



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

January 12, 2010

TO: The Honorable Margarita Prentice
The Honorable Kelli Linville
The Honorable Ross Hunter
The Honorable Hans Dunshee
The Honorable Karen Fraser
The Honorable Joseph Zarelli
The Honorable Gary Alexander
The Honorable Ed Orcutt
The Honorable Judy Warnick
The Honorable Dale Brandland

FROM: Victor A. Moore
Director

A handwritten signature in black ink, appearing to read "V.A. Moore".

**SUBJECT: TECHNICAL REVISIONS TO THE GOVERNOR'S DECEMBER 9
OPERATING AND CAPITAL BUDGET PROPOSALS**

Upon further review, we have identified a series of recommended changes to the operating and capital supplemental budget data presented on December 9. Most of these changes are technical in nature, in order to correct errors in expenditure or revenue assumptions or to respond to new information. In total, the proposed revisions would reduce General Fund-State (GFS) expenditures by \$6.5 million and increase GFS fund transfers by \$7.9 million.

These revisions are incorporated into the appropriations bill and expenditure database for the Governor's new budget proposal that will be released today.

Please feel free to contact OFM staff on any questions related to the attached list.

cc: Charlie Gavigan
Mike Wills
Nona Snell
Brian Sims
Jack Archer
Ryan Moore
Yona Makowski
Claire Hesselholt

Updated Information for Governor's 2010 Supplemental Budget						
(Dollars in thousands)						
		Year 2	General Fund - State		Other	TOTAL
		FTEs	Year 1	Year 2	Total	Funds FUNDS
Omnibus Operating budget						
Expenditure Corrections						
Labor and Industries – Savings for Crime Victims program drops due to delayed fee reduction			150		150	150
Labor and Industries – Correction to year split for reduction in Contractor Compliance program			(237)	237	0	0
WA State Patrol – Include 29 FTEs in the savings for Elimination of Staff Positions	(29.0)				0	0
WA State Patrol – Include 2 FTEs for restoring the License Fraud Program	2.0				0	0
Dept. of Licensing – Minor in Possession Program should reflect FTE reduction	(2.0)				0	0
Dept. of Health – Local health funds placed in Special Appropriations					0	0
UTC/Commerce – Transfer of Energy Facility Site Evaluation Council should be GF-Local not GF-State					0	0
UTC – Public Utilities Commission, Federal Recovery funding; amount not included in unanticipated receipt	2.0				0	267
Commerce – FTE corrections related to administrative cuts	1.1				0	0
Commerce – FTE corrections related to New Americans program	10.4				0	0
Commerce/DSHS – Prostitution Prevention/Intervention Acct. funding should be transferred to DSHS					0	0
Commerce/L&I – Building Code Council transfer should be GF-Local instead of GF-State					0	0
Commerce/DOH – Technical correction; retain Commerce FY 2010 federal funding, AIDS Housing					0	0
Dept. of Information Services – Correction of enacted budget, switch from DP Revolving Fund to federal					0	0
Health Care Authority – Reverse an incorrect entry for Moore et. al., vs. HCA item					0	2,133
DSHS Developmental Disabilities (Community) – correct addition for timing of federal stimulus funds receipt				(1,271)	(1,271)	1,271
DSHS Developmental Disabilities (Institutions) – correct addition for timing of federal stimulus funds receipt				(1)	(1)	1
DSHS Developmental Disabilities (Community) – fewer agency providers switched to independent providers			1,274	2,028	3,302	4,956
DSHS Long Term Care – FTE correction for Administrative Streamlining reduction	(1.0)				0	0
DSHS Long Term Care – FTE correction for Decision Support and Analysis Reduction	(4.0)				0	0
DSHS Medical Assistance – Move unemployment insurance to another program, add federal funds					0	500
DSHS Medical Assistance – Certified Public Expenditure/Disproportionate Share Adjustment				(7,815)	(7,815)	2,744
DSHS Mental Health - Move from Community Services program to Special Projects					0	0
DSHS Vocational Rehabilitation – FTE correction for Administrative Streamlining reduction	(1.0)				0	0
DSHS Vocational Rehabilitation – Correct double-count of Services for the Blind savings items in transfer				141	141	(30)
DSHS Administration – exclude FTE and other funds in Juvenile Justice Advisory Committee reduction	4.0				0	1,484
DSHS Administration – FTE correction for Administrative Streamlining reduction	(3.0)				0	0
DSHS Administration – FTE correction in Decision Support and Analysis reduction	(3.0)				0	0
DSHS Administration – Six month delay, transfer of Office of Financial Recovery to Child Support					0	0

Updated Information for Governor's 2010 Supplemental Budget						
(Dollars in thousands)						
	Year 2	General Fund - State			Other	TOTAL
	FTEs	Year 1	Year 2	Total	Funds	FUNDS
DSHS Special Commitment Center – Revised calculation of reductions			(328)	(328)		(328)
Dept. of Health – Fiscal Year correction to savings from under-utilization in the Vaccination program		(1,800)	1,800	0		0
Dept. of Corrections – Funding for Workers Compensation rate increase			1,670	1,670		1,670
Higher Education Coordinating Board – Recalculation of cut for variety of smaller financial aid programs			(1,149)	(1,149)	(800)	(1,949)
Higher Education Coordinating Board – FTE correction	1.2			0		0
Western Washington University – Shift Maintenance and Operations swap between institutions		2,113	2,113	4,226		4,226
Other Higher Ed Institutions – Shift Maintenance/Operations swap between institutions		(2,113)	(2,113)	(4,226)		(4,226)
Community Colleges – Worker Retraining recalculation			65	65		65
Community Colleges – FTEs associated with reductions	(456.0)			0		0
Ecology – Correct FTEs for Hazardous Waste Program staffing reduction	(3.0)			0		0
Agriculture – Elimination of Fairs Commission should have reduced Fair Fund not GF-S			37	37	(37)	0
Agriculture – Correction of Integrated Pest Management Coordinating Committee cut	0.3		14	14		14
Liquor Control Board – Move compensation for Board members from FY 11 to FY 10				0		0
	(481.0)	(613)	(4,572)	(5,185)	12,489	7,304
<u>New Information</u>						
DOR – Implement Tax Administration Changes	22.1	604	2,009	2,613		2,613
DSHS – Reimbursement of Spokane County Sheriff's office for apprehending Eastern State Hospital resident				0	22	22
DSHS – "Guilty and Mentally Ill" Legislation	31.2		2,015	2,015	460	2,475
Dept. of Health – FY09 closing resulted in a deficit in the Medical Services/Trauma Acct.				0	(1,919)	(1,919)
Higher Education Coordinating Board – Decrease State Need Grant due to higher than anticipated federal aid			(6,099)	(6,099)	0	(6,099)
OSPI - Pension Rate Change in School Employees' Retirement System due to Domestic Partnership Act			58	58	0	58
Workforce Training/Education Board – Funding needed for federal maintenance of effort		(102)	162	60	0	60
Ecology – Teck Cominco Legal Costs				0	350	350
Washington State Community and Technical Colleges - Debt Service Payments				0	6,832	6,832
	53.3	502	(1,855)	(1,353)	5,745	4,392
Total Expenditure Revisions	(427.7)	(111)	(6,427)	(6,538)	18,234	11,696

Updated Information for Governor's 2010 Supplemental Budget						
(Dollars in thousands)						
	Year 2	General Fund - State			Other	TOTAL
	FTEs	Year 1	Year 2	Total	Funds	FUNDS
Revenue Corrections (Treasurers Transfers)						
Increased transfer to Drinking Water Assistance Account from Public Works Assistance Account				0		0
Reduced transfer from Education Legacy Trust Account to GF-S			(600)	(600)		(600)
Correct split between transfers into GF-S from Education Savings Acct. and three nonbudgeted accounts.				0		0
Transfer \$8.5 million fund balance from CERB Account to GF-S			8,500	8,500		8,500
Total Revenue Revisions	0	0	7,900	7,900	0	7,900
GF-S Balance Sheet Gain/(Loss)		111	14,327	14,438		
Capital Budget						
30000082 Navos Mental Health and Wellness Center – relocation of critical mental health programs to a new site in Burien. \$1.5 million Bonds						