

*State of Washington*  
**LEGISLATIVE BUDGET NOTES**

*2005-07 Biennium*  *2006 Supplemental*



*The cover photo shows an aerial view of the capitol campus in Olympia, WA.*

The Legislative Budget Notes are a publication of the House Fiscal Committees, the Senate Ways and Means Committee, the House Transportation Committee, the Senate Transportation Committee, and the House Capital Committee. The staff of these committees prepared the information with the assistance of the Legislative Evaluation and Accountability Program (LEAP) Committee Staff.

*Published May 2006*

This final edition of the Legislative Budget Notes is available at \$10.00 per copy from:

The Legislative Information Center  
PO Box 40600  
Olympia, WA 98504-0600

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# **2006 Supplemental Budget Overview**

## *Operating, Transportation, and Capital Budgets*

Washington State biennial budgets authorized by the Legislature in the 2006 session total \$62.9 billion. The omnibus operating budget accounts for \$51.3 billion. The transportation budget and the omnibus capital budget account for \$6.0 billion and \$5.6 billion, respectively.

Separate overviews are included for each of the budgets. The overview for the omnibus operating budget can be found on page 11, the overview for the transportation budget is on page 271, and the overview for the omnibus capital budget is on page 443.

**2005-07 Washington State Budget**  
**Including 2006 Supplemental**  
**Total Budgeted Funds**

**TOTAL STATE**  
(Dollars in Thousands)

|                                     | <b>Omnibus<br/>Operating<br/>Budget</b> | <b>Transportation<br/>Budget</b> |                  | <b>Capital Budget<br/>New</b> |                  | <b>Total</b>      |
|-------------------------------------|---|----------------------------------|------------------|-------------------------------|------------------|-------------------|
|                                     |   | <b>Operating</b>                 | <b>Capital</b>   | <b>Approps</b>                | <b>Reapprops</b> |                   |
| Legislative                         | 149,275                                 | 50                               | 0                | 250                           | 120              | 149,695           |
| Judicial                            | 216,066                                 | 0                                | 0                | 0                             | 0                | 216,066           |
| Governmental Operations             | 3,348,551                               | 5,205                            | 0                | 687,517                       | 484,667          | 4,525,940         |
| Human Services                      | 21,747,617                              | 0                                | 0                | 382,988                       | 231,650          | 22,362,256        |
| Natural Resources                   | 1,340,259                               | 1,306                            | 1,400            | 899,922                       | 502,486          | 2,745,372         |
| Transportation                      | 148,331                                 | 1,813,409                        | 3,765,164        | 3,435                         | 17,700           | 5,748,039         |
| Public Schools                      | 13,440,836                              | 0                                | 0                | 656,471                       | 280,550          | 14,377,857        |
| Higher Education                    | 8,162,627                               | 0                                | 0                | 944,983                       | 450,865          | 9,558,475         |
| Other Education                     | 139,846                                 | 0                                | 0                | 8,364                         | 8,008            | 156,218           |
| Special Appropriations              | 1,770,329                               | 421,336                          | 0                | 0                             | 0                | 2,191,665         |
| <b>Total Budget Bill</b>            | <b>50,463,737</b>                       | <b>2,241,306</b>                 | <b>3,766,564</b> | <b>3,583,930</b>              | <b>1,976,046</b> | <b>62,031,583</b> |
| Appropriations in Other Legislation | 825,000                                 | 0                                | 0                | 0                             | 0                | 825,000           |
| <b>Statewide Total</b>              | <b>51,288,737</b>                       | <b>2,241,306</b>                 | <b>3,766,564</b> | <b>3,583,930</b>              | <b>1,976,046</b> | <b>62,856,583</b> |

*Note: This report includes all funds budgeted by the Legislature for the 2005-07 biennium through the 2006 session. In addition to amounts appropriated in the Omnibus Operating, Transportation, and Capital Budgets, the report includes budgeted but non-appropriated amounts of \$6.8 billion in the Omnibus Operating Budget and \$101.6 million in the operating component of the Transportation Budget.*

# 2006 Supplemental Omnibus Budget Overview

## Operating Only

At the conclusion of the 2005 legislative session, the general fund ending balance was projected to be \$178 million. From the March 2005 revenue forecast (used to develop the 2005-07 biennium budget) to the February 2006 forecast (used to develop the 2006 Supplemental budget), revenues grew by \$1.4 billion resulting in an ending balance of \$1.6 billion. Although most sectors of the economy were up, continued strength in the real estate and construction industries, as well as aerospace, helped fuel the revenue increases. The real estate excise tax forecast was up \$452 million and the Revenue Act forecast was up \$736 million during this period. This allowed the 2006 Legislature to both address funding requests and increase budget reserves.

The 2006 Legislature used two bills to create their budget: 1) Chapter 372, Laws of 2006, Partial Veto (ESSB 6386 – 2006 Omnibus Operating Supplemental Budget), which increased spending by \$520.5 million; and 2) Chapter 56, Laws of 2006 (ESSB 6896 – Funding State Budget Reserves), which amended the expenditure limit for the appropriations in the bill and appropriated \$825 million from the general fund into the following three accounts:

- \$350 million into a new Pension Funding Stabilization Account;
- \$275 million into the Student Achievement Account; and
- \$200 million into the Health Services Account.

In turn, a portion of the amounts appropriated into the Pension Funding Stabilization Account and the Health Services Account was spent in the 2005-07 biennium. Overall, total appropriations from the general fund increased by \$1.35 billion.

### 2006 Supplemental Budget (Dollars in Millions)

|                      |   |     |                                 |
|----------------------|---|-----|---------------------------------|
| <b>\$1.6 Billion</b> | } | 350 | <b>Pensions</b>                 |
|                      |   | 275 | <b>Student Achievement Fund</b> |
|                      |   | 200 | <b>Health Services Account</b>  |
|                      |   | 55  | <b>Maintenance</b>              |
|                      |   | 466 | <b>Policy Adds</b>              |
|                      |   | 228 | <b>Ending Balance</b>           |

Other changes to the general fund balance sheet include:

- Chapter 278, Laws of 2006 (SHB 2880), which clarified the continued tax obligation of insurance companies and retained \$52 million revenue to the general fund;
- Several other tax bills, which reduced taxes by a net of \$50 million; and
- Reductions in the transfers from other revenue accounts to the general fund.

These revenue changes were a net loss to the general fund of \$8 million.

The 2006 Supplemental Operating Budget left \$947 million in resources available for future budgets:

| Dollars in Millions                   |            |
|---------------------------------------|------------|
| General Fund Balance                  | 228        |
| Student Achievement Account           | 275        |
| Health Services Account               | 143        |
| Pension Funding Stabilization Account | 301        |
| <b>Total</b>                          | <b>947</b> |

# Revenues

In the 2006 session, the Legislature enacted several bills intended to help the agriculture industry. One of the main concerns was the effect of record high fuel prices on the industry. Legislation was passed to exempt diesel fuel and aircraft fuel used for farm purposes from the retail sales and use tax to help offset the cost of fuel. In addition, a sales and use tax exemption was provided for replacement parts for farm equipment. Tax incentives were also adopted for the seafood and dairy industries.

Tax incentives were also given to the timber and wood products industry, motion picture industry, aluminum industry, and biotech product and medical device manufacturing industries to either help them rebound or to grow. In addition, the current aerospace tax incentives were extended to non-manufacturing aerospace business.

Assistance was given to all businesses in Chapter 256, Laws of 2006 (HB 2671), which reversed legislation adopted in 2003. The excise tax return due date for monthly filers was extended from the 20<sup>th</sup> of the month following a taxable activity to the 25<sup>th</sup> of the month. The 5 percent assessment penalty on all tax deficiencies that was adopted in 2003 was reduced to only apply to businesses that “substantially underpay” their tax obligations, meaning they pay less than 80 percent of the amount due and the deficiency is greater than \$1,000.

Finally, Chapter 278, Laws of 2006 (SHB 2880), closed an unintended loophole in the tax code. The statute imposing the insurance premiums tax states that the tax is in lieu of all other taxes, except taxes on real and tangible personal property; excise taxes on the sale, purchase, or use of such property; and business and occupation (B&O) tax imposed on nonprofit hospitals. The question arose as to whether the phrase “excise taxes on the sale, purchase, or use of such property” means insurers are liable for retail sales taxes only on the sale of tangible personal property and not on the sale of sales taxable services or extended warranties. This bill clarified that insurers do pay the retail sales and use taxes on taxable services as other types of businesses do.

**2005-07 Revenue Legislation**  
**General Fund-State**  
(Dollars in Thousands)

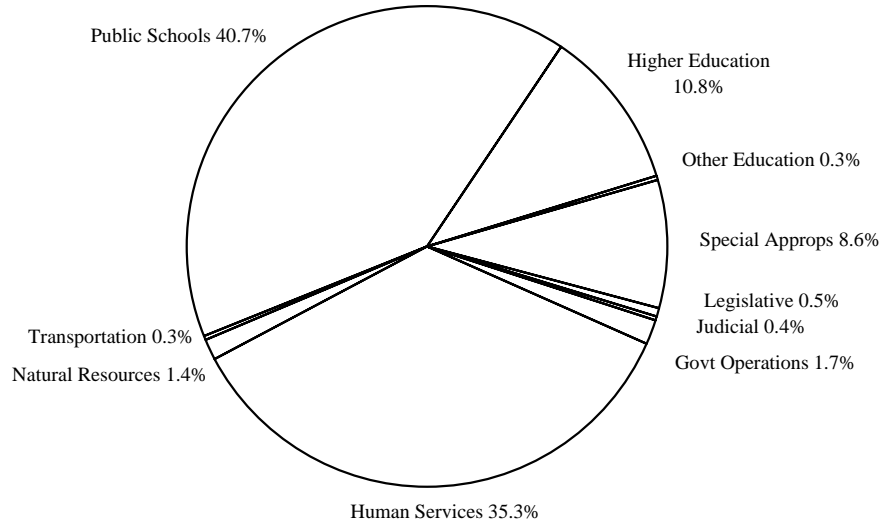
| Legislation                                 | 2005-07  | 2007-09 |         |
|---|--|---------|---------|
| <b>Revenue Reduction Measures</b>           |  |         |         |
| HB 2671                                     | Modifying Due Dates & Eliminating an Assesement Penalty      | -11,140 | -24,720 |
| SHB 2457                                    | Replacement Parts for Farm Machinery & Equipment             | -5,829  | -13,277 |
| SSB 6874                                    | Timber & Timber Products Tax Incentives                      | -4,630  | -32,600 |
| HB 2424                                     | Farm Fuel Sales Tax Exemption                                | -4,549  | -8,132  |
| 2SSB 6558                                   | Motion Picture Industry                                      | -3,500  | -7,000  |
| HB 2644                                     | Public Utility Tax Credit for Heating Assist for Low-Income  | -3,000  | 0       |
| HB 2466                                     | Aerospace Tax Incentives                                     | -2,912  | -7,478  |
| EHB 3159                                    | Food Product Manufacturing                                   | -2,810  | -6,474  |
| SSB 6533                                    | Syrup Taxes  | -2,294  | -12,857 |
| SSB 6671                                    | Professional Employer Organizations                          | -2,147  | -6,654  |
| SHB 2640                                    | Biotech Products and Medical Device Mfg Incentives           | -1,394  | -3,335  |
| HB 2348                                     | Aluminum Smelters  | -1,144  | -4,656  |
| SHB 1523                                    | Vegetable Seed Conditioning                                  | -1,085  | -2,614  |
| 2SSB 6326                                   | Customized Work Force Training                               | -910    | -2,999  |
| SB 6826                                     | Public Transit Services                                      | -476    | -1,038  |
| ESSB 6230                                   | Sales & Use Tax Credit for Regional Centers                  | -389    | -1,281  |
| SHB 2416                                    | State Park Fees  | -265    | -403    |
| SHB 2778                                    | Nonprofit Convention & Tourism Promotion Organizations       | -210    | -453    |
| HB 2364                                     | State Chartered Credit Unions                                | -158    | -338    |
| ESHB 3222                                   | Tax Exemptions for Handling & Processing Livestock Manure    | -41     | -93     |
| SSB 6512                                    | Enhancing Air Quality at Truck Stops                         | -35     | -3      |
| ESB 5048                                    | Tobacco Product Sampling                                     | -20     | -44     |
| SHB 2569                                    | Property Tax Deferral Interest Rates                         | -15     | -150    |
| 2SHB 2799                                   | Solar Hot Water Heating Equipment                            | -14     | -28     |
| <b>No 2005-07 General Fund-State Impact</b> |  |         |         |
| SB 6368                                     | Nursing Home Bed Tax Repeal                                  | 0       | -31,351 |
| SSB 6686                                    | City Annexation Sales Tax Credit                             | 0       | -7,699  |
| E2SHB 2673                                  | Local Infrastructure Financing Tool Program                  | 0       | -5,000  |
| SHB 3190                                    | Semiconductor Materials Tax Incentive                        | 0       | -1,762  |
| SSB 5236                                    | Providing Additional Funding to Prevailing Wage Program      | 0       | -1,138  |
| ESHB 1672                                   | Safe Patient Handling  | 0       | -600    |
| EHB 1069                                    | Performance Audits of Tax Preferences                        | 0       | 0       |
| SHB 1510                                    | Property Taxation of Nonprofit Entities                      | 0       | 0       |
| SHB 2033                                    | Municipal B&O Taxation of Printing & Publishing              | 0       | 0       |
| SHB 2670                                    | Hospital Benefit Zone Financing                              | 0       | 0       |
| SHB 2804                                    | Nonprofit Schools & Colleges                                 | 0       | 0       |
| HB 2879                                     | Modifying the Electronic Admin of the Real Estate Excise Tax | 0       | 0       |
| SHB 3164                                    | Personal Property Tax Exemption for a Head of Family         | 0       | 0       |
| HJR 4223                                    | Personal Property Tax Exemption for a Head of Family         | 0       | 0       |
| SB 6280                                     | Nonprofits/Property Tax Exemption                            | 0       | 0       |
| SB 6338                                     | Senior Citizen Property Tax Exemption Program                | 0       | 0       |

# Omnibus Operating Budget Comparisons

(Dollars in Thousands)

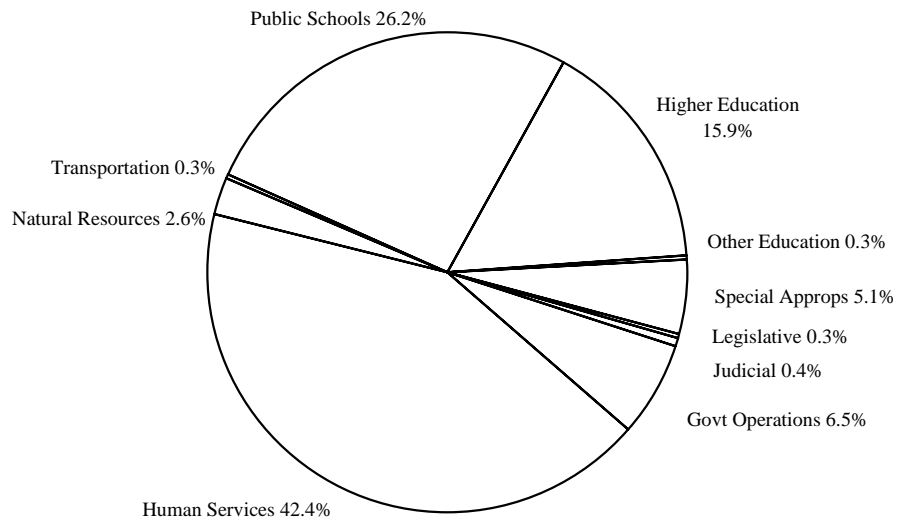
## General Fund - State

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 141,772           |
| Judicial                | 105,942           |
| Governmental Operations | 471,118           |
| Human Services          | 9,648,542         |
| Natural Resources       | 382,648           |
| Transportation          | 73,593            |
| Public Schools          | 11,098,029        |
| Higher Education        | 2,949,314         |
| Other Education         | 77,375            |
| Special Appropriations  | 2,349,573         |
| <b>Statewide Total</b>  | <b>27,297,906</b> |



## Total All Funds

|                         |                   |
|-------------------------|-------------------|
| Legislative             | 149,275           |
| Judicial                | 216,066           |
| Governmental Operations | 3,348,551         |
| Human Services          | 21,747,617        |
| Natural Resources       | 1,340,259         |
| Transportation          | 148,331           |
| Public Schools          | 13,440,836        |
| Higher Education        | 8,162,627         |
| Other Education         | 139,846           |
| Special Appropriations  | 2,595,329         |
| <b>Statewide Total</b>  | <b>51,288,737</b> |



# Washington State Omnibus Operating Budget

## 2006 Supplemental Budget

### TOTAL STATE

(Dollars in Thousands)

|                                     | General Fund-State |                  |                   | Total All Funds   |                  |                   |
|-------------------------------------|--------------------|------------------|-------------------|-------------------|------------------|-------------------|
|                                     | Orig 05-07         | 2006 Supp        | Rev 05-07         | Orig 05-07        | 2006 Supp        | Rev 05-07         |
| Legislative                         | 140,970            | 802              | 141,772           | 148,103           | 1,172            | 149,275           |
| Judicial                            | 95,869             | 10,073           | 105,942           | 205,183           | 10,883           | 216,066           |
| Governmental Operations             | 460,076            | 11,042           | 471,118           | 3,188,651         | 159,900          | 3,348,551         |
| Other Human Services                | 1,574,840          | 58,238           | 1,633,078         | 4,153,090         | 138,614          | 4,291,704         |
| DSHS                                | 7,883,928          | 131,536          | 8,015,464         | 17,217,073        | 238,840          | 17,455,913        |
| Natural Resources                   | 366,902            | 15,746           | 382,648           | 1,296,763         | 43,496           | 1,340,259         |
| Transportation                      | 70,464             | 3,129            | 73,593            | 145,790           | 2,541            | 148,331           |
| Total Education                     | 13,859,344         | 265,374          | 14,124,718        | 21,359,013        | 384,296          | 21,743,309        |
| Public Schools                      | 10,914,763         | 183,266          | 11,098,029        | 13,147,661        | 293,175          | 13,440,836        |
| Higher Education                    | 2,900,607          | 48,707           | 2,949,314         | 8,105,412         | 57,215           | 8,162,627         |
| Other Education                     | 43,974             | 33,401           | 77,375            | 105,940           | 33,906           | 139,846           |
| Special Appropriations              | 1,500,021          | 24,552           | 1,524,573         | 1,736,187         | 34,142           | 1,770,329         |
| <b>Total Budget Bill</b>            | <b>25,952,414</b>  | <b>520,492</b>   | <b>26,472,906</b> | <b>49,449,853</b> | <b>1,013,884</b> | <b>50,463,737</b> |
| Appropriations in Other Legislation | 0                  | 825,000          | 825,000           | 0                 | 825,000          | 825,000           |
| <b>Statewide Total</b>              | <b>25,952,414</b>  | <b>1,345,492</b> | <b>27,297,906</b> | <b>49,449,853</b> | <b>1,838,884</b> | <b>51,288,737</b> |

*Note: Includes only appropriations from the Omnibus Operating Budget enacted through the 2006 legislative session and appropriations contained in other legislation shown on page 17.*

# Omnibus Appropriations Act - Agency Detail

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# 2006 Supplemental Transportation Budget

## *Operating and Capital*

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# 2005-07 Washington State Transportation Budget

## TOTAL OPERATING AND CAPITAL BUDGET

### Total Appropriated Funds

(Dollars in Thousands)

|  | Original 2005-07<br>Appropriations | 2006 Supplemental<br>Budget | Revised 2005-07<br>Appropriations |
|--|------------------------------------|-----------------------------|-----------------------------------|
| <b>Department of Transportation</b>                | <b>4,511,650</b>                   | <b>118,141</b>              | <b>4,629,791</b>                  |
| Program B - Toll Operations & Maint-Operating      | 8,615                              | -321                        | 8,294                             |
| Program C - Information Technology                 | 66,835                             | 368                         | 67,203                            |
| Program D - Highway Management & Facilities        | 35,991                             | -63                         | 35,928                            |
| Program F - Aviation                               | 8,782                              | 1,505                       | 10,287                            |
| Program H - Program Delivery Mgmt & Support        | 49,711                             | 3,867                       | 53,578                            |
| Program I1 - Improvements - Mobility               | 1,688,325                          | 61,961                      | 1,750,286                         |
| Program I2 - Improvements - Safety                 | 206,084                            | -3,994                      | 202,090                           |
| Program I3 - Improvements - Economic Initiatives   | 96,440                             | 34,572                      | 131,012                           |
| Program I4 - Improvements - Environmental Retrofit | 39,648                             | -5,378                      | 34,270                            |
| Program I7 - SR 16 Tacoma Narrows Bridge Project   | 272,329                            | 1,709                       | 274,038                           |
| Program K - Transpo Economic Partnership           | 1,068                              | 4                           | 1,072                             |
| Program M - Highway Maintenance                    | 302,389                            | 3,072                       | 305,461                           |
| Program P1 - Preservation - Roadway                | 240,076                            | -2,227                      | 237,849                           |
| Program P2 - Preservation - Structures             | 343,736                            | -105,882                    | 237,854                           |
| Program P3 - Preservation - Other Facilities       | 65,183                             | 34,935                      | 100,118                           |
| Program Q - Traffic Operations                     | 77,684                             | 1,072                       | 78,756                            |
| Program S - Transportation Management              | 27,758                             | 82                          | 27,840                            |
| Program T - Transpo Planning, Data & Research      | 45,442                             | 2,874                       | 48,316                            |
| Program U - Charges from Other Agencies            | 45,430                             | 1,844                       | 47,274                            |
| Program V - Public Transportation                  | 65,027                             | 24,964                      | 89,991                            |
| Program W - Washington State Ferries - Capital     | 261,413                            | -17,233                     | 244,180                           |
| Program X - Washington State Ferries - Operating   | 354,114                            | 21,800                      | 375,914                           |
| Program Y - Rail                                   | 124,081                            | 6,776                       | 130,857                           |
| Program Z - Local Programs                         | 85,489                             | 51,834                      | 137,323                           |
| Washington State Patrol                            | 300,800                            | 8,502                       | 309,302                           |
| Field Operations Bureau                            | 213,243                            | -1,467                      | 211,776                           |
| Investigative Services Bureau                      | 0                                  | 1,358                       | 1,358                             |
| Technical Services Bureau                          | 84,756                             | 8,611                       | 93,367                            |
| Capital  | 2,801                              | 0                           | 2,801                             |
| Department of Licensing                            | 203,327                            | 1,672                       | 204,999                           |
| Director's Office & Agency Services                | 18,787                             | 464                         | 19,251                            |
| Information Systems                                | 41,985                             | -675                        | 41,310                            |
| Vehicle Services                                   | 52,968                             | 1,378                       | 54,346                            |
| Driver Services                                    | 89,587                             | 505                         | 90,092                            |
| Joint Transportation Committee                     | 1,400                              | 279                         | 1,679                             |
| Legislative Evaluation & Accountability Program    | 0                                  | 50                          | 50                                |
| Office of the State Auditor                        | 4,000                              | 0                           | 4,000                             |
| Office of Financial Management                     | 0                                  | 217                         | 217                               |
| Board of Pilotage Commissioners                    | 417                                | 600                         | 1,017                             |
| Utilities and Transportation Commission            | 501                                | 0                           | 501                               |
| Washington Traffic Safety Commission               | 21,303                             | 15                          | 21,318                            |
| Department of Archaeology & Historic Preservation  | 200                                | 287                         | 487                               |
| County Road Administration Board                   | 102,220                            | -682                        | 101,538                           |
| Transportation Improvement Board                   | 208,275                            | -7,187                      | 201,088                           |
| Marine Employees' Commission                       | 390                                | 4                           | 394                               |
| Transportation Commission                          | 5,757                              | -551                        | 5,206                             |
| Freight Mobility Strategic Investment Board        | 664                                | 2                           | 666                               |
| State Parks and Recreation Commission              | 2,376                              | 0                           | 2,376                             |
| Department of Agriculture                          | 329                                | 1                           | 330                               |
| <b>Total Appropriation</b>                         | <b>5,363,609</b>                   | <b>121,350</b>              | <b>5,484,959</b>                  |
| Bond Retirement and Interest                       | 461,336                            | -40,000                     | 421,336                           |
| <b>Total</b>                                       | <b>5,824,945</b>                   | <b>81,350</b>               | <b>5,906,295</b>                  |

# 2006 Supplemental Capital Budget

## *Omnibus Capital Only*

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# 2006 Supplemental Capital Budget Highlights

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## Overview

The 2006 Supplemental Capital Budget, Chapter 371, Laws of 2006, Partial Veto (ESSB 6384), appropriates \$144 million in new state general obligation bonds and \$313 million in total funds. The budget funds \$59 million in increased prison capacity for public safety legislation enacted by the 2006 Legislature, \$24.5 million in alternative energy projects, \$21 million in low-income housing projects and activities, \$35 million for higher education facilities, \$10 million for the beginning of the Columbia River Basin Water Supply Development program, and nearly \$100 million in other environmental and recreation projects.

## State General Obligation Bonds

Of the \$144 million in new state general obligation bonds, \$60 million is from existing bond authority including half that are Gardner-Evans bonds for higher education projects and half that are bond authority provided in the 2005 bond bill. The remaining bond budget is authorized in Chapter 167, Laws of 2006 (ESHB 3316). The bond authorization bill provides specific bond authority for \$59 million of prison construction. It also authorizes \$14 million for cleanup of Puget Sound and Hood Canal, and \$200 million of bonds over ten years for the Columbia River Basin Water Supply Development program. Ten million dollars of the \$200 million for the Columbia River is appropriated in the supplemental capital budget.

## Public Safety

The 2006 Legislature enacted three bills that increase sentencing for sex offenders (Chapters 123, 128, and 139, Laws of 2006) and one bill (Chapter 73, Laws of 2006) that increases penalties for driving under the influence. The capital budget provides \$59 million to increase prison capacity by 692 beds. Two additional housing units at the Coyote Ridge Corrections Center are funded, increasing the capacity of the new prison to 1,792 beds. Bed expansions at Cedar Creek and Larch Correction Centers are also included.

## Higher Education

Within the \$35 million higher education supplemental capital budget, the Legislature provided \$10 million for initial construction work on the Washington State University Biotechnology/Life Sciences building, \$4.5 million to support the development of a nanotechnology research lab at the University of Washington (UW), \$4 million for land acquisition at the UW Tacoma campus, and \$9.7 million for six community college projects.

## Renewable Energy

The capital budget appropriates \$24.5 million to support the development of renewable energy in the state. Of that amount, \$23 million is appropriated to the Energy Freedom Account from the state general fund in the supplemental operating budget, Chapter 372, Laws of 2006, Partial Veto (ESSB 6386). Five biofuel projects in eastern Washington received \$10.3 million in low-interest loans to stimulate the development of the state's bioenergy industry. An additional \$6.8 million is provided for the Energy Freedom Program established by the 2006 Legislature in Chapter 171, Laws of 2006 (E3SHB 2939). The Grays Harbor Public Utility District also received \$7.5 million in assistance for an alternative energy project that will also help stabilize jobs in the timber products industry.

## Low-Income Housing Assistance

An additional \$21 million is provided for the Housing Trust Fund program. Of that amount, \$14 million was appropriated from the state general fund to the Washington Housing Trust Account in the supplemental operating budget (Chapter 372, Laws of 2006, Partial Veto, Section 714). Funding is provided for the "backlog" of eligible Housing Trust Fund projects; housing vouchers for homeless persons, victims of domestic violence, low-income persons, or seasonal farm workers; the Energy Matchmakers program; housing for persons with developmental disabilities; housing for victims of domestic violence; farm worker housing projects and programs; implementation and management of a manufactured/mobile home landlord-tenant ombudsman conflict resolution

# Appendix

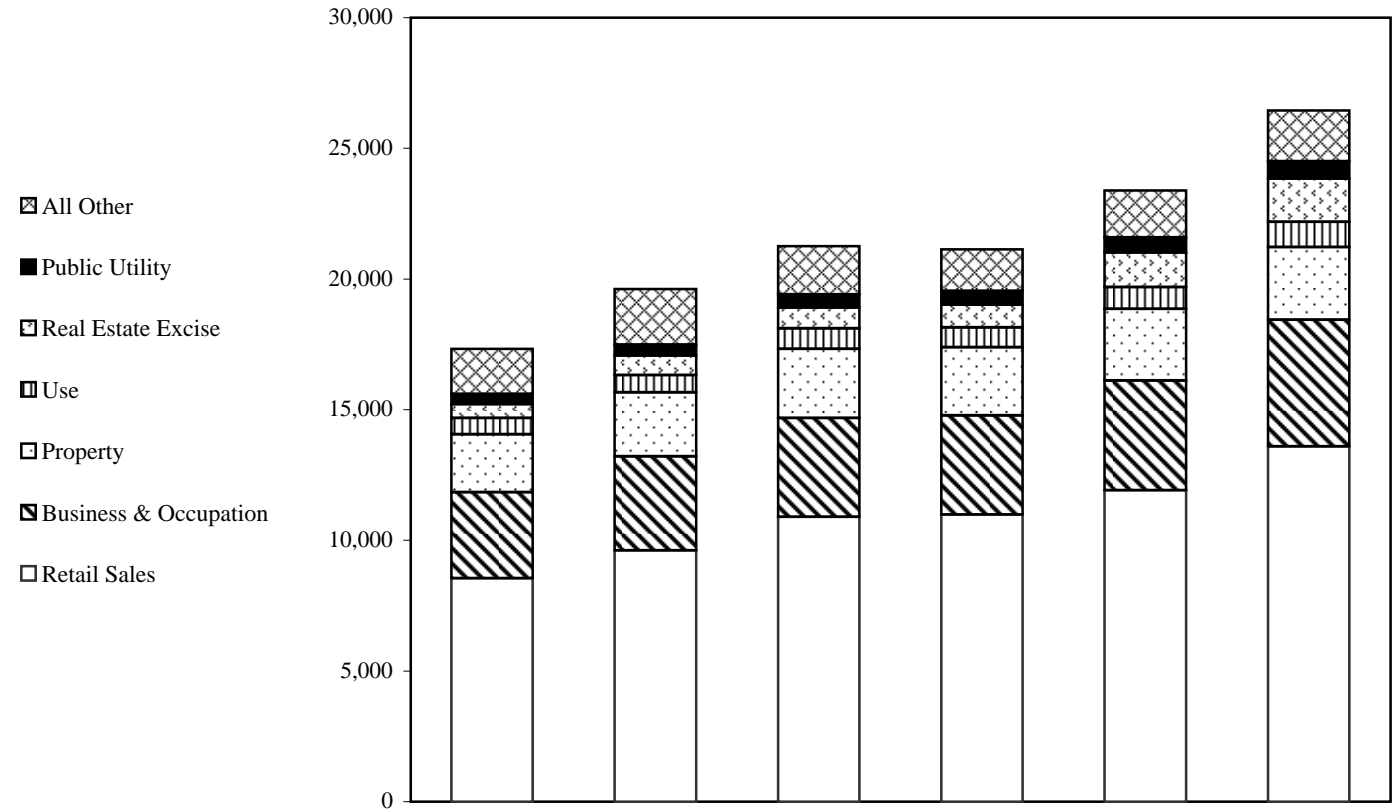
## Historical Comparisons – Operating Only

Historical data displayed on the following pages differ from data displayed in previous Legislative Budget Notes documents. The differences result from the update of 2003-05 data and from the reconstruction of historical data to optimize comparability with current budget formats. These differences include:

- *updates to 2003-05 data:* previously, preliminary actual data were displayed for 2003-05; the following tables and graphs display final actual data for 2003-05.
- *changes to agency totals:* amounts for total budgeted funds and full-time equivalent staff previously treated as non-budgeted are now treated as budgeted for the Public Printer. This change increased expenditures and staff for the Governmental Operations function and for the statewide total.

## Washington State General Fund-State Revenues By Source

(Dollars in Millions)



|                       | <b>1995-97</b>  | <b>1997-99</b>  | <b>1999-01</b>  | <b>2001-03</b>  | <b>2003-05</b>  | <b>2005-07</b>  |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Retail Sales          | 8,541.8         | 9,609.8         | 10,903.5        | 10,987.0        | 11,916.7        | 13,597.7        |
| Business & Occupation | 3,300.1         | 3,603.6         | 3,772.9         | 3,790.6         | 4,202.5         | 4,839.4         |
| Property              | 2,211.7         | 2,452.8         | 2,651.9         | 2,613.5         | 2,743.1         | 2,782.5         |
| Use                   | 626.1           | 662.0           | 779.5           | 753.1           | 825.4           | 962.1           |
| Real Estate Excise    | 532.6           | 746.3           | 801.5           | 873.1           | 1,327.2         | 1,660.9         |
| Public Utility        | 388.1           | 415.8           | 495.3           | 524.1           | 576.0           | 655.3           |
| All Other             | 1,729.5         | 2,129.2         | 1,857.5         | 1,599.3         | 1,797.6         | 1,945.1         |
| <b>Total</b>          | <b>17,329.9</b> | <b>19,619.5</b> | <b>21,262.1</b> | <b>21,140.7</b> | <b>23,388.5</b> | <b>26,443.0</b> |

\* The state levy forecast reflects only the General Fund portion. The portion of the state levy that is transferred to the Student Achievement Account by Initiative 728 is excluded.

Note: Data for 2005-07 reflect the February 2006 Revenue Forecast.