



Policy Brief

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1999 Supplemental Budget General Fund State: Senate Version

The Senate has passed its version of the 1999 Supplemental Budget. Like the governor's, the Senate's proposed budget stresses education. But its General Fund State (GFS) supplemental is \$21.8 million less than the governor's.

The Senate version incorporates a mix of new initiatives, adjustments for caseload, workload and other items.

The Senate's proposed budget would increase the current biennium GFS spending to \$19.134 billion, compared to the governor's increase to \$19.156 billion.

The Senate version would result in total reserves growing to \$918.0 million by the end of the biennium, including \$368.3 million in the Initiative 601 Emergency Reserve Account.

Major differences between the governor's and the Senate's supplemental budget involve funding of K-12 construction, school bus replacement, repair and replacement of facilities at Community and Technical Colleges, and caseload projections. The Senate also proposes a much smaller increase in higher education than did the governor.

The Senate's proposal funds K-12 construction at \$48.3 million, while the governor would spend \$22.4 million. The Senate would provide

1999 Supplemental Budget Versions (dollars in thousands)			
Functional Area	Governor Supplemental	Senate (1) Supplemental	Difference Dollars
Legislative	-	-30	-30
Judicial	20	-537	-557
Governmental Operations	7,162	5,496	-1,666
DSHS	1,786	-7,016	-8,802
Other Human Services	2,634	146	-2,488
Natural Resources and Recreation	7,412	6,629	-783
Transportation	68	259	191
Public Schools	-19,660	-19,244	416
Higher Education	2,998	24	-2,974
Other Education	-	-	-
All Other Appropriations	70,180	65,078	-5,102
Total	72,600	50,805	-21,795

(1) Senate budget adjusted to place school construction into Special Appropriations to Governor. The comparison between the Senate and Governor's version was not comparable without this adjustment.)

Major Senate Initiatives (dollars in millions)	
GFS Contribution to 1999-2001 K-12 Construction	\$34.5
Community and Technical Colleges Minor Repairs and Portable Replacement	15.0
School Bus Safety	12.8
1997-1999 K-12 Construction Shortfall	13.8
Fair Fund	6.0
Disaster Assistance	5.9
Emergency Fire Suppression	7.8
Total New Initiatives	\$95.8

Adjustments to caseloads, workloads, and other reductions (dollars in millions)	
Human Services Forecasted Caseload Changes	-\$64.5
K-12 Enrollment and Staff Mix Changes	-32.0
Debt Service and Retirement Contributions	-7.0
Medical Assistance Utilization Changes	39.0
Reduced Federal Funding for Block Grants, Food Stamps, and SSI Administration	14.4
Medical Assistance Rate Increases for Managed Care, Medicare Premiums, and Hospitals	6.1
Other (net) Adjustments	5.2
Total Adjustments	-\$45.0

\$13.8 million to fully fund current projects. The remaining \$34.5 million would go to make up a predicted shortfall in the Education Savings Account in the next biennium.

After Gov. Locke released his proposed supplemental budget, the State Board of Education recommended a revised capital budget that increased the 1999-2001 spending by \$34.5 million. The governor had provided an additional \$8.6 million for 1999-2001 as part of his \$22.4 million GFS supplemental request for K-12 construction.

School-bus safety is a major issue with the Senate. Its proposal funds a modification to the state's school-bus depreciation schedules. The new schedules would shorten the depreciable lives of buses by one year, accelerating payments from the state to the districts. The Senate would provide \$12.8 million GFS for this purpose.

The Senate would deposit \$15 million GFS in the Community and Technical Colleges Capital Project Account. This account funds repair and replacement of temporary facilities statewide.

The Senate did not provide for the reimbursement of the Agricultural Permanent Fund or for initial funding of a new Agricultural College Lands Account. The governor provided \$40.3 million GFS for the Fund and Account to reimburse Washington State University for management of the trust lands. The Senate is holding back pending the settlement of the claim brought by WSU.

Differences between the governor and the Senate in caseload, workload, and other adjustments do not reflect policy differences. As the session continues, new data are available to budget writers. The estimates used by the Senate are simply more up-to-date.

For example, the 1997-1999 appropriations for higher education contained GFS funds contingent on achievement of specific performance measures. The four-year schools have lost \$1.5 million because they failed to fully achieve their goals. The Senate supplemental reflects this loss, and this explains about half of the difference in higher education between the governor and the Senate.

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