** - Funding is provided to implement Substitute House Bill 2355 (unemployment insurance). SHB 2355 allows persons who are applying for unemployment insurance, who have taken recent family and medical leave, to have their benefit determining base year be the highest earning four quarters out of the last six. (Unemployment Compensation Administrative Account-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Children and Family Services**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	464,802	379,497	844,299
Total Maintenance Changes	2,047	-1,038	1,009
<b>2002 Policy Changes:</b>			
1. Eliminate Family Policy Council #	-1,248	-2,104	-3,352
2. Eliminate Incr. Child Placing Slots	-694	-244	-938
3. Pediatric Interim Care	-644	644	0
4. Family Reconciliation Services #	-1,686	0	-1,686
5. Crisis Residential Center Assess. #	-140	0	-140
6. Secure Crisis Residential Centers #	-4,700	0	-4,700
7. Eliminate Special Projects	-606	0	-606
8. Alternative Response System #	-1,157	0	-1,157
9. Public Health Nurses	-1,091	-710	-1,801
10. Continuum of Care #	-1,726	-37	-1,763
11. Therapeutic Child Development	-2,000	0	-2,000
12. Centralize After Hours Programs	-1,206	-446	-1,652
13. Reduce Travel, Equipment, Training	-737	-273	-1,010
14. DD Parent Participate in Support #	-690	-122	-812
15. Public Safety and Education Account	0	-18	-18
16. Reduce HOPE beds underutilization	-632	0	-632
17. Eliminate FY 03 RLSP bed increase	-312	0	-312
18. UI Contribution Rate Increase	2	0	2
19. Hold Basic Foster Care at FY 02	-921	-614	-1,535
20. Vendor Rate Change	-1,104	-336	-1,440
21. Interpreter Services Efficiencies	-42	-8	-50
Total Policy Changes	-21,334	-4,268	-25,602
2001-03 Revised Appropriations	445,515	374,191	819,706

*Comments:*

**1. Eliminate Family Policy Council #** - Funding for the Family Policy Council and the Community Public Health and Safety Networks is eliminated. (General Fund-State, Violence Reduction and Drug Enforcement Account)

**2. Eliminate Incr. Child Placing Slots** - The 2001-03 enacted budget provides funding to increase the number of private child placing agency slots by 15 percent in FY 2002 and 30 percent in FY 2003. The additional 15 percent increase in child placing slots proposed for FY 2003 is eliminated and the FY 2002 level is maintained. (General Fund-State, General Fund-Federal)

**3. Pediatric Interim Care** - Federal funding is provided to contract for the care of medically fragile infants and toddlers in need of intensive health care services primarily as a result of substance abuse by their mothers. The program will be changed to meet Medicaid requirements and the state funding reduction will be replaced with federal Medicaid funds. (General Fund-State, General Fund-Federal)

**4. Family Reconciliation Services #** - Funding for the Family Reconciliation Services program is reduced by 36 percent. The Department will redesign the program to serve a smaller number of families in crisis, specifically targeting families and services to help avoid placement of children into foster care.

**5. Crisis Residential Center Assess. #** - Funding for Crisis Residential Centers (CRC) assessments is eliminated. Currently, these assessments are underutilized because of the availability of the other assessment options provided by CRC and Family Reconciliation Services staff.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Children and Family Services**

**6. Secure Crisis Residential Centers #** - Funding for 66 Secure Crisis Residential Center beds is eliminated. These facilities were mandated by the "Becca Bill" legislation, which passed in 1995. Secure Crisis Residential Centers have locked doors and windows and fenced grounds, but otherwise operate as other Crisis Residential Centers, with an emphasis on assessment of needs and family reunification.

**7. Eliminate Special Projects** - AmeriCorps mentoring services to older foster youth in two regions, a parenting program for families of other cultures, and state funding for a contracted 24 hour help-line are eliminated.

**8. Alternative Response System #** - Funding for Alternative Response Services (ARS) is eliminated. ARS consists of a number of contracted programs throughout the state provided by Public Health Nurses or other social service agencies that handle moderately low and low risk Child Protective Services (CPS) referrals.

**9. Public Health Nurses** - Funding for the Early Intervention Program, a voluntary in-home nursing service, is eliminated. (General Fund-State, General Fund-Federal)

**10. Continuum of Care #** - Funding for Continuum of Care is eliminated. Continuum of Care is an early intervention alternative response system for low-risk families provided in Spokane, Snohomish, King and Lewis Counties. (General Fund-State, General Fund-Federal)

**11. Therapeutic Child Development** - Funding for Therapeutic Child Development (TCD) is reduced by approximately 25 percent in FY 2003. TCD provides families with young children at serious risk of abuse or neglect with intensive child development services and interventions to promote parenting skills. Childcare services are provided to the children for at least four hours each day. Additional services include home visits, parent education, and parent support groups.

**12. Centralize After Hours Programs** - The After Hours program will be centralized to achieve efficiencies. Services will be co-located to provide intake and referral services in response to emergency calls received after normal business hours, on weekends and holidays. (General Fund-State, General Fund-Federal)

**13. Reduce Travel, Equipment, Training** - Funding for travel, equipment, training, and conferences is reduced. (General Fund-State, General Fund-Federal)

**14. DD Parent Participate in Support #** - Parents of developmentally disabled (DD) children will no longer be exempted from participation in the financial responsibility of having their children in the Children's Administration foster care program. This support will help reduce the cost of foster care. (General Fund-State, General Fund-Federal)

**15. Public Safety and Education Account** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require an across the board reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**16. Reduce HOPE beds underutilization** - Funding for 50 percent of HOPE beds is eliminated to more closely match utilization rates. Currently, only 41 percent of HOPE beds are being used state-wide.

**17. Eliminate FY 03 RLSP bed increase** - In the 2001-03 biennial budget, 15 Responsible Living Skills Program (RLSP) beds were added, eight in FY 2002 and seven in FY 2003. This item maintains the eight beds added in FY 2002 and eliminates the seven additional beds in FY 2003.

**18. UI Contribution Rate Increase** - Funding is provided to implement Substitute House Bill 2604 (unemployment compensation). SHB 2604 changes the unemployment insurance contribution rate for certain unqualified employers to the average industry rate plus 20 percent. These funds will be used to cover the increase in employer taxes for client care accounts.

**19. Hold Basic Foster Care at FY 02** - In the 2001-03 biennial budget, the basic reimbursement rate for foster care was increased from \$405 to \$420 per month in FY 2002, and to \$440 per month in FY 2003. This item maintains the basic rate at the FY 2002 level of \$420 per month through the remainder of the biennium. (General Fund-State, General Fund-Federal)

**20. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002. (General Fund-State, General Fund-Federal, Public Safety and Education Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Children and Family Services**

**21. Interpreter Services Efficiencies** - The current method of purchasing interpreter services shall be replaced with a new "brokerage" model for all DSHS programs effective January 2003. Under the brokerage model, DSHS will contract at a specified rate with any qualified individual or agency, and will also contract with intermediaries who will schedule and link interpreters with clients and service providers. This is expected to result in savings both from lower hourly payment rates, and better service coordination and utilization review. Department-wide savings from this approach are estimated at \$1.1 million GF-State during the last six months of the current biennium and at \$5.4 million GF-State in 2003-05. (General Fund-State, General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Juvenile Rehabilitation**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	170,715	70,380	241,095
Total Maintenance Changes	-4,452	-519	-4,971
<b>2002 Policy Changes:</b>			
1. Truancy Petitions	-3,441	-1,059	-4,500
2. Comm Opt for Lower-Risk Offenders	-295	-29	-324
3. Restructure Parole Services	-1,205	-867	-2,072
4. Comm Trans Options for Youth	-1,104	0	-1,104
5. Juvenile Violence Prevention Grant	-750	0	-750
6. Reduce Employment Services	-250	0	-250
7. Diagnostic Services Rate Adjustment	-315	0	-315
8. Public Safety and Education Account	0	-95	-95
9. Closure of Mission Creek Youth Camp	-1,452	0	-1,452
10. Enhanced Mental Health Services	1,267	0	1,267
11. Vendor Rate Change	-150	-114	-264
Total Policy Changes	-7,695	-2,164	-9,859
2001-03 Revised Appropriations	158,568	67,697	226,265

*Comments:*

**1. Truancy Petitions** - In accordance with House Bill 2459 (children's programs/services), savings are achieved through the elimination of the requirement that schools file truancy petitions in juvenile court for students with five or more unexcused absences in one month. Truancy petitions are one of three petitions that can be filed under the Becca statutes. Funding for at-risk youth and child-in-need of services petitions is preserved. (General Fund-State, Public Safety and Education Account)

**2. Comm Opt for Lower-Risk Offenders** - Savings are achieved through the development of less costly residential options in the community for juvenile offenders receiving a manifest injustice disposition and classified as low risk who would not normally have been committed to a Juvenile Rehabilitation Administration (JRA) institution. JRA provides residential services to 263 such offenders. Approximately 80 to 90 lowest risk juvenile offenders will access alternative residential services, reducing the need for institutional beds. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**3. Restructure Parole Services** - Parole services are modified to increase efficiencies in the administration of juvenile offender supervision and to implement a case management model that includes research-based interventions, transition services and consistent supervision for youth. The model provides intensive parole to 25 percent of the highest risk youth released to parole. The Juvenile Rehabilitation Administration will reduce the number of lower-risk offenders receiving parole services. (General Fund-State, General Fund-Federal)

**4. Comm Trans Options for Youth** - Juvenile offenders committed to a Juvenile Rehabilitation Administration facility receive a standard range sentence, based upon the seriousness of the offense and prior criminal history. Currently, these offenders serve an average of 145 percent of their minimum sentence. Lower-risk youth will now be released at an average of 115 percent of their minimum sentence. Approximately 270 juvenile offenders will serve 60 days less, and upon release, be transitioned to community-based monitoring.

**5. Juvenile Violence Prevention Grant** - The state grant program administered by the Governor's Juvenile Justice Advisory Committee (GJJAC) is eliminated. Funding for the Team Child project is maintained and GJJAC will continue to administer the federal juvenile justice grant programs.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Juvenile Rehabilitation**

**6. Reduce Employment Services** - Savings are achieved through the elimination of contracted pre-employment and vocational services. Currently, these services are offered to juvenile offenders by the Juvenile Rehabilitation Administration through the Corrections Clearinghouse Division of the Employment Security Department.

**7. Diagnostic Services Rate Adjustment** - Currently, diagnostic services are provided in 22 community-based centers in four state offices and through contracts with county juvenile courts. The Juvenile Rehabilitation Administration (JRA) will realign the contracted rate paid for these services to closely match the costs incurred by the state where JRA provides these same services.

**8. Public Safety and Education Account** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**9. Closure of Mission Creek Youth Camp** - Savings are achieved through the closure of Mission Creek Youth Camp, which will be closed by July 2002 and will be mothballed for future use. This closure will reduce the Juvenile Rehabilitation Administration's (JRA) bed capacity by 60 beds. The closure will result in the relocation of juvenile offenders to other institutions and relocation of the basic training camp staging area to an existing institution.

**10. Enhanced Mental Health Services** - Funding is provided to enhance mental health services in Juvenile Rehabilitation Administration (JRA) institutions and community facilities by: (1) increasing inpatient and outpatient treatment capacity; (2) providing staff training in mental health protocols to residential staff; and (3) increasing mental health professional staff coverage during evening and night-time hours.

**11. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002. (General Fund-State, General Fund-Federal, Public Safety and Education Account, Violence Reduction and Drug Enforcement Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Mental Health**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	604,510	522,155	1,126,665
Total Maintenance Changes	9,280	14,876	24,156
<b>2002 Policy Changes:</b>			
1. Adjust Inpatient Capitation Rates	-4,551	-4,619	-9,170
2. Expand Local Match Option for RSNs	0	11,419	11,419
3. Community Services Reductions	-1,887	-12	-1,899
4. Secure Community Facil Reduction	-1,977	0	-1,977
5. PALS Community Alternatives	-351	275	-76
6. Expand Community Svcs. in E. Wa.	-346	-544	-890
7. Reduce Research and Training	-386	-280	-666
8. Spend Down RSN Reserves	-16,757	16,757	0
9. Vendor Rate Change	-8	0	-8
Total Policy Changes	-26,263	22,996	-3,267
2001-03 Revised Appropriations	587,527	560,027	1,147,554

*Comments:*

**1. Adjust Inpatient Capitation Rates** - The capitated amounts paid to the Regional Support Networks (RSNs) for community psychiatric hospitalizations are adjusted to reflect the fact that 3,500 new disabled individuals added to the caseload as a result of a decision by the Department of Social and Health Services to automate eligibility determinations, are very unlikely to be new users of inpatient services. Inpatient capitation payments to the RSNs are already exceeding payments to community hospitals by over 50 percent. If this adjustment were not made, such payments would exceed costs by at least 15 percent more. After this change, total funding for community mental health services will increase by 2.5 percent over the level originally budgeted for the current biennium, and by 6.7 percent over last year's funding level. (General Fund-State, General Fund-Federal)

**2. Expand Local Match Option for RSNs** - The Mental Health Division is authorized to increase Medicaid payment rates for Regional Support Networks (RSNs) whose allocations would otherwise not increase by at least 3.5 percent above the previous year's level in FY 2002, and by at least 5.0 percent more in FY 2003. To qualify for the higher payment, the RSN must use qualified local funds for the required non-federal share of the Medicaid payment. This is an expansion of a funding mechanism authorized in the original 2001-03 budget. (General Fund-Federal)

**3. Community Services Reductions** - Lower priority programs administered by the Mental Health Division are eliminated. The programs affected are the Atypical Antipsychotic Drug Program, Children's Special Inpatient Contracts and the Clozaril Spend Down Program. (General Fund-State, General Fund-Federal)

**4. Secure Community Facil Reduction** - The 2001-03 budget provided funding for mitigation and staffing levels for the Special Commitment Center (SCC). The mitigation funds are for costs incurred by local governments due to the activities involving residents of the Secure Community Transition Facility (SCTF) outlined in Chapter 12, Laws of 2001, 2nd Special Session. Mitigation funding is eliminated except for the city of Dupont and the city of Steilacoom, as these cities have established mitigation contracts with the SCC through June 30, 2003. Staffing is also reduced by 2 FTE staff in FY 2003.

**5. PALS Community Alternatives** - The Program for Adaptive Living Skills (PALS) at Western State Hospital serves 120 adults who no longer require psychiatric hospital care, but who face a variety of other barriers to community placement. \$650,000 in funding is provided for the development of new community services to enable thirty of the program participants to return to community settings during the final six months of the biennium. None of the patients returning to the community will have a criminal history that would be a risk to public safety. (General Fund-State, General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Mental Health**

**6. Expand Community Svcs. in E. Wa.** - Approximately \$1.1 million is provided for the development of new community services in Eastern Washington, so that twenty-eight persons who would otherwise be served at Eastern State Hospital can instead receive appropriate long-term psychiatric care in the community. This is expected to permit closure of one geriatric psychiatric ward at Eastern State by October 2002. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**7. Reduce Research and Training** - Funding for research and training contracts with the Washington Institute for Mental Illness Research and Training are eliminated. (General Fund-State, General Fund-Federal)

**8. Spend Down RSN Reserves** - The Regional Support Networks (RSNs) reported \$47 million of accumulated reserves and fund balances at the end of FY 2001, which is about 14 percent of total revenues for that year. Actuarially-recommended risk reserves vary with the size of the RSN, ranging from 3.7 percent of revenues for the largest RSN to 10 percent of revenues for the smaller ones. RSN fund balances will be reduced to the actuarially-recommended level. This is accomplished by deducting state funding otherwise due the RSN by the difference between the RSN's accumulated December 2001 reserves, and the recommended risk-reserve amount for that year.

**9. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent, and is delayed by two months from July 1, 2002, to September 1, 2002. (General Fund-State, General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Developmental Disabilities**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	620,544	567,171	1,187,715
Total Maintenance Changes	9,204	7,957	17,161
<b>2002 Policy Changes:</b>			
1. Voluntary Placement Parent Pay #	-720	0	-720
2. Freeze Case Manager Hiring	-2,654	-2,103	-4,757
3. Reduce RHC Staffing	-1,413	-1,470	-2,883
4. UI Contribution Rate Increase	16	16	32
5. Reduce Professional Services	-357	0	-357
6. Professional Service Contracts	-1,222	0	-1,222
7. Fund Source Adjustment	-1,767	1,767	0
8. Parent Support for Children <18yrs	-10	-10	-20
9. Vendor Rate Change	-779	-565	-1,344
Total Policy Changes	-8,906	-2,365	-11,271
2001-03 Revised Appropriations	620,842	572,763	1,193,605

*Comments:*

- 1. Voluntary Placement Parent Pay #** - Effective July 1, 2002, the Division of Developmental Disabilities will implement a parent pay requirement in the Voluntary Placement Program (VPP) to help offset the costs for care. Parents will be expected to pay, on average, \$150 a month, which is the average collected from foster care parents in the Children's Administration program, and approximately 400 VPP participants will be impacted by this proposal. The Division of Child Support will collect payments and has sufficient staff to administer the additional casework. (General Fund-State, General Fund-Federal)
- 2. Freeze Case Manager Hiring** - In the 2001-03 budget, funding was provided to improve the case manager to client ratio for clients enrolled on the Home and Community Based Waiver. A total of 48 case workers plus support staff were to be phased-in over a 10-month period. Approximately 10 staff have been hired in the first six months of Fiscal Year 2002. Savings are achieved from a freeze on hiring starting in December, 2001. (General Fund-State, General Fund-Federal)
- 3. Reduce RHC Staffing** - Staffing in the Residential Habilitation Centers is reduced by a total of 65.4 FTEs in Fiscal Year 2003. Reductions will not occur in direct care, but instead in auxiliary services such as custodial, kitchen and administration. (General Fund-State, General Fund-Federal)
- 4. UI Contribution Rate Increase** - Funding is provided to implement Substitute House Bill 2604 (unemployment compensation). SHB 2604 changes the unemployment insurance contribution rate for certain unqualified employers to the average industry rate plus 20 percent. These funds will be used to cover the increase in employer taxes for client care accounts. (General Fund-State, General Fund-Federal)
- 5. Reduce Professional Services** - Professional services, paid for by the Division of Developmental Disabilities, for medical, dental, and a variety of therapies are reduced by 10 percent, effective July 2002. Emphasis will be placed on controlling costs and utilization of these services.
- 6. Professional Service Contracts** - Savings are achieved by eliminating three contracts for training activities, conferences and workshops, and community options for individuals effective July, 2002.
- 7. Fund Source Adjustment** - Funding is shifted from the state General Fund to the Telecommunications Devices for the Hearing and Speech Impaired Account. Pursuant to the provisions of RCW 43.20A.725 (4)(a), that specifically authorizes the Office of Deaf and Hard of Hearing (ODHH) to award contracts for communications and related services, this item authorizes the ODHH to use funds from the telecommunications relay service excise tax for operational and administrative costs, including costs associated with contracts with regional service centers. (General Fund-State, Telecommunications Device Account-State)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Developmental Disabilities**

**8. Parent Support for Children <18yrs** - Effective July 1, 2002, the Division of Developmental Disabilities will implement a parent pay requirement for clients under age eighteen in out of home residential settings to help offset the costs for care. Parents will be expected to pay, on average, \$150 a month, which is the average collected from foster care parents in the Children's Administration program. The Division of Child Support will collect payments and has sufficient staff to administer the additional casework. (General Fund-State, General Fund-Federal)

**9. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and delayed by two months from July 1, 2002, to September 1, 2002. (General Fund-State, General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Long-Term Care**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,056,818	1,087,264	2,144,082
Total Maintenance Changes	-25,229	-30,537	-55,766
<b>2002 Policy Changes:</b>			
1. UI Contribution Rate Increase	43	42	85
2. Reduce Spousal Asset Protections	-2,783	-2,772	-5,555
3. Nursing Home Rate Reductions	-11,091	-11,131	-22,222
4. Adjust Rates for Fee Increase	1,062	1,067	2,129
5. Assisted Living Rate Reduction	-1,390	-1,390	-2,780
6. Vendor Rate Change	-3,488	-3,426	-6,914
Total Policy Changes	-17,647	-17,610	-35,257
2001-03 Revised Appropriations	1,013,942	1,039,117	2,053,059

*Comments:*

**1. UI Contribution Rate Increase** - Funding is provided to implement Substitute House Bill 2604 (unemployment compensation), which changes the unemployment insurance contribution rate for certain unqualified employers to the average industry rate plus 20 percent. These funds will be used to cover the increase in employer taxes for client care accounts. (General Fund-State, General Fund-Federal)

**2. Reduce Spousal Asset Protections** - Federal Medicaid laws require states to protect the income and assets of the spouses of nursing home residents receiving Medicaid services and of nursing home-eligible persons receiving services under a Community Options Program Entry System (COPEs) waiver. When one member of a couple enters a nursing facility or community residential facility under the COPEs program, the total value of all resources belonging to either spouse is computed. Half of the total is attributed to each spouse; however, in accordance with federal requirements, the spouse not receiving long-term care services must be allowed to keep at least \$17,856 and not more than \$89,280 in assets. States are authorized to set the level of protection higher than the federal minimum, but not more than the federal maximum. In addition, after an institutionalized person is determined to be eligible for Medicaid, a post-eligibility process is used to determine a monthly maintenance needs allowance for the spouse not receiving services. In accordance with Substitute House Bill 3002 (institutionalized persons), savings are achieved by lowering the state level of protection from \$89,280 to \$30,000 in assets and lowering the monthly maintenance needs allowance from the maximum amount permitted under the Social Security Act, or \$2,232 per month, to 200 percent of the federal poverty level, or \$1,477 per month. (General Fund-State, General Fund-Federal)

**3. Nursing Home Rate Reductions** - In accordance with Substitute House Bill 2457, nursing home rates are adjusted by: (1) limiting the extent to which direct care, therapy care, and support services rate components will be increased for beds banked after April 1, 2002; (2) increasing minimum occupancy requirements to 90 percent for direct care, therapy care, and support services rate components; (3) reducing the "case-mix" corridor floor to 85 percent of the median; and (4) reducing variable return rates from 1.0 to 4.0 percent to 0.5 to 2.0 percent of direct care, therapy care, support services, and operations rate components. (General Fund-State, General Fund-Federal)

**4. Adjust Rates for Fee Increase** - Licensing fees are increased for nursing homes from \$127 to \$275 per bed pursuant to RCW 18.51.050, which requires the Department of Social and Health Services to establish nursing home licensing fees at an amount adequate to reimburse the Department in full for all costs of its licensing activities for nursing homes, adjusted to cover the Department's cost of reimbursing such fees through Medicaid. Nursing home payment rates are increased by \$0.45 per patient day to cover the Medicaid portion of the cost increase. (General Fund-State, General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Long-Term Care**

**5. Assisted Living Rate Reduction** - The assisted living reimbursement rate is adjusted by eliminating the capital add-on provision to the assisted living rate for those facilities with fewer than 50 percent Medicaid clients. The add-on provision was established in the 1990s to encourage expansion and development of assisted living services. However, data obtained from the Department of Social and Health Services indicates that 32 percent of licensed beds are occupied by Medicaid clients. (General Fund-State, General Fund-Federal)

**6. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002. (General Fund-State, General Fund-Federal)

## 2001-03 Revised Omnibus Operating Budget (2002 Supp)

### Dept of Social and Health Services Economic Services Administration

(Dollars in Thousands)

	GF-S	House Proposed Other	Total
2001-03 Original Appropriations	861,310	1,388,139	2,249,449
Total Maintenance Changes	15,964	3,679	19,643
<b>2002 Policy Changes:</b>			
1. UI Contribution Rate Increase	34	0	34
2. Fund Source Adjustment	-2,092	2,092	0
3. GA-U Program Efficiencies	-16,986	0	-16,986
4. Feds resume food stamps for immigr	-4,500	0	-4,500
5. Increase SSI Recoveries for GA-U	-2,670	0	-2,670
6. Re-program SSI Supplements	-10,000	0	-10,000
7. Vendor Rate Change	-229	-145	-374
8. Interpreter Services Efficiencies	-328	-341	-669
Total Policy Changes	-36,771	1,606	-35,165
2001-03 Revised Appropriations	840,503	1,393,424	2,233,927

*Comments:*

**1. UI Contribution Rate Increase** - Funding is provided to implement Substitute House Bill 2604 (unemployment compensation). SHB 2604 changes the unemployment insurance contribution rate for certain unqualified employers to the average industry rate plus 20 percent. These funds will be used to cover the increase in employer taxes for client care accounts.

**2. Fund Source Adjustment** - The performance of the state's child support enforcement program has exceeded expectations resulting in higher levels of federal funding. These additional federal funds can pay for cost increases for the 2001-03 biennium that previously had been funded with state funds. With this adjustment, the state's funding commitment still exceeds the federally required maintenance of effort level as determined by the average of state spending during fiscal years 1996-98. (General Fund-State, General Fund-Local)

**3. GA-U Program Efficiencies** - Changes to the General Assistance - Unemployable (GA-U) program include increasing Supplemental Security Income (SSI) facilitation; more frequent disability reviews for GA-U recipients; and transferring the burden of proof of disability from the state to the recipient upon disability review, as described in House Bill 3009 (social service programs).

**4. Feds resume food stamps for immigr** - Funding for the Food Assistance Program for legal immigrants is reduced in anticipation of congress authorizing the resumption of coverage for legal immigrants in the federal food stamp program. President Bush's budget proposal for Federal FY 2003 includes this provision, and support in congress has been expressed by both parties. This adjustment assumes the change will be effective October 2002.

**5. Increase SSI Recoveries for GA-U** - When a General Assistance - Unemployable (GA-U) recipient becomes eligible for federal Supplemental Security Income (SSI), they receive a lump-sum payment of benefits back to the date of application for SSI. The state recovers these retroactive benefits and applies them to GA-U payments made to the recipient. The balance of the retroactive benefits is sent to the beneficiary. Federal rules also allow states to apply these retroactive benefits to goods and services provided to the recipient to meet basic needs. This adjustment assumes that the Department will begin applying these SSI recoveries to other services provided to the recipient to meet basic needs, such as legal assistance and other support services.

**6. Re-program SSI Supplements** - A portion of the Supplemental Security Income (SSI) state supplement will be spent on clients receiving services from the Division of Developmental Disabilities.

**7. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002. (General Fund-State, General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Economic Services Administration**

**8. Interpreter Services Efficiencies** - The current method of purchasing interpreter services shall be replaced with a new "brokerage" model for all DSHS programs effective January 2003. Under the brokerage model, DSHS will contract at a specified rate with any qualified individual or agency, and will also contract with intermediaries who will schedule and link interpreters with clients and service providers. This is expected to result in savings both from lower hourly payment rates, and better service coordination and utilization review. Department-wide savings from this approach are estimated at \$1.1m GF-State during the last six months of the current biennium and at \$5.4 million GF-State in 2003-05. (General Fund-State, General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Alcohol & Substance Abuse**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	76,985	158,661	235,646
Total Maintenance Changes	57	-41	16
<b>2002 Policy Changes:</b>			
1. Violence Reduction and Drug Account	0	-1,200	-1,200
2. Public Safety and Education Account	0	-255	-255
3. Involuntary Treatment Beds	-800	0	-800
4. Eliminate TASC Program	-3,454	-6	-3,460
5. Substance Abuse Treatment Reduction	-2,800	0	-2,800
6. Reduce Recovery House Beds	-1,021	-6	-1,027
7. King County Juvenile Drug Court	0	75	75
8. Vendor Rate Change	-400	-261	-661
9. Interpreter Services Efficiencies	-28	-14	-42
Total Policy Changes	-8,503	-1,667	-10,170
2001-03 Revised Appropriations	68,539	156,953	225,492

*Comments:*

**1. Violence Reduction and Drug Account** - In November 2001, the Economic and Revenue Forecast Council projected declining revenues for the Violence Reduction and Drug Enforcement Account. A reduction to expenditures is required in order to balance the account. (Violence Reduction and Drug Enforcement Account)

**2. Public Safety and Education Account** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**3. Involuntary Treatment Beds** - The opening of the chemical dependency involuntary treatment facility in Eastern Washington has been postponed by three months due to delays in acquisition and licensing. The facility is now scheduled to open in the last few months of 2002. This reduces the Department's costs for the new facility in FY 2002 by \$800,000.

**4. Eliminate TASC Program** - Funding for the Treatment Accountability for Safe Communities (TASC) program is eliminated. TASC is intended to reduce drug abuse and criminal activity, to connect criminal justice and chemical dependency treatment systems, and to identify untreated offenders. The program currently exists in six counties (Clark, King, Pierce, Snohomish, Spokane, and Yakima), and intervenes during the criminal justice process to provide assessment, case management, referral to treatment, and urinalysis monitoring.

**5. Substance Abuse Treatment Reduction** - Funding for substance abuse treatment capacity for gravely disabled individuals provided in the 2001-03 biennial budget is 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 are a high user of treatment services and other resources.

**6. Reduce Recovery House Beds** - Funding for 24 percent of Recovery House beds is eliminated. Each client at a Recovery House is limited to 60 days per admission and the average length of stay is 39 days. The Department recently received notice from one provider, Cedar Hills, that it is closing its operations effective June 30, 2002. This eliminates the Cedar Hills Recovery House beds to coincide with the facility closing, rather than contracting those beds with another provider. (General Fund-State, General Fund-Federal)

**7. King County Juvenile Drug Court** - Funding is provided for the King County Juvenile Drug Court. This drug court was inadvertently overlooked in the 2001-03 biennial budget when other drug courts were receiving funding to replace lost federal allocations. (Violence Reduction and Drug Enforcement Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Alcohol & Substance Abuse**

**8. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002. (General Fund-State, General Fund-Federal, Public Safety and Education Account, Violence Reduction and Drug Enforcement Account)

**9. Interpreter Services Efficiencies** - The current method of purchasing interpreter services shall be replaced with a new "brokerage" model for all DSHS programs effective January 2003. Under the brokerage model, DSHS will contract at a specified rate with any qualified individual or agency, and will also contract with intermediaries who will schedule and link interpreters with clients and service providers. This is expected to result in savings both from lower hourly payment rates and better service coordination and utilization review. Department-wide savings from this approach are estimated at \$1.1 million GF-State during the last six months of the current biennium and at \$5.4 million GF-State in 2003-05. (General Fund-State, General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Medical Assistance Payments**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	2,159,789	4,966,168	7,125,957
Total Maintenance Changes	90,719	809,611	900,330
<b>2002 Policy Changes:</b>			
1. Vendor Rate Incr-Select Providers	4,182	3,825	8,007
2. Utilization and Cost Containment	-10,000	-10,000	-20,000
3. Reduce Medically Indigent Program	-11,000	11,000	0
4. Hospital Settlement	8,000	0	8,000
5. Reduce Spousal Asset Protections	-330	-331	-661
6. Vendor Rate Change	-3,414	-3,749	-7,163
7. Increase Discount on AWP	-17,474	-16,333	-33,807
8. OPSS Rate Reduction	-1,061	-1,064	-2,125
9. Direct Legal Immigrants to BHP	-8,925	0	-8,925
10. Direct Undocumented Children to BHP	-12,123	0	-12,123
11. Maternity Support Services	-8,602	8,602	0
12. Interpreter Services Efficiencies	-728	-1,022	-1,750
13. Transfer COBRA Insurance Coverage	-3,203	0	-3,203
14. Freeze SCHIP Enrollment	0	-2,762	-2,762
Total Policy Changes	-64,678	-11,834	-76,512
2001-03 Revised Appropriations	2,185,830	5,763,945	7,949,775

*Comments:*

**1. Vendor Rate Incr-Select Providers** - Funding is provided for (1) an approximately 5 percent increase in average Medical Assistance payment rates for physician-related services to adults; and (2) a 25 percent increase in ambulance payment rates. Both types of increases would be targeted toward procedures with the greatest need, as evidenced by access problems and difference from prevailing-rate benchmarks, rather than distributed on an across-the-board basis. Increases are effective January 1, 2003. (General Fund-State, Health Services Account-State, General Fund-Federal)

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

**3. Reduce Medically Indigent Program** - The Department will reduce the scope of the Medically Indigent program to achieve \$11 million in savings. (General Fund-State, General Fund-Local)

**4. Hospital Settlement** - Funds are provided for the department to settle a lawsuit, St. Peter Hospital et. al. v. DSHS, regarding reimbursement to hospitals with Medicare-certified stand alone psychiatric units.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Medical Assistance Payments**

**5. Reduce Spousal Asset Protections** - Federal Medicaid laws require states to protect the income and assets of the spouses of nursing home residents receiving Medicaid services and of nursing home-eligible persons receiving services under a Community Options Program Entry System (COPES) waiver. When one member of a couple enters a nursing facility or community residential facility under the COPES program, the total value of all resources belonging to either spouse is computed. Half of the total is attributed to each spouse; however, in accordance with federal requirements, the spouse not receiving long-term care services must be allowed to keep at least \$17,856 and not more than \$89,280 in assets. States are authorized to set the level of protection higher than the federal minimum, but not more than the federal maximum. In addition, after an institutionalized person is determined to be eligible for Medicaid, a post-eligibility process is used to determine a monthly maintenance needs allowance for the spouse not receiving services. In accordance with Substitute House Bill 3002 (institutionalized persons), savings are achieved by lowering the state level of protection from \$89,280 to \$30,000 in assets and lowering the monthly maintenance needs allowance from the maximum amount permitted under the Social Security Act, or \$2,232 per month, to 200 percent of the federal poverty level, or \$1,477 per month. (General Fund-State, General Fund-Federal)

**6. Vendor Rate Change** - The vendor rate increase for FY 2003 is adjusted to 2.0 percent and is delayed by two months from July 1, 2002, to September 1, 2002. (General Fund-State, General Fund-Federal, Health Services Account)

**7. Increase Discount on AWP** - Effective July 1, 2002, the Medical Assistance Administration will implement greater Average Wholesale Price (AWP) discounts for ingredient costs for pharmaceuticals when determining reimbursement to pharmacies. The discount will be changed from 89 percent to 83 percent of AWP for brand name drugs, and from 89 percent to 50 percent of AWP for generic drugs not already on the Maximum Allowable Cost list for pharmaceuticals. In addition, it is assumed that MAA will begin providing a mail-order pharmacy option for its clients no later than January 2003. This will result in a substantial discount on drug prices for taxpayers, and increased convenience for elderly and disabled recipients with chronic conditions. (General Fund-State, General Fund-Federal)

**8. OPSS Rate Reduction** - The outpatient prospective payment system (OPSS) is an incentive-based payment mechanism which pays for a "bundle" of procedures typically associated with a particular condition, rather than for each specific procedure. Implementation is expected to reduce Medicaid outpatient expenditures by approximately 6 percent, but has been delayed since April 2000 in order to minimize the burden on hospitals by assuring that the state system is consistent with the one required by the federal Medicare program. Implementation is now not expected until April 2004. To compensate for this, an across-the-board reduction in outpatient rates will be implemented effective July 1, 2002, to approximate the savings which would occur had the system not been repeatedly delayed. (General Fund-State, General Fund-Federal)

**9. Direct Legal Immigrants to BHP** - The 1996 federal welfare and immigration reform legislation made some legal immigrants entering the country after 1996 ineligible for Medicaid for a five-year period. Washington's response was to use "state-only" funding to provide such families with the same level of medical coverage as they would receive if they qualified for the state/federal Medicaid program. State Family Assistance coverage is terminated effective October 2002. The approximately 2,400 adults and 1,900 children affected by this termination will instead be eligible to enroll in some of the new Basic Health Plan slots available as a result of the passage of Initiative 773. As required by federal law, those who do not obtain coverage through the BHP or other sources will continue to qualify for Medicaid coverage for emergency conditions.

**10. Direct Undocumented Children to BHP** - Under RCW 74.09.415, the state uses "state-only" funds to provide the same level of medical and dental coverage to children who are not in the country legally, and whose families have incomes below 100 percent of the federal poverty level, as the children would receive if they qualified for Medicaid. State-only coverage is terminated effective October 2002. The children will be eligible to enroll in the additional Basic Health Plan slots which are available as a result of the passage of Initiative 773. As required by federal law, those who do not enroll in the BHP or obtain other insurance coverage will continue to be eligible for Medicaid coverage of emergent conditions.

**11. Maternity Support Services** - Funding for Maternity Support Services (MSS) is transferred from the state General Fund to the Health Services Account. Maternity support services are preventative services provided to pregnant and post-pregnancy women and may include a needs assessment, education, and intervention or counseling provided by an interdisciplinary team comprised of a community health nurse, a nutritionist, and a psycho-social worker. Initiative 773 provides \$5 million a year for programs that address illnesses disproportionately affecting low income persons. \$5 million of the dedicated new revenue from Initiative 773 will be used to support the Maternity Support Services program, leaving the remainder to be covered by the Health Services Account. (General Fund-State, Health Services Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Medical Assistance Payments**

**12. Interpreter Services Efficiencies** - The current method of purchasing interpreter services shall be replaced with a new "brokerage" model for all DSHS programs effective January 2003. Under the brokerage model, DSHS will contract at a specified rate with any qualified individual or agency, and will also contract with intermediaries who will schedule and link interpreters with clients and service providers. This is expected to result in savings both from lower hourly payment rates and better service coordination and utilization review. Department-wide savings from this approach are estimated at \$1.1 million GF-State during the last six months of the current biennium and at \$5.4 million General Fund-State in 2003-05. (General Fund-State, General Fund-Federal)

**13. Transfer COBRA Insurance Coverage** - Effective July 1, 2002, the Evergreen Health Insurance Program (EHIP), currently managed by the Department of Social and Health Services under RCW 74.09.757, is transferred to the Department of Health (DOH). DOH will combine EHIP with other services provided to people with HIV/AIDS to create a single streamlined education, prevention, early intervention, and health insurance program.

**14. Freeze SCHIP Enrollment** - The State Children's Health Insurance Program provides low-cost health insurance for children up to the age of 19 with family incomes between 200 and 250 percent of the Federal Poverty Level. Enrollment is capped at the June 2002 level. (General Fund-Federal, Health Services Account-State)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Vocational Rehabilitation**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	21,089	84,098	105,187
<b>2002 Policy Changes:</b>			
1. Transfer to Services for the Blind	-406	-1,503	-1,909
2. Eliminate Extended Support Services	<u>-327</u>	<u>0</u>	<u>-327</u>
Total Policy Changes	-733	-1,503	-2,236
2001-03 Revised Appropriations	20,356	82,595	102,951

*Comments:*

**1. Transfer to Services for the Blind** - The Department of Services for the Blind (DSB) and the DSHS - Division of Vocational Rehabilitation (DVR) have agreed to change the split of federal vocational rehabilitation grant funds. Currently DSB receives 12 percent and DVR receives 88 percent. This transfer of federal funds will increase DSB's federal allocation to 14 percent and decrease DVR's federal allocation to 86 percent. The two agencies have agreed on this percentage change. The General Fund-State reduction is the required state match for DVR's federal funding that is no longer necessary. These state funds do not need to be added in DSB, because DSB can enter into an interagency agreement with the School for the Blind to obtain state matching funds. (General Fund-State, General Fund-Federal)

**2. Eliminate Extended Support Services** - Funding for the Extended Support Service (ESS) program is eliminated. ESS is a sheltered workshop program for approximately 83 clients.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Administration/Support Svcs**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	59,813	51,372	111,185
Total Maintenance Changes	75	13	88
<b>2002 Policy Changes:</b>			
1. IT Systems Streamlining	-1,503	-1,000	-2,503
2. Administrative Reductions	-5,547	-2,440	-7,987
Total Policy Changes	-7,050	-3,440	-10,490
2001-03 Revised Appropriations	52,838	47,945	100,783

*Comments:*

**1. IT Systems Streamlining** - Information technology efficiencies will be achieved by centralizing purchasing and support functions that will result in greater economies of scale. In addition, a planned mainframe system change achieves savings by using existing technology platforms.

**2. Administrative Reductions** - An expenditure freeze and organizational streamlining will be realized in central administrative services and the administrative areas of the various DSHS programs. The expenditure freeze is imposed on all discretionary, non-direct service costs within all programs. These are largely one-time savings of approximately \$4.1 million General Fund-State, of which \$1 million is assumed in central administration. Organizational streamlining will be accomplished by consolidating support functions in the various programs, including functions such as finance, personnel, purchasing and contracting. This streamlining will generate on-going savings of approximately \$1.4 million General Fund-State. (General Fund-State, General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Dept of Social and Health Services**  
**Information System Services**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	0	0
2001-03 Revised Appropriations	0	0	0

*Comments:*

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Department of Ecology**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	91,114	235,222	326,336
<b>2002 Policy Changes:</b>			
1. U.S. v. Washington (State Culverts)	16	28	44
2. Agricultural Burning Costs	0	300	300
3. Administrative Reduction	-973	0	-973
4. Drought Response Reduction	0	-3,000	-3,000
5. Stream Gauging Fund Shift	-500	500	0
6. Wetland Mitigation Banking	-70	0	-70
7. Reduce Auto Emission Program	-711	0	-711
8. Air Quality Program	-400	0	-400
9. Aquatic Pesticides Shift to Fees	-359	359	0
10. Limit Rescue Tug to 200 Days	-348	0	-348
11. Ground Water Data System	0	125	125
12. Water Quality Certifications	-600	600	0
13. Litter Prevention Campaign	0	750	750
14. Loan Tracking System	0	583	583
15. Neah Bay Rescue Tug	0	1,400	1,400
16. Watershed Grants & Assistance	-11,900	9,000	-2,900
17. Salmon Recovery Office	-82	0	-82
18. Forest Management	-200	0	-200
19. Hanford Liaison	-170	170	0
20. Contaminated Sediments	-362	362	0
21. Salmon Recovery Monitoring	-182	0	-182
22. Stormwater Phase 2	-600	600	0
23. SEPA Technical Assistance	-150	0	-150
24. Shoreline Management	-180	0	-180
25. Permit Assistance Center #	-580	0	-580
26. Septic Management Strategy	0	175	175
27. Water Strategy 2002 Legislation #	500	250	750
Total Policy Changes	-17,851	12,202	-5,649
2001-03 Revised Appropriations	73,263	247,424	320,687

*Comments:*

**1. U.S. v. Washington (State Culverts)** - Funding is provided for legal costs associated with U.S. v. Washington (State Culverts). The trial is anticipated in June and will address the impact of fish passage barriers on fish destined for the Tribes' usual and accustomed fishing grounds. (General Fund-State, Water Quality Permit Account, Water Quality Account)

**2. Agricultural Burning Costs** - Funding is provided to complete a health assessment to quantify human health impacts from cereal grain burning, improve ambient monitoring and smoke management, and carry out other tasks outlined in a recent settlement agreement. (Air Pollution Control Account)

**3. Administrative Reduction** - Savings are achieved through administrative efficiencies including reducing internal service fund agencies, use of electronic fund transfers, and the lease or purchase option for equipment.

**4. Drought Response Reduction** - A total of \$5 million was transferred from the Emergency Reserve Account to the State Drought Preparedness Account in the current biennial budget to respond to drought conditions. Expenditures from this account in FY 2002 have been lower than anticipated, allowing the unexpended balance from the State Drought Preparedness Account to be transferred back into the state general fund. (State Drought Preparedness Account)

## 2001-03 Revised Omnibus Operating Budget (2002 Supp) Department of Ecology

- 5. Stream Gauging Fund Shift** - Funding for enhanced streamflow monitoring activities are shifted from the state general fund to the State Drought Preparedness Account and the Salmon Recovery Account. (General Fund-State, State Drought Preparedness Account, Salmon Recovery Account)
- 6. Wetland Mitigation Banking** - Funding and staff are reduced for the wetlands mitigation banking program at the Department affecting the amount of staff time available for technical assistance.
- 7. Reduce Auto Emission Program** - Funding is reduced for the auto emission check program to align expenditures with projected revenues. This program is required by statute to be self-supporting.
- 8. Air Quality Program** - Funding is reduced for staff in the Air Quality Program affecting technical assistance, rulemaking, public outreach and education efforts.
- 9. Aquatic Pesticides Shift to Fees** - Funding related to aquatic pesticides permitting are shifted from the state general fund to the Water Quality Permit Account. (General Fund-State, Water Quality Permit Account)
- 10. Limit Rescue Tug to 200 Days** - Funding is reduced for the contract for the Neah Bay rescue tug. As a result, the number of days under contract will be reduced from 222 to 200 days during FY 2002. Contingency funding for emergency preventative tug contracting in Puget Sound is also eliminated.
- 11. Ground Water Data System** - Funding is provided to update the Department's ground water data system to track and manage well drilling information. The new system will be available to outside users and will be updated to provide data on water wells (location, driller licensing, unique well number, size, etc.) via the Internet. Updating and modernizing the Well Drilling Information System will assist local watershed planning units, local governments, and Ecology in managing water resources. (Reclamation Account)
- 12. Water Quality Certifications** - Funding for water quality certifications is shifted from the state general fund to the Water Quality Account. (General Fund State, Water Quality Account)
- 13. Litter Prevention Campaign** - Funding is provided for an interagency agreement with the Department of Natural Resources (\$500,000) and counties (\$250,000) to utilize corrections crews to increase litter pickup activities. (Waste Reduction, Recycling and Litter Control Account)
- 14. Loan Tracking System** - Funding is provided for development of an automated loan tracking system to track and administer water quality grants and loans issued to local governments. This new system will support long-term loan account administration, revenue tracking and forecasting, and loan activity reporting and analysis. (Water Pollution Control Revolving Account)
- 15. Neah Bay Rescue Tug** - Funding is provided for a dedicated rescue tug stationed at Neah Bay. The existing contract for the rescue tug will be extended to provide tug services to respond to vessel emergencies. (Oil Spill Prevention Account, State Toxics Account)
- 16. Watershed Grants & Assistance** - Funding for watershed planning grants and technical assistance staff is shifted from the state general fund to the Water Quality Account. Grant funding and staff are reduced by approximately 25 percent. The Department may apply for grant funding for instream flows from the Salmon Recovery Funding Board in watersheds where flows are a limiting factor for salmon. (General Fund-State, Water Quality Account)
- 17. Salmon Recovery Office** - Funding and staff in the Department of Ecology that supports the Governor's Salmon Recovery Office is eliminated. Staff from the Department will continue to implement the Statewide Strategy to Recover Salmon.
- 18. Forest Management** - Funding for Department of Ecology staff to monitor water quality on United States Forest Service (USFS) lands is eliminated. It is assumed that the USFS will comply with existing federal and state laws regarding water quality under the Federal Clean Water Act.
- 19. Hanford Liaison** - Funding for a congressional liaison for Hanford will be shifted from the state general fund to the State Toxics Control Account (General Fund State, State Toxics Control Account)
- 20. Contaminated Sediments** - Funding for contaminated sediments activities will be shifted from the state general fund to the State Toxics Control Account (General Fund State, State Toxics Control Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Department of Ecology**

- 21. Salmon Recovery Monitoring** - Funding for salmon recovery monitoring is shifted from the state general fund to the Salmon Recovery Funding Board.
- 22. Stormwater Phase 2** - Funding for Phase Two of stormwater management is shifted from the state general fund to the State Toxics Control Account. (General Fund State, State Toxics Control Account)
- 23. SEPA Technical Assistance** - Funding and staff are reduced in the State Environmental Policy Act program, impacting the amount of staff time available for technical assistance and streamlining efforts.
- 24. Shoreline Management** - Funding and staff are reduced in the Shorelines Management program limiting the amount of staff time available for technical assistance and permit review.
- 25. Permit Assistance Center #** - Funding and staff are transferred from the Department of Ecology's Permit Assistance Center to the Office of the Governor pursuant to Engrossed Second Substitute House Bill 2671 (Permit Assistance Center).
- 26. Septic Management Strategy** - Funding is provided for a stakeholder advisory committee to develop a statewide septic strategy. This strategy will address septic permit requirements, changes to existing rules, clarification of state and local responsibilities, technical assistance needs, and fee structure changes that are necessary to support the program in future biennia. (Biosolids Permit Account)
- 27. Water Strategy 2002 Legislation #** - Funding is provided to implement House Bill 2993 (Water Policy) to establish instream flows and implement conservation and reuse measures. If the bill is not enacted by June 30, 2002, funding for this item will lapse.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**State Parks and Recreation Comm**  
(Dollars in Thousands)

	GF-S	House Proposed Other	Total
2001-03 Original Appropriations	65,164	35,475	100,639
<b>2002 Policy Changes:</b>			
1. San Juan Island Parks	157	68	225
2. Reservation System Savings	-105	0	-105
3. U.S. v. Washington (State Culverts)	22	0	22
4. Parks Maintenance	-500	0	-500
5. Forest Road Inventory	-200	200	0
6. Increased Revenue Options	0	3,000	3,000
7. Sno-Park Compliance	0	-2	-2
8. Better Financial Information	0	115	115
9. Computer Compatibility	0	90	90
10. Efficiencies and Savings	-30	0	-30
11. Temporary Park Closure	-2,230	0	-2,230
12. Non-motorized Winter Recreation	0	300	300
Total Policy Changes	-2,886	3,771	885
2001-03 Revised Appropriations	62,278	39,246	101,524

*Comments:*

**1. San Juan Island Parks** - Funding is provided for management of three State Parks facilities in the San Juan Islands managed under an agreement with the Department of Natural Resources (DNR). In addition, funding is provided for State Parks to keep open four sites the DNR will no longer manage. (General Fund-State, Parks Renewal and Stewardship Account)

**2. Reservation System Savings** - Funding is reduced due to savings realized with changing vendors for State Parks' on-line reservation system.

**3. U.S. v. Washington (State Culverts)** - Funding is provided for legal costs associated with the United States v. Washington (State Culverts) case. Agencies involved in the case include the departments of Transportation, Natural Resources, Fish and Wildlife, Ecology, and the Washington State Parks and Recreation Commission.

**4. Parks Maintenance** - Funding for parks maintenance is reduced to address the decline in state General Fund revenue.

**5. Forest Road Inventory** - Funding is shifted from the state General Fund to the Salmon Recovery Account for the forest road inventory project. This project evaluates, surveys and maps all forest roads on state park lands to determine future actions needed to protect salmon and water quality. (General Fund-State, Salmon Recovery Account)

**6. Increased Revenue Options** - Additional spending authority is provided to support increased enterprise and revenue generating opportunities implemented by the Parks Commission. (Parks Renewal and Stewardship Account)

**7. Sno-Park Compliance** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**8. Better Financial Information** - Funding is provided for costs associated with obtaining financial data. Increased utilization of accounting systems to capture this data is resulting in higher costs for data storage. (Parks Renewal and Stewardship Account)

**9. Computer Compatibility** - Funding is provided to contract with the Department of Information Services to upgrade the current computer systems and manage future computer needs. (Parks Renewal and Stewardship Account)

**10. Efficiencies and Savings** - Savings are achieved through administrative efficiencies including reducing internal service fund agencies, use of electronic fund transfers, and the lease or purchase option for equipment.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**State Parks and Recreation Comm**

**11. Temporary Park Closure** - Cost savings generated by the Parks and Recreation Commission will be utilized to offset reduced state general fund support caused by declining state revenues. The Commission may consider closing parks and reducing funding provided for maintenance, park operations, or other measures to achieve state general fund savings.

**12. Non-motorized Winter Recreation** - Funding is provided for increased grooming and snow removal at snow park facilities. Due to the favorable winter season, the Winter Recreation Account has received increased revenues to pay for these enhanced levels of service. (Winter Recreation Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**State Conservation Commission**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	4,403	3,739	8,142
<b>2002 Policy Changes:</b>			
1. CREP Technical Assistance	-100	0	-100
2. Efficiencies and Savings	-10	0	-10
3. Limiting Factors Analysis	0	-1,601	-1,601
Total Policy Changes	-110	-1,601	-1,711
2001-03 Revised Appropriations	4,293	2,138	6,431

*Comments:*

**1. CREP Technical Assistance** - Funding for technical assistance for the Conservation Reserve Enhancement Program (CREP) is reduced. These grants enable conservation districts to provide technical assistance to landowners participating in long-term leases to reestablish and improve riparian habitat along salmon bearing streams.

**2. Efficiencies and Savings** - Savings are achieved through administrative efficiencies including reducing internal service fund agencies, use of electronic fund transfers, and the lease or purchase option for equipment.

**3. Limiting Factors Analysis** - Funding for limiting factors analysis is shifted from the state general fund to the Salmon Recovery Funding Board. (Water Quality Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Dept of Fish and Wildlife**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	102,362	194,275	296,637
Total Maintenance Changes	72	60	132
<b>2002 Policy Changes:</b>			
1. Cooperative Projects Reduction	0	-961	-961
2. Administrative Program Savings	-1,444	382	-1,062
3. Enforcement Reductions and Savings	-822	0	-822
4. Hatchery and Production Elimination	-205	0	-205
5. Print Shop Elimination	-280	0	-280
6. Resource Program Reductions	-512	0	-512
7. Public Safety and Education Account	0	-22	-22
8. Salmon Recovery Reallocation	-1,612	1,612	0
9. Puget Sound Action Plan Reductions	-287	0	-287
10. Resource Program Fund Shifts	-1,064	1,064	0
11. U.S. v. Washington (Culverts)	111	0	111
12. Enforcement Staff Settlement	200	200	400
13. Critical Wildlife Disease Testing	0	180	180
14. Lake Whatcom Kokanee	0	200	200
15. Emergency Fire Costs	0	148	148
16. Regional Fisheries Enhancement	0	429	429
17. Governor's Salmon Team	-173	0	-173
18. Pacific Salmon Treaty State Match	750	0	750
19. Regional Salmon Recovery Planning	0	-1,000	-1,000
20. Green Crab Monitoring	-142	0	-142
21. Aquatic Weed Management	-100	0	-100
22. SSHEAR Construction	-250	0	-250
23. Priority Habitat and Species	-80	0	-80
24. Marine Bird and Mammal Monitoring	-168	0	-168
25. Fish Contaminant Monitoring	-392	0	-392
26. Wildlife Fund Shift	-143	143	0
27. Coordinate Salmon Recovery Grants	-3,250	0	-3,250
28. Salmon Recovery Monitoring	-1,100	0	-1,100
29. Construction Crew Consolidation	-250	0	-250
Total Policy Changes	-11,213	2,375	-8,838
2001-03 Revised Appropriations	91,221	196,710	287,931

*Comments:*

**1. Cooperative Projects Reduction** - Funding is reduced in the Aquatic Lands Enhancement Account due to declining revenues. Reductions impact technical assistance for volunteer cooperative fish and game projects, and shellfish management and education. (Aquatic Lands Enhancement Account-State)

**2. Administrative Program Savings** - Funding is reduced for administrative programs to achieve state general fund savings. The Legislative and External Affairs program as well as positions in the Intergovernmental Policy Unit will be restructured. Funding for habitat and recreational lands leased from the Department of Natural Resources are shifted to the State Wildlife Account. The Department will eliminate the third of three mailings that encourages anglers to return catch record cards. Closer management of Attorney General time and expenses will be utilized to achieve savings. One-time savings are accrued from holding vacancies for two customer service positions in regional offices. (General Fund-State, General Fund-Federal, State Wildlife Account-State)

## 2001-03 Revised Omnibus Operating Budget (2002 Supp)

### Dept of Fish and Wildlife

**3. Enforcement Reductions and Savings** - Funding is reduced for Fish and Wildlife enforcement staff. One permanent position will be eliminated and vacancies within the Department's Enforcement program will remain unfilled until the start of the 2003-05 biennium.

**4. Hatchery and Production Elimination** - Funding is eliminated for hatchery operations at McAllister Creek. Savings to the Puget Sound Recreational Enhancement Account as a result of closing McAllister Creek hatchery must be used to increase production for recreational fishers elsewhere in Puget Sound under the Puget Sound Recreational Enhancement Program.

**5. Print Shop Elimination** - Funding is reduced for infrastructure savings resulting from the closure of the Department's graphics and print shop as well as a reduction of information systems expenditures. Information systems will defer the purchase of equipment and/or delay the purchase of contracted services that may include network monitoring, document scanning, network and database file servers, migration of legacy data, and migration to Microsoft Office.

**6. Resource Program Reductions** - Funding is reduced for resource programs including elimination of the Regional Lands Manager for Region 2 through consolidation of regional management within Regions 2 and 3. Half of an FTE position that provides public information will also be eliminated. Departmental property management will be reduced on agency lands. Coordination efforts with county and local fire districts will also be limited. Pilot projects relating to fish screen, fishway, and fish passage barrier assessments for landowners seeking Endangered Species Act (ESA) cooperative compliance agreements will be reduced from four to three. One-half FTE position relating to shellfish policy coordination, development and policy analysis and one-half FTE position relating to shellfish and salmon fishery management will be eliminated. A support position related to steelhead data management will also be reduced.

**7. Public Safety and Education Account** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**8. Salmon Recovery Reallocation** - Funding for one-time activities supporting salmon recovery will be shifted from the state general fund to the Salmon Recovery Account. Activities shifted include Forest Roads Management Plans, Pacific Salmon Coastal License Buyback and the Lower Skykomish Habitat Conservation Plan. (General Fund-State, Salmon Recovery Account)

**9. Puget Sound Action Plan Reductions** - Funding is reduced for data collection, contaminant monitoring and technical assistance activities for the Puget Sound Water Quality Action Plan. Puget Sound groundfish recovery surveys will be eliminated. Annual contaminant monitoring of marine fish will be replaced by biennial monitoring and two positions supporting soundwide and local technical assistance will be eliminated.

**10. Resource Program Fund Shifts** - Funding for resource program activities are shifted from the state general fund to the Wildlife Account and federal funds. State funding for Dusky Goose hunting will be eliminated and substituted with federal funding. Resident native non-game fish management and stock assessment activities will be shifted to a federal funding source for one year. ESA take permits for activities related to federal hatcheries, fisheries, and research activities will be shifted from the state general fund to federal funding sources available for one year. Partial Habitat program funding as well as a resident game fish manager is shifted from the state general fund to the State Wildlife Account. (General Fund-Federal, State Wildlife Account-State)

**11. U.S. v. Washington (Culverts)** - Funding is provided for legal costs associated with U.S. v. Washington (State Culverts). The trial is anticipated in June and will address the impact of fish passage barriers on fish destined for the Tribes' usual and accustomed fishing grounds.

**12. Enforcement Staff Settlement** - Funding is provided for overtime back pay awarded to enforcement staff. During the 1997-99 biennium, the Department eliminated overtime compensation for the Enforcement program as part of the response to declining revenues. The Sergeant's Union filed and won their grievance with the Department and was awarded overtime back pay. (General Fund-State, State Wildlife Account-State)

**13. Critical Wildlife Disease Testing** - Funding is provided to study and implement steps to control chronic wasting disease. Chronic wasting disease may impact deer and elk, and has affected trumpeter swan populations in Washington. (State Wildlife Account-State)

**14. Lake Whatcom Kokanee** - Funding is provided for a feasibility study to move the Lake Whatcom kokanee brood program to an alternative location. Restoration of anadromous fish passage will contaminate the water supply for the kokanee program and requires the department to secure a new location. (State Wildlife Account-State)

## 2001-03 Revised Omnibus Operating Budget (2002 Supp) Dept of Fish and Wildlife

**15. Emergency Fire Costs** - Funding is provided for fire suppression costs from the 2001 summer wildfires in Eastern Washington. Because of the resulting loss of habitat, the Department will establish emergency winter feeding stations that will prevent deer from causing damage to private crops. Restoration activities on agency lands will also be conducted to prevent erosion, restore native vegetation, reduce the spread of noxious weeds and reduce sediment from washing into fish-bearing streams. (Disaster Response Account, State Wildlife Account-State)

**16. Regional Fisheries Enhancement** - Funding is provided for the Puget Sound Recreational Enhancement Program and the Regional Fishery Enhancement Program for salmon research, increased natural and artificial production, and projects to improve habitat. (Regional Fisheries Enhancement Group Account-Nonappropriated, Regional Fisheries Enhancement Salmonid Recovery Account)

**17. Governor's Salmon Team** - Funding and staff to support the Governor's salmon recovery office are eliminated. Staff from the Department will continue to implement the Statewide Strategy to Recover Salmon.

**18. Pacific Salmon Treaty State Match** - Funding is provided as a state match to federal funding to implement the Pacific Salmon Treaty. Funds will be used to continue the commercial license buyback program.

**19. Regional Salmon Recovery Planning** - Funding for regional salmon recovery planning is transferred to the Salmon Recovery Funding Board to be matched with federal funds. (Water Quality Account)

**20. Green Crab Monitoring** - Funding is reduced for green crab monitoring, impacting monitoring activities in southwest Washington.

**21. Aquatic Weed Management** - Funding is reduced for aquatic weed management activities including spartina control in Willapa Bay and Padilla Bay. Aquatic weed control on department lands will not be impacted.

**22. SSHEAR Construction** - Funding is reduced for habitat construction projects to limit competition between department construction crews and private contractors performing projects on non-department lands.

**23. Priority Habitat and Species** - Funding is reduced for the Priority Habitat and Species program impacting staff time available to disseminate information and update department databases.

**24. Marine Bird and Mammal Monitoring** - Funding is reduced for monitoring the abundance and distribution of marine birds and mammals.

**25. Fish Contaminant Monitoring** - Funding is eliminated for fish contaminant monitoring in Puget Sound.

**26. Wildlife Fund Shift** - Funding for department activities are shifted from the state general fund to the Wildlife Fund.

**27. Coordinate Salmon Recovery Grants** - Funding for lead entities is shifted from the state general fund to the Salmon Recovery Funding Board.

**28. Salmon Recovery Monitoring** - Funding for salmon recovery monitoring is shifted from the state general fund to the Salmon Recovery Funding Board.

**29. Construction Crew Consolidation** - Funding is reduced due to efficiencies in consolidating the Habitat Engineering and Construction crews, Hatcheries Maintenance crew, and the Business Services Construction crews.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Department of Natural Resources**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	72,975	210,241	283,216
<b>2002 Policy Changes:</b>			
1. Thea Foss Waterway Settlement	0	1,865	1,865
2. Natural Resource Conservation Areas	-175	175	0
3. Agricultural College Trust Lands	-541	0	-541
4. U.S. v. Washington (State Culverts)	0	310	310
5. Surface Mining Reclamation	0	-133	-133
6. Efficiencies and Savings	-800	0	-800
7. Natural Areas Management	-275	0	-275
8. Enforcement on DNR Lands	-250	0	-250
9. Marina Rent Study	50	50	100
10. Contract Harvesting	0	1,000	1,000
11. Regulatory Technical Assistance	-138	0	-138
12. Forest Practices	-900	0	-900
13. Derelict Vessel Removal	0	89	89
14. Fire Suppression	0	7,496	7,496
15. Correctional Camps Funding	660	600	1,260
16. Trust Land Management	0	-10,000	-10,000
17. Aquatic Lands Enhancement Account	0	-535	-535
Total Policy Changes	-2,369	917	-1,452
2001-03 Revised Appropriations	70,606	211,158	281,764

*Comments:*

**1. Thea Foss Waterway Settlement** - Funding is provided for Superfund cleanup costs for the Thea Foss Waterway in Tacoma. The Department of Natural Resources will partially resolve its Superfund liability through this payment. (State Toxics Control Account)

**2. Natural Resource Conservation Areas** - Funding for educational programs and maintenance activities for natural resource conservation areas is shifted from the state general fund to the Natural Resources Conservation Areas Stewardship Account. (General Fund-State, Natural Resources Conservation Areas Stewardship Account)

**3. Agricultural College Trust Lands** - Funding from the state general fund for management of Agricultural College trust lands is reduced, and the existing fund balance remaining in the Agricultural Trust Land Management Account will be used to manage these lands.

**4. U.S. v. Washington (State Culverts)** - Funding is provided for legal costs associated with U.S. v. Washington (State Culverts). The trial is anticipated in June and will address the impact of fish passage barriers on fish destined for the Tribes' usual and accustomed fishing grounds. (Forest Development Account, Resource Management Cost Account)

**5. Surface Mining Reclamation** - Funding is reduced due to a decrease in revenue from surface mining permits. The reduction will impact the Department's surface mining compliance activities. (Surface Mine Reclamation Account)

**6. Efficiencies and Savings** - Savings are achieved through administrative efficiencies including reducing internal service fund agencies, use of electronic fund transfers, and the lease or purchase option for equipment.

**7. Natural Areas Management** - Funding is reduced for natural areas management impacting the number of educational programs at natural area preserves and natural resource conservation areas.

## **2001-03 Revised Omnibus Operating Budget (2002 Supp)**

### **Department of Natural Resources**

**8. Enforcement on DNR Lands** - Funding is reduced for enforcement staff working on Department lands. An interagency agreement shall be negotiated with the Washington State Department of Fish and Wildlife to continue enforcement work on department lands.

**9. Marina Rent Study** - Funding is provided for a study of marina lease rents to produce an objective, comprehensive analysis of possible alternative approaches for calculating marina rents. (General Fund State, Resource Management Cost Account Aquatics)

**10. Contract Harvesting** - Funding is provided to implement Substitute Senate Bill 6257 (Contract Harvesting/Timber). Funds from the Forest Development Account and the Resource Management Cost Account are transferred to the newly created Contract Harvesting Account. (Resource Management Cost Account, Forest Development Account, Contract Harvest Revolving Account).

**11. Regulatory Technical Assistance** - Funding is reduced for regulatory technical assistance, postponing development of the certification function of the small forest landowners office. Funding is retained for the acquisition of riparian easements, the development of alternative plans and development of the small forest landowner data base.

**12. Forest Practices** - Funding is reduced for forest practices, delaying the reasonable use rule and deferring equipment purchases and work on the wetlands database.

**13. Derelict Vessel Removal** - Funding is provided for the Department of Natural Resources' costs associated with implementation of SHB 2376 (Derelict vessels). (Derelict Vessels Removal Account)

**14. Fire Suppression** - Funding is provided for costs incurred in the 2001 fire season. Because of 20 large fires in July and August of 2001, the Department experienced higher than normal fire suppression expenditures for the first fiscal year of this biennium. The Department anticipates receiving \$5.9 million in Federal Emergency Management Assistance for nine of these fires. (General Fund-Federal)

**15. Correctional Camps Funding** - Funding is provided for correctional camp supervisors at the Department of Natural Resources. In addition to these funds, the Department shall receive funds through an interagency agreement with the Department of Ecology for increased levels of litter pickup. (General Fund Local, Forest Development Account)

**16. Trust Land Management** - Funding is reduced for activities supported by the Resource Management Account and the Forest Development Account. The Department projects a revenue decrease caused by a decline in timber sales. Trust land management activities reduced include a reduction in agency administration and silvicultural thinning activities. (Resource Management Cost Account, Forest Development Account)

**17. Aquatic Lands Enhancement Account** - Funding is reduced due to a projected revenue decrease in the Aquatic Lands Enhancement Account. The Department will not hire one of the three public use enforcement staff funded in the 2001-03 budget and will reduce agency overhead expenses for the Aquatic Lands Enhancement grant program to address the revenue shortfall. (Aquatic Lands Enhancement Account-State)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Department of Agriculture**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	16,189	72,873	89,062
<b>2002 Policy Changes:</b>			
1. Fruit and Veg Inspection Account #	0	0	0
2. International Marketing	-375	0	-375
3. Efficiencies and Savings	-240	0	-240
4. Microbiological Data Program	0	360	360
5. Citrus Longhorned Beetle	0	1,500	1,500
6. Pesticide Surface Water Monitoring	0	490	490
Total Policy Changes	-615	2,350	1,735
2001-03 Revised Appropriations	15,574	75,223	90,797

*Comments:*

**1. Fruit and Veg Inspection Account #** - Funding is provided to implement Substitute House Bill 2290 (Fruit and Vegetable Account). Currently, revenue from fruit and vegetable inspections are deposited into one of three district bank accounts. The bill would move the deposit of program revenues from local district accounts to a new Fruit and Vegetable Inspection Account in the State Treasury that would be managed by the Department of Agriculture. (Agricultural Local Account-Nonappropriated, Horticultural Districts Account-Nonappropriated, Fruit & Vegetable Inspection Account)

**2. International Marketing** - Funding is reduced for international marketing activities, including the promotion of Washington agricultural products and addressing trade barriers. The availability of additional emergency federal funding reduces the need for state funds.

**3. Efficiencies and Savings** - Savings are achieved through administrative efficiencies including reducing internal service fund agencies, use of electronic fund transfers, and the lease or purchase option for equipment.

**4. Microbiological Data Program** - Funding is provided to collect data on pathogens and indicator organisms in food to be used by state and federal agencies for policy making, regulatory, and educational purposes. (General Fund Federal)

**5. Citrus Longhorned Beetle** - Funding is provided to survey for citrus longhorned beetle in Washington. In August 2001, imported maple trees at a Tukwila nursery were found to be infested with the Citrus Longhorned Beetle, a tree killing pest not known to occur in the United States. The Department of Agriculture will survey for infestation beginning in the fall of 2001 and treat or remove suspect trees during the winter and spring of 2002. (General Fund-Federal)

**6. Pesticide Surface Water Monitoring** - Funding is provided to contract with the United States Geological Survey and/or the Department of Ecology to sample and analyze surface waters for pesticide residues. Surface water sampling will be completed in basins that represent the various agricultural cropping patterns in Washington State and provide habitat for salmon. (State Toxics Control Account, General Fund Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Washington State Patrol**  
(Dollars in Thousands)

	GF-S	House Proposed Other	Total
2001-03 Original Appropriations	29,956	39,973	69,929
Total Maintenance Changes	0	0	0
<b>2002 Policy Changes:</b>			
1. Public Safety and Education Account	0	-280	-280
2. Criminal History System Update	0	245	245
3. Disposition Backlog Elimination	0	538	538
4. Forensic Lab Improvements	200	1,685	1,885
5. FBI Records Reconciliation	0	53	53
6. Live-Scan/AFIS Support	0	296	296
7. Efficiencies and Savings	-456	0	-456
Total Policy Changes	-256	2,537	2,281
2001-03 Revised Appropriations	29,700	42,510	72,210

*Comments:*

**1. Public Safety and Education Account** - Declining revenues projected by the Economic and Revenue Forecast Council in February 2002 for the Public Safety and Education Account (PSEA) require a reduction to expenditures in order to balance the account. (Public Safety and Education Account)

**2. Criminal History System Update** - During the 1999-01 biennium, work was completed on the rewrite of the Washington State Identification System and the Washington Crime Information Center, now known as "W2." Funding is provided to support W2 system upgrades and changes to keep W2 current with local needs and to conform with federally mandated programming changes. This funding from the Fingerprint Identification Account shall only be spent if there are sufficient funds in the account. (Fingerprint Identification Account)

**3. Disposition Backlog Elimination** - One-time funding is provided to continue the criminal history backlog elimination project. This project, originally funded in the 2001-03 biennial budget, will eliminate court dispositions and address fingerprint card processing backlogs at the Washington State Patrol's (WSP) Identification Section. This funding will allow the WSP to fully eliminate the backlog. (Fingerprint Identification Account)

**4. Forensic Lab Improvements** - Funding is provided for the delivery of forensic services to Washington law enforcement agencies, cities, and counties, including expanding DNA databanking to additional convicted felons. Additionally, funding is provided for SHB 2468 (offender DNA database) which expands DNA databanking to additional felony offenders and certain misdemeanants. Funding for increases beyond these levels is subject to appropriation in future budgets. (General Fund-State, Death Investigations Account, County Criminal Assistance Account, Municipal Criminal Assistance Account, State Seizure Account, Federal Seizure Account)

**5. FBI Records Reconciliation** - The Washington State Identification System automatically transmits criminal history information to the Federal Bureau of Investigation (FBI) Interstate Identification Index (III). For a number of reasons, the information does not always match, prompting an FBI produced variance report. The variance reports are checked at the state repository and corrections are made to synchronize the systems. The FBI requires this record reconciliation now and for future participation in national efforts, such as the National Fingerprint File. Funds are provided to replace expired federal grants for FBI III records reconciliation. (Fingerprint Identification Account)

**6. Live-Scan/AFIS Support** - In partnership with local agencies, the Washington State Patrol (WSP) is implementing live-scan fingerprint technology throughout the state. As this technology is fully implemented, local law enforcement agencies will be able to electronically deliver fingerprints to the WSP's Automated Fingerprint Identification System (AFIS) while suspects are still in custody. The AFIS will then be able to search fingerprints in its database and return search results back to local agencies in a matter of minutes. (Fingerprint Identification Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Washington State Patrol**

**7. Efficiencies and Savings** - Funding for administration is reduced due to staffing underexpenditures in FY 2002, and by three percent of the support services bureau allotment in FY 2003.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Department of Licensing**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	10,766	23,799	34,565
Total Maintenance Changes	-51	-258	-309
<b>2002 Policy Changes:</b>			
1. Telephone Solicitation	0	148	148
2. Efficiencies & Savings	-82	0	-82
Total Policy Changes	-82	148	66
2001-03 Revised Appropriations	10,633	23,689	34,322

*Comments:*

**1. Telephone Solicitation** - Funding is provided to implement Substitute House Bill 2611 (no call list) which requires the Department of Licensing to establish a "do not call" list for those who do not wish to receive commercial telephone solicitations. The Department must also establish an annual fee charged to registered commercial telephone solicitors. Revenues from these annual fees are to support the program. This funding lapses if SHB 2611 is not enacted by June 30, 2002. (Commercial Telephone Solicitation Account - Nonappropriated)

**2. Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**OSPI & Statewide Programs**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	61,304	238,025	299,329
Total Maintenance Changes	62	-97,329	-97,267
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-500	0	-500
2. Complex Needs	-1,075	0	-1,075
3. Educational Centers	-1,349	0	-1,349
4. Local Effort Assistance Task Force	49	0	49
Total Policy Changes	-2,875	0	-2,875
2001-03 Revised Appropriations	58,491	140,696	199,187

*Comments:*

- 1. Efficiencies and Savings** - A 5 percent reduction is taken in the office administrative budget.
- 2. Complex Needs** - State funding for complex needs is eliminated.
- 3. Educational Centers** - State funding for education centers is eliminated.
- 4. Local Effort Assistance Task Force** - One-time funding is provided to support the work of the Local Effort Assistance Task Force created by House Bill 3011 (local effort assistance).

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**General Apportionment**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	7,512,176	0	7,512,176
Total Maintenance Changes	78,318	0	78,318
<b>2002 Policy Changes:</b>			
1. Pension Rate Change	-43,947	0	-43,947
2. Summer Voc	-2,098	0	-2,098
3. Better Schools	-36,046	0	-36,046
Total Policy Changes	-82,091	0	-82,091
2001-03 Revised Appropriations	7,508,403	0	7,508,403

*Comments:*

**1. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with House Bill 2782 (actuarial experience study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rates is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.

**2. Summer Voc** - Funding for summer vocational education programs is eliminated in FY 2003.

**3. Better Schools** - The staffing ratio for grades kindergarten through fourth is reduced by 2.2 certificated instructional staff per 1,000 students beginning with the 2002-03 school year.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Pupil Transportation**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	387,491	0	387,491
Total Maintenance Changes	-1,212	0	-1,212
<b>2002 Policy Changes:</b>			
1. Pension Rate Change	<u>-560</u>	<u>0</u>	<u>-560</u>
Total Policy Changes	-560	0	-560
2001-03 Revised Appropriations	385,719	0	385,719

*Comments:*

**1. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with House Bill 2782 (actuarial experience study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rates is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Special Education**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	839,908	256,092	1,096,000
Total Maintenance Changes	13,779	-10,900	2,879
<b>2002 Policy Changes:</b>			
1. Pension Rate Change	-4,895	0	-4,895
2. Safety Net - Use Fed Funds	-10,900	10,900	0
3. Special Ed Enrollment Maximum	-4,159	0	-4,159
Total Policy Changes	-19,954	10,900	-9,054
2001-03 Revised Appropriations	833,733	256,092	1,089,825

*Comments:*

**1. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with House Bill 2782 (actuarial experience study), which implements the 1995-2000 experience study and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rates is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.

**2. Safety Net - Use Fed Funds** - The federal special education allocation to Washington will increase by \$24 million for the 2002-03 school year. A portion of the increase will fund part of the special education safety net in the 2002-03 school year. (General Fund-State, General Fund-Federal)

**3. Special Ed Enrollment Maximum** - The original budget for the 2001-03 biennium changed the enrollment maximum in the special education program beginning in the 2002-03 school year from the current 12.7 percent of total enrollment to 13 percent of total enrollment. Maximum enrollment will remain at 12.7 percent. In addition, safety net funding in the 2001-02 school year is reduced by \$2.6 million. Safety net awards in the 2001-02 school year, currently funded at \$12 million, are not expected to exceed \$9.4 million.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Traffic Safety Education**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	6,183	0	6,183
Total Maintenance Changes	377	0	377
<b>2002 Policy Changes:</b>			
1. Traffic Safety Ed Allocation	<u>-2,030</u>	<u>0</u>	<u>-2,030</u>
Total Policy Changes	-2,030	0	-2,030
2001-03 Revised Appropriations	4,530	0	4,530

*Comments:*

**1. Traffic Safety Ed Allocation** - The remaining state subsidy for traffic safety education is eliminated beginning with the 2002-03 school year.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Educational Service Districts**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	9,536	0	9,536
<b>2002 Policy Changes:</b>			
1. Pension Rate Change	-47	0	-47
Total Policy Changes	-47	0	-47
2001-03 Revised Appropriations	9,489	0	9,489

*Comments:*

**1. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with House Bill 2782 (actuarial experience study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rates is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Levy Equalization**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	284,644	0	284,644
Total Maintenance Changes	12,691	0	12,691
<b>2002 Policy Changes:</b>			
1. Levy Equalization Policy	<u>-1,472</u>	<u>0</u>	<u>-1,472</u>
Total Policy Changes	-1,472	0	-1,472
2001-03 Revised Appropriations	295,863	0	295,863

*Comments:*

**1. Levy Equalization Policy** - The per pupil inflator is changed from 3.3 percent to 2.9 percent to reflect the change in per pupil spending in the 2002 supplemental budget. The change in per pupil expenditures is calculated using General Fund-State, General Fund-Federal, and Student Achievement Fund appropriations in FY 2002 and FY 2003. In addition, calendar year 2003 levy equalization allocations are reduced 1 percent as authorized by House Bill 3011 (local effort assistance).

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Elementary/Secondary School Improv**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	288,166	288,166
Total Maintenance Changes	0	-86,429	-86,429
2001-03 Revised Appropriations	0	201,737	201,737

*Comments:*

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Institutional Education**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	38,248	8,548	46,796
Total Maintenance Changes	-231	0	-231
<b>2002 Policy Changes:</b>			
1. Pension Rate Change	<u>-233</u>	<u>0</u>	<u>-233</u>
Total Policy Changes	-233	0	-233
2001-03 Revised Appropriations	37,784	8,548	46,332

*Comments:*

**1. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with House Bill 2782 (actuarial experience study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rates is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Ed of Highly Capable Students**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	12,840	0	12,840
Total Maintenance Changes	119	0	119
<b>2002 Policy Changes:</b>			
1. Pension Rate Change	<u>-76</u>	<u>0</u>	<u>-76</u>
Total Policy Changes	-76	0	-76
2001-03 Revised Appropriations	12,883	0	12,883

*Comments:*

**1. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with House Bill 2782 (actuarial experience study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rates is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Student Achievement Program**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	393,300	393,300
Total Maintenance Changes	0	-2,151	-2,151
2001-03 Revised Appropriations	0	391,149	391,149

*Comments:*

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Education Reform**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	72,245	3,233	75,478
Total Maintenance Changes	-48	3,858	3,810
<b>2002 Policy Changes:</b>			
1. Assessment System Funding	-1,000	7,427	6,427
2. Reading Corps	-3,829	0	-3,829
3. Helping Corps	-1,828	0	-1,828
4. Education Technology Centers	-2,025	0	-2,025
5. Improving Teacher Quality	0	46,553	46,553
Total Policy Changes	-8,682	53,980	45,298
2001-03 Revised Appropriations	63,515	61,071	124,586

*Comments:*

**1. Assessment System Funding** - An assumption was made in the 2001-03 biennial budget that the state would receive \$1 million in federal funds for assessments in FY 2002 and \$2 million in FY 2003. Because the state did not receive federal assessment funding for FY 2002, \$1 million in General Fund-State is provided. For FY 2003, the state will receive \$7.4 million in federal funds to implement the assessment provisions of the federal "No Child Left Behind Act." The state will use \$4 million of this funding in FY 2003 to improve state assessments. (General Fund-State, General Fund-Federal)

**2. Reading Corps** - Funding for the Reading Corps is eliminated in FY 2003.

**3. Helping Corps** - Funding for the Math Helping Corps is eliminated in FY 2003.

**4. Education Technology Centers** - Funding for Education Technology Centers is eliminated in FY 2003.

**5. Improving Teacher Quality** - The recently enacted "No Child Left Behind Act" will provide \$46.6 million in federal funds allocated to school districts for improving teacher quality in the 2002-03 school year. Permissible uses of the funds include: Class size reduction in early grades; programs to assist schools in retaining and recruiting teachers; professional development activities for teachers, principals and paraprofessionals; and teacher mentoring. Prior to the 2002-03 school year, this same amount of federal funds was provided for class size reduction, grants to improve the teaching of science and school building renovation. (General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Transitional Bilingual Instruction**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	88,215	0	88,215
Total Maintenance Changes	132	20,280	20,412
<b>2002 Policy Changes:</b>			
1. Pension Rate Change	<u>-683</u>	<u>0</u>	<u>-683</u>
Total Policy Changes	-683	0	-683
2001-03 Revised Appropriations	87,664	20,280	107,944

*Comments:*

**1. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with House Bill 2782 (actuarial experience study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rates is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Learning Assistance Program (LAP)**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	139,410	0	139,410
Total Maintenance Changes	2,661	125,189	127,850
<b>2002 Policy Changes:</b>			
1. Pension Rate Change	-566	0	-566
2. Learning Assistance Program	<u>-5,462</u>	<u>5,687</u>	<u>225</u>
Total Policy Changes	-6,028	5,687	-341
2001-03 Revised Appropriations	136,043	130,876	266,919

*Comments:*

**1. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with House Bill 2782 (actuarial experience study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rates is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.

**2. Learning Assistance Program** - The allocation formula for the Learning Assistance Program is changed to incorporate increases in federal funds. Districts not receiving an increase of at least 3 percent in federal funds are held harmless. (General Fund-State, General Fund-Federal)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Block Grants**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	37,031	0	37,031
Total Maintenance Changes	366	0	366
<b>2002 Policy Changes:</b>			
1. Block Grant Reduction	<u>-14,193</u>	<u>0</u>	<u>-14,193</u>
Total Policy Changes	-14,193	0	-14,193
2001-03 Revised Appropriations	23,204	0	23,204

*Comments:*

- 1. Block Grant Reduction** - Beginning with the 2002-03 school year, the block grant allocation is eliminated.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Compensation Adjustments**  
 (Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	398,659	0	398,659
Total Maintenance Changes	19,310	0	19,310
<b>2002 Policy Changes:</b>			
1. Health Benefit Changes	-29,417	0	-29,417
2. Pension Rate Change	-3,266	0	-3,266
3. Better Schools	-2,535	0	-2,535
4. Learning Assistance Program	-427	0	-427
5. Special Ed Enrollment Maximum	-214	0	-214
Total Policy Changes	-35,859	0	-35,859
2001-03 Revised Appropriations	382,110	0	382,110

*Comments:*

**1. Health Benefit Changes** - Measures to reduce health benefit costs for state employees will be implemented in calendar year 2003. These measures will include increasing the office visit co-payment from \$10 to \$20, implementing changes to the pharmacy benefit, and requiring a 10 percent minimum employee share of the monthly premium for the employee's chosen plan. The monthly funding rate for health, life, and disability insurance benefits for state-funded K-12 staff is reduced, consistent with the health benefit rate changes for state employees. The funding rate for the 2002-03 school year will be \$457.07, rather than the \$493.59 included in the original 2001-03 biennial budget. Included in the funding rate is 15 cents for the Health Care Authority's administrative costs of implementing House Bill 2536 (K-12 employee health benefits).

**2. Pension Rate Change** - Employer and employee contribution rates are changed in accordance with House Bill 2782 (actuarial experience study), which implements the 1995-2000 experience study and the 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) employer contribution rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rates is reduced from 1.54 percent to 0.96 percent; and the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent.

**3. Better Schools** - Reducing the K-4 staffing ratio in the Apportionment Program reduces the amount needed for salary and health benefit increases.

**4. Learning Assistance Program** - Changing the formula for the Learning Assistance Program to incorporate federal funds reduces the amount needed to for salary and health benefit increases.

**5. Special Ed Enrollment Maximum** - Reducing the special education enrollment maximum from 13 percent to 12.7 percent reduces the amount of funding needed for the salary and health benefit increases.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Public Schools**  
**Common School Construction**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	191,220	191,220
Total Maintenance Changes	0	-64	-64
2001-03 Revised Appropriations	0	191,156	191,156

*Comments:*

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Higher Education Coordinating Board**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	264,603	15,089	279,692
Total Maintenance Changes	0	696	696
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-120	0	-120
2. HECB Admin of Financial Aid	-416	0	-416
3. State Need Grant	2,180	0	2,180
4. Promise Scholarships	-1,200	0	-1,200
Total Policy Changes	444	0	444
2001-03 Revised Appropriations	265,047	15,785	280,832

*Comments:*

- 1. Efficiencies and Savings** - The FY 2003 General Fund--State appropriation is reduced by 5 percent.
- 2. HECB Admin of Financial Aid** - The financial aid administrative allowance is reduced from 2.1 percent to 1.8 percent for FY 2003. A maximum of 4 percent of the state work study appropriation is authorized to operate the program.
- 3. State Need Grant** - Funds are provided to support tuition increases in FY 2003. The Higher Education Coordinating Board is directed to adjust grant levels as necessary to ensure that as many students as possible who meet the financial criteria of 55 percent of median family income are served.
- 4. Promise Scholarships** - Promise Scholarships awarded to students beginning in the 2002-03 academic year shall be valued at \$1,000 per recipient.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****University of Washington**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	707,088	2,245,885	2,952,973
<b>2002 Policy Changes:</b>			
1. Health Benefits Changes	-2,742	-34	-2,776
2. FICA Savings	-150	-2	-152
3. Operating Cost Reduction	-14,445	0	-14,445
4. Pension Rate Change	-353	-5	-358
5. Reduce 2nd Year COLA	-2,428	0	-2,428
Total Policy Changes	-20,118	-41	-20,159
2001-03 Revised Appropriations	686,970	2,245,844	2,932,814

*Comments:*

**1. Health Benefits Changes** - Measures to reduce health benefit costs will be implemented in calendar year 2003. These measures will include increasing the office visit co-payment from \$10 to \$20; implementing changes to the pharmacy benefit; and requiring a 10 percent minimum employee share of the monthly premium for the employee's chosen plan.

**2. FICA Savings** - An increase in the average employee share of the premium for health benefits will result in a lower taxable employee salary base. Consequently, FICA (social security) savings will be realized. (General Fund-State, Accident Account, Medical Aid Account)

**3. Operating Cost Reduction** - The FY 2003 General Fund-State appropriation is reduced by 4 percent. Budgeted enrollment increases for the 2002-03 school year are maintained.

**4. Pension Rate Change** - Employer and employee contribution rates are changed as required by House Bill 2782 (actuarial experience study) and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) rate is reduced from 1.54 percent to 1.10 percent; the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent; the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent.

**5. Reduce 2nd Year COLA** - The FY 2003 cost of living increase is changed from 2.6 percent beginning on July 1, 2002 to 2.0 percent beginning on September 1, 2003.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Washington State University**  
(Dollars in Thousands)

	GF-S	House Proposed Other	Total
2001-03 Original Appropriations	411,355	422,155	833,510
<b>2002 Policy Changes:</b>			
1. Health Benefits Changes	-1,546	0	-1,546
2. FICA Savings	-85	0	-85
3. Operating Cost Reduction	-8,398	0	-8,398
4. Pension Rate Change	-274	0	-274
5. Reduce 2nd Year COLA	-1,606	0	-1,606
Total Policy Changes	-11,909	0	-11,909
2001-03 Revised Appropriations	399,446	422,155	821,601

*Comments:*

**1. Health Benefits Changes** - Measures to reduce health benefit costs will be implemented in calendar year 2003. These measures will include increasing the office visit co-payment from \$10 to \$20; implementing changes to the pharmacy benefit; and requiring a 10 percent minimum employee share of the monthly premium for the employee's chosen plan.

**2. FICA Savings** - An increase in the average employee share of the premium for health benefits will result in a lower taxable employee salary base. Consequently, FICA (social security) savings will be realized.

**3. Operating Cost Reduction** - The Fiscal Year 2003 General Fund-State appropriation is reduced by 4 percent. Budgeted enrollment increases for the 2002-03 school year are maintained.

**4. Pension Rate Change** - Employer and employee contribution rates are changed as required by House Bill 2782 (actuarial experience study) and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) rate is reduced from 1.54 percent to 1.10 percent; the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent; the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent.

**5. Reduce 2nd Year COLA** - The FY 2003 cost of living increase is changed from 2.6 percent beginning on July 1, 2002 to 2.0 percent beginning on September 1, 2003.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Eastern Washington University**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	92,914	73,488	166,402
<b>2002 Policy Changes:</b>			
1. Health Benefits Changes	-395	0	-395
2. FICA Savings	-22	0	-22
3. Operating Cost Reduction	-1,895	0	-1,895
4. Pension Rate Change	-73	0	-73
5. Reduce 2nd Year COLA	-323	0	-323
Total Policy Changes	-2,708	0	-2,708
2001-03 Revised Appropriations	90,206	73,488	163,694

*Comments:*

**1. Health Benefits Changes** - Measures to reduce health benefit costs will be implemented in calendar year 2003. These measures will include increasing the office visit co-payment from \$10 to \$20; implementing changes to the pharmacy benefit; and requiring a 10 percent minimum employee share of the monthly premium for the employee's chosen plan.

**2. FICA Savings** - An increase in the average employee share of the premium for health benefits will result in a lower taxable employee salary base. Consequently, FICA (social security) savings will be realized.

**3. Operating Cost Reduction** - The Fiscal Year 2003 General Fund-State appropriation is reduced by 4 percent. Budgeted enrollment increases for the 2002-03 school year are maintained.

**4. Pension Rate Change** - Employer and employee contribution rates are changed as required by House Bill 2782 (actuarial experience study) and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) rate is reduced from 1.54 percent to 1.10 percent; the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent; the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent.

**5. Reduce 2nd Year COLA** - The FY 2003 cost of living increase is changed from 2.6 percent beginning on July 1, 2002 to 2.0 percent beginning on September 1, 2003.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Central Washington University**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	89,140	89,577	178,717
<b>2002 Policy Changes:</b>			
1. Health Benefits Changes	-429	0	-429
2. FICA Savings	-24	0	-24
3. Operating Cost Reduction	-1,799	0	-1,799
4. Pension Rate Change	-85	0	-85
5. Enrollment Recovery	350	0	350
6. Reduce 2nd Year COLA	-316	0	-316
Total Policy Changes	-2,303	0	-2,303
2001-03 Revised Appropriations	86,837	89,577	176,414

*Comments:*

**1. Health Benefits Changes** - Measures to reduce health benefit costs will be implemented in calendar year 2003. These measures will include increasing the office visit co-payment from \$10 to \$20; implementing changes to the pharmacy benefit; and requiring a 10 percent minimum employee share of the monthly premium for the employee's chosen plan.

**2. FICA Savings** - An increase in the average employee share of the premium for health benefits will result in a lower taxable employee salary base. Consequently, FICA (social security) savings will be realized.

**3. Operating Cost Reduction** - The FY 2003 General Fund-State appropriation is reduced by 4 percent. Budgeted enrollment increases for the 2002-03 school year are maintained.

**4. Pension Rate Change** - Employer and employee contribution rates are changed as required by House Bill 2782 (actuarial experience study) and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) rate is reduced from 1.54 percent to 1.10 percent; the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent; the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent.

**5. Enrollment Recovery** - Continued support is provided to assist with Central Washington University's enrollment recovery efforts.

**6. Reduce 2nd Year COLA** - The FY 2003 cost of living increase is changed from 2.6 percent beginning on July 1, 2002 to 2.0 percent beginning on September 1, 2003.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****The Evergreen State College**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	51,594	39,311	90,905
<b>2002 Policy Changes:</b>			
1. Health Benefits Changes	-232	0	-232
2. FICA Savings	-13	0	-13
3. Operating Cost Reduction	-1,043	0	-1,043
4. Pension Rate Change	-44	0	-44
5. WSIPP Branch Campuses Study	86	0	86
6. Reduce 2nd Year COLA	-194	0	-194
Total Policy Changes	-1,440	0	-1,440
2001-03 Revised Appropriations	50,154	39,311	89,465

*Comments:*

**1. Health Benefits Changes** - Measures to reduce health benefit costs will be implemented in calendar year 2003. These measures will include increasing the office visit co-payment from \$10 to \$20; implementing changes to the pharmacy benefit; and requiring a 10 percent minimum employee share of the monthly premium for the employee's chosen plan.

**2. FICA Savings** - An increase in the average employee share of the premium for health benefits will result in a lower taxable employee salary base. Consequently, FICA (social security) savings will be realized.

**3. Operating Cost Reduction** - The FY 2003 General Fund-State appropriation is reduced by 4 percent. Budgeted enrollment increases for the 2002-03 school year are maintained.

**4. Pension Rate Change** - Employer and employee contribution rates are changed as required by House Bill 2782 (actuarial experience study) and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) rate is reduced from 1.54 percent to 1.10 percent; the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent; the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent.

**6. Reduce 2nd Year COLA** - The FY 2003 cost of living increase is changed from 2.6 percent beginning on July 1, 2002 to 2.0 percent beginning on September 1, 2003.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Spokane Intercol Rsch & Tech Inst**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	3,000	1,327	4,327
<b>2002 Policy Changes:</b>			
1. Operating Cost Reduction	-500	0	-500
2. Pension Rate Change	-4	0	-4
Total Policy Changes	-504	0	-504
2001-03 Revised Appropriations	2,496	1,327	3,823

*Comments:*

**1. Operating Cost Reduction** - The FY 2003 General Fund-State appropriation is reduced to reflect average expenditures made from July 1, 2001 through January 31, 2002.

**2. Pension Rate Change** - Employer and employee contribution rates are changed as required by House Bill 2782 (actuarial experience study) and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) rate is reduced from 1.54 percent to 1.10 percent; the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent; the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Western Washington University**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	122,636	117,770	240,406
<b>2002 Policy Changes:</b>			
1. Health Benefits Changes	-486	0	-486
2. FICA Savings	-27	0	-27
3. Operating Cost Reduction	-2,515	0	-2,515
4. Pension Rate Change	-115	0	-115
5. Reduce 2nd Year COLA	-442	0	-442
Total Policy Changes	-3,585	0	-3,585
2001-03 Revised Appropriations	119,051	117,770	236,821

*Comments:*

**1. Health Benefits Changes** - Measures to reduce health benefit costs will be implemented in calendar year 2003. These measures will include increasing the office visit co-payment from \$10 to \$20; implementing changes to the pharmacy benefit; and requiring a 10 percent minimum employee share of the monthly premium for the employee's chosen plan.

**2. FICA Savings** - An increase in the average employee share of the premium for health benefits will result in a lower taxable employee salary base. Consequently, FICA (social security) savings will be realized.

**3. Operating Cost Reduction** - The Fiscal Year 2003 General Fund-State appropriation is reduced by 4 percent. Budgeted enrollment increases for the 2002-03 school year are maintained.

**4. Pension Rate Change** - Employer and employee contribution rates are changed as required by House Bill 2782 (actuarial experience study) and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) rate is reduced from 1.54 percent to 1.10 percent; the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent; the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent.

**5. Reduce 2nd Year COLA** - The FY 2003 cost of living increase is changed from 2.6 percent beginning on July 1, 2002 to 2.0 percent beginning on September 1, 2003.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Community/Technical College System**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,058,130	697,664	1,755,794
Total Maintenance Changes	1,357	0	1,357
<b>2002 Policy Changes:</b>			
1. Health Benefits Changes	-4,544	0	-4,544
2. FICA Savings	-249	0	-249
3. Operating Cost Reduction	-10,875	0	-10,875
4. Pension Rate Change	-1,295	0	-1,295
5. Expand Worker Retraining Program	6,400	4,562	10,962
6. Reduce 2nd Year COLA	-1,695	0	-1,695
Total Policy Changes	-12,258	4,562	-7,696
2001-03 Revised Appropriations	1,047,229	702,226	1,749,455

*Comments:*

**1. Health Benefits Changes** - Measures to reduce health benefit costs will be implemented in calendar year 2003. These measures will include increasing the office visit co-payment from \$10 to \$20; implementing changes to the pharmacy benefit; and requiring a 10 percent minimum employee share of the monthly premium for the employee's chosen plan.

**2. FICA Savings** - An increase in the average employee share of the premium for health benefits will result in a lower taxable employee salary base. Consequently, FICA (social security) savings will be realized.

**3. Operating Cost Reduction** - The FY 2003 General Fund-State appropriation is reduced by 2 percent.

**4. Pension Rate Change** - Employer and employee contribution rates are changed as required by House Bill 2782 (actuarial experience study) and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) rate is reduced from 1.54 percent to 1.10 percent; the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent; the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent.

**5. Expand Worker Retraining Program** - In response to increases in worker layoffs during the current economic downturn, 1,500 additional student FTE enrollments are funded in the Worker Retraining Program. (General fund -- State; Administrative Contingency Account -- State)

**6. Reduce 2nd Year COLA** - The FY 2003 cost of living increase is changed from 2.6 percent beginning on July 1, 2002 to 2.0 percent beginning on September 1, 2003.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**State School for the Blind**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	9,111	1,173	10,284
Total Maintenance Changes	5	0	5
<b>2002 Policy Changes:</b>			
1. Regional Services	0	81	81
2. Replacement Bus	65	0	65
3. Efficiencies and Savings	-138	0	-138
Total Policy Changes	-73	81	8
2001-03 Revised Appropriations	9,043	1,254	10,297

*Comments:*

**1. Regional Services** - Spending authority is provided for increased regional services to school districts for itinerant teachers, orientation and mobility specialists. Services are provided on a fee for service basis. (General Fund-Private/Local)

**2. Replacement Bus** - One-time funding is provided for a special education bus to transport students. The current bus used to transport students does not meet school bus safety standards for transporting disabled students.

**3. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**State School for the Deaf**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	14,834	232	15,066
Total Maintenance Changes	7	0	7
<b>2002 Policy Changes:</b>			
1. Bus Replacement	65	0	65
2. Safety Initiatives	250	0	250
3. Efficiencies and Savings	-223	0	-223
Total Policy Changes	92	0	92
2001-03 Revised Appropriations	14,933	232	15,165

*Comments:*

**1. Bus Replacement** - One-time funding is provided for a special education bus to transport students. The current bus used to transport students does not meet school bus safety standards for transporting disabled students.

**2. Safety Initiatives** - Funding is provided for two residential deans, three residential student life counselors, and one bus monitor to increase student oversight. The school will improve staff communications by holding monthly academic and residential staff meetings and will implement a "train the trainer" program to build staff skills to deal with deaf children who present at-risk behaviors.

**3. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Work Force Trng & Educ Coord Board**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	3,482	45,486	48,968
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	<u>-52</u>	<u>0</u>	<u>-52</u>
Total Policy Changes	-52	0	-52
2001-03 Revised Appropriations	3,430	45,486	48,916

*Comments:*

**1. Efficiencies and Savings** - General Fund-State funding for administration is reduced by 3 percent in FY 2003. Several mechanisms are available to help state agencies realize efficiencies and savings. A reduction in internal service fund agencies will result in reduced billings to client agencies. Use of electronic fund transfers, warrant insertion, and the lease/purchase option for equipment are additional tools to achieve agency savings.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**State Library**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	17,577	6,976	24,553
<b>2002 Policy Changes:</b>			
1. Eliminate State Library Support	-5,577	0	-5,577
Total Policy Changes	-5,577	0	-5,577
2001-03 Revised Appropriations	12,000	6,976	18,976

*Comments:*

**1. Eliminate State Library Support** - With the exception of grants for the Washington Talking Book and Braille Library, General Fund-State support for operation of the State Library is eliminated effective October 1, 2002.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Washington State Arts Commission**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	5,747	1,000	6,747
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-86	0	-86
2. TumbleWords Program	0	3	3
Total Policy Changes	-86	3	-83
2001-03 Revised Appropriations	5,661	1,003	6,664

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2. TumbleWords Program** - Spending authority is provided for the TumbleWords readings and residencies program. One-time funds are provided by the Western States Arts Federation. (General Fund-Private/Local)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Washington State Historical Society**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	6,028	1,560	7,588
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-94	0	-94
Total Policy Changes	-94	0	-94
2001-03 Revised Appropriations	5,934	1,560	7,494

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**East Wash State Historical Society**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	3,209	0	3,209
<b>2002 Policy Changes:</b>			
1. Efficiencies and Savings	-46	0	-46
Total Policy Changes	-46	0	-46
2001-03 Revised Appropriations	3,163	0	3,163

*Comments:*

**1. Efficiencies and Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, should maintain client services and state revenues. Examples of actions agencies may typically take include hiring freezes, employee furloughs, restricted travel and training, delaying the purchase of vehicles, and limiting equipment and personal service contracts. The agency, with the Office of Financial Management approval, can use FY 2002 savings to offset the FY 2003 reduction.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Bond Retirement and Interest**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	1,248,770	196,509	1,445,279
Total Maintenance Changes	0	-15,039	-15,039
<b>2002 Policy Changes:</b>			
1. Debt Service Payoff and Other Adj	<u>0</u>	<u>0</u>	<u>0</u>
Total Policy Changes	0	0	0
2001-03 Revised Appropriations	1,248,770	181,470	1,430,240

*Comments:*

- 1. Debt Service Payoff and Other Adj** - The timing of debt service payments is adjusted.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Special Approps to the Governor**  
(Dollars in Thousands)

	GF-S	House Proposed Other	Total
2001-03 Original Appropriations	179,406	64,764	244,170
<b>2002 Policy Changes:</b>			
1. DCTED-County Public Health Assist	0	-12,245	-12,245
2. DCTED-County Corporation Assist	-25,138	0	-25,138
3. DCTED-Municipal Corporation Assist	-47,252	0	-47,252
4. Fire Contingency Initiative	0	32,983	32,983
5. Judicial Contingencies	214	0	214
6. Mader Settlement	12,000	0	12,000
7. Governor's Emergency Fund	7,000	0	7,000
8. Liability Account	25,000	0	25,000
9. Adjust K20 Network Fund Balance	-11,264	0	-11,264
10. Agency Administrative Contingencies	1,500	0	1,500
11. Extraordinary Criminal Justice Cost	0	350	350
12. Small County Assistance	1,392	0	1,392
13. Revolving Fund Reduction	-4,710	-5,173	-9,883
Total Policy Changes	-41,258	15,915	-25,343
2001-03 Revised Appropriations	138,148	80,679	218,827

*Comments:*

**1. DCTED-County Public Health Assist** - State assistance provided for public health programs following the passage of Initiative 695 is eliminated, effective January 1, 2003. (Health Services Account)

**2. DCTED-County Corporation Assist** - State assistance provided to county governments following the passage of Initiative 695 is eliminated for counties, effective July 1, 2002. Partial assistance for some of the smaller counties is provided under a separate appropriation.

**3. DCTED-Municipal Corporation Assist** - State assistance provided to city governments following the passage of Initiative 695 is eliminated for all cities, effective July 1, 2002.

**4. Fire Contingency Initiative** - An additional \$33 million is provided for costs associated with the 2001 fire season and replenishing the fire contingency pool for future fires. This funding, combined with the \$3 million provided in the original 2001-03 budget, will fund the following costs: (1) \$24.2 million for the Department of Natural Resources' and other natural resource agencies' costs in fire suppression activities; (2) \$7.8 million for fire mobilizations coordinated by the Military Department; and (3) \$4 million as a contingency pool for fire mobilization and suppression activities in the future. (Disaster Response Account-State)

**5. Judicial Contingencies** - Funds are provided to the Supreme Court for providing assistance to judicial agencies that are unable to effectively absorb the administrative, travel, and equipment reductions and efficiency savings enacted in this 2002 supplemental appropriations act. (General Fund--State)

**6. Mader Settlement** - Funding is provided for the Mader settlement, which involved retirement benefits for part-time faculty.

**7. Governor's Emergency Fund** - Funding is provided the Governor for emergency allocations to agencies to facilitate a quick response to critical needs that may emerge during FY 2003. The funding pool shall also be used for mitigation funding for jurisdictions affected by the placement of less restrictive alternative facilities for persons conditionally released from the special commitment center.

**8. Liability Account** - \$25 million from the General Fund-State is deposited to the Liability Account to cover increased costs associated with tort claims and defense. (General Fund-State, Liability Account)

## **2001-03 Revised Omnibus Operating Budget (2002 Supp)**

### **Special Approps to the Governor**

**9. Adjust K20 Network Fund Balance** - The \$11 million appropriation from the General Fund-State to the Education Technology Revolving Account is removed for FY 2003. The fund balance in the Education Technology Revolving Account shall be used to pay operating expenses for the K-20 Network in FY 2003. (Education Technology Revolving Account, General Fund-State)

**10. Agency Administrative Contingencies** - Funds are provided to the governor for providing assistance to state agencies that are unable to effectively absorb the administrative, travel, and equipment reductions and efficiency savings enacted in this 2002 supplemental appropriations act. (General Fund--State)

**11. Extraordinary Criminal Justice Cost** - Funding is provided for assistance to Franklin County for extraordinary criminal justice costs incurred in the adjudication of an aggravated homicide case. (Public Safety and Education Account)

**12. Small County Assistance** - Funding is provided for those counties with relatively small tax bases: Asotin, Columbia, Ferry, Garfield, Lincoln, Pend Oreille, Skamania, and Wahkiakum Counties. These counties are ones that would have qualified for minimum floor payments under the sales tax equalization formula.

**13. Revolving Fund Reduction** - Client state agencies will realize savings of \$4.7 million General Fund-State and \$5.2 million Other Funds as a result of rate reductions implemented by the Attorney General, the State Auditor, General Administration, Department of Information Services, the Secretary of State, Office of Administrative Hearings, Department of Personnel, and Department of Retirement Systems. (General Fund-State, Other Funds)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Sundry Claims**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	0	0	0
Total Maintenance Changes	274	4	278
2001-03 Revised Appropriations	274	4	278

*Comments:*

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**State Employee Compensation Adjust**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	138,099	139,203	277,302
<b>2002 Policy Changes:</b>			
1. Health Benefit Changes	-12,271	-11,787	-24,058
2. FICA Savings	-645	-678	-1,323
3. Pension Rate Change	-6,137	-6,080	-12,217
4. State Employee Salary Increase	-8,050	-14,617	-22,667
5. Salary Reclass Implementation	14	74	88
Total Policy Changes	-27,089	-33,088	-60,177
2001-03 Revised Appropriations	111,010	106,115	217,125

*Comments:*

**1. Health Benefit Changes** - Funding is reduced to account for health benefit changes to be implemented in calendar year 2003. These measures will include increasing the office visit co-payment from \$10 to \$20, implementing changes to the pharmacy benefit, and requiring a 10 percent minimum employee contribution to the monthly premium of the employee's chosen plan. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Salary and Insurance Increase Revolving Fund)

**2. FICA Savings** - An increase in the average employee share of the premium for health benefits results in a lower taxable employee salary base. This, in turn, results in lower FICA (social security) costs for both the employer and the employee. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Salary and Insurance Increase Revolving Fund)

**3. Pension Rate Change** - Employer and employee contribution rates are changed as required by House Bill 2782 (actuarial experience study) and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent; the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Special Account Retirement Contribution Increase Revolving Account)

**4. State Employee Salary Increase** - The FY 2003 cost of living increase for state employees, including higher education employees who are not covered by Initiative 732, is changed from a 2.6 percent salary increase on July 1, 2002 to a 2.0 percent salary increase on September 1, 2002. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Salary and Insurance Increase Revolving Fund)

**5. Salary Reclass Implementation** - Funding is provided to correct for salary increases for certain positions which would have received salary increases pursuant to the recommendations of the Personnel Resources Board but which were overlooked in the original 2001-03 biennial budget. Funding is also provided for corrections to state employee cost of living adjustments. (General Fund-State, Salary and Insurance Increase Revolving Account)

**2001-03 Revised Omnibus Operating Budget (2002 Supp)**  
**Contributions to Retirement Systems**  
(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	44,720	0	44,720
<b>2002 Policy Changes:</b>			
1. Pension Contributions	<u>-575</u>	<u>0</u>	<u>-575</u>
Total Policy Changes	-575	0	-575
2001-03 Revised Appropriations	44,145	0	44,145

*Comments:*

**1. Pension Contributions** - Employer and employee contribution rates are changed as required by House Bill 2782 (actuarial experience study) and 2000 actuarial valuation of the retirement systems. The Public Employees Retirement System (PERS) rate is reduced from 1.54 percent to 1.10 percent; the School Employees' Retirement System (SERS) employer contribution rate is reduced from 1.54 percent to 0.96 percent; the Teachers' Retirement System (TRS) employer rate is reduced from 2.75 percent to 1.05 percent; the basic state contribution rate for the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 is reduced from 1.80 percent to 1.75 percent.

**2001-03 Revised Omnibus Operating Budget (2002 Supp)****Other Legislation**

(Dollars in Thousands)

	<b>GF-S</b>	<b>House Proposed Other</b>	<b>Total</b>
2001-03 Original Appropriations	100	25,000	25,100
<b>2002 Policy Changes:</b>			
1. HB 2427 Occupational Safety Grants	<u>0</u>	<u>5,000</u>	<u>5,000</u>
Total Policy Changes	0	5,000	5,000
2001-03 Revised Appropriations	100	30,000	30,100

*Comments:*

**1. HB 2427 Occupational Safety Grants** - HB 2427 makes an appropriation for the Occupational Safety and Health Impact Grant Program. Grant recipients are to use the funds for worker safety programs such as educational efforts, training, and testing new safety methods. (Medical Aid Account)