
SUBSTITUTE SENATE BILL 6108

State of Washington

55th Legislature

1998 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senator West)

Read first time 02/25/98. Referred to Committee on .

1 AN ACT Relating to fiscal matters; amending RCW 28D.02.065;
2 amending 1997 c 149 ss 101, 102, 110, 111, 112, 113, 114, 116, 117,
3 120, 121, 122, 123, 124, 129, 134, 136, 141, 146, 201, 204, 205, 206,
4 209, 210, 217, 304, 306, 309, 310, 401, 402, 502, 505, 507, 508, 506,
5 513, 516, 612, 614, 616, 618, 619, 701, 703, 705, 710, 717, 718, and
6 905 (uncodified); amending 1997 c 454 ss 101, 103, 104, 105, 202, 203,
7 204, 205, 206, 207, 208, 210, 211, 209, 212, 213, 214, 301, 302, 303,
8 304, 305, 501, 503, 504, 505, 506, 507, 508, 601, 602, 603, 604, 605,
9 607, 608, 610, 611, 703, 801, and 802 (uncodified); reenacting and
10 amending RCW 43.88.030; adding new sections to 1997 c 149 (uncodified);
11 creating new sections; making appropriations; and declaring an
12 emergency.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

14 **PART I**
15 **GENERAL GOVERNMENT**

16 **Sec. 101.** 1997 c 149 s 101 (uncodified) is amended to read as
17 follows:

18 **FOR THE HOUSE OF REPRESENTATIVES**

1	General Fund Appropriation (FY 1998)	. . . . . \$	((24,241,000))
2			<u>24,216,000</u>
3	General Fund Appropriation (FY 1999)	. . . . . \$	25,637,000
4	TOTAL APPROPRIATION	. . . . . \$	((49,878,000))
5			<u>49,853,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations: ~~((1))~~ \$75,000 of the general fund fiscal
8 year 1998 appropriation and \$75,000 of the general fund fiscal year
9 1999 appropriation are provided solely for the independent operations
10 of the legislative ethics board. Expenditure decisions of the board,
11 including employment of staff, shall be independent of the senate and
12 house of representatives.

13 ~~((2) \$25,000 of the general fund fiscal year 1998 appropriation is
14 provided solely to implement Substitute Senate Concurrent Resolution
15 No. 8408 (water policy report). If the concurrent resolution is not
16 enacted by June 30, 1997, the amount provided in this subsection shall
17 lapse.))~~

18 **Sec. 102.** 1997 c 149 s 102 (uncodified) is amended to read as
19 follows:

20 **FOR THE SENATE**

21	General Fund Appropriation (FY 1998)	. . . . . \$	19,357,000
22	General Fund Appropriation (FY 1999)	. . . . . \$	((20,663,000))
23			<u>20,713,000</u>
24	TOTAL APPROPRIATION	. . . . . \$	((40,020,000))
25			<u>40,070,000</u>

26 The appropriations in this section are subject to the following
27 conditions and limitations:

28 (1) \$75,000 of the general fund fiscal year 1998 appropriation and
29 \$75,000 of the general fund fiscal year 1999 appropriation are provided
30 solely for the independent operations of the legislative ethics board.
31 Expenditure decisions of the board, including employment of staff,
32 shall be independent of the senate and house of representatives.

33 ~~((2) ((25,000 of the general fund fiscal year 1998 appropriation is
34 provided solely to implement Substitute Senate Concurrent Resolution
35 No. 8408 (water policy report). If the concurrent resolution is not
36 enacted by June 30, 1997, the amount provided in this subsection shall
37 lapse.))~~

1 ~~(3))~~ \$100,000 of the general fund appropriation for fiscal year
2 1998 is provided solely for a study of financial aid and tuition by the
3 senate committee on ways and means and the house of representatives
4 committee on appropriations.

5 (a) The study shall report on the current usage and distribution of
6 financial aid, investigate other resources available to financial aid
7 recipients, and shall compare alternative methods of financial aid
8 distribution and their impacts on the sectors of higher education and
9 students served within each sector.

10 (b) The study shall also provide comparative data from other states
11 on methods of establishing tuition rates and the relationship of
12 tuition to state funding.

13 (3) \$25,000 of the general fund--state appropriation for fiscal
14 year 1998 and \$50,000 of the general fund--state appropriation for
15 fiscal year 1999 are provided solely for the legislature and the office
16 of financial management to contract jointly for a performance review of
17 the state long-term care system. The review shall result in
18 recommendations by October 1, 1998, on strategies for increasing the
19 long-term affordability and cost-effectiveness of the system, and shall
20 include a review of topics such as methods for matching service levels
21 to recipient needs, options for managing growth in entitlement
22 caseloads, and techniques for projecting the number of persons in need
23 of publicly-funded services.

24 **Sec. 103.** 1997 c 454 s 101 (uncodified) is amended to read as
25 follows:

26 **FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE**

27 General Fund Appropriation (FY 1998)	\$((1,421,000))
	<u>1,371,000</u>
29 General Fund Appropriation (FY 1999)	\$((1,425,000))
	<u>1,865,000</u>
31 TOTAL APPROPRIATION	\$((2,846,000))
	<u>3,236,000</u>

33 The appropriations in this section are subject to the following
34 conditions and limitations: ~~((\$50,000 of the general fund~~
35 ~~appropriation for fiscal year 1998 is provided solely to implement~~
36 ~~Substitute Senate Bill No. 5071 (school district territory). If the~~
37 ~~bill is not enacted by June 30, 1997, the amount provided in this~~
38 ~~subsection shall lapse.))~~

1 (1) \$100,000 of the general fund appropriation for fiscal year 1999
2 is provided solely for continuation of the study of school health
3 services pursuant to Second Substitute Senate Bill No. 6546. If the
4 bill is not enacted by June 30, 1998, the amount provided in this
5 subsection shall lapse.

6 (2) \$340,000 of the general fund appropriation for fiscal year 1999
7 is provided solely for a study of finances in the K-12 public school
8 system as provided in section 501 of this act.

9 **Sec. 104.** 1997 c 149 s 110 (uncodified) is amended to read as
10 follows:

11 **FOR THE COURT OF APPEALS**

12	General Fund Appropriation (FY 1998)	. . . . . \$	((10,225,000))
13			<u>10,340,000</u>
14	General Fund Appropriation (FY 1999)	. . . . . \$	((10,133,000))
15			<u>10,307,000</u>
16	TOTAL APPROPRIATION	. . . . . \$	((20,358,000))
17			<u>20,647,000</u>

18 The appropriations in this section are subject to the following
19 conditions and limitations:

20 (1) \$271,000 of the general fund fiscal year 1999 appropriation is
21 provided solely for an additional judge position and related support
22 staff in division I in King county, effective July 1, 1998.

23 (2) \$490,000 of the general fund fiscal year 1998 appropriation is
24 provided solely for remodeling existing space in division I court
25 facilities to house additional staff.

26 **Sec. 105.** 1997 c 149 s 111 (uncodified) is amended to read as
27 follows:

28 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

29	General Fund Appropriation (FY 1998)	. . . . . \$	((652,000))
30			<u>692,000</u>
31	General Fund Appropriation (FY 1999)	. . . . . \$	((653,000))
32			<u>714,000</u>
33	TOTAL APPROPRIATION	. . . . . \$	((1,305,000))
34			<u>1,406,000</u>

35 **Sec. 106.** 1997 c 149 s 112 (uncodified) is amended to read as
36 follows:

1 **FOR THE ADMINISTRATOR FOR THE COURTS**

2	General Fund Appropriation (FY 1998)	\$	12,723,000
3	General Fund Appropriation (FY 1999)	\$	((12,595,000))
4			<u>12,770,000</u>
5	Public Safety and Education Account		
6	Appropriation	\$	((31,134,000))
7			<u>30,851,000</u>
8	Judicial Information Systems Account		
9	Appropriation	\$	((16,305,000))
10			<u>17,489,000</u>
11	TOTAL APPROPRIATION	\$	((72,757,000))
12			<u>73,833,000</u>

13 The appropriations in this section are subject to the following
14 conditions and limitations:

15 (1) Funding provided in the judicial information systems account
16 appropriation shall be used for the operations and maintenance of
17 technology systems that improve services provided by the supreme court,
18 the court of appeals, the office of public defense, and the office of
19 the administrator for the courts. \$400,000 of the judicial information
20 systems account appropriation is provided solely for the year 2000 date
21 conversion.

22 (2) No moneys appropriated in this section may be expended by the
23 administrator for the courts for payments in excess of fifty percent of
24 the employer contribution on behalf of superior courts judges for
25 insurance and health care plans and federal social security and
26 medicare and medical aid benefits. Consistent with Article IV, section
27 13 of the state Constitution and 1996 Attorney General's Opinion No. 2,
28 it is the intent of the legislature that the cost of these employer
29 contributions shall be shared equally between the state and county or
30 counties in which the judges serve. The administrator for the courts
31 shall continue to implement procedures for the collection and
32 disbursement of these employer contributions.

33 (3) \$6,510,000 of the public safety and education account
34 appropriation is provided solely for the continuation of treatment
35 alternatives to street crimes (TASC) programs in Pierce, Snohomish,
36 Clark, King, Spokane, and Yakima counties.

37 (4) \$125,000 of the public safety and education account
38 appropriation is provided solely for the workload associated with the
39 increase in state cases filed in Thurston county superior court.

1 (5) \$223,000 of the public safety and education account
2 appropriation is provided solely for the gender and justice commission.

3 (6) \$308,000 of the public safety and education account
4 appropriation is provided solely for the minority and justice
5 commission.

6 (7) \$100,000 of the general fund fiscal year 1998 appropriation and
7 \$100,000 of the general fund fiscal year 1999 appropriation are
8 provided solely for judicial program enhancements. Within the funding
9 provided in this subsection, the office of administrator of courts in
10 consultation with the supreme court shall determine the program or
11 programs to receive an enhancement.

12 (8) \$35,000 of the general fund fiscal year 1998 appropriation is
13 provided solely for the implementation of Engrossed Substitute House
14 Bill No. 1771 (guardian certification). If the bill is not enacted by
15 June 30, 1997, the amount provided in this subsection shall lapse.

16 (9) \$100,000 of the general fund fiscal year 1998 appropriation is
17 provided solely for the Snohomish county preprosecution diversion
18 program.

19 **Sec. 107.** 1997 c 149 s 113 (uncodified) is amended to read as
20 follows:

21 **FOR THE OFFICE OF PUBLIC DEFENSE**

22 Public Safety and Education Account

23 Appropriation \$ ((~~12,187,000~~))
24 12,137,000

25 The appropriation in this section is subject to the following
26 conditions and limitations:

27 (1) The cost of defending indigent offenders in death penalty cases
28 has escalated significantly over the last four years. The office of
29 public defense advisory committee shall analyze the current methods for
30 reimbursing private attorneys and shall develop appropriate standards
31 and criteria designed to control costs and still provide indigent
32 defendants their constitutional right to representation at public
33 expense. The office of public defense advisory committee shall report
34 its findings and recommendations to the supreme court and the
35 appropriate legislative committees by September 30, 1998.

36 (2) \$688,000 of the public safety and education account
37 appropriation is provided solely to increase the reimbursement for

1 private attorneys providing constitutionally mandated indigent defense
2 in nondeath penalty cases.

3 **Sec. 108.** 1997 c 149 s 114 (uncodified) is amended to read as
4 follows:

5 **FOR THE OFFICE OF THE GOVERNOR**

6	General Fund--State Appropriation (FY 1998) . . . \$	((5,047,000))
7		<u>5,068,000</u>
8	General Fund--State Appropriation (FY 1999) . . . \$	((4,963,000))
9		<u>5,020,000</u>
10	General Fund--Federal Appropriation \$	((188,000))
11		<u>553,000</u>
12	Water Quality Account Appropriation \$	700,000
13	TOTAL APPROPRIATION \$	((10,898,000))
14		<u>11,341,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations:

17 (1) \$1,618,000 of the general fund--state appropriation for fiscal
18 year 1998, \$1,520,000 of the general fund--state appropriation for
19 fiscal year 1999, \$700,000 of the water quality account appropriation,
20 and \$188,000 of the general fund--federal appropriation are provided
21 solely for the implementation of the Puget Sound work plan and agency
22 action items PSAT-01 through PSAT-06.

23 (2) \$12,000 of the general fund--state appropriation for fiscal
24 year 1998 and \$13,000 of the general fund--state appropriation for
25 fiscal year 1999 are provided for the state law enforcement medal of
26 honor committee for the purposes of recognizing qualified law
27 enforcement officers as provided by chapter 41.72 RCW.

28 **Sec. 109.** 1997 c 149 s 116 (uncodified) is amended to read as
29 follows:

30 **FOR THE PUBLIC DISCLOSURE COMMISSION**

31	General Fund Appropriation (FY 1998) \$	1,457,000
32	General Fund Appropriation (FY 1999) \$	((1,206,000))
33		<u>1,262,000</u>
34	TOTAL APPROPRIATION \$	((2,663,000))
35		<u>2,719,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations: \$306,000 of the general fund fiscal year
3 1998 appropriation and \$72,000 of the general fund fiscal year 1999
4 appropriation are provided solely for technology for customer service
5 improvements.

6 **Sec. 110.** 1997 c 149 s 117 (uncodified) is amended to read as
7 follows:

8 **FOR THE SECRETARY OF STATE**

9	General Fund Appropriation (FY 1998)	\$	((8,055,000))
10			<u>8,170,000</u>
11	General Fund Appropriation (FY 1999)	\$	((5,901,000))
12			<u>7,899,000</u>
13	Archives & Records Management Account--State		
14	Appropriation	\$	4,032,000
15	Archives & Records Management Account--Private/Local		
16	Appropriation	\$	2,553,000
17	Department of Personnel Service Account		
18	Appropriation	\$	663,000
19	TOTAL APPROPRIATION	\$	((21,204,000))
20			<u>23,317,000</u>

21 The appropriations in this section are subject to the following
22 conditions and limitations:

23 (1) \$((2,355,000)) 2,455,000 of the general fund appropriation for
24 fiscal year 1998 is provided solely to reimburse counties for the
25 state's share of primary and general election costs and the costs of
26 conducting mandatory recounts on state measures.

27 (2) \$2,011,000 of the general fund appropriation for fiscal year
28 1998 and \$2,536,000 of the general fund appropriation for fiscal year
29 1999 are provided solely for the verification of initiative and
30 referendum petitions, maintenance of related voter registration
31 records, and the publication and distribution of the voters and
32 candidates pamphlet.

33 (3) \$99,000 of the general fund appropriation is provided solely
34 for the state's participation in the United States census block
35 boundary suggestion program.

36 (4) \$125,000 of the fiscal year 1998 general fund appropriation is
37 provided solely for legal advertising of state measures under RCW
38 29.27.072.

1 (5) \$45,000 of the general fund fiscal year 1998 appropriation is
2 provided solely for an economic feasibility study of a state horse
3 park.

4 (6) The election review section under chapter 29.60 RCW shall be
5 administered in a manner consistent with Engrossed Senate Bill No. 5565
6 (election procedures review).

7 (7)(a) \$1,850,000 of the general fund appropriation for fiscal year
8 1999 is provided solely for contracting with a nonprofit organization
9 to produce gavel-to-gavel television coverage of state government
10 deliberations and other events of state-wide significance during fiscal
11 year 1999. An eligible nonprofit organization must be formed solely
12 for the purpose of, and be experienced in, providing gavel-to-gavel
13 television coverage of state government deliberations and other events
14 of state-wide significance and must have received a determination of a
15 tax-exempt status under section 501(c)(3) of the federal internal
16 revenue code.

17 (b) The legislature finds that the commitment of on-going funding
18 is necessary to ensure continuous, autonomous, and independent coverage
19 of public affairs. For that purpose, the secretary of state shall
20 enter into a four-year contract with the nonprofit organization to
21 provide public affairs coverage through June 30, 2002. The funding
22 level for each year of the contract shall be based on the amount
23 provided in this subsection for fiscal year 1999 and adjusted to
24 reflect the implicit price deflator for the previous year. The
25 nonprofit organization shall be required to raise contributions or
26 commitments to make contributions, in cash or in kind, in an amount
27 equal to forty percent of the state contribution.

28 (c) The nonprofit organization shall prepare an annual independent
29 audit, an annual financial statement, and an annual report, including
30 benchmarks that measure the success of the nonprofit organization in
31 meeting the intent of the program.

32 (d) No portion of any funds disbursed pursuant to this subsection
33 may be used, directly or indirectly, for any of the following purposes:

34 (i) Attempting to influence the passage or defeat of any
35 legislation by the legislature of the state of Washington, by any
36 county, city, town, or other political subdivision of the state of
37 Washington, or by the congress, or the adoption or rejection of any
38 rule, standard, rate, or other legislative enactment of any state
39 agency;

1 (ii) Making contributions reportable under chapter 42.17 RCW; or
 2 (iii) Providing any: (A) Gift; (B) honoraria; or (C) travel,
 3 lodging, meals, or entertainment to a public officer or employee.

4 **Sec. 111.** 1997 c 149 s 120 (uncodified) is amended to read as
 5 follows:

6 **FOR THE STATE TREASURER**

7 State Treasurer's Service Account

8 Appropriation	\$ ((11,567,000))
9	<u>12,382,000</u>

10 **Sec. 112.** 1997 c 149 s 121 (uncodified) is amended to read as
 11 follows:

12 **FOR THE STATE AUDITOR**

13 General Fund Appropriation (FY 1998)	\$ ((678,000))
14	<u>688,000</u>
15 General Fund Appropriation (FY 1999)	\$ ((678,000))
16	<u>1,168,000</u>
17 State Auditing Services Revolving Account	
18 Appropriation	\$ ((11,928,000))
19	<u>12,253,000</u>
20 TOTAL APPROPRIATION	\$ ((13,284,000))
21	<u>14,109,000</u>

22 The appropriations in this section are subject to the following
 23 conditions and limitations:

24 (1) Audits of school districts by the division of municipal
 25 corporations shall include findings regarding the accuracy of: (a)
 26 Student enrollment data; and (b) the experience and education of the
 27 district's certified instructional staff, as reported to the
 28 superintendent of public instruction for allocation of state funding.

29 (2) \$420,000 of the general fund appropriation for fiscal year 1998
 30 and \$420,000 of the general fund appropriation for fiscal year 1999 are
 31 provided solely for staff and related costs to audit special education
 32 programs that exhibit unusual rates of growth, extraordinarily high
 33 costs, or other characteristics requiring attention of the state safety
 34 net committee, and other school districts for baseline purposes and to
 35 determine if there are common errors. The auditor shall consult with
 36 the superintendent of public instruction regarding training and other
 37 staffing assistance needed to provide expertise to the audit staff.

1 (3) \$250,000 of the general fund fiscal year 1998 appropriation and
 2 \$250,000 of the general fund fiscal year 1999 appropriation are
 3 provided solely for the budget and reporting system (BARS) to improve
 4 the reporting of local government fiscal data. Audits of counties and
 5 cities by the division of municipal corporations shall include findings
 6 regarding the completeness, accuracy, and timeliness of BARS data
 7 reported to the state auditor's office.

8 (4) \$10,000 of the general fund fiscal year 1998 appropriation and
 9 \$490,000 of the general fund fiscal year 1999 appropriation are
 10 provided solely for staff and related costs to: Verify the accuracy of
 11 reported school district data submitted for state funding purposes or
 12 program audits of state funded public school programs; and establish
 13 the specific amount of funds to be recovered whenever the amount is not
 14 firmly established in the course of any public school audits conducted
 15 by the state auditor's office. The results of the audits shall be
 16 submitted to the superintendent of public instruction for corrections
 17 of data and adjustments of funds.

18 **Sec. 113.** 1997 c 149 s 122 (uncodified) is amended to read as
 19 follows:

20 **FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS**

21	General Fund Appropriation (FY 1998)	. . . . .	\$	((4,000))
22				<u>11,000</u>
23	General Fund Appropriation (FY 1999)	. . . . .	\$	63,000
24	TOTAL APPROPRIATION	. . . . .	\$	((67,000))
25				<u>74,000</u>

26 **Sec. 114.** 1997 c 149 s 123 (uncodified) is amended to read as
 27 follows:

28 **FOR THE ATTORNEY GENERAL**

29	General Fund--State Appropriation (FY 1998)	. . . . .	\$	((4,361,000))
30				<u>4,161,000</u>
31	General Fund--State Appropriation (FY 1999)	. . . . .	\$	((3,631,000))
32				<u>3,831,000</u>
33	General Fund--Federal Appropriation	. . . . .	\$	2,248,000
34	Public Safety and Education Account			
35	Appropriation	. . . . .	\$	((1,300,000))
36				<u>1,286,000</u>
37	New Motor Vehicle Arbitration Account			

1	Appropriation	\$	1,094,000
2	Legal Services Revolving Account		
3	Appropriation	\$	((125,008,000))
4			<u>125,758,000</u>
5	TOTAL APPROPRIATION	\$	((137,642,000))
6			<u>138,378,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations:

9 (1) The attorney general shall report each fiscal year on actual
10 legal services expenditures and actual attorney staffing levels for
11 each agency receiving legal services. The report shall be submitted to
12 the office of financial management and the fiscal committees of the
13 senate and house of representatives no later than ninety days after the
14 end of each fiscal year.

15 (2) The attorney general shall include, at a minimum, the following
16 information with each bill sent to agencies receiving legal services:

17 (a) The number of hours and cost of attorney services provided during
18 the billing period; (b) cost of support staff services provided during
19 the billing period; (c) attorney general overhead and central support
20 costs charged to the agency for the billing period; (d) direct legal
21 costs, such as filing and docket fees, charged to the agency for the
22 billing period; and (e) other costs charged to the agency for the
23 billing period. The attorney general may, with approval of the office
24 of financial management change its billing system to meet the needs of
25 its user agencies.

26 (3) \$300,000 of the fiscal year 1998 general fund--state
27 appropriation is provided for a comprehensive assessment of
28 environmental and public health impacts and for other costs related to
29 pursuing remedies for pollution in the Spokane river basin.

30 (4) \$((640,000)) 440,000 of the fiscal year 1998 general fund--
31 state appropriation and \$((210,000)) 410,000 of the fiscal year 1999
32 general fund--state appropriation are provided solely to implement the
33 supervision management and recidivist tracking program to allow the
34 department of corrections and local law enforcement agencies to share
35 information concerning the activities of offenders on community
36 supervision. No information on any person may be entered into or
37 retained in the program unless the person is under the jurisdiction of
38 the department of corrections.

1 **Sec. 115.** 1997 c 149 s 124 (uncodified) is amended to read as
2 follows:

3 **FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS**

4 Securities Regulation Account Appropriation \$((~~5,445,000~~))
5 5,482,000

6 The appropriation in this section is subject to the following
7 conditions and limitations: \$34,000 of the securities regulation
8 account appropriation is provided solely for the implementation of
9 Engrossed House Bill No. 3901 (implementing welfare reform). If the
10 bill is not enacted by June 30, 1997, the amount provided shall lapse.

11 **Sec. 116.** 1997 c 454 s 103 (uncodified) is amended to read as
12 follows:

13 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

14 General Fund--State Appropriation (FY 1998) . . . \$ ((~~57,361,000~~))
15 57,041,000

16 General Fund--State Appropriation (FY 1999) . . . \$ ((~~56,351,000~~))
17 61,045,000

18 General Fund--Federal Appropriation \$ ((~~155,278,000~~))
19 164,000,000

20 General Fund--Private/Local Appropriation \$ 6,903,000

21 Public Safety and Education Account
22 Appropriation \$ ((~~8,781,000~~))
23 8,689,000

24 Clean Washington Account Appropriation \$ 11,000

25 Public Works Assistance Account
26 Appropriation \$ 2,223,000

27 Building Code Council Account Appropriation . . . \$ ((~~1,318,000~~))
28 1,366,000

29 Administrative Contingency Account
30 Appropriation \$ 1,776,000

31 Low-Income Weatherization Assistance Account
32 Appropriation \$ 923,000

33 Violence Reduction and Drug Enforcement Account
34 Appropriation \$ 6,042,000

35 Manufactured Home Installation Training Account
36 Appropriation \$ 250,000

37 Washington Housing Trust Account
38 Appropriation \$ 7,999,000

1	Public Facility Construction Loan Revolving Account	
2	Appropriation	\$ 515,000
3	TOTAL APPROPRIATION	\$ ((305,720,000))
4		<u>318,783,000</u>

5 The appropriations in this section are subject to the following
6 conditions and limitations:

7 (1) \$((3,282,500)) 2,962,500 of the general fund--state
8 appropriation for fiscal year 1998 and \$((3,282,500)) 3,602,500 of the
9 general fund--state appropriation for fiscal year 1999 are provided
10 solely for a contract with the Washington technology center. For work
11 essential to the mission of the Washington technology center and
12 conducted in partnership with universities, the center shall not pay
13 any increased indirect rate nor increases in other indirect charges
14 above the absolute amount paid during the 1995-97 biennium.

15 (2) \$155,000 of the general fund--state appropriation for fiscal
16 year 1998 and \$155,000 of the general fund--state appropriation for
17 fiscal year 1999 are provided solely for a contract with the Washington
18 manufacturing extension partnership.

19 (3) \$9,964,000 of the general fund--federal appropriation is
20 provided solely for the drug control and system improvement formula
21 grant program, to be distributed in state fiscal year 1998 as follows:

22 (a) \$3,603,250 to local units of governments to continue the multi-
23 jurisdictional narcotics task forces;

24 (b) \$500,000 to the department to continue the state-wide drug
25 prosecution assistance program in support of multijurisdictional
26 narcotics task forces;

27 (c) \$1,306,075 to the Washington state patrol for coordination,
28 investigative, and supervisory support to the multijurisdictional
29 narcotics task forces and for methamphetamine education and response;

30 (d) \$240,000 to the department for grants to support tribal law
31 enforcement needs;

32 (e) \$900,000 to drug courts in eastern and western Washington;

33 (f) \$300,000 to the department for grants to provide sentencing
34 alternatives training programs to defenders;

35 (g) \$200,000 for grants to support substance-abuse treatment in
36 county jails;

37 (h) \$517,075 to the department for legal advocacy for victims of
38 domestic violence and for training of local law enforcement officers
39 and prosecutors on domestic violence laws and procedures;

1 (i) \$903,000 to the department to continue youth violence
2 prevention and intervention projects;

3 (j) \$91,000 for the governor's council on substance abuse;

4 (k) \$99,000 for program evaluation and monitoring;

5 (l) \$100,000 for the department of corrections for a feasibility
6 study of replacing or updating the offender based tracking system.

7 (m) \$498,200 for development of a state-wide system to track
8 criminal history records; and

9 (n) No more than \$706,400 to the department for grant
10 administration and reporting.

11 These amounts represent the maximum Byrne grant expenditure
12 authority for each program. No program may expend Byrne grant funds in
13 excess of the amounts provided in this section. If moneys in excess of
14 those appropriated in this section become available, whether from prior
15 or current fiscal year Byrne grant distributions, the department shall
16 hold these moneys in reserve and may not expend them without a specific
17 appropriation. These moneys shall be carried forward and applied to
18 the pool of moneys available for appropriation for programs and
19 projects in the succeeding fiscal year. As part of its budget request
20 for the succeeding fiscal year, the department shall estimate and
21 request authority to spend any funds remaining in reserve as a result
22 of this subsection.

23 (4) \$11,715,000 of the general fund--federal appropriation is
24 provided solely for the drug control and system improvement formula
25 grant program, to be distributed in state fiscal year 1999 as follows:

26 (a) \$3,878,250 to local units of government to continue
27 multijurisdictional narcotics task forces;

28 (b) \$531,000 to the department to continue the drug prosecution
29 assistance program in support of multijurisdictional narcotics task
30 forces;

31 (c) \$1,363,075 to the Washington state patrol for coordination,
32 investigative, and supervisory support to the multijurisdictional
33 narcotics task forces and for methamphetamine education and response;

34 (d) \$256,000 to the department for grants to support tribal law
35 enforcement needs;

36 (e) \$996,000 to drug courts in eastern and western Washington;

37 (f) \$312,000 to the department for grants assisting in the
38 development, conduct, and training on sentencing alternatives;

1 (g) \$261,000 to the department to continue a substance-abuse
2 treatment in the jails program, to test the effect of treatment on
3 future criminal behavior;

4 (h) \$581,075 to the department to continue domestic violence legal
5 advocacy;

6 (i) \$949,000 to the department to continue youth violence
7 prevention and intervention projects;

8 (j) \$91,000 to the department to continue the governor's council on
9 substance abuse;

10 (k) \$99,000 to the department to continue evaluation of Byrne
11 formula grant programs;

12 (l) \$1,496,200 to the office of financial management for the
13 criminal history records improvement program; and

14 (m) \$901,400 to the department for required grant administration,
15 monitoring and reporting on Byrne formula grant programs.

16 These amounts represent the maximum Byrne grant expenditure
17 authority for each program. No program may expend Byrne grant funds in
18 excess of the amounts provided in this section. If moneys in excess of
19 those appropriated in this section become available, whether from prior
20 or current fiscal year Byrne grant distributions, the department shall
21 hold these moneys in reserve and may not expend them without specific
22 appropriation. These moneys shall be carried forward and applied to
23 the pool of moneys available for appropriation for programs and
24 projects in the succeeding fiscal year. As part of its budget request
25 for the succeeding year, the department shall estimate and request
26 authority to spend any funds remaining in reserve as a result of this
27 subsection.

28 (5) \$1,000,000 of the general fund fiscal year 1998 appropriation
29 and \$1,000,000 of the general fund fiscal year 1999 appropriation are
30 provided solely to implement Engrossed Substitute House Bill No. 1576
31 (buildable lands) or Senate Bill No. 6094 (growth management). If
32 neither bill is enacted by June 30, 1997, the amounts provided in this
33 subsection shall lapse.

34 ((+5)) (6) \$4,800,000 of the public safety and education account
35 appropriation, \$1,000,000 of the fiscal year 1998 general fund--state
36 appropriation, and \$1,000,000 of the fiscal year 1999 general fund--
37 state appropriation are provided solely for indigent civil legal
38 representation services contracts and contracts administration. The
39 amounts provided in this subsection are contingent upon enactment of

1 section 2 of Engrossed Substitute House Bill No. 2276 (civil legal
2 services for indigent persons). If section 2 of the bill is not
3 enacted by June 30, 1997, the amount provided in this subsection shall
4 lapse.

5 ~~((+6))~~ (7) \$643,000 of the general fund--state fiscal year 1998
6 appropriation and \$643,000 of the general fund--state fiscal year 1999
7 appropriation are provided solely to increase payment rates for
8 contracted early childhood education assistance program providers. It
9 is the legislature's intent that these amounts shall be used primarily
10 to increase compensation for persons employed in direct, front-line
11 service delivery.

12 ~~((+7))~~ (8) \$75,000 of the general fund--state fiscal year 1998
13 appropriation and \$75,000 of the general fund--state fiscal year 1999
14 appropriation are provided solely as a grant for the community
15 connections program in Walla Walla county.

16 ~~((+8))~~ (9) \$300,000 of the general fund--state fiscal year 1998
17 appropriation and \$300,000 of the general fund--state fiscal year 1999
18 appropriation are provided solely to contract with the Washington state
19 association of court-appointed special advocates/guardians ad litem
20 (CASA/GAL) to establish pilot programs in three counties to recruit
21 additional community volunteers to represent the interests of children
22 in dependency proceedings. Of this amount, a maximum of \$30,000 shall
23 be used by the department to contract for an evaluation of the
24 effectiveness of CASA/GAL in improving outcomes for dependent children.
25 The evaluation shall address the cost-effectiveness of CASA/GAL and to
26 the extent possible, identify savings in other programs of the state
27 budget where the savings resulted from the efforts of the CASA/GAL
28 volunteers. The department shall report to the governor and
29 legislature by October 15, 1998.

30 ~~((+9))~~ (10) \$75,000 of the general fund--state appropriation for
31 fiscal year 1999 is provided solely for state sponsorship of the "BIO
32 99" international biotechnology conference and exhibition in the
33 Seattle area in 1999.

34 ~~((+10))~~ (11) \$698,000 of the general fund--state appropriation for
35 fiscal year 1998, \$697,000 of the general fund--state appropriation for
36 fiscal year 1999, and \$1,101,000 of the administrative contingency
37 account appropriation are provided solely for contracting with
38 associate development organizations.

1 (~~(11)~~) (12) \$50,000 of the general fund--state appropriation for
2 fiscal year 1998 and \$50,000 of the general fund--state appropriation
3 for fiscal year 1999 are provided solely to expand the long-term care
4 ombudsman program.

5 (~~(12)~~) (13) \$60,000 of the general fund--state appropriation for
6 fiscal year 1998 and \$60,000 of the general fund--state appropriation
7 for fiscal year 1999 are provided solely for implementation of the
8 Puget Sound work plan action item DCTED-01.

9 (~~(13)~~) (14) \$20,000 of the general fund--state appropriation for
10 fiscal year 1998 is provided solely for a task force on tourism
11 promotion and development. The task force shall report to the
12 legislature on its findings and recommendations by January 31, 1998.

13 (~~(14)~~) (15) \$61,000 of the general fund--state appropriation for
14 fiscal year 1998 and \$60,000 of the general fund--state appropriation
15 for fiscal year 1999 are provided solely for the pacific northwest
16 economic region (PNWER).

17 (~~(15)~~) (16) \$123,000 of the general fund--state appropriation for
18 fiscal year 1998 and \$124,000 of the general fund--state appropriation
19 for fiscal year 1999 are provided solely for the community development
20 finance program.

21 (~~(16)~~) (17) Within the appropriations provided in this section,
22 the department shall conduct a study of possible financial incentives
23 to assist in revitalization of commercial areas and report its findings
24 and recommendations to the appropriate committees of the legislature by
25 November 15, 1997.

26 (18) \$77,000 of the general fund--state appropriation for fiscal
27 year 1999 is provided solely for the department to participate with the
28 departments of ecology, health, and fish and wildlife in watershed
29 teams to support local watershed planning efforts integrating water
30 quantity, water quality, and fish habitat issues.

31 (19) \$2,040,000 of the general fund--state appropriation for fiscal
32 year 1999 is provided solely for coastal erosion project grants.

33 (20) \$191,000 of the general fund--state appropriation for fiscal
34 year 1999 is provided solely for the implementation of Substitute
35 Senate Bill No. 6558 (citizen review panels). If the bill is not
36 enacted by June 30, 1998, the amount provided in this subsection shall
37 lapse.

38 (21) \$875,000 of the general fund--state appropriation for fiscal
39 year 1999 is provided solely for the implementation of Substitute

1 Senate Bill No. 6655 (Spokane intercollegiate research and technology
2 institute).

3 (22) \$97,000 of the general fund--state appropriation for fiscal
4 year 1999 is provided solely for the implementation of Engrossed
5 Substitute Senate Bill No. 6560 (electric power consumer rights). If
6 the bill is not enacted by June 30, 1998, the amount provided in this
7 subsection shall lapse.

8 (23) \$968,000 of the general fund--state appropriation for fiscal
9 year 1999 is provided solely for the emergency food assistance program.

10 **Sec. 117.** 1997 c 454 s 104 (uncodified) is amended to read as
11 follows:

12 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

13	General Fund--State Appropriation (FY 1998) . . . \$	((10,530,000))
14		<u>10,626,000</u>
15	General Fund--State Appropriation (FY 1999) . . . \$	((10,253,000))
16		<u>10,771,000</u>
17	General Fund--Federal Appropriation \$	23,331,000
18	<u>General Fund--Private/Local Appropriation \$</u>	<u>190,000</u>
19	TOTAL APPROPRIATION \$	((44,114,000))
20		<u>44,918,000</u>

21 The appropriations in this section are subject to the following
22 conditions and limitations:

23 (1) The office of financial management, in cooperation with the
24 higher education coordinating board and the state board for community
25 and technical colleges, shall develop long-term higher education
26 enrollment forecasting models for consideration by the legislature. To
27 the extent possible, the pilot models shall incorporate trends in
28 demography, higher education applications, K-12 graduation rates, labor
29 market needs, state and national higher education policy, and economic
30 considerations. The public institutions of higher education shall
31 cooperate in the development of models by providing any necessary data
32 in a timely and organized manner. The private education institutions
33 of the state are encouraged to participate in this effort.

34 (2) \$25,000 of the general fund--state appropriation for fiscal
35 year 1998 and \$50,000 of the general fund--state appropriation for
36 fiscal year 1999 are provided solely for the legislature and the office
37 of financial management to contract jointly for a performance review of
38 the state long-term care system. The review shall result in

1 recommendations by October 1, 1998, on strategies for increasing the
2 long-term affordability and cost-effectiveness of the system, and shall
3 include a review of topics such as methods for matching service levels
4 to recipient needs; options for managing growth in entitlement
5 caseloads; and techniques for projecting the number of persons in need
6 of publicly-funded services.

7 **Sec. 118.** 1997 c 149 s 129 (uncodified) is amended to read as
8 follows:

9 **FOR THE DEPARTMENT OF PERSONNEL**

10 Department of Personnel Service Account

11 Appropriation \$ ((~~16,493,000~~))
12 16,531,000

13 Higher Education Personnel Services Account

14 Appropriation \$ 1,632,000

15 TOTAL APPROPRIATION \$ ((~~18,125,000~~))
16 18,163,000

17 The appropriations in this section are subject to the following
18 conditions and limitations:

19 (1) The department shall reduce its charge for personnel services
20 to the lowest rate possible.

21 (2) \$32,000 of the department of personnel service fund
22 appropriation is provided solely for the creation, printing, and
23 distribution of the personal benefits statement for state employees.

24 (3) The department of personnel service account appropriation
25 contains sufficient funds to continue the employee exchange program
26 with the Hyogo prefecture in Japan.

27 (4) \$500,000 of the department of personnel service account
28 appropriation is provided solely for the career transition program to
29 assist state employees who are separated or are at risk of lay-off due
30 to reduction-in-force. Services shall include employee retraining and
31 career counseling.

32 (5) \$800,000 of the department of personnel service account
33 appropriation is provided solely for the human resource data warehouse
34 to: Expand the type and amount of information available on the state-
35 wide work force; and to provide the office of financial management,
36 legislature, and state agencies with direct access to the data for
37 policy and planning purposes. The department of personnel shall
38 establish uniform reporting procedures, applicable to all state

1 agencies and higher education institutions, for reporting data to the
 2 data warehouse by June 30, 1998. The department of personnel will
 3 report quarterly to the legislative fiscal committees, the office of
 4 financial management, the information services board, and the office of
 5 information technology oversight of the department of information
 6 services the following items: (a) The number of state agencies that
 7 have received access to the data warehouse (it is anticipated that
 8 approximately 40 agencies will receive access during the 1997-99
 9 biennium); (b) the change in requests for downloads from the mainframe
 10 computer by agencies with access to the data warehouse, to reflect
 11 transferring customers use of the mainframe computer to the more
 12 economical use of data warehouse information; and (c) a summary of
 13 customer feedback from agencies with access to the data warehouse.
 14 Authority to expend this amount is conditioned on compliance with
 15 section 902 of this act.

16 (6) The department of personnel has the authority to charge
 17 agencies for expenses associated with converting its payroll/personnel
 18 computer system to accommodate the year 2000 date change. Funding to
 19 cover these expenses shall be realized from the agency FICA savings
 20 associated with the pretax benefits contributions plan.

21 (7) The department of personnel shall charge all administrative
 22 services costs incurred by the department of retirement systems for the
 23 deferred compensation program. The billings to the department of
 24 retirement systems shall be for actual costs only.

25 (8) \$38,000 of the department of personnel service account
 26 appropriation is provided solely for computer changes necessary to
 27 implement Senate Bill No. 6387.

28 **Sec. 119.** 1997 c 149 s 134 (uncodified) is amended to read as
 29 follows:

30 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS**

31	Dependent Care Administrative Account	
32	Appropriation	\$ 357,000
33	Department of Retirement Systems Expense Account	
34	Appropriation	\$ ((31,415,000))
35		<u>37,314,000</u>
36	TOTAL APPROPRIATION	\$ ((31,772,000))
37		<u>37,671,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) (~~(\$1,373,000)~~) \$527,000 of the department of retirement systems
4 expense account appropriation is provided solely for the information
5 systems project known as the electronic document image management
6 system. Authority to expend this amount is conditioned on compliance
7 with section 902 of this act.

8 (2) \$1,259,000 of the department of retirement systems expense
9 account appropriation is provided solely for the information systems
10 project known as the receivables management system. Authority to
11 expend this amount is conditioned on compliance with section 902 of
12 this act.

13 (3) The department of retirement systems shall complete a study
14 examining whether it would be cost-effective to contract out the
15 administration functions for the dependent care assistance program and
16 shall report to the fiscal committees of the legislature by December
17 15, 1997.

18 (4) \$2,761,000 of the department of retirement systems expense
19 account appropriation is provided solely to move to more cost-effective
20 space and to consolidate all staff into one building.

21 (5) \$3,913,000 of the department of retirement systems expense
22 account appropriation is provided solely for administrative and
23 computer work related to Senate Bill Nos. 5277, 6305, 6306, and 6387.
24 If these bills are not enacted by June 30, 1998, the corresponding
25 amounts in this subsection shall lapse.

26 **Sec. 120.** 1997 c 149 s 136 (uncodified) is amended to read as
27 follows:

28 **FOR THE DEPARTMENT OF REVENUE**

29	General Fund Appropriation (FY 1998)	. . . . . \$	65,033,000
30	General Fund Appropriation (FY 1999)	. . . . . \$	((65,320,000))
31			<u>65,537,000</u>
32	Timber Tax Distribution Account		
33	Appropriation	. . . . . \$	4,778,000
34	<u>Enhanced 911 Account Appropriation</u>	. . . . . \$	<u>100,000</u>
35	Waste Reduction/Recycling/Litter Control		
36	Appropriation	. . . . . \$	100,000
37	State Toxics Control Account Appropriation	. . . \$	67,000
38	Solid Waste Management Account		

1	Appropriation	\$	92,000
2	Oil Spill Administration Account		
3	Appropriation	\$	14,000
4	TOTAL APPROPRIATION	\$	((135,404,000))
5			<u>135,721,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations:

8 (1) \$1,540,000 of the general fund appropriation for fiscal year
9 1998 and ((~~\$1,710,000~~)) \$1,827,000 of the general fund appropriation
10 for fiscal year 1999 are provided solely for senior citizen property
11 tax deferral distribution.

12 (2) Within the amounts appropriated in this section the department
13 shall conduct a study identifying the impacts of exempting all
14 shellfish species from the tax imposed on enhanced food fish under
15 chapter 82.27 RCW. The study shall include an estimate of the fiscal
16 impacts to state revenues as well as an examination of how such an
17 exemption would impact shellfish-based industries and communities where
18 shellfish-based industries are located. The department shall complete
19 this study and report its findings to the legislature by December 1,
20 1997.

21 (3) The department shall study the costs incurred by retailers in
22 collecting and remitting state and local sales taxes. The study shall
23 (a) identify and estimate the costs for small, medium, and large
24 retailers, (b) estimate the cost to retailers of implementing changes
25 in tax rates and/or the tax base, (c) identify current statutory and
26 regulatory procedures that impose costs and burdens on retailers, as
27 well as alternatives that would lessen these costs and burdens, (d)
28 estimate any direct or indirect compensation retailers currently
29 receive, if any, and (e) review how many other states provide
30 compensation to retailers and the nature of the compensation. The
31 department shall report its findings to the fiscal committees of the
32 house of representatives and senate by December 31, 1998.

33 (4) \$100,000 of the enhanced 911 account appropriation is provided
34 solely for costs associated with convening a study group on enhanced
35 911 wireless implementation. The department of revenue shall convene
36 a study group consisting of, but not limited to, representatives of the
37 following: The office of financial management, the military
38 department, the state enhanced 911 advisory committee, the department
39 of revenue, and the utilities and transportation commission. The study

1 shall evaluate the most efficient and cost-effective manner to
2 implement state-wide enhanced 911 emergency communications services for
3 radio access telephone lines. The study will also include an
4 evaluation of the technical issues affecting the implementation of
5 wireless enhanced 911 and may hire a telecommunications consultant to
6 conduct this evaluation. The study group shall present its findings
7 and recommendations to the governor and the appropriate committees of
8 the legislature no later than December 31, 1998.

9 (5) \$100,000 of the general fund--state appropriation for fiscal
10 year 1999 is provided to implement changes to the tax code for
11 legislation enacted in the 1998 legislative session.

12 **Sec. 121.** 1997 c 149 s 141 (uncodified) is amended to read as
13 follows:

14 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

15 Data Processing Revolving Account

16 Appropriation	\$ 3,577,000
17 K-20 Technology Account Appropriation	\$ 44,028,000
18 TOTAL APPROPRIATION	\$ 47,605,000

19 The appropriations in this section (~~is~~) are subject to the
20 following conditions and limitations:

21 (1) The department shall provide a toll-free telephone number and
22 operator service staff for the general public to call for information
23 about state agencies. The department may provide such staff,
24 equipment, and facilities as are necessary for this purpose. The
25 director shall adopt rules to fix terms and charges for these services.
26 All state agencies and the legislature shall participate in the
27 information program and shall reimburse the department of information
28 services in accordance with rules established by the director. The
29 department shall also provide conference calling services for state and
30 other public agencies on a fee-for-service basis.

31 (2) \$44,028,000 of the K-20 technology account appropriation shall
32 be expended in accordance with the expenditures authorized by the K-20
33 telecommunications oversight and policy committee as currently existing
34 or as modified by Substitute House Bill No. 1698, Substitute Senate
35 Bill No. 5002, or substantially similar legislation (K-20
36 telecommunications network). The appropriation from the K-20
37 technology account assumes that, on July 1, 1998, the department shall
38 commence charging those network users connected to the K-20 network

1 pursuant to RCW 28D.02.070(1) a copayment of \$2,500 per year per unit
2 of transport connection. Current and future users of the K-20 network
3 shall prepare for the 1999-01 biennial budget with the assumption that
4 the \$2,500 per year copayment shall continue to be in effect under the
5 approval of the technical oversight and policy committee.

6 **Sec. 122.** 1997 c 149 s 146 (uncodified) is amended to read as
7 follows:

8 **FOR THE LIQUOR CONTROL BOARD**

9	General Fund Appropriation (FY 1998)	. . . . . \$	1,603,000
10	General Fund Appropriation (FY 1999)	. . . . . \$	1,242,000
11	Liquor Control Board Construction and Maintenance		
12	Account Appropriation	. . . . . \$	9,919,000
13	Liquor Revolving Account Appropriation	. . . . . \$	((121,391,000))
14			<u>122,607,000</u>
15	TOTAL APPROPRIATION	. . . . . \$	((134,155,000))
16			<u>135,371,000</u>

17 The appropriations in this section are subject to the following
18 conditions and limitations:

19 (1) \$1,250,000 of the liquor revolving account appropriation is
20 provided solely for the agency information technology upgrade. This
21 item is conditioned on satisfying the requirements of section 902 of
22 this act, including the development of a project management plan, a
23 project schedule, a project budget, a project agreement, and
24 incremental funding based on completion of key milestones.

25 (2) \$1,603,000 of the general fund fiscal year 1998 appropriation
26 and \$1,242,000 of the general fund fiscal year 1999 appropriation are
27 provided solely to implement Substitute Senate Bill No. 6084 or
28 Engrossed Substitute House Bill No. 2272 (transferring enforcement
29 provisions regarding cigarette and tobacco taxes to the liquor control
30 board). If neither bill is enacted by June 30, 1997, the amounts
31 provided in this subsection shall lapse.

32 (3) \$459,000 of the liquor revolving account appropriation is
33 provided solely for implementation of Substitute Senate Bill No. 5664
34 (credit and debit cards purchases in state liquor stores). If the bill
35 is not enacted by June 30, 1997, the amount provided in this subsection
36 shall lapse.

37 (4) \$154,000 of the liquor revolving account appropriation is
38 provided solely for the implementation of Engrossed House Bill No. 3901

1 (implementing welfare reform). If the bill is not enacted by June 30,
2 1997, the amount provided in this subsection shall lapse.

3 (5) \$272,000 of the liquor revolving account appropriation is
4 provided solely for the implementation of Substitute Senate Bill No.
5 6253 (credit and debit card purchases in state liquor agency vendors).
6 If the bill is not enacted by June 30, 1998, the amount provided in
7 this subsection shall lapse.

8 (6) Within the funds provided in this section, the liquor control
9 board shall submit a report on the liquor agency vendor system to the
10 legislature by December 1, 1998. The report shall provide information
11 on: (a) The development and changes to the liquor agency vendor store
12 system during the last twenty years; (b) the business profile of liquor
13 agency vendors, including the number of liquor agency vendors that sell
14 only liquor and the number of liquor agency vendors that sell other
15 items besides liquor; (c) the growth in the number of liquor agency
16 vendors during the last twenty years; (d) the locations served by
17 liquor agency vendors; (e) the criteria used for establishing liquor
18 agency vendors and determining whether to open a state liquor store in
19 a particular location; (f) the average annual commission paid per
20 liquor agency vendor during the last twenty years; (g) the commission
21 rate and components of the commissions provided to liquor agency
22 vendors during the last twenty years; (h) the basis for any changes to
23 the commission rate or components of the commissions provided to liquor
24 agency vendors during the last twenty years; and (i) gross liquor sales
25 by liquor agency vendors during the last twenty years.

26 (7) \$944,000 of the liquor revolving account appropriation is
27 provided solely for the increase in vendor commissions due to the
28 higher than expected growth in sales volume.

29 **Sec. 123.** 1997 c 149 s 147 (uncodified) is amended to read as
30 follows:

31 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

32 Public Service Revolving Account--State

33 Appropriation \$ ((24,313,000))
34 24,607,000

35 Public Service Revolving Account--Federal

36 Appropriation \$ 292,000

37 TOTAL APPROPRIATION \$ ((24,605,000))

38 24,899,000

1 **Sec. 124.** 1997 c 454 s 105 (uncodified) is amended to read as
2 follows:

3 **FOR THE MILITARY DEPARTMENT**

4	General Fund--State Appropriation (FY 1998) . . . \$	((8,151,000))
5		<u>8,602,000</u>
6	General Fund--State Appropriation (FY 1999) . . . \$	((8,154,000))
7		<u>8,245,000</u>
8	General Fund--Federal Appropriation \$	34,314,000
9	General Fund--Private/Local Appropriation \$	238,000
10	Flood Control Assistance Account Appropriation . \$	3,000,000
11	Enhanced 911 Account Appropriation \$	26,782,000
12	Disaster Response Account--State Appropriation . \$	((23,977,000))
13		<u>24,342,000</u>
14	Disaster Response Account--Federal	
15	Appropriation \$	((95,419,000))
16		<u>95,724,000</u>
17	TOTAL APPROPRIATION \$	((200,035,000))
18		<u>201,247,000</u>

19 The appropriations in this section are subject to the following
20 conditions and limitations:

21 (1) \$365,000 of the general fund--state appropriation for fiscal
22 year 1998, \$3,000,000 of the flood control assistance account
23 appropriation, and \$6,197,000 of the general fund--federal
24 appropriation are provided solely for deposit in the disaster response
25 account to cover costs pursuant to subsection (2) of this section.

26 (2) \$23,977,000 of the disaster response account--state
27 appropriation is provided solely for the state share of response and
28 recovery costs associated with federal emergency management agency
29 (FEMA) disaster number 1079 (November/December 1995 storms), FEMA
30 disaster 1100 (February 1996 floods), FEMA disaster 1152 (November 1996
31 ice storm), FEMA disaster 1159 (December 1996 holiday storm), FEMA
32 disaster 1172 (March 1997 floods) and to assist local governmental
33 entities with the matching funds necessary to earn FEMA funds for FEMA
34 disaster 1100 (February 1996 floods). \$356,000 of the disaster
35 response account--state appropriation is provided solely for fire
36 mobilization costs. \$9,000 of the disaster response account--state
37 appropriation is provided solely for costs associated with FEMA
38 disaster 1182 (Pend Oreille county 1997 spring flood).

1 (3) \$100,000 of the general fund--state fiscal year 1998
2 appropriation and \$100,000 of the general fund--state fiscal year 1999
3 appropriation are provided solely for the implementation of a
4 conditional scholarship program pursuant to chapter 28B.103 RCW.

5 (4) \$35,000 of the general fund--state fiscal year 1998
6 appropriation and \$35,000 of the general fund--state fiscal year 1999
7 appropriation are provided solely for the north county emergency
8 medical service.

9 (5) \$36,000 of the general fund--state fiscal year 1998
10 appropriation and \$72,000 of the general fund--state fiscal year 1999
11 appropriation are provided solely for emergency worker claims pursuant
12 to chapter 38.52 RCW.

13 (End of part)

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PART II
HUMAN SERVICES

Sec. 201. 1997 c 149 s 201 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES. (1)
Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in ~~((this act))~~ subsection (3) of this section, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.

(2) The department of social and health services shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation providing appropriation authority, and an equal amount of appropriated state general fund moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(3) ~~((The appropriations in sections 202 through 213 of this act shall be expended for the programs and in the amounts listed in those sections.))~~ The appropriations to the department of social and health services in chapters 149 and 454, Laws of 1997, as amended, shall be expended for the programs and in the amounts specified therein. However, after May 1, 1998, unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 1998 among programs after approval by the director of

1 financial management. However, the department shall not transfer
 2 general fund--state appropriations (a) from the child care development
 3 federal block grant program, (b) from the temporary assistance to needy
 4 families federal block grant program, or (c) if the transfer would have
 5 the effect of reducing qualified state expenditures for the temporary
 6 assistance for needy families program, established under P.L. 104-193,
 7 below 94 percent maintenance of effort for the 1997-99 fiscal biennium.
 8 The director of financial management shall notify the appropriate
 9 fiscal committees of the senate and house of representatives in writing
 10 prior to approving any allotment modifications.

11 **Sec. 202.** 1997 c 454 s 202 (uncodified) is amended to read as
 12 follows:

13 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY**
 14 **SERVICES PROGRAM**

15	General Fund--State Appropriation (FY 1998)	\$	((196,437,000))
16			<u>195,688,000</u>
17	General Fund--State Appropriation (FY 1999)	\$	((208,861,000))
18			<u>207,008,000</u>
19	General Fund--Federal Appropriation	\$	((252,269,000))
20			<u>255,047,000</u>
21	General Fund--Private/Local Appropriation	\$	400,000
22	Violence Reduction and Drug Enforcement Account		
23	Appropriation	\$	((4,230,000))
24			<u>4,582,000</u>
25	TOTAL APPROPRIATION	\$	((662,197,000))
26			<u>662,725,000</u>

27 The appropriations in this section are subject to the following
 28 conditions and limitations:

29 (1) \$16,510,000 of the general fund--state appropriation for fiscal
 30 year 1998 and \$17,508,000 of the general fund--state appropriation for
 31 fiscal year 1999 are provided solely for purposes consistent with the
 32 maintenance of effort requirements under the federal temporary
 33 assistance for needy families program established under P.L. 104-193.

34 (2) \$~~((837,000))~~ 4,332,000 of the violence reduction and drug
 35 enforcement account appropriation and \$~~((7,228,000))~~ 3,733,000 of the
 36 general fund--federal appropriation are provided solely for the
 37 operation of the family policy council, the community public health and
 38 safety networks, and delivery of services authorized under the federal

1 family preservation and support act. Within the funds provided, the
2 family policy council shall contract for an evaluation of the community
3 networks with the institute for public policy and shall provide for
4 audits of ten networks. Within the funds provided, the family policy
5 council may build and maintain a geographic information system database
6 tied to community network geography.

7 (3) \$577,000 of the general fund--state fiscal year 1998
8 appropriation and \$577,000 of the general fund--state fiscal year 1999
9 appropriation are provided solely to contract for the operation of one
10 pediatric interim care facility. The facility shall provide
11 residential care for up to twelve children through two years of age.
12 Seventy-five percent of the children served by the facility must be in
13 need of special care as a result of substance abuse by their mothers.
14 The facility also shall provide on-site training to biological,
15 adoptive, or foster parents. The facility shall provide at least three
16 months of consultation and support to parents accepting placement of
17 children from the facility. The facility may recruit new and current
18 foster and adoptive parents for infants served by the facility. The
19 department shall not require case management as a condition of the
20 contract.

21 (4) \$481,000 of the general fund--state fiscal year 1998
22 appropriation and \$481,000 of the general fund--state fiscal year 1999
23 appropriation are provided solely for up to three nonfacility-based
24 programs for the training, consultation, support, and recruitment of
25 biological, foster, and adoptive parents of children through age three
26 in need of special care as a result of substance abuse by their
27 mothers, except that each program may serve up to three medically
28 fragile nonsubstance-abuse-affected children. In selecting
29 nonfacility-based programs, preference shall be given to programs whose
30 federal or private funding sources have expired or that have
31 successfully performed under the existing pediatric interim care
32 program.

33 (5) \$640,000 of the general fund--state appropriation for fiscal
34 year 1998 and \$640,000 of the general fund--state appropriation for
35 fiscal year 1999 are provided solely to fund Second Substitute Senate
36 Bill No. 5710 (juvenile care and treatment), including section 2 of the
37 bill. Amounts provided in this subsection to implement Second
38 Substitute Senate Bill No. 5710 must be used to serve families who are
39 screened from the child protective services risk assessment process.

1 Services shall be provided through contracts with community-based
2 organizations. If neither bill is enacted by June 30, 1997, the
3 amounts provided in this subsection shall lapse.

4 (6) \$594,000 of the general fund--state appropriation for fiscal
5 year 1998, \$556,000 of the general fund--state appropriation for fiscal
6 year 1999, and \$290,000 of the general fund--federal appropriation are
7 provided solely to fund the provisions of Engrossed Second Substitute
8 House Bill No. 2046 (foster parent liaison). The department shall
9 establish a foster parent liaison in each department of social and
10 health services region of the state and contract with a private
11 provider to implement a recruitment and retention program for foster
12 parents and adoptive families. The department shall provide a minimum
13 of two hundred additional adoptive and foster home placements by June
14 30, 1998. If the bill is not enacted by June 30, 1997, the amounts in
15 this subsection shall lapse.

16 (7) \$433,000 of the fiscal year 1998 general fund--state
17 appropriation, \$395,000 of the fiscal year 1999 general fund--state
18 appropriation, and \$894,000 of the general fund--federal appropriation
19 are provided solely to increase the rate paid to private child-placing
20 agencies.

21 (8) \$580,000 of the general fund--state appropriation for fiscal
22 year 1998 and \$580,000 of the general fund--state appropriation for
23 fiscal year 1999 are provided solely for development and expansion of
24 child care training requirements and optional training programs. The
25 department shall adopt rules to require annual training in early
26 childhood development of all directors, supervisors, and lead staff at
27 child care facilities. Directors, supervisors, and lead staff at child
28 care facilities include persons licensed as family child care
29 providers, and persons employed at child care centers or school age
30 child care centers. The department shall establish a program to fund
31 scholarships and grants to assist persons in meeting these training
32 requirements. The department shall also develop criteria for approving
33 training programs and establish a system for tracking who has received
34 the required level of training. In adopting rules, developing
35 curricula, setting up systems, and administering scholarship programs,
36 the department shall consult with the child care coordinating committee
37 and other community stakeholders.

38 (9) The department shall provide a report to the legislature by
39 November 1997 on the growth in additional rates paid to foster parents

1 beyond the basic monthly rate. This report shall explain why
2 exceptional, personal, and special rates are being paid for an
3 increasing number of children and why the amount paid for these rates
4 per child has risen in recent years. This report must also recommend
5 methods by which the legislature may improve the current foster parent
6 compensation system, allow for some method of controlling the growth in
7 costs per case, and improve the department's and the legislature's
8 ability to forecast the program's needs in future years.

9 (10) \$100,000 of the general fund--state appropriation for fiscal
10 year 1998 and \$100,000 of the general fund--state appropriation for
11 fiscal year 1999 are provided solely for legal costs associated with
12 the defense of vendors operating a secure treatment facility, for
13 actions arising from the good faith performance of treatment services
14 for behavioral difficulties or needs.

15 (11) \$2,745,000 of the fiscal year 1998 general fund--state
16 appropriation, \$2,745,000 of the fiscal year 1999 general fund--state
17 appropriation, and \$1,944,000 of the general fund--federal
18 appropriation are provided solely for the category of services titled
19 "intensive family preservation services."

20 (12) ~~\$(2,200,000)~~ 1,642,000 of the fiscal year 1998 general
21 fund--state appropriation and ~~\$(2,200,000)~~ 1,207,000 of the fiscal
22 year 1999 general fund--state appropriation and \$1,551,000 of the
23 general fund--federal appropriation are provided solely to continue
24 existing continuum of care and street youth projects.

25 (13) \$1,456,000 of the general fund--state appropriation for fiscal
26 year 1998, \$1,474,000 of the general fund--state appropriation for
27 fiscal year 1999 and \$1,141,000 of the general fund--federal
28 appropriation are provided solely for the improvement of quality and
29 capacity of the child care system and related consumer education. The
30 activities funded by this appropriation shall include, but not be
31 limited to: Expansion of child care resource and referral network
32 services to serve additional families, to provide technical assistance
33 to child care providers, and to cover currently unserved areas of the
34 state; development of and incentives for child care during nonstandard
35 work hours; and the development of care for infants, toddlers,
36 preschoolers, and school age youth. These amounts are provided in
37 addition to funding for child care training and fire inspections of
38 child care facilities. These activities shall also improve the quality
39 and capacity of the child care system.

1 (14) \$250,000 of the violence reduction and drug enforcement
 2 account appropriation is provided solely for services to women giving
 3 birth to a drug-affected infant, pursuant to Third Substitute Senate
 4 Bill No. 5278 (dependency investigations for infants born drug
 5 affected). Of this amount, \$19,000 shall be used to contract with the
 6 institute for public policy to perform an evaluation. If this bill is
 7 not enacted by June 30, 1998, the amount provided in this subsection
 8 shall lapse.

9 (15) \$70,000 of the fiscal year 1999 general fund--state
 10 appropriation is provided solely for foster parent intervention support
 11 teams.

12 (16) \$375,000 of the fiscal year 1999 general fund--state
 13 appropriation is provided solely to implement Second Substitute Senate
 14 Bill No. 5660 (day care enforcement actions). If this bill is not
 15 enacted by June 30, 1998, the amounts provided in this subsection shall
 16 lapse.

17 (17) The department and the attorney general shall jointly make
 18 recommendations to the legislature to reduce or limit the state's
 19 liability for damages in child welfare cases, including shelter care
 20 and dependency proceedings. The recommendations shall be submitted to
 21 the appropriate committees of the legislature by December 1, 1998.

22 **Sec. 203.** 1997 c 454 s 203 (uncodified) is amended to read as
 23 follows:

24 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE**
 25 **REHABILITATION PROGRAM**

26 (1) COMMUNITY SERVICES

27	General Fund--State Appropriation (FY 1998) . . . \$	((32,305,000))
28		<u>35,972,000</u>
29	General Fund--State Appropriation (FY 1999) . . . \$	((32,348,000))
30		<u>37,908,000</u>
31	General Fund--Federal Appropriation \$	((16,125,000))
32		<u>11,651,000</u>
33	General Fund--Private/Local Appropriation \$	378,000
34	Violence Reduction and Drug Enforcement Account	
35	Appropriation \$	((11,256,000))
36		<u>14,080,000</u>
37	TOTAL APPROPRIATION \$	((92,412,000))
38		<u>99,989,000</u>

1 The appropriations in this subsection are subject to the following
2 conditions and limitations:

3 (a) \$527,000 of the violence reduction and drug enforcement account
4 appropriation is provided solely for deposit in the county criminal
5 justice assistance account solely for costs to the criminal justice
6 system associated with the implementation of Engrossed Third Substitute
7 House Bill No. 3900 (revising the juvenile code). If Engrossed Third
8 Substitute House Bill No. 3900 is not enacted by June 30, 1997, the
9 amount provided in this subsection shall lapse. The amount provided in
10 this subsection is intended to provide funding for county adult court
11 costs associated with the implementation of Engrossed Third Substitute
12 House Bill No. 3900 and shall be distributed in accordance with RCW
13 82.14.310.

14 (b) \$2,917,000 of the violence reduction and drug enforcement
15 account is provided solely for the implementation of Engrossed Third
16 Substitute Senate Bill No. 3900 (revising the juvenile code). The
17 amount provided in this subsection is intended to provide funding for
18 county impacts associated with the implementation of Third Substitute
19 Senate Bill No. 3900 and shall be distributed to counties as prescribed
20 in the current consolidated juvenile services (CJS) formula. If the
21 bill is not enacted by June 30, 1997, the amounts provided shall lapse.

22 (c) \$2,350,000 of the general fund--state fiscal year 1998
23 appropriation and \$2,350,000 of the general fund--state fiscal year
24 1999 appropriation are provided solely for an early intervention
25 program to be administered at the county level. Moneys shall be
26 awarded on a competitive basis to counties that have submitted plans
27 for implementation of an early intervention program consistent with
28 proven methodologies currently in place in the state. The juvenile
29 rehabilitation administration shall develop criteria for evaluation of
30 plans submitted and a timeline for awarding funding and shall assist
31 counties in creating and submitting plans for evaluation.

32 (d) \$1,221,000 of the violence reduction and drug enforcement
33 appropriation is provided solely to implement alcohol and substance
34 abuse treatment for locally committed offenders. The juvenile
35 rehabilitation administration shall award these moneys on a competitive
36 basis to counties that have submitted a plan for the provision of
37 treatment services approved by the division of alcohol and substance
38 abuse. The juvenile rehabilitation administration shall develop
39 criteria for evaluation of plans submitted and a timeline for awarding

1 funding and shall assist counties in creating and submitting plans for
2 evaluation. If Engrossed Third Substitute House Bill No. 3900
3 (juvenile code revisions) is not enacted by June 30, 1997, the amount
4 provided in this subsection shall lapse.

5 (e) \$100,000 of the general fund--state fiscal year 1998
6 appropriation and \$100,000 of the general fund--state fiscal year 1999
7 appropriation are provided solely for the juvenile rehabilitation
8 administration to contract with the institute for public policy for the
9 responsibilities assigned in Engrossed Third Substitute House Bill No.
10 3900 (juvenile code revisions). If the bill is not enacted by June 30,
11 1997, the amounts provided in this subsection shall lapse.

12 (f) \$400,000 of the violence reduction and drug enforcement account
13 appropriation is provided solely for the development of standards
14 measuring the effectiveness of chemical dependency treatment and for
15 conducting evaluations of chemical dependency programs pursuant to
16 Engrossed Third Substitute House Bill No. 3900 (revising the juvenile
17 code). If the bill is not enacted by June 30, 1997, the amount
18 provided in this subsection shall lapse. The juvenile rehabilitation
19 administration shall consult with the division of alcohol and substance
20 abuse and contract with the University of Washington to develop the
21 standards and conduct the evaluations.

22 (g) \$150,000 of the general fund--state fiscal year 1998
23 appropriation and \$150,000 of the general fund--state fiscal year 1999
24 appropriation are provided solely for a contract to expand the services
25 of the teamchild project to additional sites. Priority use of these
26 funds shall be to provide teamchild service to early repeat offenders
27 to help ensure they receive appropriate child welfare and educational
28 services.

29 (h) \$2,700,000 of the violence reduction and drug enforcement
30 account appropriation is provided solely to implement community
31 juvenile accountability grants pursuant to chapter 338, Laws of 1997
32 (juvenile justice). Funds provided in this subsection may be used
33 solely for community juvenile accountability grants, administration of
34 the grants, and evaluations of programs funded by the grants.

35 (i) \$78,000 of the general fund--state appropriation for fiscal
36 year 1998 and \$2,847,000 of the general fund--state appropriation for
37 fiscal year 1999 are provided solely for the implementation of Second
38 Substitute Senate Bill No. 6445 (child community facility placement).
39 If the bill is not enacted by June 30, 1998, the amounts provided in

1 this subsection shall lapse. The funds are intended to improve the
2 security of state-operated and privately contracted group homes. By
3 June 30, 1999, the juvenile rehabilitation administration shall report
4 to the appropriate policy and fiscal committees of the legislature on
5 the specific actions, and the cost of each action, taken to improve
6 security at both state-operated and contracted group homes.

7 (j) \$150,000 of the general fund--state appropriation for fiscal
8 year 1999 is provided solely for the Skagit county delinquency
9 prevention project.

10 (2) INSTITUTIONAL SERVICES

11	General Fund--State Appropriation (FY 1998) . . . \$	((44,782,000))
12		<u>43,909,000</u>
13	General Fund--State Appropriation (FY 1999) . . . \$	((44,662,000))
14		<u>45,933,000</u>
15	General Fund--Private/Local Appropriation \$	727,000
16	Violence Reduction and Drug Enforcement Account	
17	Appropriation \$	15,281,000
18	TOTAL APPROPRIATION \$	((105,452,000))
19		<u>105,850,000</u>

20 The appropriations in this subsection are subject to the following
21 conditions and limitations:

22 (a) \$3,680,000 of the violence reduction and drug enforcement
23 account appropriation is provided solely for the implementation of
24 Engrossed Third Substitute House Bill No. 3900 (juvenile code
25 revisions). If the bill is not enacted by June 30, 1997, the amount
26 provided in this subsection shall lapse.

27 (b) \$105,000 of the general fund--state appropriation for fiscal
28 year 1998 and \$377,000 of the general fund--state appropriation for
29 fiscal year 1999 are provided solely for costs associated with
30 implementing chapter 386, Laws of 1997 (juvenile care and treatment).

31 (3) PROGRAM SUPPORT

32	General Fund--State Appropriation (FY 1998) . . . \$	((1,922,000))
33		<u>1,930,000</u>
34	General Fund--State Appropriation (FY 1999) . . . \$	((1,610,000))
35		<u>1,539,000</u>
36	General Fund--Federal Appropriation \$	156,000
37	Violence Reduction and Drug Enforcement Account	
38	Appropriation \$	421,000

1 TOTAL APPROPRIATION \$ ((4,109,000))
2 4,046,000

3 The appropriations in this subsection are subject to the following
4 conditions and limitations:

5 (a) \$92,000 of the general fund--state fiscal year 1998
6 appropriation and \$36,000 of the general fund--state fiscal year 1999
7 appropriation are provided solely for the implementation of Substitute
8 Senate Bill No. 5759 (risk classification). If the bill is not enacted
9 by June 30, 1997, the amounts provided shall lapse.

10 (b) \$206,000 of the general fund--state fiscal year 1998
11 appropriation is provided solely for the implementation of Engrossed
12 Second Substitute Senate Bill No. 5710 (juvenile care and treatment).
13 If the bill is not enacted by June 30, 1997, the amount provided shall
14 lapse.

15 (c) \$97,000 of the general fund--state fiscal year 1998
16 appropriation and \$36,000 of the general fund--state fiscal year 1999
17 appropriation are provided solely for the implementation of Engrossed
18 Third Substitute House Bill No. 3900 (juvenile code revisions). If the
19 bill is not enacted by June 30, 1997, the amounts provided shall lapse.

20 (d) Within the amounts provided in this subsection, the juvenile
21 rehabilitation administration (JRA) shall develop by January 1, 1998,
22 a staffing model for noncustody functions at JRA institutions and work
23 camps. The models should, whenever possible, reflect the most
24 efficient practices currently being used within the system.

25 (e) \$15,000 of the general fund--state appropriation for fiscal
26 year 1998 and \$60,000 of the general fund--state appropriation for
27 fiscal year 1999 are provided solely for the study required in Second
28 Substitute Senate Bill No. 6445 (child community facility placement).
29 If the bill is not enacted by June 30, 1998, the amounts provided in
30 this subsection shall lapse. The juvenile rehabilitation
31 administration (JRA) shall contract with the institute for public
32 policy for this special study of the contracts, operations, and
33 monitoring of community residential facilities that house juvenile
34 offenders under JRA's jurisdiction.

35 **Sec. 204.** 1997 c 149 s 204 (uncodified) is amended to read as
36 follows:

37 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH PROGRAM**

38 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

1	General Fund--State Appropriation (FY 1998) . . . \$	((167,577,000))
2		<u>170,940,000</u>
3	General Fund--State Appropriation (FY 1999) . . . \$	((170,803,000))
4		<u>173,645,000</u>
5	General Fund--Federal Appropriation \$	((296,006,000))
6		<u>299,651,000</u>
7	General Fund--Private/Local Appropriation \$	4,000,000
8	TOTAL APPROPRIATION \$	((638,386,000))
9		<u>648,236,000</u>

10 The appropriations in this subsection are subject to the following
11 conditions and limitations:

12 (a) Regional support networks shall use portions of the general
13 fund--state appropriation for implementation of working agreements with
14 the vocational rehabilitation program which will maximize the use of
15 federal funding for vocational programs.

16 (b) From the general fund--state appropriations in this subsection,
17 the secretary of social and health services shall assure that regional
18 support networks reimburse the aging and adult services program for the
19 general fund--state cost of medicaid personal care services that
20 enrolled regional support network consumers use because of their
21 psychiatric disability.

22 ~~(c) ((\$2,413,000 of the general fund--state appropriation for~~
23 ~~fiscal year 1998 and \$2,393,000 of the general fund--state~~
24 ~~appropriation for fiscal year 1999 are provided solely to directly~~
25 ~~reimburse eligible providers for the medicaid share of mental health~~
26 ~~services provided to persons eligible for both medicaid and medicare.~~
27 ~~To be reimbursed, the service must be covered by and provided in~~
28 ~~accordance with the state medicaid plan.~~

29 ~~(d))~~ \$1,304,000 of the general fund--state appropriation for
30 fiscal year 1998, \$3,356,000 of the general fund--state appropriation
31 for fiscal year 1999, and \$5,056,000 of the general fund--federal
32 appropriation are provided solely for distribution to those regional
33 support networks whose 1997-99 allocation would otherwise be less than
34 the regional support network would receive if all funding appropriated
35 in this subsection (1) of this section for medicaid outpatient mental
36 health services were distributed among all regional support networks at
37 the state-wide average per capita rate for each eligibility category.

38 ~~((e))~~ (d) At least thirty days prior to entering contracts that
39 would capitate payments for voluntary psychiatric hospitalizations, the

1 mental health division shall report the proposed capitation rates, and
2 the assumptions and calculations by which they were established, to the
3 budget and forecasting divisions of the office of financial management,
4 the appropriations committee of the house of representatives, and the
5 ways and means committee of the senate.

6 (e) \$533,000 of the general fund--state appropriation for fiscal
7 year 1999 and \$587,000 of the general fund--federal appropriation are
8 provided solely for the implementation of the Second Substitute Senate
9 Bill No. 6214 (mentally ill commitment). If the bill is not enacted by
10 June 30, 1998, the amounts provided in this subsection shall lapse.

11 (2) INSTITUTIONAL SERVICES

12	General Fund--State Appropriation (FY 1998) . . . \$	((59,496,000))
13		<u>61,886,000</u>
14	General Fund--State Appropriation (FY 1999) . . . \$	((59,508,000))
15		<u>61,232,000</u>
16	General Fund--Federal Appropriation \$	((127,118,000))
17		<u>132,930,000</u>
18	General Fund--Private/Local Appropriation \$	((30,940,000))
19		<u>24,761,000</u>
20	TOTAL APPROPRIATION \$	((277,062,000))
21		<u>280,809,000</u>

22 The appropriations in this subsection are subject to the following
23 conditions and limitations:

24 (a) The state mental hospitals may use funds appropriated in this
25 subsection to purchase goods and supplies through hospital group
26 purchasing organizations when it is cost-effective to do so.

27 (b) The mental health program at Western state hospital shall
28 continue to use labor provided by the Tacoma prerelease program of the
29 department of corrections.

30 (c) \$246,000 of the general fund--state fiscal year 1998
31 appropriation and \$318,000 of the general fund--state fiscal year 1999
32 appropriation are provided solely for funding outside medical costs.
33 The mental health division shall provide a report on outside medical
34 costs to the fiscal committees of the legislature by September 30,
35 1998, and September 30, 1999. The report shall detail the monthly and
36 per capita expenditures for outside medical costs at each state
37 hospital.

1 (d) \$256,000 of the general fund--state fiscal year 1998
2 appropriation and \$254,000 of the general fund--state fiscal year 1999
3 appropriation are provided solely for funding pharmacy and new drug
4 costs. The mental health division shall provide a report on pharmacy
5 and new drug costs to the fiscal committees of the legislature by
6 September 30, 1998, and September 30, 1999. The report shall detail
7 monthly and per capita expenditures for pharmacy and new drug costs for
8 each state hospital. Expenditures for each new generation atypical
9 antipsychotic medication including clozapine, resperidone, olanzapine,
10 and any newly introduced medications of this nature shall be
11 specifically reported.

12 (e) \$1,700,000 of the general fund--state fiscal year 1998
13 appropriation is provided solely for replacing lost federal revenues in
14 fiscal year 1998 due to a changed definition of discharge for medicare
15 reimbursement purposes. The mental health division must aggressively
16 pursue the prompt resolution of issues resulting in this loss of
17 revenues with the federal health care financing administration. In the
18 event any or all of the lost federal revenues are restored, an equal
19 amount of the general fund--state fiscal year 1998 appropriation shall
20 lapse.

21 (f) Within the funds provided in this section, the mental health
22 division shall develop by October 1, 1998, a staffing model for direct
23 and indirect functions for the wards at each of the state hospitals.
24 The model should, whenever possible, reflect the most efficient
25 practices for providing treatment and therapeutic services appropriate
26 to the characteristics and needs of the individual patient.

27 (g) \$2,513,000 of the general fund--state appropriation for fiscal
28 year 1999, \$153,000 of the general fund--federal appropriation, and
29 \$178,000 of the general fund private/local appropriation are provided
30 solely for the implementation of the Second Substitute Senate Bill No.
31 6214 (mentally ill commitment). If the bill is not enacted by June 30,
32 1998, the amounts provided in this subsection shall lapse.

33 (3) CIVIL COMMITMENT

34	General Fund Appropriation (FY 1998)	. . . . . \$	((5,423,000))
35			<u>7,174,000</u>
36	General Fund Appropriation (FY 1999)	. . . . . \$	((6,082,000))
37			<u>7,779,000</u>
38	TOTAL APPROPRIATION	. . . . . \$	((11,505,000))
39			<u>14,953,000</u>

1 The appropriations in this subsection are subject to the following
2 conditions and limitations:

3 (a) \$2,088,000 of the general fund--state fiscal year 1998
4 appropriation and \$2,415,000 of the general fund--state fiscal year
5 1999 appropriation are provided solely for court-related costs for
6 residents at the special commitment center.

7 (b) Within the funds provided in this subsection, the mental health
8 division shall develop by October 1, 1998, a staffing model for direct
9 and indirect functions at the special commitment center. The model
10 should, whenever possible, reflect the most efficient practices for
11 providing treatment and therapeutic services appropriate to the
12 characteristics and needs of the individual patient.

13 (c) Within the funds provided in this subsection, the mental health
14 division shall provide a report on outside medical costs to the fiscal
15 committees of the legislature by September 30, 1998, and September 30,
16 1999. The report shall detail the monthly and per capita expenditures
17 for outside medical costs at the special commitment center.

18 (d) Within the funds provided in this subsection, the mental health
19 division shall provide a report on pharmacy and new drug costs to the
20 fiscal committees of the legislature by September 30, 1998, and
21 September 30, 1999. The report shall detail monthly and per capita
22 expenditures for pharmacy and new drug costs at the special commitment
23 center. Expenditures for each new generation atypical antipsychotic
24 medication including clozapine, resperidone, olanzapine, and any newly
25 introduced medications of this nature shall be specifically reported.

26 (4) SPECIAL PROJECTS

27	General Fund--State Appropriation (FY 1998)	\$	50,000
28	General Fund--State Appropriation (FY 1999)	\$	450,000
29	General Fund--Federal Appropriation	\$	3,826,000
30	TOTAL APPROPRIATION	\$	4,326,000

31 The appropriations in this subsection are subject to the following
32 conditions and limitations: \$50,000 of the general fund--state
33 appropriation for fiscal year 1998 and \$450,000 of the general fund--
34 state appropriation for fiscal year 1999 are provided solely for
35 development and operation of the pilot project for mentally ill
36 offenders described in Substitute Senate Bill No. 6002 (mentally ill
37 offenders). If the bill is not enacted by June 30, 1997, the amounts
38 provided shall lapse.

1	(5) PROGRAM SUPPORT	
2	General Fund--State Appropriation (FY 1998) . . . \$	((2,560,000))
3		<u>2,537,000</u>
4	General Fund--State Appropriation (FY 1999) . . . \$	((2,395,000))
5		<u>2,569,000</u>
6	General Fund--Federal Appropriation \$	((3,111,000))
7		<u>3,085,000</u>
8	TOTAL APPROPRIATION \$	((8,066,000))
9		<u>8,191,000</u>

10 The appropriations in this subsection are subject to the following
11 conditions and limitations:

12 (a) \$60,000 of the general fund--state appropriation for fiscal
13 year 1998 is provided solely to increase the department's capacity to
14 carry out legislative intent set forth in RCW 71.24.400 through
15 71.24.415. To facilitate this activity, the secretary shall appoint an
16 oversight committee of project stakeholders including representatives
17 from: Service providers, mental health regional support networks, the
18 department's mental health division, the department's division of
19 alcohol and substance abuse, the department's division of children and
20 family services, and the department's medical assistance
21 administration. The oversight group shall continue to seek ways to
22 streamline service delivery as set forth in RCW 71.24.405 until at
23 least July 1, 1998.

24 (b) \$96,000 of the general fund--state appropriation for fiscal
25 year 1999 is provided solely for the implementation of Second
26 Substitute Senate Bill No. 6214 (mentally ill commitment). If the bill
27 is not enacted by June 30, 1998, the amount provided in this subsection
28 shall lapse.

29 (c) \$100,000 of the general fund--state appropriation for fiscal
30 year 1999 is provided solely for the evaluation required by Second
31 Substitute Senate Bill No. 6214 (mentally ill commitment). If the bill
32 is not enacted by June 30, 1998, the amount provided in this subsection
33 shall lapse. The mental health division shall contract with the
34 institute for public policy for this evaluation.

1 **Sec. 205.** 1997 c 149 s 205 (uncodified) is amended to read as
2 follows:

3 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**
4 **DISABILITIES PROGRAM**

5 (1) COMMUNITY SERVICES

6	General Fund--State Appropriation (FY 1998) . . . \$	((140,172,000))
7		<u>147,944,000</u>
8	General Fund--State Appropriation (FY 1999) . . . \$	((142,643,000))
9		<u>166,192,000</u>
10	General Fund--Federal Appropriation \$	((194,347,000))
11		<u>226,298,000</u>
12	Health Services Account Appropriation \$	((1,695,000))
13		<u>639,000</u>
14	TOTAL APPROPRIATION \$	((478,857,000))
15		<u>541,073,000</u>

16 The appropriations in this subsection are subject to the following
17 conditions and limitations:

18 (a) ~~(((\$1,695,000 of))~~ The health services account appropriation and
19 \$((1,835,000)) 692,000 of the general fund--federal appropriation are
20 provided solely for the enrollment in the basic health plan of home
21 care workers with family incomes below 200 percent of the federal
22 poverty level who are employed through state contracts. Enrollment in
23 the basic health plan for home care workers with family incomes at or
24 above 200 percent of poverty shall be covered with general fund--state
25 and matching general fund--federal revenues that were identified by the
26 department to have been previously appropriated for health benefits
27 coverage, to the extent that these funds had not been contractually
28 obligated for worker wage increases prior to March 1, 1996.

29 (b) \$365,000 of the general fund--state appropriation for fiscal
30 year 1998 and \$1,543,000 of the general fund--state appropriation for
31 fiscal year 1999 are provided solely for employment, or other day
32 activities and training programs, for young people who complete their
33 high school curriculum in 1997 or 1998.

34 (c) ~~\$((22,974,000))~~ 24,586,000 of the general fund--state
35 appropriation for fiscal year 1998 and ~~\$((25,111,000))~~ 28,148,000 of
36 the general fund--state appropriation for fiscal year 1999 ~~((, plus any~~
37 ~~vendor rate increases allotted in accordance with section 213 of this~~
38 ~~act,))~~ are provided solely to deliver personal care services ~~((to an~~
39 ~~average of 6,250 children and adults in fiscal year 1998 and an average~~

1 of ~~7,100~~ children and adults in fiscal year 1999)). If the secretary
2 of social and health services determines that total expenditures are
3 likely to exceed these appropriated amounts, the secretary shall take
4 action as required by RCW 74.09.520 to adjust either functional
5 eligibility standards or service levels or both sufficiently to
6 maintain expenditures within appropriated levels. Such action may
7 include the adoption of emergency rules and may not be taken to the
8 extent that projected over-expenditures are offset by under-
9 expenditures elsewhere within the program's general fund--state
10 appropriation. Prior to adjusting eligibility standards, the secretary
11 should first exercise all opportunities to manage the average cost per
12 person served, through methods such as promoting the use of informal
13 care; assuring that local offices are effectively and consistently
14 authorizing the least expensive level of care which can meet recipient
15 needs; and reducing on a sliding-scale basis the amount of service
16 authorized per functional need level, with smaller reductions for
17 greater levels of need.

18 (d) ~~\$(453,000)~~ 144,000 of the general fund--state appropriation
19 for fiscal year 1998, ~~\$(214,000)~~ 453,000 of the general fund--state
20 appropriation for fiscal year 1999, and ~~\$(719,000)~~ 654,000 of the
21 general fund--federal appropriation are provided solely to continue
22 operation of the united cerebral palsy residential center during the
23 period in which its residents are phasing into new community
24 residences.

25 (e) \$197,000 of the general fund--state appropriation for fiscal
26 year 1998 and \$197,000 of the general fund--state appropriation for
27 fiscal year 1999 are provided solely to contract with the Washington
28 initiative for supported employment for the purpose of continuing the
29 promotion of supported employment services for persons with
30 disabilities.

31 (f) The department shall not reduce the number of persons served in
32 community residential, employment and day program, or family support
33 services below the levels identified in the *Legislative Budget Notes,*
34 *1997-99 Biennium,* (August 1997) as published by the legislative fiscal
35 committees, in order to undertake activities proposed by the department
36 but not funded in this 1998 supplemental appropriations act.

37 (g) \$2,151,000 of the general fund--state appropriation for fiscal
38 year 1998, \$5,782,000 of the general fund--state appropriation for
39 fiscal year 1999, and \$8,362,000 of the general fund--federal

1 appropriation are provided solely to develop and operate secure
2 residential and day program placements for persons who seem likely to
3 present a significant risk to the public safety if their current
4 residential arrangement were to continue.

5 (h) \$426,000 of the general fund--state appropriation for fiscal
6 year 1999 and \$469,000 of the general fund--federal appropriation are
7 provided solely to develop and operate community services for persons
8 residing at eastern and western state hospitals whose needs are such
9 that they cannot be served in existing community vacancies.

10 (i) \$200,000 of the general fund--state appropriation for fiscal
11 year 1998 and \$1,592,000 of the general fund--state appropriation for
12 fiscal year 1999 are provided solely for employment and day program
13 services for adults who are not currently able to participate in such
14 services because of funding limitations.

15 (j) \$105,000 of the general fund--state appropriation for fiscal
16 year 1998, \$933,000 of the general fund--state appropriation for fiscal
17 year 1999, and \$1,029,000 of the general fund--federal appropriation
18 are provided solely to develop and operate community services for
19 persons moving from the residential habilitation centers as a result of
20 an agreement with the federal department of justice or a settlement
21 agreement to a lawsuit.

22 (k) The appropriations in this subsection include \$2,000,000 to
23 provide community services to eligible persons with developmental
24 disabilities, as provided in section 3 of Second Substitute Senate Bill
25 No. 6751.

26 (2) INSTITUTIONAL SERVICES

27	General Fund--State Appropriation (FY 1998) . . . \$	((63,982,000))
28		<u>65,277,000</u>
29	General Fund--State Appropriation (FY 1999) . . . \$	((63,206,000))
30		<u>64,187,000</u>
31	General Fund--Federal Appropriation \$	((142,955,000))
32		<u>145,897,000</u>
33	General Fund--Private/Local Appropriation \$	9,729,000
34	TOTAL APPROPRIATION \$	((279,872,000))
35		<u>285,090,000</u>

36 The appropriations in this subsection are subject to the following
37 conditions and limitations:

1 (a) With the funds appropriated in this subsection, the secretary
2 of social and health services shall develop an eight-bed program at
3 Yakima valley school specifically for the purpose of providing respite
4 services to all eligible individuals on a state-wide basis, with an
5 emphasis on those residing in central Washington.

6 (b) \$112,000 of the general fund--state appropriation for fiscal
7 year 1998, \$113,000 of the general fund--state appropriation for
8 fiscal year 1999, and \$75,000 of the general fund--federal
9 appropriation are provided solely for a nursing community outreach
10 project at Yakima valley school. Registered nursing staff are to
11 provide nursing assessments, consulting services, training, and quality
12 assurance on behalf of individuals residing in central Washington.

13 (c) \$200,000 of the general fund--state appropriation for fiscal
14 year 1998, \$200,000 of the general fund--state appropriation for fiscal
15 year 1999, and \$400,000 of the general fund--federal appropriation are
16 provided solely for the development of a sixteen-bed program at Yakima
17 valley school specifically for the purpose of providing respite
18 services to all eligible individuals on a state-wide basis, with an
19 emphasis on those residing in central Washington.

20 (3) PROGRAM SUPPORT

21	General Fund--State Appropriation (FY 1998) . . . \$	((2,543,000))
22		<u>2,530,000</u>
23	General Fund--State Appropriation (FY 1999) . . . \$	((2,517,000))
24		<u>2,501,000</u>
25	General Fund--Federal Appropriation \$	((1,645,000))
26		<u>1,637,000</u>
27	TOTAL APPROPRIATION \$	((6,705,000))
28		<u>6,668,000</u>

29 The appropriations in this subsection are subject to the following
30 conditions and limitations: The appropriations in this subsection
31 include \$200,000 to conduct the assessment of service needs and to
32 continue the work of the strategies for the future stakeholder
33 workgroup, as provided in Second Substitute Senate Bill No. 6751.

34 (4) SPECIAL PROJECTS

35	General Fund--Federal Appropriation \$	12,030,000
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1 **Sec. 206.** 1997 c 149 s 206 (uncodified) is amended to read as
2 follows:

3 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**
4 **SERVICES PROGRAM**

5	General Fund--State Appropriation (FY 1998) . . . \$	((392,045,000))
6		<u>409,195,000</u>
7	General Fund--State Appropriation (FY 1999) . . . \$	((416,304,000))
8		<u>424,999,000</u>
9	General Fund--Federal Appropriation \$	((878,169,000))
10		<u>912,025,000</u>
11	Health Services Account Appropriation \$	((6,087,000))
12		<u>2,232,000</u>
13	TOTAL APPROPRIATION \$	((1,692,605,000))
14		<u>1,748,451,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations:

17 (1) The entire health services account appropriation and
18 \$((6,076,000)) 2,175,000 of the general fund--federal appropriation are
19 provided solely for the enrollment in the basic health plan of home
20 care workers with family incomes below 200 percent of the federal
21 poverty level who are employed through state contracts. Enrollment in
22 the basic health plan for home care workers with family incomes at or
23 above 200 percent of poverty shall be covered with general fund--state
24 and matching general fund--federal revenues that were identified by the
25 department to have been previously appropriated for health benefits
26 coverage, to the extent that these funds had not been contractually
27 obligated for worker wage increases prior to March 1, 1996.

28 (2) \$1,277,000 of the general fund--state appropriation for fiscal
29 year 1998 and \$1,277,000 of the general fund--state appropriation for
30 fiscal year 1999 are provided solely for operation of the volunteer
31 chore program.

32 (3) \$((107,997,000)) 117,221,000 of the general fund--state
33 appropriation for fiscal year 1998 and \$((120,397,000)) 128,997,000 of
34 the general fund--state appropriation for fiscal year 1999, (~~plus any~~
35 ~~vendor rate increases allocated to these services in accordance with~~
36 ~~section 213 of this act~~) of which no less than forty-nine percent
37 shall be allotted for expenditure during the first six months of fiscal
38 year 1999, are provided solely to deliver chore, COPES, and medicaid
39 personal care services. If the secretary of social and health services

1 determines that total expenditures are likely to exceed these amounts,
2 the secretary shall take action as required by RCW 74.09.520,
3 74.39A.120, and 74.09.530 to adjust functional eligibility standards
4 and/or service levels sufficiently to maintain expenditures within
5 appropriated levels. Such action may include the adoption of emergency
6 rules, and shall not be taken to the extent that projected over-
7 expenditures are offset by under-expenditures resulting from lower than
8 budgeted nursing home caseloads. Prior to adjusting eligibility
9 standards, the secretary shall first take actions to manage the average
10 cost per person served, through methods such as promoting the use of
11 informal care; assuring that local offices are effectively and
12 consistently authorizing the least expensive level of care that can
13 meet recipient needs; using waiting lists for individuals with lower
14 levels of need in order to limit monthly growth; and reducing on a
15 sliding-scale basis the amount of service authorized per functional
16 need level, with smaller reductions for greater levels of need.

17 (4) \$1,080,000 of the general fund--state appropriation for fiscal
18 year 1999 is provided to maintain service eligibility for persons
19 receiving services through the chore, COPES, or medicaid personal care
20 programs in the event eligibility adjustments are made in accordance
21 with subsection (3) of this section. The department may use seventy-
22 five percent of amounts not needed for that purpose to implement
23 quality of care enhancements.

24 (5) \$26,000 of the general fund--state appropriation for fiscal
25 year 1998, \$59,000 of the general fund--state appropriation for fiscal
26 year 1999, and \$85,000 of the general fund--federal appropriation are
27 provided solely to employ registered nurses rather than social workers
28 to fill six of the new field positions to be filled in fiscal year 1998
29 and seven more of the new positions to be filled in fiscal year 1999.
30 These registered nurses shall conduct assessments, develop and monitor
31 service plans, and consult with social work staff to assure that
32 persons with medical needs are placed in and receive the appropriate
33 level of care.

34 ~~((+5))~~ (6) \$425,000 of the general fund--state appropriation for
35 fiscal year 1998 and \$882,000 of the general fund--state appropriation
36 for fiscal year 1999 are provided solely to implement Second Substitute
37 Senate Bill No. 5179 (nursing facility reimbursement). If the bill is
38 not enacted by June 30, 1997, the amounts provided in this subsection
39 shall lapse.

1 ~~((6))~~ (7) A maximum of \$2,193,000 of the general fund--state
2 appropriation for fiscal year 1998 and \$2,351,000 of the general fund--
3 federal appropriation for fiscal year 1998 are provided to fund the
4 medicaid share of any new prospective payment rate adjustments as may
5 be necessary in accordance with RCW 74.46.460.

6 ~~((7))~~ (8) \$242,000 of the general fund--state appropriation for
7 fiscal year 1998, \$212,000 of the general fund--state appropriation for
8 fiscal year 1999, and \$498,000 of the general fund--federal
9 appropriation are provided solely for operation of a system for
10 investigating allegations of staff abuse and neglect in nursing homes,
11 as provided in Second Substitute House Bill No. 1850 (long-term care
12 standards of care).

13 ~~((8))~~ \$350,000 of the general fund--state appropriation for fiscal
14 year 1998 and \$382,000 of the general fund--state appropriation for
15 fiscal year 1999 are provided solely to supplement the incomes of
16 disabled legal immigrants who, because of loss of their federal
17 supplemental security income benefit, would otherwise be at risk of
18 placement into a more expensive long-term care setting.

19 ~~(9)(a)~~ The department shall establish a shadow case mix payment
20 system to educate facilities about payment system alternatives. The
21 department shall provide shadow rates beginning July 1, 1997, based on
22 the following:

23 ~~(i)~~ The direct care portion of the rate, usually called "nursing
24 services," shall be set under a case mix methodology that classifies
25 residents under the Resource Utilization Group III (RUG-III) Version
26 5.10 (or subsequent revision) 44 group index maximizing model based on
27 the Minimum Data Set (MDS) Version 2.0.

28 ~~(ii)~~ Payment to a facility shall be based on facility weighted
29 average case mix data which provides one rate to a facility reflecting
30 its mix of residents. For purposes of determining the facility's cost
31 per case mix unit, the facility average case mix score will be based on
32 the case mix of all residents. For purposes of determining the
33 facility's payment rate, the facility average case mix score shall be
34 based on the case mix of medicaid residents.

35 ~~(iii)~~ The direct care rates shall be adjusted prospectively each
36 quarter based on the facility's MDS 2.0 data from the quarter
37 commencing six months preceding the rate effective date. For example,
38 the MDSs for 1/1/97 - 3/31/97 shall be used to establish shadow rates
39 for 7/1/97 - 9/30/97.

1 ~~(iv) Those costs which currently comprise nursing services as~~
2 ~~defined by chapter 74.46 RCW, excluding therapies, shall be included in~~
3 ~~the direct care component for case mix.~~

4 ~~(v) Data from 1994 cost reports (allowable and audited costs) shall~~
5 ~~be used to establish the shadow rates. The costs shall be inflated~~
6 ~~comparable to fiscal year 1998 payment rates, according to RCW~~
7 ~~74.46.420.~~

8 ~~(vi) Separate prices, ceilings, and corridors shall be established~~
9 ~~for the peer groups of metropolitan statistical area and~~
10 ~~nonmetropolitan statistical area.~~

11 ~~(b) The following methods shall be used to establish the shadow~~
12 ~~case mix rates:~~

13 ~~(i) A pricing system in which payment to a facility shall be based~~
14 ~~on a price multiplied by each facility's medicaid case mix. The price,~~
15 ~~per peer group, shall be established at the median direct care cost per~~
16 ~~case mix unit.~~

17 ~~(ii) A pricing system in which payment to a facility shall be based~~
18 ~~on a price multiplied by each facility's medicaid case mix. The price,~~
19 ~~per peer group, shall be based on the cost per case mix unit of a group~~
20 ~~of cost effective benchmark facilities which meet quality standards.~~

21 ~~(iii) A corridor based system in which payment to a facility shall~~
22 ~~be the facility's allowable cost per case mix unit adjusted for case~~
23 ~~mix up to a ceiling and no less than a floor. The floor, per peer~~
24 ~~group, shall be established at 90 percent of the cost per case mix unit~~
25 ~~of a group of cost effective benchmark facilities which meet quality~~
26 ~~standards. The ceiling, per peer group, shall be established at 110~~
27 ~~percent of the cost per case mix unit of the group of benchmark~~
28 ~~facilities.~~

29 ~~(iv) A corridor based system in which payment to a facility shall~~
30 ~~be the facility's allowable cost per case mix unit adjusted for case~~
31 ~~mix up to a ceiling and no less than a floor. The floor, per peer~~
32 ~~group, shall be established at 90 percent of the industry wide median~~
33 ~~direct care cost per case mix unit. The ceiling, per peer group, shall~~
34 ~~be established at 110 percent of the industry wide median direct care~~
35 ~~cost per case mix unit.~~

36 ~~(c) The department shall provide all data, information, and~~
37 ~~specifications of the methods used in establishing the shadow case mix~~
38 ~~rates to the nursing home provider associations.~~

1 ~~(d) It is the legislature's intent that the average state payment~~
2 ~~for nursing facility services under the new system increase by no more~~
3 ~~than 175 percent of the health care financing administration nursing~~
4 ~~home input price index, excluding capital costs. In designing the new~~
5 ~~payment system, the department shall develop and propose options for~~
6 ~~the combined direct and indirect rate components that assure this.~~

7 ~~(10))~~ (9) The state-wide weighted average nursing facility payment
8 rate shall be increased in fiscal year 1999 by 3.09 percent over the
9 fiscal year 1998 state-wide weighted average rate. The department may
10 modify current nursing home rate-setting methods in ways which will
11 better promote service quality and access, cost efficiency, and equity.
12 However, no facility shall be paid a lower rate in fiscal year 1999
13 than its June 30, 1998, total daily rate, excluding authorized
14 exceptional care rates.

15 (10) \$50,000 of the general fund--state appropriation for fiscal
16 year 1998 and \$50,000 of the general fund--state appropriation for
17 fiscal year 1999 are provided solely for payments to any nursing
18 facility licensed under chapter 18.51 RCW which meets all of the
19 following criteria: (a) The nursing home entered into an arm's length
20 agreement for a facility lease prior to January 1, 1980; (b) the lessee
21 purchased the leased nursing home after January 1, 1980; and (c) the
22 lessor defaulted on its loan or mortgage for the assets of the home
23 after January 1, 1991, and prior to January 1, 1992. Payments provided
24 pursuant to this subsection shall not be subject to the settlement,
25 audit, or rate-setting requirements contained in chapter 74.46 RCW.

26 (11) (~~(\$546,000)~~) \$506,000 of the general fund--state appropriation
27 for fiscal year 1998, (~~(\$583,000)~~) \$502,000 of the general fund--state
28 appropriation for fiscal year 1999, and (~~(\$1,220,000)~~) \$1,095,000 of
29 the general fund--federal appropriation are provided solely for an
30 increase in the state payment rates for adult residential care and
31 enhanced adult residential care.

32 **Sec. 207.** 1997 c 454 s 204 (uncodified) is amended to read as
33 follows:

34 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
35 **PROGRAM**

36	General Fund--State Appropriation (FY 1998) . . . \$	(543,150,000)
37		<u>509,743,000</u>
38	General Fund--State Appropriation (FY 1999) . . . \$	(529,985,000)

1		513,700,000
2	General Fund--Federal Appropriation	\$ ((952,618,000))
3		948,615,000
4	TOTAL APPROPRIATION	\$ ((2,025,753,000))
5		1,972,058,000

6 The appropriations in this section are subject to the following
7 conditions and limitations:

8 ((+2)) (1) The legislature finds that, with the passage of the
9 federal personal responsibility and work opportunity act and Engrossed
10 House Bill No. 3901, the temporary assistance for needy families is no
11 longer an entitlement. The legislature declares that the currently
12 appropriated level for the program is sufficient for the next few
13 budget cycles. To the extent, however, that currently appropriated
14 amounts exceed costs during the 1997-99 biennium, the department is
15 encouraged to set aside excess federal funds for use in future years.

16 ((+3)) (2) \$485,000 of the general fund--state fiscal year 1998
17 appropriation, \$3,186,000 of the general fund--state fiscal year 1999
18 appropriation, and \$3,168,000 of the general fund--federal
19 appropriation are provided solely to continue to implement the
20 previously competitively procured electronic benefits transfer system
21 through the western states EBT alliance for distribution of cash grants
22 and food stamps so as to meet the requirements of P.L. 104-193.

23 ((+4)) (3) \$50,000 of the fiscal year 1998 general fund--state
24 appropriation is provided solely for a study of child care
25 affordability as directed in section 403 of Engrossed House Bill No.
26 3901 (implementing welfare reform). The study shall be performed by
27 the Washington institute for public policy. If the bill is not enacted
28 by June 30, 1997, the amount provided in this subsection shall lapse.

29 ((+5)) (4) \$500,000 of the fiscal year 1998 general fund--state
30 appropriation and \$500,000 of the fiscal year 1999 general fund--state
31 appropriation are provided solely for an evaluation of the WorkFirst
32 program as directed in section 705 of Engrossed House Bill No. 3901
33 (implementing welfare reform). The study shall be performed by the
34 joint legislative audit and review committee. If the bill is not
35 enacted by June 30, 1997, the amount provided in this subsection shall
36 lapse.

37 ((+6)) (5) \$73,129,000 of the general fund--federal appropriation
38 is provided solely for child care assistance for low-income families in
39 the WorkFirst program and for low-income working families as authorized

1 in Engrossed House Bill No. 3901 (implementing welfare reform). All
2 child care assistance provided shall be subject to a monthly copay to
3 be paid by the family receiving the assistance.

4 ~~((+7))~~ (6) \$7,624,000 of the fiscal year 1998 general fund--state
5 appropriation, \$18,489,000 of the fiscal year 1999 general fund--state
6 appropriation, and \$29,781,000 of the general fund--federal
7 appropriation are provided solely for implementation of Engrossed House
8 Bill No. 3901 (implementing welfare reform), including sections 404 and
9 405. If the bill is not enacted by June 30, 1997, the amounts provided
10 in this subsection shall lapse. The level of benefits in the food
11 program for legal immigrants authorized in the bill shall be equivalent
12 to benefits provided by the federal food stamp program.

13 ~~((+8))~~ (7) \$~~((89,722,000))~~ 56,988,000 of the fiscal year 1998
14 general fund--state appropriation and \$~~((75,466,000))~~ 59,815,000 of the
15 fiscal year 1999 general fund--state appropriation are provided solely
16 for cash assistance to recipients in the general assistance--
17 unemployable program. The department shall take any and all actions
18 necessary to maintain expenditures within these amounts.

19 ~~((+9))~~ (8) \$55,995,000 of the fiscal year 1998 general fund--state
20 appropriation, \$55,995,000 of the fiscal year 1999 general fund--state
21 appropriation, and \$184,510,000 of the general fund--federal
22 appropriation are provided solely to administer a low-income child care
23 program as authorized in Engrossed House Bill No. 3901 (implementing
24 welfare reform). The child care program funds shall be allotted as
25 follows:

26 (a) Each six-month period shall have \$27,997,500 general fund--
27 state and \$46,127,500 general fund--federal funds allotted to be spent
28 during that six-month period for low-income child care assistance.

29 (b) The department may spend up to the allotted amount for child
30 care assistance during each six-month period. Any funds not spent
31 during the six-month period may be held over and allotted in the next
32 six-month period, subject to the provisions of subsection ~~((+6))~~ (5)
33 of this section.

34 (c) Federal funds allotted for child care but not spent in fiscal
35 year 1998 may be transferred to fiscal year 1999 for allotment but
36 state funds must be spent in the year appropriated.

37 **Sec. 208.** 1997 c 454 s 205 (uncodified) is amended to read as
38 follows:

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
2 **ABUSE PROGRAM**

3	General Fund--State Appropriation (FY 1998) . . . \$	((14,466,000))
4		<u>15,459,000</u>
5	General Fund--State Appropriation (FY 1999) . . . \$	((14,334,000))
6		<u>15,330,000</u>
7	General Fund--Federal Appropriation \$	((80,497,000))
8		<u>81,112,000</u>
9	General Fund--Private/Local Appropriation \$	630,000
10	Violence Reduction and Drug Enforcement Account	
11	Appropriation \$	((72,900,000))
12		<u>74,889,000</u>
13	TOTAL APPROPRIATION \$	((182,827,000))
14		<u>187,420,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations:

17 (1) \$2,062,000 of the general fund--federal appropriation and
18 \$7,482,000 of the violence reduction and drug enforcement account
19 appropriation are provided solely for the grant programs for school
20 districts and educational service districts set forth in RCW
21 28A.170.080 through 28A.170.100, including state support activities, as
22 administered through the office of the superintendent of public
23 instruction.

24 (2) \$1,902,000 of the general fund--state fiscal year 1998
25 appropriation, \$1,902,000 of the general fund--state fiscal year 1999
26 appropriation, and \$1,592,000 of the general fund--federal
27 appropriation are provided solely for alcohol and substance abuse
28 assessment, treatment, including treatment for drug affected infants
29 and toddlers, and child care services for clients of the division of
30 children and family services. Assessment shall be provided by approved
31 chemical dependency treatment programs as requested by child protective
32 services personnel in the division of children and family services.
33 Child care shall be provided as deemed necessary by the division of
34 children and family services while parents requiring alcohol and
35 substance abuse treatment are attending treatment programs.

36 (3) \$760,000 of the fiscal year 1998 general fund--state
37 appropriation and \$760,000 of the fiscal year 1999 general fund--state
38 appropriation are provided solely to fund a program serving mothers of
39 children affected by fetal alcohol syndrome and related conditions,

1 known as the birth-to-three program. The program may be operated in
2 two cities in the state.

3 **Sec. 209.** 1997 c 149 s 209 (uncodified) is amended to read as
4 follows:

5 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
6 **PROGRAM**

7	General Fund--State Appropriation (FY 1998) . . . \$	((684,033,000))
8		<u>671,815,000</u>
9	General Fund--State Appropriation (FY 1999) . . . \$	((684,885,000))
10		<u>684,522,000</u>
11	General Fund--Federal Appropriation \$	((2,038,101,000))
12		<u>2,089,892,000</u>
13	General Fund--Private/Local Appropriation \$	((223,900,000))
14		<u>306,601,000</u>
15	Health Services Account Appropriation \$	((253,004,000))
16		<u>254,506,000</u>
17	Emergency Medical and Trauma Care Services	
18	Account Appropriation \$	4,600,000
19	TOTAL APPROPRIATION \$	((3,888,523,000))
20		<u>4,011,936,000</u>

21 The appropriations in this section are subject to the following
22 conditions and limitations:

23 (1) The department shall continue to make use of the special
24 eligibility category created for children through age 18 and in
25 households with incomes below 200 percent of the federal poverty level
26 made eligible for medicaid as of July 1, 1994.

27 (2) It is the intent of the legislature that Harborview medical
28 center continue to be an economically viable component of the health
29 care system and that the state's financial interest in Harborview
30 medical center be recognized.

31 (3) Funding is provided in this section for the adult dental
32 program for Title XIX categorically eligible and medically needy
33 persons and to provide foot care services by podiatric physicians and
34 surgeons.

35 (4) \$1,622,000 of the general fund--state appropriation for fiscal
36 year 1998 and \$1,622,000 of the general fund--state appropriation for
37 fiscal year 1999 are provided for treatment of low-income kidney
38 dialysis patients.

1 (5) \$80,000 of the general fund--state appropriation for fiscal
2 year 1998, \$80,000 of the general fund--state appropriation for fiscal
3 year 1999, and \$160,000 of the general fund--federal appropriation are
4 provided solely for the prenatal triage clearinghouse to provide access
5 and outreach to reduce infant mortality.

6 (6) The department shall employ the managed care contracting and
7 negotiation strategies defined in Substitute Senate Bill No. 5125 to
8 assure that the average per-recipient cost of managed care services for
9 temporary assistance to needy families and expansion populations
10 increases by no more than two percent per year in calendar years 1998
11 and 1999.

12 (7) The department shall seek federal approval to require adult
13 medicaid recipients who are not elderly or disabled to contribute ten
14 dollars per month toward the cost of their medical assistance coverage.
15 The department shall report on the progress of this effort to the house
16 of representatives and senate health care and fiscal committees by
17 September 1 and November 15, 1997.

18 (8) \$325,000 of the general fund--state appropriation for fiscal
19 year 1998 and \$325,000 of the general fund--state appropriation for
20 fiscal year 1999 are provided solely to increase rates paid for air
21 ambulance services.

22 (9) \$5,000,000 of the general fund--state appropriation for fiscal
23 year 1998 is provided solely for expenditure to the extent necessary
24 because actual medical expenditures are in excess of those projected in
25 the November 1997 medical assistance forecast, and only to the extent
26 that such over-expenditures cannot be funded through the transfers
27 authorized in section 201 of this act. Any moneys not expended for the
28 purpose of this subsection shall revert to the general fund and shall
29 not be deposited in the agency's savings incentive account or the
30 education savings account.

31 (10) \$4,618,000 of the general fund--state appropriation for fiscal
32 year 1999 is to be expended solely to the extent necessary because the
33 federal government has not approved the department's request to require
34 certain recipients to pay ten dollars per month toward the cost of
35 their medical assistance.

36 (11) By November 1, 1998, the department shall report to the health
37 care and fiscal committees of the legislature on the estimated average
38 monthly number of nongrant medical assistance recipients who do not

1 meet the earned income eligibility standards that were in effect prior
2 to November 1997.

3 **Sec. 210.** 1997 c 149 s 210 (uncodified) is amended to read as
4 follows:

5 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**
6 **REHABILITATION PROGRAM**

7	General Fund--State Appropriation (FY 1998) . . . \$	((8,652,000))
8		<u>9,046,000</u>
9	General Fund--State Appropriation (FY 1999) . . . \$	((8,592,000))
10		<u>8,826,000</u>
11	General Fund--Federal Appropriation \$	((79,542,000))
12		<u>78,857,000</u>
13	General Fund--Private/Local Appropriation \$	2,904,000
14	TOTAL APPROPRIATION \$	((99,690,000))
15		<u>99,633,000</u>

16 The appropriations in this section are subject to the following
17 conditions and limitations:

18 (1) The division of vocational rehabilitation shall negotiate
19 cooperative interagency agreements with local organizations, including
20 higher education institutions, mental health regional support networks,
21 and county developmental disabilities programs to improve and expand
22 employment opportunities for people with severe disabilities served by
23 those local agencies.

24 (2) \$363,000 of the general fund--state appropriation for fiscal
25 year 1998, \$506,000 of the general fund--state appropriation for fiscal
26 year 1999, and \$3,208,000 of the general fund--federal appropriation
27 are provided solely for vocational rehabilitation services for
28 individuals enrolled for services with the developmental disabilities
29 program who complete their high school curriculum in 1997 or 1998.

30 **Sec. 211.** 1997 c 454 s 206 (uncodified) is amended to read as
31 follows:

32 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**
33 **SUPPORTING SERVICES PROGRAM**

34	General Fund--State Appropriation (FY 1998) . . . \$	((24,572,000))
35		<u>25,818,000</u>
36	General Fund--State Appropriation (FY 1999) . . . \$	((23,956,000))
37		<u>25,551,000</u>

1	General Fund--Federal Appropriation	\$	((40,352,000))
2			<u>42,906,000</u>
3	General Fund--Private/Local Appropriation	\$	270,000
4	TOTAL APPROPRIATION	\$	((89,150,000))
5			<u>94,545,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations:

8 ~~(1) ((The department may transfer up to \$1,289,000 of the general
9 fund--state appropriation for fiscal year 1998, \$1,757,000 of the
10 general fund--state appropriation for fiscal year 1999, and \$2,813,000
11 of the general fund--federal appropriation to the administration and
12 supporting services program from various other programs to implement
13 administrative reductions.~~

14 ~~(2))~~ The secretary of social and health services and the director
15 of labor and industries shall report to the appropriate fiscal and
16 policy committees of the legislature by July 1, 1997, and every six
17 months thereafter on the measurable changes in employee injury and
18 time-loss rates that have occurred in the state developmental
19 disabilities, juvenile rehabilitation, and mental health institutions
20 as a result of the upfront loss-control discount agreement between the
21 agencies.

22 ~~((+4))~~ (2) \$60,000 of the general fund--state appropriation for
23 fiscal year 1998 is provided solely for a welfare fraud pilot program
24 as described by House Bill No. 1822 (welfare fraud investigation).

25 ~~((+5))~~ (3) \$55,000 of the fiscal year 1998 general fund--state
26 appropriation, \$64,000 of the fiscal year 1999 general fund--state
27 appropriation, and \$231,000 of the general fund--federal appropriation
28 are provided solely for implementation of Engrossed House Bill No. 3901
29 (implementing welfare reform). If the bill is not enacted by June 30,
30 1997, the amounts provided in this subsection shall lapse.

31 **Sec. 212.** 1997 c 454 s 207 (uncodified) is amended to read as
32 follows:

33 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILD SUPPORT PROGRAM**

34	General Fund--State Appropriation (FY 1998)	\$	((21,122,000))
35			<u>21,344,000</u>
36	General Fund--State Appropriation (FY 1999)	\$	((20,877,000))
37			<u>20,965,000</u>
38	General Fund--Federal Appropriation	\$	((145,739,000))

1		<u>145,321,000</u>
2	General Fund--Private/Local Appropriation \$	((33,207,000))
3		<u>32,673,000</u>
4	TOTAL APPROPRIATION \$	((220,945,000))
5		<u>220,303,000</u>

6 The appropriations provided in this section are subject to the
7 following conditions and limitations:

8 (1) The department shall contract with private collection agencies
9 to pursue collection of AFDC child support arrearages in cases that
10 might otherwise consume a disproportionate share of the department's
11 collection efforts. The department's child support collection staff
12 shall determine which cases are appropriate for referral to private
13 collection agencies. In determining appropriate contract provisions,
14 the department shall consult with other states that have successfully
15 contracted with private collection agencies to the extent allowed by
16 federal support enforcement regulations.

17 ((+3)) (2) The amounts appropriated in this section for child
18 support legal services shall be expended only by means of contracts
19 with local prosecutor's offices.

20 ((+4)) (3) \$305,000 of the general fund--state fiscal year 1998
21 appropriation, \$494,000 of the general fund--state fiscal year 1999
22 appropriation, and \$1,408,000 of the general fund--federal
23 appropriation are provided solely to implement Engrossed House Bill No.
24 3901 (implementing welfare reform). If the bill is not enacted by June
25 30, 1997, the amounts provided in this subsection shall lapse.

26 **Sec. 213.** 1997 c 454 s 208 (uncodified) is amended to read as
27 follows:

28 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER**
29 **AGENCIES PROGRAM**

30	General Fund--State Appropriation (FY 1998) . . . \$	((47,435,000))
31		<u>25,292,000</u>
32	General Fund--State Appropriation (FY 1999) . . . \$	((47,514,000))
33		<u>24,824,000</u>
34	General Fund--Federal Appropriation \$	((54,366,000))
35		<u>18,935,000</u>
36	((Health Services Account Appropriation \$	1,502,000
37	Violence Reduction and Drug Enforcement Account	
38	Appropriation \$	2,215,000))

1 TOTAL APPROPRIATION \$ ((153,032,000))
2 69,051,000

3 The appropriations in this section are subject to the following
4 conditions and limitations:

5 ~~((1) \$22,893,000 of the general fund--state appropriation for
6 fiscal year 1998, \$22,835,000 of the general fund--state appropriation
7 for fiscal year 1999, \$35,431,000 of the general fund--federal
8 appropriation, \$2,215,000 of the violence reduction and drug
9 enforcement account appropriation, and \$1,502,000 of the health
10 services account appropriation are provided solely to increase the
11 rates of contracted service providers. The department need not provide
12 all vendors with the same percentage rate increase. Rather, the
13 department is encouraged to use these funds to help assure an adequate
14 supply of qualified vendors. Vendors providing services in markets
15 where recruitment and retention of qualified providers is a problem may
16 receive larger rate increases than other vendors. It is the
17 legislature's intent that these amounts shall be used primarily to
18 increase compensation for persons employed in direct, front-line
19 service delivery. Any rate increases granted as a result of this
20 section must be implemented so that the carry-forward costs into the
21 1999-01 biennium do not exceed the amounts provided in this subsection.
22 Within thirty days of granting a vendor rate increase under this
23 section, the department shall report the following information to the
24 fiscal committees of the legislature: (a) The amounts and effective
25 dates of any increases granted; (b) the process and criteria used to
26 determine the increases; and (c) any data used in that process. In
27 accordance with RCW 43.88.110(1), the department and the office of
28 financial management shall allot funds appropriated in this section to
29 the programs and budget units from which the funds will be expended.
30 Such allotments shall be completed no later than September 15, 1997.~~

31 ~~(2)) \$263,000 of the fiscal year 1998 general fund--state
32 appropriation, \$349,000 of the fiscal year 1999 general fund--state
33 appropriation, and \$1,186,000 of the general fund--federal
34 appropriation are provided solely for implementation of Engrossed House
35 Bill No. 3901 (implementing welfare reform). If the bill is not
36 enacted by June 30, 1997, the amounts provided in this subsection shall
37 lapse.~~

1 **Sec. 214.** 1997 c 454 s 210 (uncodified) is amended to read as
2 follows:

3 **FOR THE STATE HEALTH CARE AUTHORITY**

4	General Fund--State Appropriation (FY 1998) . . . \$	6,316,000
5	General Fund--State Appropriation (FY 1999) . . . \$	6,317,000
6	State Health Care Authority Administration	
7	Account Appropriation \$	14,719,000
8	Health Services Account Appropriation \$	((330,628,000))
9		<u>341,950,000</u>
10	TOTAL APPROPRIATION \$	((357,980,000))
11		<u>369,302,000</u>

12 The appropriations in this section are subject to the following
13 conditions and limitations:

14 (1) The general fund--state appropriations are provided solely for
15 health care services provided through local community clinics.

16 (2) Within funds appropriated in this section and sections 205 and
17 206 of chapter 149, Laws of 1997, the health care authority shall
18 continue to provide an enhanced basic health plan subsidy option for
19 foster parents licensed under chapter 74.15 RCW and workers in state-
20 funded homecare programs. Under this enhanced subsidy option, foster
21 parents and homecare workers with family incomes below 200 percent of
22 the federal poverty level shall be allowed to enroll in the basic
23 health plan at a cost of ten dollars per covered worker per month.

24 (3) Effective ~~((October 1997))~~ July 1998, the health care authority
25 shall require organizations and individuals that are paid to deliver
26 basic health plan services to contribute ~~((a minimum of thirty dollars~~
27 ~~per enrollee per month))~~ 150 percent of the monthly copremium amount
28 which the sponsored individual would otherwise owe if the organization
29 or individual chooses to sponsor an individual's enrollment in the
30 subsidized basic health plan. The health care authority shall allow
31 financial sponsors the option of only sponsoring enrollment in the low-
32 cost benchmark plans.

33 (4) \$150,000 of the health services account appropriation is
34 provided solely to implement health care savings accounts. If
35 legislation requiring a pilot project of such accounts is not enacted
36 by June 30, 1997, the amount provided in this subsection shall lapse.

37 ~~((+6))~~ (5) \$270,000 of the health services account appropriation
38 is provided solely to pay commissions to agents and brokers in
39 accordance with RCW 70.47.015(5) for application assistance provided to

1 persons on the reservation list as of June 30, 1997, who enroll in the
2 subsidized basic health plan on or after July 1, 1997.

3 **Sec. 215.** 1997 c 149 s 217 (uncodified) is amended to read as
4 follows:

5 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

6	<u>General Fund--State Appropriation (FY 1998)</u> . . . \$	<u>15,000</u>
7	<u>General Fund--State Appropriation (FY 1999)</u> . . . \$	<u>285,000</u>
8	General Fund--Federal Appropriation \$	100,000
9	Death Investigations Account Appropriation . . . \$	38,000
10	Public Safety and Education Account	
11	Appropriation \$	((13,434,000))
12		<u>13,293,000</u>
13	Violence Reduction and Drug Enforcement Account	
14	Appropriation \$	346,000
15	TOTAL APPROPRIATION \$	((13,918,000))
16		<u>14,077,000</u>

17 The appropriations made in this section are subject to the
18 following conditions and limitations:

19 (1) \$80,000 of the public safety and education account
20 appropriation is provided solely to continue the study of law
21 enforcement and corrections training begun in 1996. In conducting the
22 study, the criminal justice training commission shall consult with the
23 appropriate policy and fiscal committees of the legislature. Specific
24 elements to be addressed in the study include: (a) The feasibility and
25 the rationale for increasing basic law enforcement training from 440 to
26 600 hours; (b) the feasibility and rationale for creating a
27 certification process for law enforcement officers; (c) the feasibility
28 and rationale for expanding the correctional officers academy; (d) the
29 feasibility and rationale for expanding the juvenile service workers
30 academy and/or the adult services academy; and (e) any other items
31 considered relevant by the commission. Any recommendations made shall
32 include a plan and timeline for how they would be implemented. The
33 board on correctional training standards and education and the board on
34 law enforcement training standards and education shall be actively
35 involved in the study effort. Copies of the study shall be provided to
36 the appropriate policy and fiscal committees of the legislature and the
37 director of financial management by October 1, 1997.

1 (2) \$50,000 of the public safety and education account
2 appropriation is provided solely to prepare a cost and fee study of the
3 current and proposed criminal justice course offerings. The analysis
4 shall identify total costs and major cost components for: (a) Any
5 current training classes which are considered mandatory; and (b) any
6 proposed or modified training courses which are considered mandatory.
7 Mandatory classes include, but are not limited to, the following:
8 Basic law enforcement academy, correctional officers academy,
9 supervisory and management training of law enforcement officers,
10 supervisory and management training of correctional officers, juvenile
11 service workers academy, and the adult service academy. The study
12 shall also recommend a methodology for estimating the future demand for
13 these classes. The study shall also estimate the cost of implementing
14 any recommendations made pursuant to subsection (1) of this section.
15 The study shall be conducted by a private sector consultant selected by
16 the office of financial management in consultation with the executive
17 director of the criminal justice training commission. The final report
18 shall be completed by January 1, 1998.

19 (3) \$92,000 of the public safety and education account
20 appropriation is provided solely for the purpose of training law
21 enforcement managers and supervisors.

22 (4) \$40,000 of the public safety and education account
23 appropriation is provided solely to implement the provisions of
24 Substitute House Bill No. 1423 (criminal justice training commission).
25 If this bill is not enacted by June 30, 1997, the amount provided in
26 this subsection shall lapse.

27 (5) \$225,000 of the general fund--state fiscal year 1999
28 appropriation is provided solely for information technology upgrades
29 and improvements for the criminal justice training commission.

30 (6) \$15,000 of the general fund--state fiscal year 1998
31 appropriation and \$25,000 of the general fund--state fiscal year 1999
32 appropriation are provided solely for the relocation and new lease
33 costs of the criminal justice training commission's headquarters in
34 Thurston county.

35 (7) \$35,000 of the general fund--state appropriation for fiscal
36 year 1999 is provided solely for costs associated with the
37 implementation of incident-based crime reporting.

1 **Sec. 216.** 1997 c 454 s 211 (uncodified) is amended to read as
2 follows:

3 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

4	General Fund Appropriation (FY 1998)	\$	6,805,000
5	General Fund Appropriation (FY 1999)	\$	((6,848,000))
6			<u>7,028,000</u>
7	Public Safety and Education Account--		
8	State Appropriation	\$	((16,246,000))
9			<u>16,082,000</u>
10	Public Safety and Education Account--		
11	Federal Appropriation	\$	6,002,000
12	Public Safety and Education Account--		
13	Private/Local Appropriation	\$	((2,014,000))
14			<u>2,178,000</u>
15	Electrical License Account Appropriation	\$	22,542,000
16	Farm Labor Revolving Account Appropriation	\$	28,000
17	Worker and Community Right-to-Know Account		
18	Appropriation	\$	2,187,000
19	Public Works Administration Account		
20	Appropriation	\$	((1,975,000))
21			<u>2,439,000</u>
22	Accident Account--State Appropriation	\$	((146,901,000))
23			<u>151,474,000</u>
24	Accident Account--Federal Appropriation	\$	9,112,000
25	Medical Aid Account--State Appropriation	\$	((155,276,000))
26			<u>154,089,000</u>
27	Medical Aid Account--Federal Appropriation	\$	1,592,000
28	Plumbing Certificate Account Appropriation	\$	947,000
29	Pressure Systems Safety Account Appropriation	\$	2,106,000
30	TOTAL APPROPRIATION	\$	((380,581,000))
31			<u>384,611,000</u>

32 The appropriations in this section are subject to the following
33 conditions and limitations:

34 (1) Expenditures of funds appropriated in this section for the
35 information systems projects identified in agency budget requests as
36 "claims service delivery", "electrical permitting and inspection
37 system", and "credentialing information system" are conditioned upon
38 compliance with section 902 of this act.

1 (2) Pursuant to RCW 7.68.015, the department shall operate the
2 crime victims compensation program within the public safety and
3 education account funds appropriated in this section. In the event
4 that cost containment measures are necessary, the department may (a)
5 institute copayments for services; (b) develop preferred provider and
6 managed care contracts; (c) coordinate with the department of social
7 and health services to use the public safety and education account as
8 matching funds for federal Title XIX reimbursement, to the extent this
9 maximizes total funds available for services to crime victims.

10 (3) \$54,000 of the general fund appropriation for fiscal year 1998
11 and \$54,000 of the general fund appropriation for fiscal year 1999 are
12 provided solely for an interagency agreement to reimburse the board of
13 industrial insurance appeals for crime victims appeals.

14 (4) The secretary of social and health services and the director of
15 labor and industries shall report to the appropriate fiscal and policy
16 committees of the legislature by July 1, 1997, and every six months
17 thereafter on the measurable changes in employee injury and time-loss
18 rates that have occurred in the state developmental disabilities,
19 juvenile rehabilitation, and mental health institutions as a result of
20 the upfront loss-control discount agreement between the agencies.

21 (5) The expenditures of the elevator, factory assembled structures,
22 and contractors' registration and compliance programs may not exceed
23 the revenues generated by these programs.

24 (6) \$101,000 of the plumbing certificate account appropriation is
25 provided solely for the implementation of Substitute Senate Bill No.
26 5749 (pipe installer). If the bill is not enacted by June 30, 1997,
27 the amount provided shall lapse.

28 (7) \$56,000 of the medical aid account appropriation and \$52,000 of
29 the accident account appropriation are provided solely for evaluating
30 agency operational improvements.

31 (8) \$593,000 of nonappropriated funds from the medical aid account
32 shall be provided solely for allocation to the joint legislative audit
33 and review committee for a performance audit and operations review of
34 the state workers' compensation system pursuant to Substitute Senate
35 Bill No. 6030.

36 (9) \$464,000 of the public works administration account
37 appropriation is provided solely for addressing a workload increase in
38 the prevailing wage program. The amount provided in this subsection
39 shall be used to meet the following performance objectives:

1 (a) The department shall process all forms within 13 working days
2 of their receipt; and

3 (b) The department shall make every reasonable effort to decrease
4 the processing time and the backlog of forms.

5 The amount provided in this subsection is provided on a one-time
6 basis, and it is the intent of the legislature that ongoing funding for
7 these purposes will not be provided in the future unless the department
8 meets the performance objectives specified in this subsection.

9 (10) \$170,000 of the accident account--state appropriation and
10 \$170,000 of the medical aid account--state appropriation are provided
11 solely for payment to the office of the attorney general for legal
12 services provided in the 1995-97 biennium.

13 (11) \$686,000 of the accident account appropriation and \$686,000 of
14 the medical aid account appropriation for fiscal year 1999 are provided
15 solely to fund 24 claims manager positions in fiscal year 1999 (12
16 worker compensation adjudicator 2 and 12 worker compensation
17 adjudicator 3 positions). With these new positions, the department is
18 expected to reduce time-loss duration in claims by 5 percent by June
19 30, 2000, and an additional 2.5 percent by June 30, 2001. The average
20 caseload for level 2 claims managers should also drop to approximately
21 190 by June 30, 2000. The director of the department shall report to
22 the appropriate fiscal and policy committees of the legislature and the
23 office of financial management by June 30, 1998, and every year
24 thereafter, on the measurable progress made toward attaining these
25 goals. The 1998 report shall indicate the baseline figures from July
26 1, 1997. If substantial progress has not been achieved by June 30,
27 2000, the 24 claims manager positions and the funding associated with
28 these positions shall be discontinued.

29 **Sec. 217.** 1997 c 454 s 209 (uncodified) is amended to read as
30 follows:

31 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

32 (1) HEADQUARTERS

33	General Fund Appropriation (FY 1998)	\$	(1,409,000)
34			<u>1,609,000</u>
35	General Fund Appropriation (FY 1999)	\$	1,404,000
36	Industrial Insurance Premium Refund Account		
37	Appropriation	\$	80,000
38	Charitable, Educational, Penal, and Reformatory		

1	Institutions Account Appropriation	\$	4,000
2	TOTAL APPROPRIATION	\$	((2,897,000))
3			<u>3,097,000</u>

4 The appropriations in this subsection are subject to the following
5 conditions and limitations: \$200,000 of the general fund appropriation
6 for fiscal year 1998 is provided solely as the state's contribution to
7 the construction of a memorial on the state capitol grounds to the men
8 and women who served in the nation's armed forces during the second
9 world war. The department shall raise the remaining two-thirds of the
10 memorial's cost from individual and corporate contributions.

11 (2) FIELD SERVICES

12	General Fund--State Appropriation (FY 1998) . . .	\$	2,418,000
13	General Fund--State Appropriation (FY 1999) . . .	\$	2,420,000
14	General Fund--Federal Appropriation	\$	26,000
15	General Fund--Private/Local Appropriation	\$	85,000
16	TOTAL APPROPRIATION	\$	4,949,000

17 (3) INSTITUTIONAL SERVICES

18	General Fund--State Appropriation (FY 1998) . . .	\$	((6,101,000))
19			<u>6,576,000</u>
20	General Fund--State Appropriation (FY 1999) . . .	\$	((5,369,000))
21			<u>5,522,000</u>
22	General Fund--Federal Appropriation	\$	((19,556,000))
23			<u>18,950,000</u>
24	General Fund--Private/Local Appropriation	\$	((14,583,000))
25			<u>14,561,000</u>
26	TOTAL APPROPRIATION	\$	45,609,000

27 **Sec. 218.** 1997 c 454 s 212 (uncodified) is amended to read as
28 follows:

29 **FOR THE DEPARTMENT OF HEALTH**

30	General Fund--State Appropriation (FY 1998) . . .	\$	((62,996,000))
31			<u>62,889,000</u>
32	General Fund--State Appropriation (FY 1999) . . .	\$	((65,741,000))
33			<u>74,712,000</u>
34	General Fund--Federal Appropriation	\$	((259,139,000))
35			<u>262,504,000</u>
36	General Fund--Private/Local Appropriation	\$	((24,351,000))
37			<u>25,359,000</u>

1	Hospital Commission Account Appropriation \$	3,089,000
2	Health Professions Account Appropriation \$	((36,038,000))
3		<u>36,252,000</u>
4	Emergency Medical and Trauma Care Services Account	
5	Appropriation \$	21,042,000
6	Safe Drinking Water Account Appropriation \$	2,494,000
7	Death Investigations Account Appropriation . . . \$	((1,000,000))
8		<u>650,000</u>
9	Drinking Water Assistance Account--Federal	
10	Appropriation \$	5,385,000
11	Waterworks Operator Certification Appropriation . \$	588,000
12	Water Quality Account Appropriation \$	3,065,000
13	Violence Reduction and Drug Enforcement	
14	Account Appropriation \$	469,000
15	State Toxics Control Account Appropriation . . . \$	2,854,000
16	Medical Test Site Licensure Account	
17	Appropriation \$	1,624,000
18	Youth Tobacco Prevention Account Appropriation . \$	1,812,000
19	Health Services Account Appropriation \$	((12,474,000))
20		<u>6,115,000</u>
21	TOTAL APPROPRIATION \$	((504,161,000))
22		<u>510,903,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations:

25 (1) \$2,134,000 of the health professions account appropriation is
26 provided solely for the development and implementation of a licensing
27 and disciplinary management system. Expenditures are conditioned upon
28 compliance with section 902 of this act. These funds shall not be
29 expended without appropriate project approval by the department of
30 information systems.

31 (2) Funding provided in this section for the drinking water program
32 data management system shall not be expended without appropriate
33 project approval by the department of information systems.
34 Expenditures are conditioned upon compliance with section 902 of this
35 act.

36 (3) The department is authorized to raise existing fees charged to
37 the nursing professions and midwives((7)); chemical dependency
38 counselors; by the pharmacy board((7)); and for boarding home;
39 hospital; and home health, home care, and hospice agency licenses, in

1 excess of the fiscal growth factor established by Initiative Measure
2 No. 601, if necessary, to meet the actual costs of conducting business
3 and the appropriation levels in this section. The department of
4 health, in consultation with the department of social and health
5 services, shall pursue the ability to earn title XIX federal funds for
6 licensing and quality assurance activities for medicaid residents of
7 boarding homes.

8 (4) ~~\$(1,633,000)~~ 1,526,000 of the general fund--state fiscal year
9 1998 appropriation and ~~\$(1,634,000)~~ 1,741,000 of the general fund--
10 state fiscal year 1999 appropriation are provided solely for the
11 implementation of the Puget Sound water work plan and agency action
12 items, DOH-01, DOH-02, DOH-03, DOH-04, DOH-05, DOH-06, DOH-07, DOH-08,
13 DOH-09, DOH-10, DOH-11, and DOH-12.

14 (5) \$10,000,000 of the health services account appropriation is
15 provided solely for distribution to local health departments for
16 distribution on a per capita basis. Prior to distributing these funds,
17 the department shall adopt rules and procedures to ensure that these
18 funds are not used to replace current local support for public health
19 programs.

20 (6) \$500,000 of the general fund--state appropriation for fiscal
21 year 1998 and \$500,000 of the general fund--state appropriation for
22 fiscal year 1999 are provided solely for operation of a youth suicide
23 prevention program at the state level, including a state-wide public
24 educational campaign to increase knowledge of suicide risk and ability
25 to respond and provision of twenty-four hour crisis hotlines, staffed
26 to provide suicidal youth and caregivers a source of instant help.

27 (7) The department of health shall not initiate any services that
28 will require expenditure of state general fund moneys unless expressly
29 authorized in this act or other law. The department may seek, receive,
30 and spend, under RCW 43.79.260 through 43.79.282, federal moneys not
31 anticipated in this act as long as the federal funding does not require
32 expenditure of state moneys for the program in excess of amounts
33 anticipated in this act. If the department receives unanticipated
34 unrestricted federal moneys, those moneys shall be spent for services
35 authorized in this act or in any other legislation that provides
36 appropriation authority, and an equal amount of appropriated state
37 moneys shall lapse. Upon the lapsing of any moneys under this
38 subsection, the office of financial management shall notify the
39 legislative fiscal committees. As used in this subsection,

1 "unrestricted federal moneys" includes block grants and other funds
2 that federal law does not require to be spent on specifically defined
3 projects or matched on a formula basis by state funds.

4 (8) \$259,000 of the health professions account appropriation is
5 provided solely to implement Engrossed House Bill No. 3901
6 (implementing welfare reform). If the bill is not enacted by June 30,
7 1997, the amounts provided in this subsection shall lapse.

8 (9) \$150,000 of the general fund--state fiscal year 1998
9 appropriation and \$150,000 of the general fund--state fiscal year 1999
10 appropriation are provided solely for community-based oral health
11 grants that may fund sealant programs, education, prevention, and other
12 oral health interventions. The grants may be awarded to state or
13 federally funded community and migrant health centers, tribal clinics,
14 or public health jurisdictions. Priority shall be given to communities
15 with established oral health coalitions. Grant applications for oral
16 health education and prevention grants shall include (a) an assessment
17 of the community's oral health education and prevention needs; (b)
18 identification of the population to be served; and (c) a description of
19 the grant program's predicted outcomes.

20 (10) \$21,042,000 of the emergency medical and trauma care services
21 account appropriation is provided solely for implementation of
22 Substitute Senate Bill No. 5127 (trauma care services). If the bill is
23 not enacted by June 30, 1997, the amount provided in this subsection
24 shall lapse.

25 (11) \$500,000 of the general fund--state appropriation for fiscal
26 year 1998 and \$500,000 of the general fund--state appropriation for
27 fiscal year 1999 are provided solely for family support and provider
28 training services for children with special health care needs.

29 (12) \$300,000 of the general fund--federal appropriation is
30 provided solely for an abstinence education program which complies with
31 P.L. 104-193. \$400,000 of the general fund--federal appropriation is
32 provided solely for abstinence education projects at the office of the
33 superintendent of public instruction and shall be transferred to the
34 office of the superintendent of public instruction for the 1998-99
35 school year. The department shall apply for abstinence education funds
36 made available by the federal personal responsibility and work
37 opportunity act of 1996 and implement a program that complies with the
38 requirements of that act.

1 (13) \$50,000 of the general fund--state appropriation for fiscal
2 year 1998 and \$50,000 of the general fund--state appropriation for
3 fiscal year 1999 are provided solely for the implementation of Second
4 Substitute House Bill No. 1191 (mandated health benefit review). If
5 the bill is not enacted by June 30, 1997, the amounts provided in this
6 section shall lapse.

7 (14) \$100,000 of the general fund--state appropriation for fiscal
8 year 1998 and \$100,000 of the general fund--state appropriation for
9 fiscal year 1999 are provided solely for the volunteer retired provider
10 program. Funds shall be used to increase children's access to dental
11 care services in rural and underserved communities by paying
12 malpractice insurance and professional licensing fees for retired
13 dentists participating in the program.

14 (15) \$852,000 of the drinking water assistance account--federal
15 appropriation is provided solely for an interagency agreement with the
16 department of community, trade, and economic development to administer,
17 in cooperation with the public works board, loans to local governments
18 and public water systems for projects and activities to protect and
19 improve the state's drinking water facilities and resources.

20 (16) \$3,347,000 of the fiscal year 1998 general fund--state
21 appropriation and \$3,347,000 of the fiscal year 1999 general fund--
22 state appropriation are provided solely for the AIDS prescription drug
23 program and HIV intervention program. The department shall operate the
24 program within total appropriations. The department shall take such
25 actions as are necessary to control expenditures, including
26 administrative efficiencies such as reductions to provider
27 reimbursement rates, modifications to financial eligibility,
28 modifications to the scope of services, and client cost sharing
29 mechanisms. The department shall identify program policy changes
30 required to manage within the amounts provided.

31 (17) Funding provided in this section is sufficient to implement
32 section 8 of Engrossed Substitute House Bill No. 2264 (eliminating the
33 health care policy board).

34 (18) \$2,075,000 of the fiscal year 1998 general fund--state
35 appropriation and \$2,075,000 of the fiscal year 1999 general fund--
36 state appropriation are provided solely for the Washington poison
37 center.

38 (19) \$~~(1,000,000)~~ 650,000 of the death investigations account
39 appropriation is provided solely for the implementation of state-wide

1 child mortality reviews. Local health jurisdictions shall coordinate
2 child mortality reviews for children from birth to eighteen years of
3 age, develop local child mortality review protocols, and serve as the
4 appointing authority and lead agency for local child death review
5 teams. The department of health shall develop standard aggregate data
6 elements, collect and analyze local child mortality review data,
7 provide technical assistance to local child mortality review teams, and
8 approve local child death review protocols. If House Bill No. 1269
9 (death investigations account) is not enacted by June 30, 1997, the
10 amount provided in this subsection shall lapse.

11 (20) \$1,125,000 of the fiscal year 1998 general fund--state
12 appropriation and \$1,125,000 of the fiscal year 1999 general fund--
13 state appropriation are provided solely for deposit in the county
14 public health account.

15 (21) \$60,000 of the general fund--state appropriation for fiscal
16 year 1998 and \$60,000 of the general fund--state appropriation for
17 fiscal year 1999 are provided solely for attorney general services and
18 such other activities not covered by fee revenues as are necessary for
19 implementation of Engrossed Substitute House Bill No. 2264 (health care
20 policy). If the bill is not enacted by June 30, 1997, the amounts
21 provided in this subsection shall lapse.

22 (22) \$250,000 of the fiscal year 1998 general fund--state
23 appropriation \$250,000 of the fiscal year 1999 general fund--state
24 appropriation are provided solely for operation of a naturopathic
25 health clinic constructed in 1996.

26 (23) \$60,000 of the general fund--state appropriation for fiscal
27 year 1999 is provided solely for the implementation of Second
28 Substitute Senate Bill No. 6168 (temporary worker housing). If the
29 bill is not enacted by June 30, 1998, the amount provided in this
30 subsection shall lapse.

31 (24) \$250,000 of the general fund--federal appropriation is
32 provided solely to conduct monitoring for thyroid diseases for eligible
33 people exposed to radiation from Hanford between 1945 and 1951, and is
34 contingent upon the execution of an agreement with the state of Oregon
35 that the state of Washington will function as a subrecipient for the
36 Hanford medical monitoring program grant. If such an agreement is not
37 executed by September 30, 1998, the amount provided in this subsection
38 shall lapse.

1 (25) \$730,000 of the health professions account appropriation is
2 provided solely for the purposes of the impaired physician program. If
3 Substitute Senate Bill No. 6545 (impaired physician program) or
4 substantially similar legislation is enacted by June 30, 1998, the
5 amounts provided in this subsection shall lapse.

6 (26) \$1,000,000 of the general fund--state appropriation for fiscal
7 year 1999 is provided solely for the breast and cervical cancer
8 screening program.

9 (27) Within existing resources, the department shall maintain
10 funding support for neurodevelopmental centers and in no case shall
11 that support be reduced below the total sum awarded by contract to
12 neurodevelopmental centers in fiscal year 1998.

13 **Sec. 219.** 1997 c 454 s 213 (uncodified) is amended to read as
14 follows:

15 **FOR THE DEPARTMENT OF CORRECTIONS**

16 The appropriations to the department of corrections in chapter 454,
17 Laws of 1997, as amended, shall be expended for the programs and in the
18 amounts specified therein. However, after April 1, 1998, unless
19 specifically prohibited by this act, the department may transfer
20 general fund--state appropriations for fiscal year 1998 between the
21 institutional services and community corrections programs after
22 approval by the director of financial management. The director of
23 financial management shall notify the appropriate fiscal committees of
24 the senate and house of representatives in writing prior to approving
25 any deviations from appropriation levels.

26 (1) ADMINISTRATION AND PROGRAM SUPPORT

27	General Fund Appropriation (FY 1998)	. . . . . \$	((13,926,000))
28			<u>13,982,000</u>
29	General Fund Appropriation (FY 1999)	. . . . . \$	((13,910,000))
30			<u>14,023,000</u>
31	Violence Reduction and Drug Enforcement Account		
32	Appropriation	\$	500,000
33	TOTAL APPROPRIATION	\$	((28,336,000))
34			<u>28,505,000</u>

35 The appropriations in this subsection are subject to the following
36 conditions and limitations:

1 (a) \$187,000 of the general fund fiscal year 1998 appropriation and
2 \$155,000 of the general fund fiscal year 1999 appropriation are
3 provided solely for implementation of Substitute Senate Bill No. 5759
4 (risk classification). If the bill is not enacted by July 1, 1997, the
5 amounts provided shall lapse.

6 (b) \$500,000 of the violence reduction and drug enforcement account
7 appropriation is provided solely for a feasibility study regarding the
8 replacement of the department's offender based tracking system. This
9 appropriation is conditioned on the department satisfying the
10 requirements of section 902, chapter 149, Laws of 1997.

11 (c) \$56,000 of the general fund--state appropriation for fiscal
12 year 1998 and \$38,000 of the general fund--state appropriation for
13 fiscal year 1999 are provided solely for costs associated with
14 implementing the sex offender risk management project.

15 (d) \$75,000 of the general fund--state appropriation for fiscal
16 year 1999 is provided solely for an evaluation of the transition and
17 relapse prevention program. The department shall contract with the
18 institute for public policy for this evaluation. The evaluation shall
19 focus on the efficacy of the program, specifically: Reductions in
20 offender recidivism; reductions in community supervision violations;
21 and the effect on the supervision and management of offenders.

22 (2) INSTITUTIONAL SERVICES

23	General Fund--State Appropriation (FY 1998) . . . \$	((291,745,000))
24		<u>289,770,000</u>
25	General Fund--State Appropriation (FY 1999) . . . \$	((304,000,000))
26		<u>304,065,000</u>
27	General Fund--Federal Appropriation \$	18,097,000
28	Industrial Insurance Premium Rebate Account	
29	Appropriation \$	673,000
30	Violence Reduction and Drug Enforcement Account	
31	Appropriation \$	1,614,000
32	TOTAL APPROPRIATION \$	((616,129,000))
33		<u>614,219,000</u>

34 The appropriations in this subsection are subject to the following
35 conditions and limitations:

36 (a) The department shall provide funding for the pet partnership
37 program at the Washington corrections center for women at a level at
38 least equal to that provided in the 1995-97 biennium.

1 (b) \$4,839,000 of the general fund--state fiscal year 1998
2 appropriation and \$6,481,000 of the general fund--state fiscal year
3 1999 appropriation are provided solely for the criminal justice costs
4 associated with the implementation of Engrossed Third Substitute House
5 Bill No. 3900 (revising the juvenile code). If Engrossed Third
6 Substitute House Bill No. 3900 is not enacted by June 30, 1997, the
7 amounts provided shall lapse.

8 (c) The department of corrections shall accomplish personnel
9 reductions with the least possible impact on correctional custody
10 staff, community custody staff, and correctional industries. For the
11 purposes of this subsection, correctional custody staff means employees
12 responsible for the direct supervision of offenders.

13 ~~((e))~~ (d) \$296,000 of the general fund--state appropriation for
14 fiscal year 1998 and \$297,000 of the general fund--state appropriation
15 for fiscal year 1999 are provided solely to increase payment rates for
16 contracted education providers. It is the legislature's intent that
17 these amounts shall be used primarily to increase compensation for
18 persons employed in direct, front-line service delivery.

19 ~~((f))~~ (e) The department may expend funds generated by
20 contractual agreements entered into for mitigation of severe
21 overcrowding in local jails. If any funds are generated in excess of
22 actual costs, they shall be deposited in the state general fund.
23 Expenditures shall not exceed revenue generated by such agreements and
24 shall be treated as recovery of costs.

25 (f) \$70,000 of the general fund--state fiscal year 1999
26 appropriation is provided solely for the implementation of Senate Bill
27 No. 6139 (amphetamine crimes). If the bill is not enacted by June 30,
28 1998, the amount provided in this subsection shall lapse.

29 (g) \$29,000 of the general fund--state fiscal year 1999
30 appropriation is provided solely for the implementation of Senate Bill
31 No. 6188 (sex offender registration). If the bill is not enacted by
32 June 30, 1998, the amount provided in this subsection shall lapse.

33 (h) \$6,000 of the general fund--state fiscal year 1999
34 appropriation is provided solely for the implementation of Senate Bill
35 No. 6464 (methamphetamine manufacture). If the bill is not enacted by
36 June 30, 1998, the amount provided in this subsection shall lapse.

37 (i) \$105,000 of the general fund--state appropriation for fiscal
38 year 1998 and \$244,000 of the general fund--state appropriation for

1 fiscal year 1999 are provided solely for costs associated with
2 implementing the sex offender risk management project.

3 (3) COMMUNITY CORRECTIONS

4	General Fund Appropriation (FY 1998)	. . . . .	\$	((89,377,000))
5				<u>89,074,000</u>
6	General Fund Appropriation (FY 1999)	. . . . .	\$	((90,495,000))
7				<u>91,248,000</u>
8	TOTAL APPROPRIATION	. . . . .	\$	((179,872,000))
9				<u>180,322,000</u>

10 The appropriations in this subsection are subject to the following
11 conditions and limitations:

12 (a) \$27,000 of the general fund fiscal year 1998 appropriation and
13 \$185,000 of the general fund fiscal year 1999 appropriation are
14 provided solely for the criminal justice costs associated with the
15 implementation of Engrossed Third Substitute House Bill No. 3900
16 (revising the juvenile code). If Engrossed Third Substitute House Bill
17 No. 3900 is not enacted by June 30, 1997, the amounts provided shall
18 lapse.

19 (b) The department of corrections shall accomplish personnel
20 reductions with the least possible impact on correctional custody
21 staff, community custody staff, and correctional industries. For the
22 purposes of this subsection, correctional custody staff means employees
23 responsible for the direct supervision of offenders.

24 (c) \$467,000 of the general fund appropriation for fiscal year 1998
25 and \$505,000 of the general fund appropriation for fiscal year 1999 are
26 provided solely to increase payment rates for contracted education
27 providers and contracted work release facilities. It is the
28 legislature's intent that these amounts shall be used primarily to
29 increase compensation for persons employed in direct, front-line
30 service delivery.

31 (d) \$45,000 of the general fund--state fiscal year 1999
32 appropriation is provided solely for the implementation of Substitute
33 Senate Bill No. 5760 (mentally ill offenders). If the bill is not
34 enacted by June 30, 1998, the amount provided in this subsection shall
35 lapse.

36 (e) \$609,000 of the general fund--state fiscal year 1998
37 appropriation and \$226,000 of the general fund--state fiscal year 1999

1 appropriation are provided solely for costs associated with allowing
2 community corrections officers to carry firearms.

3 (f) \$244,000 of the general fund--state appropriation for fiscal
4 year 1998 and \$578,000 of the general fund--state appropriation for
5 fiscal year 1999 are provided solely for costs associated with
6 implementing the sex offender risk management project.

7 (4) CORRECTIONAL INDUSTRIES

8	General Fund Appropriation (FY 1998)	. . . . .	\$	4,055,000
9	General Fund Appropriation (FY 1999)	. . . . .	\$	4,167,000
10	TOTAL APPROPRIATION	. . . . .	\$	8,222,000

11 The appropriations in this subsection are subject to the following
12 conditions and limitations:

13 (a) \$100,000 of the general fund fiscal year 1998 appropriation and
14 \$100,000 of the general fund fiscal year 1999 appropriation are
15 provided solely for transfer to the jail industries board. The board
16 shall use the amounts provided only for administrative expenses,
17 equipment purchases, and technical assistance associated with advising
18 cities and counties in developing, promoting, and implementing
19 consistent, safe, and efficient offender work programs.

20 (b) \$50,000 of the general fund appropriation for fiscal year 1998
21 and \$50,000 of the general fund appropriation for fiscal year 1999 are
22 provided solely for the correctional industries board of directors to
23 hire one staff person, responsible directly to the board, to assist the
24 board in fulfilling its duties.

25 (5) INTERAGENCY PAYMENTS

26	General Fund Appropriation (FY 1998)	. . . . .	\$	((6,945,000))
27				<u>6,851,000</u>
28	General Fund Appropriation (FY 1999)	. . . . .	\$	((6,444,000))
29				<u>6,538,000</u>
30	TOTAL APPROPRIATION	. . . . .	\$	13,389,000

31 **Sec. 220.** 1997 c 454 s 214 (uncodified) is amended to read as
32 follows:

33 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

34	General Fund--State Appropriation (FY 1998)	. . . . .	\$	1,260,000
35	General Fund--State Appropriation (FY 1999)	. . . . .	\$	1,261,000
36	General Fund--Federal Appropriation	. . . . .	\$	((173,595,000))
37				<u>178,472,000</u>

1	General Fund--Private/Local Appropriation	\$	((24,842,000))
2			<u>28,650,000</u>
3	Unemployment Compensation Administration Account--		
4	Federal Appropriation	\$	((181,985,000))
5			<u>182,312,000</u>
6	Administrative Contingency Account		
7	Appropriation	\$	12,579,000
8	Employment Service Administrative Account		
9	Appropriation	\$	((13,176,000))
10			<u>13,662,000</u>
11	Employment & Training Trust Account		
12	Appropriation	\$	600,000
13	TOTAL APPROPRIATION	\$	((409,298,000))
14			<u>418,796,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations:

17 (1) Expenditures of funds appropriated in this section for the
18 information systems projects identified in agency budget requests as
19 "claims and adjudication call centers", "data/wage quality initiative",
20 and "one stop information connectivity" are conditioned upon compliance
21 with section 902 of this act.

22 (2) \$600,000 of the employment and training trust account
23 appropriation is provided solely for the account's share of
24 unemployment insurance tax collection costs.

25 (3) \$1,126,000 of the general fund--federal appropriation is
26 provided solely for the continuation of job placement centers colocated
27 on community and technical college campuses. The department shall
28 maintain the current level of service at all 32 colocation sites
29 through the remainder of the 1997-99 biennium.

30 (4) The employment security department shall spend no more than
31 \$25,049,511 of the unemployment compensation administration account--
32 federal appropriation for the general unemployment insurance
33 development effort (GUIDE) project, except that the department may
34 exceed this amount by up to \$2,600,000 to offset the cost associated
35 with any vendor-caused delay. The additional spending authority is
36 contingent upon the department fully recovering these moneys from any
37 project vendors failing to perform in full. Authority to spend the
38 amount provided by this subsection is conditioned on compliance with
39 section 902 of this act.

PART III
NATURAL RESOURCES

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Sec. 301. 1997 c 454 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 1998)	\$	213,000
General Fund--State Appropriation (FY 1999)	\$	222,000
General Fund--Private/Local Appropriation	\$	((435,000))
		<u>442,000</u>
TOTAL APPROPRIATION	\$	((870,000))
		<u>877,000</u>

The appropriations in this section are subject to the following condition and limitation: \$120,000 of the general fund--state appropriation for fiscal year 1998, \$120,000 of the general fund--state appropriation for fiscal year 1999, and \$240,000 of the general fund--local appropriation are provided solely for each Columbia river gorge county to receive an \$80,000 grant for the purposes of implementing the scenic area management plan. If a Columbia river gorge county has not adopted an ordinance to implement the scenic area management plan in accordance with the national scenic area act (P.L. 99-663), then the grant funds for that county may be used by the commission to implement the plan for that county. Any state funds previously provided to Clark county that are not needed for implementation of the county's responsibilities under the national scenic area act may be transferred through an interlocal agreement to Skamania county solely for implementing the national scenic area act.

Sec. 302. 1997 c 454 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 1998)	\$	((27,748,000))
		<u>26,013,000</u>
General Fund--State Appropriation (FY 1999)	\$	((27,795,000))
		<u>25,860,000</u>
General Fund--Federal Appropriation	\$	((45,315,000))
		<u>46,240,000</u>

1	General Fund--Private/Local Appropriation	\$	((643,000))
2			<u>1,200,000</u>
3	Special Grass Seed Burning Research Account		
4	Appropriation	\$	((42,000))
5			<u>71,000</u>
6	Reclamation Revolving Account Appropriation	\$	2,441,000
7	Flood Control Assistance Account		
8	Appropriation	\$	4,850,000
9	State Emergency Water Projects Revolving Account		
10	Appropriation	\$	319,000
11	Waste Reduction/Recycling/Litter Control		
12	Appropriation	\$	10,316,000
13	State and Local Improvements Revolving Account		
14	(Waste Facilities) Appropriation	\$	601,000
15	State and Local Improvements Revolving Account		
16	(Water Supply Facilities) Appropriation	\$	1,366,000
17	Basic Data Account Appropriation	\$	182,000
18	Vehicle Tire Recycling Account Appropriation	\$	((1,194,000))
19			<u>357,000</u>
20	Water Quality Account Appropriation	\$	2,892,000
21	Wood Stove Education and Enforcement Account		
22	Appropriation	\$	((1,055,000))
23			<u>848,000</u>
24	Worker and Community Right-to-Know Account		
25	Appropriation	\$	469,000
26	State Toxics Control Account Appropriation	\$	53,715,000
27	Local Toxics Control Account Appropriation	\$	4,342,000
28	Water Quality Permit Account Appropriation	\$	20,378,000
29	Underground Storage Tank Account Appropriation	\$	((2,443,000))
30			<u>2,638,000</u>
31	Solid Waste Management Account Appropriation	\$	((1,021,000))
32			<u>971,000</u>
33	Hazardous Waste Assistance Account		
34	Appropriation	\$	3,615,000
35	Air Pollution Control Account Appropriation	\$	16,224,000
36	Oil Spill Administration Account Appropriation	\$	((6,958,000))
37			<u>6,998,000</u>
38	Air Operating Permit Account Appropriation	\$	((4,033,000))
39			<u>3,808,000</u>

1	Freshwater Aquatic Weeds Account Appropriation	\$	1,829,000
2	Oil Spill Response Account Appropriation	\$	7,078,000
3	Metals Mining Account Appropriation	\$	42,000
4	Water Pollution Control Revolving Account--State		
5	Appropriation	\$	349,000
6	Water Pollution Control Revolving Account--Federal		
7	Appropriation	\$	1,726,000
8	Biosolids Permit Account Appropriation	\$	567,000
9	Environmental Excellence Account Appropriation	\$	247,000
10	TOTAL APPROPRIATION	\$	((251,795,000))
11			<u>248,552,000</u>

12 The appropriations in this section are subject to the following
13 conditions and limitations:

14 (1) \$3,211,000 of the general fund--state appropriation for fiscal
15 year 1998, \$3,211,000 of the general fund--state appropriation for
16 fiscal year 1999, \$394,000 of the general fund--federal appropriation,
17 \$2,017,000 of the oil spill administration account, \$819,000 of the
18 state toxics control account appropriation, and \$3,591,000 of the water
19 quality permit fee account are provided solely for the implementation
20 of the Puget Sound work plan and agency action items DOE-01, DOE-02,
21 DOE-03, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

22 (2) \$2,000,000 of the state toxics control account appropriation is
23 provided solely for the following purposes:

24 (a) To conduct remedial actions for sites for which there are no
25 potentially liable persons, for which potentially liable persons cannot
26 be found, or for which potentially liable persons are unable to pay for
27 remedial actions; and

28 (b) To provide funding to assist potentially liable persons under
29 RCW 70.105D.070(2)(d)(xi) to pay for the cost of the remedial actions;
30 and

31 (c) To conduct remedial actions for sites for which potentially
32 liable persons have refused to conduct remedial actions required by the
33 department; and

34 (d) To contract for services as necessary to support remedial
35 actions.

36 ~~((+6+))~~ (3) \$200,000 of the general fund--state appropriation for
37 fiscal year 1998 is provided solely for the implementation of Engrossed
38 Substitute House Bill No. 1118 (reopening a water rights claim filing

1 period). If the bill is not enacted by June 30, 1997, the amount
2 provided in this subsection shall lapse.

3 ~~((+7))~~ (4) \$3,600,000 of the general fund--state appropriation for
4 fiscal year 1998 and \$3,600,000 of the general fund--state
5 appropriation for fiscal year 1999 are provided solely for the auto
6 emissions inspection and maintenance program. Expenditures of the
7 amounts provided in this subsection are contingent upon a like amount
8 being deposited in the general fund from the auto emission inspection
9 fees in accordance with RCW 70.120.170(4).

10 ~~((+8))~~ (5) \$170,000 of the oil spill administration account
11 appropriation is provided solely for implementation of the Puget Sound
12 work plan action item UW-02 through a contract with the University of
13 Washington's Sea Grant program in order to develop an educational
14 program that targets small spills from commercial fishing vessels,
15 ferries, cruise ships, ports, and marinas.

16 ~~((+9))~~ (6) The merger of the office of marine safety into the
17 department of ecology shall be accomplished in a manner that will
18 maintain a priority focus on oil spill prevention, as well as maintain
19 a strong oil spill response capability. The merged program shall be
20 established to provide a high level of visibility and ensure that there
21 shall not be a diminution of the existing level of effort from the
22 merged programs.

23 ~~((+10))~~ (7) The entire environmental excellence account
24 appropriation is provided solely for the implementation of Engrossed
25 Second Substitute House Bill No. 1866 (environmental excellence). If
26 the bill is not enacted by June 30, 1997, the amount provided in this
27 subsection shall lapse. In implementing the bill, the department shall
28 organize the needed expertise to process environmental excellence
29 applications after an application has been received.

30 ~~((+11))~~ (8) \$200,000 of the freshwater aquatic weeds account
31 appropriation is provided solely to address saltcedar weed problems.

32 ~~((+12))~~ (9) \$4,498,000 of the waste reduction, recycling, and
33 litter control account appropriation is provided for fiscal year 1998
34 and \$5,818,000 is provided for fiscal year 1999 to be expended in the
35 following ratios: Fifty percent for a litter patrol program to employ
36 youth and correctional work crews to remove litter from places that are
37 most visible to the public; twenty percent for grants to local
38 governments for litter cleanup under RCW 70.93.250; and thirty percent
39 for public education and awareness programs and programs to foster

1 local waste reduction and recycling efforts. From the amounts provided
2 in this subsection, the department shall provide \$352,000 through an
3 interagency agreement to the department of corrections to hire
4 correctional crews to remove litter in areas that are not accessible to
5 youth crews.

6 ~~((13))~~ (10) The entire biosolids permit account appropriation is
7 provided solely for implementation of Engrossed Senate Bill No. 5590
8 (biosolids management). If the bill is not enacted by June 30, 1997,
9 the entire appropriation is null and void.

10 ~~((14))~~ (11) \$29,000 of the general fund--state appropriation for
11 fiscal year 1998 and \$99,000 of the general fund--state appropriation
12 for fiscal year 1999 are provided solely for the implementation of
13 Substitute House Bill No. 1985 (landscape management plans). If the
14 bill is not enacted by June 30, 1997, the amounts provided in this
15 subsection shall lapse.

16 ~~((15))~~ (12) \$60,000 of the freshwater aquatic weeds account
17 appropriation is provided solely for a grant to the department of fish
18 and wildlife to control and eradicate purple loosestrife using the most
19 cost-effective methods available, including chemical control where
20 appropriate.

21 ~~((16))~~ (13) \$250,000 of the flood control assistance account
22 appropriation is provided solely as a reappropriation to complete the
23 Skokomish valley flood reduction plan. The amount provided in this
24 subsection shall be reduced by the amount expended from this account
25 for the Skokomish valley flood reduction plan during the biennium
26 ending June 30, 1997.

27 ~~((18))~~ (14) \$600,000 of the flood control assistance account
28 appropriation is provided solely to complete flood control projects
29 that were awarded funds during the 1995-97 biennium. These funds shall
30 be spent only to complete projects that could not be completed during
31 the 1995-97 biennium due to delays caused by weather or delays in the
32 permitting process.

33 ~~((19))~~ (15) \$113,000 of the general fund--state appropriation for
34 fiscal year 1998 and \$112,000 of the general fund--state appropriation
35 for fiscal year 1999 are provided solely for implementation of
36 Substitute Senate Bill No. 5505 (assistance to water applicants). If
37 the bill is not enacted by June 30, 1997, the amounts provided in this
38 subsection shall lapse.

1 (~~(20)~~) (16) \$70,000 of the general fund--state appropriation for
2 fiscal year 1998 and \$70,000 of the general fund--state appropriation
3 for fiscal year 1999 are provided solely for implementation of
4 Substitute Senate Bill No. 5785 (consolidation of groundwater rights).
5 If the bill is not enacted by June 30, 1997, the amounts provided in
6 this subsection shall lapse.

7 (~~(21)~~) (17) \$20,000 of the general fund--state appropriation for
8 fiscal year 1998 and \$20,000 of the general fund--state appropriation
9 for fiscal year 1999 are provided solely for implementation of
10 Substitute Senate Bill No. 5276 (water right applications). If the
11 bill is not enacted by June 30, 1997, the amounts provided in this
12 subsection shall lapse.

13 (~~(23)~~) (18) \$500,000 of the general fund--state appropriation for
14 fiscal year 1998 and \$500,000 of the general fund--state appropriation
15 for fiscal year 1999 are provided solely for the continuation of the
16 southwest Washington coastal erosion study.

17 (19) \$195,000 of the underground storage tank account appropriation
18 is provided solely for the implementation of Substitute Senate Bill No.
19 6130 (underground storage tanks). If the bill is not enacted by June
20 30, 1998, the amount provided in this subsection shall lapse.

21 (20) Within the appropriations provided in this section, the
22 department shall provide a priority in permitting and technical
23 assistance to local governments and businesses that seek assistance for
24 rural economic development projects.

25 (21) \$226,000 of the general fund--state appropriation for fiscal
26 year 1999 is provided solely for additional staff and associated costs
27 to support the Yakima county superior court in adjudicating water
28 rights in the Yakima river basin.

29 NEW SECTION. Sec. 303. A new section is added to 1997 c 149
30 (uncodified) to read as follows:

31 **FOR THE DEPARTMENT OF ECOLOGY**

32 General Fund--State Appropriation (FY 1998)	\$	13,000
33 General Fund--State Appropriation (FY 1999)	\$	1,451,000
34 TOTAL APPROPRIATION	\$	1,464,000

35 The appropriations in this section are subject to the following
36 conditions and limitations:

37 (1) \$462,000 of the general fund--state appropriation for fiscal
38 year 1999 is provided solely for the department to participate in teams

1 including the departments of fish and wildlife; community, trade, and
2 economic development; and health, to support local watershed planning
3 efforts integrating water quantity, water quality, and fish habitat
4 issues.

5 (2) \$385,000 of the general fund--state appropriation for fiscal
6 year 1999 is provided solely for implementation of Substitute Senate
7 Bill No. 6161 (dairy nutrients). If the bill is not enacted by June
8 30, 1998, the amount provided in this subsection shall lapse.

9 (3) \$13,000 of the general fund--state appropriation for fiscal
10 year 1998 and \$404,000 of the general fund--state appropriation for
11 fiscal year 1999 are provided solely for implementation of Substitute
12 Senate Bill No. 6474 (fertilizer regulation). If the bill is not
13 enacted by June 30, 1998, the amount provided in this subsection shall
14 lapse.

15 (4) \$200,000 of the general fund--state appropriation for fiscal
16 year 1999 is provided solely for implementation of Engrossed Substitute
17 Senate Bill No. 5703 (water rights for beneficial uses). If the bill
18 is not enacted by June 30, 1998, the amount provided in this subsection
19 shall lapse.

20 **Sec. 304.** 1997 c 454 s 303 (uncodified) is amended to read as
21 follows:

22 **FOR THE STATE PARKS AND RECREATION COMMISSION**

23	General Fund--State Appropriation (FY 1998)	\$	((20,526,000))
24			<u>20,489,000</u>
25	General Fund--State Appropriation (FY 1999)	\$	((20,335,000))
26			<u>22,780,000</u>
27	General Fund--Federal Appropriation	\$	((2,428,000))
28			<u>3,122,000</u>
29	General Fund--Private/Local Appropriation	\$	59,000
30	Winter Recreation Program Account		
31	Appropriation	\$	((759,000))
32			<u>779,000</u>
33	Off Road Vehicle Account Appropriation	\$	251,000
34	Snowmobile Account Appropriation	\$	((2,290,000))
35			<u>3,260,000</u>
36	Aquatic Lands Enhancement Account		
37	Appropriation	\$	321,000
38	Public Safety and Education Account		

1	Appropriation	\$	48,000
2	Industrial Insurance Premium Refund		
3	Appropriation	\$	10,000
4	Waste Reduction/Recycling/Litter Control		
5	Appropriation	\$	34,000
6	Water Trail Program Account Appropriation	\$	14,000
7	Parks Renewal and Stewardship Account		
8	Appropriation	\$	((25,344,000))
9			<u>25,894,000</u>
10	TOTAL APPROPRIATION	\$	((72,419,000))
11			<u>77,061,000</u>

12 The appropriations in this section are subject to the following
13 conditions and limitations:

14 (1) \$189,000 of the aquatic lands enhancement account appropriation
15 is provided solely for the implementation of the Puget Sound work plan
16 agency action items P&RC-01 and P&RC-03.

17 (2) \$264,000 of the general fund--federal appropriation is provided
18 for boater programs state-wide and for implementation of the Puget
19 Sound work plan.

20 (3) \$45,000 of the general fund--state appropriation for fiscal
21 year 1998 is provided solely for a feasibility study of a
22 public/private effort to establish a reserve for recreation and
23 environmental studies in southwest Kitsap county.

24 (4) Within the funds provided in this section, the state parks and
25 recreation commission shall provide to the legislature a status report
26 on implementation of the recommendations contained in the 1994 study on
27 the restructuring of Washington state parks. This status report shall
28 include an evaluation of the campsite reservation system including the
29 identification of any incremental changes in revenues associated with
30 implementation of the system and a progress report on other enterprise
31 activities being undertaken by the commission. The report may also
32 include recommendations on other revenue generating options. In
33 preparing the report, the commission is encouraged to work with
34 interested parties to develop a long-term strategy to support the park
35 system. The commission shall provide this report by December 1, 1997.

36 (5) \$85,000 of the general fund--state appropriation for fiscal
37 year 1998 and \$165,000 of the general fund--state appropriation for
38 fiscal year 1999 are provided solely for development of underwater park
39 programs and facilities. The department shall work with the underwater

1 parks program task force to develop specific plans for the use of these
2 funds.

3 (6) \$20,000 of the winter recreation program account appropriation
4 and \$20,000 of the snowmobile account appropriation are provided solely
5 for a grant for the operation of the northwest avalanche center.

6 (7) Fees approved by the state parks and recreation commission in
7 1997 for camping, snow parks, wood debris collection, and Fort Worden
8 state park are authorized to exceed the fiscal growth factor under RCW
9 43.135.055.

10 **Sec. 305.** 1997 c 149 s 304 (uncodified) is amended to read as
11 follows:

12 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

13 Firearms Range Account Appropriation	\$	46,000
14 Recreation Resources Account Appropriation	\$	((2,352,000))
		<u>2,363,000</u>
16 NOVA Program Account Appropriation	\$	590,000
17 TOTAL APPROPRIATION	\$	((2,988,000))
		<u>2,999,000</u>

19 The appropriations in this section are subject to the following
20 conditions and limitations: Any proceeds from the sale of the PRISM
21 software system shall be deposited into the recreation resources
22 account.

23 **Sec. 306.** 1997 c 149 s 306 (uncodified) is amended to read as
24 follows:

25 **FOR THE CONSERVATION COMMISSION**

26 General Fund Appropriation (FY 1998)	\$	838,000
27 General Fund Appropriation (FY 1999)	\$	((840,000))
		<u>1,840,000</u>
29 Water Quality Account Appropriation	\$	440,000
30 TOTAL APPROPRIATION	\$	((2,118,000))
		<u>3,118,000</u>

32 The appropriations in this section are subject to the following
33 conditions and limitations:

34 (1) \$181,000 of the general fund appropriation for fiscal year
35 1998, \$181,000 of the general fund appropriation for fiscal year 1999,
36 and \$130,000 of the water quality account appropriation are provided

1 solely for the implementation of the Puget Sound work plan agency
2 action item CC-01.

3 (2) \$1,000,000 of the general fund appropriation for fiscal year
4 1999 is provided solely for grants to conservation districts to provide
5 technical assistance to landowners enrolling in the conservation
6 reserve enhancement program.

7 **Sec. 307.** 1997 c 454 s 304 (uncodified) is amended to read as
8 follows:

9 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

10	General Fund--State Appropriation (FY 1998) . . . \$	((36,049,000))
11		<u>35,852,000</u>
12	General Fund--State Appropriation (FY 1999) . . . \$	((36,571,000))
13		<u>46,320,000</u>
14	General Fund--Federal Appropriation \$	((73,015,000))
15		<u>75,787,000</u>
16	General Fund--Private/Local Appropriation \$	((26,758,000))
17		<u>26,983,000</u>
18	Off Road Vehicle Account Appropriation \$	488,000
19	Aquatic Lands Enhancement Account	
20	Appropriation \$	5,593,000
21	Public Safety and Education Account	
22	Appropriation \$	((590,000))
23		<u>584,000</u>
24	Industrial Insurance Premium Refund	
25	Appropriation \$	120,000
26	Recreational Fisheries Enhancement	
27	Appropriation \$	2,387,000
28	Warm Water Game Fish Account Appropriation . . . \$	2,419,000
29	Wildlife Account Appropriation \$	((52,372,000))
30		<u>51,622,000</u>
31	Game Special Wildlife Account--State	
32	Appropriation \$	1,911,000
33	Game Special Wildlife Account--Federal	
34	Appropriation \$	10,844,000
35	Game Special Wildlife Account--Private/Local	
36	Appropriation \$	350,000
37	Oil Spill Administration Account	
38	Appropriation \$	843,000

1	Environmental Excellence Account	
2	Appropriation	\$ 20,000
3	Eastern Washington Pheasant Enhancement Account	
4	Appropriation	\$ 547,000
5	TOTAL APPROPRIATION	\$ ((250,877,000))
6		<u>262,670,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations:

9 (1) \$1,181,000 of the general fund--state appropriation for fiscal
10 year 1998 and \$1,181,000 of the general fund--state appropriation for
11 fiscal year 1999 are provided solely for the implementation of the
12 Puget Sound work plan agency action items DFW-01, DFW-03, DFW-04, and
13 DFW-8 through DFW-15.

14 (2) \$188,000 of the general fund--state appropriation for fiscal
15 year 1998 and \$155,000 of the general fund--state appropriation for
16 fiscal year 1999 are provided solely for a maintenance and inspection
17 program for department-owned dams. The department shall submit a
18 report to the governor and the appropriate legislative committees by
19 October 1, 1998, on the status of department-owned dams. This report
20 shall provide a recommendation, including a cost estimate, on whether
21 each facility should continue to be maintained or should be
22 decommissioned.

23 (3) \$832,000 of the general fund--state appropriation for fiscal
24 year 1998 and \$825,000 of the general fund--state appropriation for
25 fiscal year 1999 are provided solely to implement salmon recovery
26 activities and other actions required to respond to federal listings of
27 salmon species under the endangered species act.

28 (4) \$350,000 of the wildlife account appropriation, \$72,000 of the
29 general fund--state appropriation for fiscal year 1998, and \$73,000 of
30 the general fund--state appropriation for fiscal year 1999 are provided
31 solely for control and eradication of class B designate weeds on
32 department owned and managed lands. The amounts from the general
33 fund--state appropriations are provided solely for control of spartina.

34 (5) \$140,000 of the wildlife account appropriation is provided
35 solely for a cooperative effort with the department of agriculture for
36 research and eradication of purple loosestrife on state lands.

37 (6) In controlling weeds on state-owned lands, the department shall
38 use the most cost-effective methods available, including chemical
39 control where appropriate, and the department shall report to the

1 appropriate committees of the legislature by January 1, 1998, on
2 control methods, costs, and acres treated during the previous year.

3 ~~(7) ((A maximum of \$1,000,000 is provided from the wildlife fund
4 for fiscal year 1998. The amount provided in this subsection is for
5 the emergency feeding of deer and elk that may be starving and that are
6 posing a risk to private property due to severe winter conditions
7 during the winter of 1997-98. The amount expended under this
8 subsection must not exceed the amount raised pursuant to section 3 of
9 Substitute House Bill No. 1478. Of the amount expended under this
10 subsection, not more than fifty percent may be from fee revenue
11 generated pursuant to section 3 of Substitute House Bill No. 1478. If
12 the bill is not enacted by June 30, 1997, the amount provided in this
13 subsection shall lapse.~~

14 ~~(8))~~ \$193,000 of the general fund--state appropriation for fiscal
15 year 1998, \$194,000 of the general fund--state appropriation for fiscal
16 year 1999, and \$300,000 of the wildlife account appropriation are
17 provided solely for the design and development of an automated license
18 system.

19 ~~((9))~~ (8) The department is directed to offer for sale its Cessna
20 421 aircraft by June 30, 1998. Proceeds from the sale shall be
21 deposited in the wildlife account.

22 ~~((10))~~ (9) \$500,000 of the general fund--state appropriation for
23 fiscal year 1998 and \$500,000 of the general fund--state appropriation
24 for fiscal year 1999 are provided solely to continue the department's
25 habitat partnerships program during the 1997-99 biennium.

26 ~~((11))~~ (10) \$350,000 of the general fund--state appropriation for
27 fiscal year 1998 and \$350,000 of the general fund--state appropriation
28 for fiscal year 1999 are provided solely for purchase of monitoring
29 equipment necessary to fully implement mass marking of coho salmon.

30 ~~((12))~~ (11) \$238,000 of the general fund--state appropriation for
31 fiscal year 1998 and \$219,000 of the general fund--state appropriation
32 for fiscal year 1999 are provided solely for the implementation of
33 Substitute House Bill No. 1985 (landscape management plans). If the
34 bill is not enacted by June 30, 1997, the amounts provided in this
35 subsection shall lapse.

36 ~~((13))~~ (12) \$150,000 of the general fund--state appropriation for
37 fiscal year 1998 and \$150,000 of the general fund--state appropriation
38 for fiscal year 1999 are provided solely for a contract with the United

1 States department of agriculture to carry out animal damage control
2 projects throughout the state related to cougars, bears, and coyotes.

3 ~~((14))~~ (13) \$97,000 of the general fund--state appropriation for
4 fiscal year 1998 and \$98,000 of the general fund--state appropriation
5 for fiscal year 1999 are provided solely to implement animal damage
6 control programs for Canada geese in the lower Columbia river basin.

7 ~~((15))~~ (14) \$170,000 of the general fund--state appropriation for
8 fiscal year 1998, \$170,000 of the general fund--state appropriation for
9 fiscal year 1999, and \$360,000 of the wildlife account appropriation
10 are provided solely to hire additional enforcement officers to address
11 problem wildlife throughout the state.

12 ~~((17))~~ (15) \$133,000 of the general fund--state appropriation for
13 fiscal year 1998 and \$133,000 of the general fund--state appropriation
14 for fiscal year 1999 are provided solely to implement Substitute Senate
15 Bill No. 5442 (flood control permitting). If the bill is not enacted
16 by June 30, 1997, the amounts provided in this subsection shall lapse.

17 ~~((18))~~ (16) \$100,000 of the aquatic lands enhancement account
18 appropriation is provided solely for grants to the regional fisheries
19 enhancement groups.

20 ~~((19))~~ (17) \$547,000 of the eastern Washington pheasant
21 enhancement account appropriation is provided solely for implementation
22 of Substitute Senate Bill No. 5104 (pheasant enhancement program). If
23 the bill is not enacted by June 30, 1997, the amounts provided in this
24 subsection shall lapse.

25 ~~((20))~~ (18) \$150,000 of the general fund--state appropriation for
26 fiscal year 1998 and \$150,000 of the general fund--state appropriation
27 for fiscal year 1999 are provided solely to hire Washington
28 conservation corps crews to maintain department-owned and managed
29 lands.

30 ~~((21))~~ (19) The entire environmental excellence account
31 appropriation is provided solely for implementation of Engrossed Second
32 Substitute House Bill No. 1866 (environmental excellence). If the bill
33 is not enacted by June 30, 1997, the entire appropriation is null and
34 void.

35 ~~((22))~~ (20) \$156,000 of the recreational fisheries enhancement
36 appropriation is provided solely for Substitute Senate Bill No. 5102
37 (fishing license surcharge). If the bill is not enacted by June 30,
38 1997, the amount provided in this subsection shall lapse.

1 ~~((23))~~ (21) \$25,000 of the general fund--state appropriation for
2 fiscal year 1998 and \$25,000 of the general fund--state appropriation
3 for fiscal year 1999 are provided solely for staffing and operation of
4 the Tennant Lake interpretive center.

5 (22) \$528,000 of the general fund--state appropriation for fiscal
6 year 1999 is provided solely for the operation of the governor's salmon
7 team.

8 (23) \$450,000 of the general fund--state appropriation for fiscal
9 year 1999 is provided solely for technical assistance to local
10 governments and regional fisheries enhancement groups for inventory and
11 fish passage barrier correction projects, and for the development of a
12 computerized inventory of fish passage barriers on state highways.

13 (24) \$1,170,000 of the general fund--state appropriation for fiscal
14 year 1999 and \$3,500,000 of the general fund--federal appropriation are
15 provided solely to implement a license buy-back program for commercial
16 fishing licenses.

17 (25) \$154,000 of the general fund--state appropriation for fiscal
18 year 1999 is provided solely for the department to participate in
19 teams, including the departments of ecology; community, trade, and
20 economic development; and health, to support local watershed planning
21 efforts integrating water quantity, water quality, and fish habitat
22 issues.

23 (26) \$546,000 of the general fund--state appropriation for fiscal
24 year 1999 is provided solely for partnership grants for salmonid
25 restoration projects across the state.

26 (27) \$250,000 of the general fund--state appropriation for fiscal
27 year 1999 is provided solely for excessive deer and elk damage claims.

28 (28) \$500,000 of the general fund--state appropriation for fiscal
29 year 1999 and \$750,000 of the general fund--federal appropriation are
30 provided solely to support the volunteer efforts of the regional
31 fisheries enhancement groups.

32 (29) \$393,000 of the general fund--state appropriation for fiscal
33 year 1999 is provided solely for development and implementation of a
34 remote site incubator program in the tributaries of the lower Columbia
35 river.

36 (30) \$2,204,000 of the general fund--state appropriation for fiscal
37 year 1999 is provided solely for grants to local governments, other
38 state agencies, or volunteer fisheries enhancement groups for high
39 priority salmon restoration projects. Up to fifteen percent of this

1 amount may be used by the department to provide technical assistance to
2 local governments and volunteer groups and to administer the grant
3 program.

4 (31) \$1,000,000 of the general fund--state appropriation for fiscal
5 year 1999, \$400,000 of the general fund--federal appropriation, and
6 \$225,000 of the general fund--local appropriation are provided solely
7 to contract for the mass marking of all appropriate state-wide
8 department chinook salmon hatchery production.

9 (32) \$1,000,000 of the general fund--state appropriation for fiscal
10 year 1999 is provided solely to purchase and develop a recreational
11 licensing data base with point-of-sale system implementation.

12 (33) \$250,000 of the general fund--state appropriation for fiscal
13 year 1999 is provided solely for a grant for the Fish 1 proposal to
14 enhance Cowlitz river fisheries.

15 (34) \$1,500,000 of the general fund appropriation for fiscal year
16 1999 is provided solely for grants to local governments or volunteer
17 fisheries enhancement groups for watershed and fisheries habitat
18 assessments in regions with potential salmon listings under the federal
19 endangered species act. Not more than three percent of this amount may
20 be used for administrative support.

21 (35) Within the appropriations provided in this section, the
22 department shall provide a priority in permitting and technical
23 assistance to local governments and businesses that seek assistance for
24 rural economic development projects.

25 (36) In shifting resources between between programs, the department
26 may not reduce hatchery programs by more than \$100,000, and may make no
27 reductions in the funding for the Nahcotta shellfish lab.

28 **Sec. 308.** 1997 c 454 s 305 (uncodified) is each amended to read as
29 follows:

30 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

31	General Fund--State Appropriation (FY 1998) . . . \$	((23,767,000))
32		<u>23,794,000</u>
33	General Fund--State Appropriation (FY 1999) . . . \$	((24,168,000))
34		<u>24,262,000</u>
35	General Fund--Federal Appropriation \$	1,156,000
36	General Fund--Private/Local Appropriation \$	422,000
37	Forest Development Account Appropriation \$	49,923,000
38	Off Road Vehicle Account Appropriation \$	3,628,000

1	Surveys and Maps Account Appropriation	\$	2,088,000
2	Aquatic Lands Enhancement Account		
3	Appropriation	\$	4,869,000
4	Resources Management Cost Account		
5	Appropriation	\$	((89,613,000))
6			<u>89,663,000</u>
7	Waste Reduction/Recycling/Litter Control		
8	Appropriation	\$	450,000
9	Surface Mining Reclamation Account		
10	Appropriation	\$	1,420,000
11	Aquatic Land Dredged Material Disposal Site Account		
12	Appropriation	\$	751,000
13	Natural Resources Conservation Areas Stewardship		
14	Account Appropriation	\$	77,000
15	Air Pollution Control Account Appropriation	\$	890,000
16	Metals Mining Account Appropriation	\$	62,000
17	<u>Natural Resources Equipment Account</u>		
18	<u>Appropriation</u>	<u>\$</u>	<u>750,000</u>
19	TOTAL APPROPRIATION	\$	((203,284,000))
20			<u>204,205,000</u>

21 The appropriations in this section are subject to the following
22 conditions and limitations:

23 (1) \$7,017,000 of the general fund--state appropriation for fiscal
24 year 1998 and \$6,900,000 of the general fund--state appropriation for
25 fiscal year 1999 are provided solely for emergency fire suppression.

26 (2) \$18,000 of the general fund--state appropriation for fiscal
27 year 1998, \$18,000 of the general fund--state appropriation for fiscal
28 year 1999, and \$957,000 of the aquatic lands enhancement account
29 appropriation are provided solely for the implementation of the Puget
30 Sound work plan agency action items DNR-01, DNR-02, and DNR-04.

31 (3) \$450,000 of the resource management cost account appropriation
32 is provided solely for the control and eradication of class B designate
33 weeds on state lands. The department shall use the most cost-effective
34 methods available, including chemical control where appropriate, and
35 report to the appropriate committees of the legislature by January 1,
36 1998, on control methods, costs, and acres treated during the previous
37 year.

1 (4) \$1,332,000 of the general fund--state appropriation for fiscal
2 year 1998 and \$1,713,000 of the general fund--state appropriation for
3 fiscal year 1999 are provided solely for fire protection activities.

4 (5) \$541,000 of the general fund--state appropriation for fiscal
5 year 1998 and \$549,000 of the general fund--state appropriation for
6 fiscal year 1999 are provided solely for the stewardship of natural
7 area preserves, natural resource conservation areas, and the operation
8 of the natural heritage program.

9 (6) \$2,300,000 of the aquatic lands enhancement account
10 appropriation is provided for the department's portion of the Eagle
11 Harbor settlement.

12 (7) \$195,000 of the general fund--state appropriation for fiscal
13 year 1998 and \$220,000 of the general fund--state appropriation for
14 fiscal year 1999 are provided solely for the implementation of
15 Substitute House Bill No. 1985 (landscape management plans). If the
16 bill is not enacted by June 30, 1997, the amounts provided in this
17 subsection shall lapse.

18 (8) \$600,000 of the general fund--state appropriation for fiscal
19 year 1998 and \$600,000 of the general fund--state appropriation for
20 fiscal year 1999 are provided solely for the cooperative monitoring,
21 evaluation, and research projects related to implementation of the
22 timber-fish-wildlife agreement.

23 (9) \$6,568,000 of the forest development account appropriation is
24 provided solely for silviculture activities on forest board lands. To
25 the extent that forest board counties apply for reconveyance of lands
26 pursuant to Substitute Senate Bill No. 5325 (county land transfers),
27 the amount provided in this subsection shall be reduced by an amount
28 equal to the estimated silvicultural expenditures planned in each
29 county that applies for reconveyance.

30 (10) \$50,000 of the general fund--state appropriation for fiscal
31 year 1999 is provided solely for a study of potential finfish net-pen
32 aquaculture sites in the Strait of Juan de Fuca and along the Pacific
33 coast.

34 (11) \$18,000 of the general fund--state appropriation for fiscal
35 year 1998 and \$53,000 of the general fund--state appropriation for
36 fiscal year 1999 are provided solely for implementation of Second
37 Substitute Senate Bill No. 6156 (state aquatic lands lease rate study).
38 If the bill is not enacted by June 30, 1998, the amount provided in
39 this subsection shall lapse.

1 (12) \$50,000 of the resource management cost account appropriation
2 is provided solely for a field study of biological control methods for
3 eradication of spartina.

4 (13) \$750,000 of the natural resources equipment account
5 appropriation is provided solely for replacement of mobile radio
6 systems to ensure compatibility with and usage of new radio channels.

7 **Sec. 309.** 1997 c 149 s 309 (uncodified) is each amended to read as
8 follows:

9 **FOR THE DEPARTMENT OF AGRICULTURE**

10	General Fund--State Appropriation (FY 1998) . . .	\$	((7,596,000))
11			<u>7,672,000</u>
12	General Fund--State Appropriation (FY 1999) . . .	\$	((7,008,000))
13			<u>8,511,000</u>
14	General Fund--Federal Appropriation	\$	((4,716,000))
15			<u>5,257,000</u>
16	General Fund--Private/Local Appropriation	\$	405,000
17	Aquatic Lands Enhancement Account Appropriation .	\$	806,000
18	Industrial Insurance Premium Refund Appropriation	\$	184,000
19	State Toxics Control Account Appropriation . . .	\$	1,338,000
20	TOTAL APPROPRIATION	\$	((22,053,000))
21			<u>24,173,000</u>

22 The appropriations in this section are subject to the following
23 conditions and limitations:

24 (1) \$35,000 of the general fund--state appropriation for fiscal
25 year 1998 and \$36,000 of the general fund--state appropriation for
26 fiscal year 1999 are provided solely for technical assistance on
27 pesticide management including the implementation of the Puget Sound
28 work plan agency action item DOA-01.

29 (2) \$461,000 of the general fund--state appropriation for fiscal
30 year 1998, \$421,000 of the general fund--state appropriation for fiscal
31 year 1999, and ((\$361,000)) \$722,000 of the general fund--federal
32 appropriation are provided solely to monitor and eradicate the Asian
33 gypsy moth.

34 (3) \$138,000 of the general fund--state appropriation for fiscal
35 year 1998 and \$138,000 of the general fund--state appropriation for
36 fiscal year 1999 are provided solely for two additional staff positions
37 in the plant protection program.

1 (4) \$12,000 of the general fund--state appropriation for fiscal
2 year 1998 and \$13,000 of the general fund--state appropriation for
3 fiscal year 1999 are provided solely for the implementation of
4 Substitute Senate Bill No. 5077 (integrated pest management). If the
5 bill is not enacted by June 30, 1997, the amount provided in this
6 subsection shall lapse.

7 (5) \$67,000 of the general fund--state appropriation for fiscal
8 year 1998 and \$191,000 of the general fund--state appropriation for
9 fiscal year 1999 are provided solely for a study of fertilizer safety.

10 (6) \$180,000 of the general fund--state appropriation for fiscal
11 year 1999 and \$180,000 of the general fund--federal appropriation are
12 provided solely for additional technical assistance and enforcement
13 activities in the pesticide management program. Expenditure of the
14 general fund--state dollars is contingent on receipt of a like amount
15 of new federal matching funds for this program.

16 **Sec. 310.** 1997 c 149 s 310 (uncodified) is each amended to read as
17 follows:

18 **FOR THE WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM**

19 Pollution Liability Insurance Program Trust Account

20	Appropriation	\$ ((909,000))
21		<u>1,009,000</u>

22 (End of part)

PART IV
TRANSPORTATION

Sec. 401. 1997 c 149 s 401 (uncodified) is each amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund Appropriation (FY 1998)	\$	((4,536,000))
		<u>4,686,000</u>
General Fund Appropriation (FY 1999)	\$	((4,409,000))
		<u>4,717,000</u>
Architects' License Account Appropriation	\$	((857,000))
		<u>829,000</u>
Cemetery Account Appropriation	\$	((188,000))
		<u>197,000</u>
Professional Engineers' Account Appropriation	\$	((2,674,000))
		<u>2,700,000</u>
Real Estate Commission Account Appropriation	\$	((6,708,000))
		<u>7,062,000</u>
Master License Account Appropriation	\$	((6,998,000))
		<u>6,963,000</u>
Uniform Commercial Code Account Appropriation	\$	((4,291,000))
		<u>3,521,000</u>
Real Estate Education Account Appropriation	\$	606,000
Funeral Directors And Embalmers Account		
Appropriation	\$	((409,000))
		<u>418,000</u>
TOTAL APPROPRIATION	\$	((31,676,000))
		<u>31,699,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$21,000 of the general fund fiscal year 1998 appropriation and \$22,000 of the general fund fiscal year 1999 appropriation are provided solely to implement House Bill No. 1827 or Senate Bill No. 5754 (boxing, martial arts, wrestling). If neither bill is enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(2) \$40,000 of the master license account appropriation is provided solely to implement Substitute Senate Bill No. 5483 (whitewater river

1 outfitters). If the bill is not enacted by June 30, 1997, the amount
2 provided in this subsection shall lapse.

3 (3) \$229,000 of the general fund fiscal year 1998 appropriation and
4 \$195,000 of the general fund fiscal year 1999 appropriation are
5 provided solely for the implementation of Senate Bill No. 5997
6 (cosmetology inspections). If the bill is not enacted by June 30,
7 1997, the amount provided in this subsection shall lapse.

8 (4) \$31,000 of the general fund fiscal year 1998 appropriation,
9 \$1,000 of the general fund fiscal 1999 appropriation, \$7,000 of the
10 architects' license account appropriation, \$18,000 of the professional
11 engineers' account appropriation, \$14,000 of the real estate commission
12 account appropriation, \$40,000 of the master license account
13 appropriation, and \$3,000 of the funeral directors and embalmers
14 account appropriation are provided solely for the implementation of
15 Engrossed House Bill No. 3901 (implementing welfare reform). If the
16 bill is not enacted by June 30, 1997, the amounts provided in this
17 subsection shall lapse.

18 (5) \$17,000 of the professional engineers' account appropriation is
19 provided solely to implement Senate Bill No. 5266 (engineers/land
20 surveyors). If the bill is not enacted by June 30, 1997, the amount
21 provided in this subsection shall lapse.

22 (6) \$110,000 of the general fund fiscal year 1998 appropriation is
23 provided solely to implement Senate Bill No. 5998 (cosmetology advisory
24 board). If the bill is not enacted by June 30, 1997, the amount
25 provided in this subsection shall lapse.

26 ~~(7) ((\$74,000 of the uniform commercial code account appropriation~~
27 ~~is provided solely to implement Engrossed Senate Bill No. 5163 (UCC~~
28 ~~filing). If the bill is not enacted by June 30, 1997, the amount~~
29 ~~provided in this subsection shall lapse.~~

30 ~~(8))~~ \$11,000 of the general fund fiscal year 1998 appropriation
31 and \$2,000 of the general fund fiscal year 1999 appropriation are
32 provided solely to implement Substitute House Bill No. 1748 or
33 Substitute Senate Bill No. 5513 (vessel registration). If neither bill
34 is enacted by June 30, 1997, the amount provided in this subsection
35 shall lapse.

36 (8) \$110,000 of the general fund fiscal year 1999 appropriation is
37 provided solely for the implementation of the Substitute Senate Bill
38 No. 6507 (cosmetology advisory board). If the bill is not enacted by
39 June 30, 1998, the amount provided in this subsection shall lapse.

1 (9)(a) Pursuant to RCW 43.135.055, during the 1997-99 fiscal
2 biennium, the department may increase fees in excess of the fiscal
3 growth factor in the appraisers and camp resorts programs. However,
4 such increases shall not exceed an annual increase of eight percent.

5 (b) Pursuant to RCW 43.135.055, during the 1997-99 fiscal biennium,
6 the department may increase fees in excess of the fiscal growth factor
7 in the professional athletics, employment agencies, and security guards
8 programs to the extent necessary to defray the costs of the
9 administration of these programs as provided in RCW 43.24.086.

10 (c) Before raising fees in excess of the fiscal growth factor
11 pursuant to this subsection, the department shall notify the chairs and
12 ranking minority members of the appropriate fiscal committees of the
13 legislature.

14 (10) Within the funds provided in this section, the department
15 shall provide information detailing each specific component of the
16 overhead costs allocated to each program within the business and
17 professions division. The department shall establish procedures to
18 allow each program within the business and professions division to
19 review and modify their business processes in order to reduce
20 administrative costs. The department of licensing shall provide a
21 report to the fiscal committees of the legislature by October 1, 1998,
22 detailing the specific procedures established pursuant to the
23 requirements of this subsection.

24 (11) \$75,000 of the general fund fiscal year 1999 appropriation is
25 provided solely for costs associated with fully implementing chapter
26 178, Laws of 1997 (cosmetology inspections).

27 **Sec. 402.** 1997 c 149 s 402 (uncodified) is each amended to read as
28 follows:

29 **FOR THE STATE PATROL**

30	General Fund--State Appropriation (FY 1998) . . . \$	((7,712,000))
31		8,312,000
32	General Fund--State Appropriation (FY 1999) . . . \$	((7,850,000))
33		19,497,000
34	General Fund--Federal Appropriation \$	((3,990,000))
35		5,784,000
36	General Fund--Private/Local Appropriation \$	341,000
37	Public Safety and Education Account	
38	Appropriation \$	((4,652,000))

1		<u>4,603,000</u>
2	County Criminal Justice Assistance Account	
3	Appropriation	\$ 3,905,000
4	Municipal Criminal Justice Assistance Account	
5	Appropriation	\$ 1,573,000
6	Fire Service Trust Account Appropriation	\$ 92,000
7	Fire Service Training Account Appropriation	\$ ((1,762,000))
8		<u>2,295,000</u>
9	State Toxics Control Account Appropriation	\$ 439,000
10	Violence Reduction and Drug Enforcement Account	
11	Appropriation	\$ ((310,000))
12		<u>570,000</u>
13	Fingerprint Identification Account	
14	Appropriation	\$ ((3,082,000))
15		<u>3,220,000</u>
16	TOTAL APPROPRIATION	\$ ((35,708,000))
17		<u>50,631,000</u>

18 The appropriations in this section are subject to the following
19 conditions and limitations:

20 (1) \$254,000 of the fingerprint identification account
21 appropriation is provided solely for an automated system that will
22 facilitate the access of criminal history records remotely by computer
23 or telephone for preemployment background checks and other non-law
24 enforcement purposes. The agency shall submit an implementation status
25 report to the office of financial management and the legislature by
26 September 1, 1997.

27 (2) \$264,000 of the general fund--federal appropriation is provided
28 solely for a feasibility study to develop a criminal investigation
29 computer system. The study will report on the feasibility of
30 developing a system that uses incident-based reporting as its
31 foundation, consistent with FBI standards. The system will have the
32 capability of connecting with local law enforcement jurisdictions as
33 well as fire protection agencies conducting arson investigations. The
34 study will report on the system requirements for incorporating case
35 management, intelligence data, imaging, and geographic information.
36 The system will also provide links to existing crime information
37 databases such as WASIS and WACIC. The agency shall submit a copy of
38 the proposed study workplan to the office of financial management and
39 the department of information services for approval prior to

1 expenditure. A final report shall be submitted to the appropriate
2 committees of the legislature, the office of financial management, and
3 the department of information services no later than June 30, 1998.

4 (3) Pursuant to RCW 43.135.055, during the 1997-99 fiscal biennium,
5 the state patrol is authorized to increase existing fees charged for
6 background fingerprint checks on current and potential school district
7 and educational service district employees by six dollars.

8 (4) \$166,000 of the general fund--state appropriation for fiscal
9 year 1998 and \$499,000 of the general fund--state appropriation for
10 fiscal year 1999 are provided solely as state matching funds required
11 to complete changes to the WACIC and WASIS systems. Any amounts
12 provided in this subsection that are not spent for this purpose shall
13 lapse.

14 (5) To address year 2000 concerns about the automated fingerprint
15 identification system (AFIS), the state patrol may contract with an
16 intergovernmental consortium for the use of a year 2000 compatible AFIS
17 system. Under this approach, the state patrol would begin paying a
18 monthly usage fee starting in fiscal year 2000.

19 (6) \$200,000 of the general fund--state fiscal year 1999
20 appropriation is provided solely for local security costs associated
21 with the professional golfers association championship in August 1998.

22 (End of part)

1 the field of public school finance on the feasibility and best
2 approaches to a state fiscal study with the objectives specified in
3 this section.

4 **Sec. 502.** 1997 c 454 s 501 (uncodified) is each amended to read as
5 follows:

6 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STATE ADMINISTRATION**

7	General Fund--State Appropriation (FY 1998) . . . \$	((20,758,000))
8		<u>20,093,000</u>
9	General Fund--State Appropriation (FY 1999) . . . \$	((40,775,000))
10		<u>53,495,000</u>
11	General Fund--Federal Appropriation \$	49,439,000
12	Public Safety and Education Account	
13	Appropriation \$	2,598,000
14	Violence Reduction and Drug Enforcement Account	
15	Appropriation \$	3,672,000
16	Education Savings Account Appropriation \$	39,312,000
17	TOTAL APPROPRIATION \$	((156,554,000))
18		<u>168,609,000</u>

19 The appropriations in this section are subject to the following
20 conditions and limitations:

21 (1) AGENCY OPERATIONS

22 (a) \$394,000 of the general fund--state appropriation for fiscal
23 year 1998 and \$394,000 of the general fund--state appropriation for
24 fiscal year 1999 are provided solely for the operation and expenses of
25 the state board of education, including basic education assistance
26 activities.

27 (b)(i) \$250,000 of the general fund--state appropriation for fiscal
28 year 1998 and \$250,000 of the general fund--state appropriation for
29 fiscal year 1999 are provided solely for enhancing computer systems and
30 support in the office of superintendent of public instruction. These
31 amounts shall be used to: Make a database of school information
32 available electronically to schools, state government, and the general
33 public; reduce agency and school district administrative costs through
34 more effective use of technology; and replace paper reporting and
35 publication to the extent feasible with electronic media. The
36 superintendent, in cooperation with the commission on student learning,
37 shall develop a state student record system including elements

1 reflecting student achievement. The system shall be made available to
2 the office of financial management and the legislature with suitable
3 safeguards of student confidentiality. The superintendent shall report
4 to the office of financial management and the legislative fiscal
5 committees by December 1 of each year of the biennium on the progress
6 and plans for the expenditure of these amounts.

7 (ii) The superintendent, in cooperation with the commission on
8 student learning, shall develop a feasibility plan for a state student
9 record system, including elements reflecting student academic
10 achievement on goals 1 and 2 under RCW 28A.150.210. The feasibility
11 plan shall be made available to the office of financial management and
12 the fiscal and education committees of the legislature for approval
13 before a student records database is established, and shall identify
14 data elements to be collected and suitable safeguards of student
15 confidentiality and proper use of database records, with particular
16 attention to eliminating unnecessary and intrusive data about
17 nonacademic related information.

18 (c) \$348,000 of the public safety and education account
19 appropriation is provided solely for administration of the traffic
20 safety education program, including in-service training related to
21 instruction in the risks of driving while under the influence of
22 alcohol and other drugs.

23 (d) \$50,000 of the general fund--state appropriation for fiscal
24 year 1998 and \$50,000 of the general fund--state appropriation for
25 fiscal year 1999 are provided solely to implement Substitute Senate
26 Bill No. 5394 (school audit resolutions).

27 (e) The superintendent shall conduct a study and make
28 recommendations to the 1999 legislature regarding a definition of and
29 standards for skills centers. The study shall also address proposals
30 for new skills centers known as of August 31, 1998, and compare and
31 analyze, insofar as possible, the proposals with the recommended
32 standards. The study shall be submitted to the appropriate committees
33 of the legislature and the governor by November 25, 1998.

34 (2) STATE-WIDE PROGRAMS

35 (a) \$2,174,000 of the general fund--state appropriation is provided
36 for in-service training and educational programs conducted by the
37 Pacific Science Center.

38 (b) \$63,000 of the general fund--state appropriation is provided
39 for operation of the Cispus environmental learning center.

1 (c) \$2,754,000 of the general fund--state appropriation is provided
2 for educational centers, including state support activities. \$100,000
3 of this amount is provided to help stabilize funding through
4 distribution among existing education centers that are currently funded
5 by the state at an amount less than \$100,000 a biennium.

6 (d) \$100,000 of the general fund--state appropriation is provided
7 for an organization in southwest Washington that received funding from
8 the Spokane educational center in the 1995-97 biennium and provides
9 educational services to students who have dropped out.

10 (e) ~~\$(2,500,000))~~ 2,185,000 of the general fund--state fiscal year
11 1998 appropriation (~~and \$2,500,000 of the general fund--state fiscal~~
12 ~~year 1999 appropriation are~~) is provided solely for implementation of
13 reading initiatives to improve reading in early grades as enacted by
14 the 1997 legislature. Of this amount (~~:(ii))~~) \$((4,300,000))
15 2,185,000 is provided solely to implement Engrossed Substitute House
16 Bill No. 2042. Funds shall be used solely for the selection of the
17 second grade reading tests in accordance with section 2 of the bill,
18 and grants to school districts in accordance with sections 4 and 7 of
19 the bill.

20 (f) \$3,672,000 of the violence reduction and drug enforcement
21 account appropriation and \$2,250,000 of the public safety education
22 account appropriation are provided solely for matching grants to
23 enhance security in schools. Not more than seventy-five percent of a
24 district's total expenditures for school security in any school year
25 may be paid from a grant under this subsection. The grants shall be
26 expended solely for the costs of employing or contracting for building
27 security monitors in schools during school hours and school events. Of
28 the amount provided in this subsection, at least \$2,850,000 shall be
29 spent for grants to districts that, during the 1988-89 school year,
30 employed or contracted for security monitors in schools during school
31 hours. However, these grants may be used only for increases in school
32 district expenditures for school security over expenditure levels for
33 the 1988-89 school year.

34 (g) \$200,000 of the general fund--state appropriation for fiscal
35 year 1998, \$200,000 of the general fund--state appropriation for fiscal
36 year 1999, and \$400,000 of the general fund--federal appropriation
37 transferred from the department of health are provided solely for a
38 program that provides grants to school districts for media campaigns
39 promoting sexual abstinence and addressing the importance of delaying

1 sexual activity, pregnancy, and childbearing until individuals are
2 ready to nurture and support their children. Grants to the school
3 districts shall be for projects that are substantially designed and
4 produced by students. The grants shall require a local private sector
5 match equal to one-half of the state grant, which may include in-kind
6 contribution of technical or other assistance from consultants or firms
7 involved in public relations, advertising broadcasting, and graphics or
8 video production or other related fields.

9 (h) \$1,500,000 of the general fund--state appropriation for fiscal
10 year 1998 and \$1,500,000 of the general fund--state appropriation for
11 fiscal year 1999 are provided solely for school district petitions to
12 juvenile court for truant students as provided in RCW 28A.225.030 and
13 28A.225.035. Allocation of this money to school districts shall be
14 based on the number of petitions filed.

15 (i) \$300,000 of the general fund--state appropriation is provided
16 for alcohol and drug prevention programs pursuant to RCW 66.08.180.

17 (j)(i) \$19,656,000 of the education savings account appropriation
18 for fiscal year 1998 and \$19,656,000 of the education savings account
19 appropriation for fiscal year 1999 are provided solely for matching
20 grants and related state activities to provide school district
21 consortia with programs utilizing technology to improve learning. A
22 maximum of ~~\$(100,000))~~ 150,000 each fiscal year of this amount is
23 provided for administrative support and oversight of the K-20 network
24 by the superintendent of public instruction. The superintendent of
25 public instruction shall convene a technology grants committee
26 representing private sector technology, school districts, and
27 educational service districts to recommend to the superintendent grant
28 proposals that have the best plans for improving student learning
29 through innovative curriculum using technology as a learning tool and
30 evaluating the effectiveness of the curriculum innovations. After
31 considering the technology grants committee recommendations, the
32 superintendent shall make matching grant awards, including granting at
33 least fifteen percent of funds on the basis of criteria in (ii)(A)
34 through (C) of this subsection (2)(j).

35 (ii) Priority for award of funds will be to (A) school districts
36 most in need of assistance due to financial limits, (B) school
37 districts least prepared to take advantage of technology as a means of
38 improving student learning, and (C) school districts in economically
39 distressed areas. The superintendent of public instruction, in

1 consultation with the technology grants committee, shall propose
2 options to the committee for identifying and prioritizing districts
3 according to criteria in (i) and (ii) of this subsection (2)(j).

4 (iii) Options for review criteria to be considered by the
5 superintendent of public instruction include, but are not limited to,
6 free and reduced lunches, levy revenues, ending fund balances,
7 equipment inventories, and surveys of technology preparedness. An
8 "economically distressed area" is (A) a county with an unemployment
9 rate that is at least twenty percent above the state-wide average for
10 the previous three years; (B) a county that has experienced sudden and
11 severe or long-term and severe loss of employment, or erosion of its
12 economic base resulting in decline of its dominant industries; or (C)
13 a district within a county which (I) has at least seventy percent of
14 its families and unrelated individuals with incomes below eighty
15 percent of the county's median income for families and unrelated
16 individuals; and (II) has an unemployment rate which is at least forty
17 percent higher than the county's unemployment rate.

18 (k) \$50,000 of the general fund--state appropriations is provided
19 as matching funds for district contributions to provide analysis of the
20 efficiency of school district business practices. The superintendent
21 of public instruction shall establish criteria, make awards, and
22 provide a report to the fiscal committees of the legislature by
23 December 15, 1997, on the progress and details of analysis funded under
24 this subsection (2)(k).

25 (l) \$((~~19,977,000~~)) 19,797,000 of the general fund--state
26 appropriation for fiscal year 1999 is provided solely for the purchase
27 of classroom instructional materials and supplies. The superintendent
28 shall allocate the funds at a maximum rate of \$20.82 per full-time
29 equivalent student, beginning September 1, 1998, and ending June 30,
30 1999. The expenditure of the funds shall be determined at each school
31 site by the school building staff, parents, and the community. School
32 districts shall distribute all funds received to school buildings
33 without deduction.

34 (m) \$15,000 of the general fund--state appropriation is provided
35 solely to assist local districts vocational education programs in
36 applying for low frequency FM radio licenses with the federal
37 communications commission.

38 (n) \$35,000 of the general fund--state appropriation is provided
39 solely to the state board of education to design a program to encourage

1 high school students and other adults to pursue careers as vocational
2 education teachers in the subject matter of agriculture.

3 (o) \$25,000 of the general fund--state appropriation for fiscal
4 year 1998 and \$25,000 of the general fund--state appropriation for
5 fiscal year 1999 are provided solely for allocation to the primary
6 coordinators of the state geographic alliance to improve the teaching
7 of geography in schools.

8 (p) \$1,000,000 of the general fund--state appropriation is provided
9 for state administrative costs and start-up grants for alternative
10 programs and services that improve instruction and learning for at-risk
11 and expelled students consistent with the objectives of Engrossed House
12 Bill No. 1581 (disruptive students/offenders). Each grant application
13 shall contain proposed performance indicators and an evaluation plan to
14 measure the success of the program and its impact on improved student
15 learning. Applications shall contain the applicant's plan for
16 maintaining the program and/or services after the grant period, shall
17 address the needs of students who cannot be accommodated within the
18 framework of existing school programs or services and shall address how
19 the applicant will serve any student within the proposed program's
20 target age range regardless of the reason for truancy, suspension,
21 expulsion, or other disciplinary action. Up to \$50,000 per year may be
22 used by the superintendent of public instruction for grant
23 administration. The superintendent shall submit an evaluation of the
24 alternative program start-up grants provided under this section, and
25 section 501(2)(q), chapter 283, Laws of 1996, to the fiscal and
26 education committees of the legislature by November 15, 1998. Grants
27 shall be awarded to applicants showing the greatest potential for
28 improved student learning for at-risk students including:

29 (i) Students who have been suspended, expelled, or are subject to
30 other disciplinary actions;

31 (ii) Students with unexcused absences who need intervention from
32 community truancy boards or family support programs;

33 (iii) Students who have left school; and

34 (iv) Students involved with the court system.

35 The office of the superintendent of public instruction shall
36 prepare a report describing student recruitment, program offerings,
37 staffing practices, and available indicators of program effectiveness
38 of alternative education programs funded with state and, to the extent
39 information is available, local funds. The report shall contain a plan

1 for conducting an evaluation of the educational effectiveness of
2 alternative education programs.

3 (q) \$1,600,000 of the general fund--state appropriation is provided
4 for grants for magnet schools to be distributed as recommended by the
5 superintendent of public instruction pursuant to chapter 232, section
6 516(13), Laws of 1992.

7 (r) \$4,300,000 of the general fund--state appropriation is provided
8 for complex need grants. Grants shall be provided according to amounts
9 shown in LEAP Document 30C as developed on April 27, 1997, at 03:00
10 hours.

11 (s) \$15,000,000 of the general fund--state fiscal year 1999
12 appropriation is provided solely to implement Engrossed Second
13 Substitute Senate Bill No. 6509 (successful readers act) subject to the
14 following conditions and limitations: \$11,850,000 of this amount is
15 provided solely for reading instruction grants and tutoring and
16 mentoring grants pursuant to section 2 of Engrossed Second Substitute
17 Senate Bill No. 6509 with the funds evenly split between the two
18 grants; \$900,000 of this amount is provided solely for reading resource
19 centers pursuant to section 3 of Engrossed Second Substitute Senate
20 Bill No. 6509; \$2,000,000 is provided solely for leadership and
21 accountability institutes in accordance with section 4 of Engrossed
22 Second Substitute Senate Bill No. 6509; and \$250,000 is provided solely
23 for the second grade reading test in accordance with section 5 of
24 Engrossed Second Substitute Senate Bill No. 6509. If any section of
25 Engrossed Second Substitute Senate Bill No. 6509 referenced in this
26 subsection is not enacted by June 30, 1998, the funds provided for
27 implementation of that section shall lapse.

28 (t) \$400,000 of the fiscal year 1999 general fund--state
29 appropriation is provided solely for matching funds to improve the
30 fiscal and student data capabilities of the Washington school
31 information processing cooperative. The funds shall be allocated only
32 if at least 267 school districts remain members of the cooperative for
33 the 1998-99 school year.

34 **Sec. 503.** 1997 c 149 s 502 (uncodified) is each amended to read as
35 follows:

36 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT**
37 **(BASIC EDUCATION)**

38 General Fund Appropriation (FY 1998) \$ ((3,429,727,000))

1		<u>3,405,645,000</u>
2	General Fund Appropriation (FY 1999)	\$ ((3,511,157,000))
3		<u>3,473,603,000</u>
4	TOTAL APPROPRIATION	\$ ((6,940,884,000))
5		<u>6,879,248,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations:

8 (1) The appropriation for fiscal year 1998 includes such funds as
9 are necessary for the remaining months of the 1996-97 school year.

10 (2) Allocations for certificated staff salaries for the 1997-98 and
11 1998-99 school years shall be determined using formula-generated staff
12 units calculated pursuant to this subsection. Staff allocations for
13 small school enrollments in (d) through (f) of this subsection shall be
14 reduced for vocational full-time equivalent enrollments. Staff
15 allocations for small school enrollments in grades K-6 shall be the
16 greater of that generated under (a) of this subsection, or under (d)
17 and (e) of this subsection. Certificated staffing allocations shall be
18 as follows:

19 (a) On the basis of each 1,000 average annual full-time equivalent
20 enrollments, excluding full-time equivalent enrollment otherwise
21 recognized for certificated staff unit allocations under (c) through
22 (f) of this subsection:

23 (i) Four certificated administrative staff units per thousand full-
24 time equivalent students in grades K-12;

25 (ii) 49 certificated instructional staff units per thousand full-
26 time equivalent students in grades K-3;

27 (iii) An additional 5.3 certificated instructional staff units for
28 grades K-3. Any funds allocated for these additional certificated
29 units shall not be considered as basic education funding;

30 (A) Funds provided under this subsection (2)(a)(iii) in excess of
31 the amount required to maintain the statutory minimum ratio established
32 under RCW 28A.150.260(2)(b) shall be allocated only if the district
33 documents an actual ratio equal to or greater than 54.3 certificated
34 instructional staff per thousand full-time equivalent students in
35 grades K-3. For any school district documenting a lower certificated
36 instructional staff ratio, the allocation shall be based on the
37 district's actual grades K-3 certificated instructional staff ratio
38 achieved in that school year, or the statutory minimum ratio
39 established under RCW 28A.150.260(2)(b), if greater;

1 (B) Districts at or above 51.0 certificated instructional staff per
2 one thousand full-time equivalent students in grades K-3 may dedicate
3 up to 1.3 of the 54.3 funding ratio to employ additional classified
4 instructional assistants assigned to basic education classrooms in
5 grades K-3. For purposes of documenting a district's staff ratio under
6 this section, funds used by the district to employ additional
7 classified instructional assistants shall be converted to a
8 certificated staff equivalent and added to the district's actual
9 certificated instructional staff ratio. Additional classified
10 instructional assistants, for the purposes of this subsection, shall be
11 determined using the 1989-90 school year as the base year;

12 (C) Any district maintaining a ratio equal to or greater than 54.3
13 certificated instructional staff per thousand full-time equivalent
14 students in grades K-3 may use allocations generated under this
15 subsection (2)(a)(iii) in excess of that required to maintain the
16 minimum ratio established under RCW 28A.150.260(2)(b) to employ
17 additional basic education certificated instructional staff or
18 classified instructional assistants in grades 4-6. Funds allocated
19 under this subsection (2)(a)(iii) shall only be expended to reduce
20 class size in grades K-6. No more than 1.3 of the certificated
21 instructional funding ratio amount may be expended for provision of
22 classified instructional assistants; and

23 (iv) Forty-six certificated instructional staff units per thousand
24 full-time equivalent students in grades 4-12;

25 (b) For school districts with a minimum enrollment of 250 full-time
26 equivalent students whose full-time equivalent student enrollment count
27 in a given month exceeds the first of the month full-time equivalent
28 enrollment count by 5 percent, an additional state allocation of 110
29 percent of the share that such increased enrollment would have
30 generated had such additional full-time equivalent students been
31 included in the normal enrollment count for that particular month;

32 (c) On the basis of full-time equivalent enrollment in:

33 (i) Vocational education programs approved by the superintendent of
34 public instruction, a maximum of 0.92 certificated instructional staff
35 units and 0.08 certificated administrative staff units for each 18.3
36 full-time equivalent vocational students for the 1997-98 school year
37 and for each 19.5 full-time equivalent vocational students in the 1998-
38 1999 school year. Beginning with the 1998-99 school year, districts
39 documenting staffing ratios of less than 1 certificated staff per

1 ((18.3)) 19.5 students shall be allocated the greater of the total
2 ratio in subsections (2)(a)(i) and (iv) of this section or the actual
3 documented ratio;

4 (ii) Skills center programs approved by the superintendent of
5 public instruction for skills centers approved prior to September 1,
6 1997, 0.92 certificated instructional staff units and 0.08 certificated
7 administrative units for each 16.67 full-time equivalent vocational
8 students;

9 (iii) Indirect cost charges, as defined by the superintendent of
10 public instruction, to vocational-secondary programs shall not exceed
11 10 percent; and

12 (iv) Vocational full-time equivalent enrollment shall be reported
13 on the same monthly basis as the enrollment for students eligible for
14 basic support, and payments shall be adjusted for reported vocational
15 enrollments on the same monthly basis as those adjustments for
16 enrollment for students eligible for basic support.

17 (d) For districts enrolling not more than twenty-five average
18 annual full-time equivalent students in grades K-8, and for small
19 school plants within any school district which have been judged to be
20 remote and necessary by the state board of education and enroll not
21 more than twenty-five average annual full-time equivalent students in
22 grades K-8:

23 (i) For those enrolling no students in grades 7 and 8, 1.76
24 certificated instructional staff units and 0.24 certificated
25 administrative staff units for enrollment of not more than five
26 students, plus one-twentieth of a certificated instructional staff unit
27 for each additional student enrolled; and

28 (ii) For those enrolling students in grades 7 or 8, 1.68
29 certificated instructional staff units and 0.32 certificated
30 administrative staff units for enrollment of not more than five
31 students, plus one-tenth of a certificated instructional staff unit for
32 each additional student enrolled;

33 (e) For specified enrollments in districts enrolling more than
34 twenty-five but not more than one hundred average annual full-time
35 equivalent students in grades K-8, and for small school plants within
36 any school district which enroll more than twenty-five average annual
37 full-time equivalent students in grades K-8 and have been judged to be
38 remote and necessary by the state board of education:

1 (i) For enrollment of up to sixty annual average full-time
2 equivalent students in grades K-6, 2.76 certificated instructional
3 staff units and 0.24 certificated administrative staff units; and

4 (ii) For enrollment of up to twenty annual average full-time
5 equivalent students in grades 7 and 8, 0.92 certificated instructional
6 staff units and 0.08 certificated administrative staff units;

7 (f) For districts operating no more than two high schools with
8 enrollments of less than three hundred average annual full-time
9 equivalent students, for enrollment in grades 9-12 in each such school,
10 other than alternative schools:

11 (i) For remote and necessary schools enrolling students in any
12 grades 9-12 but no more than twenty-five average annual full-time
13 equivalent students in grades K-12, four and one-half certificated
14 instructional staff units and one-quarter of a certificated
15 administrative staff unit;

16 (ii) For all other small high schools under this subsection, nine
17 certificated instructional staff units and one-half of a certificated
18 administrative staff unit for the first sixty average annual full time
19 equivalent students, and additional staff units based on a ratio of
20 0.8732 certificated instructional staff units and 0.1268 certificated
21 administrative staff units per each additional forty-three and one-half
22 average annual full time equivalent students.

23 Units calculated under (f)(ii) of this subsection shall be reduced
24 by certificated staff units at the rate of forty-six certificated
25 instructional staff units and four certificated administrative staff
26 units per thousand vocational full-time equivalent students.

27 (g) For each nonhigh school district having an enrollment of more
28 than seventy annual average full-time equivalent students and less than
29 one hundred eighty students, operating a grades K-8 program or a grades
30 1-8 program, an additional one-half of a certificated instructional
31 staff unit; and

32 (h) For each nonhigh school district having an enrollment of more
33 than fifty annual average full-time equivalent students and less than
34 one hundred eighty students, operating a grades K-6 program or a grades
35 1-6 program, an additional one-half of a certificated instructional
36 staff unit.

37 (3) Allocations for classified salaries for the 1997-98 and 1998-99
38 school years shall be calculated using formula-generated classified
39 staff units determined as follows:

1 (a) For enrollments generating certificated staff unit allocations
2 under subsection (2) (d) through (h) of this section, one classified
3 staff unit for each three certificated staff units allocated under such
4 subsections;

5 (b) For all other enrollment in grades K-12, including vocational
6 full-time equivalent enrollments, one classified staff unit for each
7 sixty average annual full-time equivalent students; and

8 (c) For each nonhigh school district with an enrollment of more
9 than fifty annual average full-time equivalent students and less than
10 one hundred eighty students, an additional one-half of a classified
11 staff unit.

12 (4) Fringe benefit allocations shall be calculated at a rate of
13 20.22 percent in the 1997-98 and 1998-99 school years for certificated
14 salary allocations provided under subsection (2) of this section, and
15 a rate of 18.65 percent in the 1997-98 and 1998-99 school years for
16 classified salary allocations provided under subsection (3) of this
17 section.

18 (5) Insurance benefit allocations shall be calculated at the
19 maintenance rate specified in section 504(2) of this act, based on the
20 number of benefit units determined as follows:

21 (a) The number of certificated staff units determined in subsection
22 (2) of this section; and

23 (b) The number of classified staff units determined in subsection
24 (3) of this section multiplied by 1.152. This factor is intended to
25 adjust allocations so that, for the purposes of distributing insurance
26 benefits, full-time equivalent classified employees may be calculated
27 on the basis of 1440 hours of work per year, with no individual
28 employee counted as more than one full-time equivalent.

29 (6)(a) For nonemployee-related costs associated with each
30 certificated staff unit allocated under subsection (2) (a), (b), and
31 (d) through (h) of this section, there shall be provided a maximum of
32 \$7,950 per certificated staff unit in the 1997-98 school year and a
33 maximum of ~~\$(8,165))~~ 8,053 per certificated staff unit in the 1998-99
34 school year.

35 (b) For nonemployee-related costs associated with each vocational
36 certificated staff unit allocated under subsection (2)(c)(i) of this
37 section, there shall be provided a maximum of \$15,147 per certificated
38 staff unit in the 1997-98 school year and a maximum of ~~\$(15,556))~~
39 19,775 per certificated staff unit in the 1998-99 school year.

1 (c) For nonemployee-related costs associated with each vocational
2 certificated staff unit allocated under subsection (2)(c)(ii) of this
3 section, there shall be provided a maximum of \$15,147 per certificated
4 staff unit in the 1997-98 school year and a maximum of \$15,344 per
5 certificated staff unit in the 1998-99 school year.

6 (7) Allocations for substitute costs for classroom teachers shall
7 be distributed at a maintenance rate of \$354.64 per allocated classroom
8 teachers exclusive of salary increase amounts provided in section 504
9 of this act. Solely for the purposes of this subsection, allocated
10 classroom teachers shall be equal to the number of certificated
11 instructional staff units allocated under subsection (2) of this
12 section, multiplied by the ratio between the number of actual basic
13 education certificated teachers and the number of actual basic
14 education certificated instructional staff reported state-wide for the
15 1996-97 school year.

16 (8) Any school district board of directors may petition the
17 superintendent of public instruction by submission of a resolution
18 adopted in a public meeting to reduce or delay any portion of its basic
19 education allocation for any school year. The superintendent of public
20 instruction shall approve such reduction or delay if it does not impair
21 the district's financial condition. Any delay shall not be for more
22 than two school years. Any reduction or delay shall have no impact on
23 levy authority pursuant to RCW 84.52.0531 and local effort assistance
24 pursuant to chapter 28A.500 RCW.

25 (9) The superintendent may distribute a maximum of ~~\$(6,124,000))~~
26 6,114,000 outside the basic education formula during fiscal years 1998
27 and 1999 as follows:

28 (a) For fire protection for school districts located in a fire
29 protection district as now or hereafter established pursuant to chapter
30 52.04 RCW, a maximum of \$447,000 may be expended in fiscal year 1998
31 and a maximum of ~~\$(459,000))~~ 453,000 may be expended in fiscal year
32 1999;

33 (b) For summer vocational programs at skills centers, a maximum of
34 \$1,948,000 may be expended each fiscal year;

35 (c) A maximum of ~~\$(321,000))~~ 318,000 may be expended for school
36 district emergencies; and

37 (d) A maximum of \$500,000 per fiscal year may be expended for
38 programs providing skills training for secondary students who are
39 enrolled in extended day school-to-work programs, as approved by the

1 superintendent of public instruction. The funds shall be allocated at
2 a rate not to exceed \$500 per full-time equivalent student enrolled in
3 those programs.

4 (10) For the purposes of RCW 84.52.0531, the increase per full-time
5 equivalent student in state basic education appropriations provided
6 under this act, including appropriations for salary and benefits
7 increases, is 2.5 percent from the 1996-97 school year to the 1997-98
8 school year, and 1.1 percent from the 1997-98 school year to the
9 1998-99 school year.

10 (11) If two or more school districts consolidate and each district
11 was receiving additional basic education formula staff units pursuant
12 to subsection (2) (b) through (h) of this section, the following shall
13 apply:

14 (a) For three school years following consolidation, the number of
15 basic education formula staff units shall not be less than the number
16 of basic education formula staff units received by the districts in the
17 school year prior to the consolidation; and

18 (b) For the fourth through eighth school years following
19 consolidation, the difference between the basic education formula staff
20 units received by the districts for the school year prior to
21 consolidation and the basic education formula staff units after
22 consolidation pursuant to subsection (2) (a) through (h) of this
23 section shall be reduced in increments of twenty percent per year.

24 **Sec. 504.** 1997 c 454 s 503 (uncodified) is each amended to read as
25 follows:

26 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
27 **COMPENSATION ADJUSTMENTS**

28	General Fund Appropriation (FY 1998)	. . . . . \$	((79,966,000))
29			<u>79,412,000</u>
30	General Fund Appropriation (FY 1999)	. . . . . \$	((116,310,000))
31			<u>115,187,000</u>
32	TOTAL APPROPRIATION	. . . . . \$	((196,276,000))
33			<u>194,599,000</u>

34 The appropriations in this section are subject to the following
35 conditions and limitations:

36 (1) \$((176,525,000)) 174,999,000 is provided for a cost of living
37 adjustment of 3.0 percent effective September 1, 1997, for state
38 formula staff units. The appropriations include associated incremental

1 fringe benefit allocations at rates of 19.58 percent for certificated
2 staff and 15.15 percent for classified staff.

3 (a) The appropriations in this section include the increased
4 portion of salaries and incremental fringe benefits for all relevant
5 state-funded school programs in part V of this act. Salary adjustments
6 for state employees in the office of superintendent of public
7 instruction and the education reform program are provided in part VII
8 of this act. Increases for general apportionment (basic education) are
9 based on the salary allocation schedules and methodology in section 502
10 of this act. Increases for special education result from increases in
11 each district's basic education allocation per student. Increases for
12 educational service districts and institutional education programs are
13 determined by the superintendent of public instruction using the
14 methodology for general apportionment salaries and benefits in section
15 502 of this act.

16 (b) The appropriations in this section provide salary increase and
17 incremental fringe benefit allocations based on formula adjustments as
18 follows:

19 (i) For pupil transportation, an increase of \$0.60 per weighted
20 pupil-mile for the 1997-98 school year and maintained for the 1998-99
21 school year;

22 (ii) For education of highly capable students, an increase of \$6.81
23 per formula student for the 1997-98 school year and maintained for the
24 1998-99 school year; and

25 (iii) For transitional bilingual education, an increase of \$17.69
26 per eligible bilingual student for the 1997-98 school year and
27 maintained for the 1998-99 school year; and

28 (iv) For learning assistance, an increase of \$8.74 per entitlement
29 unit for the 1997-98 school year and maintained for the 1998-99 school
30 year.

31 (c) The appropriations in this section include ~~\$(912,000)~~ 903,000
32 for salary increase adjustments for substitute teachers at a rate of
33 \$10.64 per unit in the 1997-98 school year and maintained in the 1998-
34 99 school year.

35 (2) ~~\$(19,751,000)~~ 19,600,000 is provided for adjustments to
36 insurance benefit allocations. The maintenance rate for insurance
37 benefit allocations is \$314.51 per month for the 1997-98 and 1998-99
38 school years. The appropriations in this section provide increases of

1 \$2.83 per month for the 1997-98 school year and \$18.41 per month for
2 the 1998-99 school year at the following rates:

3 (a) For pupil transportation, an increase of \$0.03 per weighted
4 pupil-mile for the 1997-98 school year and \$0.19 for the 1998-99 school
5 year;

6 (b) For education of highly capable students, an increase of \$0.20
7 per formula student for the 1997-98 school year and \$1.35 for the 1998-
8 99 school year;

9 (c) For transitional bilingual education, an increase of \$.46 per
10 eligible bilingual student for the 1997-98 school year and \$3.44 for
11 the 1998-99 school year; and

12 (d) For learning assistance, an increase of \$.36 per funded unit
13 for the 1997-98 school year and \$2.70 for the 1998-99 school year.

14 (3) The rates specified in this section are subject to revision
15 each year by the legislature.

16 (4)((+a)) For the 1997-98 school year, the superintendent shall
17 prepare a report showing the allowable derived base salary for
18 certificated instructional staff in accordance with RCW 28A.400.200 and
19 LEAP Document 12D, and the actual derived base salary paid by each
20 school district as shown on the S-275 report and shall make the report
21 available to the fiscal committees of the legislature no later than
22 February 15, 1998.

23 **Sec. 505.** 1997 c 149 s 505 (uncodified) is each amended to read as
24 follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**

26 General Fund Appropriation (FY 1998)	\$	((174,344,000))
		<u>175,168,000</u>
28 General Fund Appropriation (FY 1999)	\$	((179,560,000))
		<u>179,439,000</u>
30 TOTAL APPROPRIATION	\$	((353,904,000))
		<u>354,607,000</u>

31

32 The appropriations in this section are subject to the following
33 conditions and limitations:

34 (1) The appropriation for fiscal year 1998 includes such funds as
35 are necessary for the remaining months of the 1996-97 school year.

36 (2) A maximum of \$((1,451,000)) 1,441,000 may be expended for
37 regional transportation coordinators and related activities. The
38 transportation coordinators shall ensure that data submitted by school

1 districts for state transportation funding shall, to the greatest
2 extent practical, reflect the actual transportation activity of each
3 district.

4 (3) \$30,000 of the fiscal year 1998 appropriation and \$40,000 of
5 the fiscal year 1999 appropriation are provided solely for the
6 transportation of students enrolled in "choice" programs.
7 Transportation shall be limited to low-income students who are
8 transferring to "choice" programs solely for educational reasons.

9 (4) Allocations for transportation of students shall be based on
10 reimbursement rates of \$34.47 per weighted mile in the 1997-98 school
11 year and ((~~\$34.76~~) \$34.61) per weighted mile in the 1998-99 school year
12 exclusive of salary and benefit adjustments provided in section 504 of
13 this act. Allocations for transportation of students transported more
14 than one radius mile shall be based on weighted miles as determined by
15 superintendent of public instruction times the per mile reimbursement
16 rates for the school year pursuant to the formulas adopted by the
17 superintendent of public instruction. Allocations for transportation
18 of students living within one radius mile shall be based on the number
19 of enrolled students in grades kindergarten through five living within
20 one radius mile of their assigned school times the per mile
21 reimbursement rate for the school year times 1.29.

22 **Sec. 506.** 1997 c 149 s 507 (uncodified) is each amended to read as
23 follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
25 **PROGRAMS**

26	General Fund--State Appropriation (FY 1998) . . . \$	((370,486,000))
27		<u>371,687,000</u>
28	General Fund--State Appropriation (FY 1999) . . . \$	((374,327,000))
29		<u>378,405,000</u>
30	General Fund--Federal Appropriation \$	((135,106,000))
31		<u>143,106,000</u>
32	TOTAL APPROPRIATION \$	((879,919,000))
33		<u>893,198,000</u>

34 The appropriations in this section are subject to the following
35 conditions and limitations:

36 (1) The appropriation for fiscal year 1998 includes such funds as
37 are necessary for the remaining months of the 1996-97 school year.

1 (2) The superintendent of public instruction shall distribute state
2 funds to school districts based on two categories, the optional birth
3 through age two program for special education eligible developmentally
4 delayed infants and toddlers, and the mandatory special education
5 program for special education eligible students ages three to twenty-
6 one. A "special education eligible student" means a student receiving
7 specially designed instruction in accordance with a properly formulated
8 individualized education program.

9 (3) For the 1997-98 and 1998-99 school years, the superintendent
10 shall distribute state funds to each district based on the sum of:

11 (a) A district's annual average headcount enrollment of
12 developmentally delayed infants and toddlers ages birth through two,
13 times the district's average basic education allocation per full-time
14 equivalent student, times 1.15; and

15 (b) A district's annual average full-time equivalent basic
16 education enrollment times the funded enrollment percent determined
17 pursuant to subsection (4)(c) of this section, times the district's
18 average basic education allocation per full-time equivalent student
19 times 0.9309.

20 (4) The definitions in this subsection apply throughout this
21 section.

22 (a) "Average basic education allocation per full-time equivalent
23 student" for a district shall be based on the staffing ratios required
24 by RCW 28A.150.260 (i.e., 49/1000 certificated instructional staff in
25 grades K-3, and 46/1000 in grades 4-12) and shall not include
26 enhancements for K-3, secondary vocational education, or small schools.

27 (b) "Annual average full-time equivalent basic education
28 enrollment" means the resident enrollment including students enrolled
29 through choice (RCW 28A.225.225) and students from nonhigh districts
30 (RCW 28A.225.210) and excluding students residing in another district
31 enrolled as part of an interdistrict cooperative program (RCW
32 28A.225.250).

33 (c) "Enrollment percent" means the district's resident special
34 education annual average enrollment including those students counted
35 under the special education demonstration projects, excluding the birth
36 through age two enrollment, as a percent of the district's annual
37 average full-time equivalent basic education enrollment. For the 1997-
38 98 and the 1998-99 school years, each district's funded enrollment
39 percent shall be:

1 (i) For districts whose enrollment percent for 1994-95 was at or
2 below 12.7 percent, the lesser of the district's actual enrollment
3 percent for the school year for which the allocation is being
4 determined or 12.7 percent.

5 (ii) For districts whose enrollment percent for 1994-95 was above
6 12.7 percent, the lesser of:

7 (A) The district's actual enrollment percent for the school year
8 for which the special education allocation is being determined; or

9 (B) The district's actual enrollment percent for the school year
10 immediately prior to the school year for which the special education
11 allocation is being determined if greater than 12.7 percent; or

12 (C) For 1997-98, the 1994-95 enrollment percent reduced by 75
13 percent of the difference between the district's 1994-95 enrollment
14 percent and 12.7 percent and for 1998-99, 12.7 percent.

15 (5) At the request of any interdistrict cooperative of at least 15
16 districts in which all excess cost services for special education
17 students of the districts are provided by the cooperative, the maximum
18 enrollment percent shall be 12.7, and shall be calculated in the
19 aggregate rather than individual district units. For purposes of this
20 subsection (4) of this section, the average basic education allocation
21 per full-time equivalent student shall be calculated in the aggregate
22 rather than individual district units.

23 (6) A maximum of \$12,000,000 of the general fund--state
24 appropriation for fiscal year 1998 and a maximum of \$12,000,000 of the
25 general fund--state appropriation for fiscal year 1999 are provided as
26 safety net funding for districts with demonstrated needs for state
27 special education funding beyond the amounts provided in subsection (3)
28 of this section. Safety net funding shall be awarded by the state
29 safety net oversight committee.

30 (a) The safety net oversight committee shall first consider the
31 needs of districts adversely affected by the 1995 change in the special
32 education funding formula. Awards shall be based on the amount
33 required to maintain the 1994-95 state special education excess cost
34 allocation to the school district in aggregate or on a dollar per
35 funded student basis.

36 (b) The committee shall then consider unusual needs of districts
37 due to a special education population which differs significantly from
38 the assumptions of the state funding formula. Awards shall be made to
39 districts that convincingly demonstrate need due to the concentration

1 and/or severity of disabilities in the district. Differences in
2 program costs attributable to district philosophy or service delivery
3 style are not a basis for safety net awards.

4 (7) Prior to June 1st of each year, the superintendent shall make
5 available to each school district from available data the district's
6 maximum funded enrollment percent for the coming school year.

7 (8) The superintendent of public instruction may adopt such rules
8 and procedures as are necessary to administer the special education
9 funding and safety net award process. Prior to revising any standards,
10 procedures, or rules in place for the 1996-97 school year, the
11 superintendent shall consult with the office of financial management
12 and the fiscal committees of the legislature.

13 (9) The safety net oversight committee appointed by the
14 superintendent of public instruction shall consist of:

15 (a) Staff of the office of superintendent of public instruction;

16 (b) Staff of the office of the state auditor;

17 (c) Staff from the office of the financial management; and

18 (d) One or more representatives from school districts or
19 educational service districts knowledgeable of special education
20 programs and funding.

21 (10) A maximum of \$4,500,000 of the general fund--federal
22 appropriation shall be expended for safety net funding to meet the
23 extraordinary needs of one or more individual special education
24 students.

25 (11) A maximum of \$678,000 may be expended from the general fund--
26 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
27 full-time equivalent aides at children's orthopedic hospital and
28 medical center. This amount is in lieu of money provided through the
29 home and hospital allocation and the special education program.

30 (12) A maximum of \$1,000,000 of the general fund--federal
31 appropriation is provided for projects to provide special education
32 students with appropriate job and independent living skills, including
33 work experience where possible, to facilitate their successful
34 transition out of the public school system. The funds provided by this
35 subsection shall be from federal discretionary grants.

36 (13) A school district may carry over up to 10 percent of general
37 fund--state funds allocated under this program; however, carry over
38 funds shall be expended in the special education program.

1 (14) Beginning in the 1997-98 school year, the superintendent shall
2 increase the percentage of federal flow-through to school districts to
3 at least 84 percent. In addition to other purposes, school districts
4 may use increased federal funds for high cost students, for purchasing
5 regional special education services from educational service districts,
6 and for staff development activities particularly relating to inclusion
7 issues.

8 (15) Up to one percent of the general fund--federal appropriation
9 shall be expended by the superintendent for projects related to use of
10 inclusion strategies by school districts for provision of special
11 education services. The superintendent shall prepare an information
12 database on laws, best practices, examples of programs, and recommended
13 resources. The information may be disseminated in a variety of ways,
14 including workshops and other staff development activities.

15 (16) Amounts appropriated within this section are sufficient to
16 fund (~~section 5 of Second Substitute House Bill No. 1709 (mandate on~~
17 ~~school districts)) the provisions of House Bill No. 2682 (school
18 medicaid incentive payments).~~

19 **Sec. 507.** 1997 c 149 s 508 (uncodified) is each amended to read as
20 follows:

21 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY**
22 **EDUCATION PROGRAMS**

23 Public Safety and Education Account

24 Appropriation \$ ((17,179,000))
25 16,883,000

26 The appropriation in this section is subject to the following
27 conditions and limitations:

28 (1) The appropriation includes such funds as are necessary for the
29 remaining months of the 1996-97 school year.

30 (2) A maximum of \$507,000 shall be expended for regional traffic
31 safety education coordinators.

32 (3) The maximum basic state allocation per student completing the
33 program shall be \$137.16 in the 1997-98 and 1998-99 school years.

34 (4) Additional allocations to provide tuition assistance for
35 students from low-income families who complete the program shall be a
36 maximum of \$66.81 per eligible student in the 1997-98 and 1998-99
37 school years.

1 **Sec. 508.** 1997 c 454 s 504 (uncodified) is each amended to read as
2 follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
4 **ASSISTANCE**

5	General Fund Appropriation (FY 1998)	\$	((84,347,000))
6			<u>82,079,000</u>
7	General Fund Appropriation (FY 1999)	\$	((89,605,000))
8			<u>86,272,000</u>
9	TOTAL APPROPRIATION	\$	((173,952,000))
10			<u>168,351,000</u>

11 **Sec. 509.** 1997 c 454 s 505 (uncodified) is amended to read as
12 follows:

13 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
14 **EDUCATION PROGRAMS**

15	General Fund--State Appropriation (FY 1998) . . .	\$	((18,026,000))
16			<u>16,897,000</u>
17	General Fund--State Appropriation (FY 1999) . . .	\$	((18,983,000))
18			<u>18,596,000</u>
19	General Fund--Federal Appropriation	\$	8,548,000
20	TOTAL APPROPRIATION	\$	((45,557,000))
21			<u>44,041,000</u>

22 The appropriations in this section are subject to the following
23 conditions and limitations:

24 (1) The general fund--state appropriation for fiscal year 1998
25 includes such funds as are necessary for the remaining months of the
26 1996-97 school year.

27 (2) State funding provided under this section is based on salaries
28 and other expenditures for a 220-day school year. The superintendent
29 of public instruction shall monitor school district expenditure plans
30 for institutional education programs to ensure that districts plan for
31 a full-time summer program.

32 (3) State funding for each institutional education program shall be
33 based on the institution's annual average full-time equivalent student
34 enrollment. Staffing ratios for each category of institution shall
35 remain the same as those funded in the 1995-97 biennium.

36 (4) ~~((\$341,000 of the general fund--state fiscal year 1998~~
37 ~~appropriation and \$407,000 of the general fund--state fiscal year 1999~~
38 ~~appropriation are provided solely for the implementation of Engrossed~~

1 ~~Third Substitute House Bill No. 3900 (revising the juvenile code). If~~
 2 ~~the bill is not enacted by June 30, 1997, the amounts provided in this~~
 3 ~~subsection shall lapse.)) \$1,196,000 of the fiscal year 1999 general~~
 4 fund--state appropriation is provided to implement Substitute Senate
 5 Bill No. 6600 (correctional facilities education programs). If
 6 Substitute Senate Bill No. 6600 is enacted, beginning in the 1998-99
 7 school year, the funded staffing ratios for education programs for
 8 juveniles age 18 or less in department of corrections facilities shall
 9 be the same as those provided for education programs in delinquent
 10 institutions under the department of social and health services.

11 **Sec. 510.** 1997 c 149 s 506 (uncodified) is each amended to read as
 12 follows:

13 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
 14 **PROGRAMS**

15	General Fund--State Appropriation (FY 1998)	\$	3,075,000
16	General Fund--State Appropriation (FY 1999)	\$	((3,075,000))
17			<u>3,100,000</u>
18	General Fund--Federal Appropriation	\$	194,483,000
19	TOTAL APPROPRIATION	\$	((200,633,000))
20			<u>200,658,000</u>

21 The appropriations in this section are subject to the following
 22 conditions and limitations:

- 23 (1) \$6,000,000 of the general fund--state appropriations are
 24 provided for state matching money for federal child nutrition programs.
 25 (2) (((\$150,000)) \$175,000 of the general fund--state appropriations
 26 are provided for summer food programs for children in low-income areas.

27 **Sec. 511.** 1997 c 149 s 513 (uncodified) is amended to read as
 28 follows:

29 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
 30 **CAPABLE STUDENTS**

31	General Fund Appropriation (FY 1998)	\$	((5,752,000))
32			<u>5,701,000</u>
33	General Fund Appropriation (FY 1999)	\$	((6,176,000))
34			<u>6,121,000</u>
35	TOTAL APPROPRIATION	\$	((11,928,000))
36			<u>11,822,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) The appropriation for fiscal year 1998 includes such funds as
4 are necessary for the remaining months of the 1996-97 school year.

5 (2) Allocations for school district programs for highly capable
6 students shall be distributed at a maximum rate of \$311.12 per funded
7 student for the 1997-98 school year and \$((311.58)) 311.35 per funded
8 student for the 1998-99 school year, exclusive of salary and benefit
9 adjustments pursuant to section 504 of this act. The number of funded
10 students shall be a maximum of two percent of each district's full-time
11 equivalent basic education enrollment.

12 (3) \$350,000 of the appropriation is for the centrum program at
13 Fort Worden state park.

14 (4) \$186,000 of the appropriation is for the odyssey of the mind
15 and future problem-solving programs.

16 **Sec. 512.** 1997 c 454 s 506 (uncodified) is amended to read as
17 follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS**

19	General Fund Appropriation (FY 1998)	. . . . . \$	((18,905,000))
20			<u>18,605,000</u>
21	General Fund Appropriation (FY 1999)	. . . . . \$	((21,868,000))
22			<u>21,218,000</u>
23	TOTAL APPROPRIATION	. . . . . \$	((40,773,000))
24			<u>39,823,000</u>

25 The appropriations in this section are subject to the following
26 conditions and limitations:

27 (1) \$((18,103,000)) 17,153,000 is provided for the operation of the
28 commission on student learning and the development and implementation
29 of student assessments. The commission shall cooperate with the
30 superintendent of public instruction in defining measures of student
31 achievement to be included in the student record system developed by
32 the superintendent pursuant to section 501(1)(b) of this act.

33 (2) \$2,190,000 is provided solely for training of paraprofessional
34 classroom assistants and certificated staff who work with classroom
35 assistants as provided in RCW 28A.415.310.

36 (3) \$2,970,000 is provided for mentor teacher assistance, including
37 state support activities, under RCW 28A.415.250 and 28A.415.260. Funds

1 for the teacher assistance program shall be allocated to school
2 districts based on the number of beginning teachers.

3 (4) \$4,050,000 is provided for improving technology infrastructure,
4 monitoring and reporting on school district technology development,
5 promoting standards for school district technology, promoting statewide
6 coordination and planning for technology development, and providing
7 regional educational technology support centers, including state
8 support activities, under chapter 28A.650 RCW.

9 (5) \$7,200,000 is provided for grants to school districts to
10 provide a continuum of care for children and families to help children
11 become ready to learn. Grant proposals from school districts shall
12 contain local plans designed collaboratively with community service
13 providers. If a continuum of care program exists in the area in which
14 the school district is located, the local plan shall provide for
15 coordination with existing programs to the greatest extent possible.
16 Grant funds shall be allocated pursuant to RCW 70.190.040.

17 (6) \$5,000,000 is provided solely for the meals for kids program
18 under RCW 28A.235.145 through 28A.235.155.

19 (7) \$1,260,000 is provided for technical assistance related to
20 education reform through the office of the superintendent of public
21 instruction, in consultation with the commission on student learning,
22 as specified in RCW 28A.300.130 (center for the improvement of student
23 learning).

24 **Sec. 513.** 1997 c 454 s 507 (uncodified) is amended to read as
25 follows:

26 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
27 **BILINGUAL PROGRAMS**

28	General Fund Appropriation (FY 1998)	. . . . . \$	((31,146,000))
29			<u>30,712,000</u>
30	General Fund Appropriation (FY 1999)	. . . . . \$	((33,414,000))
31			<u>32,184,000</u>
32	TOTAL APPROPRIATION	. . . . . \$	((64,560,000))
33			<u>62,896,000</u>

34 The appropriations in this section are subject to the following
35 conditions and limitations:

36 (1) The appropriation for fiscal year 1998 provides such funds as
37 are necessary for the remaining months of the 1996-97 school year.

1 (2) The superintendent of public instruction shall study the
2 formula components proposed for the 1998-99 school year and prepare a
3 report to the legislature no later than January 15, 1998.

4 (3) The superintendent shall distribute a maximum of \$643.78 per
5 eligible bilingual student in the 1997-98 and 1998-99 school years,
6 exclusive of salary and benefit adjustments provided in section 503 of
7 this act.

8 **Sec. 514.** 1997 c 149 s 516 (uncodified) is amended to read as
9 follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
11 **ASSISTANCE PROGRAM**

12	General Fund Appropriation (FY 1998)	. . . . . \$	((60,309,000))
13			<u>60,224,000</u>
14	General Fund Appropriation (FY 1999)	. . . . . \$	((60,862,000))
15			<u>61,000,000</u>
16	TOTAL APPROPRIATION	. . . . . \$	((121,171,000))
17			<u>121,224,000</u>

18 The appropriations in this section are subject to the following
19 conditions and limitations:

20 (1) The appropriation for fiscal year 1998 provides such funds as
21 are necessary for the remaining months of the 1996-97 school year.

22 (2) For making the calculation of the percentage of students
23 scoring in the lowest quartile as compared with national norms,
24 beginning with the 1991-92 school year, the superintendent shall
25 multiply each school district's 4th and 8th grade test results by 0.86.

26 (3) Funding for school district learning assistance programs shall
27 be allocated at maximum rates of \$378.33 per funded unit for the 1997-
28 98 school year and \$((379.47)) 378.88 per funded unit for the 1998-99
29 school year exclusive of salary and benefit adjustments provided in
30 section 504 of this act. School districts may carryover up to 10
31 percent of funds allocated under this program; however, carryover funds
32 shall be expended for the learning assistance program.

33 (a) A school district's funded units for the 1997-98 and 1998-99
34 school years shall be the sum of the following:

35 (i) The district's full-time equivalent enrollment in kindergarten
36 through 6th grade, times the 5-year average 4th grade test result as
37 adjusted pursuant to subsection (2) of this section, times 0.92; and

1 (ii) The district's full-time equivalent enrollment in grades 7
2 through 9, times the 5-year average 8th grade test result as adjusted
3 pursuant to subsection (2) of this section, times 0.92; and

4 (iii) If in the prior school year the district's percentage of
5 October headcount enrollment in grades K-12 eligible for free and
6 reduced price lunch exceeded the state average, subtract the state
7 average percentage of students eligible for free and reduced price
8 lunch from the district's percentage and multiply the result by the
9 district's K-12 annual average full-time equivalent enrollment for the
10 current school year times 22.30 percent.

11 **Sec. 515.** 1997 c 454 s 508 (uncodified) is amended to read as
12 follows:

13 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS**

14 General Fund Appropriation (FY 1998)	\$	((49,815,000))
		<u>49,493,000</u>
16 General Fund Appropriation (FY 1999)	\$	((56,962,000))
		<u>56,457,000</u>
18 TOTAL APPROPRIATION	\$	((106,777,000))
		<u>105,950,000</u>

19

20 The appropriations in this section are subject to the following
21 conditions and limitations:

22 (1) A maximum of \$((50,841,000)) 50,418,000 is provided for
23 learning improvement allocations to school districts to enhance the
24 ability of instructional staff to teach and assess the essential
25 academic learning requirements for reading, writing, communication, and
26 math in accordance with the timelines and requirements established
27 under RCW 28A.630.885. However, special emphasis shall be given to the
28 successful teaching of reading. Allocations under this section shall
29 be subject to the following conditions and limitations:

30 (a) In accordance with the timetable for the implementation of the
31 assessment system by the commission on student learning, the
32 allocations for the 1997-98 and 1998-99 school years shall be at a
33 maximum annual rate per full-time equivalent student of \$36.69 for
34 students enrolled in grades K-4, \$30.00 for students enrolled in grades
35 5-7, and \$22.95 for students enrolled in grades 8-12. Allocations
36 shall be made on the monthly apportionment schedule provided in RCW
37 28A.510.250.

38 (b) A district receiving learning improvement allocations shall:

1 (i) Develop and keep on file at each building a student learning
2 improvement plan to achieve the student learning goals and essential
3 academic learning requirements and to implement the assessment system
4 as it is developed. The plan shall delineate how the learning
5 improvement allocations will be used to accomplish the foregoing. The
6 plan shall be made available to the public upon request;

7 (ii) Maintain a policy regarding the involvement of school staff,
8 parents, and community members in instructional decisions;

9 (iii) File a report by October 1, 1998, and October 1, 1999, with
10 the office of the superintendent of public instruction, in a format
11 developed by the superintendent that: Enumerates the activities funded
12 by these allocations; the amount expended for each activity; describes
13 how the activity improved understanding, teaching, and assessment of
14 the essential academic learning requirements by instructional staff;
15 and identifies any amounts expended from this allocation for
16 supplemental contracts; and

17 (iv) Provide parents and the local community with specific
18 information on the use of this allocation by including in the annual
19 performance report required in RCW 28A.320.205, information on how
20 funds allocated under this subsection were spent and the results
21 achieved.

22 (c) The superintendent of public instruction shall compile and
23 analyze the school district reports and present the results to the
24 office of financial management and the appropriate committees of the
25 legislature no later than November 15, 1998, and November 15, 1999.

26 (2) ~~\$(55,937,000)~~ 55,532,000 is provided for local education
27 program enhancements to meet educational needs as identified by the
28 school district, including alternative education programs. This amount
29 includes such amounts as are necessary for the remainder of the 1996-97
30 school year. Allocations for the 1997-98 and 1998-99 school year shall
31 be at a maximum annual rate of \$29.86 per full-time equivalent student
32 as determined pursuant to subsection (3) of this section. Allocations
33 shall be made on the monthly apportionment payment schedule provided in
34 RCW 28A.510.250.

35 (3) Allocations provided under this section shall be based on
36 school district annual average full-time equivalent enrollment in
37 grades kindergarten through twelve: PROVIDED, That for school
38 districts enrolling not more than one hundred average annual full-time
39 equivalent students, and for small school plants within any school

1 district designated as remote and necessary schools, the allocations
2 shall be as follows:

3 (a) Enrollment of not more than 60 average annual full-time
4 equivalent students in grades kindergarten through six shall generate
5 funding based on sixty full-time equivalent students;

6 (b) Enrollment of not more than 20 average annual full-time
7 equivalent students in grades seven and eight shall generate funding
8 based on twenty full-time equivalent students; and

9 (c) Enrollment of not more than 60 average annual full-time
10 equivalent students in grades nine through twelve shall generate
11 funding based on sixty full-time equivalent students.

12 (4) Funding provided pursuant to this section does not fall within
13 the definition of basic education for purposes of Article IX of the
14 state Constitution and the state's funding duty thereunder.

15 (5) Receipt by a school district of one-fourth of the district's
16 allocation of funds under this section, shall be conditioned on a
17 finding by the superintendent that:

18 (a) The district is enrolled as a medicaid service provider and is
19 actively pursuing federal matching funds for medical services provided
20 through special education programs, pursuant to RCW 74.09.5241 through
21 74.09.5256 (Title XIX funding); and

22 (b) The district is filing truancy petitions as required under
23 chapter 312, Laws of 1995 and RCW 28A.225.030.

24 (End of part)

1 (c) Each institution of higher education receiving appropriations
2 under sections 604 through 609 of this act may provide to instructional
3 and research faculty, exempt professional staff, academic
4 administrators, academic librarians, counselors, teaching and research
5 assistants, as classified by the office of financial management, and
6 all other nonclassified staff, but not including employees under RCW
7 28B.16.015, an additional average salary increase of 1.0 percent on
8 July 1, 1997, and an average salary increase of 2.0 percent on July 1,
9 1998. Any salary increases authorized under this subsection (2)(c)
10 shall not be included in an institution's salary base. It is the
11 intent of the legislature that general fund--state support for an
12 institution shall not increase during the current or any future
13 biennium as a result of any salary increases authorized under this
14 subsection (2)(c).

15 (d) Specific salary increases authorized in sections 603 through
16 609 of this act are in addition to any salary increase provided in this
17 subsection.

18 (3)(a) Each institution receiving appropriations under sections 604
19 through 609 of this act shall submit plans for achieving measurable and
20 specific improvements in academic years 1997-98 and 1998-99 to the
21 higher education coordinating board. The plans, to be prepared at the
22 direction of the board, shall be submitted by August 15, 1997 (for
23 academic year 1997-98) and June 30, 1998 (for academic year 1998-99).
24 The following measures and goals will be used for the 1997-99 biennium:

	Goal
(i) Undergraduate graduation efficiency index:	
For students beginning as freshmen	95
For transfer students	90
(ii) Undergraduate student retention, defined as the percentage of all undergraduate students who return for the next year at the same institution, measured from fall to fall:	
Research universities	95%
Comprehensive universities and college	90%
(iii) Graduation rates, defined as the percentage of an entering freshmen class at each institution that graduates within five years:	
Research universities	65%
Comprehensive universities and college	55%

1 (iv) A measure of faculty productivity, with goals and targets in
2 accord with the legislative intent to achieve measurable and specific
3 improvements, to be determined by the higher education coordinating
4 board, in consultation with the institutions receiving appropriations
5 under sections 604 through 609 of this act.

6 (v) An additional measure and goal to be selected by the higher
7 education coordinating board for each institution, in consultation with
8 each institution.

9 (b) Academic year 1995-96 shall be the baseline year against which
10 performance in academic year 1997-98 shall be measured. Academic year
11 1997-98 shall be the baseline year against which performance in
12 academic year 1998-99 shall be measured. The difference between each
13 institution's baseline year and the state-wide performance goals shall
14 be calculated and shall be the performance gap for each institution for
15 each measure for each year. The higher education coordinating board
16 shall set performance targets for closing the performance gap for each
17 measure for each institution. Performance targets shall be set at
18 levels that reflect meaningful and substantial progress towards the
19 state-wide performance goals. Each institution shall report to the
20 higher education coordinating board on its actual performance
21 achievement for each measure for academic year 1997-98 by (~~June 30,~~
22 ~~1998, except that performance reporting for the student retention~~
23 ~~measure shall be completed by October 15, 1998~~) November 1, 1998.

24 (4) The state board for community and technical colleges shall
25 develop an implementation plan for measurable and specific improvements
26 in productivity, efficiency, and student retention in academic years
27 1997-98 and 1998-99 consistent with the performance management system
28 developed by the work force training and education coordinating board
29 and for the following long-term performance goals:

	Goal
30	
31 (a) Hourly wages for vocational graduates	\$12/hour
32 (b) Academic students transferring to Washington	
33 higher education institutions	67%
34 (c) Core course completion rates	85%
35 (d) Graduation efficiency index	95

36 (5) The state's public institutions of higher education
37 increasingly are being called upon to become more efficient in
38 conducting the business operations necessary to support the carrying

1 out of their academic missions. The legislature recognizes that state
 2 laws and regulations may have the unintended effect of acting as
 3 barriers to efficient operation in some instances, and desires to
 4 encourage the institutions of higher education to think beyond the
 5 constraints of current law in identifying opportunities for improved
 6 efficiency. Accordingly, the legislature requests that the
 7 institutions of higher education, working together through the council
 8 of presidents' office and the state board for community and technical
 9 colleges, identify opportunities for changes in state law that would
 10 form the basis for a new efficiency compact with the state, for
 11 consideration no later than the 1999 legislative session.

12 (6) Pursuant to RCW 43.135.055, institutions of higher education
 13 receiving appropriations under sections 603 through 609 of this act are
 14 authorized to increase summer term tuition in excess of the fiscal
 15 growth factor during the 1997-99 fiscal biennium, not to exceed tuition
 16 levels set by the legislature for the regular academic term in RCW
 17 28B.15.067.

18 **Sec. 602.** 1997 c 454 s 602 (uncodified) is amended to read as
 19 follows:

20 ~~((1))~~ The appropriations in sections 603 through 609 of this act
 21 provide state general fund support or employment and training trust
 22 account support for full-time equivalent student enrollments at each
 23 institution of higher education. Listed below are the annual full-time
 24 equivalent student enrollments by institution assumed in this act.

	1997-98	1998-99
	Annual	Annual
	Average	Average
28 University of Washington		
29 Main campus	31,297	31,527
30 Bothell branch	775	895
31 Tacoma branch	847	992
32 Washington State University		
33 Main campus	17,403	((17,723))
34		<u>17,272</u>
35 Spokane branch	352	442
36 Tri-Cities branch	754	((814))

1			754
2	Vancouver branch	851	971
3	Central Washington University	7,346	7,446
4	Eastern Washington University	7,739	7,739
5	The Evergreen State College	3,496	3,576
6	Western Washington University	10,188	10,338
7	State Board for Community and		
8	Technical Colleges	116,426	118,526
9	Higher Education Coordinating		
10	Board	50	50

11 **Sec. 603.** 1997 c 454 s 603 (uncodified) is amended to read as
12 follows:

13	FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES		
14	General Fund--State Appropriation (FY 1998) . . . \$	((382,891,000))	
15		<u>380,445,000</u>	
16	General Fund--State Appropriation (FY 1999) . . . \$	((420,961,000))	
17		<u>420,153,000</u>	
18	General Fund--Federal Appropriation \$	11,404,000	
19	Employment and Training Trust Account		
20	Appropriation \$	((26,346,000))	
21		<u>29,114,000</u>	
22	TOTAL APPROPRIATION \$	((841,602,000))	
23		<u>841,116,000</u>	

24 The appropriations in this section are subject to the following
25 conditions and limitations:

26 (1) \$2,718,000 of the general fund--state appropriation for fiscal
27 year 1998 and \$4,079,000 of the general fund--state appropriation for
28 fiscal year 1999 shall be held in reserve by the board. These funds
29 are provided for improvements in productivity, efficiency, and student
30 retention. The board may approve the fiscal year 1998 allocation of
31 funds under this subsection upon completion of an implementation plan.
32 The implementation plan shall be submitted by the board to the
33 appropriate legislative committees and the office of financial
34 management in accordance with section 601(4) of this act by September
35 1, 1997. The board may approve the fiscal year 1999 allocation of
36 funds under this subsection based on the board's evaluation of:

1 (a) College performance compared to the goals for productivity,
2 efficiency, and student retention as submitted in the plan required in
3 section 601(4) of this act; and

4 (b) The quality and effectiveness of the strategies the colleges
5 propose to achieve continued improvement in quality and efficiency
6 during the 1998-99 academic year.

7 (2) (~~(\$2,553,000 of the general fund--state appropriation for~~
8 ~~fiscal year 1998, \$28,761,000)~~) \$28,546,000 of the general fund--state
9 appropriation for fiscal year 1999(~~(7)~~) and the entire employment and
10 training trust account appropriation are provided solely as special
11 funds for training and related support services, including financial
12 aid, child care, and transportation, as specified in chapter 226, Laws
13 of 1993 (employment and training for unemployed workers) and Substitute
14 House Bill No. 2214.

15 (a) Funding is provided to support up to 7,200 full-time equivalent
16 students in each fiscal year.

17 (b) The state board for community and technical colleges shall
18 submit a plan for the allocation of the full-time equivalent students
19 provided in this subsection to the workforce training and education
20 coordinating board for review and approval.

21 (3) \$1,441,000 of the general fund--state appropriation for fiscal
22 year 1998 and \$1,441,000 of the general fund--state appropriation for
23 fiscal year 1999 are provided solely for 500 FTE enrollment slots to
24 implement RCW 28B.50.259 (timber-dependent communities).

25 (4) \$1,862,500 of the general fund--state appropriation for fiscal
26 year 1998 and \$1,862,500 of the general fund--state appropriation for
27 fiscal year 1999 are provided solely for assessment of student outcomes
28 at community and technical colleges.

29 (5) \$706,000 of the general fund--state appropriation for fiscal
30 year 1998 and \$706,000 of general fund--state appropriation for fiscal
31 year 1999 are provided solely to recruit and retain minority students
32 and faculty.

33 (6) Up to \$1,035,000 of the general fund--state appropriation for
34 fiscal year 1998 and up to \$2,102,000 of the general fund--state
35 appropriation for fiscal year 1999 may be used in combination with
36 salary and benefit savings from faculty turnover to provide faculty
37 salary increments and associated benefits. To the extent general
38 salary increase funding is used to pay faculty increments, the general
39 salary increase shall be reduced by the same amount.

1 (7) To address part-time faculty salary disparities and to increase
2 the ratio of full-time to part-time faculty instructors, the board
3 shall provide salary increases to part-time instructors or hire
4 additional full-time instructional staff under the following conditions
5 and limitations: (a) The amount used for such purposes shall not
6 exceed an amount equivalent to an additional salary increase of 1.0
7 percent on July 1, 1997, and an additional salary increase of 2.0
8 percent on July 1, 1998, for instructional faculty as classified by the
9 office of financial management; and (b) at least \$2,934,000 shall be
10 spent for the purposes of this subsection.

11 (8) \$83,000 of the general fund--state appropriation for fiscal
12 year 1998 and (~~(\$1,567,000)~~) \$867,000 of the general fund--state
13 appropriation for fiscal year 1999 are provided for personnel and
14 expenses to develop curricula, library resources, and operations of
15 Cascadia Community College. It is the legislature's intent to use the
16 opportunity provided by the establishment of the new institution to
17 conduct a pilot project of budgeting based on instructional standards
18 and outcomes. The college shall use a portion of the available funds
19 to develop a set of measurable standards and outcomes as the basis for
20 budget development in the 1999-01 biennium.

21 (9) The technical colleges may increase tuition and fees to conform
22 with the percentage increase in community college operating fees
23 enacted by the 1997 legislature. The community colleges may charge up
24 to the maximum level authorized for services and activities fees in RCW
25 28B.15.069.

26 (10) Community and technical colleges with below-average faculty
27 salaries may use funds identified by the state board in the 1997-98 and
28 1998-99 operating allocations to increase faculty salaries no higher
29 than the system-wide average.

30 (11) \$1,000,000 of the general fund--state appropriation for fiscal
31 year 1998 and \$1,000,000 of the general fund--state appropriation for
32 fiscal year 1999 are provided solely for tuition support for students
33 enrolled in work-based learning programs.

34 **Sec. 604.** 1997 c 454 s 604 (uncodified) is amended to read as
35 follows:

36 **FOR UNIVERSITY OF WASHINGTON**

37 General Fund Appropriation (FY 1998) \$ 283,923,000
38 General Fund Appropriation (FY 1999) \$ (~~289,807,000~~)

1		<u>293,517,000</u>
2	Death Investigations Account Appropriation . . . \$	((1,810,000))
3		<u>2,162,000</u>
4	Industrial Insurance Premium Refund Account	
5	Appropriation \$	514,000
6	Accident Account Appropriation \$	4,969,000
7	Medical Aid Account Appropriation \$	4,989,000
8	TOTAL APPROPRIATION \$	((586,012,000))
9		<u>590,074,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations:

12 (1) \$2,019,000 of the general fund appropriation for fiscal year
13 1998 and \$3,029,000 of the general fund appropriation for fiscal year
14 1999 shall be placed in reserve. The office of financial management
15 shall approve the allotment of amounts under this subsection upon
16 notification by the higher education coordinating board. These amounts
17 are provided for the preparation of plans and for the achievement of
18 measurable and specific improvements towards performance and
19 accountability goals as outlined in section 601(3) of this act.

20 (2) \$800,000 of the general fund appropriation for fiscal year 1998
21 and \$1,896,000 of the general fund appropriation for fiscal year 1999
22 are provided solely to support additional upper-division and graduate
23 level enrollments at the Tacoma branch campus above the 1996-97
24 budgeted FTE level.

25 (3) \$593,000 of the general fund appropriation for fiscal year 1998
26 and \$1,547,000 of the general fund appropriation for fiscal year 1999
27 are provided solely to support additional upper-division and graduate
28 level enrollments at the Bothell branch campus above the 1996-97
29 budgeted FTE level.

30 (4) \$186,000 of the general fund appropriation for fiscal year 1998
31 and \$186,000 of the general fund appropriation for fiscal year 1999 are
32 provided solely for assessment of student outcomes.

33 (5) \$324,000 of the general fund appropriation for fiscal year 1998
34 and \$324,000 of the general fund appropriation for fiscal year 1999 are
35 provided solely to recruit and retain minority students and faculty.

36 (6) \$130,000 of the general fund appropriation for fiscal year 1998
37 and \$130,000 of the general fund appropriation for fiscal year 1999 are
38 provided solely for the implementation of the Puget Sound work plan
39 agency action item UW-01.

1 (7) \$1,200,000 of the general fund appropriation for fiscal year
2 1998 and \$1,200,000 of the general fund appropriation for fiscal year
3 1999 are provided solely for competitively offered faculty recruitment
4 and retention salary adjustments. The university shall provide a
5 report in their 1999-01 biennial operating budget request submittal on
6 the effective expenditure of funds for the purposes of this subsection.

7 (8) \$47,000 of the fiscal year 1998 general fund appropriation and
8 \$47,000 of the fiscal year 1999 general fund appropriation are provided
9 solely to employ a fossil preparator/educator in the Burke Museum. The
10 entire amounts provided in this subsection shall be provided directly
11 to the Burke Museum.

12 (9) \$75,000 of the general fund appropriation for fiscal year 1998
13 and \$75,000 of the general fund appropriation for fiscal year 1999 are
14 provided solely for enhancements to research capabilities at the
15 Olympic natural resources center.

16 (10) \$150,000 of the general fund appropriation for fiscal year
17 1999 is provided solely for remodeling and equipment necessary to
18 accommodate enrollment growth at the Bothell branch campus.

19 (11) \$560,000 of the general fund appropriation for fiscal year
20 1999 is provided solely for the disabilities, opportunities,
21 internetworking, and technology program.

22 (12) \$3,000,000 of the general fund appropriation for fiscal year
23 1999 is provided solely to establish a high speed internet-2 hub.

24 (13) \$150,000 of the general fund appropriation for fiscal year
25 1999 is provided solely to support the physicians assistant program in
26 Spokane.

27 (14) \$352,000 of the death investigations account appropriation is
28 provided solely for staff and equipment for the state toxicology
29 laboratory to support implementation of quality control procedures and
30 laboratory certification, and for enhanced screening of sexual assault
31 victims, blood alcohol and volatile intoxicants analysis, and blood
32 tests for marijuana in driving cases.

33 **Sec. 605.** 1997 c 454 s 605 (uncodified) is amended to read as
34 follows:

35 **FOR WASHINGTON STATE UNIVERSITY**

36 General Fund Appropriation (FY 1998)	. . . . . \$	((166,644,000))
		169,894,000
38 General Fund Appropriation (FY 1999)	. . . . . \$	((172,819,000))

1		<u>170,944,000</u>
2	Air Pollution Control Account Appropriation . . . \$	206,000
3	TOTAL APPROPRIATION \$	((339,669,000))
4		<u>341,044,000</u>

5 The appropriations in this section are subject to the following
6 conditions and limitations:

7 (1) \$1,204,000 of the general fund appropriation for fiscal year
8 1998 and \$1,807,000 of the general fund appropriation for fiscal year
9 1999 shall be placed in reserve. The office of financial management
10 shall approve the allotment of amounts under this subsection upon
11 notification by the higher education coordinating board. These amounts
12 are provided for the preparation of plans and for the achievement of
13 measurable and specific improvements towards performance and
14 accountability goals as outlined in section 601(3) of this act.

15 (2) \$1,059,000 of the general fund appropriation for fiscal year
16 1999 is provided solely to support additional upper-division and
17 graduate level enrollments at the Vancouver branch campus above the
18 1996-97 budgeted FTE level.

19 (3) \$263,000 of the general fund appropriation for fiscal year 1998
20 and (~~(\$789,000)~~) \$263,000 of the general fund appropriation for fiscal
21 year 1999 are provided solely to support additional upper-division and
22 graduate level enrollments at the Tri-Cities branch campus above the
23 1996-97 budgeted FTE level.

24 (4) \$971,000 of the general fund appropriation for fiscal year 1999
25 is provided solely to support additional upper-division and graduate
26 level enrollments at the Spokane branch campus above the 1996-97
27 budgeted FTE level.

28 (5) \$186,000 of the general fund appropriation for fiscal year 1998
29 and \$186,000 of the general fund appropriation for fiscal year 1999 are
30 provided solely for assessment of student outcomes.

31 (6) \$140,000 of the general fund appropriation for fiscal year 1998
32 and \$140,000 of the general fund appropriation for fiscal year 1999 are
33 provided solely to recruit and retain minority students and faculty.

34 (7) \$157,000 of the general fund appropriation for fiscal year 1998
35 and \$157,000 of the general fund appropriation for fiscal year 1999 are
36 provided solely for the implementation of the Puget Sound work plan
37 agency action item WSU-01.

38 (8) \$600,000 of the general fund appropriation for fiscal year 1998
39 and \$600,000 of the general fund appropriation for fiscal year 1999 are

1 provided solely for competitively offered faculty recruitment and
2 retention salary adjustments. The university shall provide a report in
3 their 1999-01 biennial operating budget request submittal on the
4 effective expenditure of funds for the purposes of this subsection.

5 (9) \$50,000 of the general fund appropriation for fiscal year 1998
6 and \$50,000 of the general fund appropriation for fiscal year 1999 are
7 provided solely for yellow star thistle research.

8 (10) \$55,000 of the general fund appropriation for fiscal year 1998
9 and \$55,000 of the general fund appropriation for fiscal year 1999 are
10 provided solely for the Goldendale distance learning center.

11 (11) \$3,250,000 of the general fund appropriation for fiscal year
12 1998 is provided solely for legal costs and settlement payments
13 associated with construction claims for the Vancouver branch campus and
14 the veterinary teaching hospital capital projects.

15 (12) \$680,000 of the general fund appropriation for fiscal year
16 1999 is provided solely for the management of the Spokane riverpoint
17 campus as provided in Engrossed Substitute Senate Bill No. 6717.

18 (13) \$100,000 of the fiscal year 1999 general fund appropriation is
19 provided solely for the aquatic animal health diagnostic center to
20 accommodate an unanticipated caseload increase.

21 **Sec. 606.** 1997 c 454 s 607 (uncodified) is amended to read as
22 follows:

23 **FOR CENTRAL WASHINGTON UNIVERSITY**

24	General Fund Appropriation (FY 1998)	. . . . . \$	((37,214,000))
25			<u>37,244,000</u>
26	General Fund Appropriation (FY 1999)	. . . . . \$	((38,616,000))
27			<u>38,676,000</u>
28	TOTAL APPROPRIATION	. . . . . \$	((75,830,000))
29			<u>75,920,000</u>

30 The appropriations in this section are subject to the following
31 conditions and limitations:

32 (1) \$269,000 of the general fund appropriation for fiscal year 1998
33 and \$403,000 of the general fund appropriation for fiscal year 1999
34 shall be placed in reserve. The office of financial management shall
35 approve the allotment of amounts under this subsection upon
36 notification by the higher education coordinating board. These amounts
37 are provided for the preparation of plans and for the achievement of

1 measurable and specific improvements towards performance and
2 accountability goals as outlined in section 601(3) of this act.

3 (2) \$186,000 of the general fund appropriation for fiscal year 1998
4 and \$186,000 of the general fund appropriation for fiscal year 1999 are
5 provided solely for assessment of student outcomes.

6 (3) \$70,000 of the general fund appropriation for fiscal year 1998
7 and \$70,000 of the general fund appropriation for fiscal year 1999 are
8 provided solely to recruit and retain minority students and faculty.

9 (4) \$51,000 of the general fund appropriation for fiscal year 1998
10 and \$51,000 of the general fund appropriation for fiscal year 1999 are
11 provided solely for competitively offered faculty recruitment and
12 retention salary adjustments. The college shall provide a report in
13 their 1999-01 biennial operating budget request submittal on the
14 effective expenditure of funds for the purposes of this subsection.

15 **Sec. 607.** 1997 c 454 s 608 (uncodified) is amended to read as
16 follows:

17 **FOR THE EVERGREEN STATE COLLEGE**

18	General Fund Appropriation (FY 1998)	. . . . . \$	((20,151,000))
19			<u>20,401,000</u>
20	General Fund Appropriation (FY 1999)	. . . . . \$	((20,518,000))
21			<u>20,553,000</u>
22	TOTAL APPROPRIATION	. . . . . \$	((40,669,000))
23			<u>40,954,000</u>

24 The appropriations in this section is subject to the following
25 conditions and limitations:

26 (1) \$144,000 of the general fund appropriation for fiscal year 1998
27 and \$217,000 of the general fund appropriation for fiscal year 1999
28 shall be placed in reserve. The office of financial management shall
29 approve the allotment of amounts under this subsection upon
30 notification by the higher education coordinating board. These amounts
31 are provided for the preparation of plans and for the achievement of
32 measurable and specific improvements towards performance and
33 accountability goals as outlined in section 601(3) of this act.

34 (2) \$186,000 of the general fund appropriation for fiscal year 1998
35 and \$186,000 of the general fund appropriation for fiscal year 1999 are
36 provided solely for assessment of student outcomes.

1 (3) \$47,000 of the general fund appropriation for fiscal year 1998
2 and \$47,000 of the general fund appropriation for fiscal year 1999 are
3 provided solely to recruit and retain minority students and faculty.

4 (4) \$29,000 of the general fund appropriation for fiscal year 1998
5 and \$29,000 of the general fund appropriation for fiscal year 1999 are
6 provided solely for competitively offered faculty recruitment and
7 retention salary adjustments. The college shall provide a report in
8 their 1999-01 biennial operating budget request submittal on the
9 effective expenditure of funds for the purposes of this subsection.

10 (5) \$35,000 of the general fund appropriation for fiscal year 1999
11 is provided solely for the Washington institute for public policy to
12 conduct a study of college students' employment. The study shall
13 include, but need not be limited to, matching student enrollment
14 information with unemployment insurance information. The office of
15 financial management, higher education coordinating board, state board
16 for community and technical colleges, and the employment security
17 department shall assist the institute in the performance of the study.
18 Results of the study are to be reported to the legislature by January
19 15, 1999.

20 (6) \$250,000 of the general fund appropriation for fiscal year 1998
21 is provided solely for equipment and expenses necessary to accommodate
22 enrollment growth.

23 **Sec. 608.** 1997 c 454 s 610 (uncodified) is amended to read as
24 follows:

25 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
26 **ADMINISTRATION**

27	General Fund--State Appropriation (FY 1998)	\$((2,734,000))
28		<u>2,809,000</u>
29	General Fund--State Appropriation (FY 1999)	\$((2,615,000))
30		<u>3,600,000</u>
31	General Fund--Federal Appropriation	\$ ((693,000))
32		<u>704,000</u>
33	TOTAL APPROPRIATION	\$((6,042,000))
34		<u>7,113,000</u>

35 The appropriations in this section are provided to carry out the
36 accountability, performance measurement, policy coordination, planning,
37 studies and administrative functions of the board and are subject to
38 the following conditions and limitations:

1 (1) The board shall set performance targets, review, recommend
2 changes if necessary, and approve plans defined in section 601(3)(a) of
3 this act for achieving measurable and specific improvements in academic
4 years 1997-98 and 1998-99. By October 1, 1997, the board shall notify
5 the office of financial management to allot institutions' fiscal year
6 1998 performance funds held in reserve, based upon the adequacy of
7 plans prepared by the institutions.

8 (2) The board shall develop criteria to assess institutions'
9 performance and shall use those criteria in determining the allotment
10 of performance and accountability funds. The board shall evaluate each
11 institution's achievement of performance targets for the 1997-98
12 academic year and, by ~~((August 1))~~ November 15, 1998, the board shall
13 notify the office of financial management to allot institutions' fiscal
14 year 1999 performance funds held in reserve, based upon each
15 institution's performance ~~((, except for performance funds held for
16 achievement of the student retention measure. For the student
17 retention measure, the board shall notify the office of financial
18 management by November 1, 1998, to allot institutions' fiscal year 1999
19 performance funds held in reserve, based upon each institution's
20 performance))~~.

21 (3) By January, 1999, the board shall recommend to the office of
22 financial management and appropriate legislative committees any
23 recommended additions, deletions, or revisions to the performance and
24 accountability measures in sections 601(3) of this act as part of the
25 next master plan for higher education. The recommendations shall be
26 developed in consultation with the institutions of higher education and
27 may include additional performance indicators to measure successful
28 student learning and other student outcomes for possible inclusion in
29 the 1999-01 operating budget. The recommendations shall include
30 measures of performance demonstrating specific and measurable
31 improvements related to distance education and education provided
32 primarily through technology, to be determined by the board, in
33 consultation with the institutions of higher education.

34 (4) \$280,000 of the general fund--state appropriation for fiscal
35 year 1998 and \$280,000 of the general fund--state appropriation for
36 fiscal year 1999 are provided solely for enrollment to implement RCW
37 28B.80.570 through 28B.80.585 (rural natural resources impact areas).
38 The number of students served shall be 50 full-time equivalent students
39 per fiscal year. The board shall ensure that enrollments reported

1 under this subsection meet the criteria outlined in RCW 28B.80.570
2 through 28B.80.585.

3 (5) \$70,000 of the general fund--state appropriation for fiscal
4 year 1998 and \$70,000 of the general fund--state appropriation for
5 fiscal year 1999 are provided to develop a competency based admissions
6 system for higher education institutions. The board shall complete the
7 competency based admissions system and issue a report outlining the
8 competency based admissions system by January 1999.

9 (6) \$500,000 of the general fund--state appropriation for fiscal
10 year 1998 and \$500,000 of the general fund--state appropriation for
11 fiscal year 1999 are provided solely for activities related to higher
12 education facilities planning, project monitoring, and access issues
13 related to capital facilities. Of this amount, \$50,000 is provided for
14 a study of higher education needs of Okanogan county and surrounding
15 communities with consideration given to alternative approaches to
16 educational service delivery, facility expansion, relocation or
17 partnership, and long-term growth and future educational demands of the
18 region.

19 (7) \$150,000 of the general fund--state appropriation for fiscal
20 year 1998 is provided solely as one-time funding for computer upgrades.

21 (8) \$75,000 of the general fund--state appropriation for fiscal
22 year 1998 and \$175,000 of the general fund--state appropriation for
23 fiscal year 1999 are provided solely to conduct a higher education and
24 economic assessment of the Spokane area as described in Substitute
25 Senate Bill No. 6717 (joint center for higher education).

26 (9) \$810,000 of the general fund--state appropriation for fiscal
27 year 1999 is provided solely to complete the cooperative library
28 project for the four-year public higher education institutions. Funds
29 shall be transferred to the University of Washington for one-time
30 equipment acquisition, ongoing support of the system, and acquisition
31 of shared electronic journals for use by all the member institutions.

32 **Sec. 609.** 1997 c 454 s 611 (uncodified) is amended to read as
33 follows:

34 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
35 **PROGRAMS**

36	General Fund--State Appropriation (FY 1998) . . . \$	((89,369,000))
37		89,781,000
38	General Fund--State Appropriation (FY 1999) . . . \$	((96,209,000))

1		97,232,000
2	General Fund--Federal Appropriation \$	((8,255,000))
3		<u>8,278,000</u>
4	<u>Advanced College Tuition Payment Program Account</u>	
5	<u>Appropriation</u> \$	<u>1,198,000</u>
6	TOTAL APPROPRIATION \$	((193,833,000))
7		<u>196,489,000</u>

8 The appropriations in this section are subject to the following
9 conditions and limitations:

10 (1) \$527,000 of the general fund--state appropriation for fiscal
11 year 1998 and \$526,000 of the general fund--state appropriation for
12 fiscal year 1999 are provided solely for the displaced homemakers
13 program.

14 (2) \$216,000 of the general fund--state appropriation for fiscal
15 year 1998 and \$220,000 of the general fund--state appropriation for
16 fiscal year 1999 are provided solely for the western interstate
17 commission for higher education.

18 (3) \$118,000 of the general fund--state appropriation for fiscal
19 year 1998 and \$118,000 of the general fund--state appropriation for
20 fiscal year 1999 are provided solely for the health personnel resources
21 plan.

22 (4) \$1,000,000 of the general fund--state appropriation for fiscal
23 year 1998 and \$1,000,000 of the general fund--state appropriation for
24 fiscal year 1999 are provided solely for the scholarships and loans
25 program under chapter 28B.115 RCW, the health professional conditional
26 scholarship program. This amount shall be deposited to the health
27 professional loan repayment and scholarship trust fund to carry out the
28 purposes of the program.

29 (5) \$86,783,000 of the general fund--state appropriation for fiscal
30 year 1998 and \$93,728,000 of the general fund--state appropriation for
31 fiscal year 1999 are provided solely for student financial aid,
32 including all administrative costs. The amounts in (a), (b), and (c)
33 of this subsection are sufficient to implement Second Substitute House
34 Bill No. 1851 (higher education financial aid). Of these amounts:

35 (a) \$67,266,000 of the general fund--state appropriation for fiscal
36 year 1998 and \$73,968,000 of the general fund--state appropriation for
37 fiscal year 1999 are provided solely for the state need grant program.
38 ((+ii)) After April 1 of each fiscal year, up to one percent of the

1 annual appropriation for the state need grant program may be
2 transferred to the state work study program.

3 (b) \$15,350,000 of the general fund--state appropriation for fiscal
4 year 1998 and \$15,350,000 of the general fund--state appropriation for
5 fiscal year 1999 are provided solely for the state work study program.
6 After April 1 of each fiscal year, up to one percent of the annual
7 appropriation for the state work study program may be transferred to
8 the state need grant program;

9 (c) \$2,420,000 of the general fund--state appropriation for fiscal
10 year 1998 and \$2,420,000 of the general fund--state appropriation for
11 fiscal year 1999 are provided solely for educational opportunity
12 grants. For the purpose of establishing eligibility for the equal
13 opportunity grant program for placebound students under RCW
14 28B.101.020, Thurston county lies within the branch campus service area
15 of the Tacoma branch campus of the University of Washington;

16 (d) A maximum of 2.1 percent of the general fund--state
17 appropriation for fiscal year 1998 and 2.1 percent of the general
18 fund--state appropriation for fiscal year 1999 may be expended for
19 financial aid administration, excluding the four percent state work
20 study program administrative allowance provision;

21 (e) \$230,000 of the general fund--state appropriation for fiscal
22 year 1998 and \$201,000 of the general fund--state appropriation for
23 fiscal year 1999 are provided solely for the educator's excellence
24 awards. Any educator's excellence moneys not awarded by April 1st of
25 each year may be transferred by the board to either the Washington
26 scholars program or, in consultation with the workforce training and
27 education coordinating board, to the Washington award for vocational
28 excellence;

29 (f) \$1,011,000 of the general fund--state appropriation for fiscal
30 year 1998 and \$1,265,000 of the general fund--state appropriation for
31 fiscal year 1999 are provided solely to implement the Washington
32 scholars program. Any Washington scholars program moneys not awarded
33 by April 1st of each year may be transferred by the board to either the
34 educator's excellence awards or, in consultation with the workforce
35 training and education coordinating board, to the Washington award for
36 vocational excellence;

37 (g) \$456,000 of the general fund--state appropriation for fiscal
38 year 1998 and \$474,000 of the general fund--state appropriation for
39 fiscal year 1999 are provided solely to implement Washington award for

1 vocational excellence program. Any Washington award for vocational
2 program moneys not awarded by April 1st of each year may be transferred
3 by the board to either the educator's excellence awards or the
4 Washington scholars program;

5 (h) \$51,000 of the general fund--state appropriation for fiscal
6 year 1998 and \$51,000 of the general fund--state appropriation for
7 fiscal year 1999 are provided solely for community scholarship matching
8 grants of \$2,000 each. To be eligible for the matching grant, a
9 nonprofit community organization organized under section 501(c)(3) of
10 the internal revenue code must demonstrate that it has raised \$2,000 in
11 new moneys for college scholarships after the effective date of this
12 act. No organization may receive more than one \$2,000 matching grant;
13 and

14 (6) (~~(\$175,000 of the general fund--state appropriation for fiscal~~
15 ~~year 1998 and \$175,000 of the general fund--state appropriation for~~
16 ~~fiscal year 1999 are provided solely to implement Engrossed Second~~
17 ~~Substitute House Bill No. 1372 or Second Substitute Senate Bill No.~~
18 ~~5106 (Washington advanced college tuition payment program). If neither~~
19 ~~Engrossed Second Substitute House Bill No. 1372 nor Second Substitute~~
20 ~~Senate Bill No. 5106 is enacted by June 30, 1997, the amounts provided~~
21 ~~in this subsection shall lapse.)) \$587,000 of the general fund--state
22 appropriation for fiscal year 1998 and \$1,198,000 of the general fund--
23 state appropriation for fiscal year 1999 are provided solely for
24 working capital for the advanced tuition payment program. The funds
25 provided in this subsection may be expended only to the extent that
26 revenue from application fees and interest earnings deposited in the
27 advanced college tuition payment program account are insufficient to
28 support program operation. Prior to the end of fiscal year 1999,
29 expenditures shall be transferred between funds to the extent that
30 program application fees and interest earnings are available to
31 minimize the expenditure from the general fund.~~

32 (7) \$187,000 of the general fund--state appropriation for fiscal
33 year 1998 and \$188,000 of the general fund--state appropriation for
34 fiscal year 1999 are provided solely for a demonstration project in the
35 1997-99 biennium to provide undergraduate fellowships based upon the
36 graduate fellowship program.

37 (8) Funding is provided in this section for the development of
38 three models for tuition charges for distance learning programs.
39 Institutions involved in distance education or extended learning shall

1 provide information to the board on the usage, cost, and revenue
2 generated by such programs.

3 **Sec. 610.** 1997 c 149 s 612 (uncodified) is amended to read as
4 follows:

5 **FOR THE JOINT CENTER FOR HIGHER EDUCATION**

6	General Fund Appropriation (FY 1998)	\$	1,469,000
7	((General Fund Appropriation (FY 1999)	\$	1,470,000))
8	TOTAL APPROPRIATION	\$	((2,939,000))
9			<u>1,469,000</u>

10 **Sec. 611.** 1997 c 149 s 614 (uncodified) is amended to read as
11 follows:

12 **FOR WASHINGTON STATE LIBRARY**

13	General Fund--State Appropriation (FY 1998) . . . \$	((7,483,000))
14		<u>7,533,000</u>
15	General Fund--State Appropriation (FY 1999) . . . \$	((7,281,000))
16		<u>7,531,000</u>
17	General Fund--Federal Appropriation \$	((4,847,000))
18		<u>6,817,000</u>
19	TOTAL APPROPRIATION \$	((19,611,000))
20		<u>21,881,000</u>

21 The appropriations in this section are subject to the following
22 conditions and limitations:

23 (1) At least \$2,524,000 shall be expended for a contract with the
24 Seattle public library for library services for the Washington book and
25 braille library.

26 (2) \$198,000 of the general fund--state appropriation for fiscal
27 year 1998 ~~((is))~~ and \$200,000 of the general fund--state appropriation
28 for fiscal year 1999 are provided solely for the state library to
29 continue the government information locator service in accordance with
30 chapter 171, Laws of 1996. The state library, in consultation with
31 interested parties, shall prepare an evaluation of the government
32 information locator service by October 1, 1997. The evaluation shall
33 include a cost-benefit analysis, a determination of fiscal impacts to
34 the state, and programmatic information. The evaluation report shall
35 be provided to the appropriate legislative fiscal committees.

1 **Sec. 612.** 1997 c 149 s 616 (uncodified) is amended to read as
2 follows:

3 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

4	General Fund Appropriation (FY 1998)	\$((2,502,000))
5		<u>2,658,000</u>
6	General Fund Appropriation (FY 1999)	\$((2,531,000))
7		<u>2,695,000</u>
8	TOTAL APPROPRIATION	\$((5,033,000))
9		<u>5,353,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations:

12 (1) \$216,200 of the general fund appropriation for fiscal year 1998
13 and \$216,200 of the general fund appropriation for fiscal year 1999 are
14 provided solely for exhibit and educational programming.

15 (2) \$156,000 of the general fund appropriation for fiscal year 1998
16 and \$164,000 of the general fund appropriation for fiscal year 1999 are
17 provided solely for the temporary relocation of research center
18 operations.

19 **Sec. 613.** 1997 c 149 s 618 (uncodified) is amended to read as
20 follows:

21 **FOR THE STATE SCHOOL FOR THE BLIND**

22	General Fund--State Appropriation (FY 1998)	\$((3,714,000))
23		<u>3,723,000</u>
24	General Fund--State Appropriation (FY 1999)	\$((3,738,000))
25		<u>3,747,000</u>
26	General Fund--Private/Local Appropriation	\$ ((192,000))
27		<u>418,000</u>
28	TOTAL APPROPRIATION	\$((7,644,000))
29		<u>7,888,000</u>

30 **Sec. 614.** 1997 c 149 s 619 (uncodified) is amended to read as
31 follows:

32 **FOR THE STATE SCHOOL FOR THE DEAF**

33	General Fund Appropriation (FY 1998)	\$ ((6,458,000))
34		<u>6,467,000</u>
35	General Fund Appropriation (FY 1999)	\$ ((6,459,000))
36		<u>6,468,000</u>

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PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 1997 c 149 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL FUND BOND DEBT

General Fund Appropriation (FY 1998)	\$	((447,283,000))
		<u>448,355,000</u>
General Fund Appropriation (FY 1999)	\$	((485,077,000))
		<u>484,005,000</u>
General Fund Bonds Subject to the Limit Bond		
Retirement Account Appropriation	\$	932,360,000
TOTAL APPROPRIATION	\$	\$1,864,720,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for deposit into the general fund bonds subject to the limit bond retirement account.

Sec. 702. 1997 c 149 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund Appropriation (FY 1998)	\$	((23,096,000))
		<u>23,186,000</u>
General Fund Appropriation (FY 1999)	\$	((25,603,000))
		<u>25,642,000</u>
General Fund Bonds Excluded from the Limit		
Bond Retirement Account Appropriation	\$	((48,699,000))
		<u>48,828,000</u>
Reimbursable Bonds Excluded from the Limit Bond		
Retirement Account Appropriation	\$	104,933,000
Reimbursable Bonds Subject to the Limit Bond		
Retirement Account Appropriation	\$	((402,000))
		<u>2,264,000</u>
TOTAL APPROPRIATION	\$	((202,733,000))

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The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for deposit into the general fund bonds excluded from the limit bond retirement account.

Sec. 703. 1997 c 149 s 705 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund Appropriation (FY 1998)	. . . . .	\$	475,000
General Fund Appropriation (FY 1999)	. . . . .	\$	475,000
Higher Education Construction Account Appropriation	.	\$	((215,000))
			<u>440,000</u>
State Building Construction Account Appropriation	. .	\$	((6,374,000))
			<u>7,683,000</u>
Public Safety Reimbursable Bond Account Appropriation	\$	((8,000))	
			<u>23,000</u>
TOTAL APPROPRIATION	. . . . .	\$	((7,547,000))
			<u>9,096,000</u>

Total Bond Retirement and Interest Appropriations contained in sections 701 through 705 of this act \$ ((2,121,748,000))
2,125,417,000

NEW SECTION. **Sec. 704.** A new section is added to 1997 c 149 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--FOR PAYMENT OF TORT CLAIM

General Fund Appropriation (FY 1999)	\$	11,608,000
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Sec. 705. 1997 c 149 s 710 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--YEAR 2000 ALLOCATIONS

General Fund--State Appropriation (FY 1998)	. . . \$	3,380,000
General Fund--State Appropriation (FY 1999)	. . . \$	1,960,000
General Fund--Federal Appropriation	. . . . . \$	2,883,000
Liquor Revolving Account Appropriation	. . . . . \$	131,000
Health Care Authority Administrative Account		

1	Appropriation	\$	631,000
2	Accident Account Appropriation	\$	1,102,000
3	Medical Aid Account Appropriation	\$	1,102,000
4	Unemployment Compensation Administration Account--		
5	Federal Appropriation	\$	1,313,000
6	(Administrative Contingency Account		
7	Appropriation	\$	948,000)
8	Employment Services Administrative Account		
9	Appropriation	\$	((500,000))
10			<u>461,000</u>
11	Forest Development Account Appropriation	\$	156,000
12	Off Road Vehicle Account Appropriation	\$	7,000
13	Surveys and Maps Account Appropriation	\$	1,000
14	Aquatic Lands Enhancement Account Appropriation	\$	8,000
15	Resource Management Cost Account Appropriation	\$	348,000
16	TOTAL APPROPRIATION	\$	((14,470,000))
17			<u>8,143,000</u>

18 The appropriations in this section are subject to the following
19 conditions and limitations:

20 (1) The appropriations will be allocated by the office of financial
21 management to agencies to complete Year 2000 date conversion
22 maintenance on their computer systems. Agencies shall submit their
23 estimated costs of conversion to the office of financial management by
24 July 1, 1997.

25 (2) Up to \$10,000,000 of the cash balance of the data processing
26 revolving account may be expended on agency Year 2000 date conversion
27 costs. The \$10,000,000 will be taken from the cash balances of the
28 data processing revolving account's two major users, as follows:
29 \$7,000,000 from the department of information services and \$3,000,000
30 from the office of financial management. The office of financial
31 management in consultation with the department of information services
32 shall allocate these funds as needed to complete the date conversion
33 projects.

34 (3) Agencies receiving these allocations shall report at a minimum
35 to the information services board and to the governor every six months
36 on the progress of Year 2000 maintenance efforts.

37 NEW SECTION. **Sec. 706.** A new section is added to 1997 c 149
38 (uncodified) to read as follows:

1 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--YEAR 2000 CONVERSION**

2	General Fund Appropriation (FY 1998)	\$	233,000
3	General Fund Appropriation (FY 1999)	\$	33,000
4	Hospital Commission Account Appropriation	\$	115,000
5	Architects' License Account Appropriation	\$	3,000
6	Professional Engineers' Account Appropriation	\$	9,000
7	Real Estate Commission Account Appropriation	\$	24,000
8	Health Professions Account Appropriation	\$	275,000
9	Master License Account Appropriation	\$	70,000
10	Safe Drinking Water Account Appropriation	\$	50,000
11	Uniform Commercial Code Account Appropriation	\$	11,000
12	Unemployment Compensation Administration Account--		
13	Federal Appropriation	\$	3,245,000
14	Department of Retirement Systems Expense Account		
15	Appropriation	\$	890,000
16	Health Services Account Appropriation	\$	254,000
17	TOTAL APPROPRIATION	\$	5,212,000

18 The appropriations in this section are subject to the following
 19 conditions and limitations:

20 (1) The appropriations will be allocated by the office of financial
 21 management to agencies to perform Year 2000 date conversion maintenance
 22 on their computer systems.

23 (2) Agencies receiving these allocations shall report at a minimum
 24 to the information services board and to the governor every six months
 25 on the progress of Year 2000 maintenance efforts.

26 NEW SECTION. **Sec. 707.** A new section is added to 1997 c 149
 27 (uncodified) to read as follows:

28 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--YEAR 2000 CONTINGENCY POOL**

29	General Fund Appropriation (FY 1998)	\$	800,000
30	General Fund Appropriation (FY 1999)	\$	4,200,000
31	Year 2000 Contingency Revolving Account		
32	Appropriation	\$	5,000,000
33	TOTAL APPROPRIATION	\$	10,000,000

34 The appropriations in this section are subject to the following
 35 conditions and limitations:

1 (1) The appropriations will be allocated by the office of financial
2 management, in consultation with the department of information systems,
3 to agencies to perform Year 2000 maintenance on their computer systems.

4 (2) To facilitate the transfer of moneys from dedicated funds and
5 accounts, the state treasurer is directed to transfer sufficient moneys
6 from each dedicated fund or account to the Year 2000 contingency
7 revolving account, hereby created in the state treasury, in accordance
8 with schedules provided by the office of financial management for
9 additional Year 2000 maintenance on their computer systems.

10 (3) All agencies that receive these allocations will report upon
11 request throughout the biennium to the information services board and
12 to the governor on the progress of Year 2000 maintenance efforts.

13 NEW SECTION. **Sec. 708.** A new section is added to 1997 c 149
14 (uncodified) to read as follows:

15 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
16 be necessary, are appropriated from the general fund, unless otherwise
17 indicated, for relief of various individuals, firms, and corporations
18 for sundry claims. These appropriations are to be disbursed on
19 vouchers approved by the director of general administration, except as
20 otherwise provided, as follows:

21 (1) Reimbursement of criminal defendants acquitted on the basis of
22 self-defense, pursuant to RCW 9A.16.110:

23 (a) Steven M. Lauritz, claim number SCJ 97-11	\$ 2,534
24 (b) George Greenland, claim number SCJ 97-13	\$16,235
25 (c) Edwin H. Evans, claim number SCJ 97-14	\$ 3,997
26 (d) Bryan E. Vance, claim number SCJ 97-16	\$14,866
27 (e) Jesse L. Smith, claim number SCJ 97-17	\$23,027
28 (f) Thomas N. Klein, claim number SCJ 97-18	\$14,338
29 (g) John F. Richards, claim number SCJ 97-19	\$ 7,335
30 (h) Anthony C. Otto, claim number SCJ 97-09	\$16,962
31 (i) Eric C. Swanson, claim number SCJ 97-21	\$86,153

32 (2) Payment from the state wildlife account for damage to crops by
33 wildlife, pursuant to RCW 77.36.040:

34 (a) D.F. Spurgeon, claim number SCG 97-03	\$ 980
35 (b) Kenneth Kunes, claim number SCG 97-06	\$ 2,288

36 NEW SECTION. **Sec. 709.** A new section is added to 1997 c 149
37 (uncodified) to read as follows:

1 **TRANSPORTATION FUND.** (1) The sum of three million dollars is
2 appropriated from the general fund to the transportation fund for
3 fiscal year 1998.

4 (2) The sum of nine million six hundred fifty thousand dollars is
5 appropriated from the general fund to the transportation fund for
6 fiscal year 1999.

7 **Sec. 710.** 1997 c 454 s 703 (uncodified) is amended to read as
8 follows:

9 **SALARY COST OF LIVING ADJUSTMENT**

10	General Fund--State Appropriation (FY 1998) . . . \$	31,031,000
11	General Fund--State Appropriation (FY 1999) . . . \$	31,421,000
12	General Fund--Federal Appropriation \$	((17,578,000))
13		<u>20,355,000</u>
14	Salary and Insurance Increase Revolving Account	
15	Appropriation \$	((48,678,000))
16		<u>45,901,000</u>
17	TOTAL APPROPRIATION \$	128,708,000

18 The appropriations in this section shall be expended solely for the
19 purposes designated in this section and are subject to the conditions
20 and limitations in this section:

21 (1) In addition to the purposes set forth in subsections (2) and
22 (3) of this section, appropriations in this section are provided solely
23 for a 3.0 percent salary increase effective July 1, 1997, for all
24 classified employees, including those employees in the Washington
25 management service, and exempt employees under the jurisdiction of the
26 personnel resources board.

27 (2) The appropriations in this section are sufficient to fund a 3.0
28 percent salary increase effective July 1, 1997, for general government,
29 legislative, and judicial employees exempt from merit system rules
30 whose salaries are not set by the commission on salaries for elected
31 officials.

32 (3) The salary and insurance increase revolving account
33 appropriation in this section includes funds sufficient to fund a 3.0
34 percent salary increase effective July 1, 1997, for ferry workers
35 consistent with the 1997-99 transportation appropriations act.

36 (4) No salary increase may be paid under this section to any person
37 whose salary has been Y-rated pursuant to rules adopted by the
38 personnel resources board.

1 **Sec. 711.** 1997 c 149 s 717 (uncodified) is amended to read as
2 follows:

3 **INCENTIVE SAVINGS--FY 1998.** The sum of seventy-five million
4 dollars or so much thereof as may be available on June 30, 1998, from
5 the total amount of unspent fiscal year 1998 state general fund
6 appropriations is appropriated for the purposes of House Bill No. 2240
7 or Substitute Senate Bill No. 6045 in the manner provided in this
8 section.

9 (1) Of the total appropriated amount, one-half of that portion that
10 is attributable to incentive savings, not to exceed twenty-five million
11 dollars, is appropriated to the savings incentive account for the
12 purpose of improving the quality, efficiency, and effectiveness of
13 agency services, and credited to the agency that generated the savings.

14 (2) The remainder of the total amount, not to exceed seventy
15 million dollars, is appropriated to the education savings account (~~for~~
16 ~~the purpose of common school construction projects and education~~
17 ~~technology~~)).

18 (3) For purposes of this section, the total amount of unspent state
19 general fund appropriations does not include the appropriations made in
20 this section or any amounts included in across-the-board allotment
21 reductions under RCW 43.88.110.

22 **Sec. 712.** 1997 c 149 s 718 (uncodified) is amended to read as
23 follows:

24 **INCENTIVE SAVINGS--FY 1999.** The sum of seventy-five million
25 dollars or so much thereof as may be available on June 30, 1999, from
26 the total amount of unspent fiscal year 1999 state general fund
27 appropriations is appropriated for the purposes of House Bill No. 2240
28 or Substitute Senate Bill No. 6045 in the manner provided in this
29 section.

30 (1) Of the total appropriated amount, one-half of that portion that
31 is attributable to incentive savings, not to exceed twenty-five million
32 dollars, is appropriated to the savings incentive account for the
33 purpose of improving the quality, efficiency, and effectiveness of
34 agency services, and credited to the agency that generated the savings.

35 (2) The remainder of the total amount, not to exceed seventy
36 million dollars, is appropriated to the education savings account (~~for~~
37 ~~the purpose of common school construction projects and education~~
38 ~~technology~~)).

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 1997 c 454 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance		
premiums distribution	\$	6,617,250
General Fund Appropriation for public utility		
district excise tax distribution	\$	35,183,803
General Fund Appropriation for prosecuting attorneys		
salaries	\$	2,960,000
General Fund Appropriation for motor vehicle excise		
tax distribution	\$	84,721,573
General Fund Appropriation for local mass transit		
assistance	\$	383,208,166
General Fund Appropriation for camper and travel		
trailer excise tax distribution	\$	3,904,937
General Fund Appropriation for boating		
safety/education and law enforcement		
distribution	\$	3,616,000
Aquatic Lands Enhancement Account Appropriation		
for harbor improvement revenue		
distribution	\$	142,000
Liquor Excise Tax Account Appropriation for liquor		
excise tax distribution	\$	22,287,746
Liquor Revolving Fund Appropriation for liquor		
profits distribution	\$	36,989,000
Timber Tax Distribution Account Appropriation		
for distribution to "Timber" counties	\$	107,146,000
Municipal Sales and Use Tax Equalization Account		
Appropriation	\$	66,860,014
County Sales and Use Tax Equalization Account		
Appropriation	\$	11,843,224
Death Investigations Account Appropriation for		
distribution to counties for publicly funded		
autopsies	\$	1,266,000

1	County Criminal Justice Account Appropriation . . . \$	80,634,471
2	Municipal Criminal Justice Account	
3	Appropriation \$	32,042,450
4	County Public Health Account Appropriation . . . \$	((43,773,588))
5		<u>43,854,588</u>
6	TOTAL APPROPRIATION \$	((923,196,222))
7		<u>923,277,222</u>

8 The total expenditures from the state treasury under the
9 appropriations in this section shall not exceed the funds available
10 under statutory distributions for the stated purposes.

11 NEW SECTION. **Sec. 802. EMERGENCY RESERVE FUND.** By June 30, 1998,
12 the state treasurer shall deposit one hundred million dollars from the
13 state general fund into the emergency reserve fund under RCW
14 43.135.045.

15 **Sec. 803.** 1997 c 454 s 802 (uncodified) is amended to read as
16 follows:

17 **FOR THE STATE TREASURER--TRANSFERS**

18	General Fund: For transfer to the Water Quality	
19	Account \$	((26,607,000))
20		<u>28,595,900</u>
21	General Fund: For transfer to the Flood Control	
22	Assistance Account \$	4,000,000
23	State Convention and Trade Center Account: For	
24	transfer to the State Convention and Trade	
25	Center Operations Account \$	3,877,000
26	Water Quality Account: For transfer to the Water	
27	Pollution Control Account. Transfers shall be	
28	made at intervals coinciding with deposits of	
29	federal capitalization grant money into the	
30	account. The amounts transferred shall not	
31	exceed the match required for each federal	
32	deposit \$	21,688,000
33	State Treasurer's Service Account: For transfer to	
34	the general fund on or before June 30, 1999 an	
35	amount up to \$3,600,000 in excess of the cash	
36	requirements of the State Treasurer's Service	
37	Account \$	3,600,000

1	Public Works Assistance Account: For transfer to	
2	the Drinking Water Assistance Account \$	9,949,000
3	County Sales and Use Tax Equalization Account:	
4	For transfer to the County Public Health	
5	Account \$	((1,686,000))
6		<u>1,767,000</u>

7 (End of part)

1 (3) For the 1997-99 biennium, the education technology revolving
2 fund may be used for the allowable purposes set forth in subsection (1)
3 of this section and for network operations, transport, maintenance, and
4 depreciation of on-site data and shared infrastructure. During the
5 1997-99 biennium, the fund shall not be used for local
6 telecommunications infrastructure or the maintenance and depreciation
7 of local network services or other uses prohibited in subsection (1) of
8 this section. All federal moneys received for these services
9 established by 47 U.S.C. Sec. 245(h) shall be deposited in this account
10 to be used for eligible services as provided by federal law and federal
11 communications commission rules.

12 **Sec. 903.** RCW 43.88.030 and 1997 c 168 s 5 and 1997 c 96 s 4 are
13 each reenacted and amended to read as follows:

14 (1) The director of financial management shall provide all agencies
15 with a complete set of instructions for submitting biennial budget
16 requests to the director at least three months before agency budget
17 documents are due into the office of financial management. The
18 director shall provide agencies that are required under RCW 44.40.070
19 to develop comprehensive six-year program and financial plans with a
20 complete set of instructions for submitting these program and financial
21 plans at the same time that instructions for submitting other budget
22 requests are provided. The budget document or documents shall consist
23 of the governor's budget message which shall be explanatory of the
24 budget and shall contain an outline of the proposed financial policies
25 of the state for the ensuing fiscal period, as well as an outline of
26 the proposed six-year financial policies where applicable, and shall
27 describe in connection therewith the important features of the budget.
28 The message shall set forth the reasons for salient changes from the
29 previous fiscal period in expenditure and revenue items and shall
30 explain any major changes in financial policy. Attached to the budget
31 message shall be such supporting schedules, exhibits and other
32 explanatory material in respect to both current operations and capital
33 improvements as the governor shall deem to be useful to the
34 legislature. The budget document or documents shall set forth a
35 proposal for expenditures in the ensuing fiscal period, or six-year
36 period where applicable, based upon the estimated revenues and
37 caseloads as approved by the economic and revenue forecast council and
38 caseload forecast council or upon the estimated revenues and caseloads

1 of the office of financial management for those funds, accounts,
2 sources, and programs for which the forecast councils do not prepare an
3 official forecast, including those revenues anticipated to support the
4 six-year programs and financial plans under RCW 44.40.070. In
5 estimating revenues to support financial plans under RCW 44.40.070, the
6 office of financial management shall rely on information and advice
7 from the interagency revenue task force. Revenues shall be estimated
8 for such fiscal period from the source and at the rates existing by law
9 at the time of submission of the budget document, including the
10 supplemental budgets submitted in the even-numbered years of a
11 biennium. However, the estimated revenues and caseloads for use in the
12 governor's budget document may be adjusted to reflect budgetary revenue
13 transfers and revenue and caseload estimates dependent upon budgetary
14 assumptions of enrollments, workloads, and caseloads. All adjustments
15 to the approved estimated revenues and caseloads must be set forth in
16 the budget document. The governor may additionally submit, as an
17 appendix to each supplemental, biennial, or six-year agency budget or
18 to the budget document or documents, a proposal for expenditures in the
19 ensuing fiscal period from revenue sources derived from proposed
20 changes in existing statutes.

21 Supplemental and biennial documents shall reflect a six-year
22 expenditure plan consistent with estimated revenues from existing
23 sources and at existing rates for those agencies required to submit
24 six-year program and financial plans under RCW 44.40.070. Any
25 additional revenue resulting from proposed changes to existing statutes
26 shall be separately identified within the document as well as related
27 expenditures for the six-year period.

28 The budget document or documents shall also contain:

29 (a) Revenues classified by fund and source for the immediately past
30 fiscal period, those received or anticipated for the current fiscal
31 period, those anticipated for the ensuing biennium, and those
32 anticipated for the ensuing six-year period to support the six-year
33 programs and financial plans required under RCW 44.40.070;

34 (b) The undesignated fund balance or deficit, by fund;

35 (c) Such additional information dealing with expenditures,
36 revenues, workload, performance, and personnel as the legislature may
37 direct by law or concurrent resolution;

1 (d) Such additional information dealing with revenues and
2 expenditures as the governor shall deem pertinent and useful to the
3 legislature;

4 (e) Tabulations showing expenditures classified by fund, function,
5 activity, and ((object)) agency;

6 (f) A delineation of each agency's activities, including those
7 activities funded from nonbudgeted, nonappropriated sources, including
8 funds maintained outside the state treasury;

9 (g) Identification of all proposed direct expenditures to implement
10 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
11 agency and in total; and

12 (h) Tabulations showing each postretirement adjustment by
13 retirement system established after fiscal year 1991, to include, but
14 not be limited to, estimated total payments made to the end of the
15 previous biennial period, estimated payments for the present biennium,
16 and estimated payments for the ensuing biennium.

17 (2) The budget document or documents shall include detailed
18 estimates of all anticipated revenues applicable to proposed operating
19 or capital expenditures and shall also include all proposed operating
20 or capital expenditures. The total of beginning undesignated fund
21 balance and estimated revenues less working capital and other reserves
22 shall equal or exceed the total of proposed applicable expenditures.
23 The budget document or documents shall further include:

24 (a) Interest, amortization and redemption charges on the state
25 debt;

26 (b) Payments of all reliefs, judgments and claims;

27 (c) Other statutory expenditures;

28 (d) Expenditures incident to the operation for each agency;

29 (e) Revenues derived from agency operations;

30 (f) Expenditures and revenues shall be given in comparative form
31 showing those incurred or received for the immediately past fiscal
32 period and those anticipated for the current biennium and next ensuing
33 biennium, as well as those required to support the six-year programs
34 and financial plans required under RCW 44.40.070;

35 (g) A showing and explanation of amounts of general fund and other
36 funds obligations for debt service and any transfers of moneys that
37 otherwise would have been available for appropriation;

38 (h) Common school expenditures on a fiscal-year basis;

1 (i) A showing, by agency, of the value and purpose of financing
2 contracts for the lease/purchase or acquisition of personal or real
3 property for the current and ensuing fiscal periods; and

4 (j) A showing and explanation of anticipated amounts of general
5 fund and other funds required to amortize the unfunded actuarial
6 accrued liability of the retirement system specified under chapter
7 41.45 RCW, and the contributions to meet such amortization, stated in
8 total dollars and as a level percentage of total compensation.

9 (3) A separate capital budget document or schedule shall be
10 submitted that will contain the following:

11 (a) A statement setting forth a long-range facilities plan for the
12 state that identifies and includes the highest priority needs within
13 affordable spending levels;

14 (b) A capital program consisting of proposed capital projects for
15 the next biennium and the two biennia succeeding the next biennium
16 consistent with the long-range facilities plan. Inasmuch as is
17 practical, and recognizing emergent needs, the capital program shall
18 reflect the priorities, projects, and spending levels proposed in
19 previously submitted capital budget documents in order to provide a
20 reliable long-range planning tool for the legislature and state
21 agencies;

22 (c) A capital plan consisting of proposed capital spending for at
23 least four biennia succeeding the next biennium;

24 (d) A strategic plan for reducing backlogs of maintenance and
25 repair projects. The plan shall include a prioritized list of specific
26 facility deficiencies and capital projects to address the deficiencies
27 for each agency, cost estimates for each project, a schedule for
28 completing projects over a reasonable period of time, and
29 identification of normal maintenance activities to reduce future
30 backlogs;

31 (e) A statement of the reason or purpose for a project;

32 (f) Verification that a project is consistent with the provisions
33 set forth in chapter 36.70A RCW;

34 (g) A statement about the proposed site, size, and estimated life
35 of the project, if applicable;

36 (h) Estimated total project cost;

37 (i) For major projects valued over five million dollars, estimated
38 costs for the following project components: Acquisition, consultant
39 services, construction, equipment, project management, and other costs

1 included as part of the project. Project component costs shall be
2 displayed in a standard format defined by the office of financial
3 management to allow comparisons between projects;

4 (j) Estimated total project cost for each phase of the project as
5 defined by the office of financial management;

6 (k) Estimated ensuing biennium costs;

7 (l) Estimated costs beyond the ensuing biennium;

8 (m) Estimated construction start and completion dates;

9 (n) Source and type of funds proposed;

10 (o) Estimated ongoing operating budget costs or savings resulting
11 from the project, including staffing and maintenance costs;

12 (p) For any capital appropriation requested for a state agency for
13 the acquisition of land or the capital improvement of land in which the
14 primary purpose of the acquisition or improvement is recreation or
15 wildlife habitat conservation, the capital budget document, or an
16 omnibus list of recreation and habitat acquisitions provided with the
17 governor's budget document, shall identify the projected costs of
18 operation and maintenance for at least the two biennia succeeding the
19 next biennium. Omnibus lists of habitat and recreation land
20 acquisitions shall include individual project cost estimates for
21 operation and maintenance as well as a total for all state projects
22 included in the list. The document shall identify the source of funds
23 from which the operation and maintenance costs are proposed to be
24 funded;

25 (q) Such other information bearing upon capital projects as the
26 governor deems to be useful;

27 (r) Standard terms, including a standard and uniform definition of
28 normal maintenance, for all capital projects;

29 (s) Such other information as the legislature may direct by law or
30 concurrent resolution.

31 For purposes of this subsection (3), the term "capital project"
32 shall be defined subsequent to the analysis, findings, and
33 recommendations of a joint committee comprised of representatives from
34 the house capital appropriations committee, senate ways and means
35 committee, legislative transportation committee, legislative evaluation
36 and accountability program committee, and office of financial
37 management.

38 (4) No change affecting the comparability of agency or program
39 information relating to expenditures, revenues, workload, performance

1 and personnel shall be made in the format of any budget document or
2 report presented to the legislature under this section or RCW
3 43.88.160(1) relative to the format of the budget document or report
4 which was presented to the previous regular session of the legislature
5 during an odd-numbered year without prior legislative concurrence.
6 Prior legislative concurrence shall consist of (a) a favorable majority
7 vote on the proposal by the standing committees on ways and means of
8 both houses if the legislature is in session or (b) a favorable
9 majority vote on the proposal by members of the legislative evaluation
10 and accountability program committee if the legislature is not in
11 session.

12 NEW SECTION. **Sec. 904.** This act shall not be construed as
13 affecting any right or cause of action asserted in *Washington State*
14 *Legislature v. State of Washington* (Thurston county superior court
15 cause no. 98-2-00105-1).

16 **Sec. 905.** If any provision of this act or its application to any
17 person or circumstance is held invalid, the remainder of the act or the
18 application of the provision to other persons or circumstances is not
19 affected.

20 **Sec. 906.** This act is necessary for the immediate preservation of
21 the public peace, health, or safety, or support of the state government
22 and its existing public institutions, and takes effect immediately.

23 (End of part)

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