
SUBSTITUTE HOUSE BILL 2460

State of Washington 57th Legislature 2002 Regular Session

By House Committee on Appropriations (originally sponsored by Representative Sommers; by request of Governor Locke)

Read first time 03/08/2002. Referred to Committee on .

1 AN ACT Relating to fiscal matters; amending RCW 9.46.100,
2 19.28.351, 38.52.106, 38.52.540, 43.10.220, 43.30.360, 43.70.320,
3 43.79.480, 43.83B.430, 43.88.030, 43.320.110, 48.02.190, 50.20.190,
4 51.44.170, 66.08.170, 66.08.235, 67.70.260, 70.146.030, and 80.01.080;
5 reenacting and amending RCW 50.16.010 and 69.50.520; amending 2001 2nd
6 sp.s. c 7 ss 101, 102, 103, 104, 105, 106, 107, 109, 110, 111, 112,
7 113, 114, 115, 116, 117, 118, 119, 120, 121, 123, 124, 125, 126, 127,
8 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 142, 143,
9 144, 148, 149, 150, 151, 152, 153, 201, 202, 203, 204, 205, 206, 207,
10 208, 209, 210, 211, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222,
11 223, 224, 302, 303, 304, 306, 307, 308, 309, 401, 402, 501, 502, 503,
12 504, 505, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 519,
13 521, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613,
14 614, 615, 616, 617, 618, 619, 701, 702, 703, 704, 705, 706, 708, 716,
15 717, 719, 720, 721, 722, 723, 724, 727, 728, 729, 730, 801, and 805
16 (uncodified); adding new sections to 2001 2nd sp.s. c 7 (uncodified);
17 making appropriations; and declaring an emergency.

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

PART I
GENERAL GOVERNMENT

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Sec. 101. 2001 2nd sp.s. c 7 s 101 (uncodified) is amended to read as follows:

FOR THE HOUSE OF REPRESENTATIVES

General Fund--State Appropriation (FY 2002) . . . \$	28,313,000
General Fund--State Appropriation (FY 2003) . . . \$	((28,497,000))
	<u>27,072,000</u>
Department of Retirement Systems Expense Account--	
State Appropriation \$	45,000
TOTAL APPROPRIATION \$	((56,855,000))
	<u>55,430,000</u>

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

(1) \$25,000 of the general fund--state appropriation is provided solely for allocation to Project Citizen, a program of the national conference of state legislatures to promote student civic involvement.

(2) \$15,000 of the general fund--state appropriation for fiscal year 2002 is provided for the legislature to continue the services of expert counsel on legal and policy issues relating to services for persons with developmental disabilities.

Sec. 102. 2001 2nd sp.s. c 7 s 102 (uncodified) is amended to read as follows:

FOR THE SENATE

General Fund--State Appropriation (FY 2002) . . . \$	22,863,000
General Fund--State Appropriation (FY 2003) . . . \$	((23,999,000))
	<u>22,799,000</u>
Department of Retirement Systems Expense Account--	
State Appropriation \$	45,000
TOTAL APPROPRIATION \$	((46,907,000))
	<u>45,707,000</u>

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

(1) \$25,000 of the general fund--state appropriation is provided solely for allocation to Project Citizen, a program of the national conference of state legislatures to promote student civic involvement.

1 (2) \$15,000 of the general fund--state appropriation for fiscal
2 year 2002 is provided for the legislature to continue the services of
3 expert counsel on legal and policy issues relating to services for
4 persons with developmental disabilities.

5 **Sec. 103.** 2001 2nd sp.s. c 7 s 103 (uncodified) is amended to read
6 as follows:

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

8	General Fund--State Appropriation (FY 2002) . . . \$	((2,436,000))
9		<u>2,166,000</u>
10	General Fund--State Appropriation (FY 2003) . . . \$	((1,938,000))
11		<u>2,150,000</u>
12	TOTAL APPROPRIATION \$	((4,374,000))
13		<u>4,316,000</u>

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

16 ~~(1) ((\$150,000 of the general fund--state appropriation for fiscal~~
17 ~~year 2002 and \$75,000 of the general fund--state appropriation for~~
18 ~~fiscal year 2003 are provided solely for the joint legislative audit~~
19 ~~and review committee to conduct an evaluation of the client outcomes of~~
20 ~~the high school transition program operated by the department of social~~
21 ~~and health services division of developmental disabilities. The study~~
22 ~~shall identify the different approaches that have been used in~~
23 ~~providing transition services and whether some approaches are more or~~
24 ~~less successful in helping young adults with developmental disabilities~~
25 ~~achieve greater levels of independence. The study shall evaluate how~~
26 ~~transition programs reduce the level of support provided to clients as~~
27 ~~they achieve greater levels of independence, and shall be submitted to~~
28 ~~the appropriate committees of the legislature by December 1, 2002.))~~
29 \$130,000 of the general fund--state appropriation for fiscal year 2002
30 and \$470,000 of the general fund--state appropriation for fiscal year
31 2003 are provided solely for conducting a performance audit of the
32 department of social and health services division of developmental
33 disabilities. The audit shall determine whether the division has
34 complied with significant laws and regulations applicable to the
35 program and evaluate the adequacy of management processes for
36 measuring, reporting, and monitoring program effectiveness, economy,
37 and efficiency.

38 (a) Special emphasis shall be placed on how the division:

- 1 (i) Determines and monitors eligibility;
2 (ii) Determines what types and levels of services are to be
3 provided;
4 (iii) Determines that clients are receiving services;
5 (iv) Tracks client progress and evaluates the benefits of services
6 being provided;
7 (v) Enforces the terms of its contracts with providers; and
8 (vi) Determines it is doing an efficient and effective job of
9 meeting its legislative mandates.

10 (b) The audit shall also include a comparison among the division of
11 developmental disabilities and other program areas in the department of
12 social and health services that deliver similar client services. This
13 comparison shall cover eligibility assessment, functional needs
14 assessment, service requirements assessment, and the linkage between
15 assessed client needs and the agency services authorized and delivered.

16 (c) The committee shall make recommendations, as appropriate, for
17 the improvement of services and system performance. The committee may
18 contract for consulting services in conducting the study. Interim
19 findings shall be submitted to the fiscal committees of the legislature
20 by December 1, 2002. The final report shall be submitted to the
21 legislature no later than June 30, 2003.

22 (2) \$50,000 of the general fund--state appropriation for fiscal
23 year 2002 is provided solely for the joint legislative audit and review
24 committee to conduct a capacity planning study of the capital
25 facilities of the state school for the deaf. The committee's study
26 shall be carried out in conjunction with the study of educational
27 service delivery models conducted by the state institute for public
28 policy. The study shall be submitted to the fiscal committees of the
29 legislature by September 30, 2002.

30 (3) \$35,000 of the general fund--state appropriation for fiscal
31 year 2002 is provided solely for the joint legislative audit and review
32 committee to conduct a review of water conservancy boards. The review
33 shall include an assessment of the operating costs of existing boards;
34 the sources of funding for board operations; sources of in-kind support
35 for board operations; assessment of the value of water rights subject
36 to change or transfer decisions; the range of costs of processing water
37 right transfer applications by the boards as well as by the department
38 of ecology for applications filed directly with the department; the
39 costs to the department of training, assistance, and review of board

1 recommendations on applications; board membership and board
2 recordkeeping; and public participation procedures for both the water
3 conservancy boards and the department of ecology. The committee shall
4 submit its review by January 1, 2003, to the appropriate policy and
5 fiscal committees of the legislature.

6 (4) \$40,000 of the general fund--state appropriation for fiscal
7 year 2002 is provided solely for a follow-up review to report number
8 98-3, the performance audit of the department of corrections. The
9 follow-up study shall include but not be limited to a review of:

10 (a) Community supervision activities performed by the department;

11 (b) The implementation of risk-based classification and community
12 placement models;

13 (c) The early implementation of the offender accountability act;
14 and

15 (d) The cost impacts of the risk-based models and the offender
16 accountability act.

17 The committee shall consult with the Washington state institute for
18 public policy regarding data and findings from the institute's current
19 studies on these issues. A report of the follow-up study shall be
20 submitted to the relevant policy and fiscal committees of the
21 legislature by December 21, 2001. Upon the completion of the follow-up
22 review, the committee shall make a determination whether an additional
23 phase of study is needed. If further study is indicated, the committee
24 shall submit to the relevant policy and fiscal committees of the
25 legislature its plan and cost estimate for such study by March 29,
26 2002.

27 (5) \$140,000 of the general fund--state appropriation for fiscal
28 year 2002 is provided for a study of children's mental health in
29 Washington. The study shall include but not be limited to:

30 (a) A review of plans and services for children, including those
31 for early periodic screening, diagnosis, and treatment;

32 (b) A review of the implementation of the plans;

33 (c) A review of the availability and reliability of fiscal,
34 program, and outcome data relating to mental health services provided
35 to children; and

36 (d) A survey of mental health services for children among the
37 state's regional support networks.

38 The committee shall make recommendations, as appropriate, for the
39 improvement of services and system performance, including the need for

1 performance and client outcome measures. The committee may contract
2 for consulting services in conducting the study. The committee shall
3 submit a report to the appropriate policy and fiscal committees of the
4 legislature by July 1, 2002.

5 (6) Within the amounts provided in this section, the joint
6 legislative audit and review committee shall conduct a study of the
7 Washington management service. The study shall include findings
8 regarding (a) growth in the number of positions in the Washington
9 management service, (b) growth in salary levels and structure since the
10 Washington management service's inception, and (c) other compensation
11 practices used within the Washington management service. The
12 department of personnel shall cooperate with the committee in
13 conducting the study and provide information as requested by the
14 committee. The committee shall provide a report to the fiscal
15 committees of the legislature by December 31, 2001.

16 (7) Within the amounts provided in this section, the joint
17 legislative audit and review committee shall review all aspects of the
18 mental health prevalence study completed in accordance with section 204
19 of this act, including but not limited to the contractor selection
20 process, if any; the study design and workplan; the implementation of
21 the study; and the draft and final reports.

22 (8) The committee shall study and report on pipeline safety as
23 provided in section 149 of this act.

24 **Sec. 104.** 2001 2nd sp.s. c 7 s 104 (uncodified) is amended to read
25 as follows:

26 **FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**

27 General Fund--State Appropriation (FY 2002) . . . \$	1,329,000
28 General Fund--State Appropriation (FY 2003) . . . \$	((1,462,000))
29	<u>1,418,000</u>
30 Public Works Assistance Account--State	
31 Appropriation \$	203,000
32 TOTAL APPROPRIATION \$	((2,994,000))
33	<u>2,950,000</u>

34 **Sec. 105.** 2001 2nd sp.s. c 7 s 105 (uncodified) is amended to read
35 as follows:

36 **FOR THE OFFICE OF THE STATE ACTUARY**

37 Department of Retirement Systems Expense Account--

1 State Appropriation \$ ((1,923,000))
2 2,054,000

3 The appropriation in this section is subject to the following
4 conditions and limitations: The joint committee on pension policy, in
5 collaboration with various interested parties, shall study issues of
6 pension governance and recommend legislation for consideration in the
7 2002 legislative session.

8 **Sec. 106.** 2001 2nd sp.s. c 7 s 106 (uncodified) is amended to read
9 as follows:

10 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

11 General Fund--State Appropriation (FY 2002) . . . \$ 6,421,000
12 General Fund--State Appropriation (FY 2003) . . . \$ ((7,043,000))
13 6,832,000
14 TOTAL APPROPRIATION \$ ((13,464,000))
15 13,253,000

16 **Sec. 107.** 2001 2nd sp.s. c 7 s 107 (uncodified) is amended to read
17 as follows:

18 **FOR THE STATUTE LAW COMMITTEE**

19 General Fund--State Appropriation (FY 2002) . . . \$ 3,909,000
20 General Fund--State Appropriation (FY 2003) . . . \$ ((4,038,000))
21 3,917,000
22 TOTAL APPROPRIATION \$ ((7,947,000))
23 7,826,000

24 The appropriations in this section are subject to the following
25 conditions and limitations: \$41,000 of the general fund fiscal year
26 2002 appropriation and \$43,000 of the general fund fiscal year 2003
27 appropriation are provided solely for the uniform legislation
28 commission.

29 **Sec. 108.** 2001 2nd sp.s. c 7 s 109 (uncodified) is amended to read
30 as follows:

31 **FOR THE SUPREME COURT**

32 General Fund--State Appropriation (FY 2002) . . . \$ ((5,423,000))
33 5,500,000
34 General Fund--State Appropriation (FY 2003) . . . \$ ((5,510,000))
35 5,487,000

1 TOTAL APPROPRIATION \$ ((10,933,000))
2 10,987,000

3 **Sec. 109.** 2001 2nd sp.s. c 7 s 110 (uncodified) is amended to read
4 as follows:

5 **FOR THE LAW LIBRARY**

6 General Fund--State Appropriation (FY 2002) . . . \$ 1,982,000
7 General Fund--State Appropriation (FY 2003) . . . \$ ((1,983,000))
8 1,924,000
9 TOTAL APPROPRIATION \$ ((3,965,000))
10 3,906,000

11 **Sec. 110.** 2001 2nd sp.s. c 7 s 111 (uncodified) is amended to read
12 as follows:

13 **FOR THE COURT OF APPEALS**

14 General Fund--State Appropriation (FY 2002) . . . \$ ((12,746,000))
15 12,894,000
16 General Fund--State Appropriation (FY 2003) . . . \$ ((12,878,000))
17 12,724,000
18 TOTAL APPROPRIATION \$ ((25,624,000))
19 25,618,000

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

22 (1) \$505,000 of the general fund--state appropriation for fiscal
23 year 2002 and \$606,000 of the general fund--state appropriation for
24 fiscal year 2003 are provided solely for lease increases associated
25 with the division I facility. ((Within the funds provided in this
26 subsection, the court of appeals shall conduct a space planning study
27 exploring options dealing with remodeling existing space to accommodate
28 needs and evaluating the cost and benefits of moving to another
29 location.))

30 (2) \$168,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$159,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided solely for providing compensation
33 adjustments to nonjudicial staff of the court of appeals. Within the
34 funds provided in this subsection, the court of appeals shall determine
35 the specific positions to receive compensation adjustments based on
36 recruitment and retention difficulties, new duties or responsibilities

1 assigned, and salary inversion or compression within the court of
2 appeals.

3 **Sec. 111.** 2001 2nd sp.s. c 7 s 112 (uncodified) is amended to read
4 as follows:

5 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

6	General Fund--State Appropriation (FY 2002) . . . \$	955,000
7	General Fund--State Appropriation (FY 2003) . . . \$	((969,000))
8		<u>940,000</u>
9	TOTAL APPROPRIATION \$	((1,924,000))
10		<u>1,895,000</u>

11 **Sec. 112.** 2001 2nd sp.s. c 7 s 113 (uncodified) is amended to read
12 as follows:

13 **FOR THE ADMINISTRATOR FOR THE COURTS**

14	General Fund--State Appropriation (FY 2002) . . . \$	((14,247,000))
15		<u>14,900,000</u>
16	General Fund--State Appropriation (FY 2003) . . . \$	((14,386,000))
17		<u>14,956,000</u>
18	Public Safety and Education Account--State	
19	Appropriation \$	((29,634,000))
20		<u>27,507,000</u>
21	Judicial Information Systems Account--State	
22	Appropriation \$	27,758,000
23	TOTAL APPROPRIATION \$	((86,025,000))
24		<u>85,121,000</u>

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

27 (1) Funding provided in the judicial information systems account
28 appropriation shall be used for the operations and maintenance of
29 technology systems that improve services provided by the supreme court,
30 the court of appeals, the office of public defense, and the
31 administrator for the courts.

32 (2) No moneys appropriated in this section may be expended by the
33 administrator for the courts for payments in excess of fifty percent of
34 the employer contribution on behalf of superior court judges for
35 insurance and health care plans and federal social security and
36 medicare and medical aid benefits. As required by Article IV, section
37 13 of the state Constitution and 1996 Attorney General's Opinion No. 2,

1 it is the intent of the legislature that the costs of these employer
2 contributions shall be shared equally between the state and county or
3 counties in which the judges serve. The administrator for the courts
4 shall continue to implement procedures for the collection and
5 disbursement of these employer contributions. During each fiscal year
6 in the 2001-03 biennium, the office of the administrator for the courts
7 shall send written notice to the office of community development in the
8 department of community, trade, and economic development when each
9 county pays its fifty percent share for the year.

10 (3) \$223,000 of the public safety and education account
11 appropriation is provided solely for the gender and justice commission.

12 (4) \$308,000 of the public safety and education account
13 appropriation is provided solely for the minority and justice
14 commission.

15 (5) \$278,000 of the general fund--state appropriation for fiscal
16 year 2002, \$285,000 of the general fund--state appropriation for fiscal
17 year 2003, and \$263,000 of the public safety and education account
18 appropriation are provided solely for the workload associated with tax
19 warrants and other state cases filed in Thurston county.

20 (6) \$750,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$750,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for court-appointed special
23 advocates in dependency matters. The administrator for the courts,
24 after consulting with the association of juvenile court administrators
25 and the association of court-appointed special advocate/guardian ad
26 litem programs, shall distribute the funds to volunteer court-appointed
27 special advocate/guardian ad litem programs. The distribution of
28 funding shall be based on the number of children who need volunteer
29 court-appointed special advocate representation and shall be equally
30 accessible to all volunteer court-appointed special advocate/guardian
31 ad litem programs. The administrator for the courts shall not retain
32 more than six percent of total funding to cover administrative or any
33 other agency costs.

34 ~~(7) (\$750,000 of the public safety and education account--state~~
35 ~~appropriation is provided solely for judicial program enhancements.~~
36 ~~Within the funding provided in this subsection, the administrator for~~
37 ~~the courts, in consultation with the supreme court, shall determine the~~
38 ~~program or programs to receive an enhancement. Among the programs that~~

1 may be funded from the amount provided in this subsection are unified
2 family courts.

3 (8) ~~\$1,618,000 of the public safety and education account--state~~
4 ~~appropriation is provided solely for increases for juror pay. The~~
5 ~~office of the administrator for the courts may contract with local~~
6 ~~governments to provide additional juror pay. The contract shall~~
7 ~~provide that the local government is responsible for the first ten~~
8 ~~dollars of juror compensation for each day or partial day of jury~~
9 ~~service, and the state shall reimburse the local government for any~~
10 ~~additional compensation, excluding the first day, up to a maximum of~~
11 ~~fifteen dollars per day.))~~ \$1,800,000 of the judicial information
12 systems account--state appropriation is provided solely for
13 improvements and enhancements to the judicial information systems.
14 This funding shall only be expended after the office of the
15 administrator for the courts certifies to the office of financial
16 management that there will be at least a \$1,000,000 ending fund balance
17 in the judicial information systems account at the end of the 2001-03
18 biennium.

19 **Sec. 113.** 2001 2nd sp.s. c 7 s 114 (uncodified) is amended to read
20 as follows:

21 **FOR THE OFFICE OF PUBLIC DEFENSE**

22 General Fund--State Appropriation (FY 2002) . . . \$	600,000
23 <u>General Fund--State Appropriation (FY 2003) . . . \$</u>	<u>500,000</u>
24 Public Safety and Education Account--State	
25 Appropriation \$	((12,626,000))
26	<u>12,269,000</u>
27 TOTAL APPROPRIATION \$	((13,226,000))
28	<u>13,369,000</u>

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

31 (1) ~~((\$233,000))~~ \$209,000 of the public safety and education
32 account appropriation is provided solely to increase the reimbursement
33 for private attorneys providing constitutionally mandated indigent
34 defense in nondeath penalty cases.

35 (2) \$51,000 of the public safety and education account
36 appropriation is provided solely for the implementation of chapter 303,
37 Laws of 1999 (court funding).

1 (3) Amounts provided from the public safety and education account
2 appropriation in this section include funding for investigative
3 services in death penalty personal restraint petitions.

4 (4) The entire general fund--state appropriation is provided solely
5 for the continuation of a dependency and termination legal
6 representation funding pilot program.

7 (a) The goal of the pilot program shall be to enhance the quality
8 of legal representation in dependency and termination hearings, thereby
9 reducing the number of continuances requested by contract attorneys,
10 including those based on the unavailability of defense counsel. To
11 meet the goal, the pilot shall include the following components:

12 (i) A maximum caseload requirement of 90 dependency and termination
13 cases per full-time attorney;

14 (ii) Implementation of enhanced defense attorney practice
15 standards, including but not limited to those related to reasonable
16 case preparation and the delivery of adequate client advice, as
17 developed by Washington state public defense attorneys and included in
18 the office of public defense December 1999 report *Costs of Defense and*
19 *Children's Representation in Dependency and Termination Hearings*;

20 (iii) Use of investigative and expert services in appropriate
21 cases; and

22 (iv) Effective implementation of indigency screening of all
23 dependency and termination parents, guardians, and legal custodians
24 represented by appointed counsel.

25 (b) The pilot program shall be established in one eastern and one
26 western Washington juvenile court.

27 (c) The director shall contract for an independent evaluation of
28 the pilot program benefits and costs. A final evaluation shall be
29 submitted to the governor and the fiscal committees of the legislature
30 no later than February 1, 2002.

31 (d) The chair of the office of public defense advisory committee
32 shall appoint an implementation committee to:

33 (i) Develop criteria for a statewide program to improve dependency
34 and termination defense;

35 (ii) Examine caseload impacts to the courts resulting from improved
36 defense practices; and

37 (iii) Identify methods for the efficient use of expert services and
38 means by which parents may effectively access services.

1 If sufficient funds are available, the office of public defense
2 shall contract with the Washington state institute for public policy to
3 research how reducing dependency and termination case delays affects
4 foster care and to identify factors that are reducing the number of
5 family reunifications that occur in dependency and termination cases.

6 (5) \$50,000 of the public safety and education account--state
7 appropriation is provided solely for the evaluation required in chapter
8 92, Laws of 2000 (DNA testing).

9 (6) (~~(\$235,000)~~) \$135,000 of the public safety and education
10 account--state appropriation is provided solely for the office of
11 public defense to contract with an existing public defender association
12 to establish a capital defense assistance center.

13 **Sec. 114.** 2001 2nd sp.s. c 7 s 115 (uncodified) is amended to read
14 as follows:

15 **FOR THE OFFICE OF THE GOVERNOR**

16	General Fund--State Appropriation (FY 2002) . . . \$	4,537,000
17	General Fund--State Appropriation (FY 2003) . . . \$	((4,524,000))
18		<u>4,298,000</u>
19	General Fund--Federal Appropriation \$	219,000
20	Water Quality Account--State	
21	Appropriation \$	3,908,000
22	TOTAL APPROPRIATION \$	((13,188,000))
23		<u>12,962,000</u>

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

26 (1) \$3,908,000 of the water quality account appropriation and
27 \$219,000 of the general fund--federal appropriation are provided solely
28 for the Puget Sound water quality action team to implement the Puget
29 Sound work plan and agency action items PSAT-01 through PSAT-05.

30 (2) \$100,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$100,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided solely for the salmon recovery office to
33 support the efforts of the independent science panel.

34 (3) \$500,000 of the general fund--state appropriation for fiscal
35 year 2003 is provided solely for implementation of Engrossed Second
36 Substitute House Bill No. 2671 (permit assistance center). If the bill
37 is not enacted by June 30, 2002, the amount provided in this subsection
38 shall lapse.

1 **Sec. 115.** 2001 2nd sp.s. c 7 s 116 (uncodified) is amended to read
2 as follows:

3 **FOR THE LIEUTENANT GOVERNOR**

4	General Fund--State Appropriation (FY 2002) . . . \$	449,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((451,000))
6		<u>428,000</u>
7	TOTAL APPROPRIATION \$	((900,000))
8		<u>877,000</u>

9 **Sec. 116.** 2001 2nd sp.s. c 7 s 117 (uncodified) is amended to read
10 as follows:

11 **FOR THE PUBLIC DISCLOSURE COMMISSION**

12	General Fund--State Appropriation (FY 2002) . . . \$	1,910,000
13	General Fund--State Appropriation (FY 2003) . . . \$	((1,903,000))
14		<u>1,846,000</u>
15	TOTAL APPROPRIATION \$	((3,813,000))
16		<u>3,756,000</u>

17 **Sec. 117.** 2001 2nd sp.s. c 7 s 118 (uncodified) is amended to read
18 as follows:

19 **FOR THE SECRETARY OF STATE**

20	General Fund--State Appropriation (FY 2002) . . . \$	((10,513,000))
21		<u>10,175,000</u>
22	General Fund--State Appropriation (FY 2003) . . . \$	((8,707,000))
23		<u>6,252,000</u>
24	Archives and Records Management Account--State	
25	Appropriation \$	((7,295,000))
26		<u>7,877,000</u>
27	Archives and Records Management Account--Private/	
28	Local Appropriation \$	((3,860,000))
29		<u>4,572,000</u>
30	Department of Personnel Service Account	
31	Appropriation \$	((719,000))
32		<u>701,000</u>
33	TOTAL APPROPRIATION \$	((31,094,000))
34		<u>29,577,000</u>

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

1 (1) (~~(\$2,296,000)~~) \$1,796,000 of the general fund--state
2 appropriation for fiscal year 2002 is provided solely to reimburse
3 counties for the state's share of primary and general election costs
4 and the costs of conducting mandatory recounts on state measures.
5 Counties shall be reimbursed only for those odd-year election costs
6 that the secretary of state validates as eligible for reimbursement.

7 (2) (~~(\$2,193,000)~~) \$2,143,000 of the general fund--state
8 appropriation for fiscal year 2002 and (~~(\$2,712,000)~~) \$2,578,000 of the
9 general fund--state appropriation for fiscal year 2003 are provided
10 solely for the verification of initiative and referendum petitions,
11 maintenance of related voter registration records, and the publication
12 and distribution of the voters and candidates pamphlet.

13 (3) \$125,000 of the general fund--state appropriation for fiscal
14 year 2002 and (~~(\$125,000)~~) \$118,000 of the general fund--state
15 appropriation for fiscal year 2003 are provided solely for legal
16 advertising of state measures under RCW 29.27.072.

17 (4)(a) \$1,944,004 of the general fund--state appropriation for
18 fiscal year 2002 and \$1,986,772 of the general fund--state
19 appropriation for fiscal year 2003 are provided solely for contracting
20 with a nonprofit organization to produce gavel-to-gavel television
21 coverage of state government deliberations and other events of
22 statewide significance during the 2001-2003 biennium. An eligible
23 nonprofit organization must be formed solely for the purpose of, and be
24 experienced in, providing gavel-to-gavel television coverage of state
25 government deliberations and other events of statewide significance and
26 must have received a determination of tax-exempt status under section
27 501(c)(3) of the federal internal revenue code. The funding level for
28 each year of the contract shall be based on the amount provided in this
29 subsection and adjusted to reflect the implicit price deflator for the
30 previous year. The nonprofit organization shall be required to raise
31 contributions or commitments to make contributions, in cash or in kind,
32 in an amount equal to forty percent of the state contribution. The
33 office of the secretary of state may make full or partial payment once
34 all criteria in (a) and (b) of this subsection have been satisfactorily
35 documented.

36 (b) The legislature finds that the commitment of on-going funding
37 is necessary to ensure continuous, autonomous, and independent coverage
38 of public affairs. For that purpose, the secretary of state shall

1 enter into a four-year contract with the nonprofit organization to
2 provide public affairs coverage through June 30, 2006.

3 (c) The nonprofit organization shall prepare an annual independent
4 audit, an annual financial statement, and an annual report, including
5 benchmarks that measure the success of the nonprofit organization in
6 meeting the intent of the program.

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

9 (i) Attempting to influence the passage or defeat of any
10 legislation by the legislature of the state of Washington, by any
11 county, city, town, or other political subdivision of the state of
12 Washington, or by the congress, or the adoption or rejection of any
13 rule, standard, rate, or other legislative enactment of any state
14 agency;

15 (ii) Making contributions reportable under chapter 42.17 RCW; or

16 (iii) Providing any: (A) Gift; (B) honoraria; or (C) travel,
17 lodging, meals, or entertainment to a public officer or employee.

18 (5)(a) \$149,316 of the archives and records management--state
19 appropriation and \$597,266 of the archives and records management--
20 private/local appropriation are provided solely for the construction of
21 an eastern regional archives. The amounts provided in this subsection
22 shall lapse if:

23 (i) The financing contract for the construction of an eastern
24 regional archives building is not authorized in the capital budget for
25 the 2001-03 fiscal biennium; or

26 (ii) Substitute House Bill No. 1926 (increasing the surcharge on
27 county auditor recording fees) is not enacted by July 31, 2001.

28 (b) (~~(\$613,879)~~) \$566,879 of the archives and records management--
29 state appropriation and (~~(\$463,102)~~) \$451,102 of the archives and
30 records management--private/local appropriation are provided solely for
31 the design and establishment of an electronic data archive, including
32 the acquisition of hardware and software. The amounts provided in this
33 subsection shall lapse if:

34 (i) The financing contract for acquisition of technology hardware
35 and software for the electronic data archive is not authorized in the
36 capital budget for the 2001-03 fiscal biennium; or

37 (ii) Substitute House Bill No. 1926 (increasing the surcharge on
38 county auditor recording fees) is not enacted by June 30, 2001.

1 (6) If the financing contract for expansion of the state records
2 center is not authorized in the capital budget for fiscal biennium
3 2001-03, then \$641,000 of the archives and records management account--
4 state appropriation shall lapse.

5 (7) (~~(\$867,000)~~) \$1,635,000 of the archives and records management
6 account--state appropriation is provided solely for operation of the
7 central microfilming bureau under RCW 40.14.020(8).

8 **Sec. 118.** 2001 2nd sp.s. c 7 s 119 (uncodified) is amended to read
9 as follows:

10 **FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**

11	General Fund--State Appropriation (FY 2002) . . . \$	269,000
12	General Fund--State Appropriation (FY 2003) . . . \$	((282,000))
13		<u>274,000</u>
14	TOTAL APPROPRIATION \$	((551,000))
15		<u>543,000</u>

16 **Sec. 119.** 2001 2nd sp.s. c 7 s 120 (uncodified) is amended to read
17 as follows:

18 **FOR THE COMMISSION ON ASIAN-AMERICAN AFFAIRS**

19	General Fund--State Appropriation (FY 2002) . . . \$	233,000
20	General Fund--State Appropriation (FY 2003) . . . \$	((233,000))
21		<u>201,000</u>
22	TOTAL APPROPRIATION \$	((466,000))
23		<u>434,000</u>

24 **Sec. 120.** 2001 2nd sp.s. c 7 s 121 (uncodified) is amended to read
25 as follows:

26 **FOR THE STATE TREASURER**

27	State Treasurer's Service Account--State	
28	Appropriation \$	((12,870,000))
29		<u>12,548,000</u>

30 **Sec. 121.** 2001 2nd sp.s. c 7 s 123 (uncodified) is amended to read
31 as follows:

32 **FOR THE STATE AUDITOR**

33	General Fund--State Appropriation (FY 2002) . . . \$	((1,078,000))
34		<u>875,000</u>
35	General Fund--State Appropriation (FY 2003) . . . \$	((1,324,000))

1		963,000
2	State Auditing Services Revolving Account--State	
3	Appropriation	\$ ((13,540,000))
4		<u>13,193,000</u>
5	TOTAL APPROPRIATION	\$ ((15,942,000))
6		<u>15,031,000</u>

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

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

14 (2) (~~(\$910,000)~~) \$875,000 of the general fund--state appropriation
15 for fiscal year 2002 and (~~(\$910,000)~~) \$876,000 of the general fund--
16 state appropriation for fiscal year 2003 are provided solely for staff
17 and related costs to verify the accuracy of reported school district
18 data submitted for state funding purposes; conduct school district
19 program audits of state funded public school programs; establish the
20 specific amount of state funding adjustments whenever audit exceptions
21 occur and the amount is not firmly established in the course of regular
22 public school audits; and to assist the state special education safety
23 net committee when requested.

24 (3) \$87,000 of the general fund--state appropriation for fiscal
25 year 2003 is provided solely to implement House Bill No. 2563 (creating
26 the governor's performance audit standards and scorecard commission)
27 which includes a requirement that the state auditor conduct a pilot
28 performance audit of the department of agriculture. If House Bill No.
29 2563 is not enacted by June 30, 2002, the amount provided in this
30 subsection shall lapse.

31 **Sec. 122.** 2001 2nd sp.s. c 7 s 124 (uncodified) is amended to read
32 as follows:

33	FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS	
34	General Fund--State Appropriation (FY 2002) . . .	\$ 80,000
35	General Fund--State Appropriation (FY 2003) . . .	\$ ((152,000))
36		<u>147,000</u>
37	TOTAL APPROPRIATION	\$ ((232,000))
38		<u>227,000</u>

1 **Sec. 123.** 2001 2nd sp.s. c 7 s 125 (uncodified) is amended to read
2 as follows:

3 **FOR THE ATTORNEY GENERAL**

4	General Fund--State Appropriation (FY 2002) . . . \$	4,811,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((4,806,000))
6		<u>2,081,000</u>
7	General Fund--Federal Appropriation \$	2,868,000
8	Public Safety and Education Account--State	
9	Appropriation \$	((1,789,000))
10		<u>1,756,000</u>
11	Tobacco Prevention and Control Account	
12	Appropriation \$	277,000
13	New Motor Vehicle Arbitration Account--State	
14	Appropriation \$	1,163,000
15	Legal Services Revolving Account--State	
16	Appropriation \$	((147,306,000))
17		<u>183,307,000</u>
18	TOTAL APPROPRIATION \$	((163,020,000))
19		<u>196,263,000</u>

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

22 (1) The attorney general shall report each fiscal year on actual
23 legal services expenditures and actual attorney staffing levels for
24 each agency receiving legal services. The report shall be submitted to
25 the office of financial management and the fiscal committees of the
26 senate and house of representatives no later than ninety days after the
27 end of each fiscal year.

28 (2) The attorney general and the office of financial management
29 shall modify the attorney general billing system to meet the needs of
30 user agencies for greater predictability, timeliness, and explanation
31 of how legal services are being used by the agency. The attorney
32 general shall provide the following information each month to agencies
33 receiving legal services: (a) The full-time equivalent attorney
34 services provided for the month; (b) the full-time equivalent
35 investigator services provided for the month; (c) the full-time
36 equivalent paralegal services provided for the month; and (d) direct
37 legal costs, such as filing and docket fees, charged to the agency for
38 the month.

1 (3) Prior to entering into any negotiated settlement of a claim
2 against the state, that exceeds five million dollars, the attorney
3 general shall notify the director of financial management and the
4 chairs of the senate committee on ways and means and the house of
5 representatives committee on appropriations.

6 (4) \$38,087,000 of the legal services revolving account--state
7 appropriation is provided solely for tort defense legal services that
8 are to be reimbursed through the liability account or its successor.
9 The appropriation from the legal services revolving fund account--state
10 in this section has been increased by \$38,087,000 to reflect the fact
11 that the office of the attorney general shall begin billing its costs
12 for tort defense legal services through the legal services revolving
13 account--state.

14 (5) \$916,000 of the general fund--state appropriation for fiscal
15 year 2003 is provided solely for funding consumer protection
16 activities. Other funding for the consumer protection division in
17 fiscal year 2003 shall be provided from the nonappropriated antitrust
18 revolving account.

19 **Sec. 124.** 2001 2nd sp.s. c 7 s 126 (uncodified) is amended to read
20 as follows:

21 **FOR THE CASELOAD FORECAST COUNCIL**

22	General Fund--State Appropriation (FY 2002) . . . \$	631,000
23	General Fund--State Appropriation (FY 2003) . . . \$	((619,000))
24		<u>600,000</u>
25	TOTAL APPROPRIATION \$	((1,250,000))
26		<u>1,231,000</u>

27 NEW SECTION. **Sec. 125.** A new section is added to 2001 2nd sp.s.
28 c 7 (uncodified) to read as follows:

29 **FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS.** The department of
30 financial institutions shall reduce its fiscal year 2003 expenditures
31 from the financial services regulation account by the amount of
32 \$357,000.

33 **Sec. 126.** 2001 2nd sp.s. c 7 s 127 (uncodified) is amended to read
34 as follows:

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

36 General Fund--State Appropriation (FY 2002) . . . \$ ((71,083,500))

1		<u>69,708,000</u>
2	General Fund--State Appropriation (FY 2003) . . . \$	((70,873,500))
3		<u>61,303,000</u>
4	General Fund--Federal Appropriation \$	173,342,000
5	General Fund--Private/Local Appropriation \$	7,980,000
6	Public Safety and Education Account--State	
7	Appropriation \$	((10,300,000))
8		<u>10,108,000</u>
9	Public Works Assistance Account--State	
10	Appropriation \$	1,911,000
11	<u>Salmon Recovery Account--State</u>	
12	<u>Appropriation</u> \$	<u>1,500,000</u>
13	Film and Video Promotion Account--State	
14	Appropriation \$	25,000
15	Building Code Council Account--State	
16	Appropriation \$	((1,061,000))
17		<u>1,226,000</u>
18	Administrative Contingency Account--State	
19	Appropriation \$	1,777,000
20	Low-Income Weatherization Assistance Account--State	
21	Appropriation \$	3,292,000
22	Violence Reduction and Drug Enforcement Account--	
23	State Appropriation \$	6,081,000
24	Manufactured Home Installation Training Account--	
25	State Appropriation \$	256,000
26	Community Economic Development Account--	
27	State Appropriation \$	113,000
28	Washington Housing Trust Account--State	
29	Appropriation \$	((5,597,000))
30		<u>9,891,000</u>
31	Public Facility Construction Loan Revolving	
32	Account--State Appropriation \$	((550,000))
33		<u>586,000</u>
34	TOTAL APPROPRIATION \$	((354,242,000))
35		<u>349,099,000</u>

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

38 (1)(a) It is the intent of the legislature that the department of
39 community, trade, and economic development receive separate

1 programmatic allotments for the office of community development and the
2 office of trade and economic development. Any appropriation made to
3 the department of community, trade, and economic development for
4 carrying out the powers, functions, and duties of either office shall
5 be credited to the appropriate office.

6 (b) If House Bill No. 1474 (splitting CTED) is enacted by June 30,
7 2002, any appropriations made to the department of community, trade,
8 and economic development for carrying out the powers, functions, and
9 duties of either the department of community development or the
10 department of trade and economic development shall be transferred and
11 credited to the appropriate department. The director of financial
12 management shall make a determination as to the proper allocation and
13 certify that allocation to the state agencies concerned.

14 (2) \$3,085,000 of the general fund--state appropriation for fiscal
15 year 2002 and (~~(\$3,085,000)~~) \$2,838,000 of the general fund--state
16 appropriation for fiscal year 2003 are provided solely for a contract
17 with the Washington technology center. For work essential to the
18 mission of the Washington technology center and conducted in
19 partnership with universities, the center shall not pay any increased
20 indirect rate nor increases in other indirect charges above the
21 absolute amount paid during the 1995-97 fiscal biennium.

22 (3) \$61,000 of the general fund--state appropriation for fiscal
23 year 2002 and \$62,000 of the general fund--state appropriation for
24 fiscal year 2003 are provided solely for the implementation of the
25 Puget Sound work plan and agency action item OCD-01.

26 (4) \$10,403,445 of the general fund--federal appropriation is
27 provided solely for the drug control and system improvement formula
28 grant program, to be distributed in state fiscal year 2002 as follows:

29 (a) \$3,603,250 to local units of government to continue
30 multijurisdictional narcotics task forces;

31 (b) \$620,000 to the department to continue the drug prosecution
32 assistance program in support of multijurisdictional narcotics task
33 forces;

34 (c) \$1,363,000 to the Washington state patrol for coordination,
35 investigative, and supervisory support to the multijurisdictional
36 narcotics task forces and for methamphetamine education and response;

37 (d) \$200,000 to the department for grants to support tribal law
38 enforcement needs;

1 (e) \$991,000 to the department of social and health services,
2 division of alcohol and substance abuse, for drug courts in eastern and
3 western Washington;

4 (f) \$302,551 to the department for training and technical
5 assistance of public defenders representing clients with special needs;

6 (g) \$88,000 to the department to continue a substance abuse
7 treatment in jails program, to test the effect of treatment on future
8 criminal behavior;

9 (h) \$697,075 to the department to continue domestic violence legal
10 advocacy;

11 (i) \$903,000 to the department of social and health services,
12 juvenile rehabilitation administration, to continue youth violence
13 prevention and intervention projects;

14 (j) \$60,000 to the Washington association of sheriffs and police
15 chiefs to complete the state and local components of the national
16 incident-based reporting system;

17 (k) \$60,000 to the department for community-based advocacy services
18 to victims of violent crime, other than sexual assault and domestic
19 violence;

20 (l) \$91,000 to the department to continue the governor's council on
21 substance abuse;

22 (m) \$99,000 to the department to continue evaluation of Byrne
23 formula grant programs;

24 (n) \$500,469 to the office of financial management for criminal
25 history records improvement; and

26 (o) \$825,100 to the department for required grant administration,
27 monitoring, and reporting on Byrne formula grant programs.

28 These amounts represent the maximum Byrne grant expenditure
29 authority for each program. No program may expend Byrne grant funds in
30 excess of the amounts provided in this subsection. If moneys in excess
31 of those appropriated in this subsection become available, whether from
32 prior or current fiscal year Byrne grant distributions, the department
33 shall hold these moneys in reserve and may not expend them without
34 specific appropriation. These moneys shall be carried forward and
35 applied to the pool of moneys available for appropriation for programs
36 and projects in the succeeding fiscal year. As part of its budget
37 request for the succeeding year, the department shall estimate and
38 request authority to spend any funds remaining in reserve as a result
39 of this subsection.

1 (5) ~~((\$470,000))~~ (a) \$10,512,393 of the general fund--federal
2 appropriation is provided solely for the drug control and system
3 improvement formula grant program, to be distributed in state fiscal
4 year 2003 in accordance with the recommendations of the Byrne grant
5 advisory committee, provided that a maximum of \$813,000 of the
6 appropriation may be spent by the department on grant administration,
7 monitoring, and reporting on Byrne formula grant programs.

8 (b) The \$10,512,393 amount under (a) of this subsection represents
9 the maximum Byrne grant expenditure authority. If money in excess of
10 this amount becomes available, whether from prior or current fiscal
11 year Byrne grant distributions, the department shall hold these moneys
12 in reserve and may not expend them without specific appropriation.
13 These moneys shall be carried forward and applied to the pool of moneys
14 available for appropriation for program and projects in the succeeding
15 fiscal year. As part of its budget request for the succeeding year,
16 the department shall estimate and request authority to spend any funds
17 remaining in reserve as a result of this subsection.

18 (6) \$370,000 of the general fund--state appropriation for fiscal
19 year 2002 and ~~((\$470,000))~~ \$50,000 of the general fund--state
20 appropriation for fiscal year 2003 are provided solely for rural
21 economic development activities including ~~((\$200,000))~~ \$100,000 for the
22 Washington manufacturing service, and \$100,000 for business retention
23 and expansion.

24 ~~((+6))~~ (7) \$1,250,000 of the general fund--state appropriation for
25 fiscal year 2002 and \$1,250,000 of the general fund--state
26 appropriation for fiscal year 2003 are provided solely for grants to
27 operate, repair, and staff shelters for homeless families with
28 children.

29 ~~((+7))~~ (8) \$2,500,000 of the general fund--state appropriation for
30 fiscal year 2002 and \$2,500,000 of the general fund--state
31 appropriation for fiscal year 2003 are provided solely for grants to
32 operate transitional housing for homeless families with children. The
33 grants may also be used to make partial payments for rental assistance.

34 ~~((+8))~~ (9) \$1,250,000 of the general fund--state appropriation for
35 fiscal year 2002 and \$1,250,000 of the general fund--state
36 appropriation for fiscal year 2003 are provided solely for consolidated
37 emergency assistance to homeless families with children.

38 ~~((+9))~~ (10) \$205,000 of the general fund--state appropriation for
39 fiscal year 2002 ~~((and \$205,000 of the general fund--state~~

1 ~~appropriation for fiscal year 2003 are~~) is provided solely for grants
2 to Washington Columbia river gorge counties to implement their
3 responsibilities under the national scenic area management plan. Of
4 this amount, (~~(\$390,000)~~) \$195,000 is provided for Skamania county and
5 (~~(\$20,000)~~) \$10,000 is provided for Clark county.

6 (~~(10)~~) (11) \$698,000 of the general fund--state appropriation for
7 fiscal year 2002, \$698,000 of the general fund--state appropriation for
8 fiscal year 2003, and \$1,101,000 of the administrative contingency
9 account appropriation are provided solely for contracting with
10 associate development organizations to maintain existing programs.

11 (~~(11)~~) (12) \$600,000 of the public safety and education account
12 appropriation is provided solely for sexual assault prevention and
13 treatment programs.

14 (~~(12)~~) (13) \$680,000 of the Washington housing trust account
15 appropriation is provided solely to conduct a pilot project designed to
16 lower infrastructure costs for residential development.

17 (~~(13)~~) (14) \$50,000 of the general fund--state appropriation for
18 fiscal year 2002 and \$50,000 of the general fund--state appropriation
19 for fiscal year 2003 are provided to the department solely for
20 providing technical assistance to developers of housing for
21 farmworkers.

22 (~~(14)~~) (15) \$370,000 of the general fund--state appropriation for
23 fiscal year 2002, \$371,000 of the general fund--state appropriation for
24 fiscal year 2003, and \$25,000 of the film and video promotion account
25 appropriation are provided solely for the film office to bring film and
26 video production to Washington state.

27 (~~(15)~~) (16) \$22,000 of the general fund--state appropriation for
28 fiscal year 2002 (~~and \$23,000 of the general fund--state appropriation~~
29 ~~for fiscal year 2003 are~~) is provided solely as a matching grant to
30 support the Washington state senior games. State funding shall be
31 matched with at least an equal amount of private or local governmental
32 funds.

33 (~~(16)~~) (17) \$500,000 of the general fund--state appropriation for
34 fiscal year 2002 and \$500,000 of the general fund--state appropriation
35 for fiscal year 2003 are provided solely for grants to food banks and
36 food distribution centers to increase their ability to accept, store,
37 and deliver perishable food.

38 (~~(17)~~) (18) \$230,000 of the general fund--state appropriation for
39 fiscal year 2002, \$230,000 of the general fund--state appropriation for

1 fiscal year 2003, and the entire community economic development account
2 appropriation are provided solely for support of the developmental
3 disabilities endowment governing board and startup costs of the
4 endowment program. Startup costs are a loan from the state general
5 fund and will be repaid from funds within the program as determined by
6 the governing board. The governing board may use state appropriations
7 to implement a sliding-scale fee waiver for families earning below 150
8 percent of the state median family income. The director of the
9 department, or the director of the subsequent department of community
10 development, may implement fees to support the program as provided
11 under RCW 43.330.152.

12 ~~((18))~~ (19) \$1,868,000 of the Washington housing trust account
13 appropriation for fiscal year 2003 is provided solely for emergency
14 shelter assistance. If Substitute House Bill No. 2060 (low-income
15 housing) is not enacted by June 30, 2002, the amount provided in this
16 subsection shall lapse.

17 (20) \$165,000 of the building code council account appropriation is
18 provided solely for the council's activities. If neither House Bill
19 No. 1363 or Senate Bill No. 5352 (increasing the building code council
20 fee) is enacted by June 30, 2002, the amount provided in this
21 subsection shall lapse.

22 (21) \$202,000 of the mobile home park relocation account is
23 provided solely for assisting mobile home park residents who must
24 relocate when a mobile home park is closed. If neither House Bill No.
25 1630 or Senate Bill No. 5354 (modifying mobile home relocation
26 assistance) is enacted by June 30, 2002, the amount provided in this
27 subsection shall lapse.

28 (22) \$880,000 of the public safety and education account
29 appropriation is provided solely for community-based legal advocates to
30 assist sexual assault victims with both civil and criminal justice
31 issues. If Senate Bill No. 5309 is not enacted by June 30, 2001, the
32 amount provided in this subsection shall lapse.

33 ~~((19))~~ (23) \$65,000 of the general fund--state appropriation for
34 fiscal year 2002 and \$65,000 of the general fund--state appropriation
35 for fiscal year 2003 are provided solely for a contract with a food
36 distribution program for communities in the southwestern portion of the
37 state and for workers impacted by timber and salmon fishing closures
38 and reductions. The department may not charge administrative overhead
39 or expenses to the funds provided in this subsection.

1 ~~((20))~~ (24) \$120,000 of the general fund--state appropriation for
2 fiscal year 2002 ~~((and \$120,000 of the general fund state~~
3 ~~appropriation for fiscal year 2003 are provided solely as one-time~~
4 ~~pass-through funding to currently licensed overnight youth shelters))~~
5 and \$120,000 from the Washington housing trust account appropriation
6 for fiscal year 2003 are provided solely as one-time pass-through
7 funding to currently licensed overnight youth shelters. If Substitute
8 House Bill no. 2060 (low-income housing) is not enacted by June 30,
9 2002, the amount from the Washington housing trust account provided in
10 this subsection shall lapse.

11 ~~((21))~~ (25) Repayments of outstanding loans granted under RCW
12 43.63A.600, the mortgage and rental assistance program, shall be
13 remitted to the department, including any current revolving account
14 balances. The department shall contract with a lender or contract
15 collection agent to act as a collection agent of the state. The lender
16 or contract collection agent shall collect payments on outstanding
17 loans, and deposit them into an interest-bearing account. The funds
18 collected shall be remitted to the department quarterly. Interest
19 earned in the account may be retained by the lender or contract
20 collection agent, and shall be considered a fee for processing payments
21 on behalf of the state. Repayments of loans granted under this chapter
22 shall be made to the lender or contract collection agent as long as the
23 loan is outstanding, notwithstanding the repeal of the chapter.

24 ~~((22))~~ (26) \$75,000 of the general fund--state appropriation for
25 fiscal year 2002 ~~((and \$75,000 of the general fund state appropriation~~
26 ~~for fiscal year 2003 are))~~ is provided solely for the community
27 connections program in Walla Walla.

28 ~~((23))~~ (27) \$100,000 of the general fund--state appropriation for
29 fiscal year 2002 and \$100,000 of the general fund--state appropriation
30 for fiscal year 2003 are provided to the office of community
31 development solely for the purposes of providing assistance to
32 industrial workers who have been displaced by energy cost-related
33 industrial plant closures in rural counties. For purposes of this
34 subsection, "rural county" is as defined in RCW 82.14.370(5). The
35 office of community development shall distribute the amount in this
36 subsection to community agencies that assist the displaced industrial
37 workers in meeting basic needs including, but not limited to, emergency
38 medical and dental services, family and mental health counseling, food,
39 energy costs, mortgage, and rental costs. The department shall not

1 retain more than two percent of the amount provided in this subsection
2 for administrative costs.

3 ~~((24))~~ (28) \$91,500 of the general fund--state appropriation for
4 fiscal year 2002 and \$91,500 of the general fund--state appropriation
5 for fiscal year 2003 are provided solely for services related to the
6 foreign representative contract for Japan.

7 ~~((25) \$81,000 of the general fund--state appropriation for fiscal
8 year 2002 and \$81,000 of the general fund--state appropriation for
9 fiscal year 2003 are provided solely for business finance and loan
10 programs.~~

11 ~~(26))~~ (29) \$150,000 of the general fund--state appropriation for
12 fiscal year 2002 is provided solely for the quick sites initiative
13 program.

14 ~~((27) \$120,000 of the general fund--state appropriation for fiscal
15 year 2002 and \$120,000 of the general fund--state appropriation for
16 fiscal year 2003 are provided solely for operating a business
17 information hotline.~~

18 ~~(28) \$29,000 of the general fund--state appropriation for fiscal
19 year 2002 and \$29,000 of the general fund--state appropriation for
20 fiscal year 2003 are provided solely for travel expenses associated
21 with the office of trade and economic development's provision of
22 outreach and technical assistance services to businesses and local
23 economic development associations.~~

24 ~~(29))~~ (30) \$100,000 of the general fund--state appropriation for
25 fiscal year 2002 and \$100,000 of the general fund--state appropriation
26 for fiscal year 2003 are provided solely for information technology
27 enhancements designed to improve the delivery of agency services to
28 customers.

29 (31) \$104,000 of the general fund--state appropriation for fiscal
30 year 2003 is provided solely for grants to public broadcasting
31 television and radio stations.

32 (32) \$1,000,000 of the general fund--state appropriation for fiscal
33 year 2003 is provided solely for tourism marketing purposes.

34 **Sec. 127.** 2001 2nd sp.s. c 7 s 128 (uncodified) is amended to read
35 as follows:

36 **FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL**

37	General Fund--State Appropriation (FY 2002) . . . \$	512,000
38	General Fund--State Appropriation (FY 2003) . . . \$	((514,000))

1 499,000
 2 TOTAL APPROPRIATION \$ ((1,026,000))
 3 1,011,000

4 **Sec. 128.** 2001 2nd sp.s. c 7 s 129 (uncodified) is amended to read
 5 as follows:

6 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

7 General Fund--State Appropriation (FY 2002) . . . \$ 12,456,000
 8 General Fund--State Appropriation (FY 2003) . . . \$ ((12,024,000))
 9 11,923,000
 10 General Fund--Federal Appropriation \$ 23,657,000
 11 Violence Reduction and Drug Enforcement
 12 Account--State Appropriation \$ 229,000
 13 State Auditing Services Revolving
 14 Account--State Appropriation \$ 25,000
 15 TOTAL APPROPRIATION \$ ((48,391,000))
 16 48,290,000

17 (1) The appropriations in this section are subject to the following
 18 conditions and limitations: The office of financial management shall
 19 review policies and procedures regarding purchasing of information
 20 technology upgrades by state agencies. Information technology upgrades
 21 include replacement workstations, network equipment, operating systems
 22 and application software. The review shall document existing policies
 23 and procedures, and shall compare alternative upgrade policies that
 24 reduce the overall cost to state government for maintaining adequate
 25 information technology to meet the existing business needs of state
 26 agencies. Findings and recommendations from this review shall be
 27 reported to appropriate committees of the legislature by December 1,
 28 2001.

29 (2) \$500,000 of the general fund--state appropriation for fiscal
 30 year 2003 is provided solely to implement House Bill No. 2563 (creating
 31 the governor's performance audit standards and scorecard commission.)
 32 If House Bill No. 2563 is not enacted by June 30, 2002, the amount
 33 provided in this subsection shall lapse.

34 (3) The office of financial management shall reduce financial
 35 system services rates so that client state agencies realize a total
 36 savings of \$339,000 in fiscal year 2003.

1 **Sec. 129.** 2001 2nd sp.s. c 7 s 130 (uncodified) is amended to read
2 as follows:

3 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

4	Administrative Hearings Revolving Account--State	
5	Appropriation	\$ ((21,938,000))
6		<u>22,394,000</u>

7 **Sec. 130.** 2001 2nd sp.s. c 7 s 131 (uncodified) is amended to read
8 as follows:

9 **FOR THE DEPARTMENT OF PERSONNEL**

10	Department of Personnel Service Account--State	
11	Appropriation	\$ ((17,297,000))
12		<u>17,037,000</u>
13	Higher Education Personnel Services Account--State	
14	Appropriation	\$ 1,636,000
15	TOTAL APPROPRIATION	\$ ((18,933,000))
16		<u>18,673,000</u>

17 The appropriations in this section are subject to the following
18 conditions and limitations: The department of personnel may charge
19 agencies, through the data processing revolving account, up to \$561,000
20 in fiscal year 2002 to study the development of a new personnel and
21 payroll system. Funding to cover these expenses shall be realized from
22 agency FICA savings associated with the pretax benefits contributions
23 plans. Funding is subject to section 902 of this act.

24 **Sec. 131.** 2001 2nd sp.s. c 7 s 132 (uncodified) is amended to read
25 as follows:

26 **FOR THE WASHINGTON STATE LOTTERY**

27	Lottery Administrative Account--State	
28	Appropriation	\$ ((22,130,000))
29		<u>21,795,000</u>

30 **NEW SECTION. Sec. 132.** A new section is added to 2001 2nd sp.s.
31 c 7 (uncodified) to read as follows:

32 **STATE GAMBLING COMMISSION**

33 The state gambling commission is directed to reduce its fiscal year
34 2003 expenditures from the gambling revolving account by the amount of
35 \$450,000.

1 **Sec. 133.** 2001 2nd sp.s. c 7 s 133 (uncodified) is amended to read
2 as follows:

3 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

4	General Fund--State Appropriation (FY 2002) . . . \$	226,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((234,000))
6		<u>210,000</u>
7	TOTAL APPROPRIATION \$	((460,000))
8		<u>436,000</u>

9 **Sec. 134.** 2001 2nd sp.s. c 7 s 134 (uncodified) is amended to read
10 as follows:

11 **FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**

12	General Fund--State Appropriation (FY 2002) . . . \$	211,000
13	General Fund--State Appropriation (FY 2003) . . . \$	((209,000))
14		<u>207,000</u>
15	TOTAL APPROPRIATION \$	((420,000))
16		<u>418,000</u>

17 **Sec. 135.** 2001 2nd sp.s. c 7 s 135 (uncodified) is amended to read
18 as follows:

19 **FOR THE PERSONNEL APPEALS BOARD**

20	Department of Personnel Service Account--State	
21	Appropriation \$	((1,679,000))
22		<u>1,705,000</u>

23 **Sec. 136.** 2001 2nd sp.s. c 7 s 136 (uncodified) is amended to read
24 as follows:

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

26	Dependent Care Administrative Account--State	
27	Appropriation \$	378,000
28	Department of Retirement Systems Expense Account--	
29	State Appropriation \$	((49,562,000))
30		<u>49,050,000</u>
31	TOTAL APPROPRIATION \$	((49,940,000))
32		<u>49,428,000</u>

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

35 (1) \$1,000,000 of the department of retirement systems expense
36 account appropriation is provided solely for support of the information

1 systems project known as the electronic document image management
2 system.

3 (2) \$120,000 of the department of retirement systems expense
4 account appropriation is provided solely for locating inactive members
5 entitled to retirement benefits.

6 (3) \$117,000 of the department of retirement systems expense
7 account appropriation is provided solely for modifications to the
8 retirement information systems to accommodate tracking of
9 postretirement employment on an hourly basis.

10 (4) \$440,000 of the department of retirement systems expense
11 account is provided solely for the implementation of Engrossed Senate
12 Bill No. 5143 (Washington state patrol retirement systems plan 2).

13 (5) \$6,420,000 of the department of retirement systems expense
14 account is provided solely for the implementation of public employees'
15 retirement system plan 3 (chapter 247, Laws of 2000).

16 (6) (~~(\$101,000 of the department of retirement systems expense~~
17 ~~account state appropriation is provided solely to implement Senate~~
18 ~~Bill No. 5144 (LEOFF survivor benefit). If the bill is not enacted by~~
19 ~~July 31, 2001, the amount provided in this subsection shall lapse.~~

20 ~~(7) \$744,000 of the department of retirement systems expense~~
21 ~~account state appropriation is provided solely to implement Second~~
22 ~~Engrossed Substitute Senate Bill No. 6166 (LEOFF restructuring). If~~
23 ~~the bill is not enacted by July 31, 2001, the amount provided in this~~
24 ~~subsection shall lapse.)) \$96,000 of the department of retirement
25 systems expense account appropriation is provided solely for the
26 implementation of Senate Bill No. 6376 or House Bill No. 2389 (PERS
27 plan 3 transfer payment). If neither bill is enacted by June 30, 2002,
28 the amount provided in this subsection shall lapse.~~

29 (7) \$9,000 of the department of retirement systems expense account
30 appropriation is provided solely for the implementation of Senate Bill
31 No. 6377 or House Bill No. 2390 (TRS plan 1 extended school year). If
32 neither bill is enacted by June 30, 2002, the amount provided in this
33 subsection shall lapse.

34 (8) \$12,000 of the department of retirement systems expense account
35 appropriation is provided solely for the implementation of Senate Bill
36 No. 6378 (LEOFF plan 2 part-time leave of absence). If the bill is not
37 enacted by June 30, 2002, the amount provided in this subsection shall
38 lapse.

1	Appropriation	\$	101,000
2	State Toxics Control Account--State		
3	Appropriation	\$	67,000
4	Oil Spill Administration Account--State		
5	Appropriation	\$	14,000
6	<u>Multimodal Transportation Account--State</u>		
7	<u>Appropriation</u>	<u>\$</u>	<u>115,000</u>
8	TOTAL APPROPRIATION	\$	((150,520,000))
9			<u>156,196,000</u>

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

12 \$269,000 of the general fund--state appropriation for fiscal year
13 2002 and \$49,000 of the general fund--state appropriation for fiscal
14 year 2003 are provided solely to establish and provide staff support to
15 a committee on taxation to study the elasticity, equity, and adequacy
16 of the state's tax system.

17 (1) The committee shall consist of eleven members. The department
18 shall appoint six academic scholars from the fields of economics,
19 taxation, business administration, public administration, public
20 policy, and other relevant disciplines as determined by the department,
21 after consulting with the majority and minority leaders in the senate,
22 the co-speakers in the house of representatives, the chair of the ways
23 and means committee in the senate, and the co-chairs of the finance
24 committee in the house of representatives. The governor and the chairs
25 of the majority and minority caucuses in each house of the legislature
26 shall each appoint one member to the committee. These appointments may
27 be legislative members. The members of the committee shall either
28 elect a voting chair from among their membership or a nonvoting chair
29 who is not a member of the committee. Members of the committee shall
30 serve without compensation but shall be reimbursed for travel expenses
31 under RCW 43.03.050 and 43.03.060.

32 (2) The purpose of the study is to determine how well the current
33 tax system functions and how it might be changed to better serve the
34 citizens of the state in the twenty-first century. In reviewing
35 options for changes to the tax system, the committee shall develop
36 multiple alternatives to the existing tax system. To the extent
37 possible, the alternatives shall be designed to increase the harmony
38 between the tax system of this state and the surrounding states,
39 encourage commerce and business creation, and encourage home ownership.

1 In developing alternatives, the committee shall examine and consider
 2 the effects of tax incentives, including exemptions, deferrals, and
 3 credits. The alternatives shall range from incremental improvements in
 4 the current tax structure to complete replacement of the tax structure.
 5 In conducting the study, the committee shall examine the tax structures
 6 of other states and review previous studies regarding tax reform in
 7 this state. In developing alternatives, the committee shall be guided
 8 by administrative simplicity, economic neutrality, fairness, stability,
 9 and transparency. Most of the alternatives presented by the committee
 10 to the legislature shall be revenue neutral and contain no income tax.

11 (3) The department shall create an advisory group to include, but
 12 not be limited to, representatives of business, state agencies, local
 13 governments, labor, taxpayers, and other advocacy groups. The group
 14 shall provide advice and assistance to the committee.

15 (4) The committee shall present a final report of its findings and
 16 alternatives to the ways and means committee in the senate and the
 17 finance committee in the house of representatives by November 30, 2002.

18 **Sec. 139.** 2001 2nd sp.s. c 7 s 139 (uncodified) is amended to read
 19 as follows:

20 **FOR THE BOARD OF TAX APPEALS**

21	General Fund--State Appropriation (FY 2002) . . . \$	1,193,000
22	General Fund--State Appropriation (FY 2003) . . . \$	((1,038,000))
23		<u>1,007,000</u>
24	TOTAL APPROPRIATION \$	((2,231,000))
25		<u>2,200,000</u>

26 **Sec. 140.** 2001 2nd sp.s. c 7 s 142 (uncodified) is amended to read
 27 as follows:

28 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

29	General Fund--State Appropriation (FY 2002) . . . \$	549,000
30	General Fund--State Appropriation (FY 2003) . . . \$	((630,000))
31		<u>611,000</u>
32	General Fund--Federal Appropriation \$	1,930,000
33	General Fund--Private/Local Appropriation \$	((444,000))
34		<u>223,000</u>
35	State Capitol Vehicle Parking Account--	
36	State Appropriation \$	154,000
37	General Administration Services Account--State	

1	Appropriation	\$	((41,419,000))
2			<u>39,546,000</u>
3	TOTAL APPROPRIATION	\$	((45,126,000))
4			<u>43,013,000</u>

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

7 (1) The department shall conduct a review of the ultimate
8 purchasing system to evaluate the following: (a) The degree to which
9 program objectives and assumptions were achieved; (b) the degree to
10 which planned schedule of phases, tasks, and activities were
11 accomplished; (c) an assessment of estimated and actual costs of each
12 phase; (d) an assessment of project cost recovery/cost avoidance,
13 return on investment, and measurable outcomes as each relate to the
14 agency's business functions and other agencies' business functions; and
15 (e) the degree to which integration with the agency and state
16 information technology infrastructure was achieved. The department
17 will receive written input from participating pilot agencies that
18 describes measurable organizational benefits and cost avoidance
19 opportunities derived from use of the ultimate purchasing system. The
20 performance review shall be submitted to the office of financial
21 management and the appropriate legislative fiscal committees by July 1,
22 2002.

23 (2) \$60,000 of the general administration services account
24 appropriation is provided solely for costs associated with the
25 development of the information technology architecture to link the risk
26 management information system and the tort division's case management
27 system, and the reconciliation of defense cost reimbursement
28 information.

29 (3) The department shall reduce rates for motor pool, consolidated
30 mail, and other services that state agencies purchase so that client
31 state agencies realize a total savings of \$1,302,000 in fiscal year
32 2003.

33 **Sec. 141.** 2001 2nd sp.s. c 7 s 143 (uncodified) is amended to read
34 as follows:

35 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

36 Data Processing Revolving Account--State

37	Appropriation	\$	((3,706,000))
38			<u>3,610,000</u>

1 The appropriation in this section is subject to the following
2 conditions and limitations:

3 (1) Fifteen independent private, nonprofit colleges, located in
4 Washington state, have requested connection to the K-20 educational
5 telecommunications network. These K-20 connections shall be provided
6 to the private schools on a full cost reimbursement basis, net of the
7 value of services and information provided by the private institutions,
8 based on criteria approved by the K-20 board.

9 (2) Some private K-12 schools have requested limited "pilot
10 connections" to the K-20 network to test the technical and economic
11 feasibility of one or more connection models. These K-20 connections
12 shall be provided to the private K-12 schools on a full cost
13 reimbursement basis, net of the value of services and information
14 provided by the private K-12 schools based on criteria approved by the
15 K-20 board.

16 (3) In the 2001-03 biennium, the department shall incorporate
17 statewide elements for a common technology infrastructure into the
18 state strategic information technology plan that state agencies shall
19 then use in establishing individual agency business applications.

20 (4) The department shall implement the \$10,800,000 service rate
21 reduction it proposed on August 14, 2000.

22 (5) The department shall reduce rates for data processing and other
23 computer services so that client state agencies realize a total savings
24 of \$2,660,000 in fiscal year 2003.

25 **Sec. 142.** 2001 2nd sp.s. c 7 s 144 (uncodified) is amended to read
26 as follows:

27 **FOR THE INSURANCE COMMISSIONER**

28	General Fund--Federal Appropriation	\$	622,000
29	Insurance Commissioners Regulatory Account--State		
30	Appropriation	\$	((29,053,000))
31			<u>29,207,000</u>
32	TOTAL APPROPRIATION	\$	((29,675,000))
33			<u>29,829,000</u>

34 The appropriations in this section are subject to the following
35 conditions and limitations: \$693,000 of the insurance commissioner's
36 regulatory account appropriation is provided solely for moving and
37 renovation costs associated with the colocation of the agency's

1 Olympia-area facilities. Expenditures from this amount shall be
2 subject to the approval of the department of general administration.

3 **Sec. 143.** 2001 2nd sp.s. c 7 s 148 (uncodified) is amended to read
4 as follows:

5 **FOR THE LIQUOR CONTROL BOARD**

6	General Fund--State Appropriation (FY 2002) . . . \$	1,483,000
7	General Fund--State Appropriation (FY 2003) . . . \$	((1,484,000))
8		<u>1,439,000</u>
9	<u>General Fund--Federal Appropriation</u> \$	<u>99,000</u>
10	Liquor Control Board Construction and Maintenance	
11	Account--State Appropriation \$	((8,114,000))
12		<u>9,121,000</u>
13	Liquor Revolving Account--State	
14	Appropriation \$	((142,148,000))
15		<u>125,927,000</u>
16	TOTAL APPROPRIATION \$	((153,229,000))
17		<u>138,069,000</u>

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

20 (1) \$1,573,000 of the liquor revolving account appropriation is
21 provided solely for the agency information technology upgrade. This
22 amount provided in this subsection is conditioned upon satisfying the
23 requirements of section 902 of this act.

24 (2) \$4,803,000 of the liquor revolving account appropriation is
25 provided solely for the costs associated with the development and
26 implementation of a merchandising business system. Expenditures of any
27 funds for this system are conditioned upon the approval of the
28 merchandising business system's feasibility study by the information
29 services board. The amount provided in this subsection is also
30 conditioned upon satisfying the requirements of section 902 of this
31 act.

32 **Sec. 144.** 2001 2nd sp.s. c 7 s 149 (uncodified) is amended to read
33 as follows:

34 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

35	Public Service Revolving Account--State	
36	Appropriation \$	((27,108,000))
37		<u>27,102,000</u>

1	Pipeline Safety Account--State	
2	Appropriation	\$ 3,305,000
3	Pipeline Safety Account--Federal	
4	Appropriation	\$ 822,000
5	TOTAL APPROPRIATION	\$ ((31,235,000))
6		<u>31,229,000</u>

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

9 (1) \$3,011,000 of the pipeline safety account--state appropriation
10 and \$822,000 of the pipeline safety account--federal appropriation are
11 provided solely for the implementation of Substitute Senate Bill No.
12 5182 (pipeline safety). If the bill is not enacted by June 30, 2001,
13 the amount provided in this subsection shall lapse.

14 (2) \$294,000 of the pipeline safety account--state appropriation is
15 provided solely for an interagency agreement with the joint legislative
16 audit and review committee for a report on hazardous liquid and gas
17 pipeline safety programs. The committee shall review staff use,
18 inspection activity, fee methodology, and costs of the hazardous liquid
19 and gas pipeline safety programs and report to the appropriate
20 legislative committees by July 1, 2003. The report shall include a
21 comparison of interstate and intrastate programs, including but not
22 limited to the number and complexity of regular and specialized
23 inspections, mapping requirements for each program, and allocation of
24 administrative costs to each program. If Substitute Senate Bill No.
25 5182 (pipeline safety) is not enacted by June 30, 2001, the amount
26 provided in this section shall lapse.

27 (3) \$50,000 of the public service revolving account--state
28 appropriation for fiscal year 2002 and \$350,000 of the public service
29 revolving account--state appropriation for fiscal year 2003 are
30 provided solely for implementation of Substitute House Bill No. 2845
31 (utilities and transportation commission). If the bill is not enacted
32 by June 30, 2002, the amount provided in this subsection shall lapse.

33 **Sec. 145.** 2001 2nd sp.s. c 7 s 150 (uncodified) is amended to read
34 as follows:

35 **FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

36 Volunteer Firefighters' Relief and Pension

37 Administrative Account--State

38	Appropriation	\$ 569,000
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1 **Sec. 146.** 2001 2nd sp.s. c 7 s 151 (uncodified) is amended to read
2 as follows:

3 **FOR THE MILITARY DEPARTMENT**

4	General Fund--State Appropriation (FY 2002) . . . \$	9,165,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((8,979,000))
6		<u>8,816,000</u>
7	General Fund--Federal Appropriation \$	22,509,000
8	General Fund--Private/Local Appropriation \$	234,000
9	Enhanced 911 Account--State Appropriation \$	((16,544,000))
10		<u>20,269,000</u>
11	Disaster Response Account--State Appropriation . \$	((582,000))
12		<u>1,906,000</u>
13	Disaster Response Account--Federal Appropriation \$	((3,392,000))
14		<u>6,510,000</u>
15	Worker and Community Right to Know Fund--State	
16	Appropriation \$	283,000
17	Nisqually Earthquake Account--State	
18	Appropriation \$	((37,884,000))
19		<u>29,027,000</u>
20	Nisqually Earthquake Account--Federal	
21	Appropriation \$	((157,795,000))
22		<u>49,641,000</u>
23	TOTAL APPROPRIATION \$	((257,367,000))
24		<u>148,360,000</u>

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

27 (1) ((~~\$582,000~~)) \$1,906,000 of the disaster response account--state
28 appropriation is provided solely for the state share of response and
29 recovery costs associated with federal emergency management agency
30 (FEMA) disasters approved in the 1999-01 biennium budget. The military
31 department may, upon approval of the director of financial management,
32 use portions of the disaster response account--state appropriation to
33 offset costs of new disasters occurring before June 30, 2003. The
34 military department shall submit a report quarterly to the office of
35 financial management and the legislative fiscal committees detailing
36 disaster costs, including: (a) Estimates of total costs; (b)
37 incremental changes from the previous estimate; (c) actual
38 expenditures; (d) estimates of total remaining costs to be paid; and
39 (d) estimates of future payments by biennium. This information shall

1 be displayed by individual disaster, by fund, and by type of
2 assistance. The military department shall also submit a report
3 quarterly to the office of financial management and the legislative
4 fiscal committees detailing information on the disaster response
5 account, including: (a) The amount and type of deposits into the
6 account; (b) the current available fund balance as of the reporting
7 date; and (c) the projected fund balance at the end of the 2001-03
8 biennium based on current revenue and expenditure patterns.

9 (2) \$100,000 of the general fund--state fiscal year 2002
10 appropriation and \$100,000 of the general fund--state fiscal year 2003
11 appropriation are provided solely for implementation of the conditional
12 scholarship program pursuant to chapter 28B.103 RCW.

13 (3) \$60,000 of the general fund--state appropriation for fiscal
14 year 2002 and \$60,000 of the general fund--state appropriation for
15 fiscal year 2003 are provided solely for the implementation of Senate
16 Bill No. 5256 (emergency management compact). If the bill is not
17 enacted by June 30, 2001, the amounts provided in this subsection shall
18 lapse.

19 (4) \$35,000 of the general fund--state fiscal year 2002
20 appropriation and \$35,000 of the general fund--state fiscal year 2003
21 appropriation are provided solely for the north county emergency
22 medical service.

23 (5) (~~(\$1,374,000)~~) \$2,145,000 of the Nisqually earthquake account--
24 state appropriation and (~~(\$3,861,000)~~) \$4,174,000 of the Nisqually
25 earthquake account--federal appropriation are provided solely for the
26 military department's costs associated with coordinating the state's
27 response to the February 28, 2001, earthquake.

28 (6) (~~(\$1,347,000)~~) \$678,000 of the Nisqually earthquake account--
29 state appropriation and (~~(\$5,359,000)~~) \$3,420,000 of the Nisqually
30 earthquake account--federal appropriation are provided solely for
31 mitigation costs associated with the earthquake for state and local
32 agencies. Of the amount from the Nisqually earthquake account--state
33 appropriation, (~~(\$898,000)~~) \$217,000 is provided for the state matching
34 share for state agencies and (~~(\$449,000)~~) \$462,000 is provided for one-
35 half of the local matching share for local entities. The amount
36 provided for the local matching share constitutes a revenue
37 distribution for purposes of RCW 43.135.060(1).

38 (7) (~~(\$35,163,000)~~) \$8,970,000 of the Nisqually earthquake
39 account--state appropriation and (~~(\$148,575,000)~~) \$42,047,000 of the

1 Nisqually earthquake account--federal appropriation are provided solely
2 for public assistance costs associated with the earthquake for state
3 and local agencies. Of the amount from the Nisqually earthquake
4 account--state appropriation, ((~~\$20,801,000~~)) \$3,924,000 is provided
5 for the state matching share for state agencies and ((~~\$14,362,000~~))
6 \$5,046,000 is provided for one-half of the local matching share for
7 local entities. The amount provided for the local matching share
8 constitutes a revenue distribution for purposes of RCW 43.135.060(1).
9 (~~Upon approval of the director of financial management, the military~~
10 ~~department may use portions of the Nisqually earthquake account--state~~
11 ~~appropriations to cover other response and recovery costs associated~~
12 ~~with the Nisqually earthquake that are not eligible for federal~~
13 ~~emergency management agency reimbursement. The military department is~~
14 ~~to submit a quarterly report detailing the costs authorized under this~~
15 ~~subsection to the office of financial management and the legislative~~
16 ~~fiscal committees.))~~

17 (8) \$17,234,000 of the Nisqually earthquake account--state
18 appropriation is provided solely to cover other response and recovery
19 costs associated with the Nisqually earthquake that are not eligible
20 for federal emergency management agency reimbursement. Prior to
21 expending funds provided in the subsection, the military department
22 shall obtain prior approval of the director of financial management.
23 Prior to approving any single project of over \$1,000,000, the office of
24 financial management shall notify the fiscal committees of the
25 legislature. The military department is to submit a quarterly report
26 detailing the costs authorized under this subsection to the office of
27 financial management and the legislative fiscal committees.

28 (9) \$106,000 of the general fund--state appropriation for fiscal
29 year 2003 is provided solely for implementation of Substitute House
30 Bill No. 2853 (terrorism/infrastructure). If the bill is not enacted
31 by June 30, 2002, the amount provided in this subsection shall lapse.

32 (10) \$2,818,000 of the enhanced 911 account--state appropriation is
33 provided solely for the implementation of House Bill No. 2595 or
34 Engrossed Second Substitute Senate Bill No. 6034 (enhanced 911 excise
35 tax). If neither bill is enacted by June 30, 2002, the amount provided
36 in this subsection shall lapse.

37 **Sec. 147.** 2001 2nd sp.s. c 7 s 152 (uncodified) is amended to read
38 as follows:

1 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

2	General Fund--State Appropriation (FY 2002) . . . \$	((2,154,000))
3		<u>2,225,000</u>
4	General Fund--State Appropriation (FY 2003) . . . \$	((2,164,000))
5		<u>2,292,000</u>
6	TOTAL APPROPRIATION \$	((4,318,000))
7		<u>4,517,000</u>

8 **Sec. 148.** 2001 2nd sp.s. c 7 s 153 (uncodified) is amended to read
9 as follows:

10 **FOR THE GROWTH PLANNING HEARINGS BOARD**

11	General Fund--State Appropriation (FY 2002) . . . \$	1,497,000
12	General Fund--State Appropriation (FY 2003) . . . \$	((1,506,000))
13		<u>1,461,000</u>
14	TOTAL APPROPRIATION \$	((3,003,000))
15		<u>2,958,000</u>

16 (End of part)

PART II
HUMAN SERVICES

1
2
3 **Sec. 201.** 2001 2nd sp.s. c 7 s 201 (uncodified) is amended to read
4 as follows:

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

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

30 (3)(a) The appropriations to the department of social and health
31 services in this act shall be expended for the programs and in the
32 amounts specified in this act. However, after May 1, 2002, unless
33 specifically prohibited by this act, the department may transfer
34 general fund--state appropriations for fiscal year 2002 among programs
35 after approval by the director of financial management. However, the
36 department shall not transfer state moneys that are provided solely for

1 a specified purpose except as expressly provided in (b) of this
2 subsection (3).

3 (b) To the extent that transfers under (a) of this subsection (3)
4 are insufficient to fund actual expenditures in excess of fiscal year
5 2002 caseload forecasts and utilization assumptions in the medical
6 assistance, long-term care, foster care, adoption support, and child
7 support programs, the department may transfer state moneys that are
8 provided solely for a specified purpose after approval by the director
9 of financial management.

10 (c) The director of financial management shall notify the
11 appropriate fiscal committees of the senate and house of
12 representatives in writing prior to approving any allotment
13 modifications or transfers under this subsection.

14 (4) In the event the department receives additional unrestricted
15 federal funds or achieves savings in excess of that anticipated in this
16 act, the department shall use up to \$5,000,000 of such funds to
17 initiate a pilot project providing integrated support services to
18 homeless individuals needing mental health services, alcohol or
19 substance abuse treatment, medical care, or who demonstrate community
20 safety concerns. Before such a pilot project is initiated, the
21 department shall notify the fiscal committees of the legislature of the
22 plans for such a pilot project including the source of funds to be
23 used.

24 **Sec. 202.** 2001 2nd sp.s. c 7 s 202 (uncodified) is amended to read
25 as follows:

26 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY**
27 **SERVICES PROGRAM**

28	General Fund--State Appropriation (FY 2002) . . . \$	((225,789,000))
29		<u>225,104,000</u>
30	General Fund--State Appropriation (FY 2003) . . . \$	((239,013,000))
31		<u>224,947,000</u>
32	General Fund--Federal Appropriation \$	((372,408,000))
33		<u>369,490,000</u>
34	General Fund--Private/Local Appropriation \$	400,000
35	Public Safety and Education Account--	
36	State Appropriation \$	((987,000))
37		<u>967,000</u>
38	Violence Reduction and Drug Enforcement Account--	

1	State Appropriation	\$	((5,702,000))
2			<u>3,598,000</u>
3	TOTAL APPROPRIATION	\$	((844,299,000))
4			<u>824,506,000</u>

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

7 (1) \$2,237,000 of the fiscal year 2002 general fund--state
8 appropriation, ((~~\$2,288,000~~)) \$2,274,000 of the fiscal year 2003
9 general fund--state appropriation, and ((~~\$1,590,000~~)) \$1,585,000 of the
10 general fund--federal appropriation are provided solely for the
11 category of services titled "intensive family preservation services."

12 (2) \$685,000 of the general fund--state fiscal year 2002
13 appropriation and \$701,000 of the general fund--state fiscal year 2003
14 appropriation are provided to contract for the operation of one
15 pediatric interim care facility. The facility shall provide
16 residential care for up to thirteen children through two years of age.
17 Seventy-five percent of the children served by the facility must be in
18 need of special care as a result of substance abuse by their mothers.
19 The facility shall also provide on-site training to biological,
20 adoptive, or foster parents. The facility shall provide at least three
21 months of consultation and support to parents accepting placement of
22 children from the facility. The facility may recruit new and current
23 foster and adoptive parents for infants served by the facility. The
24 department shall not require case management as a condition of the
25 contract.

26 (3) \$524,000 of the general fund--state fiscal year 2002
27 appropriation ((~~and \$536,000~~)), \$375,000 of the general fund--state
28 fiscal year 2003 appropriation, and \$161,000 of the general
29 fund--federal appropriation are provided for up to three nonfacility-
30 based programs for the training, consultation, support, and recruitment
31 of biological, foster, and adoptive parents of children through age
32 three in need of special care as a result of substance abuse by their
33 mothers, except that each program may serve up to three medically
34 fragile nonsubstance-abuse-affected children. In selecting
35 nonfacility-based programs, preference shall be given to programs whose
36 federal or private funding sources have expired or that have
37 successfully performed under the existing pediatric interim care
38 program.

1 (4) (~~(\$1,260,000 of the fiscal year 2002 general fund state~~
2 ~~appropriation, \$1,248,000 of the fiscal year 2003 general fund state~~
3 ~~appropriation, and \$4,196,000 of the violence reduction and drug~~
4 ~~enforcement account appropriation are provided solely for the family~~
5 ~~policy council and community public health and safety networks. The~~
6 ~~funding level for the family policy council and community public health~~
7 ~~and safety networks represents a 25 percent reduction below the funding~~
8 ~~level for the 1999-2001 biennium. Funding levels shall be reduced 25~~
9 ~~percent for both the family policy council and network grants.~~
10 ~~Reductions to network grants shall be allocated so as to maintain~~
11 ~~current funding levels, to the greatest extent possible, for projects~~
12 ~~with the strongest evidence of positive outcomes and for networks with~~
13 ~~substantial compliance with contracts for network grants.~~

14 (5)) \$2,215,000 of the fiscal year 2002 general fund--state
15 appropriation, \$4,394,000 of the fiscal year 2003 general fund--state
16 appropriation, and \$5,604,000 of the general fund--federal
17 appropriation are provided solely for reducing the average caseload
18 level per case-carrying social worker. Average caseload reductions are
19 intended to increase the amount of time social workers spend in direct
20 contact with the children, families, and foster parents involved with
21 their open cases. The department shall use some of the funds provided
22 in several local offices to increase staff that support case-carrying
23 social workers in ways that will allow social workers to increase
24 direct contact time with children, families, and foster parents. To
25 achieve the goal of reaching an average caseload ratio of 1:24 by the
26 end of fiscal year 2003, the department shall develop a plan for
27 redeploying 30 FTEs to case-carrying social worker and support
28 positions from other areas in the children and family services budget.
29 The FTE redeployment plan shall be submitted to the fiscal committees
30 of the legislature by December 1, 2001.

31 ((6)) (5) \$1,000,000 of the fiscal year 2002 general fund--state
32 appropriation and \$1,000,000 of the fiscal year 2003 general fund--
33 state appropriation are provided solely for increasing foster parent
34 respite care services that improve the retention of foster parents and
35 increase the stability of foster placements. The department shall
36 report quarterly to the appropriate committees of the legislature
37 progress against appropriate baseline measures for foster parent
38 retention and stability of foster placements.

1 (~~(7)~~) (6) \$1,050,000 of the general fund--federal appropriation
2 is provided solely for increasing kinship care placements for children
3 who otherwise would likely be placed in foster care. These funds shall
4 be used for extraordinary costs incurred by relatives at the time of
5 placement, or for extraordinary costs incurred by relatives after
6 placement if such costs would likely cause a disruption in the kinship
7 care placement. \$50,000 of the funds provided shall be contracted to
8 the Washington institute for public policy to conduct a study of
9 kinship care placements. The study shall examine the prevalence and
10 needs of families who are raising related children and shall compare
11 services and policies of Washington state with other states that have
12 a higher rate of kinship care placements in lieu of foster care
13 placements. The study shall identify possible changes in services and
14 policies that are likely to increase appropriate kinship care
15 placements.

16 (~~(8)~~) (7) \$3,386,000 of the fiscal year 2002 general fund--state
17 appropriation, (~~(\$7,671,000)~~) \$6,708,000 of the fiscal year 2003
18 general fund--state appropriation, and (~~(\$20,819,000)~~) \$20,142,000 of
19 the general fund--federal appropriation are provided solely for
20 increases in the cost per case for foster care and adoption support.
21 \$16,000,000 of the general fund--federal amount shall remain unallotted
22 until the office of financial management approves a plan submitted by
23 the department to achieve a higher rate of federal earnings in the
24 foster care program. That plan shall also be submitted to the fiscal
25 committees of the legislature and shall indicate projected federal
26 revenue compared to actual fiscal year 2001 levels. Within the amounts
27 provided for foster care, the department shall increase the basic rate
28 for foster care to an average of \$420 per month on July 1, 2001(~~(, and~~
29 ~~to an average of \$440 per month on July 1, 2002)~~). The department
30 shall use the remaining funds provided in this subsection to pay for
31 increases in the cost per case for foster care and adoption support.
32 The department shall seek to control rate increases and reimbursement
33 decisions for foster care and adoption support cases such that the cost
34 per case for family foster care, group care, receiving homes, and
35 adoption support does not exceed the amount assumed in the projected
36 caseload expenditures plus the amounts provided in this subsection.

37 (~~(9)~~) (8) \$1,767,000 of the general fund--state appropriation for
38 fiscal year 2002, (~~(\$2,461,000)~~) \$1,767,000 of the general fund--state
39 appropriation for fiscal year 2003, and (~~(\$1,485,000)~~) \$1,241,000 of

1 the general fund--federal appropriation are provided solely for rate
2 and capacity increases for child placing agencies. Child placing
3 agencies shall increase their capacity by 15 percent in fiscal year
4 2002 (~~and 30 percent in fiscal year 2003~~).

5 ~~((10) The department shall provide secure crisis residential~~
6 ~~facilities across the state in a manner that: (a) Retains geographic~~
7 ~~provision of these services; and (b) retains beds in high use areas.~~

8 ~~((11))~~ (9) \$125,000 of the general fund--state appropriation for
9 fiscal year 2002 and \$125,000 of the general fund--state appropriation
10 for fiscal year 2003 are provided solely for a foster parent retention
11 program. This program is directed at foster parents caring for
12 children who act out sexually, as described in House Bill No. 1525
13 (foster parent retention program).

14 (10) Sufficient funds are provided in this section to implement
15 House Bill No. 2459 (children's programs/services).

16 **Sec. 203.** 2001 2nd sp.s. c 7 s 203 (uncodified) is amended to read
17 as follows:

18 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE**
19 **REHABILITATION PROGRAM**

20	(1) COMMUNITY SERVICES	
21	General Fund--State Appropriation (FY 2002) . . . \$	((36,625,000))
22		<u>34,767,000</u>
23	General Fund--State Appropriation (FY 2003) . . . \$	((38,125,000))
24		<u>30,243,000</u>
25	General Fund--Federal Appropriation \$	((14,609,000))
26		<u>13,193,000</u>
27	General Fund--Private/Local Appropriation \$	((380,000))
28		<u>375,000</u>
29	Juvenile Accountability Incentive	
30	Account--Federal Appropriation \$	9,361,000
31	Public Safety and Education	
32	Account--State Appropriation \$	((6,196,000))
33		<u>5,023,000</u>
34	Violence Reduction and Drug Enforcement Account--	
35	State Appropriation \$	((21,972,000))
36		<u>21,903,000</u>
37	TOTAL APPROPRIATION \$	((127,268,000))
38		<u>114,865,000</u>

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

3 (a) \$686,000 of the violence reduction and drug enforcement account
4 appropriation is provided solely for deposit in the county criminal
5 justice assistance account for costs to the criminal justice system
6 associated with the implementation of chapter 338, Laws of 1997
7 (juvenile code revisions). The amounts provided in this subsection are
8 intended to provide funding for county adult court costs associated
9 with the implementation of chapter 338, Laws of 1997 and shall be
10 distributed in accordance with RCW 82.14.310.

11 (b) \$5,980,000 of the violence reduction and drug enforcement
12 account appropriation is provided solely for the implementation of
13 chapter 338, Laws of 1997 (juvenile code revisions). The amounts
14 provided in this subsection are intended to provide funding for county
15 impacts associated with the implementation of chapter 338, Laws of 1997
16 and shall be distributed to counties as prescribed in the current
17 consolidated juvenile services (CJS) formula.

18 (c) \$1,161,000 of the general fund--state appropriation for fiscal
19 year 2002, \$1,162,000 of the general fund--state appropriation for
20 fiscal year 2003, and \$5,190,000 of the violence reduction and drug
21 enforcement account appropriation are provided solely to implement
22 community juvenile accountability grants pursuant to chapter 338, Laws
23 of 1997 (juvenile code revisions). Funds provided in this subsection
24 may be used solely for community juvenile accountability grants,
25 administration of the grants, and evaluations of programs funded by the
26 grants.

27 (d) \$2,515,000 of the violence reduction and drug enforcement
28 account appropriation is provided solely to implement alcohol and
29 substance abuse treatment programs for locally committed offenders.
30 The juvenile rehabilitation administration shall award these moneys on
31 a competitive basis to counties that submitted a plan for the provision
32 of services approved by the division of alcohol and substance abuse.
33 The juvenile rehabilitation administration shall develop criteria for
34 evaluation of plans submitted and a timeline for awarding funding and
35 shall assist counties in creating and submitting plans for evaluation.

36 (e) \$100,000 of the general fund--state appropriation for fiscal
37 year 2002 and \$100,000 of the general fund--state appropriation for
38 fiscal year 2003 are provided solely for juvenile rehabilitation
39 administration to contract with the institute for public policy for

1 responsibilities assigned in chapter 338, Laws of 1997 (juvenile code
2 revisions).

3 (f) \$100,000 of the general fund--state appropriation for fiscal
4 year 2002 and \$100,000 of the general fund--state appropriation for
5 fiscal year 2003 are provided solely for a contract for expanded
6 services of the teamchild project.

7 (g) \$423,000 of the general fund--state appropriation for fiscal
8 year 2002, (~~(\$924,000)~~) \$787,000 of the general fund--state
9 appropriation for fiscal year 2003, (~~(\$174,000)~~) \$148,000 of the
10 general fund--federal appropriation, (~~(\$196,000)~~) \$177,000 of the
11 public safety and education assistance account appropriation, and
12 (~~(\$690,000)~~) \$621,000 of the violence reduction and drug enforcement
13 account appropriation are provided solely to increase payment rates for
14 contracted service providers.

15 (h) \$16,000 of the general fund--state appropriation for fiscal
16 year 2002 and \$16,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for the implementation of chapter
18 167, Laws of 1999 (firearms on school property). The amounts provided
19 in this subsection are intended to provide funding for county impacts
20 associated with the implementation of chapter 167, Laws of 1999, and
21 shall be distributed to counties as prescribed in the current
22 consolidated juvenile services (CJS) formula.

23 (i) \$3,441,000 of the general fund--state appropriation for fiscal
24 year 2002 (~~(and \$3,441,000 of the general fund--state appropriation for~~
25 ~~fiscal year 2003 are))~~ is provided solely for distribution to county
26 juvenile court administrators to fund the costs of processing truancy,
27 children in need of services, and at-risk youth petitions. The
28 department shall not retain any portion of these funds to cover
29 administrative or any other departmental costs. The department, in
30 conjunction with the juvenile court administrators, shall develop an
31 equitable funding distribution formula. The formula shall neither
32 reward counties with higher than average per-petition processing costs
33 nor shall it penalize counties with lower than average per-petition
34 processing costs.

35 (j) (~~(\$6,000,000)~~) \$4,941,000 of the public safety and education
36 account--state appropriation is provided solely for distribution to
37 county juvenile court administrators to fund the costs of processing
38 truancy, children in need of services, and at-risk youth petitions. To
39 the extent that distributions made under (i) and (j) of this subsection

1 and pursuant to section 801 of this act exceed actual costs of
2 processing truancy, children in need of services, and at-risk youth
3 petitions, the department, in consultation with the respective juvenile
4 court administrator and the county, may approve expenditure of funds
5 provided in this subsection on other costs of the civil or criminal
6 justice system. When this occurs, the department shall notify the
7 office of financial management and the legislative fiscal committees.
8 The department shall not retain any portion of these funds to cover
9 administrative or any other departmental costs. The department, in
10 conjunction with the juvenile court administrators, shall develop an
11 equitable funding distribution formula. The formula shall neither
12 reward counties with higher than average per-petition processing costs
13 nor shall it penalize counties with lower than average per-petition
14 processing costs.

15 (k) The distributions made under (i) and (j) of this subsection and
16 distributions from the county criminal justice assistance account made
17 pursuant to section 801 of this act constitute appropriate
18 reimbursement for costs for any new programs or increased level of
19 service for purposes of RCW 43.135.060.

20 (l) Each quarter during the 2001-03 fiscal biennium, each county
21 shall report the number of petitions processed and the total actual
22 costs of processing the petitions in each of the following categories:
23 Truancy, children in need of services, and at-risk youth. Counties
24 shall submit the reports to the department no later than 45 days after
25 the end of the quarter. The department shall forward this information
26 to the chair and ranking minority member of the house of
27 representatives appropriations committee and the senate ways and means
28 committee no later than 60 days after a quarter ends. These reports
29 are deemed informational in nature and are not for the purpose of
30 distributing funds.

31 (m) \$1,692,000 of the juvenile accountability incentive account--
32 federal appropriation is provided solely for the continued
33 implementation of a pilot program to provide for postrelease planning
34 and treatment of juvenile offenders with co-occurring disorders.

35 (n) \$22,000 of the violence reduction and drug enforcement account
36 appropriation is provided solely for the evaluation of the juvenile
37 offender co-occurring disorder pilot program implemented pursuant to
38 (m) of this subsection.

1 (o) \$900,000 of the general fund--state appropriation for fiscal
2 year 2002 and ((~~\$900,000~~)) \$150,000 of the general fund--state
3 appropriation for fiscal year 2003 are provided solely for the
4 continued implementation of the juvenile violence prevention grant
5 program established in section 204, chapter 309, Laws of 1999.

6 (p) \$33,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$29,000 of the general fund--state appropriation for
8 fiscal year 2003 are provided solely for the implementation of House
9 Bill No. 1070 (juvenile offender basic training). If the bill is not
10 enacted by June 30, 2001, the amounts provided in this subsection shall
11 lapse.

12 (q) \$21,000 of the general fund--state appropriation for fiscal
13 year 2002 and \$42,000 of the general fund--state appropriation for
14 fiscal year 2003 are provided solely for the implementation of Senate
15 Bill No. 5468 (chemical dependency). If the bill is not enacted by
16 June 30, 2001, the amounts provided in this subsection shall lapse.

17 (r) The juvenile rehabilitation administration, in consultation
18 with the juvenile court administrators, may agree on a formula to allow
19 the transfer of funds among amounts appropriated for consolidated
20 juvenile services, community juvenile accountability act grants, the
21 chemically dependent disposition alternative, and the special sex
22 offender disposition alternative.

23 (2) INSTITUTIONAL SERVICES

24	General Fund--State Appropriation (FY 2002) \$	((46,773,000))
25		<u>46,857,000</u>
26	General Fund--State Appropriation (FY 2003) \$	((48,735,000))
27		<u>43,197,000</u>
28	(General Fund--Federal Appropriation \$	14,000)
29	General Fund--Private/Local Appropriation \$	((740,000))
30		<u>735,000</u>
31	Violence Reduction and Drug Enforcement Account--	
32	State Appropriation \$	15,280,000
33	TOTAL APPROPRIATION \$	((111,542,000))
34		<u>106,069,000</u>

35 The appropriations in this subsection are subject to the following
36 conditions and limitations: \$40,000 of the general fund--state
37 appropriation for fiscal year 2002 and ((~~\$84,000~~)) \$71,000 of the

1 general fund--state appropriation for fiscal year 2003 are provided
2 solely to increase payment rates for contracted service providers.

3 (3) PROGRAM SUPPORT

4	General Fund--State Appropriation (FY 2002) . . . \$	1,738,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((1,765,000))
6		<u>1,766,000</u>
7	General Fund--Federal Appropriation \$	((307,000))
8		<u>306,000</u>
9	Juvenile Accountability Incentive Account--Federal	
10	Appropriation \$	1,100,000
11	Violence Reduction and Drug Enforcement Account--	
12	State Appropriation \$	421,000
13	TOTAL APPROPRIATION \$	5,331,000

14 **Sec. 204.** 2001 2nd sp.s. c 7 s 204 (uncodified) is amended to read
15 as follows:

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

17 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

18	General Fund--State Appropriation (FY 2002) . . . \$	((191,089,000))
19		<u>195,266,000</u>
20	General Fund--State Appropriation (FY 2003) . . . \$	((194,884,000))
21		<u>181,973,000</u>
22	General Fund--Federal Appropriation \$	((339,077,000))
23		<u>358,517,000</u>
24	General Fund--Local Appropriation \$	((4,363,000))
25		<u>21,133,000</u>
26	Health Services Account--State	
27	Appropriation \$	2,450,000
28	TOTAL APPROPRIATION \$	((731,863,000))
29		<u>759,339,000</u>

30 The appropriations in this subsection are subject to the following
31 conditions and limitations:

32 (a) Regional support networks shall use portions of the general
33 fund--state appropriation for implementation of working agreements with
34 the vocational rehabilitation program which will maximize the use of
35 federal funding for vocational programs.

36 (b) From the general fund--state appropriations in this subsection,
37 the secretary of social and health services shall assure that regional

1 support networks reimburse the aging and adult services program for the
2 general fund--state cost of medicaid personal care services that
3 enrolled regional support network consumers use because of their
4 psychiatric disability.

5 (c) \$388,000 of the general fund--state appropriation for fiscal
6 year 2002, (~~(\$1,927,000)~~) \$2,829,000 of the general fund--state
7 appropriation for fiscal year 2003, and (~~(\$2,349,000)~~) \$3,157,000 of
8 the general fund--federal appropriation are provided solely for
9 development and operation of community residential and support services
10 for persons whose treatment needs constitute substantial barriers to
11 community placement and who no longer require active psychiatric
12 treatment at an inpatient hospital level of care, no longer meet the
13 criteria for inpatient involuntary commitment, and who are clinically
14 ready for discharge from a state psychiatric hospital. In the event
15 that enough patients are not transitioned or diverted from the state
16 hospitals to close at least two hospital wards by July 2002, and
17 (~~(two)~~) four additional wards by April 2003, a proportional share of
18 these funds shall be transferred to the appropriations in subsection
19 (2) of this section to support continued care of the patients in the
20 state hospitals. Primary responsibility and accountability for
21 provision of appropriate community support for persons placed with
22 these funds shall reside with the mental health program and the
23 regional support networks, with partnership and active support from the
24 alcohol and substance abuse and from the aging and adult services
25 programs. The department shall negotiate performance-based incentive
26 contracts (~~(with those regional support networks which have the most~~
27 ~~viable plans for providing appropriate community support services for~~
28 ~~significant numbers of persons from their area who would otherwise be~~
29 ~~served in the state hospitals)) to provide appropriate community
30 support services for individuals leaving the state hospitals under this
31 subsection. The department shall first seek to contract with regional
32 support networks before offering a contract to any other party. The
33 funds appropriated in this subsection shall not be considered
34 "available resources" as defined in RCW 71.24.025 and are not subject
35 to the standard allocation formula applied in accordance with RCW
36 71.24.035(13)(a).~~

37 (d) At least \$1,000,000 of the federal block grant funding
38 appropriated in this subsection shall be used for (i) initial
39 development, training, and operation of the community support teams

1 which will work with long-term state hospital residents prior and
2 subsequent to their return to the community; and (ii) development of
3 support strategies which will reduce the unnecessary and excessive use
4 of state and local hospitals for short-term crisis stabilization
5 services. Such strategies may include training and technical
6 assistance to community long-term care and substance abuse providers;
7 the development of diversion beds and stabilization support teams;
8 examination of state hospital policies regarding admissions; and the
9 development of new contractual standards to assure that the statutory
10 requirement that 85 percent of short-term detentions be managed locally
11 is being fulfilled. The department shall report to the fiscal and
12 policy committees of the legislature on the results of these efforts by
13 November 1, 2001, and again by November 1, 2002.

14 (e) The department is authorized to implement a new formula for
15 allocating available resources among the regional support networks.
16 The distribution formula shall use the number of persons eligible for
17 the state medical programs funded under chapter 74.09 RCW as the
18 measure of the requirement for the number of acutely mentally ill,
19 chronically mentally ill, severely emotionally disturbed children, and
20 seriously disturbed in accordance with RCW 71.24.035(13)(a). The new
21 formula shall be phased in over a period of no less than six years.
22 Furthermore, the department shall increase the medicaid capitation
23 rates which a regional support network would otherwise receive under
24 the formula by an amount sufficient to assure that total funding
25 allocated to the regional support network in fiscal year 2002 increases
26 by up to ((2.1)) 3.5 percent over the amount actually paid to that
27 regional support network in fiscal year 2001, and by up to an
28 additional ((2.3)) 5.0 percent in fiscal year 2003, if total funding to
29 the regional support network would otherwise increase by less than
30 those percentages under the new formula, and provided that the
31 nonfederal share of the higher medicaid payment rate is provided by the
32 regional support network from local funds.

33 (f) Within funds appropriated in this subsection, the department
34 shall contract with the Clark county regional support network for
35 development and operation of a project demonstrating collaborative
36 methods for providing intensive mental health services in the school
37 setting for severely emotionally disturbed children who are medicaid
38 eligible. Project services are to be delivered by teachers and
39 teaching assistants who qualify as, or who are under the supervision

1 of, mental health professionals meeting the requirements of chapter
2 275-57 WAC. The department shall increase medicaid payments to the
3 regional support network by the amount necessary to cover the necessary
4 and allowable costs of the demonstration, not to exceed the upper
5 payment limit specified for the regional support network in the
6 department's medicaid waiver agreement with the federal government
7 after meeting all other medicaid spending requirements assumed in this
8 subsection. The regional support network shall provide the department
9 with (i) periodic reports on project service levels, methods, and
10 outcomes; and (ii) an intergovernmental transfer equal to the state
11 share of the increased medicaid payment provided for operation of this
12 project.

13 (g) The health services account appropriation is provided solely
14 for implementation of strategies which the department and the affected
15 regional support networks conclude will best assure continued
16 availability of community-based inpatient psychiatric services in all
17 areas of the state. Such strategies may include, but are not limited
18 to, emergency contracts for continued operation of inpatient facilities
19 otherwise at risk of closure because of demonstrated uncompensated
20 care; start-up grants for development of evaluation and treatment
21 facilities; and increases in the rate paid for inpatient psychiatric
22 services for medically indigent and/or general assistance for the
23 unemployed patients. The funds provided in this subsection must be:
24 (i) Prioritized for use in those areas of the state which are at
25 greatest risk of lacking sufficient inpatient psychiatric treatment
26 capacity, rather than being distributed on a formula basis; (ii)
27 prioritized for use by those hospitals which do not receive low-income
28 disproportionate share hospital payments as of the date of application
29 for funding; and (iii) matched on a one-quarter local, three-quarters
30 state basis by funding from the regional support network or networks in
31 the area in which the funds are expended. Payments from the amount
32 provided in this subsection shall not be made to any provider that has
33 not agreed that, except for prospective rate increases, the payment
34 shall offset, on a dollar-for-dollar basis, any liability that may be
35 established against, or any settlement that may be agreed to by the
36 state, regarding the rate of state reimbursement for inpatient
37 psychiatric care. The funds provided in this subsection shall not be
38 considered "available resources" as defined in RCW 71.24.025 and are

1 not subject to the distribution formula established pursuant to RCW
2 71.24.035.

3 (h) The department shall assure that each regional support network
4 increases spending on direct client services in fiscal years 2002 and
5 2003 by at least the same percentage as the total state, federal, and
6 local funds allocated to the regional support network in those years
7 exceeds the amounts allocated to it in fiscal year 2001.

8 (i) The department shall reduce state funding otherwise payable to
9 a regional support network in fiscal years 2002 and 2003 by the full
10 amount by which the regional support network's reserves and fund
11 balances as of December 31, 2001, exceed the required risk reserve for
12 that regional support network. The required reserve amount shall be
13 calculated by applying the risk reserve percentage specified in the
14 department's contract with the regional support network to the total
15 state and federal revenues for which the regional support network would
16 otherwise be eligible in accordance with this subsection. As used in
17 this subsection, "reserves" does not include capital project reserves
18 established in accordance with state accounting and reporting standards
19 before January 1, 2002.

20 (j) The department shall maintain the same relative allocation of
21 budgeted, nonforensic state hospital beds among the regional support
22 networks as was in effect during fiscal year 2002 until at least thirty
23 days after adjournment of the first regular legislative session
24 following submission of a report on the appropriate allocation of these
25 beds. In preparing the report, the department shall: (i) Utilize the
26 most current and reliable applicable academic research, and shall
27 consult with academic and other national experts on mental health
28 inpatient care; (ii) estimate the relative need for short-term and
29 long-term inpatient psychiatric care in each of the state's regions,
30 based upon the factors that the experts identify as the best predictors
31 of need, including geographic proximity to the hospitals; and (iii)
32 identify options for changing the current distribution of state
33 hospital beds among the regional support networks. The report shall be
34 prepared in consultation with representatives of people with mental
35 illness and the regional support networks, and shall be submitted to
36 appropriate committees of the legislature. This subsection does not
37 prohibit the replacement of current state hospital beds with community
38 alternatives as provided elsewhere in this section.

1 (k) The department shall develop a proposal to consolidate and
2 organize existing ombudsman functions in regional support networks and
3 the state hospitals into a single structure that is functionally
4 independent of the existing mental health service delivery system. The
5 proposal shall include recommendations as to the statutory and
6 administrative changes needed to establish a functional statewide
7 mental health ombudsman program. The department shall report to the
8 appropriate policy and fiscal committees of the senate and house of
9 representatives by November 1, 2002.

10 (2) INSTITUTIONAL SERVICES

11	General Fund--State Appropriation (FY 2002) . . . \$	((85,836,000))
12		<u>84,075,000</u>
13	General Fund--State Appropriation (FY 2003) . . . \$	((83,001,000))
14		<u>80,887,000</u>
15	General Fund--Federal Appropriation \$	((139,098,000))
16		<u>140,131,000</u>
17	General Fund--Private/Local Appropriation \$	((29,289,000))
18		<u>29,920,000</u>
19	TOTAL APPROPRIATION \$	((337,224,000))
20		<u>335,013,000</u>

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

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

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

29 (c) The department shall seek to reduce the census of the two state
30 psychiatric hospitals by ((120)) 178 beds by April 2003 by arranging
31 and providing community residential, mental health, and other support
32 services for long-term state hospital patients whose treatment needs
33 constitute substantial barriers to community placement and who no
34 longer require active psychiatric treatment at an inpatient hospital
35 level of care, no longer meet the criteria for inpatient involuntary
36 commitment, and who are clinically ready for discharge from a state
37 psychiatric hospital. No such patient is to move from the hospital
38 until a team of community professionals has become familiar with the

1 person and their treatment plan; assessed their strengths, preferences,
2 and needs; arranged a safe, clinically-appropriate, and stable place
3 for them to live; assured that other needed medical, behavioral, and
4 social services are in place; and is contracted to monitor the person's
5 progress on an ongoing basis. The department and the regional support
6 networks shall endeavor to assure that hospital patients are able to
7 return to their area of origin, and that placements are not
8 concentrated in proximity to the hospitals.

9 (d) For each month subsequent to the month in which a state
10 hospital bed has been closed in accordance with (c) of this subsection,
11 the mental health program shall transfer to the medical assistance
12 program state funds equal to the state share of the monthly per capita
13 expenditure amount estimated for categorically needy-disabled persons
14 in the most recent forecast of medical assistance expenditures.

15 (e) The department shall report to the appropriate committees of
16 the legislature by November 1, 2001, and by November 1, 2002, on its
17 plans for and progress toward achieving the objectives set forth in (c)
18 of this subsection.

19 (3) CIVIL COMMITMENT

20	General Fund--State Appropriation (FY 2002) . . . \$	((20,037,000))
21		<u>18,017,000</u>
22	General Fund--State Appropriation (FY 2003) . . . \$	((22,441,000))
23		<u>20,085,000</u>
24	TOTAL APPROPRIATION \$	((42,478,000))
25		<u>38,102,000</u>

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

28 (a) ((~~\$2,062,000~~)) \$1,587,000 of the general fund--state
29 appropriation for fiscal year 2002 and ((~~\$3,698,000~~)) \$2,646,000 of the
30 general fund--state appropriation for fiscal year 2003 are provided
31 solely for operational costs associated with a less restrictive step-
32 down placement facility on McNeil Island.

33 (b) ((~~\$1,000,000~~ of the general fund--state appropriation for
34 fiscal year 2002 and ~~\$1,000,000~~ of the general fund--state
35 appropriation for fiscal year 2003 are provided solely for mitigation
36 funding for jurisdictions affected by the placement of less restrictive
37 alternative facilities for persons conditionally released from the
38 special commitment center facility being constructed on McNeil Island.

1 (e)) By October 1, 2001, the department shall report to the office
2 of financial management and the fiscal committees of the house of
3 representatives and senate detailing information on plans for
4 increasing the efficiency of staffing patterns at the new civil
5 commitment center facility being constructed on McNeil Island.

6 (4) SPECIAL PROJECTS

7	General Fund--State Appropriation (FY 2002) . . . \$	444,000
8	General Fund--State Appropriation (FY 2003) . . . \$	443,000
9	General Fund--Federal Appropriation \$	2,082,000
10	TOTAL APPROPRIATION \$	2,969,000

11 (5) PROGRAM SUPPORT

12	General Fund--State Appropriation (FY 2002) . . . \$	3,104,000
13	General Fund--State Appropriation (FY 2003) . . . \$	((3,231,000))
14		<u>3,233,000</u>
15	General Fund--Federal Appropriation \$	((5,796,000))
16		<u>5,794,000</u>
17	TOTAL APPROPRIATION \$	12,131,000

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

20 (a) \$113,000 of the general fund--state appropriation for fiscal
21 year 2002, \$125,000 of the general fund--state appropriation for fiscal
22 year 2003, and \$164,000 of the general fund--federal appropriation are
23 provided solely for the institute for public policy to evaluate the
24 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
25 217, Laws of 2000 (atypical anti-psychotic medications), chapter 297,
26 Laws of 1998 (commitment of mentally ill persons), and chapter 334,
27 Laws of 2001 (mental health performance audit).

28 (b) \$168,000 of the general fund--state appropriation for fiscal
29 year 2002, \$243,000 of the general fund--state appropriation for fiscal
30 year 2003, and \$411,000 of the general fund--federal appropriation are
31 provided solely for the development and implementation of a uniform
32 outcome-oriented performance measurement system to be used in
33 evaluating and managing the community mental health service delivery
34 system consistent with the recommendations contained in the joint
35 legislative audit and review committee's audit of the public mental
36 health system. Once implemented, the use of performance measures will
37 allow comparison of measurement results to established standards and
38 benchmarks among regional support networks, service providers, and

1 against other states. The department shall provide a report to the
2 appropriate committees of the legislature on the development and
3 implementation of the use of performance measures by October 2002.

4 (c) \$125,000 of the general fund--state appropriation for fiscal
5 year 2002, \$125,000 of the general fund--state appropriation for fiscal
6 year 2003, and \$250,000 of the general fund--federal appropriation are
7 provided solely for a study of the prevalence of mental illness among
8 the state's regional support networks. The study shall examine how
9 reasonable estimates of the prevalence of mental illness relate to the
10 incidence of persons enrolled in medical assistance programs in each
11 regional support network area. In conducting this study, the
12 department shall consult with the joint legislative audit and review
13 committee, regional support networks, community mental health
14 providers, and mental health consumer representatives. The department
15 shall submit a final report on its findings to the fiscal, health care,
16 and human services committees of the legislature by November 1, 2003.

17 **Sec. 205.** 2001 2nd sp.s. c 7 s 205 (uncodified) is amended to read
18 as follows:

19 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**
20 **DISABILITIES PROGRAM**

21 In the event that the cumulative expenditure pattern for this
22 program indicates that fiscal year appropriations are insufficient to
23 cover program costs, the department shall take necessary steps to
24 reduce expenditures so that total program costs will not exceed the
25 annual appropriation authority. The department will notify the fiscal
26 committees of the legislature prior to taking such action.

27 (1) COMMUNITY SERVICES

28	General Fund--State Appropriation (FY 2002) . . . \$	((231,693,000))
29		<u>233,964,000</u>
30	General Fund--State Appropriation (FY 2003) . . . \$	((242,347,000))
31		<u>243,617,000</u>
32	General Fund--Federal Appropriation \$	((396,151,000))
33		<u>401,227,000</u>
34	Health Services Account--State	
35	Appropriation \$	((741,000))
36		<u>903,000</u>
37	TOTAL APPROPRIATION \$	((870,932,000))
38		<u>879,711,000</u>

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

3 (a) The health services account appropriation and (~~(\$753,000)~~)
4 \$904,000 of the general fund--federal appropriation are provided solely
5 for health care benefits for home care workers with family incomes
6 below 200 percent of the federal poverty level who are employed through
7 state contracts for twenty hours per week or more. Premium payments
8 for individual provider home care workers shall be made only to the
9 subsidized basic health plan. Home care agencies may obtain coverage
10 either through the basic health plan or through an alternative plan
11 with substantially equivalent benefits.

12 (b) \$902,000 of the general fund--state appropriation for fiscal
13 year 2002, \$3,372,000 of the general fund--state appropriation for
14 fiscal year 2003, and \$4,056,000 of the general fund--federal
15 appropriation are provided solely for community services for residents
16 of residential habilitation centers (RHCs) who are able to be
17 adequately cared for in community settings and who choose to live in
18 those community settings. The department shall ensure that the average
19 cost per day for all program services other than start-up costs shall
20 not exceed \$280. If the number and timing of residents choosing to
21 move into community settings is not sufficient to achieve the RHC
22 cottage consolidation plan assumed in the appropriations in subsection
23 (2) of this section, the department shall transfer sufficient
24 appropriations from this subsection to subsection (2) of this section
25 to cover the added costs incurred in the RHCs. The department shall
26 report to the appropriate committees of the legislature, within 45 days
27 following each fiscal year quarter, the number of residents moving into
28 community settings and the actual expenditures for all community
29 services to support those residents.

30 (c) (~~(\$1,440,000)~~) \$1,153,000 of the general fund--state
31 appropriation for fiscal year 2002, (~~(\$3,041,000)~~) \$3,054,000 of the
32 general fund--state appropriation for fiscal year 2003, and
33 (~~(\$4,311,000)~~) \$4,031,000 of the general fund--federal appropriation
34 are provided solely for expanded community services for persons with
35 developmental disabilities who also have community protection issues or
36 are diverted or discharged from state psychiatric hospitals. The
37 department shall ensure that the average cost per day for all program
38 services other than start-up costs shall not exceed \$275. The
39 department shall report to the appropriate committees of the

1 legislature, within 45 days following each fiscal year quarter, the
2 number of persons served with these additional community services,
3 where they were residing, what kinds of services they were receiving
4 prior to placement, and the actual expenditures for all community
5 services to support these clients.

6 (d) (~~(\$1,005,000)~~) \$259,000 of the general fund--state
7 appropriation for fiscal year 2002, (~~(\$2,262,000)~~) \$354,000 of the
8 general fund--state appropriation for fiscal year 2003, and
9 (~~(\$2,588,000)~~) \$485,000 of the general fund--federal appropriation are
10 provided solely for increasing case/resource management resources to
11 improve oversight and quality of care for persons enrolled in the
12 medicaid home and community services waiver for persons with
13 developmental disabilities. The department shall not increase total
14 enrollment in home and community based waivers for persons with
15 developmental disabilities except for (~~(increases)~~) changes assumed in
16 additional funding provided in subsections (b) and (c) of this section.
17 Prior to submitting to the health care financing authority any
18 (~~(additional)~~) new or renewed home and community based waiver requests
19 for persons with developmental disabilities, the department shall
20 submit a summary of the waiver request to the appropriate committees of
21 the legislature. The summary shall include eligibility criteria,
22 program description, enrollment projections and limits, and budget and
23 cost effectiveness projections that distinguish the requested waiver
24 from other existing or proposed waivers.

25 (e) \$1,000,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$1,000,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely for employment, or other day
28 activities and training programs, for young adults with developmental
29 disabilities who complete their high school curriculum in 2001 or 2002.
30 These services are intended to assist with the transition to work and
31 more independent living. Funding shall be used to the greatest extent
32 possible for vocational rehabilitation services matched with federal
33 funding. In recent years, the state general fund appropriation for
34 employment and day programs has been underspent. These surpluses,
35 built into the carry forward level budget, shall be redeployed for high
36 school transition services.

37 (f) \$369,000 of the fiscal year 2002 general fund--state
38 appropriation and \$369,000 of the fiscal year 2003 general fund--state

1 appropriation are provided solely for continuation of the autism pilot
2 project started in 1999.

3 (g) \$4,049,000 of the general fund--state appropriation for fiscal
4 year 2002, \$1,734,000 of the general fund--state appropriation for
5 fiscal year 2003, and \$5,369,000 of the general fund--federal
6 appropriation are provided solely to increase compensation by an
7 average of fifty cents per hour for low-wage workers providing state-
8 funded services to persons with developmental disabilities. These
9 funds, along with funding provided for vendor rate increases, are
10 sufficient to raise wages an average of fifty cents and cover the
11 employer share of unemployment and social security taxes on the amount
12 of the wage increase. In consultation with the statewide associations
13 representing such agencies, the department shall establish a mechanism
14 for testing the extent to which funds have been used for this purpose,
15 and report the results to the fiscal committees of the legislature by
16 February 1, 2002.

17 (h) Up to \$10,000,000 of funding for existing family support shall
18 be provided as supplemental security income (SSI) state supplemental
19 payments to the parent or legal guardian, on behalf of an eligible
20 individual, and shall be considered a benefit to the eligible
21 individual. Individuals receiving family support payments shall not
22 become eligible for medical assistance under RCW 74.09.510 due solely
23 to the receipt of the SSI state supplemental payment. The department
24 shall reassess individuals who are on the home and community based
25 waiver primarily for family support for transition to SSI state
26 supplemental payments. The department in coordination with the
27 economic services administration will create an application and process
28 for determining eligibility of applicants. Eligibility shall require
29 at least the following: (i) A statement that the family resides in
30 this state, (ii) verification that the eligible individual meets the
31 definition of developmental disability in RCW 71A.10.020, (iii) a
32 statement that the eligible individual resides, or is expected to
33 reside, with his or her parent or legal guardian or, another relative,
34 and (iv) verification that the taxable income for the family for the
35 year immediately preceding the date of application did not exceed 200
36 percent of the federal poverty level, unless it can be verified that
37 the taxable income for the year in which the application is made will
38 be less than 200 percent of the federal poverty level. The department,
39 in coordination with the economic services administration, will report

1 to the appropriate committees of the legislature on implementation of
2 this subsection (h) by December 1, 2002.

3 (2) INSTITUTIONAL SERVICES

4	General Fund--State Appropriation (FY 2002) \$	((71,977,000))
5		<u>71,729,000</u>
6	General Fund--State Appropriation (FY 2003) \$	((69,303,000))
7		<u>68,084,000</u>
8	General Fund--Federal Appropriation \$	((145,641,000))
9		<u>143,199,000</u>
10	General Fund--Private/Local Appropriation \$	((10,230,000))
11		<u>11,230,000</u>
12	TOTAL APPROPRIATION \$	((297,151,000))
13		<u>294,242,000</u>

14 The appropriations in this subsection are subject to the following
15 conditions and limitations: Pursuant to RCW 71A.12.160, if residential
16 habilitation center capacity is not being used for permanent residents,
17 the department may make residential habilitation center vacancies
18 available for respite care and any other services needed to care for
19 clients who are not currently being served in a residential
20 habilitation center and whose needs require staffing levels similar to
21 current residential habilitation center residents. Providing respite
22 care shall not impede the department's ability to consolidate cottages
23 as assumed in the appropriations in this subsection.

24 (3) PROGRAM SUPPORT

25	General Fund--State Appropriation (FY 2002) \$	((2,601,000))
26		<u>1,711,000</u>
27	General Fund--State Appropriation (FY 2003) \$	((2,623,000))
28		<u>1,737,000</u>
29	General Fund--Federal Appropriation \$	((2,413,000))
30		<u>2,442,000</u>
31	<u>Telecommunications Devices for the Hearing and</u>	
32	<u>Speech Impaired Account Appropriation \$</u>	<u>1,767,000</u>
33	TOTAL APPROPRIATION \$	((7,637,000))
34		<u>7,657,000</u>

35 The appropriations in this subsection are subject to the following
36 conditions and limitations: ~~((\$50,000 of the fiscal year 2002 general~~
37 ~~fund--state appropriation and \$50,000 of the fiscal year 2003 general~~

1 ~~fund--state appropriation are))~~ \$100,000 of the telecommunications
 2 devices for the hearing and speech impaired account appropriation is
 3 provided solely for increasing the contract amount for the southeast
 4 Washington deaf and hard of hearing services center due to increased
 5 workload.

6 (4) SPECIAL PROJECTS
 7 General Fund--Federal Appropriation \$ 11,995,000

8 **Sec. 206.** 2001 2nd sp.s. c 7 s 206 (uncodified) is amended to read
 9 as follows:

10 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**
 11 **SERVICES PROGRAM**

12	General Fund--State Appropriation (FY 2002)	\$	((518,911,000))
13			<u>506,255,000</u>
14	General Fund--State Appropriation (FY 2003)	\$	((537,907,000))
15			<u>508,481,000</u>
16	General Fund--Federal Appropriation	\$	((1,078,417,000))
17			<u>1,031,079,000</u>
18	General Fund--Private/Local Appropriation	\$	((4,324,000))
19			<u>4,245,000</u>
20	Health Services Account--State		
21	Appropriation	\$	4,523,000
22	TOTAL APPROPRIATION	\$	((2,144,082,000))
23			<u>2,054,583,000</u>

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

26 (1) The entire health services account appropriation, \$1,210,000 of
 27 the general fund--state appropriation for fiscal year 2002, \$1,423,000
 28 of the general fund--state appropriation for fiscal year 2003, and
 29 \$6,794,000 of the general fund--federal appropriation are provided
 30 solely for health care benefits for home care workers who are employed
 31 through state contracts for at least twenty hours per week. Premium
 32 payments for individual provider home care workers shall be made only
 33 to the subsidized basic health plan, and only for persons with incomes
 34 below 200 percent of the federal poverty level. Home care agencies may
 35 obtain coverage either through the basic health plan or through an
 36 alternative plan with substantially equivalent benefits.

1 (2) \$1,706,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$1,706,000 of the general fund--state appropriation for
3 fiscal year 2003, plus the associated vendor rate increase for each
4 year, are provided solely for operation of the volunteer chore services
5 program.

6 (3) For purposes of implementing chapter 74.46 RCW, the weighted
7 average nursing facility payment rate shall be no more than \$128.79 for
8 fiscal year 2002, and no more than (~~(\$134.45)~~) \$127.46 for fiscal year
9 2003. For all facilities, the therapy care, support services, and
10 operations component rates established in accordance with chapter 74.46
11 RCW shall be adjusted for economic trends and conditions by 2.1 percent
12 effective July 1, 2001, and by an additional (~~(2.3)~~) 2.0 percent
13 effective (~~(July)~~) September 1, 2002. For case-mix facilities, direct
14 care component rates established in accordance with chapter 74.46 RCW
15 shall also be adjusted for economic trends and conditions by 2.1
16 percent effective July 1, 2001, and by an additional (~~(2.3)~~) 2.0
17 percent effective (~~(July)~~) September 1, 2002. Additionally, to
18 facilitate the transition to a fully case-mix based direct care payment
19 system, the median price per case-mix unit for each of the applicable
20 direct care peer groups shall be increased on a one-time basis by 2.64
21 percent effective July 1, 2002.

22 (4) In accordance with Substitute House Bill No. 2242 (nursing home
23 rates), the department shall issue certificates of capital
24 authorization which result in up to \$10 million of increased asset
25 value completed and ready for occupancy in fiscal year 2003; in up to
26 \$27 million of increased asset value completed and ready for occupancy
27 in fiscal year 2004; and in up to \$27 million of increased asset value
28 completed and ready for occupancy in fiscal year 2005.

29 (5) Adult day health services shall not be considered a duplication
30 of services for persons receiving care in long-term care settings
31 licensed under chapter 18.20, 72.36, or 70.128 RCW.

32 (6) Within funds appropriated in this section and in section 204 of
33 this act, the aging and adult services program shall coordinate with
34 and actively support the efforts of the mental health program and of
35 the regional support networks to provide stable community living
36 arrangements for persons with dementia and traumatic brain injuries who
37 have been long-term residents of the state psychiatric hospitals. The
38 aging and adult services program shall report to the health care and
39 fiscal committees of the legislature by November 1, 2001, and by

1 November 1, 2002, on the actions it has taken to achieve this
2 objective.

3 (7) Within funds appropriated in this section and in section 204 of
4 this act, the aging and adult services program shall devise and
5 implement strategies in partnership with the mental health program and
6 the regional support networks to reduce the use of state and local
7 psychiatric hospitals for the short-term stabilization of persons with
8 dementia and traumatic brain injuries. Such strategies may include
9 training and technical assistance to help long-term care providers
10 avoid and manage behaviors which might otherwise result in psychiatric
11 hospitalizations; monitoring long-term care facilities to assure
12 residents are receiving appropriate mental health care and are not
13 being inappropriately medicated or hospitalized; the development of
14 diversion beds and stabilization support teams; and the establishment
15 of systems to track the use of psychiatric hospitals by long-term care
16 providers. The aging and adult services program shall report to the
17 health care and fiscal committees of the legislature by November 1,
18 2001, and by November 1, 2002, on the actions it has taken to achieve
19 this objective.

20 (8) In accordance with Substitute House Bill No. 1341, the
21 department may implement two medicaid waiver programs for persons who
22 do not qualify for such services as categorically needy, subject to
23 federal approval and the following conditions and limitations:

24 (a) One waiver program shall include coverage of home-based
25 services, and the second shall include coverage of care in community
26 residential facilities. Enrollment in the waiver covering home-based
27 services shall not exceed (~~(150)~~) 15 persons by the end of fiscal year
28 2002, nor (~~(200)~~) 163 persons by the end of fiscal year 2003.
29 Enrollment in the waiver covering community residential services shall
30 not exceed (~~(500)~~) 50 persons by the end of fiscal year 2002, nor
31 (~~(900)~~) 600 persons by the end of fiscal year 2003.

32 (b) For each month of waiver service delivered to a person who was
33 not covered by medicaid prior to their enrollment in the waiver, the
34 aging and adult services program shall transfer to the medical
35 assistance program state and federal funds equal to the monthly per
36 capita expenditure amount, net of drug rebates, estimated for medically
37 needy-aged persons in the most recent forecast of medical assistance
38 expenditures.

1 (c) The department shall identify the number of medically needy
2 nursing home residents, and enrollment and expenditures on each of the
3 two medically needy waivers, on monthly management reports.

4 (d) The department shall track and report to health care and fiscal
5 committees of the legislature by November 15, 2002, on the types of
6 long-term care support a sample of waiver participants were receiving
7 prior to their enrollment in the waiver, how those services were being
8 paid for, and an assessment of their adequacy.

9 (9) \$50,000 of the general fund--state appropriation for fiscal
10 year 2002 and \$50,000 of the general fund--state appropriation for
11 fiscal year 2003 are provided solely for payments to any nursing
12 facility licensed under chapter 18.51 RCW which meets all of the
13 following criteria: (a) The nursing home entered into an arm's length
14 agreement for a facility lease prior to January 1, 1980; (b) the lessee
15 purchased the leased nursing home after January 1, 1980; and (c) the
16 lessor defaulted on its loan or mortgage for the assets of the home
17 after January 1, 1991, and prior to January 1, 1992. Payments provided
18 pursuant to this subsection shall not be subject to the settlement,
19 audit, or rate-setting requirements contained in chapter 74.46 RCW.

20 (10) \$364,000 of the general fund--state appropriation for fiscal
21 year 2002, \$364,000 of the general fund--state appropriation for fiscal
22 year 2003, and \$740,000 of the general fund--federal appropriation are
23 provided solely for payment of exceptional care rates so that persons
24 with Alzheimer's disease and related dementias who might otherwise
25 require nursing home or state hospital care can instead be served in
26 boarding home-licensed facilities which specialize in the care of such
27 conditions.

28 (11) From funds appropriated in this section, the department shall
29 increase compensation for individual and for agency home care
30 providers. Payments to individual home care providers are to be
31 increased from \$7.18 per hour to \$7.68 per hour on July 1, 2001.
32 Payments to agency providers are to be increased to \$13.30 per hour on
33 July 1, 2001, and to \$13.44 per hour on July 1, 2002. All but 18 cents
34 per hour of the July 1, 2001, increase to agency providers is to be
35 used to increase wages for direct care workers. The appropriations in
36 this section also include the funds needed for the employer share of
37 unemployment and social security taxes on the amount of the wage
38 increase required by this subsection.

1 (12) \$2,507,000 of the general fund--state appropriation for fiscal
2 year 2002, \$2,595,000 of the general fund--state appropriation for
3 fiscal year 2003, and \$5,100,000 of the general fund--federal
4 appropriation are provided solely for prospective rate increases
5 intended to increase compensation by an average of fifty cents per hour
6 for low-wage workers in agencies which contract with the state to
7 provide community residential services for persons with functional
8 disabilities. In consultation with the statewide associations
9 representing such agencies, the department shall establish a mechanism
10 for testing the extent to which funds have been used for this purpose,
11 and report the results to the fiscal committees of the legislature by
12 February 1, 2002. The amounts in this subsection also include the
13 funds needed for the employer share of unemployment and social security
14 taxes on the amount of the wage increase.

15 (13) \$1,082,000 of the general fund--state appropriation for fiscal
16 year 2002, \$1,082,000 of the general fund--state appropriation for
17 fiscal year 2003, and \$2,204,000 of the general fund--federal
18 appropriation are provided solely for prospective rate increases
19 intended to increase compensation for low-wage workers in nursing homes
20 which contract with the state. For fiscal year 2002, the department
21 shall add forty-five cents per patient day to the direct care rate
22 which would otherwise be paid to each nursing facility in accordance
23 with chapter 74.46 RCW. For fiscal year 2003, the department shall
24 increase the median price per case-mix unit for each of the applicable
25 peer groups by six-tenths of one percent in order to distribute the
26 available funds. Beginning July 1, 2002, for a specific nursing
27 facility to be eligible for the rate increases provided in this
28 subsection, the facility shall submit the following to the department:

29 (a) Proof of a legally binding, written commitment to increase the
30 salaries, wages, or benefits of existing and newly hired low-wage
31 workers, excluding managers, administrators, and contract employees,
32 during the rate year;

33 (b) Proof of the existence of a method of enforcement of the
34 commitment, such as arbitration, that is available to the employees or
35 their representative, and proof that such a method is expeditious, uses
36 a neutral decision maker, and is economical for the employees; and

37 (c) Proof that the specific nursing facility has provided written
38 notice of the terms of the commitment and the availability of the

1 enforcement mechanism to the relevant employees or their recognized
2 representatives.

3 (14) In consultation with the statewide associations representing
4 nursing facilities, the department shall establish a mechanism for
5 testing the extent to which funds have been used for (~~this~~) the
6 purposes of subsection (13) of this section, and report the results to
7 the fiscal committees of the legislature by February 1, (~~2002~~) 2003.

8 (15) \$43,000 of the general fund--state appropriation for fiscal
9 year 2003 and \$42,000 of the general fund--federal appropriation are
10 provided solely for the implementation of Substitute House Bill No.
11 2604 (unemployment compensation). If the bill is not enacted by June
12 30, 2002, the amounts provided in this subsection shall lapse.

13 (16) In the event that the cumulative expenditure pattern for this
14 program indicates that fiscal year appropriations are insufficient to
15 cover program costs, the department shall take necessary steps to
16 reduce expenditures so that total program costs will not exceed the
17 annual appropriation authority. The department will notify the fiscal
18 committees of the legislature prior to taking such action.

19 **Sec. 207.** 2001 2nd sp.s. c 7 s 207 (uncodified) is amended to read
20 as follows:

21 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
22 **PROGRAM**

23	General Fund--State Appropriation (FY 2002) . . . \$	(436,440,000)
24		<u>442,984,000</u>
25	General Fund--State Appropriation (FY 2003) . . . \$	(424,870,000)
26		<u>397,519,000</u>
27	General Fund--Federal Appropriation \$	(1,356,351,000)
28		<u>1,359,544,000</u>
29	General Fund--Private/Local Appropriation \$	(31,788,000)
30		<u>33,880,000</u>
31	TOTAL APPROPRIATION \$	(2,249,449,000)
32		<u>2,233,927,000</u>

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

35 (1) (~~\$282,081,000~~) \$281,035,000 of the general fund--state
36 appropriation for fiscal year 2002, (~~\$278,277,000~~) \$277,231,000 of
37 the general fund--state appropriation for fiscal year 2003,
38 \$1,254,197,000 of the general fund--federal appropriation, and

1 ((~~\$29,352,000~~)) \$31,444,000 of the general fund--local appropriation
2 are provided solely for the WorkFirst program and child support
3 operations. WorkFirst expenditures include TANF grants, diversion
4 services, subsidized child care, employment and training, other
5 WorkFirst related services, allocated field services operating costs,
6 and allocated economic services program administrative costs. Within
7 the amounts provided in this subsection, the department shall:

8 (a) Continue to implement WorkFirst program improvements that are
9 designed to achieve progress against outcome measures specified in RCW
10 74.08A.410. Valid outcome measures of job retention and wage
11 progression shall be developed and reported quarterly to appropriate
12 fiscal and policy committees of the legislature for families who leave
13 assistance, measured after 12 months, 24 months, and 36 months. An
14 increased attention to job retention and wage progression is necessary
15 to emphasize the legislature's goal that the WorkFirst program succeed
16 in helping recipients gain long-term economic independence and not
17 cycle on and off public assistance. The wage progression measure shall
18 report the median percentage increase in quarterly earnings and hourly
19 wage after 12 months, 24 months, and 36 months. The wage progression
20 report shall also report the percent with earnings above one hundred
21 percent and two hundred percent of the federal poverty level. The
22 report shall compare former WorkFirst participants with similar workers
23 who did not participate in WorkFirst. The department shall also report
24 the percentage of families who have returned to temporary assistance
25 for needy families after 12 months, 24 months, and 36 months.

26 (b) Develop informational materials that educate families about the
27 difference between cash assistance and work support benefits. These
28 materials must explain, among other facts, that the benefits are
29 designed to support their employment, that there are no time limits on
30 the receipt of work support benefits, and that immigration or residency
31 status will not be affected by the receipt of benefits. These
32 materials shall be posted in all community service offices and
33 distributed to families. Materials must be available in multiple
34 languages. When a family leaves the temporary assistance for needy
35 families program, receives cash diversion assistance, or withdraws a
36 temporary assistance for needy families application, the department of
37 social and health services shall educate them about the difference
38 between cash assistance and work support benefits and offer them the
39 opportunity to begin or to continue receiving work support benefits, so

1 long as they are eligible. The department shall provide this
2 information through in-person interviews, over the telephone, and/or
3 through the mail. Work support benefits include food stamps, medicaid
4 for all family members, medicaid or state children's health insurance
5 program for children, and child care assistance. The department shall
6 report annually to the legislature the number of families who have had
7 exit interviews, been reached successfully by phone, and been sent
8 mail. The report shall also include the percentage of families who
9 elect to continue each of the benefits and the percentage found
10 ineligible by each substantive reason code. A substantive reason code
11 shall not be "other." The report shall identify barriers to informing
12 families about work support benefits and describe existing and future
13 actions to overcome such barriers.

14 (c) From the amounts provided in this subsection, provide \$50,000
15 from the general fund--state appropriation for fiscal year 2002 and
16 \$50,000 from the general fund--state appropriation for fiscal year 2003
17 to the Washington institute for public policy for continuation of the
18 WorkFirst evaluation database.

19 (d) Submit a report by December 1, 2001, to the fiscal committees
20 of the legislature containing a spending plan for the WorkFirst
21 program. The plan shall identify how spending levels in the 2001-2003
22 biennium will be adjusted by June 30, 2003, to be sustainable within
23 available federal grant levels and the carryforward level of state
24 funds.

25 (2) (~~(\$48,341,000)~~) \$54,623,000 of the general fund--state
26 appropriation for fiscal year 2002 and (~~(\$48,341,000)~~) \$45,055,000 of
27 the general fund--state appropriation for fiscal year 2003 are provided
28 solely for cash assistance and other services to recipients in the
29 general assistance--unemployable program. Within these amounts, the
30 department may expend funds for services that assist recipients to
31 reduce their dependence on public assistance, provided that
32 expenditures for these services and cash assistance do not exceed the
33 funds provided. The department shall make administrative and
34 eligibility changes, including those described in House Bill No. 3009
35 (social service programs), to the program in order to achieve savings
36 assumed in this subsection.

37 (3) \$5,632,000 of the general fund--state appropriation for fiscal
38 year 2002 and (~~(\$5,632,000)~~) \$1,132,000 of the general fund--state
39 appropriation for fiscal year 2003 are provided solely for the food

1 assistance program for legal immigrants. The level of benefits shall
2 be equivalent to the benefits provided by the federal food stamp
3 program.

4 (4) \$48,000 of the general fund--state appropriation for fiscal
5 year 2002 is provided solely to implement chapter 111, Laws of 2001
6 (veterans/Philippines).

7 (5) The department shall apply the provisions of RCW 74.04.005(10)
8 to simplify resource eligibility policy, make such policy consistent
9 with other federal public assistance programs, and achieve the
10 budgetary savings assumed in this section.

11 (6) It is the intent of the legislature that the department shall
12 comply with federal requirements to maintain aggregate funding for
13 supplemental security income (SSI) state supplemental payments. Up to
14 \$10,000,000 in existing funding for family support payments to persons
15 with developmental disabilities in the developmental disabilities
16 program shall be provided as SSI state supplemental payments. Any
17 subsequent increases in the family support program will be provided as
18 additional SSI state supplemental payments. The department will adjust
19 the base SSI state supplemental payments as needed for these increases.
20 Individuals receiving family support payments shall not become eligible
21 for medical assistance under RCW 74.09.510 solely because they receive
22 the SSI state supplemental payment. If the number of people receiving
23 SSI state supplemental payments does not allow for \$10,000,000 in
24 family support SSI state supplemental payments, the department shall
25 identify other programs where existing payments can be made as SSI
26 state supplemental payments to reach that amount.

27 (7) In the event that the cumulative expenditure pattern for this
28 program indicates that fiscal year appropriations are insufficient to
29 cover program costs, the department shall take necessary steps to
30 reduce expenditures so that total program costs will not exceed the
31 annual appropriation authority. The department will notify the fiscal
32 committees of the legislature prior to taking such action.

33 **Sec. 208.** 2001 2nd sp.s. c 7 s 208 (uncodified) is amended to read
34 as follows:

35 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
36 **ABUSE PROGRAM**

37 General Fund--State Appropriation (FY 2002) . . . \$ ((38,047,000))
38 35,851,000

1	General Fund--State Appropriation (FY 2003) . . .	\$	((38,938,000))
2			<u>31,288,000</u>
3	General Fund--Federal Appropriation	\$	((91,695,000))
4			<u>91,556,000</u>
5	General Fund--Private/Local Appropriation	\$	723,000
6	Public Safety and Education Account--State		
7	Appropriation	\$	((13,733,000))
8			<u>13,454,000</u>
9	Violence Reduction and Drug Enforcement Account--		
10	State Appropriation	\$	((52,510,000))
11			<u>53,720,000</u>
12	TOTAL APPROPRIATION	\$	((235,646,000))
13			<u>226,592,000</u>

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

16 (1) ((~~\$1,610,000~~)) \$810,000 of the general fund--state
17 appropriation for fiscal year 2002 and \$1,622,000 of the general fund--
18 state appropriation for fiscal year 2003 are provided solely for
19 expansion of 35 drug and alcohol treatment beds for persons committed
20 under RCW 70.96A.140. Patients meeting the commitment criteria of RCW
21 70.96A.140 but who voluntarily agree to treatment in lieu of commitment
22 shall also be eligible for treatment in these additional treatment
23 beds. The department shall develop specific placement criteria for
24 these expanded treatment beds to ensure that this new treatment
25 capacity is prioritized for persons incapacitated as a result of
26 chemical dependency and who are also high utilizers of hospital
27 services. These additional treatment beds shall be located in the
28 eastern part of the state.

29 (2) ~~((~~\$2,800,000~~ of the public safety and education account--state~~
30 ~~appropriation is provided solely for expansion of treatment for persons~~
31 ~~gravely disabled by abuse and addiction to alcohol and other drugs~~
32 ~~including methamphetamine.~~

33 (3)) \$1,083,000 of the public safety and education account--state
34 appropriation ((is)) and \$75,000 of the violence reduction and drug
35 enforcement account--state appropriation are provided solely for adult
36 and juvenile drug courts that have a net loss of federal grant funding
37 in state fiscal year 2002 and state fiscal year 2003. This
38 appropriation is intended to cover approximately one-half of lost
39 federal funding. It is the intent of the legislature to provide state

1 assistance to counties to cover a part of lost federal funding for drug
2 courts for a maximum of three years.

3 ((+4)) (3) \$1,993,000 of the public safety and education account--
4 state appropriation and \$951,000 of the general fund--federal
5 appropriation are provided solely for drug and alcohol treatment for
6 SSI clients. The department shall continue research and post-program
7 evaluation of these clients to further determine the post-treatment
8 utilization of medical services and the service effectiveness of
9 consolidation.

10 (4) Within the amounts appropriated in this section, funding is
11 provided to implement Second Substitute House Bill No. 2338 (drug
12 offender sentencing).

13 **Sec. 209.** 2001 2nd sp.s. c 7 s 209 (uncodified) is amended to read
14 as follows:

15 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
16 **PROGRAM**

17	General Fund--State Appropriation (FY 2002) . . . \$	((1,028,885,000))
18		<u>1,072,697,000</u>
19	General Fund--State Appropriation (FY 2003) . . . \$	((1,130,904,000))
20		<u>1,113,133,000</u>
21	General Fund--Federal Appropriation \$	((3,637,511,000))
22		<u>4,023,271,000</u>
23	General Fund--Private/Local Appropriation \$	((276,147,000))
24		<u>222,272,000</u>
25	Emergency Medical Services and Trauma Care Systems	
26	Trust Account--State Appropriation \$	9,200,000
27	Health Services Account--State Appropriation . . \$	((1,043,310,000))
28		<u>1,511,964,000</u>
29	TOTAL APPROPRIATION \$	((7,125,957,000))
30		<u>7,952,537,000</u>

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

33 (1) The department shall increase its efforts to restrain the
34 growth of health care costs. The appropriations in this section
35 anticipate that the department implements a combination of cost
36 containment and utilization strategies sufficient to reduce general
37 fund--state costs by approximately 3 percent below the level projected
38 for the 2001-03 biennium in the March 2001 forecast plus an additional

1 \$10,000,000. The department shall report to the fiscal committees of
2 the legislature by October 1, 2001, on its specific plans and
3 semiannual targets for accomplishing these savings. The department
4 shall report again to the fiscal committees by March 1, 2002, and by
5 September 1, 2002, on actual performance relative to the semiannual
6 targets. If satisfactory progress is not being made to achieve the
7 targeted savings, the reports shall include recommendations for
8 additional or alternative measures to control costs.

9 (2) The department shall continue to extend medicaid eligibility to
10 children through age 18 residing in households with incomes below 200
11 percent of the federal poverty level.

12 (3) In determining financial eligibility for medicaid-funded
13 services, the department is authorized to disregard recoveries by
14 Holocaust survivors of insurance proceeds or other assets, as defined
15 in RCW 48.104.030.

16 (4) \$502,000 of the health services account appropriation, \$400,000
17 of the general fund--private/local appropriation, and \$1,676,000 of the
18 general fund--federal appropriation are provided solely for
19 implementation of Second Substitute House Bill No. 1058 (breast and
20 cervical cancer treatment). If the bill is not enacted by June 30,
21 2001, or if private funding is not contributed equivalent to the
22 general fund--private/local appropriation, the funds appropriated in
23 this subsection shall lapse.

24 (5) \$620,000 of the health services account appropriation for
25 fiscal year 2002, \$1,380,000 of the health services account
26 appropriation for fiscal year 2003, and \$2,000,000 of the general
27 fund--federal appropriation are provided solely for implementation of
28 a "ticket to work" medicaid buy-in program for working persons with
29 disabilities, operated in accordance with the following conditions:

30 (a) To be eligible, a working person with a disability must have
31 total income which is less than 450 percent of poverty;

32 (b) Participants shall participate in the cost of the program by
33 paying (i) a monthly enrollment fee equal to fifty percent of any
34 unearned income in excess of the medicaid medically needy standard; and
35 (ii) a monthly premium equal to 5 percent of all unearned income, plus
36 5 percent of all earned income after disregarding the first sixty-five
37 dollars of monthly earnings, and half the remainder;

1 (c) The department shall establish more restrictive eligibility
2 standards than specified in this subsection to the extent necessary to
3 operate the program within appropriated funds;

4 (d) The department may require point-of-service copayments as
5 appropriate, except that copayments shall not be so high as to
6 discourage appropriate service utilization, particularly of
7 prescription drugs needed for the treatment of psychiatric conditions;
8 and

9 (e) The department shall establish systems for tracking and
10 reporting enrollment and expenditures in this program, and the prior
11 medical assistance eligibility status of new program enrollees. The
12 department shall additionally survey the prior and current employment
13 status and approximate hours worked of program enrollees, and report
14 the results to the fiscal and health care committees of the legislature
15 by January 15, 2003.

16 (6) From funds appropriated in this section, the department shall
17 design, implement, and evaluate pilot projects to assist individuals
18 with at least three different diseases to improve their health, while
19 reducing total medical expenditures. The projects shall involve (a)
20 identifying persons who are seriously or chronically ill due to a
21 combination of medical, social, and functional problems; and (b)
22 working with the individuals and their care providers to improve
23 adherence to state-of-the-art treatment regimens. The department shall
24 report to the health care and the fiscal committees of the legislature
25 by January 1, 2002, on the particular disease states, intervention
26 protocols, and delivery mechanisms it proposes to test.

27 (7) Sufficient funds are appropriated in this section for the
28 department to continue full-scope dental coverage, vision coverage, and
29 podiatry services for medicaid-eligible adults.

30 (8) The legislature reaffirms that it is in the state's interest
31 for Harborview medical center to remain an economically viable
32 component of the state's health care system.

33 (9) \$80,000 of the general fund--state appropriation for fiscal
34 year 2002, \$80,000 of the general fund--state appropriation for fiscal
35 year 2003, and \$160,000 of the general fund--federal appropriation are
36 provided solely for the newborn referral program to provide access and
37 outreach to reduce infant mortality.

38 (10) \$30,000 of the general fund--state appropriation for fiscal
39 year 2002, \$31,000 of the general fund--state appropriation for fiscal

1 year 2003, and \$62,000 of the general fund--federal appropriation are
2 provided solely for implementation of Substitute Senate Bill No. 6020
3 (dental sealants). If Substitute Senate Bill No. 6020 is not enacted
4 by June 30, 2001, the amounts provided in this subsection shall lapse.

5 (11) In accordance with RCW 74.46.625, (~~(\$376,318,000)~~)
6 \$703,077,000 of the health services account appropriation for fiscal
7 year 2002, (~~(\$144,896,000)~~) \$228,252,000 of the health services account
8 appropriation for fiscal year 2003, and (~~(\$542,089,000)~~) \$945,284,000
9 of the general fund--federal appropriation are provided solely for
10 supplemental payments to nursing homes operated by rural public
11 hospital districts, applicable to state fiscal years 2000, 2001, 2002,
12 and 2003. The payments shall be conditioned upon (a) a contractual
13 commitment by the association of public hospital districts and
14 participating rural public hospital districts to make an
15 intergovernmental transfer to the state treasurer, for deposit into the
16 health services account, equal to at least 98 percent of the
17 supplemental payments; and (b) a contractual commitment by the
18 participating districts to not allow expenditures covered by the
19 supplemental payments to be used for medicaid nursing home rate-
20 setting. The participating districts shall retain no more than a total
21 of \$20,000,000 for the 2001-03 biennium.

22 (12) (~~(\$38,690,000)~~) \$38,766,000 of the health services account
23 appropriation for fiscal year 2002, (~~(\$40,189,000)~~) \$40,488,000 of the
24 health services account appropriation for fiscal year 2003, and
25 (~~(\$80,241,000)~~) \$79,832,000 of the general fund--federal appropriation
26 are provided solely for additional disproportionate share and medicare
27 upper payment limit payments to public hospital districts.

28 (a) The payments shall be conditioned upon a contractual commitment
29 by the participating public hospital districts to make an
30 intergovernmental transfer to the health services account equal to at
31 least 91 percent of the additional payments. At least 28 percent of
32 the amounts retained by the participating hospital districts shall be
33 allocated to the state's teaching hospitals.

34 (b) An additional 4.5 percent of the additional payments may be
35 retained by the participating public hospital districts contingent upon
36 the receipt of \$446,500,000 in newly identified proshare reimbursement
37 from the federal government over the 2001-03 biennium. If the actual
38 amount received is less than \$446,500,000, the amount retained pursuant
39 to this subsection (12)(b) shall be prorated accordingly. The state

1 teaching hospitals shall receive a distribution of the amount retained
2 by the participating hospital districts in this subsection (12)(b) as
3 allocated in (a) of this subsection.

4 (13) \$412,000 of the general fund--state appropriation for fiscal
5 year 2002, \$862,000 of the general fund--state appropriation for fiscal
6 year 2003, and \$730,000 of the general fund--federal appropriation are
7 provided solely for implementation of Substitute House Bill No. 1162
8 (small rural hospitals). If Substitute House Bill No. 1162 is not
9 enacted by June 30, 2001, the amounts provided in this subsection shall
10 lapse.

11 (14) The department may continue to use any federal money available
12 to continue to provide medicaid matching funds for funds contributed by
13 local governments for purposes of conducting eligibility outreach to
14 children and underserved groups. The department shall ensure
15 cooperation with the anticipated audit of the school districts'
16 matchable expenditures for this program and advise the appropriate
17 legislative fiscal committees of the findings.

18 (15) The department may transfer up to \$11,000,000 of the general
19 fund--state appropriation for fiscal year 2003 from the medical
20 assistance administration to the economic services administration to
21 implement reductions in the general assistance-unemployable program.

22 (16) The department shall coordinate with the health care authority
23 and community and migrant health clinics to actively assist children
24 and immigrant adults not eligible for medicaid to enroll in the basic
25 health plan.

26 (17) Individuals who transition from receiving family support
27 payments through the developmental disabilities division to SSI state
28 supplemental payments shall not become eligible for medical assistance
29 under RCW 74.09.510 solely because they receive the SSI state
30 supplemental payment.

31 (18) Within available resources, the department shall design and
32 initiate a general assistance medical care management project in two
33 counties, one in eastern Washington and one in western Washington. In
34 designing the project, the department shall consult with the mental
35 health division, migrant and community health centers, and any other
36 managed care provider that has the capacity to offer coordinated
37 medical and mental health care. The projects shall be designed in such
38 a way that a designated provider network is established for general
39 assistance clients so that care management can be maximized. The

1 department shall report on the design of the pilot projects to the
2 policy and fiscal committees of the legislature by October 15, 2002.

3 (19) In the event that the cumulative expenditure pattern for this
4 program indicates that fiscal year appropriations are insufficient to
5 cover program costs, or that assumed federal proshare revenue is not
6 attainable, the department shall take necessary steps to reduce
7 expenditures so that total program costs will not exceed the annual
8 appropriation authority. The department will notify the fiscal
9 committees of the legislature prior to taking such action.

10 **Sec. 210.** 2001 2nd sp.s. c 7 s 210 (uncodified) is amended to read
11 as follows:

12 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**
13 **REHABILITATION PROGRAM**

14	General Fund--State Appropriation (FY 2002) . . . \$	((11,309,000))
15		<u>11,135,000</u>
16	General Fund--State Appropriation (FY 2003) . . . \$	((9,780,000))
17		<u>9,221,000</u>
18	General Fund--Federal Appropriation \$	((83,738,000))
19		<u>82,235,000</u>
20	General Fund--Private/Local Appropriation \$	360,000
21	TOTAL APPROPRIATION \$	((105,187,000))
22		<u>102,951,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations: The division of vocational rehabilitation
25 shall negotiate cooperative interagency agreements with state and local
26 organizations to improve and expand employment opportunities for people
27 with severe disabilities.

28 **Sec. 211.** 2001 2nd sp.s. c 7 s 211 (uncodified) is amended to read
29 as follows:

30 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**
31 **SUPPORTING SERVICES PROGRAM**

32	General Fund--State Appropriation (FY 2002) . . . \$	((30,444,000))
33		<u>30,419,000</u>
34	General Fund--State Appropriation (FY 2003) . . . \$	((29,369,000))
35		<u>22,419,000</u>
36	General Fund--Federal Appropriation \$	((50,562,000))
37		<u>47,135,000</u>

1 General Fund--Private/Local Appropriation \$ 810,000
2 TOTAL APPROPRIATION \$ ((~~111,185,000~~))
3 100,783,000

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

6 (1) By November 1, 2001, the secretary shall report to the fiscal
7 committees of the legislature on the actions the secretary has taken,
8 or proposes to take, within current funding levels to resolve the
9 organizational problems identified in the department's February 2001
10 report to the legislature on current systems for billing third-party
11 payers for services delivered by the state psychiatric hospitals. The
12 secretary is authorized to transfer funds from this section to the
13 mental health program to the extent necessary to achieve the
14 organizational improvements recommended in that report.

15 (2) By November 1, 2001, the department shall report to the fiscal
16 committees of the legislature with the least costly plan for assuring
17 that billing and accounting technologies in the state psychiatric
18 hospitals adequately and efficiently comply with standards set by
19 third-party payers. The plan shall be developed with participation by
20 and oversight from the office of financial management, the department's
21 information systems services division, and the department of
22 information services.

23 (3) The department shall reconstitute the payment integrity program
24 to place greater emphasis upon the prevention of future billing errors,
25 ensure billing and administrative errors are treated in a manner
26 distinct from allegations of fraud and abuse, and shall rename the
27 program. In keeping with this revised focus, the department shall also
28 increase to one thousand dollars the cumulative total of apparent
29 billing errors allowed before a provider is contacted for repayment.

30 (4) By September 1, 2001, the department shall report to the fiscal
31 committees of the legislature results from the payment review program.
32 The report shall include actual costs recovered and estimated costs
33 avoided for fiscal year 2001 and the costs incurred by the department
34 to administer the program. The report shall document criteria and
35 methodology used for determining avoided costs. In addition, the
36 department shall seek input from health care providers and consumer
37 organizations on modifications to the program. The department shall
38 provide annual updates to the report to the fiscal committees of the

1 legislature by September 1st of each year for the preceding fiscal
2 year.

3 (5) Amounts provided in this section are sufficient to implement
4 Third Substitute House Bill No. 1517 (state agency quality
5 improvement).

6 **Sec. 212.** 2001 2nd sp.s. c 7 s 213 (uncodified) is amended to read
7 as follows:

8 **FOR THE STATE HEALTH CARE AUTHORITY**

9	General Fund--State Appropriation (FY 2002) . . . \$	6,655,000
10	((General Fund--State Appropriation (FY 2003) . . . \$	6,654,000))
11	State Health Care Authority Administrative	
12	Account--State Appropriation \$	((20,091,000))
13		<u>20,509,000</u>
14	Health Services Account--State Appropriation . . \$	((499,148,000))
15		<u>536,041,000</u>
16	General Fund--Federal Appropriation \$	((3,611,000))
17		<u>4,240,000</u>
18	<u>Medical Aid Account--State Appropriation \$</u>	<u>45,000</u>
19	TOTAL APPROPRIATION \$	((536,159,000))
20		<u>567,490,000</u>

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

23 (1) \$6,551,000 of the general fund--state appropriation for fiscal
24 year 2002 and ~~(((\$6,550,000))~~ \$6,654,000 of the ~~((general fund))~~ health
25 services account--state appropriation ~~((for fiscal year 2003))~~ are
26 provided solely for health care services provided through local
27 community clinics.

28 (2) Within funds appropriated in this section and sections 205 and
29 206 of this 2001 act, the health care authority shall continue to
30 provide an enhanced basic health plan subsidy option for foster parents
31 licensed under chapter 74.15 RCW and workers in state-funded home care
32 programs. Under this enhanced subsidy option, foster parents and home
33 care workers with family incomes below 200 percent of the federal
34 poverty level shall be allowed to enroll in the basic health plan at a
35 cost of ten dollars per covered worker per month.

36 (3) The health care authority shall require organizations and
37 individuals which are paid to deliver basic health plan services and
38 which choose to sponsor enrollment in the subsidized basic health plan

1 to pay the following: (i) A minimum of fifteen dollars per enrollee
2 per month for persons below 100 percent of the federal poverty level;
3 and (ii) a minimum of twenty dollars per enrollee per month for persons
4 whose family income is 100 percent to 125 percent of the federal
5 poverty level.

6 (4) The health care authority shall solicit information from the
7 United States office of personnel management, health plans, and other
8 relevant sources, regarding the cost of implementation of mental health
9 parity by the federal employees health benefits program in 2001. A
10 progress report shall be provided to the senate and house of
11 representatives fiscal committees by July 1, 2002, and a final report
12 shall be provided to the legislature by November 15, 2002, on the study
13 findings.

14 (5) \$20,000,000 of the health services account appropriation is
15 provided solely for enrollment in the subsidized basic health plan of
16 persons who, solely by reason of their immigration status, are not
17 eligible for medicaid coverage of their nonemergent medical care needs.
18 Any entity or organization may sponsor subsidized basic health plan
19 enrollment for a person who, by reason of their immigration status, is
20 not eligible for medicaid coverage of their nonemergent medical care
21 needs.

22 (6) The health care authority shall report to the fiscal committees
23 of the legislature on the costs, benefits, and feasibility of
24 implementing a system no later than January 1, 2004, under which the
25 state's contribution to the cost of employee medical coverage would be
26 graduated according to employee salary. Under the graduated system,
27 employees in higher salary ranges would pay a larger share of the cost
28 of their medical coverage, while those paid lower salaries would pay a
29 smaller percentage of their premium. The report shall be prepared in
30 consultation with the department of personnel and the state-supported
31 colleges and universities, and shall be submitted to the fiscal
32 committees no later than December 1, 2002.

33 (7) In consultation with the department of personnel and with the
34 state-supported colleges and universities, the health care authority
35 shall report to the fiscal committees of the legislature by October 1,
36 2002, a plan for expanding the availability and use of flexible
37 spending account plans under which employees may set aside pretax
38 earnings to cover their out-of-pocket medical costs. The authority is

1 authorized to proceed with implementation of such a plan to the extent
2 it can be accomplished within existing state funding levels.

3 (8) \$685,000 of the health services account appropriation, \$629,000
4 of the general fund--federal appropriation, and the medical aid account
5 appropriation are provided solely for implementation of Substitute
6 Senate Bill No. 6368 (prescription drug utilization and education). If
7 the bill is not enacted by June 30, 2002, these amounts shall lapse.

8 **Sec. 213.** 2001 2nd sp.s. c 7 s 214 (uncodified) is amended to read
9 as follows:

10 **FOR THE HUMAN RIGHTS COMMISSION**

11	General Fund--State Appropriation (FY 2002) . . . \$	2,688,000
12	General Fund--State Appropriation (FY 2003) . . . \$	((2,700,000))
13		<u>2,619,000</u>
14	General Fund--Federal Appropriation \$	1,544,000
15	General Fund--Private/Local Appropriation \$	100,000
16	TOTAL APPROPRIATION \$	((7,032,000))
17		<u>6,951,000</u>

18 **Sec. 214.** 2001 2nd sp.s. c 7 s 215 (uncodified) is amended to read
19 as follows:

20 **FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS**

21	Worker and Community Right-to-Know Account--State	
22	Appropriation \$	20,000
23	Accident Account--State Appropriation \$	((14,692,000))
24		<u>14,798,000</u>
25	Medical Aid Account--State Appropriation \$	((14,694,000))
26		<u>14,801,000</u>
27	TOTAL APPROPRIATION \$	((29,406,000))
28		<u>29,619,000</u>

29 **Sec. 215.** 2001 2nd sp.s. c 7 s 216 (uncodified) is amended to read
30 as follows:

31 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

32	Municipal Criminal Justice Assistance Account--	
33	Local Appropriation \$	460,000
34	Death Investigations Account--State	
35	Appropriation \$	148,000
36	Public Safety and Education Account--State	

1	Appropriation	\$	((18,439,000))
2			<u>18,176,000</u>
3	TOTAL APPROPRIATION	\$	((19,047,000))
4			<u>18,784,000</u>

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

7 (1) \$124,000 of the public safety and education account
8 appropriation is provided solely to allow the Washington association of
9 sheriffs and police chiefs to increase the technical and training
10 support provided to the local criminal justice agencies on the new
11 incident-based reporting system and the national incident-based
12 reporting system.

13 (2) \$136,000 of the public safety and education account
14 appropriation is provided solely to allow the Washington association of
15 prosecuting attorneys to enhance the training provided to criminal
16 justice personnel.

17 (3) ~~(\$22,000)~~ \$20,000 of the public safety and education account
18 appropriation is provided solely to increase payment rates for the
19 criminal justice training commission's contracted food service
20 provider.

21 (4) ~~(\$31,000)~~ \$28,000 of the public safety and education account
22 appropriation is provided solely to increase payment rates for the
23 criminal justice training commission's contract with the Washington
24 association of sheriffs and police chiefs.

25 (5) \$65,000 of the public safety and education account
26 appropriation is provided solely for regionalized training programs for
27 school district and local law enforcement officials on school safety
28 issues.

29 (6) \$233,000 of the public safety and education account
30 appropriation is provided solely for training and equipping local law
31 enforcement officers to respond to methamphetamine crime.

32 ~~(7) (\$374,000 of the public safety and education account~~
33 ~~appropriation is provided solely for the implementation of House Bill~~
34 ~~No. 1062 (certification of peace officers). If the bill is not enacted~~
35 ~~by June 30, 2001, the amounts provided in this subsection shall lapse.~~

36 ~~(8))~~ \$450,000 of the public safety and education account
37 appropriation is provided solely for grants to be distributed by the
38 Washington association of sheriffs and police chiefs for electronic
39 mapping of school facilities.

1 **Sec. 216.** 2001 2nd sp.s. c 7 s 217 (uncodified) is amended to read
2 as follows:

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

4	General Fund--State Appropriation (FY 2002) . . . \$	((7,738,000))
5		<u>5,577,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((7,682,000))
7		<u>5,351,000</u>
8	General Fund--Federal Appropriation \$	1,250,000
9	Public Safety and Education Account--State	
10	Appropriation \$	((19,862,000))
11		<u>19,492,000</u>
12	Public Safety and Education Account--Federal	
13	Appropriation \$	6,950,000
14	Public Safety and Education Account--Private/Local	
15	Appropriation \$	4,200,000
16	Asbestos Account--State Appropriation \$	688,000
17	Electrical License Account--State	
18	Appropriation \$	28,412,000
19	Farm Labor Revolving Account--Private/Local	
20	Appropriation \$	28,000
21	Worker and Community Right-to-Know Account--State	
22	Appropriation \$	2,281,000
23	Public Works Administration Account--State	
24	Appropriation \$	2,856,000
25	Accident Account--State Appropriation \$	((179,186,000))
26		<u>184,219,000</u>
27	Accident Account--Federal Appropriation \$	11,568,000
28	Medical Aid Account--State Appropriation \$	((176,715,000))
29		<u>178,366,000</u>
30	Medical Aid Account--Federal Appropriation . . . \$	2,438,000
31	Plumbing Certificate Account--State	
32	Appropriation \$	((1,015,000))
33		<u>1,111,000</u>
34	Pressure Systems Safety Account--State	
35	Appropriation \$	((2,274,000))
36		<u>2,525,000</u>
37	TOTAL APPROPRIATION \$	((455,143,000))
38		<u>457,312,000</u>

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

3 (1) Pursuant to RCW 7.68.015, the department shall operate the
4 crime victims compensation program within the public safety and
5 education account funds appropriated in this section. (~~In the event
6 that cost containment measures are necessary, the department may (a)
7 institute copayments for services; (b) develop preferred provider
8 contracts; or (c) other cost containment measures.~~) Pursuant to RCW
9 7.68.030, the department shall adopt rules as necessary to ensure
10 effective cost containment measures. These measures may include
11 implementing ratable reductions and establishing a priority order for
12 implementing the ratable reductions. Cost containment measures shall
13 not include holding invoices received in one fiscal period for payment
14 from appropriations in subsequent fiscal periods. No more than
15 ~~((\$5,248,000))~~ \$5,150,000 of the public safety and education account
16 appropriation shall be expended for department administration of the
17 crime victims compensation program.

18 (2) (~~(\$1,438,000 of the accident account state appropriation and
19 \$1,438,000 of the medical aid account state appropriation are provided
20 for the one-time cost of implementing a recent state supreme court
21 ruling regarding the calculation of workers' compensation benefits.
22 This decision significantly increases the complexity of calculating
23 benefits and therefore increases the administrative and legal costs of
24 the workers' compensation program. The department shall develop and
25 report to appropriate committees of the legislature proposed statutory
26 language that provides greater certainty and simplicity in the
27 calculation of benefits. The report shall be submitted by October 1,
28 2001.~~)

29 ~~(3))~~ It is the intent of the legislature that elevator inspection
30 fees shall fully cover the cost of the elevator inspection program.
31 Pursuant to RCW 43.135.055, during the 2001-03 fiscal biennium the
32 department may increase fees in excess of the fiscal growth factor, if
33 the increases are necessary to fully fund the cost of the elevator
34 inspection program.

35 **Sec. 217.** 2001 2nd sp.s. c 7 s 218 (uncodified) is amended to read
36 as follows:

37 **FOR THE INDETERMINATE SENTENCE REVIEW BOARD**

38 General Fund--State Appropriation (FY 2002) . . . \$ 999,000

1	General Fund--State Appropriation (FY 2003) . . . \$	((999,000))
2		<u>969,000</u>
3	TOTAL APPROPRIATION \$	((1,998,000))
4		<u>1,968,000</u>

5 **Sec. 218.** 2001 2nd sp.s. c 7 s 219 (uncodified) is amended to read
6 as follows:

7 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

8 (1) HEADQUARTERS

9	General Fund--State Appropriation (FY 2002) . . . \$	((1,529,000))
10		<u>1,577,000</u>
11	General Fund--State Appropriation (FY 2003) . . . \$	((1,533,000))
12		<u>1,536,000</u>
13	Charitable, Educational, Penal, and Reformatory	
14	Institutions Account--State	
15	Appropriation \$	7,000
16	TOTAL APPROPRIATION \$	((3,069,000))
17		<u>3,120,000</u>

18 (2) FIELD SERVICES

19	General Fund--State Appropriation (FY 2002) . . . \$	2,619,000
20	General Fund--State Appropriation (FY 2003) . . . \$	((2,643,000))
21		<u>2,583,000</u>
22	General Fund--Federal Appropriation \$	((155,000))
23		<u>310,000</u>
24	General Fund--Private/Local Appropriation \$	1,663,000
25	TOTAL APPROPRIATION \$	((7,080,000))
26		<u>7,175,000</u>

27 (3) INSTITUTIONAL SERVICES

28	General Fund--State Appropriation (FY 2002) . . . \$	((6,832,000))
29		<u>5,765,000</u>
30	General Fund--State Appropriation (FY 2003) . . . \$	((4,600,000))
31		<u>5,537,000</u>
32	General Fund--Federal Appropriation \$	((28,699,000))
33		<u>27,437,000</u>
34	General Fund--Private/Local Appropriation \$	((25,614,000))
35		<u>22,828,000</u>
36	TOTAL APPROPRIATION \$	((65,745,000))
37		<u>61,567,000</u>

1 The appropriations in this subsection are subject to the following
 2 terms and conditions: (~~(\$3,664,000)~~) \$2,886,000 of the general fund--
 3 federal appropriation and (~~(\$7,377,000)~~) \$5,639,000 of the general
 4 fund--local appropriation are provided solely for the department to
 5 acquire, establish, and operate a nursing facility dedicated to serving
 6 men and women from Washington who have served in the nation's armed
 7 forces.

8 **Sec. 219.** 2001 2nd sp.s. c 7 s 220 (uncodified) is amended to read
 9 as follows:

10 **FOR THE DEPARTMENT OF HEALTH**

11	General Fund--State Appropriation (FY 2002) . . . \$	((65,308,000))
12		<u>55,486,000</u>
13	General Fund--State Appropriation (FY 2003) . . . \$	((66,941,000))
14		<u>54,760,000</u>
15	Health Services Account--State Appropriation . . \$	((24,186,000))
16		<u>37,859,000</u>
17	General Fund--Federal Appropriation \$	((276,840,000))
18		<u>296,992,000</u>
19	General Fund--Private/Local Appropriation \$	((81,526,000))
20		<u>83,017,000</u>
21	Hospital Commission Account--State	
22	Appropriation \$	((1,718,000))
23		<u>2,305,000</u>
24	Health Professions Account--State	
25	Appropriation \$	((38,456,000))
26		<u>39,337,000</u>
27	Emergency Medical Services and Trauma Care Systems	
28	Trust Account--State Appropriation \$	14,858,000
29	Safe Drinking Water Account--State	
30	Appropriation \$	((2,701,000))
31		<u>2,689,000</u>
32	Drinking Water Assistance Account--Federal	
33	Appropriation \$	((13,400,000))
34		<u>13,376,000</u>
35	<u>Salmon Recovery Account--State</u>	
36	<u>Appropriation</u> \$	<u>182,000</u>
37	Waterworks Operator Certification--State	
38	Appropriation \$	622,000

1	Water Quality Account--State Appropriation . . .	\$	((3,328,000))
2			<u>3,304,000</u>
3	Accident Account--State Appropriation	\$	257,000
4	Medical Aid Account--State Appropriation	\$	45,000
5	State toxics Control Account--State		
6	Appropriation	\$	((2,817,000))
7			<u>2,809,000</u>
8	Medical Test Site Licensure Account--State		
9	Appropriation	\$	((1,369,000))
10			<u>1,801,000</u>
11	Youth Tobacco Prevention Account--State		
12	Appropriation	\$	1,797,000
13	Tobacco Prevention and Control Account--State		
14	Appropriation	\$	((34,992,000))
15			<u>43,737,000</u>
16	TOTAL APPROPRIATION	\$	((631,161,000))
17			<u>655,233,000</u>

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

20 (1) The department or any successor agency is authorized to raise
21 existing fees charged to the drinking water operator certification,
22 newborn screening, radioactive materials, x-ray compliance, drinking
23 water plan review, midwifery, hearing and speech, veterinarians,
24 psychologists, pharmacists, hospitals, podiatrists, ((and)) home health
25 and home care, transient accommodations licensing, adult residential
26 rehabilitation facilities licensing, state institution licensing,
27 medical test site licensing, alcoholism treatment facilities licensing,
28 certificate of need, and food handlers programs, in excess of the
29 fiscal growth factor established by Initiative Measure No. 601, if
30 necessary, to meet the actual costs of conducting business and the
31 appropriation levels in this section.

32 (2) \$339,000 of the general fund--state appropriation for fiscal
33 year 2002 ((and \$339,000)), \$157,000 of the general fund--state
34 appropriation for fiscal year 2003, and the salmon recovery account
35 appropriation are provided solely for technical assistance to local
36 governments and special districts on water conservation and reuse.

37 (3) \$1,675,000 of the general fund--state fiscal year 2002
38 appropriation and \$1,676,000 of the general fund--state fiscal year
39 2003 appropriation are provided solely for the implementation of the

1 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
2 DOH-03, and DOH-04.

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

19 (5) (~~(\$5,779,000)~~) \$19,778,000 of the health services account--
20 state appropriation (~~for fiscal year 2002 and \$4,665,000 of the health~~
21 ~~services account--state appropriation for fiscal year 2003 are~~) is
22 provided solely for (~~purchase and distribution of the pneumococcal~~
23 ~~conjugate vaccine as part of~~) the state's program of universal access
24 to essential childhood vaccines.

25 (6) \$85,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$65,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely for the implementation of
28 Substitute House Bill No. 1365 (infant and child products). If the
29 bill is not enacted by June 30, 2001, the amounts provided in this
30 subsection shall lapse.

31 (7) \$58,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$25,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely for the implementation of Second
34 Substitute House Bill No. 1590 (breastfeeding). If the bill is not
35 enacted by June 30, 2001, the amounts provided in this subsection shall
36 lapse.

37 (8) From funds appropriated in this section, the state board of
38 health shall convene a broadly-based task force to review the available
39 information on the potential risks and benefits to public and personal

1 health and safety, and to individual privacy, of emerging technologies
2 involving human deoxyribonucleic acid (DNA). The board may reimburse
3 task force members for travel expenses according to RCW 43.03.220. The
4 task force shall consider information provided to it by interested
5 persons on: (a) The incidence of discriminatory actions based upon
6 genetic information; (b) strategies to safeguard civil rights and
7 privacy related to genetic information; (c) remedies to compensate
8 individuals for inappropriate use of their genetic information; and (d)
9 incentives for further research and development on the use of DNA to
10 promote public health, safety, and welfare. The task force shall
11 report on its findings and any recommendations to appropriate
12 committees of the legislature by October 1, 2002.

13 (9) \$533,000 of the general fund--state appropriation for fiscal
14 year 2002 and ((~~\$1,067,000~~)) \$847,000 of the general fund--state
15 appropriation for fiscal year 2003 are provided solely for performance-
16 based contracts with local jurisdictions to assure the safety of
17 drinking water provided by small "group B" water systems.

18 (10) By October 1, 2002, the department shall adopt rules and
19 establish mechanisms under which the state's contribution to the cost
20 of care for recipients of HIV early intervention services whose incomes
21 are above 125 percent of the federal poverty level shall be adjusted on
22 a sliding scale basis. The rules shall provide for the percentage of
23 costs for which the state is responsible to decrease according to the
24 recipient's income, and shall further provide for an annual limit on
25 out-of-pocket expenditures for recipients at each income range.

26 **Sec. 220.** 2001 2nd sp.s. c 7 s 221 (uncodified) is amended to read
27 as follows:

28 **FOR THE DEPARTMENT OF CORRECTIONS**

29 The appropriations to the department of corrections in chapter 7,
30 Laws of 2001 2nd sp. sess., as amended, shall be expended for the
31 programs and in the amounts specified therein. However, after April 1,
32 2002, unless specifically prohibited by this act, the department may
33 transfer general fund--state appropriations for fiscal year 2002 that
34 are not provided solely for a specified purpose, between programs after
35 approval by the director of financial management. The director of the
36 office of financial management shall notify the appropriate fiscal
37 committees of the senate and house of representatives in writing prior
38 to approving any deviations from appropriation levels.

1	(1) ADMINISTRATION AND SUPPORT SERVICES	
2	General Fund--State Appropriation (FY 2002) . . . \$	((36,156,000))
3		<u>36,786,000</u>
4	General Fund--State Appropriation (FY 2003) . . . \$	((36,365,000))
5		<u>36,212,000</u>
6	Public Safety and Education Account--State	
7	Appropriation \$	((1,576,000))
8		<u>1,547,000</u>
9	Violence Reduction and Drug Enforcement	
10	Account Appropriation \$	3,254,000
11	TOTAL APPROPRIATION \$	((77,351,000))
12		<u>77,799,000</u>

13 The appropriations in this subsection are subject to the following
14 conditions and limitations: \$4,623,000 of the general fund--state
15 appropriation for fiscal year 2002, \$4,623,000 of the general fund--
16 state appropriation for fiscal year 2003, and \$3,254,000 of the
17 violence reduction and drug enforcement account appropriation are
18 provided solely for the replacement of the department's offender-based
19 tracking system. This amount is conditioned on the department
20 satisfying the requirements of section 902 of this act. The department
21 shall prepare an assessment of the fiscal impact of any changes to the
22 replacement project. The assessment shall:

- 23 (a) Include a description of any changes to the replacement
- 24 project;
- 25 (b) Provide the estimated costs for each component in the 2001-03
- 26 and subsequent biennia;
- 27 (c) Include a schedule that provides the time estimated to complete
- 28 changes to each component of the replacement project; and
- 29 (d) Be provided to the office of financial management, the
- 30 department of information services, the information services board, and
- 31 the staff of the fiscal committees of the senate and the house of
- 32 representatives no later than November 1, 2002.

33	(2) CORRECTIONAL OPERATIONS	
34	General Fund--State Appropriation (FY 2002) . . . \$	((397,231,000))
35		<u>404,390,000</u>
36	General Fund--State Appropriation (FY 2003) . . . \$	((407,078,000))
37		<u>412,556,000</u>
38	General Fund--Federal Appropriation \$	((12,096,000))

1		<u>9,142,000</u>
2	Violence Reduction and Drug Enforcement Account--	
3	State Appropriation	\$ 1,614,000
4	Public Health Services Account Appropriation . .	\$ 1,453,000
5	TOTAL APPROPRIATION	\$ ((819,472,000))
6		<u>829,155,000</u>

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

9 (a) The department may expend funds generated by contractual
10 agreements entered into for mitigation of severe overcrowding in local
11 jails. Any funds generated in excess of actual costs shall be
12 deposited in the state general fund. Expenditures shall not exceed
13 revenue generated by such agreements and shall be treated as recovery
14 of costs.

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

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

23 (d) \$553,000 of the general fund--state appropriation for fiscal
24 year 2002 and ((~~\$1,171,000~~)) \$976,000 of the general fund--state
25 appropriation for fiscal year 2003 are provided solely to increase
26 payment rates for contracted education providers, contracted chemical
27 dependency providers, and contracted work release facilities.

28 (e) During the 2001-03 biennium, when contracts are established or
29 renewed for offender pay phone and other telephone services provided to
30 inmates, the department shall select the contractor or contractors
31 primarily based on the following factors: (i) The lowest rate charged
32 to both the inmate and the person paying for the telephone call; and
33 (ii) the lowest commission rates paid to the department, while
34 providing reasonable compensation to cover the costs of the department
35 to provide the telephone services to inmates and provide sufficient
36 revenues for the activities funded from the institutional welfare
37 betterment account as of January 1, 2000.

38 (f) For the acquisition of properties and facilities, the
39 department of corrections is authorized to enter into financial

1 contracts, paid for from operating resources, for the purposes
2 indicated and in not more than the principal amounts indicated, plus
3 financing expenses and required reserves pursuant to chapter 39.94 RCW.
4 This authority applies to the following: Lease-develop with the option
5 to purchase or lease-purchase approximately 50 work release beds in
6 facilities throughout the state for \$3,500,000.

7 (g) \$22,000 of the general fund--state appropriation for fiscal
8 year 2002 and \$76,000 of the general fund--state appropriation for
9 fiscal year 2003 are provided solely for the implementation of Second
10 Substitute Senate Bill No. 6151 (high risk sex offenders in the civil
11 commitment and criminal justice systems). If the bill is not enacted
12 by June 30, 2001, the amounts provided in this subsection shall lapse.

13 (h) (~~The department may acquire a ferry for no more than~~
14 ~~\$1,000,000 from Washington state ferries. Funds expended for this~~
15 ~~purpose will be recovered from the sale of marine assets.~~) \$53,000 of
16 the general fund--state appropriation for fiscal year 2003 is provided
17 solely for the implementation of either Second Substitute House Bill
18 No. 2507 or Engrossed Second Substitute Senate Bill No. 6490 (motor
19 vehicle theft). If neither bill is enacted by June 30, 2002, the
20 amount provided in this subsection shall lapse.

21 (3) COMMUNITY SUPERVISION

22	General Fund--State Appropriation (FY 2002)	\$	((61,427,000))
23			<u>68,097,000</u>
24	General Fund--State Appropriation (FY 2003)	\$	((62,934,000))
25			<u>70,545,000</u>
26	General Fund--Federal Appropriation	\$	((1,125,000))
27			<u>870,000</u>
28	Public Safety and Education		
29	Account--State Appropriation	\$	((15,841,000))
30			<u>15,546,000</u>
31	TOTAL APPROPRIATION	\$	((141,327,000))
32			<u>155,058,000</u>

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

35 (a) The department of corrections shall accomplish personnel
36 reductions with the least possible impact on correctional custody
37 staff, community custody staff, and correctional industries. For the

1 purposes of this subsection, correctional custody staff means employees
2 responsible for the direct supervision of offenders.

3 (b) \$75,000 of the general fund--state appropriation for fiscal
4 year 2002 and \$75,000 of the general fund--state appropriation for
5 fiscal year 2003 are provided solely for the department of corrections
6 to contract with the institute for public policy for responsibilities
7 assigned in chapter 196, Laws of 1999 (offender accountability act) and
8 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
9 sentencing).

10 (c) \$16,000 of the general fund--state appropriation for fiscal
11 year 2002 and (~~(\$34,000)~~) \$29,000 of the general fund--state
12 appropriation for fiscal year 2003 are provided solely to increase
13 payment rates for contracted chemical dependency providers.

14 (d) \$30,000 of the general fund--state appropriation for fiscal
15 year 2002 and \$30,000 of the general fund--state appropriation for
16 fiscal year 2003 are provided solely for the implementation of
17 Substitute Senate Bill No. 5118 (interstate compact for adult offender
18 supervision). If the bill is not enacted by June 30, 2001, the amounts
19 provided in this subsection shall lapse.

20 (4) CORRECTIONAL INDUSTRIES

21	General Fund--State Appropriation (FY 2002) . . . \$	631,000
22	General Fund--State Appropriation (FY 2003) . . . \$	629,000
23	TOTAL APPROPRIATION \$	1,260,000

24 The appropriations in this subsection are subject to the following
25 conditions and limitations: \$110,000 of the general fund--state
26 appropriation for fiscal year 2002 and \$110,000 of the general fund--
27 state appropriation for fiscal year 2003 are provided solely for
28 transfer to the jail industries board. The board shall use the amounts
29 provided only for administrative expenses, equipment purchases, and
30 technical assistance associated with advising cities and counties in
31 developing, promoting, and implementing consistent, safe, and efficient
32 offender work programs.

33 (5) INTERAGENCY PAYMENTS

34	General Fund--State Appropriation (FY 2002) . . . \$	18,568,000
35	General Fund--State Appropriation (FY 2003) . . . \$	18,569,000
36	TOTAL APPROPRIATION \$	37,137,000

1 **Sec. 221.** 2001 2nd sp.s. c 7 s 222 (uncodified) is amended to read
2 as follows:

3 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

4	General Fund--State Appropriation (FY 2002) . . . \$	1,693,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((1,628,000))
6		<u>1,579,000</u>
7	General Fund--Federal Appropriation \$	((11,140,000))
8		<u>12,643,000</u>
9	General Fund--Private/Local Appropriation \$	80,000
10	TOTAL APPROPRIATION \$	((14,541,000))
11		<u>15,995,000</u>

12 The appropriations in this section are subject to the following
13 conditions and limitations: \$50,000 of the general fund--state
14 appropriation for fiscal year 2002 and \$50,000 of the general fund--
15 state appropriation for fiscal year 2003 are provided solely to
16 increase state assistance for a comprehensive program of training and
17 support services for persons who are both deaf and blind.

18 **Sec. 222.** 2001 2nd sp.s. c 7 s 223 (uncodified) is amended to read
19 as follows:

20 **FOR THE SENTENCING GUIDELINES COMMISSION**

21	General Fund--State Appropriation (FY 2002) . . . \$	936,000
22	General Fund--State Appropriation (FY 2003) . . . \$	((857,000))
23		<u>831,000</u>
24	TOTAL APPROPRIATION \$	((1,793,000))
25		<u>1,767,000</u>

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

28 \$78,000 of the general fund--state appropriation for fiscal year
29 2002 is provided solely for the sentencing guidelines commission to
30 conduct a comprehensive review and evaluation of state sentencing
31 policy. The review and evaluation shall include an analysis of whether
32 current sentencing ranges and standards, as well as existing mandatory
33 minimum sentences, existing sentence enhancements, and special
34 sentencing alternatives, are consistent with the purposes of the
35 sentencing reform act as set out in RCW 9.94A.010, including the intent
36 of the legislature to emphasize confinement for the violent offender
37 and alternatives to confinement for the nonviolent offender. The

1 review and evaluation shall also examine whether current sentencing
2 ranges and standards are consistent with existing corrections capacity.

3 The review and evaluation shall consider studies on the cost-
4 effectiveness of sentencing alternatives, as well as the fiscal impact
5 of sentencing policies on state and local government. In conducting
6 the review and evaluation, the commission shall consult with the
7 superior court judges' association, the Washington association of
8 prosecuting attorneys, the Washington defenders' association, the
9 Washington association of criminal defense lawyers, the Washington
10 association of sheriffs and police chiefs, organizations representing
11 crime victims, and other organizations and individuals with expertise
12 and interest in sentencing policy.

13 Not later than December 1, 2001, the commission shall present to
14 the appropriate standing committees of the legislature the report of
15 its comprehensive review and evaluation, together with any
16 recommendations for revisions and modifications to state sentencing
17 policy, including sentencing ranges and standards, mandatory minimum
18 sentences, and sentence enhancements. If implementation of the
19 recommendations of the commission would result in exceeding the
20 capacity of correctional facilities, the commission shall at the same
21 time present to the legislature a list of revised standard sentence
22 ranges which are consistent with currently authorized rated and
23 operational corrections capacity, and consistent with the purposes of
24 the sentencing reform act.

25 **Sec. 223.** 2001 2nd sp.s. c 7 s 224 (uncodified) is amended to read
26 as follows:

27 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

28	General Fund--Federal Appropriation	\$	180,628,000
29	General Fund--Private/Local Appropriation	\$	30,119,000
30	Unemployment Compensation Administration Account--		
31	Federal Appropriation	\$	((181,677,000))
32			<u>194,167,000</u>
33	Administrative Contingency Account--State		
34	Appropriation	\$	((13,914,000))
35			<u>16,534,000</u>
36	Employment Service Administrative Account--State		
37	Appropriation	\$	20,001,000
38	TOTAL APPROPRIATION	\$	((426,339,000))

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

(1) \$133,000 of the unemployment compensation administration account is provided solely for the implementation of Substitute House Bill No. 2604 (unemployment compensation). If the bill is not enacted by June 30, 2002, the amount provided in this subsection shall lapse.

(2) \$156,000 of the unemployment compensation administration account is provided solely for the implementation of Substitute House Bill No. 2355 (unemployment insurance). If the bill is not enacted by June 30, 2002, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 224. A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR THE HOME CARE QUALITY AUTHORITY

General Fund--State Appropriation (FY 2003) \$ 152,000

(End of part)

PART III
NATURAL RESOURCES

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Sec. 301. 2001 2nd sp.s. c 7 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2002) . . . \$	((46,633,000))
	<u>39,373,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((44,481,000))
	<u>33,890,000</u>
General Fund--Federal Appropriation \$	56,805,000
General Fund--Private/Local Appropriation \$	4,351,000
Special Grass Seed Burning Research Account--	
State Appropriation \$	14,000
Reclamation Revolving Account--State	
Appropriation \$	((1,810,000))
	<u>1,935,000</u>
Flood Control Assistance Account--	
State Appropriation \$	4,098,000
State Emergency Water Projects Revolving Account--	
State Appropriation \$	878,000
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation \$	((13,537,000))
	<u>14,287,000</u>
State Drought Preparedness Account--State	
Appropriation \$	((5,325,000))
	<u>2,575,000</u>
<u>Salmon Recovery Account--State Appropriation</u> . . \$	<u>250,000</u>
State and Local Improvements Revolving Account	
(Water Supply Facilities)--State	
Appropriation \$	587,000
Water Quality Account--State Appropriation . . . \$	((12,481,000))
	<u>22,335,000</u>
Wood Stove Education and Enforcement Account--	
State Appropriation \$	353,000
Worker and Community Right-to-Know Account--	
State Appropriation \$	3,288,000

1	State Toxics Control Account--State	
2	Appropriation	\$ ((68,931,000))
3		<u>70,763,000</u>
4	State Toxics Control Account--Private/Local	
5	Appropriation	\$ 350,000
6	Local Toxics Control Account--State	
7	Appropriation	\$ 4,751,000
8	Water Quality Permit Account--State	
9	Appropriation	\$ ((23,827,000))
10		<u>24,210,000</u>
11	Underground Storage Tank Account--State	
12	Appropriation	\$ 2,682,000
13	Environmental Excellence Account--State	
14	Appropriation	\$ 504,000
15	Biosolids Permit Account--State Appropriation	\$ ((589,000))
16		<u>764,000</u>
17	Hazardous Waste Assistance Account--State	
18	Appropriation	\$ 4,308,000
19	Air Pollution Control Account--State	
20	Appropriation	\$ ((1,066,000))
21		<u>1,366,000</u>
22	Oil Spill Prevention Account--State	
23	Appropriation	\$ ((7,921,000))
24		<u>8,621,000</u>
25	Air Operating Permit Account--State	
26	Appropriation	\$ 3,608,000
27	Freshwater Aquatic Weeds Account--State	
28	Appropriation	\$ 1,898,000
29	Oil Spill Response Account--State	
30	Appropriation	\$ 7,078,000
31	Metals Mining Account--State Appropriation	\$ 5,000
32	Water Pollution Control Revolving Account--	
33	State Appropriation	\$ ((467,000))
34		<u>638,000</u>
35	Water Pollution Control Revolving Account--	
36	Federal Appropriation	\$ ((2,316,000))
37		<u>2,728,000</u>
38	TOTAL APPROPRIATION	\$ ((324,942,000))
39		<u>319,293,000</u>

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

3 (1) \$3,874,000 of the general fund--state appropriation for fiscal
4 year 2002, \$3,874,000 of the general fund--state appropriation for
5 fiscal year 2003, \$394,000 of the general fund--federal appropriation,
6 \$2,070,000 of the oil spill prevention account--state appropriation,
7 and \$3,686,000 of the water quality permit account--state appropriation
8 are provided solely for the implementation of the Puget Sound work plan
9 and agency action items DOE-01, DOE-02, DOE-03, DOE-05, DOE-06, DOE-07,
10 DOE-08, and DOE-09.

11 (2) \$500,000 of the state toxics control account appropriation is
12 provided for an assessment of the financial assurance requirements of
13 hazardous waste management facilities. By September 30, 2002, the
14 department shall provide to the governor and appropriate committees of
15 the legislature a report that: (a) Evaluates current statutes and
16 regulations governing hazardous waste management facilities; (b)
17 analyzes and makes recommendations for improving financial assurance
18 regulatory control; and (c) makes recommendations for funding financial
19 assurance regulatory control of hazardous waste management facilities.

20 (3) (~~(\$250,000 of the general fund--state appropriation for fiscal~~
21 ~~year 2002, \$250,000 of the general fund--state appropriation for fiscal~~
22 ~~year 2003, \$564,000)) \$814,000 of the state drought preparedness
23 account--state appropriation, ((and)) \$549,000 of the water quality
24 account--state appropriation, and \$250,000 of the salmon recovery
25 account--state appropriation are provided solely for enhanced
26 streamflow monitoring in critical salmon recovery basins. \$640,000 of
27 this amount is provided solely to implement the Puget Sound work plan
28 and agency action item DOE-01.~~

29 (4) \$1,000,000 of the state toxics control account appropriation in
30 this section is provided solely for the department to work in
31 cooperation with local jurisdictions to address emerging storm water
32 management requirements. This work shall include developing a storm
33 water manual for eastern Washington, technical assistance to local
34 jurisdictions, and increased implementation of the department's
35 existing storm water program. \$200,000 of this amount is provided
36 solely for implementation of the Puget Sound work plan and agency
37 action item DOE-06.

38 (5) \$383,000 of the general fund--state appropriation for fiscal
39 year 2002 and \$383,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided solely for water conservation plan
2 review, technical assistance, and project review for water conservation
3 and reuse projects. By December 1, 2003, the department in cooperation
4 with the department of health shall report to the governor and
5 appropriate committees of the legislature on the activities and
6 achievements related to water conservation and reuse during the past
7 two biennia. The report shall include an overview of technical
8 assistance provided, reuse project development activities, and water
9 conservation achievements.

10 (6) \$3,424,000 of the state toxics control account appropriation is
11 provided solely for methamphetamine lab clean up activities.

12 (7)(a) \$800,000 of the state toxics control account appropriation
13 is provided solely to implement the department's persistent,
14 bioaccumulative toxic chemical strategy. (~~(\$54,000 of this amount
15 shall be allocated to the department of health to assist with this
16 effort.)~~)

17 (b) In developing its persistent bioaccumulative toxic chemical
18 strategy, the department must:

19 (i) First develop a planned strategy for the elimination of mercury
20 from the environment. This strategy will be known as the mercury
21 chemical action plan. The development of the mercury chemical action
22 plan will be a model for developing all future chemical action plans;

23 (ii) Develop a mercury chemical action plan that includes, but is
24 not limited to: (A) Identifying current mercury uses in Washington;
25 (B) analyzing current state and federal laws, regulations, rules, and
26 voluntary measures that can be used to reduce or eliminate mercury; (C)
27 identifying mercury reduction and elimination options; and (D)
28 implementing actions to reduce or eliminate mercury uses and releases;

29 (iii) Involve an advisory committee of up to twelve members
30 composed of adequate and balanced representation of local government,
31 business, agriculture, and environmental, public health, and community
32 groups in the development of the mercury chemical action plan. In
33 addition, the department must invite and strongly encourage any
34 interested tribes or federal agencies to participate in the advisory
35 committee process. The advisory committee must be involved in the
36 development of the mercury chemical action plan. All information that
37 will serve as the basis for any decisions in the mercury chemical
38 action plan's development must be available to the advisory committee
39 members. The advisory committee has sixty days to provide input to the

1 department on the elements of the mercury chemical action plan. The
2 comments and suggestions made by the advisory committee must be
3 considered by the department; however, consensus of the advisory
4 committee is not necessary for the department to move forward in the
5 development of the mercury chemical action plan. All meetings of the
6 advisory committee are subject to the provisions of chapter 42.30 RCW.
7 The advisory committee for the mercury chemical action plan must be
8 established by April 15, 2002;

9 (iv) By June 30, 2002, develop and issue a draft mercury chemical
10 action plan in consultation with the advisory committee. Following the
11 release of the draft plan, the department must allow for a sixty-day
12 public comment period. The advisory committee, following the comment
13 period, shall consider the public comments received; and

14 (v) The department shall finalize the mercury chemical action plan
15 by December 1, 2002. The final mercury chemical action plan, developed
16 after considering the public comments and the input of the advisory
17 committee, must outline actions for the department to take, including,
18 but not limited to, the development of any rules and recommending any
19 legislation. Implementation must begin no later than January 1, 2003.

20 (8) Up to \$11,365,000 of the state toxics control account
21 appropriation is provided for the remediation of contaminated sites.
22 Of this amount, up to \$2,000,000 may be used to pay existing site
23 remediation liabilities owed to the federal environmental protection
24 agency for clean-up work that has been completed. The department shall
25 carefully monitor actual revenue collections into the state toxics
26 control account, and is authorized to limit actual expenditures of the
27 appropriation provided in this section consistent with available
28 revenue.

29 (9) \$200,000 of the state toxics control account appropriation is
30 provided to assess the effectiveness of the state's current toxic
31 pollution prevention and dangerous waste programs and policies. The
32 department shall work with affected stakeholder groups and the public
33 to evaluate the performance of existing programs, and identify feasible
34 methods of reducing the generation of these wastes. The department
35 shall report its findings to the governor and the appropriate
36 committees of the legislature by September 30, 2002.

37 (10) \$1,200,000 of the state toxics control account appropriation
38 is provided solely for the department, in conjunction with affected
39 local governments, to address emergent areawide soil contamination

1 problems. The department's efforts will include public involvement
2 processes and completing assessments of the geographical extent of
3 toxic contamination including highly contaminated areas.

4 (11) \$170,000 of the oil spill prevention account appropriation is
5 provided solely for implementation of the Puget Sound work plan action
6 item UW-02 through a contract with the University of Washington's sea
7 grant program to develop an educational program targeted to small
8 spills from commercial fishing vessels, ferries, cruise ships, ports,
9 and marinas.

10 (12) \$1,500,000 of the general fund--state appropriation for fiscal
11 year 2002, \$1,500,000 of the general fund--state appropriation for
12 fiscal year 2003, and \$3,000,000 of the water quality account
13 appropriation are provided solely to implement chapter 237, Laws of
14 2001 (Engrossed Substitute House Bill No. 1832, water resources
15 management) and to support the processing of applications for changes
16 and transfers of existing water rights.

17 (~~(\$4,500,000 of the general fund--state appropriation for~~
18 ~~fiscal year 2002 and \$4,500,000 of the general fund--state~~
19 ~~appropriation for fiscal year 2003 are))~~ \$9,000,000 of the water
20 quality account--state appropriation is provided solely for grants to
21 local governments and for technical assistance to conduct watershed
22 planning. Of the total amount, at least \$7,000,000 must be provided
23 solely for grants to local governments.

24 (14) \$3,114,000 of the water quality account appropriation is
25 provided solely to implement Engrossed Substitute House Bill No. 1832
26 (water resources management). Of this amount: (a) \$2,100,000 is
27 provided for grants to local governments for targeted watershed
28 assessments consistent with Engrossed Substitute House Bill No. 1832;
29 and (b) the remainder of the funding is provided solely for development
30 of a state environmental policy act template to streamline
31 environmental review, creation of a blue ribbon panel to develop long-
32 term watershed planning implementation funding options, and technical
33 assistance.

34 (~~(18))~~ (15) \$200,000 of the water quality account appropriation
35 is provided solely to provide coordination and assistance to groups
36 established for the purpose of protecting, enhancing, and restoring the
37 biological, chemical, and physical processes of watersheds. These
38 groups may include those involved in coordinated resource management,
39 regional fisheries enhancement groups, conservation districts,

1 watershed councils, and private nonprofit organizations incorporated
2 under Title 24 RCW.

3 ~~((19))~~ (16) \$325,000 of the state drought preparedness account--
4 state appropriation is provided solely for an environmental impact
5 statement of the Pine Hollow reservoir project to be conducted in
6 conjunction with the local irrigation district.

7 ~~((20) \$1,700,000))~~ (17) \$1,352,000 of the general fund--state
8 appropriation for fiscal year 2002, \$700,000 of the state toxics
9 control account--appropriation, and ~~((280,000))~~ \$980,000 of the oil
10 spill prevention account appropriation are provided solely for oil
11 spill prevention measures in Puget Sound. Of these amounts:

12 (a) The general fund appropriation ~~((is))~~, \$700,000 of the state
13 toxics control account appropriation, and \$700,000 of the oil spill
14 prevention account appropriation are provided solely for the department
15 of ecology to provide for charter safety tug services~~((Safety tug~~
16 ~~services shall include:--(i))~~, including the placement of a dedicated
17 tug at Neah Bay for not less than 200 days in fiscal year 2002~~((; and~~
18 ~~(ii) other safety tug services that may be released by the department~~
19 ~~at the request of the United States coast guard captain of the port for~~
20 ~~Puget Sound to the areas or incidents that the department deems to be~~
21 ~~of highest concern))~~ and fiscal year 2003. By January 10, 2002, the
22 department shall report to the appropriate committees of the
23 legislature regarding the number of dispatches, response time and
24 distance, and other factors pertaining to the safety tug services. The
25 general fund--state appropriation in this subsection is provided solely
26 for implementation of the Puget Sound work plan and agency action item
27 DOE-09;

28 (b) \$100,000 of the oil spill prevention account appropriation is
29 provided solely for the department to conduct a vessel transponder
30 feasibility study for Washington waters and undertake a trial vessel
31 tracking program using transponders. In conducting the feasibility
32 study and trial program, the department of ecology shall consult with
33 state pilotage authorities, the maritime industry and the United States
34 coast guard; and

35 (c) \$180,000 of the oil spill prevention account appropriation is
36 provided solely to acquire vessel incident reporting information.

37 The governor shall request the federal government to provide
38 ongoing resources to station a dedicated rescue tug at Neah Bay.

1 (~~(21)~~) (18) \$600,000 of the water quality account--state
2 appropriation is provided solely for setting instream flows in six
3 basins not currently planning under the watershed planning act.

4 (19) \$500,000 of the general fund--state appropriation for fiscal
5 year 2003 and \$250,000 of the water quality account--state
6 appropriation are provided solely to implement House Bill No. 2993
7 (water policy). If the bill is not enacted by June 30, 2002, the
8 amount provided in this subsection shall lapse.

9 (20) For applicants that meet eligibility requirements, the
10 department of ecology shall consider individual storm drain treatment
11 systems to be classified as "activity" projects and eligible for grant
12 funding provided under section 319 of the federal Clean Water Act.
13 These projects shall be prioritized for funding along with other grant
14 proposals. Receipt of funding shall be based on this prioritization.

15 **Sec. 302.** 2001 2nd sp.s. c 7 s 303 (uncodified) is amended to read
16 as follows:

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

18	General Fund--State Appropriation (FY 2002) . . . \$	((32,298,000))
19		<u>32,198,000</u>
20	General Fund--State Appropriation (FY 2003) . . . \$	((32,866,000))
21		<u>30,080,000</u>
22	General Fund--Federal Appropriation \$	2,690,000
23	General Fund--Private/Local Appropriation \$	60,000
24	Winter Recreation Program Account--State	
25	Appropriation \$	((787,000))
26		<u>1,087,000</u>
27	Off Road Vehicle Account--State Appropriation . . \$	274,000
28	Snowmobile Account--State Appropriation \$	4,682,000
29	Aquatic Lands Enhancement Account--State	
30	Appropriation \$	337,000
31	Public Safety and Education Account--State	
32	Appropriation \$	((48,000))
33		<u>46,000</u>
34	Salmon Recovery Account--State	
35	Appropriation \$	<u>\$200,000</u>
36	Water Trail Program Account--State	
37	Appropriation \$	24,000
38	Parks Renewal and Stewardship Account--	

1	State Appropriation	\$	((26,420,000))
2			<u>29,693,000</u>
3	TOTAL APPROPRIATION	\$	((100,486,000))
4			<u>101,371,000</u>

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

7 (1) Fees approved by the state parks and recreation commission in
8 the 2001-03 biennium are authorized to exceed the fiscal growth factor
9 under RCW 43.135.055.

10 (2) The state parks and recreation commission, in collaboration
11 with the office of financial management and legislative staff, shall
12 develop a cost-effective and readily accessible approach for reporting
13 revenues and expenditures at each state park. The reporting system
14 shall be complete and operational by December 1, 2001.

15 ~~(3) ((The appropriation in this section from the off-road vehicle
16 account--state is provided under RCW 46.09.170(1)(c) and is provided
17 solely to bring off-road vehicle recreation facilities into compliance
18 with the requirements, guidelines, spirit, and intent of the federal
19 Americans with disabilities act.~~

20 ~~((4))~~ \$79,000 of the general fund--state appropriation for fiscal
21 year 2002, \$79,000 of the general fund--state appropriation for fiscal
22 year 2003, and \$8,000 of the winter recreation program account--state
23 appropriation are provided solely for a grant for the operation of the
24 Northwest avalanche center.

25 ~~((5))~~ (4) \$432,000 of the parks renewal and stewardship account
26 appropriation is provided for the operation of the Silver Lake visitor
27 center. If a long-term management agreement is not reached with the
28 U.S. forest service by September 30, 2001, the amount provided in this
29 subsection shall lapse.

30 ~~((6))~~ (5) \$189,000 of the aquatic lands enhancement account
31 appropriation is provided solely for the implementation of the Puget
32 Sound work plan and agency action item P+RC-02.

33 **Sec. 303.** 2001 2nd sp.s. c 7 s 304 (uncodified) is amended to read
34 as follows:

35 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

36	General Fund--State Appropriation (FY 2002)	\$	((393,000))
37			<u>143,000</u>
38	General Fund--State Appropriation (FY 2003)	\$	((395,000))

1		145,000
2	General Fund--Federal Appropriation	\$ 8,358,000
3	Firearms Range Account--State Appropriation	\$ 13,000
4	<u>Salmon Recovery Account--State Appropriation</u>	<u>\$ 500,000</u>
5	Recreation Resources Account--State Appropriation	\$ 2,584,000
6	Recreation Resources Account--Federal Appropriation	\$ 481,000
7	NOVA Program Account--State Appropriation	\$ 611,000
8	Water Quality Account--State Appropriation	\$ 700,000
9	State Toxics Control Account--State Appropriation	\$ 500,000
10	Aquatic Lands Enhancement Account--State	
11	Appropriation	\$ 200,000
12	TOTAL APPROPRIATION	\$ 14,235,000

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

15 (1) (~~(\$250,000 of the general fund--state appropriation for fiscal~~
16 ~~year 2002, \$250,000 of the general fund--state appropriation for fiscal~~
17 ~~year 2003)) \$500,000 of the salmon recovery account--state
18 appropriation, \$500,000 of the water quality account appropriation, and
19 \$500,000 of the state toxics control account appropriation are provided
20 solely to implement chapter 298, Laws of 2001, Substitute Senate Bill
21 No. 5637 (watershed health monitoring and assessment) and for the
22 development of a comprehensive salmon recovery and watershed health
23 monitoring strategy and action plan. The strategy and action plan
24 shall address the monitoring recommendations of the independent science
25 panel in its report, *Recommendations for Monitoring Salmonid Recovery*
26 *in Washington State* (December 2000), and of the joint legislative audit
27 and review committee in its report *Investing in the Environment:*
28 *Environmental Quality Grant and Loan Programs Performance Audit*
29 (January 2001). The action plan shall include an assessment of state
30 agency operations related to monitoring, evaluation, and adaptive
31 management of salmon recovery and watershed health; any operational or
32 statutory changes necessary to implement the strategy and action plan;
33 and funding recommendations.~~

34 (2) \$8,000,000 of the general fund--federal appropriation is
35 provided solely for implementation of the forest and fish agreement
36 rules. These funds will be passed through to the department of natural
37 resources and the department of fish and wildlife.

38 (3) By August 1, 2001, the interagency committee for outdoor
39 recreation shall complete the public lands inventory project and submit

1 the project report to the joint legislative audit and review committee
2 for review.

3 (4) \$200,000 of the aquatic lands enhancement account--state
4 appropriation is provided solely to develop and implement a
5 conservation initiative for Maury Island. The interagency committee
6 for outdoor recreation shall contract with the Cascade Land Conservancy
7 to develop and implement the initiative and to provide the following
8 services: (a) Land and resource appraisal; (b) development of a plan
9 of finance for acquisition of land or interests in land; and (c)
10 conduct negotiations among purchasers and willing sellers.

11 **Sec. 304.** 2001 2nd sp.s. c 7 s 306 (uncodified) is amended to read
12 as follows:

13 **FOR THE CONSERVATION COMMISSION**

14	General Fund--State Appropriation (FY 2002) . . . \$	((2,207,000))
15		<u>2,152,000</u>
16	General Fund--State Appropriation (FY 2003) . . . \$	((2,196,000))
17		<u>2,141,000</u>
18	Water Quality Account--State Appropriation . . . \$	((3,739,000))
19		<u>2,788,000</u>
20	TOTAL APPROPRIATION \$	((8,142,000))
21		<u>7,081,000</u>

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

24 (1) \$500,000 of the water quality account--state appropriation is
25 provided solely for the agriculture, fish, and water negotiations to
26 develop best management practices that will protect and recover salmon.
27 The commission shall make grants to allow interest groups to
28 participate in the negotiations.

29 ~~(2) ((\$1,601,000 of the water quality account--state appropriation~~
30 ~~is provided solely for the completion of limiting factors analysis for~~
31 ~~watersheds affected by listings of salmon and bull trout under the~~
32 ~~federal endangered species act.~~

33 ~~(3))~~ \$247,000 of the general fund--state appropriation for fiscal
34 year 2002 and \$247,000 of the general fund--state appropriation for
35 fiscal year 2003 are provided solely for the implementation of the
36 Puget Sound work plan and agency action item CC-01.

37 ~~((4))~~ (3) By March 1, 2002, the conservation reserve enhancement
38 program contract with the federal farm service agency shall be proposed

1 for amendment to allow funding of flexible riparian buffer standards
 2 consistent with: (a) The recommendations of the state's
 3 agriculture/fish/water negotiation process; or (b) ordinances adopted
 4 through municipal regulations in compliance with the state growth
 5 management act requirement to protect critical areas. These ordinances
 6 shall be scientifically defensible and include programs for monitoring
 7 and adaptive management.

8 **Sec. 305.** 2001 2nd sp.s. c 7 s 307 (uncodified) is amended to read
 9 as follows:

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

11	General Fund--State Appropriation (FY 2002) . . . \$	((51,600,000))
12		<u>46,997,000</u>
13	General Fund--State Appropriation (FY 2003) . . . \$	((50,762,000))
14		<u>43,786,000</u>
15	General Fund--Federal Appropriation \$	((37,366,000))
16		<u>37,716,000</u>
17	General Fund--Private/Local Appropriation \$	24,365,000
18	Off Road Vehicle Account--State	
19	Appropriation \$	475,000
20	Aquatic Lands Enhancement Account--State	
21	Appropriation \$	((6,094,000))
22		<u>5,133,000</u>
23	Public Safety and Education Account--State	
24	Appropriation \$	((586,000))
25		<u>564,000</u>
26	Recreational Fisheries Enhancement Account--	
27	State Appropriation \$	((3,032,000))
28		<u>3,354,000</u>
29	<u>Salmon Recovery Account--State</u>	
30	<u>Appropriation</u> \$	<u>1,612,000</u>
31	Warm Water Game Fish Account--State	
32	Appropriation \$	2,567,000
33	Eastern Washington Pheasant Enhancement Account--	
34	State Appropriation \$	750,000
35	Wildlife Account--State Appropriation \$	((48,518,000))
36		<u>50,523,000</u>
37	Wildlife Account--Federal Appropriation \$	38,182,000
38	Wildlife Account--Private/Local	

1	Appropriation	\$	15,133,000
2	Game Special Wildlife Account--State		
3	Appropriation	\$	1,941,000
4	Game Special Wildlife Account--Federal		
5	Appropriation	\$	9,591,000
6	Game Special Wildlife Account--Private/Local		
7	Appropriation	\$	350,000
8	((Water Quality Account--State Appropriation	\$	1,000,000))
9	Environmental Excellence Account--State		
10	Appropriation	\$	15,000
11	Regional Fisheries Salmonid Recovery Account--		
12	Federal Appropriation	\$	1,750,000
13	Oil Spill Administration Account--State		
14	Appropriation	\$	963,000
15	Oyster Reserve Land Account--State		
16	Appropriation	\$	135,000
17	TOTAL APPROPRIATION	\$	((295,175,000))
18			<u>285,902,000</u>

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

21 (1) \$1,682,000 of the general fund--state appropriation for fiscal
22 year 2002 and ~~(((\$1,682,000))~~ \$835,000 of the general fund--state
23 appropriation for fiscal year 2003 are provided solely for the
24 implementation of the Puget Sound work plan and agency action items
25 DFW-01 through DFW-07.

26 (2) \$200,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$200,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely for the department to update the
29 salmon and steelhead stock inventory.

30 ~~(3) (((\$550,000 of the general fund--state appropriation for fiscal~~
31 ~~year 2002 and \$550,000 of the general fund--state appropriation for~~
32 ~~fiscal year 2003 are provided solely for salmonid smolt production~~
33 ~~monitoring.~~

34 ~~(4))~~ \$250,000 of the general fund--state appropriation for fiscal
35 year 2002 and \$250,000 of the general fund--state appropriation for
36 fiscal year 2003 are provided solely for the department to implement a
37 hatchery endangered species act response. The response shall include
38 emergency hatchery responses, production, and retrofitting of
39 hatcheries for salmon recovery.

1 ~~((5))~~ (4) \$600,000 of the general fund--state appropriation for
2 fiscal year 2002 and \$600,000 of the general fund--state appropriation
3 for fiscal year 2003 are provided solely for local salmon recovery
4 technical assistance.

5 ~~((6) \$1,625,000 of the general fund state appropriation for
6 fiscal year 2002 and \$1,625,000 of the general fund state
7 appropriation for fiscal year 2003 are provided solely to fund grants
8 to lead entities established under chapter 77.85 RCW. The department,
9 in consultation with the lead entity advisory group and individual lead
10 entities, shall establish an application process and evaluation
11 criteria to allocate funds to up to 26 lead entities to provide core
12 activities identified in chapter 77.85 RCW. Grants to individual lead
13 entities may range from \$37,500 to \$150,000 per year.~~

14 ~~(7) \$125,000 of the general fund state appropriation for fiscal
15 year 2002 and \$125,000 of the general fund state appropriation for
16 fiscal year 2003 are~~) (5) \$250,000 of the salmon recovery account
17 appropriation is provided solely for a grant to the lower Skykomish
18 River habitat conservation group for the purpose of developing a salmon
19 recovery plan, in coordination with the lead entity established under
20 chapter 77.85 RCW for that area. The salmon recovery plan must be
21 consistent with the regional recovery plans of the Puget Sound shared
22 strategy and criteria developed by the department for the regional
23 salmon recovery planning program.

24 ~~((8) \$1,000,000 of the water quality state appropriation is
25 provided solely to fund grants to lead entities established under
26 chapter 77.85 RCW or watershed planning units established under chapter
27 90.82 RCW that agree to coordinate the development of comprehensive
28 local and regional salmon recovery plans. The department shall
29 establish a model for local and regional plans as well as eligibility
30 and evaluation criteria for distribution of funds to lead entities and
31 watershed planning units. No annual grant shall exceed \$125,000 per
32 year.~~

33 ~~(9))~~ (6) \$91,000 of the warm water game fish account appropriation
34 is provided solely for warm water fish culture at the Rod Meseberg warm
35 water fish production facility.

36 ~~((10) \$300,000))~~ (7) \$200,000 of the general fund--state
37 appropriation for fiscal year 2002 and ~~((300,000))~~ \$200,000 of the
38 general fund--state appropriation for fiscal year 2003 are provided
39 solely to fund ~~((four))~~ three cooperative compliance programs, ~~((two))~~

1 both in Western Washington and (~~two in~~) Eastern Washington. The
2 cooperative compliance program shall conduct fish screen, fish way, and
3 fish passage barrier assessments and correction plans for landowners
4 seeking cooperative compliance agreements with the department.

5 (~~(11)~~ ~~—\$1,300,000~~) (8) \$750,000 of the general fund--state
6 appropriation for fiscal year (~~(2002)~~) 2003, \$1,300,000 of the salmon
7 recovery account appropriation and \$5,000,000 of the general fund--
8 federal appropriation are provided solely for economic adjustment
9 assistance to fishermen pursuant to the 1999 Pacific salmon treaty
10 agreement.

11 (~~(12)~~ ~~—\$2,000,000 of the aquatic lands enhancement account~~
12 ~~appropriation is provided for cooperative volunteer projects.~~

13 ~~(13))~~ (9) \$810,000 of the general fund--state appropriation for
14 fiscal year 2002, \$790,000 of the general fund--state appropriation for
15 fiscal year 2003, and \$250,000 of the wildlife account--state
16 appropriation are provided solely for enforcement and biological staff
17 to respond and take appropriate action to public complaints regarding
18 bear and cougar.

19 (~~(14)~~ ~~The department shall evaluate the fish program to determine~~
20 ~~if activities are aligned with agency objectives and if specific~~
21 ~~activities support the agency's strategic plan.~~

22 ~~(15))~~ (10) The department shall implement a lands program manager
23 consolidation program. The consolidation program shall target the
24 department's south central region. The savings from this consolidation
25 shall be used by the department for additional maintenance on agency
26 lands within the south central region.

27 (~~(16)~~) (11) The department shall implement a survey of all agency
28 lands to evaluate whether agency lands support the agency's strategic
29 plan and goals. The department shall submit a report to the governor
30 and legislature by September 1, 2002, identifying those lands not
31 conforming with the agency's strategic plan and which should be
32 divested.

33 (~~(17)~~) (12) \$388,000 of the general fund--state appropriation for
34 fiscal year 2002 and \$388,000 of the general fund--state appropriation
35 for fiscal year 2003 are provided solely to implement the forests and
36 fish agreement and includes funding to continue statewide coordination
37 and implementation of the forests and fish rules, integration of
38 portions of the hydraulic code into the forest practices rules to
39 provide permit streamlining, and sharing the responsibility of

1 developing and implementing the required forests and fish agreement
2 monitoring and adaptive management program.

3 ~~((18))~~ (13) \$194,000 of the general fund--state appropriation for
4 fiscal year 2002 and \$195,000 of the general fund--state appropriation
5 for fiscal year 2003 are provided solely for staff to represent the
6 state's fish and wildlife interests in hydroelectric project
7 relicensing processes by the federal energy regulatory commission.

8 ~~((19))~~ (14) \$156,000 of the wildlife account--state appropriation
9 is provided solely for a youth fishing coordinator to develop
10 partnerships with local communities, and to identify, develop, fund,
11 and promote youth fishing events and opportunities. Event coordination
12 and promotion services shall be contracted to a private consultant.

13 ~~((20))~~ (15) \$135,000 of the oyster reserve land account
14 appropriation is provided solely to implement chapter 273, Laws of
15 2001, Engrossed Second Substitute House Bill No. 1658 (state oyster
16 reserve lands).

17 ~~((21))~~ (16) \$43,000 of the general fund--state appropriation for
18 fiscal year 2002 and \$42,000 of the general fund--state appropriation
19 for fiscal year 2003 are provided solely for staffing and operation of
20 the Tennant Lake interpretive center.

21 ~~((22))~~ (17) \$32,000 of the general fund--state appropriation for
22 fiscal year 2002 and \$33,000 of the general fund--state appropriation
23 for fiscal year 2003 are provided solely to support the activities of
24 the aquatic nuisance species coordination committee to foster state,
25 federal, tribal, and private cooperation on aquatic nuisance species
26 issues. The committee shall strive to prevent the introduction of
27 nonnative aquatic species and to minimize the spread of species that
28 are introduced.

29 ~~((23))~~ (18) \$25,000 of the wildlife account--state appropriation
30 is provided solely for the WildWatchCam program to provide internet
31 transmission of live views of wildlife.

32 ~~((24))~~ (19) \$8,000 of the general fund--state appropriation for
33 fiscal year 2002 and \$7,000 of the general fund--state appropriation
34 for fiscal year 2003 are provided solely for the payment of the
35 department's share of approved lake management district assessments.
36 By December 15, 2001, the department shall provide the legislature a
37 summary of its activities related to lake management districts as well
38 as recommendations for establishing equitable lake management district
39 assessments.

1 (20) The department shall establish a hydraulic project approval
 2 program technical review task force. The task force shall be composed
 3 of a balanced representation of both hydraulic project proponents and
 4 conservation interests. The task force shall conduct a thorough
 5 evaluation of the hydraulic project approval program and make
 6 recommendations to the legislature by November 30, 2002, based upon its
 7 evaluation. The task force recommendations shall include a potential
 8 fee structure and schedule for hydraulic project approval permits.

9 **Sec. 306.** 2001 2nd sp.s. c 7 s 308 (uncodified) is amended to read
 10 as follows:

11 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

12	General Fund--State Appropriation (FY 2002) . . . \$	((36,709,000))
13		<u>36,390,000</u>
14	General Fund--State Appropriation (FY 2003) . . . \$	((36,266,000))
15		<u>34,238,000</u>
16	General Fund--Federal Appropriation \$	((3,440,000))
17		<u>10,936,000</u>
18	General Fund--Private/Local Appropriation \$	((1,865,000))
19		<u>2,165,000</u>
20	Forest Development Account--State	
21	Appropriation \$	((52,511,000))
22		<u>50,238,000</u>
23	Off Road Vehicle Account--State	
24	Appropriation \$	3,684,000
25	Surveys and Maps Account--State	
26	Appropriation \$	2,689,000
27	Aquatic Lands Enhancement Account--State	
28	Appropriation \$	((4,458,000))
29		<u>3,923,000</u>
30	Resources Management Cost Account--State	
31	Appropriation \$	((85,979,000))
32		<u>79,456,000</u>
33	Surface Mining Reclamation Account--State	
34	Appropriation \$	((2,549,000))
35		<u>2,416,000</u>
36	Salmon Recovery Account--State	
37	Appropriation \$	625,000
38	Water Quality Account--State Appropriation \$	2,900,000

1	Aquatic Land Dredged Material Disposal Site		
2	Account--State Appropriation	\$	1,056,000
3	Natural Resource Conservation Areas Stewardship		
4	Account Appropriation	\$	((34,000))
5			<u>209,000</u>
6	<u>State Toxics Control Account--State</u>		
7	<u>Appropriation</u>	\$	<u>1,865,000</u>
8	Air Pollution Control Account--State		
9	Appropriation	\$	629,000
10	Metals Mining Account--State Appropriation . . .	\$	64,000
11	Agricultural College Trust Management Account		
12	Appropriation	\$	1,790,000
13	<u>Derelict Vessel Removal Account--State</u>		
14	<u>Appropriation</u>	\$	<u>89,000</u>
15	TOTAL APPROPRIATION	\$	((237,248,000))
16			<u>235,362,000</u>

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

19 (1) \$18,000 of the general fund--state appropriation for fiscal
20 year 2002, \$18,000 of the general fund--state appropriation for fiscal
21 year 2003, and \$998,000 of the aquatic lands enhancement account
22 appropriation are provided solely for the implementation of the Puget
23 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

24 (2)(a) \$625,000 of the salmon recovery account appropriation,
25 \$1,250,000 of the general fund--state appropriation for fiscal year
26 2002, \$1,250,000 of the general fund--state appropriation for fiscal
27 year 2003, and \$2,900,000 of the water quality account--state
28 appropriation are provided solely for implementation of chapter 4, Laws
29 of 1999 sp. sess. (forest practices and salmon recovery).

30 (b) \$250,000 of the salmon recovery account appropriation is
31 provided solely for and shall be expended to develop a small forest
32 landowner data base in ten counties. \$150,000 of the amount in this
33 subsection shall be used to purchase the data. \$100,000 of the amount
34 in this subsection shall purchase contracted analysis of the data.

35 (3) \$2,000,000 of the forest development account appropriation is
36 provided solely for road decommissioning, maintenance, and repair in
37 the Lake Whatcom watershed.

38 (4) \$543,000 of the forest fire protection assessment account
39 appropriation, \$22,000 of the forest development account appropriation,

1 and \$76,000 of the resource management cost account appropriation are
2 provided solely to implement chapter 279, Laws of 2001, Substitute
3 House Bill No. 2104, (modifying forest fire protection assessments).

4 (5) \$895,000 of the general fund--state appropriation for fiscal
5 year 2002 and (~~(\$895,000)~~) \$354,000 of the general fund--state
6 appropriation for fiscal year 2003 shall be transferred to the
7 agricultural college trust management account and are provided solely
8 to manage approximately 70,700 acres of Washington State University's
9 agricultural college trust lands.

10 (~~((7))~~) (6) \$4,000 of the general fund--state appropriation for
11 fiscal year 2002 and \$4,000 of the general fund--state appropriation
12 for fiscal year 2003 are provided solely to compensate the forest board
13 trust for a portion of the lease to the Crescent television improvement
14 district consistent with RCW 79.12.055.

15 (~~((8) The appropriation from the off road vehicle account--state is~~
16 ~~provided under RCW 46.09.170(1)(a)(ii) and is provided solely for~~
17 ~~projects that bring off road vehicle recreation facilities into~~
18 ~~compliance with the requirements, guidelines, spirit, and intent of the~~
19 ~~federal Americans with disabilities act and do not compromise or impair~~
20 ~~sensitive natural resources.~~

21 ~~(9))~~ (7) \$828,000 of the surface mine reclamation account
22 appropriation is provided to implement Engrossed House Bill No. 1845
23 (surface mining fees). If the bill is not enacted by June 30, 2001,
24 the amount provided in this subsection shall lapse.

25 (~~((10))~~) (8) \$800,000 of the aquatic lands enhancement account
26 appropriation and \$200,000 of the resources management cost account
27 appropriation are provided solely to improve asset management on state-
28 owned aquatic lands. The department shall streamline the use
29 authorization process for businesses operating on state-owned aquatic
30 lands and issue decisions on 325 pending lease applications by June 30,
31 (~~(2002)~~) 2003. The department, in consultation with the attorney
32 general, shall develop a strategic program to resolve claims related to
33 contaminated sediments on state-owned aquatic lands.

34 (~~((11))~~) (9) \$246,000 of the resource management cost account
35 appropriation is provided to the department for continuing control of
36 spruce budworm.

37 (~~((12))~~) (10) \$100,000 of the aquatic lands enhancement account is
38 provided solely for the development and initial implementation of a
39 statewide management plan for marine reserves.

1 (~~(13)~~) (11) \$7,657,859 of the general fund--state appropriation
2 for fiscal year 2002 and \$7,657,859 of the general fund--state
3 appropriation for fiscal year 2003 are provided solely for emergency
4 fire suppression.

5 (~~(14)~~) (12) \$7,216,000 of the general fund--state appropriation
6 for fiscal year 2002 and \$6,584,000 of the general fund--state
7 appropriation for fiscal year 2003 are provided solely for fire
8 protection activities and to implement provisions of the 1997 tridata
9 fire program review.

10 (~~(15)~~—\$275,000) (13) \$100,000 of the general fund--state
11 appropriation for fiscal year 2002, (~~(\$275,000 of the general~~
12 ~~fund--state appropriation for fiscal year 2003, and)~~) \$550,000 of the
13 aquatic lands enhancement account--state appropriation, and \$209,000 of
14 the natural resources conservation areas stewardship account--state
15 appropriation are provided solely to the department for planning,
16 management, and stewardship of natural area preserves and natural
17 resources conservation areas.

18 (~~(16)~~) (14) \$187,000 of the general fund--state appropriation for
19 fiscal year 2002(~~(, \$188,000 of the general fund--state appropriation~~
20 ~~for fiscal year 2003, and \$375,000 of the aquatic lands enhancement~~
21 ~~account--state appropriation are)~~) is provided solely to the department
22 for maintenance and stewardship of public lands.

23 (~~(17)~~) (15) \$100,000 of the general fund--state appropriation for
24 fiscal year 2002, \$100,000 of the general fund--state appropriation for
25 fiscal year 2003, and \$400,000 of the aquatic lands enhancement account
26 appropriation are provided solely for spartina control.

27 (16) Within the amounts appropriated in this section, the
28 department shall review the current procedures used to mobilize
29 resources to fight forest fires under the state mobilization plan and
30 through the department of natural resources. The review must include
31 recommendations to ensure that the people closest to a fire are called
32 first, to allow private contractors to be mobilized under the state
33 mobilization plan, and to identify other efficiencies. The department
34 shall review recent studies regarding ways to improve forest fire
35 fighting in the state. The department shall consult with
36 representatives of private contractors, fire districts, municipal fire
37 departments, the state fire marshal, appropriate federal agencies, and
38 other interested groups in developing the recommendations. The

1 department shall report their findings and recommendations to the
2 appropriate committees of the legislature by January 1, 2003.

3 (17) Within the amounts appropriated in this section the department
4 shall implement Substitute House Bill No. 2294 (recreation sites).

5 (18) \$22,000 of the general fund--state appropriation for fiscal
6 year 2003, \$22,000 of the resource management account--state
7 appropriation, and \$22,000 of the forest development account--state
8 appropriation are provided solely for the department to work jointly
9 with the department of transportation, the military department, and the
10 Washington state patrol, in coordination with the state
11 interoperability executive committee, on the development and
12 implementation of a secure geographical information system (GIS)
13 database to illustrate locations and specifications of statewide radio
14 and microwave towers.

15 (19) \$250,000 of the resource management cost account--state
16 appropriation and \$250,000 of the forest development account--state
17 appropriation are provided solely for deposit in the contract
18 harvesting revolving account--nonappropriated to implement Substitute
19 Senate Bill No. 6257 (contract harvesting). If the bill is not enacted
20 by June 30, 2002, the amounts appropriated in this subsection shall
21 lapse.

22 **Sec. 307.** 2001 2nd sp.s. c 7 s 309 (uncodified) is amended to read
23 as follows:

24 **FOR THE DEPARTMENT OF AGRICULTURE**

25	General Fund--State Appropriation (FY 2002) . . . \$	((8,165,000))
26		<u>8,040,000</u>
27	General Fund--State Appropriation (FY 2003) . . . \$	((8,024,000))
28		<u>7,534,000</u>
29	General Fund--Federal Appropriation \$	((4,636,000))
30		<u>6,741,000</u>
31	General fund--Private/Local Appropriation \$	1,110,000
32	Aquatic Lands Enhancement Account--State	
33	Appropriation \$	2,304,000
34	State Toxics Control Account--State	
35	Appropriation \$	((2,672,000))
36		<u>2,917,000</u>
37	TOTAL APPROPRIATION \$	((26,911,000))
38		<u>28,646,000</u>

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

3 (1) \$36,000 of the general fund--state appropriation for fiscal
4 year 2002 and \$37,000 of the general fund--state appropriation for
5 fiscal year 2003 are provided solely for implementation of the Puget
6 Sound work plan and agency action item DOA-01.

7 (2) (~~(\$832,000)~~) (a) \$1,077,000 of the state toxics control account
8 appropriation, \$245,000 of the general fund--federal appropriation, and
9 \$298,000 of the agricultural local account are provided solely to
10 establish a program to monitor pesticides in surface water, sample and
11 analyze surface waters for pesticide residues, evaluate pesticide
12 exposure on salmon species listed under the provisions of the
13 endangered species act, and implement actions needed to protect
14 salmonids.

15 (b) \$245,000 of the amount provided from the state toxics control
16 account in (a) of this subsection is provided solely as a match for
17 federal funding. If an equivalent federal match is not provided, this
18 amount shall lapse.

19 (3) \$1,480,000 of the aquatic lands enhancement account
20 appropriation is provided solely to initiate a (~~four-year~~) plan to
21 eradicate infestations of spartina in Puget Sound, Hood Canal, and
22 Grays Harbor and begin the reduction in spartina infestations in
23 Willapa Bay.

24 (4) \$75,000 of the general fund--state appropriation for fiscal
25 year 2002, \$75,000 of the general fund--state appropriation for fiscal
26 year 2003, and \$150,000 of the general fund--federal appropriation are
27 provided solely to the small farm and direct marketing program to
28 support small farms in complying with federal, state, and local
29 regulations, facilitating access to food processing centers, and
30 assisting with grant funding requests.

31 (5) (~~(\$350,000)~~) \$225,000 of the general fund--state appropriation
32 for fiscal year 2002, (~~(\$350,000)~~) \$100,000 of the general fund--state
33 appropriation for fiscal year 2003, and \$700,000 of the general fund--
34 private/local appropriation are provided solely to implement chapter
35 324, Laws of 2001 (Substitute House Bill No. 1891, marketing of
36 agriculture). Of these amounts, \$40,000 of the general fund--state
37 appropriation is provided solely to match funds provided by the red
38 raspberry commission to address unfair trade practices by other

1 countries that result in sales in Washington that are below the cost of
2 production in Washington.

3 (6) \$450,000 of the state toxics control account--state
4 appropriation is provided solely for deposit in the agricultural local
5 nonappropriated account for the plant pest account to reimburse county
6 horticultural pest and disease boards for the costs of pest control
7 activities, including tree removal, conducted under their existing
8 authorities in chapters 15.08 and 15.09 RCW.

9 (7) The district manager for district two as defined in WAC 16-458-
10 075 shall transfer four hundred fifty thousand dollars from the fruit
11 and vegetable district fund to the plant pest account within the
12 agricultural local fund. The amount transferred must be derived from
13 fees collected for state inspections of tree fruits and shall be used
14 solely to reimburse county horticultural pest and disease boards in
15 district two for the cost of pest control activities, including tree
16 removal, conducted under their existing authority in chapters 15.08 and
17 15.09 RCW. The transfer of funds shall occur by July 1, 2001. On June
18 30, 2003, any unexpended portion of the four hundred fifty thousand
19 dollars shall be returned to the fruit and vegetable district fund.

20 NEW SECTION. **Sec. 308.** A new section is added to 2001 2nd sp.s.
21 c 7 (uncodified) to read as follows:

22 (1) The task force on the funding of state parks and outdoor
23 recreation is hereby created, to consider and develop legislation on
24 the operation and funding of the state parks and outdoor recreation
25 programs of the state. The committee shall be composed of fifteen
26 members, four members of the senate appointed by the president of the
27 senate and to include two members from each caucus, four members of the
28 house of representatives appointed by the speaker of the house of
29 representatives and to include two members from each caucus, three
30 members appointed by the governor and to include at least one
31 representative of a broad coalition of users of the state's parks and
32 outdoor recreation programs, one member appointed by the commissioner
33 of public lands, one member appointed by the chair of the fish and
34 wildlife commission, and one member appointed by the chair of the state
35 parks and recreation commission, and one member appointed by the
36 interagency committee for outdoor recreation. The task force shall
37 elect its own officers, shall be staffed by staff of the legislature,
38 the executive agencies, and the office of the governor, and may appoint

1 an advisory committee of additional persons and organizations
2 interested in the operation and funding of state parks and outdoor
3 recreation.

4 (2) The task force shall specifically review and incorporate into
5 its work the reports prepared pursuant to budget provisos by the
6 Washington state parks and recreation commission regarding its
7 operating budget needs, deferred maintenance backlog, and capital
8 facilities renovation and replacement requirements.

9 (3) The task force shall prepare recommendations for improving the
10 operation of state parks and outdoor recreation programs and for
11 securing adequate funding on a permanent basis for supporting the needs
12 of the state parks and outdoor recreation programs of the state,
13 including a legislative proposal for the implementation of an evergreen
14 recreation pass that would combine the various permits and licenses of
15 the participating agencies into a single pass for recreational day use.
16 The recommendations shall be developed no later than January 1, 2003,
17 and shall be designed for enactment by the legislature during 2003 for
18 implementation in the 2005-07 biennium. The task force shall cease to
19 exist on June 30, 2003.

20 (End of part)

PART IV
TRANSPORTATION

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Sec. 401. 2001 2nd sp.s. c 7 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2002) . . . \$	((5,389,000))
	<u>5,366,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((5,377,000))
	<u>5,267,000</u>
Architects' License Account--State	
Appropriation \$	((707,000))
	<u>684,000</u>
Cemetery Account--State Appropriation \$	((214,000))
	<u>200,000</u>
Professional Engineers' Account--State	
Appropriation \$	((3,032,000))
	<u>3,102,000</u>
Real Estate Commission--State Appropriation . . . \$	((6,777,000))
	<u>6,837,000</u>
Master License Account--State Appropriation . . . \$	((8,409,000))
	<u>8,278,000</u>
Uniform Commercial Code Account--State	
Appropriation \$	((3,104,000))
	<u>2,900,000</u>
Real Estate Education Account--State	
Appropriation \$	((301,000))
	<u>276,000</u>
Funeral Directors and Embalmers Account--State	
Appropriation \$	((490,000))
	<u>459,000</u>
Washington Real Estate Research Account	
Appropriation \$	((316,000))
	<u>307,000</u>
Data Processing Revolving Account--State	
Appropriation \$	23,000
TOTAL APPROPRIATION \$	((34,139,000))

1
 2 The appropriations in this section are subject to the following
 3 conditions and limitations: In accordance with RCW 43.24.086, it is
 4 the policy of the state of Washington that the cost of each
 5 professional, occupational, or business licensing program be fully
 6 borne by the members of that profession, occupation, or business. For
 7 each licensing program covered by RCW 43.24.086, the department shall
 8 set fees at levels sufficient to fully cover the cost of administering
 9 the licensing program, including any costs associated with policy
 10 enhancements funded in the 2001-03 fiscal biennium. Pursuant to RCW
 11 43.135.055, during the 2001-03 fiscal biennium, the department may
 12 increase fees in excess of the fiscal growth factor if the increases
 13 are necessary to fully fund the costs of the licensing programs.

14 **Sec. 402.** 2001 2nd sp.s. c 7 s 402 (uncodified) is amended to read
 15 as follows:

16 **FOR THE STATE PATROL**

17	General Fund--State Appropriation (FY 2002)	\$	((21,890,000))
18			<u>21,567,000</u>
19	General Fund--State Appropriation (FY 2003)	\$	((8,066,000))
20			<u>8,133,000</u>
21	General Fund--Federal Appropriation	\$	4,178,000
22	General Fund--Private/Local Appropriation	\$	369,000
23	Death Investigations Account--State		
24	Appropriation	\$	((3,899,000))
25			<u>4,024,000</u>
26	Public Safety and Education Account--State		
27	Appropriation	\$	((16,070,000))
28			<u>14,790,000</u>
29	County Criminal Justice Assistance Account--State		
30	Appropriation	\$	((2,490,000))
31			<u>2,870,000</u>
32	Municipal Criminal Justice Assistance Account--		
33	State Appropriation	\$	((987,000))
34			<u>1,367,000</u>
35	Fire Service Trust Account--State		
36	Appropriation	\$	125,000
37	Fire Service Training Account--State		
38	Appropriation	\$	6,328,000

1	State Toxics Control Account--State	
2	Appropriation	\$ 461,000
3	Violence Reduction and Drug Enforcement Account--	
4	State Appropriation	\$ 277,000
5	Fingerprint Identification Account--State	
6	Appropriation	\$ ((3,684,000))
7		<u>5,316,000</u>
8	TOTAL APPROPRIATION	\$ ((68,824,000))
9		<u>69,805,000</u>

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

12 (1) \$354,000 of the public safety and education account
13 appropriation is provided solely for additional law enforcement and
14 security coverage on the west capitol campus.

15 (2) When a program within the agency is supported by more than one
16 fund and one of the funds is the state general fund, the agency shall
17 charge its expenditures in such a manner as to ensure that each fund is
18 charged in proportion to its support of the program. The agency may
19 adopt guidelines for the implementation of this subsection. The
20 guidelines may account for federal matching requirements, budget
21 provisos, or other requirements to spend other moneys in a particular
22 manner.

23 (3) \$100,000 of the public safety and education account
24 appropriation is provided solely for the implementation of Substitute
25 Senate Bill No. 5896 (DNA testing of evidence). If the bill is not
26 enacted by June 30, 2001, the amount provided in this subsection shall
27 lapse.

28 (4) \$1,419,000 of the public safety and education account--state
29 appropriation is provided solely for combating the proliferation of
30 methamphetamine labs. The amounts in this subsection are provided
31 solely for the following activities: (a) The establishment of a
32 regional methamphetamine enforcement, training, and education program;
33 (b) additional members for the statewide methamphetamine incident
34 response team; and (c) two forensic scientists with the necessary
35 equipment to perform lab analysis in the crime laboratory division.

36 ~~((6) Beginning in fiscal year 2003, the funding provided in this~~
37 ~~subsection assumes a transfer of \$12,634,000 of state patrol~~
38 ~~expenditures from the omnibus operating budget to the transportation~~
39 ~~budget. If new transportation revenue is not enacted before this time,~~

1 ~~the omnibus budget will restore this funding in the 2002 legislative~~
2 ~~session.))~~

3 (5) Within the amounts appropriated in this section, funding is
4 provided to implement Substitute House Bill No. 2468 (offender DNA
5 database).

6 (End of part)

PART V
EDUCATION

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Sec. 501. 2001 2nd sp.s. c 7 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS	
General Fund--State Appropriation (FY 2002) . . . \$	((12,357,000))
	<u>12,302,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((12,266,000))
	<u>11,870,000</u>
General Fund--Federal Appropriation \$	((23,668,000))
	<u>53,760,000</u>
TOTAL APPROPRIATION \$	((48,291,000))
	<u>77,932,000</u>

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

(a) \$11,385,000 of the general fund--state appropriation for fiscal year 2002 and ((~~\$11,394,000~~)) \$10,943,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Of this amount, \$350,000 is provided in each fiscal year for upgrading information systems including the general apportionment and student information systems.

(b) ((~~\$541,000~~)) \$486,000 of the general fund--state appropriation for fiscal year 2002 and ((~~\$441,000~~)) \$496,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities. \$45,000 of the general fund--state appropriation for fiscal year 2002((~~, \$100,000 is~~)) and \$55,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for certificate of mastery development and validation.

(c) \$431,000 of the general fund--state appropriation for fiscal year 2002 and \$431,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the Washington professional educator standards board.

1 (d) \$49,000 of the general fund--state appropriation for fiscal
2 year 2003 is provided solely to support the joint task force on local
3 effort assistance created by House Bill No. 3011.

4 (2) STATEWIDE PROGRAMS

5	General Fund--State Appropriation (FY 2002) . . . \$	((17,274,000))
6		<u>17,280,000</u>
7	General Fund--State Appropriation (FY 2003) . . . \$	((19,407,000))
8		<u>17,039,000</u>
9	General Fund--Federal Appropriation \$	((213,016,000))
10		<u>85,395,000</u>
11	TOTAL APPROPRIATION \$	((249,697,000))
12		<u>119,714,000</u>

13 The appropriations in this subsection are provided solely for the
14 statewide programs specified in this subsection and are subject to the
15 following conditions and limitations:

16 (a) HEALTH AND SAFETY

17 (i) A maximum of \$150,000 of the general fund--state appropriation
18 for fiscal year 2002 (~~((and a maximum of \$150,000 of the fiscal year~~
19 ~~2003 appropriation are))~~ is provided for alcohol and drug prevention
20 programs pursuant to RCW 66.08.180.

21 (ii) A maximum \$2,621,000 of the general fund--state appropriation
22 for fiscal year 2002 and a maximum of \$2,621,000 of the general fund--
23 state appropriation for fiscal year 2003 are provided for a corps of
24 nurses located at educational service districts, as determined by the
25 superintendent of public instruction, to be dispatched to the most
26 needy schools to provide direct care to students, health education, and
27 training for school staff.

28 (iii) A maximum of \$100,000 of the general fund--state
29 appropriation for fiscal year 2002 and a maximum of \$100,000 of the
30 general fund--state appropriation for fiscal year 2003 are provided to
31 create a school safety center subject to the following conditions and
32 limitations.

33 (A) The safety center shall: Disseminate successful models of
34 school safety plans and cooperative efforts; provide assistance to
35 schools to establish a comprehensive safe school plan; select models of
36 cooperative efforts that have been proven successful; act as an
37 information dissemination and resource center when an incident occurs
38 in a school district either in Washington or in another state;

1 coordinate activities relating to school safety; review and approve
2 manuals and curricula used for school safety models and training; and
3 develop and maintain a school safety information web site.

4 (B) The school safety center shall be established in the office of
5 the superintendent of public instruction. The superintendent of public
6 instruction shall participate in a school safety center advisory
7 committee that includes representatives of educators, classified staff,
8 principals, superintendents, administrators, the American society for
9 industrial security, the state criminal justice training commission,
10 and others deemed appropriate and approved by the school safety center
11 advisory committee. Members of the committee shall be chosen by the
12 groups they represent. In addition, the Washington association of
13 sheriffs and police chiefs shall appoint representatives of law
14 enforcement to participate on the school safety center advisory
15 committee. The advisory committee shall select a chair.

16 (C) The school safety center advisory committee shall develop a
17 training program, using the best practices in school safety, for all
18 school safety personnel.

19 (iv) A maximum of \$113,000 of the general fund--state appropriation
20 for fiscal year 2002 and a maximum of \$103,000 of the general fund--
21 state appropriation for fiscal year 2003 are provided for a school
22 safety training program provided by the criminal justice training
23 commission subject to the following conditions and limitations:

24 (A) The criminal justice training commission with assistance of the
25 school safety center advisory committee established in section
26 2(b)(iii) of this section shall develop manuals and curricula for a
27 training program for all school safety personnel.

28 (B) The Washington state criminal justice training commission, in
29 collaboration with the advisory committee, shall provide the school
30 safety training for all school administrators and school safety
31 personnel, including school safety personnel hired after the effective
32 date of this section.

33 (v) A maximum of \$250,000 of the general fund--state appropriation
34 for fiscal year 2002 and a maximum of \$250,000 of the general
35 fund--state appropriation for fiscal year 2003 are provided for
36 training in school districts regarding the prevention of bullying and
37 harassment. The superintendent of public instruction shall use the
38 funds to develop a model bullying and harassment prevention policy and
39 training materials for school and educational service districts. The

1 information may be disseminated in a variety of ways, including
2 workshops and other staff development activities such as videotape or
3 broadcasts.

4 (vi) A maximum of (~~(\$6,042,000)~~) \$6,048,000 of the general
5 fund--state appropriation for fiscal year 2002 and a maximum of
6 (~~(\$6,028,000)~~) \$6,084,000 of the general fund--state appropriation for
7 fiscal year 2003 are provided for a safety allocation to districts
8 subject to the following conditions and limitations:

9 (A) The funds shall be allocated at a maximum rate of \$6.36 per
10 year per full-time equivalent K-12 student enrolled in each school
11 district in the prior school year.

12 (B) Districts (~~shall~~) may expend funds allocated under this
13 section to develop and implement strategies identified in a
14 comprehensive safe school plan pursuant to House Bill No. 1818 (student
15 safety) or Senate Bill No. 5543 (student safety). If neither bill is
16 enacted by June 30, (~~(2001)~~) 2002, expenditures of the safety
17 allocation shall be subject to (i), (ii), and (iii) of this subsection
18 (a)(vi)(B).

19 (i) School districts shall use the funds for school safety purposes
20 and are encouraged to prioritize the use of funds allocated under this
21 section for the development, by September 1, 2002, of school-based
22 comprehensive safe school plans that include prevention, intervention,
23 all-hazards/crisis response, and post crisis recovery components. When
24 developing comprehensive safe school plans, school districts are
25 encouraged to use model school safety plans as developed by the school
26 safety center. Implementation of comprehensive safe school plans may
27 include, but is not limited to, employing or contracting for building
28 security monitors in schools during school hours and school events;
29 research-based early prevention and intervention programs; training for
30 school staff, including security personnel; equipment; school safety
31 hotlines; before, during, and after-school student and staff safety;
32 minor building renovations related to student and staff safety and
33 security; and other purposes identified in the comprehensive safe
34 school plan.

35 (ii) Each school may conduct an evaluation of its comprehensive
36 safe school plan and conduct reviews, drills, or simulated practices in
37 coordination with local fire, law enforcement, and medical emergency
38 management agencies.

1 (iii) By September 1, 2002, school districts shall provide the
2 superintendent of public instruction information regarding the purposes
3 for which the safety allocation funding was used and the status of the
4 comprehensive safe school plans for the schools in the school district.

5 (vii) A maximum of \$200,000 of the general fund--state
6 appropriation for fiscal year 2002, a maximum of \$200,000 of the
7 general fund--state appropriation for fiscal year 2003, and \$400,000 of
8 the general fund--federal appropriation transferred from the department
9 of health are provided for a program that provides grants to school
10 districts for media campaigns promoting sexual abstinence and
11 addressing the importance of delaying sexual activity, pregnancy, and
12 childbearing until individuals are ready to nurture and support their
13 children. Grants to the school districts shall be for projects that
14 are substantially designed and produced by students. The grants shall
15 require a local private sector match equal to one-half of the state
16 grant, which may include in-kind contribution of technical or other
17 assistance from consultants or firms involved in public relations,
18 advertising, broadcasting, and graphics or video production or other
19 related fields.

20 (viii) A maximum of \$150,000 of the general fund--state
21 appropriation for fiscal year 2002 and a maximum of \$150,000 of the
22 general fund--state appropriation for fiscal year 2003 are provided for
23 a nonviolence and leadership training program provided by the institute
24 for community leadership. The program shall provide the following:

25 (A) Statewide nonviolence leadership coaches training program for
26 certification of educational employees and community members in
27 nonviolence leadership workshops;

28 (B) Statewide leadership nonviolence student exchanges, training,
29 and speaking opportunities for student workshop participants; and

30 (C) A request for proposal process, with up to 80 percent funding,
31 for nonviolence leadership workshops serving at least 12 school
32 districts with direct programming in 36 elementary, middle, and high
33 schools throughout Washington state.

34 (ix) A maximum of \$1,500,000 of the general fund--state
35 appropriation for fiscal year 2002 and a maximum of (~~(\$1,500,000)~~)
36 \$750,000 of the general fund--state appropriation for fiscal year 2003
37 are provided for school district petitions to juvenile court for truant
38 students as provided in RCW 28A.225.030 and 28A.225.035. Allocation of

1 this money to school districts shall be based on the number of
2 petitions filed.

3 (b) TECHNOLOGY

4 (i) A maximum of \$2,000,000 of the general fund--state
5 appropriation for fiscal year 2002 and a maximum of \$2,000,000 of the
6 general fund--state appropriation for fiscal year 2003 are provided for
7 K-20 telecommunications network technical support in the K-12 sector to
8 prevent system failures and avoid interruptions in school utilization
9 of the data processing and video-conferencing capabilities of the
10 network. These funds may be used to purchase engineering and advanced
11 technical support for the network. A maximum of \$650,000 of this
12 amount may be expended for state-level administration and staff
13 training on the K-20 network.

14 (ii) A maximum of \$617,000 of the general fund--state appropriation
15 for fiscal year 2002 and a maximum of \$1,112,000 of the general fund--
16 state appropriation for fiscal year 2003 are provided for the
17 Washington state leadership assistance for science education reform
18 (LASER) regional partnership coordinated at the Pacific Science Center.

19 (c) GRANTS AND ALLOCATIONS

20 (i) A maximum of \$25,000 of the general fund--state appropriation
21 for fiscal year 2002 and a maximum of \$1,975,000 of the general fund--
22 state appropriation for fiscal year 2003 are provided for Senate Bill
23 No. 5695 (alternative certification routes). If the bill is not
24 enacted by June 30, 2001, the amount provided in this subsection shall
25 lapse. The stipend allocation per teacher candidate and mentor pair
26 shall not exceed (~~(\$28,318)~~) \$28,456. The professional educator
27 standards board shall report to the education committees of the
28 legislature by December 15, 2002, on the districts applying for
29 partnership grants, the districts receiving partnership grants, and the
30 number of interns per route enrolled in each district.

31 (ii) A maximum of \$31,500 of the general fund--state appropriation
32 for fiscal year 2002 and a maximum of \$31,500 of the general fund--
33 state appropriation for fiscal year 2003 are provided for operation of
34 the Cispus environmental learning center.

35 (iii) A maximum of \$150,000 of the general fund--state
36 appropriation for fiscal year 2002 and a maximum of \$150,000 of the
37 general fund--state appropriation for fiscal year 2003 are provided for
38 the Washington civil liberties education program.

1 (iv) A maximum of \$2,150,000 of the general fund--state
2 appropriation for fiscal year 2002 (~~and a maximum of \$2,150,000 of the~~
3 ~~general fund--state appropriation for fiscal year 2003 are~~) is
4 provided for complex need grants. The maximum grants for eligible
5 districts are specified in LEAP Document 30C as developed on April 27,
6 1997, at 03:00 hours.

7 (v) A maximum of \$1,377,000 of the general fund--state
8 appropriation for fiscal year 2002 (~~and a maximum of \$1,377,000 of the~~
9 ~~general fund--state appropriation for fiscal year 2003 are~~) is
10 provided for educational centers, including state support activities.
11 (~~(\$100,000)~~) \$50,000 of this amount is provided to help stabilize
12 funding through distribution among existing education centers that are
13 currently funded by the state at an amount less than (~~(\$100,000 a~~
14 ~~biennium)~~) \$50,000 a year.

15 (vi) A maximum of \$50,000 of the general fund--state appropriation
16 for fiscal year 2002 (~~and a maximum of \$50,000 of the general fund--~~
17 ~~state appropriation for fiscal year 2003 are~~) is provided for an
18 organization in southwest Washington that received funding from the
19 Spokane educational center in the 1995-97 biennium and provides
20 educational services to students who have dropped out of school.

21 (vii) A maximum of \$1,262,000 of the general fund--state
22 appropriation for fiscal year 2002 and a maximum of \$1,262,000 of the
23 general fund--state appropriation for fiscal year 2003 are provided for
24 in-service training and educational programs conducted by the Pacific
25 Science Center.

26 (viii) A maximum of \$100,000 of the general fund--state
27 appropriation for fiscal year 2002 and a maximum of \$100,000 of the
28 general fund--state appropriation for fiscal year 2003 are provided to
29 support vocational student leadership organizations.

30 (ix) \$9,900,000 of the general fund--federal appropriation is
31 provided for the Washington Reads project to enhance high quality
32 reading instruction and school programs.

33 (x) A maximum of \$150,000 of the general fund--state appropriation
34 for fiscal year 2002 and a maximum of \$150,000 of the general fund--
35 state appropriation for fiscal year 2003 are provided for the World War
36 II oral history project.

37 (xi) (~~(\$30,700,000)~~) \$13,942,000 of the general fund--federal
38 appropriation is provided for school renovation grants for school

1 districts with urgent school renovation needs, special education-
2 related renovations, and technology related renovations.

3 (xii) (~~(\$1,952,000)~~) \$4,962,000 of the general fund--federal
4 appropriation is provided for LINKS technology challenge grants to
5 integrate educational reform with state technology systems and
6 development of technology products that enhance professional
7 development and classroom instruction.

8 (xiii) (~~(\$423,000)~~) \$536,000 of the general fund--federal
9 appropriation is provided for the advanced placement fee program to
10 increase opportunities for low-income students and under-represented
11 populations to participate in advanced placement courses and to
12 increase the capacity of schools to provide advanced placement courses
13 to students.

14 (xiv) \$12,318,000 of the general fund--federal appropriation is
15 provided for comprehensive school reform demonstration projects to
16 provide grants to low-income schools for improving student achievement
17 through adoption and implementation of research-based curricula and
18 instructional programs.

19 (xv) (~~(\$4,228,000)~~) \$2,612,000 of the general fund--federal
20 appropriation is provided for teacher quality enhancement through
21 provision of consortia grants to school districts and higher education
22 institutions to improve teacher preparation and professional
23 development.

24 **Sec. 502.** 2001 2nd sp.s. c 7 s 502 (uncodified) is amended to read
25 as follows:

26 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT**

27 General Fund--State Appropriation (FY 2002) . . . \$ ((3,760,826,000))	
28	<u>3,786,124,000</u>
29 General Fund--State Appropriation (FY 2003) . . . \$ ((3,751,350,000))	
30	<u>3,722,279,000</u>
31 TOTAL APPROPRIATION \$ ((7,512,176,000))	
32	<u>7,508,403,000</u>

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

35 (1) Each general fund fiscal year appropriation includes such funds
36 as are necessary to complete the school year ending in the fiscal year
37 and for prior fiscal year adjustments.

1 (2) Allocations for certificated staff salaries for the 2001-02 and
2 2002-03 school years shall be determined using formula-generated staff
3 units calculated pursuant to this subsection. Staff allocations for
4 small school enrollments in (d) through (f) of this subsection shall be
5 reduced for vocational full-time equivalent enrollments. Staff
6 allocations for small school enrollments in grades K-6 shall be the
7 greater of that generated under (a) of this subsection, or under (d)
8 and (e) of this subsection. Certificated staffing allocations shall be
9 as follows:

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

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

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

18 (iii) Forty-six certificated instructional staff units per thousand
19 full-time equivalent students in grades 4-12; and

20 (iv) An additional 4.2 certificated instructional staff units for
21 grades K-3 and an additional 7.2 certificated instructional staff units
22 for grade 4. Any funds allocated for the additional certificated units
23 provided in this subsection (iv) shall not be considered as basic
24 education funding;

25 (v) For the 2001-02 school year, for class size reduction and
26 expanded learning opportunities under the better schools program, an
27 additional 2.2 certificated instructional staff units for grades K-4
28 per thousand full-time equivalent students. Funds allocated for these
29 additional certificated units shall not be considered as basic
30 education funding. The allocation may be used for reducing class sizes
31 in grades K-4 or to provide additional classroom contact hours for
32 kindergarten, before-and-after-school programs, weekend school
33 programs, summer school programs, and intercession opportunities to
34 assist elementary school students in meeting the essential academic
35 learning requirements and student assessment performance standards.
36 For purposes of this subsection, additional classroom contact hours
37 provided by teachers beyond the normal school day under a supplemental
38 contract shall be converted to a certificated full-time equivalent by
39 dividing the classroom contact hours by 900.

1 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
2 excess of the amount required to maintain the statutory minimum ratio
3 established under RCW 28A.150.260(2)(b) shall be allocated only if the
4 district documents an actual ratio in grades K-4 equal to or greater
5 than 55.4 certificated instructional staff per thousand full-time
6 equivalent students (~~(in grades K-4)~~) in the 2001-02 school year and
7 53.2 certificated instructional staff per thousand full-time equivalent
8 students in the 2002-03 school year. For any school district
9 documenting a lower certificated instructional staff ratio, the
10 allocation shall be based on the district's actual grades K-4
11 certificated instructional staff ratio achieved in that school year, or
12 the statutory minimum ratio established under RCW 28A.150.260(2)(b), if
13 greater;

14 (B) Districts at or above 51.0 certificated instructional staff per
15 one thousand full-time equivalent students in grades K-4 may dedicate
16 up to 1.3 of the 55.4 funding ratio in the 2001-02 school year, and up
17 to 1.3 of the 53.2 funding ratio in the 2002-03 school year, to employ
18 additional classified instructional assistants assigned to basic
19 education classrooms in grades K-4. For purposes of documenting a
20 district's staff ratio under this section, funds used by the district
21 to employ additional classified instructional assistants shall be
22 converted to a certificated staff equivalent and added to the
23 district's actual certificated instructional staff ratio. Additional
24 classified instructional assistants, for the purposes of this
25 subsection, shall be determined using the 1989-90 school year as the
26 base year;

27 (C) Any district maintaining a ratio in grades K-4 equal to or
28 greater than 55.4 certificated instructional staff per thousand full-
29 time equivalent students in (~~(grades K-4)~~) the 2001-02 school year, and
30 a ratio equal to or greater than 53.2 certificated instructional staff
31 per thousand full-time equivalent students in the 2002-03 school year,
32 may use allocations generated under this subsection (2)(a)(iv) and (v)
33 in excess of that required to maintain the minimum ratio established
34 under RCW 28A.150.260(2)(b) to employ additional basic education
35 certificated instructional staff or classified instructional assistants
36 in grades 5-6. Funds allocated under this subsection (2)(a)(iv) and
37 (v) shall only be expended to reduce class size in grades K-6. No more
38 than 1.3 of the certificated instructional funding ratio amount may be
39 expended for provision of classified instructional assistants;

1 (b) For school districts with a minimum enrollment of 250 full-time
2 equivalent students whose full-time equivalent student enrollment count
3 in a given month exceeds the first of the month full-time equivalent
4 enrollment count by 5 percent, an additional state allocation of 110
5 percent of the share that such increased enrollment would have
6 generated had such additional full-time equivalent students been
7 included in the normal enrollment count for that particular month;

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

9 (A) Vocational education programs approved by the superintendent of
10 public instruction, a maximum of 0.92 certificated instructional staff
11 units and 0.08 certificated administrative staff units for each 19.5
12 full-time equivalent vocational students; and

13 (B) Skills center programs meeting the standards for skills center
14 funding established in January 1999 by the superintendent of public
15 instruction, 0.92 certificated instructional staff units and 0.08
16 certificated administrative units for each 16.67 full-time equivalent
17 vocational students; ((and))

18 (ii) Vocational full-time equivalent enrollment shall be reported
19 on the same monthly basis as the enrollment for students eligible for
20 basic support, and payments shall be adjusted for reported vocational
21 enrollments on the same monthly basis as those adjustments for
22 enrollment for students eligible for basic support; and

23 (iii) Indirect cost charges by a school district to vocational-
24 secondary programs shall not exceed 15 percent of the combined basic
25 education and vocational enhancement allocations of state funds;

26 (d) For districts enrolling not more than twenty-five average
27 annual full-time equivalent students in grades K-8, and for small
28 school plants within any school district which have been judged to be
29 remote and necessary by the state board of education and enroll not
30 more than twenty-five average annual full-time equivalent students in
31 grades K-8:

32 (i) For those enrolling no students in grades 7 and 8, 1.76
33 certificated instructional staff units and 0.24 certificated
34 administrative staff units for enrollment of not more than five
35 students, plus one-twentieth of a certificated instructional staff unit
36 for each additional student enrolled; and

37 (ii) For those enrolling students in grades 7 or 8, 1.68
38 certificated instructional staff units and 0.32 certificated
39 administrative staff units for enrollment of not more than five

1 students, plus one-tenth of a certificated instructional staff unit for
2 each additional student enrolled;

3 (e) For specified enrollments in districts enrolling more than
4 twenty-five but not more than one hundred average annual full-time
5 equivalent students in grades K-8, and for small school plants within
6 any school district which enroll more than twenty-five average annual
7 full-time equivalent students in grades K-8 and have been judged to be
8 remote and necessary by the state board of education:

9 (i) For enrollment of up to sixty annual average full-time
10 equivalent students in grades K-6, 2.76 certificated instructional
11 staff units and 0.24 certificated administrative staff units; and

12 (ii) For enrollment of up to twenty annual average full-time
13 equivalent students in grades 7 and 8, 0.92 certificated instructional
14 staff units and 0.08 certificated administrative staff units;

15 (f) For districts operating no more than two high schools with
16 enrollments of less than three hundred average annual full-time
17 equivalent students, for enrollment in grades 9-12 in each such school,
18 other than alternative schools:

19 (i) For remote and necessary schools enrolling students in any
20 grades 9-12 but no more than twenty-five average annual full-time
21 equivalent students in grades K-12, four and one-half certificated
22 instructional staff units and one-quarter of a certificated
23 administrative staff unit;

24 (ii) For all other small high schools under this subsection, nine
25 certificated instructional staff units and one-half of a certificated
26 administrative staff unit for the first sixty average annual full time
27 equivalent students, and additional staff units based on a ratio of
28 0.8732 certificated instructional staff units and 0.1268 certificated
29 administrative staff units per each additional forty-three and one-half
30 average annual full time equivalent students.

31 Units calculated under (f)(ii) of this subsection shall be reduced
32 by certificated staff units at the rate of forty-six certificated
33 instructional staff units and four certificated administrative staff
34 units per thousand vocational full-time equivalent students.

35 (g) For each nonhigh school district having an enrollment of more
36 than seventy annual average full-time equivalent students and less than
37 one hundred eighty students, operating a grades K-8 program or a grades
38 1-8 program, an additional one-half of a certificated instructional
39 staff unit; and

1 (h) For each nonhigh school district having an enrollment of more
2 than fifty annual average full-time equivalent students and less than
3 one hundred eighty students, operating a grades K-6 program or a grades
4 1-6 program, an additional one-half of a certificated instructional
5 staff unit.

6 (3) Allocations for classified salaries for the 2001-02 and 2002-03
7 school years shall be calculated using formula-generated classified
8 staff units determined as follows:

9 (a) For enrollments generating certificated staff unit allocations
10 under subsection (2)(d) through (h) of this section, one classified
11 staff unit for each three certificated staff units allocated under such
12 subsections;

13 (b) For all other enrollment in grades K-12, including vocational
14 full-time equivalent enrollments, one classified staff unit for each
15 sixty average annual full-time equivalent students; and

16 (c) For each nonhigh school district with an enrollment of more
17 than fifty annual average full-time equivalent students and less than
18 one hundred eighty students, an additional one-half of a classified
19 staff unit.

20 (4) Fringe benefit allocations shall be calculated at a rate of
21 ~~((11.27))~~ 10.76 percent in the 2001-02 school year and ~~((11.27))~~ 9.57
22 percent in the 2002-03 school year for certificated salary allocations
23 provided under subsection (2) of this section, and a rate of ~~((12.92))~~
24 12.73 percent in the 2001-02 school year and ~~((12.92))~~ 12.36 percent in
25 the 2002-03 school year for classified salary allocations provided
26 under subsection (3) of this section.

27 (5) Insurance benefit allocations shall be calculated at the
28 maintenance rate specified in section 504(3) of this act, based on the
29 number of benefit units determined as follows:

30 (a) The number of certificated staff units determined in subsection
31 (2) of this section; and

32 (b) The number of classified staff units determined in subsection
33 (3) of this section multiplied by 1.152. This factor is intended to
34 adjust allocations so that, for the purposes of distributing insurance
35 benefits, full-time equivalent classified employees may be calculated
36 on the basis of 1440 hours of work per year, with no individual
37 employee counted as more than one full-time equivalent.

38 (6)(a) For nonemployee-related costs associated with each
39 certificated staff unit allocated under subsection (2)(a), (b), and (d)

1 through (h) of this section, there shall be provided a maximum of
2 \$8,519 per certificated staff unit in the 2001-02 school year and a
3 maximum of (~~(\$8,715)~~) \$8,604 per certificated staff unit in the 2002-03
4 school year.

5 (b) For nonemployee-related costs associated with each vocational
6 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
7 section, there shall be provided a maximum of \$20,920 per certificated
8 staff unit in the 2001-02 school year and a maximum of (~~(\$21,401)~~)
9 \$21,129 per certificated staff unit in the 2002-03 school year.

10 (c) For nonemployee-related costs associated with each vocational
11 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
12 section, there shall be provided a maximum of \$16,233 per certificated
13 staff unit in the 2001-02 school year and a maximum of (~~(\$16,606)~~)
14 \$16,395 per certificated staff unit in the 2002-03 school year.

15 (7) Allocations for substitute costs for classroom teachers shall
16 be distributed at a maintenance rate of \$494.34 for the 2001-02 and
17 2002-03 school years per allocated classroom teachers exclusive of
18 salary increase amounts provided in section 504 of this act. Solely
19 for the purposes of this subsection, allocated classroom teachers shall
20 be equal to the number of certificated instructional staff units
21 allocated under subsection (2) of this section, multiplied by the ratio
22 between the number of actual basic education certificated teachers and
23 the number of actual basic education certificated instructional staff
24 reported statewide for the prior school year.

25 (8) Any school district board of directors may petition the
26 superintendent of public instruction by submission of a resolution
27 adopted in a public meeting to reduce or delay any portion of its basic
28 education allocation for any school year. The superintendent of public
29 instruction shall approve such reduction or delay if it does not impair
30 the district's financial condition. Any delay shall not be for more
31 than two school years. Any reduction or delay shall have no impact on
32 levy authority pursuant to RCW 84.52.0531 and local effort assistance
33 pursuant to chapter 28A.500 RCW.

34 (9) The superintendent may distribute a maximum of (~~(\$6,510,000)~~)
35 \$4,404,000 outside the basic education formula during fiscal years 2002
36 and 2003 as follows:

37 (a) For fire protection for school districts located in a fire
38 protection district as now or hereafter established pursuant to chapter
39 52.04 RCW, a maximum of \$480,000 may be expended in fiscal year 2002

1 and a maximum of ((~~\$491,000~~)) \$485,000 may be expended in fiscal year
2 2003;

3 (b) For summer vocational programs at skills centers, a maximum of
4 \$2,098,000 may be expended ((each)) in fiscal year 2002;

5 (c) A maximum of ((~~\$343,000~~)) \$341,000 may be expended for school
6 district emergencies; and

7 (d) A maximum of \$500,000 per fiscal year may be expended for
8 programs providing skills training for secondary students who are
9 enrolled in extended day school-to-work programs, as approved by the
10 superintendent of public instruction. The funds shall be allocated at
11 a rate not to exceed \$500 per full-time equivalent student enrolled in
12 those programs.

13 (10) For purposes of RCW 84.52.0531, the increase per full-time
14 equivalent student in state basic education appropriations provided
15 under this act, including appropriations for salary and benefits
16 increases, is 2.5 percent from the 2000-01 school year to the 2001-02
17 school year(~~(, and 3.3 percent from the 2000-01 school year to the~~
18 ~~2002-03 school year))~~).

19 (11) For purposes of RCW 84.52.0531, the increase in appropriations
20 per full-time equivalent student provided in this act, including
21 appropriations for salary and benefits increases, is 2.9 percent from
22 the 2001-02 school year to the 2002-03 school year.

23 (12) If two or more school districts consolidate and each district
24 was receiving additional basic education formula staff units pursuant
25 to subsection (2)(b) through (h) of this section, the following shall
26 apply:

27 (a) For three school years following consolidation, the number of
28 basic education formula staff units shall not be less than the number
29 of basic education formula staff units received by the districts in the
30 school year prior to the consolidation; and

31 (b) For the fourth through eighth school years following
32 consolidation, the difference between the basic education formula staff
33 units received by the districts for the school year prior to
34 consolidation and the basic education formula staff units after
35 consolidation pursuant to subsection (2)(a) through (h) of this section
36 shall be reduced in increments of twenty percent per year.

37 **Sec. 503.** 2001 2nd sp.s. c 7 s 503 (uncodified) is amended to read
38 as follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE**
2 **COMPENSATION.** (1) The following calculations determine the salaries

3 used in the general fund allocations for certificated instructional,
4 certificated administrative, and classified staff units under section
5 502 of this act:

6 (a) Salary allocations for certificated instructional staff units
7 shall be determined for each district by multiplying the district's
8 certificated instructional total base salary shown on LEAP Document 12E
9 for the appropriate year, by the district's average staff mix factor
10 for basic education and special education certificated instructional
11 staff in that school year, computed using LEAP Document 1S; and

12 (b) Salary allocations for certificated administrative staff units
13 and classified staff units for each district shall be based on the
14 district's certificated administrative and classified salary allocation
15 amounts shown on LEAP Document 12E for the appropriate year.

16 (2) For the purposes of this section:

17 (a) "Basic education certificated instructional staff" is defined
18 as provided in RCW 28A.150.100 and "special education certificated
19 staff" means staff assigned to the state-supported special education
20 program pursuant to chapter 28A.155 RCW in positions requiring a
21 certificate;

22 (b) "LEAP Document 1S" means the computerized tabulation
23 establishing staff mix factors for certificated instructional staff
24 according to education and years of experience, as developed by the
25 legislative evaluation and accountability program committee on March
26 25, 1999, at 16:55 hours; and

27 (c) "LEAP Document 12E" means the computerized tabulation of 2001-
28 02 and 2002-03 school year salary allocations for certificated
29 administrative staff and classified staff and derived and total base
30 salaries for certificated instructional staff as developed by the
31 legislative evaluation and accountability program committee on (~~March~~
32 ~~13, 2001, at 16:32 hours~~) December 10, 2001, at 15:00 hours.

33 (3) Incremental fringe benefit factors shall be applied to salary
34 adjustments at a rate of (~~10.63~~) 10.12 percent for (~~school years~~)
35 the 2001-02 school year and 8.93 percent for the 2002-03 school year
36 for certificated staff and (~~9.42~~) 9.23 percent for (~~school years~~)
37 the 2001-02 school year and 8.86 percent for the 2002-03 school year
38 for classified staff.

1 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary
 2 allocation schedules for certificated instructional staff are
 3 established for basic education salary allocations:

4 K-12 Salary Schedule for Certificated Instructional Staff
 5 2001-02 School Year

6 Years of						
7 Service	BA	BA+15	BA+30	BA+45	BA+90	
8 0	27,467	28,209	28,977	29,746	32,219	
9 1	27,836	28,588	29,366	30,171	32,668	
10 2	28,464	29,231	30,025	30,900	33,414	
11 3	29,401	30,192	31,009	31,931	34,490	
12 4	30,063	30,896	31,727	32,689	35,290	
13 5	30,750	31,595	32,443	33,468	36,085	
14 6	31,147	31,974	32,850	33,928	36,531	
15 7	32,164	33,010	33,909	35,055	37,724	
16 8	33,195	34,088	35,008	36,248	38,954	
17 9		35,205	36,169	37,455	40,223	
18 10			37,344	38,724	41,529	
19 11				40,029	42,895	
20 12				41,293	44,298	
21 13					45,736	
22 14					47,181	
23 15					48,408	
24 16 or more					49,376	

25 Years of				MA+90
26 Service	BA+135	MA	MA+45	or PHD
27 0	33,811	32,931	35,403	36,996
28 1	34,252	33,297	35,793	37,377
29 2	35,030	33,995	36,509	38,124
30 3	36,177	35,027	37,585	39,273
31 4	37,007	35,755	38,355	40,072
32 5	37,853	36,503	39,121	40,889
33 6	38,308	36,904	39,508	41,285
34 7	39,569	38,031	40,700	42,546
35 8	40,867	39,225	41,930	43,843
36 9	42,201	40,430	43,200	45,177
37 10	43,572	41,700	44,505	46,549

1	11	44,979	43,005	45,872	47,956
2	12	46,446	44,362	47,275	49,422
3	13	47,947	45,766	48,712	50,923
4	14	49,505	47,212	50,251	52,481
5	15	50,792	48,439	51,557	53,846
6	16 or more	51,808	49,407	52,589	54,923

7 (~~K-12 Allocation Salary Schedule For Certificated Instructional Staff~~
8 ~~2002-03 School Year~~)

9	Years of					
10	Service	BA	BA+15	BA+30	BA+45	BA+90
11	0	28,318	29,083	29,875	30,668	33,217
12	1	28,699	29,473	30,276	31,106	33,680
13	2	29,345	30,137	30,955	31,857	34,449
14	3	30,312	31,127	31,970	32,920	35,559
15	4	30,994	31,854	32,710	33,702	36,383
16	5	31,703	32,574	33,448	34,505	37,203
17	6	32,112	32,964	33,868	34,979	37,663
18	7	33,160	34,033	34,959	36,141	38,893
19	8	34,223	35,145	36,092	37,372	40,161
20	9		36,295	37,289	38,616	41,470
21	10			38,501	39,923	42,815
22	11				41,269	44,225
23	12				42,572	45,671
24	13					47,153
25	14					48,642
26	15					49,907
27	16 or more					50,906

28	Years of				MA+90
29	Service	BA+135	MA	MA+45	or PHD
30	0	34,859	33,951	36,500	38,142
31	1	35,313	34,328	36,902	38,535
32	2	36,116	35,048	37,640	39,305
33	3	37,298	36,112	38,750	40,490
34	4	38,153	36,863	39,544	41,314
35	5	39,026	37,634	40,333	42,156
36	6	39,495	38,047	40,732	42,564
37	7	40,795	39,210	41,961	43,864

1	8	42,133	40,440	43,229	45,201
2	9	43,509	41,683	44,538	46,577
3	10	44,922	42,992	45,884	47,991
4	11	46,373	44,337	47,293	49,442
5	12	47,885	45,736	48,739	50,953
6	13	49,432	47,184	50,221	52,501
7	14	51,039	48,675	51,808	54,107
8	15	52,366	49,940	53,155	55,514
9	16 or more	53,413	50,938	54,218	56,624))

10 K-12 Salary Allocation Schedule For Certificated Instructional Staff
11 2002-03 School Year

12 Years of

13 <u>Service</u>	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>BA+45</u>	<u>BA+90</u>
14 <u>0</u>	<u>28,456</u>	<u>29,224</u>	<u>30,020</u>	<u>30,818</u>	<u>33,379</u>
15 <u>1</u>	<u>28,838</u>	<u>29,617</u>	<u>30,424</u>	<u>31,258</u>	<u>33,844</u>
16 <u>2</u>	<u>29,488</u>	<u>30,283</u>	<u>31,106</u>	<u>32,012</u>	<u>34,617</u>
17 <u>3</u>	<u>30,460</u>	<u>31,279</u>	<u>32,126</u>	<u>33,081</u>	<u>35,732</u>
18 <u>4</u>	<u>31,145</u>	<u>32,009</u>	<u>32,870</u>	<u>33,866</u>	<u>36,561</u>
19 <u>5</u>	<u>31,857</u>	<u>32,733</u>	<u>33,611</u>	<u>34,673</u>	<u>37,384</u>
20 <u>6</u>	<u>32,268</u>	<u>33,125</u>	<u>34,033</u>	<u>35,149</u>	<u>37,847</u>
21 <u>7</u>	<u>33,322</u>	<u>34,199</u>	<u>35,130</u>	<u>36,317</u>	<u>39,082</u>
22 <u>8</u>	<u>34,390</u>	<u>35,316</u>	<u>36,268</u>	<u>37,554</u>	<u>40,357</u>
23 <u>9</u>		<u>36,472</u>	<u>37,471</u>	<u>38,804</u>	<u>41,672</u>
24 <u>10</u>			<u>38,689</u>	<u>40,118</u>	<u>43,024</u>
25 <u>11</u>				<u>41,470</u>	<u>44,440</u>
26 <u>12</u>				<u>42,780</u>	<u>45,893</u>
27 <u>13</u>					<u>47,382</u>
28 <u>14</u>					<u>48,879</u>
29 <u>15</u>					<u>50,151</u>
30 <u>16 or more</u>					<u>51,154</u>

31 Years of

32 <u>Service</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>MA+90</u> <u>or PHD</u>
33 <u>0</u>	<u>35,028</u>	<u>34,116</u>	<u>36,678</u>	<u>38,328</u>
34 <u>1</u>	<u>35,485</u>	<u>34,496</u>	<u>37,082</u>	<u>38,723</u>
35 <u>2</u>	<u>36,292</u>	<u>35,219</u>	<u>37,823</u>	<u>39,497</u>
36 <u>3</u>	<u>37,479</u>	<u>36,288</u>	<u>38,938</u>	<u>40,687</u>
37 <u>4</u>	<u>38,339</u>	<u>37,043</u>	<u>39,737</u>	<u>41,515</u>

1	<u>5</u>	<u>39,216</u>	<u>37,818</u>	<u>40,529</u>	<u>42,361</u>
2	<u>6</u>	<u>39,688</u>	<u>38,233</u>	<u>40,930</u>	<u>42,771</u>
3	<u>7</u>	<u>40,994</u>	<u>39,401</u>	<u>42,166</u>	<u>44,077</u>
4	<u>8</u>	<u>42,338</u>	<u>40,637</u>	<u>43,440</u>	<u>45,421</u>
5	<u>9</u>	<u>43,721</u>	<u>41,886</u>	<u>44,755</u>	<u>46,804</u>
6	<u>10</u>	<u>45,141</u>	<u>43,201</u>	<u>46,108</u>	<u>48,225</u>
7	<u>11</u>	<u>46,599</u>	<u>44,554</u>	<u>47,524</u>	<u>49,682</u>
8	<u>12</u>	<u>48,118</u>	<u>45,959</u>	<u>48,977</u>	<u>51,201</u>
9	<u>13</u>	<u>49,673</u>	<u>47,414</u>	<u>50,466</u>	<u>52,757</u>
10	<u>14</u>	<u>51,287</u>	<u>48,912</u>	<u>52,060</u>	<u>54,371</u>
11	<u>15</u>	<u>52,621</u>	<u>50,183</u>	<u>53,414</u>	<u>55,785</u>
12	<u>16 or more</u>	<u>53,673</u>	<u>51,186</u>	<u>54,482</u>	<u>56,900</u>

13 (b) As used in this subsection, the column headings "BA+(N)" refer
14 to the number of credits earned since receiving the baccalaureate
15 degree.

16 (c) For credits earned after the baccalaureate degree but before
17 the masters degree, any credits in excess of forty-five credits may be
18 counted after the masters degree. Thus, as used in this subsection,
19 the column headings "MA+(N)" refer to the total of:

- 20 (i) Credits earned since receiving the masters degree; and
- 21 (ii) Any credits in excess of forty-five credits that were earned
22 after the baccalaureate degree but before the masters degree.

23 (5) For the purposes of this section:

- 24 (a) "BA" means a baccalaureate degree.
- 25 (b) "MA" means a masters degree.
- 26 (c) "PHD" means a doctorate degree.
- 27 (d) "Years of service" shall be calculated under the same rules
28 adopted by the superintendent of public instruction.

29 (e) "Credits" means college quarter hour credits and equivalent in-
30 service credits computed in accordance with RCW 28A.415.020 and
31 28A.415.023.

32 (6) No more than ninety college quarter-hour credits received by
33 any employee after the baccalaureate degree may be used to determine
34 compensation allocations under the state salary allocation schedule and
35 LEAP documents referenced in this act, or any replacement schedules and
36 documents, unless:

- 37 (a) The employee has a masters degree; or
- 38 (b) The credits were used in generating state salary allocations
39 before January 1, 1992.

1 (7) The certificated instructional staff base salary specified for
2 each district in LEAP Document 12E and the salary schedules in
3 subsection (4)(a) of this section include three learning improvement
4 days originally added in the 1999-00 school year. A school district is
5 eligible for the learning improvement day funds for school years 2001-
6 02 and 2002-03, only if three learning improvement days have been added
7 to the 180-day contract year. If fewer than three days are added, the
8 additional learning improvement allocation shall be adjusted
9 accordingly. The additional days shall be for activities related to
10 improving student learning consistent with education reform
11 implementation. The length of a learning improvement day shall not be
12 less than the length of a full day under the base contract. The
13 superintendent of public instruction shall ensure that school districts
14 adhere to the intent and purposes of this subsection.

15 (8) The salary allocation schedules established in this section are
16 for allocation purposes only except as provided in RCW 28A.400.200(2).

17 **Sec. 504.** 2001 2nd sp.s. c 7 s 504 (uncodified) is amended to read
18 as follows:

19 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
20 **COMPENSATION ADJUSTMENTS**

21	General Fund--State Appropriation (FY 2002) . . . \$	((124,130,000))
22		<u>124,903,000</u>
23	General Fund--State Appropriation (FY 2003) . . . \$	((274,529,000))
24		<u>257,207,000</u>
25	TOTAL APPROPRIATION \$	((398,659,000))
26		<u>382,110,000</u>

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

29 (1) ~~(((\$318,024,000))~~ \$330,517,000 is provided for a cost of living
30 adjustment for state formula staff units of 3.7 percent effective
31 September 1, 2001, and ~~((another salary adjustment))~~ 3.6 percent
32 effective ~~((on))~~ September 1, 2002, ~~((in a percentage amount to be~~
33 ~~determined by the 2002 legislature))~~ consistent with the provisions of
34 chapter 4, Laws of 2001 (Initiative Measure No. 732). The
35 appropriations include associated incremental fringe benefit
36 allocations at rates of ~~((10.63))~~ 10.12 percent for ~~((school years))~~
37 the 2001-02 school year and 8.93 percent for the 2002-03 school year
38 for certificated staff, and ~~((9.42))~~ 9.23 percent for ~~((school years))~~

1 the 2001-02 school year and 8.86 percent for the 2002-03 school year
2 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, in accordance with
6 chapter 4, Laws of 2001 (Initiative Measure No. 732). Salary
7 adjustments for state employees in the office of superintendent of
8 public instruction and the education reform program are provided in
9 part VII of this act. Increases for general apportionment (basic
10 education) are based on the salary allocation schedules and methodology
11 in section 502 of this act. Increases for special education result
12 from increases in each district's basic education allocation per
13 student. Increases for educational service districts and institutional
14 education programs are determined by the superintendent of public
15 instruction using the methodology for general apportionment salaries
16 and benefits in section 502 of this act.

17 (b) The appropriations in this section provide cost-of-living and
18 incremental fringe benefit allocations based on formula adjustments as
19 follows:

	School Year	
	2001-02	2002-03
22 Pupil Transportation (per weighted pupil mile)	\$ 0.77	\$ ((1.44))
23		<u>1.54</u>
24 Highly Capable (per formula student)	\$ ((8.75))	\$ ((16.35))
25	<u>8.71</u>	<u>17.31</u>
26 Transitional Bilingual Education (per eligible		
27 bilingual student)	\$ ((22.73))	\$ ((42.48))
28	<u>22.63</u>	<u>44.97</u>
29 Learning Assistance (per entitlement unit)	\$ ((11.23))	\$ ((20.99))
30	<u>11.19</u>	<u>22.32</u>
31 Substitute Teacher (allocation per teacher,		
32 section 502(7))	\$ 18.29	\$ ((34.18))
33		<u>36.75</u>

34 (2) This act appropriates general fund--state funds for the purpose
35 of providing the annual salary cost-of-living increase required by
36 section 2, chapter 4, Laws of 2001 (Initiative Measure No. 732) for
37 teachers and other school district employees in the state-funded salary
38 base. For employees not included in the state-funded salary base, the

1 annual salary cost-of-living increase may be provided by school
 2 districts from the federal funds appropriated in this act and local
 3 revenues, including the adjusted levy base as provided in RCW 84.52.053
 4 and section 502 of this act, and state discretionary funds provided
 5 under this act.

6 (3) (~~(\$80,635,000)~~) \$51,593,000 is provided for adjustments to
 7 insurance benefit allocations. The maintenance rate for insurance
 8 benefit allocations is \$427.73 per month for the 2001-02 and 2002-03
 9 school years. The appropriations in this section provide for a rate
 10 increase to \$455.27 per month for the 2001-02 school year and
 11 (~~(\$493.59)~~) \$457.07 per month for the 2002-03 school year at the
 12 following rates:

		School Year	
		2001-02	2002-03
15 Pupil Transportation (per weighted pupil mile)	\$ 0.25	\$ (0.60)	<u>0.27</u>
16			
17 Highly Capable (per formula student)	\$ 1.74	\$ (4.18)	<u>1.86</u>
18			
19 Transitional Bilingual Education (per eligible			
20 bilingual student)	\$ 4.46	\$ (10.66)	<u>4.75</u>
21			
22 Learning Assistance (per entitlement unit)	\$ 3.51	\$ (8.38)	<u>3.73</u>
23			

24 (4) The rates specified in this section are subject to revision
 25 each year by the legislature.

26 **Sec. 505.** 2001 2nd sp.s. c 7 s 505 (uncodified) is amended to read
 27 as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**

29 General Fund--State Appropriation (FY 2002) . . .	\$ (193,198,000)	<u>192,402,000</u>
30		
31 General Fund--State Appropriation (FY 2003) . . .	\$ (194,293,000)	<u>193,317,000</u>
32		
33 TOTAL APPROPRIATION	\$ (387,491,000)	<u>385,719,000</u>
34		

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

1 (1) Each general fund fiscal year appropriation includes such funds
2 as are necessary to complete the school year ending in the fiscal year
3 and for prior fiscal year adjustments.

4 (2) A maximum of \$767,000 of this fiscal year 2002 appropriation
5 and a maximum of (~~(\$785,000)~~) \$775,000 of the fiscal year 2003
6 appropriation may be expended for regional transportation coordinators
7 and related activities. The transportation coordinators shall ensure
8 that data submitted by school districts for state transportation
9 funding shall, to the greatest extent practical, reflect the actual
10 transportation activity of each district.

11 (3) (~~(\$15,000)~~) \$5,000 of the fiscal year 2002 appropriation and
12 (~~(\$20,000)~~) \$5,000 of the fiscal year 2003 appropriation are provided
13 solely for the transportation of students enrolled in "choice"
14 programs. Transportation shall be limited to low-income students who
15 are transferring to "choice" programs solely for educational reasons.

16 (4) Allocations for transportation of students shall be based on
17 reimbursement rates of (~~(\$37.11)~~) \$37.07 per weighted mile in the 2001-
18 02 school year and (~~(\$37.38)~~) \$37.12 per weighted mile in the 2002-03
19 school year exclusive of salary and benefit adjustments provided in
20 section 504 of this act. Allocations for transportation of students
21 transported more than one radius mile shall be based on weighted miles
22 as determined by superintendent of public instruction multiplied by the
23 per mile reimbursement rates for the school year pursuant to the
24 formulas adopted by the superintendent of public instruction.
25 Allocations for transportation of students living within one radius
26 mile shall be based on the number of enrolled students in grades
27 kindergarten through five living within one radius mile of their
28 assigned school multiplied by the per mile reimbursement rate for the
29 school year multiplied by 1.29.

30 **Sec. 506.** 2001 2nd sp.s. c 7 s 507 (uncodified) is amended to read
31 as follows:

32 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
33 **PROGRAMS**

34	General Fund--State Appropriation (FY 2002) . . . \$	((419,264,000))
35		<u>421,065,000</u>
36	General Fund--State Appropriation (FY 2003) . . . \$	((420,644,000))
37		<u>412,668,000</u>
38	General Fund--Federal Appropriation \$	256,092,000

1 TOTAL APPROPRIATION \$ ((~~1,096,000,000~~))
2 1,089,825,000

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

5 (1) Funding for special education programs is provided on an excess
6 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
7 that special education students as a class receive their full share of
8 the general apportionment allocation accruing through sections 502 and
9 504 of this act. To the extent a school district cannot provide an
10 appropriate education for special education students under chapter
11 28A.155 RCW through the general apportionment allocation, it shall
12 provide services through the special education excess cost allocation
13 funded in this section.

14 (2)(a) Effective with the 2001-02 school year, the superintendent
15 of public instruction shall change the S-275 personnel reporting system
16 and all related accounting requirements to ensure that:

17 (i) Special education students are basic education students first;

18 (ii) As a class, special education students are entitled to the
19 full basic education allocation; and

20 (iii) Special education students are basic education students for
21 the entire school day.

22 (b) Effective with the 2001-02 school year, the S-275 and
23 accounting changes shall supercede any prior excess cost methodologies
24 and shall be required of all school districts.

25 (3) Each general fund--state fiscal year appropriation includes
26 such funds as are necessary to complete the school year ending in the
27 fiscal year and for prior fiscal year adjustments.

28 (4) The superintendent of public instruction shall distribute state
29 funds to school districts based on two categories: The optional birth
30 through age two program for special education eligible developmentally
31 delayed infants and toddlers, and the mandatory special education
32 program for special education eligible students ages three to twenty-
33 one. A "special education eligible student" means a student receiving
34 specially designed instruction in accordance with a properly formulated
35 individualized education program.

36 (5)(a) For the 2001-02 and 2002-03 school years, the superintendent
37 shall distribute state funds to each district based on the sum of:

38 (i) A district's annual average headcount enrollment of
39 developmentally delayed infants and toddlers ages birth through two,

1 multiplied by the district's average basic education allocation per
2 full-time equivalent student, multiplied by 1.15; and

3 (ii) A district's annual average full-time equivalent basic
4 education enrollment multiplied by the funded enrollment percent
5 determined pursuant to subsection (6)(b) of this section, multiplied by
6 the district's average basic education allocation per full-time
7 equivalent student multiplied by 0.9309.

8 (b) For purposes of this subsection, "average basic education
9 allocation per full-time equivalent student" for a district shall be
10 based on the staffing ratios required by RCW 28A.150.260 and shall not
11 include enhancements, secondary vocational education, or small schools.

12 (6) The definitions in this subsection apply throughout this
13 section.

14 (a) "Annual average full-time equivalent basic education
15 enrollment" means the resident enrollment including students enrolled
16 through choice (RCW 28A.225.225) and students from nonhigh districts
17 (RCW 28A.225.210) and excluding students residing in another district
18 enrolled as part of an interdistrict cooperative program (RCW
19 28A.225.250).

20 (b) "Enrollment percent" means the district's resident special
21 education annual average enrollment, excluding the birth through age
22 two enrollment, as a percent of the district's annual average full-time
23 equivalent basic education enrollment. For the 2001-02 and the 2002-03
24 school years, each district's funded enrollment percent shall be the
25 lesser of the district's actual enrollment percent for the school year
26 for which the allocation is being determined or 12.7 percent for the
27 2001-02 (~~((school year or 13.0 percent for the))~~) and 2002-03 school
28 (~~((year))~~) years.

29 (7) At the request of any interdistrict cooperative of at least 15
30 districts in which all excess cost services for special education
31 students of the districts are provided by the cooperative, the maximum
32 enrollment percent shall be 12.7 percent for the 2001-02 (~~((school
33 year))~~) and (~~((13.0 percent for the))~~) 2002-03 school (~~((year))~~) years, and
34 shall be calculated in the aggregate rather than individual district
35 units. For purposes of this subsection, the average basic education
36 allocation per full-time equivalent student shall be calculated in the
37 aggregate rather than individual district units.

1 (8) For fiscal year 2002, safety net funding shall be awarded by
2 the state safety net committee subject to the following conditions and
3 limitations:

4 (a) A maximum of ((\$12,000,000)) \$9,400,000 of the general fund--
5 state appropriation for fiscal year 2002 ((and a maximum of \$10,623,000
6 of the general fund--state appropriation for fiscal year 2003 are)) is
7 provided as safety net funding for districts with demonstrated needs
8 for state special education funding beyond the amounts provided in
9 subsection (5) of this section((. Safety net funding shall be awarded
10 by the state safety net oversight committee.

11 (a)) and shall be awarded as follows:

12 (i) The safety net oversight committee shall first consider the
13 needs of districts adversely affected by the 1995 change in the special
14 education funding formula. Awards shall be based on the lesser of the
15 amount required to maintain the 1994-95 state special education excess
16 cost allocation to the school district in aggregate or on a dollar per
17 funded student basis.

18 ((b)) (ii) The committee shall then consider unmet needs for
19 districts that can convincingly demonstrate that all legitimate
20 expenditures for special education exceed all available revenues from
21 state funding formulas. In the determination of need, the committee
22 shall also consider additional available revenues from federal and
23 local sources. Differences in program costs attributable to district
24 philosophy, service delivery choice, or accounting practices are not a
25 legitimate basis for safety net awards.

26 ((e)) (b) To the extent necessary, \$2,750,000 of the general
27 fund--federal appropriation shall be expended for safety net funding to
28 meet the extraordinary needs of one or more individual special
29 education students. If safety net awards to meet the extraordinary
30 needs exceed \$2,750,000 of the general fund--federal appropriation, the
31 superintendent shall expend all available federal discretionary funds
32 necessary to meet this need. General fund--state funds shall not be
33 expended for this purpose.

34 (9) For fiscal year 2003, safety net funding shall be awarded by
35 the state safety net committee to districts with demonstrated needs for
36 state special education funding beyond the amounts provided in
37 subsection (5) of this section, subject to the following conditions and
38 limitations:

1 (a) A maximum of \$1,100,000 of the general fund--state
2 appropriation for fiscal year 2003 is provided for awards to districts
3 adversely affected by the 1995 change in the special education funding
4 formula. Awards shall be based on the lesser of the amount required to
5 maintain the 1994-95 state special education excess cost allocation to
6 the school district in aggregate or on a dollar per funded student
7 basis.

8 (b) A maximum of \$13,650,000 of the general fund--federal
9 appropriation shall be awarded to districts as follows:

10 (i) The committee shall consider unmet needs for districts that can
11 convincingly demonstrate that all legitimate expenditures for special
12 education exceed all available revenues from state funding formulas.
13 In the determination of need, the committee shall also consider
14 additional available revenues from federal and local sources.

15 (ii) The committee shall then consider the extraordinary high cost
16 needs of one or more individual special education students.

17 (c) If safety net awards under (b) of this subsection (9) exceed
18 \$13,650,000, the superintendent shall expend all available federal
19 discretionary funds necessary to meet these needs. General fund--state
20 funds shall not be expended for these purposes.

21 (d) Differences in program costs attributable to district
22 philosophy, service delivery choice, or accounting practices are not a
23 legitimate basis for safety net awards.

24 (10) For fiscal years 2002 and 2003:

25 (a) The maximum allowable indirect cost for calculating safety net
26 eligibility may not exceed the federal restricted indirect cost rate
27 for the district plus one percent.

28 ~~((d))~~ (b) Safety net awards shall be adjusted based on the
29 percent of potential medicaid eligible students billed as calculated by
30 the superintendent in accordance with chapter 318, Laws of 1999.

31 ~~((e))~~ (c) Safety net awards must be adjusted for any audit
32 findings or exceptions related to special education funding.

33 ~~((f))~~ (d) The superintendent may expend up to \$120,000 per year
34 of the amounts provided in this subsection to provide staff assistance
35 to the committee in analyzing applications for safety net funds
36 received by the committee.

37 ~~((g))~~ (11) The superintendent of public instruction may adopt
38 such rules and procedures as are necessary to administer the special
39 education funding and safety net award process. Prior to revising any

1 standards, procedures, or rules, the superintendent shall consult with
2 the office of financial management and the fiscal committees of the
3 legislature.

4 ~~((10))~~ (12) The safety net oversight committee appointed by the
5 superintendent of public instruction shall consist of:

6 (a) One staff from the office of superintendent of public
7 instruction;

8 (b) Staff of the office of the state auditor;

9 (c) Staff of the office of the financial management; and

10 (d) One or more representatives from school districts or
11 educational service districts knowledgeable of special education
12 programs and funding.

13 ~~((11) To the extent necessary, \$5,500,000 of the general fund--
14 federal appropriation shall be expended for safety net funding to meet
15 the extraordinary needs of one or more individual special education
16 students. If safety net awards to meet the extraordinary needs exceed
17 \$5,500,000 of the general fund--federal appropriation, the
18 superintendent shall expend all available federal discretionary funds
19 necessary to meet this need. General fund--state funds shall not be
20 expended for this purpose.~~

21 ~~(12))~~ (13) A maximum of \$678,000 may be expended from the general
22 fund--state appropriations to fund 5.43 full-time equivalent teachers
23 and 2.1 full-time equivalent aides at children's orthopedic hospital
24 and medical center. This amount is in lieu of money provided through
25 the home and hospital allocation and the special education program.

26 ~~((13))~~ (14) \$1,000,000 of the general fund--federal appropriation
27 is provided for projects to provide special education students with
28 appropriate job and independent living skills, including work
29 experience where possible, to facilitate their successful transition
30 out of the public school system. The funds provided by this subsection
31 shall be from federal discretionary grants.

32 ~~((14))~~ (15) The superintendent shall maintain the percentage of
33 federal flow-through to school districts at 85 percent for the 2001-02
34 school year. For the 2002-03 school year, the superintendent shall
35 allocate federal funds as specified in this section and shall adjust
36 federal flow through accordingly. In addition to other purposes,
37 school districts may use increased federal funds for high-cost
38 students, for purchasing regional special education services from

1 educational service districts, and for staff development activities
2 particularly relating to inclusion issues.

3 ~~((15))~~ (16) A maximum of \$1,200,000 of the general fund--federal
4 appropriation may be expended by the superintendent for projects
5 related to use of inclusion strategies by school districts for
6 provision of special education services. The superintendent shall
7 prepare an information database on laws, best practices, examples of
8 programs, and recommended resources. The information may be
9 disseminated in a variety of ways, including workshops and other staff
10 development activities.

11 ~~((16))~~ (17) A school district may carry over from one year to the
12 next year up to 10 percent of general fund--state funds allocated under
13 this program; however, carry over funds shall be expended in the
14 special education program.

15 **Sec. 507.** 2001 2nd sp.s. c 7 s 508 (uncodified) is amended to read
16 as follows:

17 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY**
18 **EDUCATION PROGRAMS**

19	General Fund--State Appropriation (FY 2002) . . . \$	((3,595,000))
20		<u>3,765,000</u>
21	General Fund--State Appropriation (FY 2003) . . . \$	((2,588,000))
22		<u>765,000</u>
23	<u>Public Safety and Education Account</u>	
24	<u>Appropriation</u> \$	<u>6,403,000</u>
25	TOTAL APPROPRIATION \$	((6,183,000))
26		<u>10,933,000</u>

27 (1) The general fund--state appropriations in this section are
28 subject to the following conditions and limitations:

29 ~~((1))~~ (a) The appropriations include such funds as are necessary
30 to complete the school year ending in each fiscal year and for prior
31 fiscal year adjustments.

32 ~~((2))~~ (b) A maximum of \$253,000 of the fiscal year 2002 general
33 fund appropriation and a maximum of \$254,000 of the fiscal year 2003
34 general fund appropriation may be expended for regional traffic safety
35 education coordinators.

36 ~~((3))~~ (c) Allocations to provide tuition assistance for students
37 eligible for free and reduced price lunch who complete the program

1 shall be a maximum of \$203.97 per eligible student in the 2001-02 ((and
2 2002-03)) school ((years)) year.

3 (2) The public safety and education account appropriation in this
4 section is subject to the following conditions and limitations:

5 (a) The public safety and education account appropriation shall
6 lapse if House Bill No. 2573 (traffic safety education) is not enacted
7 by June 30, 2002.

8 (b) If House Bill No. 2573 is enacted by June 30, 2002, districts
9 shall receive the following allocations:

10 (i) The maximum basic state allocation per student completing the
11 program shall be \$148.00 in the 2002-03 school year.

12 (ii) Additional allocations to provide tuition assistance for
13 students eligible for free and reduced price lunch who complete the
14 program shall be a maximum of \$71.00 per eligible student in the 2002-
15 03 school year.

16 **Sec. 508.** 2001 2nd sp.s. c 7 s 509 (uncodified) is amended to read
17 as follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
19 **DISTRICTS**

20	General Fund--State Appropriation (FY 2002) . . . \$	((4,768,000))
21		<u>4,757,000</u>
22	General Fund--State Appropriation (FY 2003) . . . \$	((4,768,000))
23		<u>4,732,000</u>
24	TOTAL APPROPRIATION \$	((9,536,000))
25		<u>9,489,000</u>

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

28 (1) The educational service districts shall continue to furnish
29 financial services required by the superintendent of public instruction
30 and RCW 28A.310.190 (3) and (4).

31 (2) \$250,000 of the general fund appropriation for fiscal year 2000
32 and \$250,000 of the general fund appropriation for fiscal year 2001 are
33 provided solely for student teaching centers as provided in RCW
34 28A.415.100.

35 (3) A maximum of \$250,000 of the fiscal year 2002 general fund
36 appropriation and a maximum of \$250,000 of the fiscal year 2003 general
37 fund appropriation are provided for centers for the improvement of
38 teaching pursuant to RCW 28A.415.010.

1 **Sec. 509.** 2001 2nd sp.s. c 7 s 510 (uncodified) is amended to read
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
4 **ASSISTANCE**

5	General Fund--State Appropriation (FY 2002) . . . \$	((136,315,000))
6		<u>140,932,000</u>
7	General Fund--State Appropriation (FY 2003) . . . \$	((148,329,000))
8		<u>154,931,000</u>
9	TOTAL APPROPRIATION \$	((284,644,000))
10		<u>295,863,000</u>

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

13 Calendar year 2003 local effort assistance calculations under
14 chapter 28A.500 RCW shall be adjusted by multiplying allocations and
15 maximum eligibility for each district by 0.99 as authorized by House
16 Bill No. 3011.

17 **Sec. 510.** 2001 2nd sp.s. c 7 s 511 (uncodified) is amended to read
18 as follows:

19 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
20 **EDUCATION PROGRAMS**

21	General Fund--State Appropriation (FY 2002) . . . \$	((19,133,000))
22		<u>19,073,000</u>
23	General Fund--State Appropriation (FY 2003) . . . \$	((19,115,000))
24		<u>18,711,000</u>
25	General Fund--Federal Appropriation \$	8,548,000
26	TOTAL APPROPRIATION \$	((46,796,000))
27		<u>46,332,000</u>

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

30 (1) Each general fund--state fiscal year appropriation includes
31 such funds as are necessary to complete the school year ending in the
32 fiscal year and for prior fiscal year adjustments.

33 (2) State funding provided under this section is based on salaries
34 and other expenditures for a 220-day school year. The superintendent
35 of public instruction shall monitor school district expenditure plans
36 for institutional education programs to ensure that districts plan for
37 a full-time summer program.

1 (3) State funding for each institutional education program shall be
2 based on the institution's annual average full-time equivalent student
3 enrollment. Staffing ratios for each category of institution shall
4 remain the same as those funded in the 1995-97 biennium.

5 (4) The funded staffing ratios for education programs for juveniles
6 age 18 or less in department of corrections facilities shall be the
7 same as those provided in the 1997-99 biennium.

8 (5) \$141,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$139,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely to maintain at least one
11 certificated instructional staff and related support services at an
12 institution whenever the K-12 enrollment is not sufficient to support
13 one full-time equivalent certificated instructional staff to furnish
14 the educational program. The following types of institutions are
15 included: Residential programs under the department of social and
16 health services for developmentally disabled juveniles, programs for
17 juveniles under the department of corrections, and programs for
18 juveniles under the juvenile rehabilitation administration.

19 (6) Ten percent of the funds allocated for each institution may be
20 carried over from one year to the next.

21 **Sec. 511.** 2001 2nd sp.s. c 7 s 512 (uncodified) is amended to read
22 as follows:

23 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
24 **CAPABLE STUDENTS**

25	General Fund--State Appropriation (FY 2002) . . . \$	((6,443,000))
26		<u>6,470,000</u>
27	General Fund--State Appropriation (FY 2003) . . . \$	((6,397,000))
28		<u>6,413,000</u>
29	TOTAL APPROPRIATION \$	((12,840,000))
30		<u>12,883,000</u>

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

33 (1) Each general fund fiscal year appropriation includes such funds
34 as are necessary to complete the school year ending in the fiscal year
35 and for prior fiscal year adjustments.

36 (2) Allocations for school district programs for highly capable
37 students shall be distributed at a maximum rate of ((~~\$328.10~~)) \$327.22
38 per funded student for the 2001-02 school year and ((~~\$328.05~~)) \$324.72

1 per funded student for the 2002-03 school year, exclusive of salary and
2 benefit adjustments pursuant to section 504 of this act. The number of
3 funded students shall be a maximum of two percent of each district's
4 full-time equivalent basic education enrollment.

5 (3) \$175,000 of the fiscal year 2002 appropriation and \$175,000 of
6 the fiscal year 2003 appropriation are provided for the centrum program
7 at Fort Worden state park.

8 (4) \$93,000 of the fiscal year 2002 appropriation and \$93,000 of
9 the fiscal year 2003 appropriation are provided for the Washington
10 imagination network and future problem-solving programs.

11 **Sec. 512.** 2001 2nd sp.s. c 7 s 513 (uncodified) is amended to read
12 as follows:

13 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
14 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
15 **THE NO CHILD LEFT BEHIND ACT**

16 General Fund--Federal Appropriation \$ ((288,166,000))
17 201,737,000

18 **Sec. 513.** 2001 2nd sp.s. c 7 s 514 (uncodified) is amended to read
19 as follows:

20 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS**

21 General Fund--State Appropriation (FY 2002) . . . \$ ((35,882,000))
22 36,880,000

23 General Fund--State Appropriation (FY 2003) . . . \$ ((36,363,000))
24 26,635,000

25 General Fund--Federal Appropriation \$ ((3,000,000))
26 60,571,000

27 TOTAL APPROPRIATION \$ ((75,245,000))
28 124,086,000

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

31 (1) \$322,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$322,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely for the academic achievement and
34 accountability commission.

35 (2) ((\$11,209,000)) \$12,209,000 of the general fund--state
36 appropriation for fiscal year 2002, ((\$10,872,000)) \$8,872,000 of the
37 general fund--state appropriation for fiscal year 2003, and

1 ((~~\$3,000,000~~)) \$4,000,000 of the general fund--federal appropriation
2 are provided for development and implementation of the Washington
3 assessments of student learning. Up to \$689,000 of the appropriation
4 may be expended for data analysis and data management of test results.

5 (3) \$1,095,000 of the fiscal year 2002 general fund--state
6 appropriation and \$1,095,000 of the fiscal year 2003 general
7 fund--state appropriation are provided solely for training of
8 paraprofessional classroom assistants and certificated staff who work
9 with classroom assistants as provided in RCW 28A.415.310.

10 (4) \$4,695,000 of the general fund--state appropriation for fiscal
11 year 2002 and \$4,695,000 of the general fund--state appropriation for
12 fiscal year 2003 are provided solely for mentor teacher assistance,
13 including state support activities, under RCW 28A.415.250 and
14 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
15 this subsection may be used each fiscal year to operate a mentor
16 academy to help districts provide effective training for peer mentors.
17 Funds for the teacher assistance program shall be allocated to school
18 districts based on the number of first year beginning teachers.

19 (a) A teacher assistance program is a program that provides to a
20 first year beginning teacher peer mentor services that include but are
21 not limited to:

22 (i) An orientation process and individualized assistance to help
23 beginning teachers who have been hired prior to the start of the school
24 year prepare for the start of a school year;

25 (ii) The assignment of a peer mentor whose responsibilities to the
26 beginning teacher include but are not limited to constructive feedback,
27 the modeling of instructional strategies, and frequent meetings and
28 other forms of contact;

29 (iii) The provision by peer mentors of strategies, training, and
30 guidance in critical areas such as classroom management, student
31 discipline, curriculum management, instructional skill, assessment,
32 communication skills, and professional conduct. A district may provide
33 these components through a variety of means including one-on-one
34 contact and workshops offered by peer mentors to groups, including
35 cohort groups, of beginning teachers;

36 (iv) The provision of release time, substitutes, mentor training in
37 observation techniques, and other measures for both peer mentors and
38 beginning teachers, to allow each an adequate amount of time to observe

1 the other and to provide the classroom experience that each needs to
2 work together effectively;

3 (v) Assistance in the incorporation of the essential academic
4 learning requirements into instructional plans and in the development
5 of complex teaching strategies, including strategies to raise the
6 achievement of students with diverse learning styles and backgrounds;
7 and

8 (vi) Guidance and assistance in the development and implementation
9 of a professional growth plan. The plan shall include a professional
10 self-evaluation component and one or more informal performance
11 assessments. A peer mentor may not be involved in any evaluation under
12 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
13 assisted through this program.

14 (b) In addition to the services provided in (a) of this subsection,
15 an eligible peer mentor program shall include but is not limited to the
16 following components:

17 (i) Strong collaboration among the peer mentor, the beginning
18 teacher's principal, and the beginning teacher;

19 (ii) Stipends for peer mentors and, at the option of a district,
20 for beginning teachers. The stipends shall not be deemed compensation
21 for the purposes of salary lid compliance under RCW 28A.400.200 and are
22 not subject to the continuing contract provisions of Title 28A RCW; and

23 (iii) To the extent that resources are available for this purpose
24 and that assistance to beginning teachers is not adversely impacted,
25 the program may serve second year and more experienced teachers who
26 request the assistance of peer mentors.

27 (5) \$2,025,000 of the general fund--state appropriation for fiscal
28 year 2002 (~~(and \$2,025,000 of the general fund--state appropriation for~~
29 ~~fiscal year 2003 are))~~ is provided for improving technology
30 infrastructure, monitoring and reporting on school district technology
31 development, promoting standards for school district technology,
32 promoting statewide coordination and planning for technology
33 development, and providing regional educational technology support
34 centers, including state support activities, under chapter 28A.650 RCW.
35 The superintendent of public instruction shall coordinate a process to
36 facilitate the evaluation and provision of online curriculum courses to
37 school districts which includes the following: Creation of a general
38 listing of the types of available online curriculum courses; a survey
39 conducted by each regional educational technology support center of

1 school districts in its region regarding the types of online curriculum
2 courses desired by school districts; a process to evaluate and
3 recommend to school districts the best online courses in terms of
4 curriculum, student performance, and cost; and assistance to school
5 districts in procuring and providing the courses to students.

6 (6) \$3,600,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$3,600,000 of the general fund--state appropriation for
8 fiscal year 2003 are provided for grants to school districts to provide
9 a continuum of care for children and families to help children become
10 ready to learn. Grant proposals from school districts shall contain
11 local plans designed collaboratively with community service providers.
12 If a continuum of care program exists in the area in which the school
13 district is located, the local plan shall provide for coordination with
14 existing programs to the greatest extent possible. Grant funds shall
15 be allocated pursuant to RCW 70.190.040.

16 (7) \$2,500,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$2,500,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for the meals for kids program
19 under RCW 28A.235.145 through 28A.235.155.

20 (8) \$1,409,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$1,409,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for the leadership internship
23 program for superintendents, principals, and program administrators.

24 (9) \$1,828,000 of the general fund--state appropriation for fiscal
25 year 2002 (~~and \$1,828,000 of the general fund--state appropriation for~~
26 ~~fiscal year 2003 are~~) is provided solely for the mathematics helping
27 corps subject to the following conditions and limitations:

28 (a) In order to increase the availability and quality of technical
29 mathematics assistance statewide, the superintendent of public
30 instruction shall employ mathematics school improvement specialists to
31 provide assistance to schools and districts. The specialists shall be
32 hired by and work under the direction of a statewide school improvement
33 coordinator. The mathematics improvement specialists shall serve on a
34 rotating basis from one to three years and shall not be permanent
35 employees of the superintendent of public instruction.

36 (b) The school improvement specialists shall provide the following:

37 (i) Assistance to schools to disaggregate student performance data
38 and develop improvement plans based on those data;

1 (ii) Consultation with schools and districts concerning their
2 performance on the Washington assessment of student learning and other
3 assessments emphasizing the performance on the mathematics assessments;

4 (iii) Consultation concerning curricula that aligns with the
5 essential academic learning requirements emphasizing the academic
6 learning requirements for mathematics, the Washington assessment of
7 student learning, and meets the needs of diverse learners;

8 (iv) Assistance in the identification and implementation of
9 research-based instructional practices in mathematics;

10 (v) Staff training that emphasizes effective instructional
11 strategies and classroom-based assessment for mathematics;

12 (vi) Assistance in developing and implementing family and community
13 involvement programs emphasizing mathematics; and

14 (vii) Other assistance to schools and school districts intended to
15 improve student mathematics learning.

16 (10) A maximum of \$500,000 of the general fund--state appropriation
17 for fiscal year 2002 and a maximum of \$500,000 of the general fund--
18 state appropriation for fiscal year 2003 are provided for summer
19 accountability institutes offered by the superintendent of public
20 instruction and the academic achievement and accountability commission.
21 The institutes shall provide school district staff with training in the
22 analysis of student assessment data, information regarding successful
23 district and school teaching models, research on curriculum and
24 instruction, and planning tools for districts to improve instruction in
25 reading, mathematics, language arts, and guidance and counseling.

26 (11) \$3,930,000 of the general fund--state appropriation for fiscal
27 year 2002 (~~and \$3,829,000 of the general fund--state appropriation for~~
28 ~~fiscal year 2003 are~~) is provided solely for the Washington reading
29 corps subject to the following conditions and limitations:

30 (a) Grants shall be allocated to schools and school districts to
31 implement proven, research-based mentoring and tutoring programs in
32 reading for low-performing students in grades K-6. If the grant is
33 made to a school district, the principals of schools enrolling targeted
34 students shall be consulted concerning design and implementation of the
35 program.

36 (b) The programs may be implemented before, after, or during the
37 regular school day, or on Saturdays, summer, intercessions, or other
38 vacation periods.

1 (c) Two or more schools may combine their Washington reading corps
2 programs.

3 (d) A program is eligible for a grant if it meets the following
4 conditions:

5 (i) The program employs methods of teaching and student learning
6 based on reliable reading/literacy research and effective practices;

7 (ii) The program design is comprehensive and includes instruction,
8 on-going student assessment, professional development,
9 parental/community involvement, and program management aligned with the
10 school's reading curriculum;

11 (iii) It provides quality professional development and training for
12 teachers, staff, and volunteer mentors and tutors;

13 (iv) It has measurable goals for student reading aligned with the
14 essential academic learning requirements; and

15 (v) It contains an evaluation component to determine the
16 effectiveness of the program.

17 (e) Funding priority shall be given to low-performing schools.

18 (f) Beginning and end-of-program testing data shall be available to
19 determine the effectiveness of funded programs and practices. Common
20 evaluative criteria across programs, such as grade-level improvements
21 shall be available for each reading corps program. The superintendent
22 of public instruction shall provide program evaluations to the governor
23 and the appropriate committees of the legislature. Administrative and
24 evaluation costs may be assessed from the annual appropriation for the
25 program.

26 (g) Grants provided under this section may be used by schools and
27 school districts for expenditures from September 2001 through August
28 31, 2003.

29 (12) (~~(\$377,000)~~) \$375,000 of the general fund--state appropriation
30 for fiscal year 2002 and (~~(\$701,000)~~) \$655,000 of the general fund--
31 state appropriation for fiscal year 2003 are provided solely for salary
32 bonuses for teachers who attain certification by the national board for
33 professional teaching standards.

34 (~~(b)~~) (a) In the 2002-03 school year, teachers who have attained
35 certification by the national board in the 2000-01 school year or the
36 2001-02 school year or the 2002-03 school year shall receive an annual
37 bonus not to exceed \$3,500.

1 (~~(e)~~) (b) The annual bonus shall be paid in a lump sum amount and
2 shall not be included in the definition of "earnable compensation"
3 under RCW 41.32.010(10).

4 (~~(d)~~) (c) It is the intent of the legislature that teachers
5 achieving certification by the national board of professional teaching
6 standards will receive no more than three annual bonus payments for
7 attaining certification by the national board.

8 (13) \$625,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$625,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided for a principal support program. The
11 office of the superintendent of public instruction may contract with an
12 independent organization to administer the program. The program shall
13 include: (a) Development of an individualized professional growth plan
14 for a new principal or principal candidate; and (b) participation of a
15 mentor principal who works over a period of between one and three years
16 with the new principal or principal candidate to help him or her build
17 the skills identified as critical to the success of the professional
18 growth plan.

19 (14) \$71,000 of the general fund--state appropriation for fiscal
20 year 2002 and \$71,000 of the general fund--state appropriation for
21 fiscal year 2003 are provided solely for the second grade reading test.
22 The funds shall be expended for assessment training for new second
23 grade teachers and replacement of assessment materials.

24 (15) \$384,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$384,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided for the superintendent to assist schools
27 in implementing high academic standards, aligning curriculum with these
28 standards, and training teachers to use assessments to improve student
29 learning. Funds may also be used to increase community and parental
30 awareness of education reform.

31 (16) \$130,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$130,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided for the development and posting of web-
34 based instructional tools, assessment data, and other information that
35 assists schools and teachers implementing higher academic standards.

36 (17) \$1,000,000 of the general fund--state appropriation for fiscal
37 year 2002 and \$1,800,000 of the general fund--state appropriation for
38 fiscal year 2003 are provided solely to the office of the
39 superintendent of public instruction for focused assistance. The

1 office of the superintendent of public instruction shall conduct
2 educational audits of low-performing schools and enter into performance
3 agreements between school districts and the office to implement the
4 recommendations of the audit and the community. Of the amounts
5 provided, \$219,000 of the fiscal year 2002 appropriation and \$207,000
6 of the fiscal year 2003 appropriation are provided to the office of the
7 superintendent of public instruction for the administrative duties
8 arising under this subsection. Each educational audit shall include
9 recommendations for best practices and ways to address identified needs
10 and shall be presented to the community in a public meeting to seek
11 input on ways to implement the audit and its recommendations.

12 (18) \$100,000 of the general fund--state appropriation for fiscal
13 year 2002 is provided solely for grants to school districts to adopt or
14 revise district-wide and school-level plans to achieve performance
15 improvement goals established under RCW 28A.655.030, and to post a
16 summary of the improvement plans on district websites using a common
17 format provided by the office of the superintendent of public
18 instruction.

19 (19) \$100,000 of the general fund--state appropriation for fiscal
20 year 2002 is provided solely for recognition plaques for schools that
21 successfully met the fourth grade reading improvement goal established
22 under RCW 28A.655.050.

23 (20) \$46,554,000 of the general fund--federal appropriation is
24 provided for preparing, training, and recruiting high quality teachers
25 and principals under Title II of the no child left behind act.

26 (21) \$6,591,000 of the general fund--federal appropriation is
27 provided for the reading first program under Title I of the no child
28 left behind act.

29 (22) \$3,426,000 of the general fund--federal appropriation is
30 provided for the development of state assessments as required under
31 Title VI of the no child left behind act.

32 **Sec. 514.** 2001 2nd sp.s. c 7 s 515 (uncodified) is amended to read
33 as follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
35 **BILINGUAL PROGRAMS**

36 General Fund--State Appropriation (FY 2002) . . . \$ ((43,044,000))
37 42,767,000
38 General Fund--State Appropriation (FY 2003) . . . \$ ((45,171,000))

1		44,897,000
2	<u>General Fund--Federal Appropriation</u>	\$ 20,280,000
3	TOTAL APPROPRIATION	\$ ((88,215,000))
4		<u>107,944,000</u>

5 (1) The general fund--state appropriations in this section are
6 subject to the following conditions and limitations:

7 ((+1)) (a) Each general fund fiscal year appropriation includes
8 such funds as are necessary to complete the school year ending in the
9 fiscal year and for prior fiscal year adjustments.

10 ((+2)) (b) The superintendent shall distribute a maximum of
11 ((~~\$687.19~~)) \$684.36 per eligible bilingual student in the 2001-02
12 school year and ((~~\$687.19~~)) \$677.75 in the 2002-03 school year,
13 exclusive of salary and benefit adjustments provided in section 504 of
14 this act.

15 ((+3)) (c) The superintendent may withhold up to \$295,000 in
16 school year 2001-02 and up to ((~~\$268,000~~)) \$700,000 in school year
17 2002-03, and adjust the per eligible pupil rates in subsection (2) of
18 this section accordingly, for the central provision of assessments as
19 provided in section 2(1) and (2) of Engrossed Second Substitute House
20 Bill No. 2025.

21 ((+4)) (d) \$70,000 of the amounts appropriated in this section are
22 provided solely to develop a system for the tracking of current and
23 former transitional bilingual program students.

24 ((+5)) (e) Sufficient funding is provided to implement Engrossed
25 Second Substitute House Bill No. 2025 (schools/bilingual instruction).

26 (2) The general fund--federal appropriation in this section is
27 provided for English language acquisition and language enhancement
28 grants under Title III of the no child left behind act.

29 **Sec. 515.** 2001 2nd sp.s. c 7 s 516 (uncodified) is amended to read
30 as follows:

31 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
32 **ASSISTANCE PROGRAM**

33	General Fund--State Appropriation (FY 2002)	\$ ((70,593,000))
34		<u>71,342,000</u>
35	General Fund--State Appropriation (FY 2003)	\$ ((68,817,000))
36		<u>64,701,000</u>
37	<u>General Fund--Federal Appropriation</u>	\$ 130,876,000
38	TOTAL APPROPRIATION	\$ ((139,410,000))

1
2 (1) The general fund--state appropriations in this section are
3 subject to the following conditions and limitations:

4 ((+1)) (a) Each general fund--state fiscal year appropriation
5 includes such funds as are necessary to complete the school year ending
6 in the fiscal year and for prior fiscal year adjustments.

7 ((+2)) (b) Funding for school district learning assistance
8 programs shall be allocated at maximum rates of (~~(\$408.38)~~) \$407.39 per
9 funded unit for the 2001-02 school year and (~~(\$409.41)~~) \$405.64 per
10 funded unit for the 2002-03 school year exclusive of salary and benefit
11 adjustments provided under section 504 of this act.

12 ((+3)) (c) For purposes of this section, "test results" refers to
13 the district results from the norm-referenced test administered in the
14 specified grade level. The norm-referenced test results used for the
15 third and sixth grade calculations shall be consistent with the third
16 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

17 ((+4)) (d) A school district's funded units for the 2001-02 and
18 2002-03 school years shall be the sum of the following:

19 ((+a)) (i) The district's full-time equivalent enrollment in
20 grades K-6, multiplied by the 5-year average 4th grade lowest quartile
21 test results as adjusted for funding purposes in the school years prior
22 to 1999-2000, multiplied by 0.92 for the 2001-02 school year and by
23 0.82 for the 2002-03 school year. As the 3rd grade test becomes
24 available, it shall be phased into the 5-year average on a 1-year lag;
25 and

26 ((+b)) (ii) The district's full-time equivalent enrollment in
27 grades 7-9, multiplied by the 5-year average 8th grade lowest quartile
28 test results as adjusted for funding purposes in the school years prior
29 to 1999-2000, multiplied by 0.92 for the 2001-02 school year and by
30 0.82 for the 2002-03 school year. As the 6th grade test becomes
31 available, it shall be phased into the 5-year average for these grades
32 on a 1-year lag; and

33 ((+c)) (iii) The district's full-time equivalent enrollment in
34 grades 10-11 multiplied by the 5-year average 11th grade lowest
35 quartile test results, multiplied by 0.92 for the 2001-02 school year
36 and by 0.82 for the 2002-03 school year. As the 9th grade test becomes
37 available, it shall be phased into the 5-year average for these grades
38 on a 1-year lag; and

1 ~~((d))~~ (iv) If, in the prior school year, the district's
2 percentage of October headcount enrollment in grades K-12 eligible for
3 free and reduced price lunch exceeded the state average, subtract the
4 state average percentage of students eligible for free and reduced
5 price lunch from the district's percentage and multiply the result by
6 the district's K-12 annual average full-time equivalent enrollment for
7 the current school year multiplied by 22.3 percent.

8 ~~((5))~~ (e) For the 2002-03 school year, in addition to the amounts
9 allocated under (d)(i) through (iv) of this subsection, the
10 superintendent shall provide additional amounts calculated as follows:

11 (i) For school districts receiving less than a 3.0 percent increase
12 in federal Title I Part A funds from the 2001-02 school year to the
13 2002-03 school year:

14 (A) Calculate the allocation under (d)(i) through (iii) of this
15 subsection;

16 (B) Calculate the allocation under (d)(i) through (iii) of this
17 subsection using a multiplier of 0.92 rather than 0.82;

18 (C) Provide the difference between the results of (e)(i)(A) and
19 (i)(B) of this subsection.

20 (ii) For school districts receiving more than a 3.0 percent
21 increase in federal Title I Part A funds from the 2001-02 school year
22 to the 2002-03 school year:

23 (A) Calculate the amount of the increase in Title I Part A from the
24 2001-02 school year to the 2002-03 school year that is greater than 3
25 percent;

26 (B) Calculate the allocation under (d)(i) through (iii) of this
27 subsection;

28 (C) Calculate the allocation under (d)(i) through (iii) of this
29 subsection using a multiplier of 0.92 rather than 0.82;

30 (D) Subtract (e)(ii)(C) from (ii)(B) of this subsection;

31 (E) If the result of (e)(ii)(D) of this subsection is greater than
32 the result of (e)(ii)(A) of this subsection, then provide the
33 difference between (e)(ii)(D) and (ii)(A) of this subsection.

34 (f) School districts may carry over from one year to the next up to
35 10 percent of general fund--state funds allocated under this program;
36 however, carryover funds shall be expended for the learning assistance
37 program.

38 (2) The general fund--federal appropriation is provided for Title
39 I Part A allocations under the no child left behind act of 2001.

1 **Sec. 516.** 2001 2nd sp.s. c 7 s 517 (uncodified) is amended to read
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS**

4	General Fund--State Appropriation (FY 2002) . . . \$	((19,515,000))
5		<u>19,663,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((17,516,000))
7		<u>3,541,000</u>
8	TOTAL APPROPRIATION \$	((37,031,000))
9		<u>23,204,000</u>

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

12 (1) Each general fund fiscal year appropriation includes such funds
13 as are necessary to complete the school year ending in the fiscal year
14 and for prior fiscal year adjustments.

15 (2) Funds are provided for local education program enhancements to
16 meet educational needs as identified by the school district, including
17 alternative education programs.

18 (3) Allocations for the 2001-02 school year shall be at a maximum
19 annual rate of \$18.48 per full-time equivalent student (~~and \$18.48 per~~
20 ~~full-time equivalent student for the 2002-03 school year~~).
21 Allocations shall be made on the monthly apportionment payment schedule
22 provided in RCW 28A.510.250 and shall be based on school district
23 annual average full-time equivalent enrollment in grades kindergarten
24 through twelve: PROVIDED, That for school districts enrolling not more
25 than one hundred average annual full-time equivalent students, and for
26 small school plants within any school district designated as remote and
27 necessary schools, the allocations shall be as follows:

28 (a) Enrollment of not more than sixty average annual full-time
29 equivalent students in grades kindergarten through six shall generate
30 funding based on sixty full-time equivalent students;

31 (b) Enrollment of not more than twenty average annual full-time
32 equivalent students in grades seven and eight shall generate funding
33 based on twenty full-time equivalent students; and

34 (c) Enrollment of not more than sixty average annual full-time
35 equivalent students in grades nine through twelve shall generate
36 funding based on sixty full-time equivalent students.

37 (4) Funding provided pursuant to this section does not fall within
38 the definition of basic education for purposes of Article IX of the
39 state Constitution and the state's funding duty thereunder.

1 (5) The superintendent shall not allocate up to one-fourth of a
2 district's funds under this section if:

3 (a) The district is not maximizing federal matching funds for
4 medical services provided through special education programs, pursuant
5 to RCW 74.09.5241 through 74.09.5256 (Title XIX funding); or

6 (b) The district is not in compliance in filing truancy petitions
7 as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

8 **Sec. 517.** 2001 2nd sp.s. c 7 s 519 (uncodified) is amended to read
9 as follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
11 **PROGRAM**

12	Student Achievement Fund--State	
13	Appropriation (FY 2002)	\$ ((184,232,000))
14		<u>180,837,000</u>
15	Student Achievement Fund--State	
16	Appropriation (FY 2003)	\$ ((209,068,000))
17		<u>210,312,000</u>
18	TOTAL APPROPRIATION	\$ ((393,300,000))
19		<u>391,149,000</u>

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

22 (1) The appropriation is allocated for the following uses as
23 specified in chapter 28A.505 RCW as amended by chapter 3, Laws of 2001
24 (Initiative Measure No. 728):

25 (a) To reduce class size by hiring certificated elementary
26 classroom teachers in grades K-4 and paying nonemployee-related costs
27 associated with those new teachers;

28 (b) To make selected reductions in class size in grades 5-12, such
29 as small high school writing classes;

30 (c) To provide extended learning opportunities to improve student
31 academic achievement in grades K-12, including, but not limited to,
32 extended school year, extended school day, before-and-after-school
33 programs, special tutoring programs, weekend school programs, summer
34 school, and all-day kindergarten;

35 (d) To provide additional professional development for educators
36 including additional paid time for curriculum and lesson redesign and
37 alignment, training to ensure that instruction is aligned with state
38 standards and student needs, reimbursement for higher education costs

1 related to enhancing teaching skills and knowledge, and mentoring
2 programs to match teachers with skilled, master teachers. The funding
3 shall not be used for salary increases or additional compensation for
4 existing teaching duties, but may be used for extended year and extend
5 day teaching contracts;

6 (e) To provide early assistance for children who need
7 prekindergarten support in order to be successful in school; or

8 (f) To provide improvements or additions to school building
9 facilities which are directly related to the class size reductions and
10 extended learning opportunities under (a) through (c) of this
11 subsection.

12 (2) Funding for school district student achievement programs shall
13 be allocated at a maximum rate of (~~(\$193.92)~~) \$190.19 per FTE student
14 for the 2001-02 school year and (~~(\$220.59)~~) \$219.84 per FTE student for
15 the 2002-03 school year. For the purposes of this section and in
16 accordance with (~~(RCW 84.52.---(section 5 of Initiative Measure No.~~
17 ~~728))~~) RCW 84.52.068, FTE student refers to the annual average full-
18 time equivalent enrollment of the school district in grades
19 kindergarten through twelve for the prior school year.

20 (3) The office of the superintendent of public instruction shall
21 distribute ten percent of the annual allocation to districts each month
22 for the months of September through June.

23 **Sec. 518.** 2001 2nd sp.s. c 7 s 521 (uncodified) is amended to read
24 as follows:

25 **FOR THE STATE BOARD OF EDUCATION**

26 Education Savings Account--State

27 Appropriation \$ (~~(36,720,000)~~)
28 36,656,000

29 Education Construction Account--State

30 Appropriation \$ 154,500,000

31 TOTAL APPROPRIATION \$ (~~(191,220,000)~~)
32 191,156,000

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

35 (1) (~~(\$18,000,000)~~) \$17,936,000 in fiscal year 2002 and \$18,720,000
36 in fiscal year 2003 of the education savings account appropriation
37 shall be deposited in the common school construction account.

1 PART VI
2 HIGHER EDUCATION

3 Sec. 601. 2001 2nd sp.s. c 7 s 601 (uncodified) is amended to read
4 as follows:

5 The appropriations in sections 603 through 609 of this act are
6 subject to the following conditions and limitations:

7 (1) "Institutions" means the institutions of higher education
8 receiving appropriations under sections 603 through 609 of this act.

9 (2)(a) The salary increases provided or referenced in this
10 subsection shall be the only allowable salary increases provided at
11 institutions of higher education, excluding increases associated with
12 normally occurring promotions and increases related to faculty and
13 professional staff retention, and excluding increases associated with
14 employees under the jurisdiction of chapter 41.56 RCW pursuant to the
15 provisions of RCW 28B.16.015 and 28B.50.874(1).

16 (b) Each institution of higher education shall provide to each
17 classified staff employee as defined by the office of financial
18 management, except for classified staff at the technical colleges, a
19 salary increase of 3.7 percent on July 1, 2001, and 2.0 percent on
20 September 1, 2002. The technical colleges shall provide to classified
21 employees under chapter 41.56 RCW an average salary increase of 3.7
22 percent on July 1, 2001, and 3.6 percent on July 1, 2002. (~~Funds are
23 also provided for salary increases for all classified employees on July
24 1, 2002, in a percentage amount to be determined by the 2002
25 legislature and, in the case of technical college classified staff,
26 consistent with the provisions of Initiative 732.~~)

27 (c) Each institution of higher education, except for the community
28 and technical colleges, shall provide to state-funded instructional and
29 research faculty, exempt professional staff, academic administrators,
30 academic librarians, counselors, teaching and research assistants as
31 classified by the office of financial management, and all other state-
32 funded nonclassified staff, including those employees under RCW
33 28B.16.015, an average salary increase of 3.7 percent on July 1, 2001,
34 and 2.0 percent on September 1, 2002. (~~Funds are also provided for
35 salary increases for these employee groups on July 1, 2002, in a
36 percentage amount to be determined by the 2002 legislature.~~) Each

1 institution may provide the same average increases to similar positions
2 that are not state-funded.

3 (d) The community and technical colleges shall provide to academic
4 employees, (~~exempt professional staff, and academic administrators~~)
5 as defined in RCW 28B.52.020 pursuant to the provisions of Initiative
6 Measure No. 732, an average salary increase of 3.7 percent on July 1,
7 2001, and 3.6 percent on July 1, 2002. (~~Funds are also provided for~~
8 ~~salary increases for these groups on July 1, 2002, in a percentage~~
9 ~~amount to be determined by the 2002 legislature and, in the case of~~
10 ~~community college academic employees and technical college employees,~~
11 ~~consistent with the provisions of Initiative 732.~~)

12 (e) For employees under the jurisdiction of chapter 41.56 RCW
13 pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1),
14 distribution of the salary increases will be in accordance with the
15 applicable collective bargaining agreement. However, an increase shall
16 not be provided to any classified employee whose salary is above the
17 approved salary range maximum for the class to which the employee's
18 position is allocated.

19 (f) Each institution of higher education receiving appropriations
20 under sections 604 through 609 of this act may provide additional
21 salary increases to instructional and research faculty, exempt
22 professional staff, academic administrators, academic librarians,
23 counselors, teaching and research assistants, as classified by the
24 office of financial management, and all other nonclassified staff, but
25 not including employees under RCW 28B.16.015. Any salary increase
26 granted under the authority of this subsection (2)(f) shall not be
27 included in an institution's salary base. It is the intent of the
28 legislature that general fund--state support for an institution shall
29 not increase during the current or any future biennium as a result of
30 any salary increases authorized under this subsection (2)(f).

31 (g) To collect consistent data for use by the legislature, the
32 office of financial management, and other state agencies for policy and
33 planning purposes, institutions of higher education shall report
34 personnel data to be used in the department of personnel's human
35 resource data warehouse in compliance with uniform reporting procedures
36 established by the department of personnel.

37 (h) Specific salary increases authorized in sections 603 through
38 609 of this act are in addition to any salary increase provided in this
39 subsection.

1 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to
2 full-time students at the state's institutions of higher education for
3 the 2001-02 and 2002-03 academic years, other than the summer term, may
4 be adjusted by the governing boards of the state universities, regional
5 universities, The Evergreen State College, and the state board for
6 community and technical colleges as provided in this subsection.

7 (a) For the 2001-02 academic year, the governing boards and the
8 state board may implement an increase no greater than six and seven-
9 tenths percent over tuition fees charged to full-time students for the
10 2000-01 academic year.

11 (b)(i) ~~For the 2002-03 academic year, the governing boards ((and~~
12 ~~the state board may implement an increase no greater than six and one-~~
13 ~~tenth percent over the tuition fees charged to full-time students for~~
14 ~~the 2001-02 academic year.))~~ of the state universities may implement an
15 increase no greater than sixteen percent over tuition fees charged to
16 full-time resident undergraduate students for the 2001-02 academic
17 year.

18 (ii) For the 2002-03 academic year, the governing boards of the
19 regional universities and The Evergreen State College may implement an
20 increase no greater than fourteen percent over tuition fees charged to
21 full-time resident undergraduate students for the 2001-02 academic
22 year.

23 (iii) For the 2002-03 academic year, the state board for community
24 and technical colleges may implement an increase no greater than twelve
25 percent over tuition fees charged to full-time resident undergraduate
26 students for the 2001-02 academic year.

27 (iv) Pursuant to RCW 43.135.055, for the 2002-03 academic year, the
28 governing boards of the state universities, the regional universities,
29 The Evergreen State College, and the state board for community and
30 technical colleges may implement an increase in excess of the fiscal
31 growth factor over tuition fees charged to nonresident undergraduate
32 students for the 2001-02 academic year.

33 (c) For the 2001-02 academic year, the governing boards may
34 implement an increase for law and graduate business programs no greater
35 than twelve percent over tuition fees charged to law and graduate
36 business students for the 2000-01 academic year, except as provided in
37 (e) of this subsection.

38 (d) Pursuant to RCW 43.135.055, for the 2002-03 academic year, the
39 governing boards ((may implement an increase for law and graduate

1 ~~business programs no greater than twelve percent over tuition fees~~
2 ~~charged to law and graduate business students for the 2001-02 academic~~
3 ~~year, except as provided in (f) of this subsection.))~~ of the state
4 universities, the regional universities, and The Evergreen State
5 College may implement an increase in excess of the fiscal growth factor
6 over tuition fees charged to graduate, law, and first professional
7 students for the 2001-02 academic year.

8 (e) For the 2001-02 academic year, the governing boards of the
9 University of Washington may implement an increase for graduate
10 business programs no greater than 15 percent over tuition fees charged
11 to graduate business students for the 2000-01 academic year.

12 ~~(f) ((For the 2002-03 academic year, the governing boards of the~~
13 ~~University of Washington may implement an increase for graduate~~
14 ~~business programs no greater than 20 percent over tuition fees charged~~
15 ~~to graduate business students for the 2001-02 academic year.~~

16 ~~(g))~~ (i) For the 2001-02 ~~((and the 2002-03))~~ academic year~~((s))~~,
17 the state board for community and technical colleges may increase
18 tuition fees differentially based on student credit hour load, but the
19 average percentage increase for students taking fifteen or fewer
20 credits shall not exceed ~~((the limits in subsection (3)(a) and (b) of~~
21 ~~this section))~~ twelve percent.

22 (ii) For the 2002-03 academic year, the state board for community
23 and technical colleges may increase tuition fees differentially at
24 their discretion.

25 ~~((h))~~ (g) For the 2001-03 biennium, the governing boards and the
26 state board may adjust full-time operating fees for factors that may
27 include time of day and day of week, as well as delivery method and
28 campus, to encourage full use of the state's educational facilities and
29 resources.

30 ~~((i))~~ (h) The tuition increases adopted under (a), (b), (g), and
31 (h) of this subsection need not apply uniformly across student
32 categories as defined in chapter 28B.15 RCW so long as the increase for
33 each student category does not exceed the percentages specified in this
34 subsection.

35 (4) ~~((In addition to waivers granted under the authority of RCW~~
36 ~~28B.15.910, the governing boards and the state board may waive all or~~
37 ~~a portion of the operating fees for any student.))~~ For the remainder of
38 the 2001-03 biennium, the governing boards and the state board are
39 encouraged to reduce waiver activity in recognition of the need to

1 retain available resources to preserve the educational quality of
2 higher education institutions. State general fund appropriations shall
3 not be provided to replace tuition and fee revenue foregone as a result
4 of waivers granted under ~~((this subsection))~~ authority of RCW
5 28B.15.915.

6 (5) Pursuant to RCW ~~((43.15.055))~~ 43.135.055, institutions of
7 higher education receiving appropriations under sections 603 through
8 609 of this act are authorized to increase summer term tuition in
9 excess of the fiscal growth factor during the 2001-03 biennium.
10 Tuition levels increased pursuant to this subsection shall not exceed
11 the per credit hour rate calculated from the academic year tuition
12 levels adopted under this act.

13 (6) Community colleges may increase services and activities fee
14 charges in excess of the fiscal growth factor up to the maximum level
15 authorized by the state board for community and technical colleges.

16 (7) Each institution receiving appropriations under sections 604
17 through 609 of this act shall submit a biennial plan to achieve
18 measurable and specific improvements each academic year as part of a
19 continuing effort to make meaningful and substantial progress towards
20 the achievement of long-term performance goals. The plans, to be
21 prepared at the direction of the higher education coordinating board,
22 shall be submitted by August 15, 2001. The higher education
23 coordinating board shall set biennial performance targets for each
24 institution and shall review actual achievements annually.
25 Institutions shall track their actual performance on the statewide
26 measures as well as faculty productivity, the goals and targets for
27 which may be unique to each institution. A report on progress towards
28 statewide and institution-specific goals, with recommendations for the
29 ensuing biennium, shall be submitted to the fiscal and higher education
30 committees of the legislature by November 15, 2003.

31 (8) The state board for community and technical colleges shall
32 develop a biennial plan to achieve measurable and specific improvements
33 each academic year as part of a continuing effort to make meaningful
34 and substantial progress to achieve long-term performance goals. The
35 board shall set biennial performance targets for each college or
36 district, where appropriate, and shall review actual achievements
37 annually. Colleges shall track their actual performance on the
38 statewide measures. A report on progress towards the statewide goals,
39 with recommendations for the ensuing biennium, shall be submitted to

1 the fiscal and higher education committees of the legislature by
2 November 15, 2003.

3 **Sec. 602.** 2001 2nd sp.s. c 7 s 602 (uncodified) is amended to read
4 as follows:

5 The appropriations in sections 603 through 609 of this act provide
6 state general fund support for full-time equivalent student enrollments
7 at each institution of higher education. Listed below are the annual
8 full-time equivalent student enrollments by institutions assumed in
9 this act.

10	2001-2002	2002-2003
11	Annual	Annual
12	Average	Average
13 University of Washington		
14 Main campus	32,321	32,427
15 Bothell branch	1,169	1,235
16 Tacoma branch	1,330	1,484
17 Washington State University		
18 Main campus	17,332	17,332
19 Spokane branch	551	593
20 Tri-Cities branch	616	616
21 Vancouver branch	1,071	1,153
22 Central Washington University	7,470	7,470
23 Eastern Washington University	7,933	8,017
24 The Evergreen State College	3,754	3,837
25 Western Washington University	10,976	11,126
26 State Board for Community and		
27 Technical Colleges	125,082	((126,902))
28		<u>128,402</u>

29 When allocating newly budgeted enrollments, each institution of
30 higher education shall give priority to high demand fields, including
31 but not limited to technology, health professions, and education. At
32 the end of each fiscal year, each institution of higher education and
33 the state board for community and technical colleges shall submit a
34 report to the higher education coordinating board detailing how newly
35 budgeted enrollments have been allocated.

1 **Sec. 603.** 2001 2nd sp.s. c 7 s 603 (uncodified) is amended to read
2 as follows:

3 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

4	General Fund--State Appropriation (FY 2002) . . . \$	((514,399,000))
5		<u>514,141,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((543,731,000))
7		<u>533,088,000</u>
8	General Fund--Federal Appropriation \$	11,404,000
9	<u>Administrative Contingency Account--State</u>	
10	<u>Appropriation</u> \$	<u>2,600,000</u>
11	Education Savings Account--State	
12	Appropriation \$	4,500,000
13	TOTAL APPROPRIATION \$	((1,074,034,000))
14		<u>1,065,733,000</u>

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

17 (1) The technical colleges may increase tuition and fees in excess
18 of the fiscal growth factor to conform with the percentage increase in
19 community college operating fees.

20 (2) \$2,475,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$5,025,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely to increase salaries and related
23 benefits for part-time faculty. The board shall report by December 1
24 of each fiscal year to the office of financial management and
25 legislative fiscal and higher education committees on (a) the
26 distribution of state funds; (b) wage adjustments for part-time
27 faculty; and (c) progress to achieve the long-term performance targets
28 for each district, with respect to use of part-time faculty, pursuant
29 to the faculty mix study conducted under section 603, chapter 309, Laws
30 of 1999.

31 (3) \$1,155,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$2,345,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely for faculty salary increments and
34 associated benefits and may be used in combination with salary and
35 benefit savings from faculty turnover to provide faculty salary
36 increments and associated benefits. To the extent general salary
37 increase funding is used to pay faculty increments, the general salary
38 increase shall be reduced by the same amount.

1 (4) \$1,000,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$1,000,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided for a program to fund the start-up of new
4 community and technical college programs in rural counties as defined
5 under RCW 43.160.020(12) and in communities impacted by business
6 closures and job reductions. Successful proposals must respond to
7 local economic development strategies and must include a plan to
8 continue programs developed with this funding.

9 (5) \$326,000 of the general fund--state appropriation for fiscal
10 year 2002 and \$640,000 of the general fund--state appropriation for
11 fiscal year 2003 are provided solely for allocation to twelve college
12 districts identified in (a) through (l) of this subsection to prepare
13 students for transfer to the state technology institute at the Tacoma
14 branch campus of the University of Washington. The appropriations in
15 this section are intended to supplement, not supplant, general
16 enrollment allocations by the board to the districts under (a) through
17 (l) of this subsection:

- 18 (a) Bates Technical College;
- 19 (b) Bellevue Community College;
- 20 (c) Centralia Community College;
- 21 (d) Clover Park Community College;
- 22 (e) Grays Harbor Community College;
- 23 (f) Green River Community College;
- 24 (g) Highline Community College;
- 25 (h) Tacoma Community College;
- 26 (i) Olympic Community College;
- 27 (j) Pierce District;
- 28 (k) Seattle District; and
- 29 (l) South Puget Sound Community College.

30 (6) \$28,761,000 of the general fund--state appropriation for fiscal
31 year 2002 and (~~(\$28,761,000)~~) \$35,161,000 of the general fund--state
32 appropriation for fiscal year 2003 are provided solely as special funds
33 for training and related support services, including financial aid, as
34 specified in chapter 226, Laws of 1993 (employment and training for
35 unemployed workers).

36 (a) Funding is provided to support up to (~~(7,200)~~) 8,700 full-time
37 equivalent students in each fiscal year.

38 (b) In directing these resources during the 2001-03 biennium, the
39 state board for community and technical colleges shall give

1 considerable attention to the permanent dislocation of workers from
2 industries facing rapidly rising energy costs, such as direct service
3 industries.

4 (7) \$1,000,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$1,000,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for tuition support for students
7 enrolled in work-based learning programs.

8 (8) \$567,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$568,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely for administration and customized
11 training contracts through the job skills program.

12 (9) \$50,000 of the general fund--state appropriation for fiscal
13 year 2002 and \$50,000 of the general fund--state appropriation for
14 fiscal year 2003 are solely for higher education student child care
15 matching grants under chapter 28B.135 RCW.

16 (10) \$212,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$212,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided for allocation to Olympic college. The
19 college shall contract with accredited baccalaureate institution(s) to
20 bring a program of upper-division courses to Bremerton. Funds provided
21 are sufficient to support at least 30 additional annual full-time
22 equivalent students. The state board for community and technical
23 colleges shall report to the office of financial management and the
24 fiscal and higher education committees of the legislature on the
25 implementation of this subsection by December 1st of each fiscal year.

26 (11) The entire education savings account appropriation is provided
27 solely to support the development of a multicollege student-centered
28 online service center for distance learners, including self-service
29 internet applications and staff support 24 hours per day. Moneys may
30 be allocated by the office of financial management upon certification
31 that sufficient cash is available beyond the appropriations made for
32 the 2001-03 biennium for the purposes of common school construction.

33 **Sec. 604.** 2001 2nd sp.s. c 7 s 604 (uncodified) is amended to read
34 as follows:

35 **FOR UNIVERSITY OF WASHINGTON**

36	General Fund--State Appropriation (FY 2002) . . . \$	((345,974,000))
37		<u>345,904,000</u>
38	General Fund--State Appropriation (FY 2003) . . . \$	((361,114,000))

1		<u>341,066,000</u>
2	Death Investigations Account--State	
3	Appropriation	\$ ((259,000))
4		<u>258,000</u>
5	University of Washington Building Account--	
6	State Appropriation	\$ 1,103,000
7	Accident Account--State Appropriation	\$ ((5,891,000))
8		<u>5,870,000</u>
9	Medical Aid Account--State Appropriation	\$ ((5,945,000))
10		<u>5,926,000</u>
11	TOTAL APPROPRIATION	\$ ((720,286,000))
12		<u>700,127,000</u>

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

15 (1) The university may reallocate 10 percent of newly budgeted
16 enrollments to campuses other than as specified by the legislature in
17 section 602 of this act in order to focus on high demand areas. The
18 university shall report the details of these reallocations to the
19 office of financial management and the fiscal and higher education
20 committees of the legislature for monitoring purposes by the 10th day
21 of the academic quarter that follows the reallocation actions. The
22 report shall provide details of undergraduate and graduate enrollments
23 at the main campus and each of the branch campuses.

24 (2) \$2,000,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$2,000,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided solely to create a state resource for
27 technology education in the form of an institute located at the
28 University of Washington, Tacoma. It is the intent of the legislature
29 that at least ninety-nine of the full-time equivalent enrollments
30 allocated to the university's Tacoma branch campus for the 2002-03
31 academic year may be used to establish the technology institute. The
32 university will expand undergraduate and graduate degree programs
33 meeting regional technology needs including, but not limited to,
34 computing and software systems. As a condition of these
35 appropriations:

36 (a) The university will work with the state board for community and
37 technical colleges, or individual colleges where necessary, to
38 establish articulation agreements in addition to the existing associate
39 of arts and associate of science transfer degrees. Such agreements

1 shall improve the transferability of students and in particular,
2 students with substantial applied information technology credits.

3 (b) The university will establish performance measures for
4 recruiting, retaining and graduating students, including nontraditional
5 students, and report back to the governor and legislature by September
6 2002 as to its progress and future steps.

7 (3) \$150,000 of the general fund--state appropriation for fiscal
8 year 2002 and \$150,000 of the general fund--state appropriation for
9 fiscal year 2003 are provided solely for research faculty clusters in
10 the advanced technology initiative program.

11 (4) The department of environmental health shall report to the
12 legislature the historical, current, and anticipated use of funds
13 provided from the accident and medical aid accounts. The report shall
14 be submitted prior to the convening of the 2002 legislative session.

15 (5) \$259,000 of the death investigations account appropriation is
16 provided solely for the forensic pathologist fellowship program.

17 (6) \$150,000 of the general fund--state appropriation for fiscal
18 year 2002 and \$150,000 of the general fund--state appropriation for
19 fiscal year 2003 are provided solely for the implementation of the
20 Puget Sound work plan and agency action item UW-01.

21 (7) \$75,000 of the general fund--state appropriation for fiscal
22 year 2002 and \$75,000 of the general fund--state appropriation for
23 fiscal year 2003 are provided solely for the Olympic natural resource
24 center.

25 (8) \$50,000 of the general fund--state appropriations are provided
26 solely for the school of medicine to conduct a survey designed to
27 evaluate characteristics, factors and probable causes for the high
28 incidence of multiple sclerosis cases in Washington state.

29 (9) \$1,103,000 of the University of Washington building account--
30 state appropriation is provided solely for the repair and
31 reconstruction of the Urban Horticulture Center (Merrill Hall).

32 **Sec. 605.** 2001 2nd sp.s. c 7 s 605 (uncodified) is amended to read
33 as follows:

34 **FOR WASHINGTON STATE UNIVERSITY**

35	General Fund--State Appropriation (FY 2002) . . . \$	((201,416,000))
36		<u>201,362,000</u>
37	General Fund--State Appropriation (FY 2003) . . . \$	((209,939,000))
38		<u>198,084,000</u>

1 TOTAL APPROPRIATION \$ ((411,355,000))
2 399,446,000

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

5 (1) The university may reallocate 10 percent of newly budgeted
6 enrollments to campuses other than specified by the legislature in
7 section 602 of this act in order to focus on high demand areas. The
8 university will report the details of these reallocations to the office
9 of financial management and the fiscal and higher education committees
10 of the legislature for monitoring purposes by the 10th day of the
11 academic quarter that follows the reallocation actions. The report
12 will provide details of undergraduate and graduate enrollments at the
13 main campus and each of the branch campuses.

14 (2) \$150,000 of the general fund--state appropriation for fiscal
15 year 2002 and \$150,000 of the general fund--state appropriation for
16 fiscal year 2003 are provided solely for research faculty clusters in
17 the advanced technology initiative program.

18 (3) \$165,000 of the general fund--state appropriation for fiscal
19 year 2002 and \$166,000 of the general fund--state appropriation for
20 fiscal year 2003 are provided solely for the implementation of the
21 Puget Sound work plan and agency action item WSU-01.

22 **Sec. 606.** 2001 2nd sp.s. c 7 s 606 (uncodified) is amended to read
23 as follows:

24 **FOR EASTERN WASHINGTON UNIVERSITY**

25 General Fund--State Appropriation (FY 2002) . . . \$ ((45,532,000))
26 45,517,000
27 General Fund--State Appropriation (FY 2003) . . . \$ ((47,382,000))
28 44,689,000
29 TOTAL APPROPRIATION \$ ((92,914,000))
30 90,206,000

31 **Sec. 607.** 2001 2nd sp.s. c 7 s 607 (uncodified) is amended to read
32 as follows:

33 **FOR CENTRAL WASHINGTON UNIVERSITY**

34 General Fund--State Appropriation (FY 2002) . . . \$ ((44,164,000))
35 44,147,000
36 General Fund--State Appropriation (FY 2003) . . . \$ ((44,976,000))
37 42,690,000

1 TOTAL APPROPRIATION \$ ((89,140,000))
2 86,837,000

3 The appropriations in this section are subject to the following
4 conditions and limitations: \$700,000 of the general fund--state
5 appropriation for fiscal year 2002 (~~is~~) and \$350,000 of the general
6 fund--state appropriation for fiscal year 2003 are provided solely for
7 the development and implementation of the university's enrollment
8 stabilization recovery and growth plan. The university shall report
9 back to the fiscal committees of the legislature, the office of
10 financial management, and the higher education coordinating board at
11 the end of each fiscal year with details of its actions and progress.

12 **Sec. 608.** 2001 2nd sp.s. c 7 s 608 (uncodified) is amended to read
13 as follows:

14 **FOR THE EVERGREEN STATE COLLEGE**

15 General Fund--State Appropriation (FY 2002) . . . \$ ((25,334,000))
16 25,340,000
17 General Fund--State Appropriation (FY 2003) . . . \$ ((26,260,000))
18 24,854,000
19 TOTAL APPROPRIATION \$ ((51,594,000))
20 50,194,000

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

23 (1) \$75,000 of the general fund--state appropriation for fiscal
24 year 2002 is provided solely for the institute for public policy to
25 complete studies of services described in section 202(1), chapter 1,
26 Laws of 2000 2nd sp. sess.

27 (2) \$11,000 of the general fund--state appropriation for fiscal
28 year 2002 and \$54,000 of the general fund--state appropriation for
29 fiscal year 2003 are provided solely for the institute for public
30 policy to conduct an outcome evaluation pursuant to Substitute Senate
31 Bill No. 5416 (drug-affected infants). The institute shall provide a
32 report to the fiscal, health, and human services committees of the
33 legislature by December 1, 2003. If the bill is not enacted by June
34 30, 2001, the amounts provided in this subsection shall be used to
35 evaluate outcomes across state health and social service pilot projects
36 and other national models involving women who have given birth to a
37 drug-affected infant, comparing gains in positive birth outcomes for

1 resources invested, in which case the institute's findings and
2 recommendations will be provided by November 15, 2002.

3 (3) \$11,000 of the general fund--state appropriation for fiscal
4 year 2002 and \$33,000 of the general fund--state appropriation for
5 fiscal year 2003 are provided solely for the institute for public
6 policy to evaluate partnership grant programs for alternative teacher
7 certification pursuant to Engrossed Second Substitute Senate Bill No.
8 5695. An interim report shall be provided to the fiscal and education
9 committees of the legislature by December 1, 2002, and a final report
10 by December 1, 2004.

11 (4) \$60,000 of the general fund--state appropriation for fiscal
12 year 2002 is provided solely for the institute for public policy to
13 examine options for revising the state's funding formula for the
14 learning assistance program to enhance accountability for school
15 performance in meeting education reform goals. The institute shall
16 submit its report to the appropriate legislative fiscal and policy
17 committees by June 30, 2002.

18 (5) \$50,000 of the general fund--state appropriation for fiscal
19 year 2002 is provided solely for the institute for public policy to
20 study the prevalence and needs of families who are raising related
21 children. The study shall compare services and policies of Washington
22 state with other states that have a high rate of kinship care
23 placements in lieu of foster care placements. The study shall identify
24 possible changes in services and policies that are likely to increase
25 appropriate kinship care placements. A report shall be provided to the
26 fiscal and human services committees of the legislature by June 1,
27 2002.

28 (6) \$35,000 of the general fund--state appropriation for fiscal
29 year 2002 and \$15,000 of the general fund--state appropriation for
30 fiscal year 2003 are provided solely for the institute for public
31 policy to examine various educational delivery models for providing
32 services and education for students through the Washington state school
33 for the deaf. The institute's report, in conjunction with the capacity
34 planning study from the joint legislative audit and review committee,
35 shall be submitted to the fiscal committees of the legislature by
36 September 30, 2002.

37 (7) \$30,000 of the general fund--state appropriation for fiscal
38 year 2002 is provided solely for the institute for public policy to
39 examine the structure, policies, and recent experience in states where

1 welfare recipients may attend college full-time as their required TANF
2 work activity. The institute will provide findings and recommend how
3 Washington could consider adding this feature in a targeted, cost-
4 neutral manner that would complement the present-day WorkFirst efforts
5 and caseload. The institute shall provide a report to the human
6 services, higher education, and fiscal committees of the legislature by
7 November 15, 2001.

8 (8) \$75,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$75,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely for the institute for public
11 policy to research and evaluate strategies for constraining the growth
12 in state health expenditures. Specific research topics, approaches,
13 and timelines shall be identified in consultation with the fiscal
14 committees of the legislature.

15 (9) \$100,000 of the general fund--state appropriation for fiscal
16 year 2002 is provided solely for the institute for public policy to
17 conduct a comprehensive review of the costs and benefits of existing
18 juvenile crime prevention and intervention programs. This evaluation
19 shall also consider what changes could result in more cost-effective
20 and efficient funding for juvenile crime prevention and intervention
21 programs presently supported with state funds. The institute for
22 public policy shall report its findings and recommendations to the
23 appropriate legislative fiscal and policy committees by October 1,
24 2002.

25 (10) \$15,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$71,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely for the institute for public
28 policy to conduct a review of branch campuses of the state's higher
29 education research universities. The study shall examine: (a) The
30 original mission of branch campuses; (b) the extent branch campuses are
31 meeting their original mission; and (c) the extent key factors that led
32 to the creation of branch campuses have changed, including student
33 demographics, demand for and availability of upper division higher
34 education, and local or state labor markets. The study shall also
35 include a range of policy options the legislature could consider
36 regarding branch campuses. The institute shall submit an interim
37 report by December 12, 2002, and a final report by June 30, 2003, to
38 appropriate legislative committees.

1 (11) \$40,000 of the general fund--state appropriation for fiscal
 2 year 2003 is provided solely for the institute for public policy to
 3 review the mission and operations of the higher education coordinating
 4 board. The study shall include evaluation of the board's role and
 5 current practices in policy setting, evaluation, review and approval of
 6 higher education programs and budgets, and administration of financial
 7 aid programs. The institute shall submit its findings to the higher
 8 education and fiscal committees of the legislature by December 12,
 9 2002.

10 **Sec. 609.** 2001 2nd sp.s. c 7 s 609 (uncodified) is amended to read
 11 as follows:

12 **FOR WESTERN WASHINGTON UNIVERSITY**

13	General Fund--State Appropriation (FY 2002) . . . \$	((59,755,000))
14		<u>59,732,000</u>
15	General Fund--State Appropriation (FY 2003) . . . \$	((62,881,000))
16		<u>59,319,000</u>
17	TOTAL APPROPRIATION \$	((122,636,000))
18		<u>119,051,000</u>

19 The appropriations in this section are subject to the following
 20 conditions and limitations: \$753,000 of the general fund--state
 21 appropriation for fiscal year 2002 and ~~((1,032,000))~~ \$990,720 of the
 22 general fund--state appropriation for fiscal year 2003 are provided
 23 solely for the operations of the North Snohomish, Island, Skagit (NSIS)
 24 higher education consortium.

25 **Sec. 610.** 2001 2nd sp.s. c 7 s 610 (uncodified) is amended to read
 26 as follows:

27 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
 28 **ADMINISTRATION**

29	General Fund--State Appropriation (FY 2002) . . . \$	2,345,000
30	General Fund--State Appropriation (FY 2003) . . . \$	((2,408,000))
31		<u>2,372,000</u>
32	General Fund--Federal Appropriation \$	636,000
33	TOTAL APPROPRIATION \$	((5,389,000))
34		<u>5,353,000</u>

1 The appropriations in this section are provided to carry out the
2 policy coordination, planning, studies and administrative functions of
3 the board and are subject to the following conditions and limitations:

4 (1) \$150,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$150,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely to continue the teacher training
7 pilot program pursuant to chapter 177, Laws of 1999.

8 (2) \$105,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$245,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely to continue a demonstration
11 project to improve rural access to post-secondary education by bringing
12 distance learning technologies into Jefferson county.

13 **Sec. 611.** 2001 2nd sp.s. c 7 s 611 (uncodified) is amended to read
14 as follows:

15 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
16 **PROGRAMS**

17	General Fund--State Appropriation (FY 2002) . . . \$	123,645,000
18	General Fund--State Appropriation (FY 2003) . . . \$	((136,205,000))
19		<u>136,685,000</u>
20	General Fund--Federal Appropriation \$	7,511,000
21	Advanced College Tuition Payment Program Account--	
22	State Appropriation \$	((3,604,000))
23		<u>1,803,000</u>
24	TOTAL APPROPRIATION \$	((270,965,000))
25		<u>269,644,000</u>

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

28 (1) \$534,000 of the general fund--state appropriation for fiscal
29 year 2002 and \$529,000 of the general fund--state appropriation for
30 fiscal year 2003 are provided solely for the displaced homemakers
31 program.

32 (2) \$234,000 of the general fund--state appropriation for fiscal
33 year 2002 and \$240,000 of the general fund--state appropriation for
34 fiscal year 2003 are provided solely for the western interstate
35 commission for higher education.

36 (3) \$1,000,000 of the general fund--state appropriation for fiscal
37 year 2002 and \$1,000,000 of the general fund--state appropriation for
38 fiscal year 2003 are provided solely for the health professional

1 conditional scholarship and loan program under chapter 28B.115 RCW.
2 This amount shall be deposited to the health professional loan
3 repayment and scholarship trust fund to carry out the purposes of the
4 program.

5 (4) \$1,000,000 of the general fund--state appropriations is
6 provided solely to continue a demonstration project that enables
7 classified public K-12 employees to become future teachers, subject to
8 the following conditions and limitations:

9 (a) Within available funds, the board may renew and offer
10 conditional scholarships of up to \$4,000 per year for full or part-time
11 studies that may be forgiven in exchange for teaching service in
12 Washington's public K-12 schools. In selecting loan recipients, the
13 board shall take into account the applicant's demonstrated academic
14 ability and commitment to serve as a teacher within the state of
15 Washington.

16 (b) Loans shall be forgiven at the rate of one year of loan for two
17 years of teaching service. Recipients who teach in geographic or
18 subject-matter shortage areas, as specified by the office of the
19 superintendent for public instruction, may have their loans forgiven at
20 the rate of one year of loan for one year of teaching service;

21 (c) Recipients who fail to fulfill the required teaching service
22 shall be required to repay the conditional loan with interest. The
23 board shall define the terms for repayment, including applicable
24 interest rates, fees and deferments, and may adopt other rules as
25 necessary to implement this demonstration project.

26 (d) The board may deposit this appropriation and all collections
27 into the student loan account authorized in RCW 28B.102.060.

28 (e) The board will provide the legislature and governor with
29 findings about the impact of this demonstration project on persons
30 entering the teaching profession in shortage areas by no later than
31 January of 2002.

32 (5) \$75,000 of the general fund--state appropriation for fiscal
33 year 2002 and \$75,000 of the general fund--state appropriation for
34 fiscal year 2003 are provided solely for higher education student child
35 care matching grants under chapter 28B.135 RCW.

36 (6) \$25,000 of the general fund--state appropriation for fiscal
37 year 2002 and \$25,000 of the general fund--state appropriation for
38 fiscal year 2003 are provided solely for the benefit of students who
39 participate in college assistance migrant programs (CAMP) operating in

1 Washington state. To ensure timely state aid, the board may establish
2 a date after which no additional grants would be available for the
3 2001-02 and 2002-03 academic years. The board shall disperse grants in
4 equal amounts to eligible post-secondary institutions so that state
5 money in all cases supplements federal CAMP awards.

6 (7) \$120,156,000 of the general fund--state appropriation for
7 fiscal year 2002 and (~~(\$133,965,000)~~) \$135,521,000 of the general
8 fund--state appropriation for fiscal year 2003 are provided solely for
9 student financial aid, including all administrative costs. Of these
10 amounts:

11 (a) \$90,566,000 of the general fund--state appropriation for fiscal
12 year 2002 and (~~(\$102,667,000)~~) \$104,718,000 of the general fund--state
13 appropriation for fiscal year 2003 are provided solely for the state
14 need grant program. After April 1 of each fiscal year, up to one
15 percent of the annual appropriation for the state need grant program
16 may be transferred to the state work study program. For the remainder
17 of the 2001-03 biennium, the higher education coordinating board shall
18 limit or suspend growth to individual state need grant levels to the
19 extent necessary to ensure that students who meet the financial
20 eligibility requirements of fifty-five percent of median family income
21 are served;

22 (b) \$16,340,000 of the general fund--state appropriation for fiscal
23 year 2002 and \$17,360,000 of the general fund--state appropriation for
24 fiscal year 2003 are provided solely for the state work study program.
25 After April 1 of each fiscal year, up to one percent of the annual
26 appropriation for the state work study program may be transferred to
27 the state need grant program. A maximum of 4 percent of the general
28 fund--state amount in this subsection for fiscal year 2003 may be
29 expended for state work study program administration;

30 (c) \$2,920,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$2,920,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided solely for educational opportunity
33 grants. The board may deposit sufficient funds from its appropriation
34 into the state education trust fund as established in RCW 28B.10.821 to
35 provide a one-year renewal of the grant for each new recipient of the
36 educational opportunity grant award. For the purpose of establishing
37 eligibility for the equal opportunity grant program for placebound
38 students under RCW 28B.101.020, Thurston county lies within the branch

1 campus service area of the Tacoma branch campus of the University of
2 Washington;

3 (d) A maximum of 2.1 percent of the general fund--state
4 appropriation for fiscal year 2002 and ~~((2.1))~~ 1.8 percent of the
5 general fund--state appropriation for fiscal year 2003, excluding
6 appropriations provided for the work study program in (b) of this
7 subsection, may be expended for financial aid administration(~~(7~~
8 ~~excluding the 4 percent state work study program administrative~~
9 ~~allowance provision))~~);

10 (e) \$1,241,000 of the general fund--state appropriation for fiscal
11 year 2002 and \$1,428,000 of the general fund--state appropriation for
12 fiscal year 2003 are provided solely to implement the Washington
13 scholars program. Any Washington scholars program moneys not awarded
14 by April 1st of each year may be transferred by the board to the
15 Washington award for vocational excellence;

16 (f) \$588,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$589,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely to implement Washington award for
19 vocational excellence program. Any Washington award for vocational
20 program moneys not awarded by April 1st of each year may be transferred
21 by the board to the Washington scholars program;

22 (g) \$251,000 of the general fund--state appropriation for fiscal
23 year 2002 and \$251,000 of the general fund--state appropriation for
24 fiscal year 2003 are provided solely for community scholarship matching
25 grants of \$2,000 each. Of the amounts provided, no more than \$5,200
26 each year is for the administration of the community scholarship
27 matching grant program. To be eligible for the matching grant, a
28 nonprofit community organization organized under section 501(c)(3) of
29 the internal revenue code must demonstrate that it has raised \$2,000 in
30 new moneys for college scholarships after the effective date of this
31 act. An organization may receive more than one \$2,000 matching grant
32 and preference shall be given to organizations affiliated with the
33 citizens' scholarship foundation; and

34 (h) \$8,250,000 of the general fund--state appropriation for fiscal
35 year 2002 and ~~((8,750,000))~~ \$7,550,000 of the general fund--state
36 appropriation for fiscal year 2003 are provided solely for the
37 Washington promise scholarship program subject to the following
38 conditions and limitations:

1 (i) Within available funds, the higher education coordinating board
2 shall award scholarships for use at accredited institutions of higher
3 education in the state of Washington to as many students as possible
4 from among those qualifying under (iv) of this subsection. Each
5 qualifying student will receive two consecutive annual installments,
6 the value of each not to exceed the full-time annual resident tuition
7 rates charged by community colleges. Scholarships awarded to new
8 recipients for the 2002-03 academic year shall not exceed one-thousand
9 dollars per student.

10 (ii) Of the amounts provided, no more than \$260,000 each year is
11 for administration of the Washington promise scholarship program.

12 (iii) Other than funds provided for program administration, the
13 higher education coordinating board shall deposit all money received
14 for the program in the Washington promise scholarship account, a
15 nonappropriated fund in the custody of the state treasurer. The
16 account shall be self-sustaining and consist of funds appropriated by
17 the legislature for these scholarships, private contributions, and
18 receipts from refunds of tuition and fees.

19 (iv) Scholarships in the 2001-03 biennium shall be awarded to
20 students who graduate from high school or its equivalent whose family
21 income does not exceed one hundred thirty-five percent of the state's
22 median family income, adjusted for family size, if they meet any of the
23 following academic criteria:

24 (A) Students graduating from public and approved private high
25 schools under chapter 28A.195 RCW must be in the top fifteen percent of
26 their graduating class, or must equal or exceed a cumulative scholastic
27 assessment test score of 1200 on their first attempt;

28 (B) Students participating in home-based instruction as provided in
29 chapter 28A.200 RCW must equal or exceed a cumulative scholastic
30 assessment test score of 1200 on their first attempt.

31 (v) For students eligible under (iv) of this subsection, the
32 superintendent of public instruction shall provide the higher education
33 coordinating board with the names, addresses, and unique numeric
34 identifiers of students in the top fifteen percent or who meet the
35 scholastic aptitude test score requirement, as appropriate in each of
36 the respective high school senior or home based instruction classes in
37 Washington state. This shall be provided no later than October 1 of
38 each year.

1 (vi) Scholarships awarded under this section may only be used at
2 accredited institutions of higher education in the state of Washington
3 for college-related expenses, including but not limited to, tuition,
4 room and board, books, materials, and transportation. The Washington
5 promise scholarship award shall not supplant other scholarship awards,
6 financial aid, or tax programs related to postsecondary education.
7 Scholarships may not be transferred or refunded to students.

8 (vii) The higher education coordinating board shall evaluate the
9 impact and effectiveness of the Washington promise scholarship program.
10 The evaluation shall include, but not be limited to: (A) An analysis
11 of other financial assistance promise scholarship recipients are
12 receiving through other federal, state, and institutional programs,
13 including grants, work study, tuition waivers, tax credits, and loan
14 programs; (B) an analysis of whether the implementation of the promise
15 scholarship program has had an impact on student indebtedness; and (C)
16 an evaluation of what types of students are successfully completing
17 high school but do not have the financial ability to attend college
18 because they cannot obtain financial aid or the financial aid is
19 insufficient. The board shall report its findings to the governor and
20 the legislature by December 1, 2002.

21 (viii) The higher education coordinating board may adopt rules as
22 necessary to implement this program.

23 **Sec. 612.** 2001 2nd sp.s. c 7 s 612 (uncodified) is amended to read
24 as follows:

25 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

26 General Fund--State Appropriation (FY 2002) . . . \$	1,762,000
27 General Fund--State Appropriation (FY 2003) . . . \$	((1,720,000))
28	<u>1,668,000</u>
29 General Fund--Federal Appropriation \$	44,987,000
30 TOTAL APPROPRIATION \$	((48,469,000))
31	<u>48,417,000</u>

32 The appropriations in this section are subject to the following
33 conditions and limitations: \$500,000 of the general fund--state
34 appropriation for fiscal year 2002 and \$500,000 of the general fund--
35 state appropriation for fiscal year 2003 are provided solely for the
36 operations and development of the inland northwest technology education
37 center (INTEC) as a regional resource and model for the rapid
38 deployment of skilled workers trained in the latest technologies for

1 Washington. The board shall serve as an advisor to and fiscal agent
2 for INTEC, and will report back to the governor and legislature by
3 September 2002 as to the progress and future steps for INTEC as this
4 new public-private partnership evolves.

5 **Sec. 613.** 2001 2nd sp.s. c 7 s 613 (uncodified) is amended to read
6 as follows:

7 **FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE**

8	General Fund--State Appropriation (FY 2002) . . . \$	((1,500,000))
9		<u>1,499,000</u>
10	General Fund--State Appropriation (FY 2003) . . . \$	((1,500,000))
11		<u>997,000</u>
12	TOTAL APPROPRIATION \$	((3,000,000))
13		<u>2,496,000</u>

14 **Sec. 614.** 2001 2nd sp.s. c 7 s 614 (uncodified) is amended to read
15 as follows:

16 **FOR WASHINGTON STATE LIBRARY**

17	General Fund--State Appropriation (FY 2002) . . . \$	8,791,000
18	General Fund--State Appropriation (FY 2003) . . . \$	((8,786,000))
19		<u>3,209,000</u>
20	General Fund--Federal Appropriation \$	6,976,000
21	TOTAL APPROPRIATION \$	((24,553,000))
22		<u>18,976,000</u>

23 The appropriations in this section are subject to the following
24 conditions and limitations: At least \$2,700,000 shall be expended for
25 a contract with the Seattle public library for library services for the
26 Washington book and braille library.

27 **Sec. 615.** 2001 2nd sp.s. c 7 s 615 (uncodified) is amended to read
28 as follows:

29 **FOR THE WASHINGTON STATE ARTS COMMISSION**

30	General Fund--State Appropriation (FY 2002) . . . \$	2,873,000
31	General Fund--State Appropriation (FY 2003) . . . \$	((2,874,000))
32		<u>2,788,000</u>
33	General Fund--Federal Appropriation \$	1,000,000
34	<u>General Fund--Private/Local Appropriation</u> \$	<u>3,000</u>
35	TOTAL APPROPRIATION \$	((6,747,000))
36		<u>6,664,000</u>

1 **Sec. 616.** 2001 2nd sp.s. c 7 s 616 (uncodified) is amended to read
2 as follows:

3 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

4	General Fund--State Appropriation (FY 2002) . . . \$	2,899,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((3,129,000))
6		<u>3,035,000</u>
7	TOTAL APPROPRIATION \$	((6,028,000))
8		<u>5,934,000</u>

9 The appropriations in this section are subject to the following
10 conditions and limitations: \$90,000 of the general fund--state
11 appropriation for fiscal year 2002 and \$285,000 of the general fund--
12 state appropriation for fiscal year 2003 are provided solely for
13 activities related to the Lewis and Clark Bicentennial.

14 **Sec. 617.** 2001 2nd sp.s. c 7 s 617 (uncodified) is amended to read
15 as follows:

16 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

17	General Fund--State Appropriation (FY 2002) . . . \$	1,674,000
18	General Fund--State Appropriation (FY 2003) . . . \$	((1,535,000))
19		<u>1,489,000</u>
20	TOTAL APPROPRIATION \$	((3,209,000))
21		<u>3,163,000</u>

22 **Sec. 618.** 2001 2nd sp.s. c 7 s 618 (uncodified) is amended to read
23 as follows:

24 **FOR THE STATE SCHOOL FOR THE BLIND**

25	General Fund--State Appropriation (FY 2002) . . . \$	4,520,000
26	General Fund--State Appropriation (FY 2003) . . . \$	((4,591,000))
27		<u>4,523,000</u>
28	General Fund--Private/Local Appropriation \$	((1,173,000))
29		<u>1,254,000</u>
30	TOTAL APPROPRIATION \$	((10,284,000))
31		<u>10,297,000</u>

32 **Sec. 619.** 2001 2nd sp.s. c 7 s 619 (uncodified) is amended to read
33 as follows:

34 **FOR THE STATE SCHOOL FOR THE DEAF**

35	General Fund--State Appropriation (FY 2002) . . . \$	7,395,000
36	General Fund--State Appropriation (FY 2003) . . . \$	((7,439,000))

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2001 2nd sp.s. c 7 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 DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2002) . . .	\$	((629,097,000))
		<u>584,097,000</u>
General Fund--State Appropriation (FY 2003) . . .	\$	((567,290,000))
		<u>612,290,000</u>
State Building Construction Account--State		
Appropriation	\$	((11,351,000))
		<u>7,999,000</u>
<u>State Taxable Building Construction Account--</u>		
<u>State Appropriation</u>	\$	<u>496,000</u>
Debt-Limit Reimbursable Bond Retire Account--		
State Appropriation	\$	2,591,000
TOTAL APPROPRIATION	\$	((1,210,329,000))
		<u>1,207,473,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2002 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2002.

Sec. 702. 2001 2nd sp.s. c 7 s 702 (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 BY ENTERPRISE ACTIVITIES

State Convention and Trade Center Account--		
State Appropriation	\$	((39,950,000))
		<u>29,249,000</u>
Accident Account--State Appropriation	\$	((5,590,000))
		<u>5,096,000</u>
Medical Aid Account--State Appropriation	\$	((5,590,000))

1		5,096,000
2	TOTAL APPROPRIATION \$	((51,130,000))
3		<u>39,441,000</u>

4 **Sec. 703.** 2001 2nd sp.s. c 7 s 703 (uncodified) is amended to read
5 as follows:

6 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
7 **REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE**
8 **REIMBURSED AS PRESCRIBED BY STATUTE**

9	General Fund--State Appropriation (FY 2002) . . . \$	24,542,000
10	General Fund--State Appropriation (FY 2003) . . . \$	26,706,000
11	Capitol Historic District Construction	
12	Account--State Appropriation \$	454,000
13	Higher Education Construction Account--State	
14	Appropriation \$	((815,000))
15		<u>499,000</u>
16	State Higher Education Construction Account--	
17	State Appropriation \$	((348,000))
18		<u>50,000</u>
19	State Vehicle Parking Account--State	
20	Appropriation \$	((35,000))
21		<u>100,000</u>
22	Nondebt-Limit Reimbursable Bond Retirement Account--	
23	State Appropriation \$	128,043,000
24	TOTAL APPROPRIATION \$	((180,943,000))
25		<u>180,394,000</u>

26 The appropriations in this section are subject to the following
27 conditions and limitations: The general fund appropriation is for
28 deposit into the nondebt-limit general fund bond retirement account.

29 **Sec. 704.** 2001 2nd sp.s. c 7 s 704 (uncodified) is amended to read
30 as follows:

31 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
32 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

33	General Fund--State Appropriation (FY 2002) . . . \$	567,000
34	General Fund--State Appropriation (FY 2003) . . . \$	568,000
35	Higher Education Construction Account--State	
36	Appropriation \$	77,000
37	State Higher Education Construction Account--	

1	State Appropriation	\$	42,000
2	State Building Construction Account--State		
3	Appropriation	\$	1,488,000
4	State Vehicle Parking Account--State		
5	Appropriation	\$	((5,000))
6			<u>10,000</u>
7	Capitol Historic District Construction		
8	Account--State Appropriation	\$	130,000
9	<u>State Taxable Building Construction Account--</u>		
10	<u>State Appropriation</u>	\$	<u>50,000</u>
11	TOTAL APPROPRIATION	\$	((2,877,000))
12			<u>2,932,000</u>

13 **Sec. 705.** 2001 2nd sp.s. c 7 s 705 (uncodified) is amended to read
14 as follows:

15 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EMERGENCY FUND**

16	General Fund--State Appropriation (FY 2002) . . .	\$	850,000
17	General Fund--State Appropriation (FY 2003) . . .	\$	((850,000))
18			<u>9,350,000</u>
19	TOTAL APPROPRIATION	\$	((1,700,000))
20			<u>10,200,000</u>

21 The appropriations in this section are subject to the following
22 conditions and limitations: The appropriations in this section are for
23 the governor's emergency fund to be used for mitigation funding or
24 incentive grants for jurisdictions affected by the placement of less
25 restrictive alternative facilities for persons conditionally released
26 from the special commitment center and for the critically necessary
27 work of any agency. Up to \$5,298,000 of the fiscal year 2003
28 appropriation is provided for costs associated with implementing House
29 Bill No. 2926 (transferring the state library to the office of
30 secretary of state.)

31 **Sec. 706.** 2001 2nd sp.s. c 7 s 706 (uncodified) is amended to read
32 as follows:

33 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--FIRE CONTINGENCY POOL.** The
34 sum of ~~((three million dollars))~~ \$35,983,000, or so much thereof as may
35 be available on June 30, 2001, from the total amount of unspent fiscal
36 year 2001 fire contingency funding in the disaster response account and
37 the moneys appropriated to the disaster response account in section 707

1 of this act, is appropriated for the purpose of making allocations to
 2 the military department for fire mobilizations costs or to the
 3 department of natural resources for fire suppression costs. Of this
 4 amount, \$24,009,000 shall be provided to the department of natural
 5 resources, \$135,000 shall be provided to the state parks and recreation
 6 commission, and \$60,000 shall be provided to the department of fish and
 7 wildlife, for costs of fire suppression during the 2001 fire season.

8 **Sec. 707.** 2001 2nd sp.s. c 7 s 708 (uncodified) is amended to read
 9 as follows:

10 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE**
 11 **COSTS**

12 Public Safety and Education--State

13	Appropriation	\$	((975,000))
14			<u>1,325,000</u>

15 The appropriation in this section is subject to the following
 16 conditions and limitations: The director of financial management shall
 17 distribute the appropriation to the following counties in the amounts
 18 designated for extraordinary criminal justice costs:

19	Cowlitz	\$	89,000
20	Franklin	\$	((303,000))
21			<u>653,000</u>
22	Klickitat	\$	45,000
23	Skagit	\$	102,000
24	Spokane	\$	192,000
25	Thurston	\$	122,000
26	Yakima	\$	121,000
27			-----
28	TOTAL	\$	((975,000))
29			<u>1,325,000</u>

30 **Sec. 708.** 2001 2nd sp.s. c 7 s 716 (uncodified) is amended to read
 31 as follows:

32 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

33	General Fund--State Appropriation (FY 2002) . . .	\$	7,218,000
34	General Fund--State Appropriation (FY 2003) . . .	\$	((19,947,000))
35			<u>7,031,000</u>
36	General Fund--Federal Appropriation	\$	((8,692,000))

1		<u>5,343,000</u>
2	General Fund--Private/Local Appropriation \$	((456,000))
3		<u>148,000</u>
4	Salary and Insurance Increase Revolving Account	
5	Appropriation \$	((19,468,000))
6		<u>10,660,000</u>
7	TOTAL APPROPRIATION \$	((55,781,000))
8		<u>30,400,000</u>

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

11 (1)(a) The monthly employer funding rate for insurance benefit
12 premiums, public employees' benefits board administration, and the
13 uniform medical plan, shall not exceed \$457.29 per eligible employee
14 for fiscal year 2002, and ((~~\$497.69~~)) \$461.17 for fiscal year 2003.

15 (b) Within the rates in (a) of this subsection, \$2.02 per eligible
16 employee shall be included in the employer funding rate for fiscal year
17 2002, and \$4.10 per eligible employee shall be included in the employer
18 funding rate for fiscal year 2003, solely to increase life insurance
19 coverage in accordance with a court approved settlement in *Burbage et*
20 *al. v. State of Washington* (Thurston county superior court cause no.
21 94-2-02560-8).

22 (c) In order to achieve the level of funding provided for health
23 benefits, the public employees' benefits board shall require any or all
24 of the following: Employee premium copayments, increases in point-of-
25 service cost sharing, the implementation of managed competition, or
26 make other changes to benefits consistent with RCW 41.05.065.

27 (d) The health care authority shall deposit any moneys received on
28 behalf of the uniform medical plan as a result of rebates on
29 prescription drugs, audits of hospitals, subrogation payments, or any
30 other moneys recovered as a result of prior uniform medical plan claims
31 payments, into the public employees' and retirees' insurance account to
32 be used for insurance benefits. Such receipts shall not be used for
33 administrative expenditures.

34 (2) To facilitate the transfer of moneys from dedicated funds and
35 accounts, the state treasurer is directed to transfer sufficient moneys
36 from each dedicated fund or account to the special fund salary and
37 insurance contribution increase revolving fund in accordance with
38 schedules provided by the office of financial management.

1 (3) The health care authority, subject to the approval of the
2 public employees' benefits board, shall provide subsidies for health
3 benefit premiums to eligible retired or disabled public employees and
4 school district employees who are eligible for parts A and B of
5 medicare, pursuant to RCW 41.05.085. From January 1, 2002, through
6 December 31, 2002, the subsidy shall be \$85.84. Starting January 1,
7 2003, the subsidy shall be \$102.55 per month.

8 (4) Technical colleges, school districts, and educational service
9 districts shall remit to the health care authority for deposit into the
10 public employees' and retirees' insurance account established in RCW
11 41.05.120 the following amounts:

12 (a) For each full-time employee, \$32.41 per month beginning
13 September 1, 2001, and (~~(\$37.48)~~) \$37.06 beginning September 1, 2002;

14 (b) For each part-time employee who, at the time of the remittance,
15 is employed in an eligible position as defined in RCW 41.32.010 or
16 41.40.010 and is eligible for employer fringe benefit contributions for
17 basic benefits, \$32.41 each month beginning September 1, 2001, and
18 (~~(\$37.48)~~) \$37.06 beginning September 1, 2002, prorated by the
19 proportion of employer fringe benefit contributions for a full-time
20 employee that the part-time employee receives.

21 The remittance requirements specified in this subsection shall not
22 apply to employees of a technical college, school district, or
23 educational service district who purchase insurance benefits through
24 contracts with the health care authority.

25 (5) The salary and insurance increase revolving account
26 appropriation includes amounts sufficient to fund health benefits for
27 ferry workers at the premium levels specified in subsection (1) of this
28 section, consistent with the 2001-2003 transportation appropriations
29 act.

30 **Sec. 709.** 2001 2nd sp.s. c 7 s 717 (uncodified) is amended to read
31 as follows:

32 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO**
33 **RETIREMENT SYSTEMS.** The appropriations in this section are subject to
34 the following conditions and limitations: The appropriations for the
35 law enforcement officers' and firefighters' retirement system shall be
36 made on a monthly basis beginning July 1, 2001, consistent with chapter
37 41.45 RCW, and the appropriations for the judges and judicial

1 retirement systems shall be made on a quarterly basis consistent with
2 chapters 2.10 and 2.12 RCW.

3 (1) There is appropriated for state contributions to the law
4 enforcement officers' and fire fighters' retirement system:

5	General Fund--State Appropriation (FY 2002) . . . \$	((15,552,000))
6		<u>15,437,000</u>
7	General Fund--State Appropriation (FY 2003) . . . \$	((16,668,000))
8		<u>16,208,000</u>

9 The appropriations in this subsection are subject to the following
10 conditions and limitations: The appropriations include reductions to
11 reflect savings resulting from the implementation of state pension
12 contribution rates effective ((July 1, 2001)) April 1, 2002, as
13 provided in ((Senate Bill No. 6167 or)) House Bill No. ((2236)) 2782.

14 (2) There is appropriated for contributions to the judicial
15 retirement system:

16	General Fund--State Appropriation (FY 2002) . . . \$	6,000,000
17	General Fund--State Appropriation (FY 2003) . . . \$	6,000,000

18 (3) There is appropriated for contributions to the judges
19 retirement system:

20	General Fund--State Appropriation (FY 2002) . . . \$	250,000
21	General Fund--State Appropriation (FY 2003) . . . \$	250,000
22	TOTAL APPROPRIATION \$	((44,720,000))
23		<u>44,145,000</u>

24 NEW SECTION. Sec. 710. A new section is added to 2001 2nd sp.s.
25 c 7 (uncodified) to read as follows:

26 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--PENSION SAVINGS.** The
27 office of financial management shall reduce the allotments for agencies
28 of the state by \$1,208,000 from the general fund--state fiscal year
29 2002 appropriations, \$4,929,000 from the general fund--state fiscal
30 year 2003 appropriations, \$1,606,000 from the general fund--federal
31 2001-03 appropriations, \$148,000 from the general fund--private/local
32 2001-03 appropriations, and \$4,326,000 from other funds 2001-03
33 allotments in accordance with House Bill No. 2782 (actuarial experience
34 study).

1 **Sec. 711.** 2001 2nd sp.s. c 7 s 719 (uncodified) is amended to read
2 as follows:

3 **SALARY COST OF LIVING ADJUSTMENT**

4	General Fund--State Appropriation (FY 2002) \$	41,712,000
5	General Fund--State Appropriation (FY 2003) \$	((73,358,000))
6		<u>65,308,000</u>
7	General Fund--Federal Appropriation \$	((37,955,000))
8		<u>31,158,000</u>
9	General Fund--Private/Local Appropriation \$	((2,325,000))
10		<u>2,362,000</u>
11	Salary and Insurance Increase Revolving Account	
12	Appropriation \$	((92,156,000))
13		<u>84,299,000</u>
14	TOTAL APPROPRIATION \$	((247,506,000))
15		<u>224,839,000</u>

16 The appropriations in this section shall be expended solely for the
17 purposes designated in this section and are subject to the following
18 conditions and limitations:

19 (1) In addition to the purposes set forth in subsections (2) and
20 (3) of this section, appropriations in this section are provided solely
21 for a 3.7 percent salary increase effective July 1, 2001, and a 2.0
22 percent salary increase effective September 1, 2002, for all classified
23 employees, except the certificated employees of the state schools for
24 the deaf and blind, and including those employees in the Washington
25 management service, and exempt employees under the jurisdiction of the
26 personnel resources board. ~~((Funds are also provided for salary~~
27 ~~increases for classified employees on July 1, 2002, in a percentage~~
28 ~~amount to be determined by the 2002 legislature.))~~

29 (2) The appropriations in this section are sufficient to fund a 3.7
30 percent salary increase effective July 1, 2001, and a 2.0 percent
31 salary increase effective September 1, 2002, for general government,
32 legislative, and judicial employees exempt from merit system rules
33 whose maximum salaries are not set by the commission on salaries for
34 elected officials. ~~((Funds are also provided for salary increases for~~
35 ~~these employees on July 1, 2002, in a percentage amount to be~~
36 ~~determined by the 2002 legislature.))~~

37 (3) The salary and insurance increase revolving account
38 appropriation in this section includes funds sufficient to fund a 3.7
39 percent salary increase effective July 1, 2001, and a 2.0 percent

1 salary increase effective September 1, 2002, for ferry workers
2 consistent with the 2001-03 transportation appropriations act. ((Funds
3 are also provided for salary increases for ferry workers on July 1,
4 2002, in a percentage amount to be determined by the 2002
5 legislature.))

6 (4)(a) No salary increase may be paid under this section to any
7 person whose salary has been Y-rated pursuant to rules adopted by the
8 personnel resources board.

9 (b) The average salary increases paid under this section to agency
10 officials whose maximum salaries are established by the committee on
11 agency official salaries shall not exceed the average increases
12 provided by subsection (2) of this section.

13 **Sec. 712.** 2001 2nd sp.s. c 7 s 720 (uncodified) is amended to read
14 as follows:

15 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY REVOLVING**
16 **ACCOUNT**

17	General Fund--State Appropriation (FY 2002) . . . \$	11,264,000
18	((General Fund--State Appropriation (FY 2003) . . . \$	11,264,000
19	TOTAL APPROPRIATION \$	22,528,000))

20 The appropriation((s)) in this section ((are)) is subject to the
21 following conditions and limitations:

22 (1) The appropriation((s)) in this section ((are)) is for
23 appropriation to the education technology revolving account for the
24 purpose of covering operational and transport costs incurred by the K-
25 20 educational network program in providing telecommunication services
26 to network participants.

27 (2) Use of these moneys to connect public libraries are limited to
28 public libraries which have in place a policy of internet safety
29 applied to publicly available computers with internet access via the K-
30 20 educational network that protects against access to visual
31 depictions that are (a) obscene under chapter 9.68 RCW; or (b) sexual
32 exploitation of children under chapter 9.68A RCW.

33 **Sec. 713.** 2001 2nd sp.s. c 7 s 721 (uncodified) is amended to read
34 as follows:

35 **FOR THE ATTORNEY GENERAL--SALARY ADJUSTMENTS**

36	General Fund--State Appropriation (FY 2002) . . . \$	989,000
37	General Fund--State Appropriation (FY 2003) . . . \$	((2,082,000))

1		<u>1,166,000</u>
2	Legal Services Revolving Account--State	
3	Appropriation	\$ ((3,071,000))
4		<u>2,355,000</u>
5	TOTAL APPROPRIATION	\$ ((6,142,000))
6		<u>4,510,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations: The appropriations are provided solely for
9 increases in salaries and related benefits of assistant attorneys
10 general effective July 1, 2001, and another increase effective July 1,
11 2002. This funding is provided solely for: (1) Increases in beginning
12 salaries; (2) merit-based increases to recognize outstanding
13 performance; and (3) increases to address critical recruitment and
14 retention problems in specialty practice areas.

15 **Sec. 714.** 2001 2nd sp.s. c 7 s 722 (uncodified) is amended to read
16 as follows:

17 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--COMPENSATION ACTIONS OF**
18 **PERSONNEL RESOURCES BOARD**

19	General Fund--State Appropriation (FY 2002) . . .	\$ ((9,179,000))
20		<u>9,183,000</u>
21	General Fund--State Appropriation (FY 2003) . . .	\$ ((18,359,000))
22		<u>18,369,000</u>
23	General Fund--Federal Appropriation	\$ 10,392,000
24	Salary and Insurance Increase Revolving Account	
25	Appropriation	\$ ((2,735,000))
26		<u>2,809,000</u>
27	TOTAL APPROPRIATION	\$ ((40,665,000))
28		<u>40,753,000</u>

29 The appropriations in this section shall be expended solely for the
30 purposes designated in this section and are subject to the following
31 conditions and limitations: Funding is provided to implement the
32 salary increase recommendations of the Washington personnel resources
33 board for the priority classes identified through item 8B pursuant to
34 RCW 41.06.152. The salary increases shall be effective January 1,
35 2002.

1 **Sec. 715.** 2001 2nd sp.s. c 7 s 723 (uncodified) is amended to read
2 as follows:

3 **INCENTIVE SAVINGS--FY 2002.** The sum of one hundred million dollars
4 or so much thereof as may be available on June 30, 2002, from the total
5 amount of unspent fiscal year 2002 state general fund appropriations is
6 appropriated for the purposes of RCW 43.79.460 in the manner provided
7 in this section.

8 (1) Of the total appropriated amount, one-half of that portion that
9 is attributable to incentive savings, not to exceed twenty-five million
10 dollars, is appropriated to the savings incentive account for the
11 purpose of improving the quality, efficiency, and effectiveness of
12 agency services, and credited to the agency that generated the savings.

13 (2) Of the total appropriated amount, any amount attributable to
14 unspent general fund--state appropriations in the state need grant
15 program, the state work study program, the Washington scholars program,
16 and the Washington award for vocational excellence program is
17 appropriated to the state financial aid account if Substitute House
18 Bill No. 2914 (state financial aid account) is enacted by June 30,
19 2002.

20 (3) The remainder of the total amount, not to exceed seventy-five
21 million dollars, is appropriated to the education savings account.

22 (~~(3)~~) (4) For purposes of this section, the total amount of
23 unspent state general fund appropriations does not include the
24 appropriations made in this section or any amounts included in across-
25 the-board allotment reductions under RCW 43.88.110.

26 **Sec. 716.** 2001 2nd sp.s. c 7 s 724 (uncodified) is amended to read
27 as follows:

28 **INCENTIVE SAVINGS--FY 2003.** The sum of one hundred million dollars
29 or so much thereof as may be available on June 30, 2003, from the total
30 amount of unspent fiscal year 2003 state general fund appropriations is
31 appropriated for the purposes of RCW 43.79.460 in the manner provided
32 in this section.

33 (1) Of the total appropriated amount, one-half of that portion that
34 is attributable to incentive savings, not to exceed twenty-five million
35 dollars, is appropriated to the savings incentive account for the
36 purpose of improving the quality, efficiency, and effectiveness of
37 agency services, and credited to the agency that generated the savings.

1 (2) Of the total appropriated amount, any amount attributable to
 2 unspent general fund--state appropriations in the state need grant
 3 program, the state work study program, the Washington scholars program,
 4 and the Washington award for vocational excellence program is
 5 appropriated to the state financial aid account if Substitute House
 6 Bill No. 2914 (state financial aid account) is enacted by June 30,
 7 2002.

8 (3) The remainder of the total amount, not to exceed seventy-five
 9 million dollars, is appropriated to the education savings account.

10 (~~(3)~~) (4) For purposes of this section, the total amount of
 11 unspent state general fund appropriations does not include the
 12 appropriations made in this section or any amounts included in across-
 13 the-board allotment reductions under RCW 43.88.110.

14 NEW SECTION. Sec. 717. A new section is added to 2001 2nd sp.s.
 15 c 7 (uncodified) to read as follows:

16 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
 17 **COUNTY ASSISTANCE**

18	General Fund--State Appropriation (FY 2003) . . . \$	1,392,000
19	TOTAL APPROPRIATION \$	1,392,000

20 The appropriation in this section is subject to the following
 21 conditions and limitations: The director of community, trade, and
 22 economic development shall distribute the appropriation in this section
 23 to the following counties in the amounts designated:

24	Asotin County \$	7,000
25	Columbia County \$	286,000
26	Ferry County \$	199,000
27	Garfield County \$	291,000
28	Lincoln County \$	151,000
29	Pend Oreille County \$	143,000
30	Skamania County \$	56,000
31	Wahkiakum County \$	259,000
32	TOTAL \$	1,392,000

33 **Sec. 718.** 2001 2nd sp.s. c 7 s 727 (uncodified) is amended to read
 34 as follows:

35 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
 36 **COUNTY CORPORATION ASSISTANCE**

1 General Fund--State Appropriation (FY 2002) . . . \$ 24,410,534
 2 (~~General Fund--State Appropriation (FY 2003) . . . \$ 25,137,970~~)
 3 TOTAL APPROPRIATION \$ ~~49,548,504~~)

4 The appropriation((s)) in this section ((are)) is subject to the
 5 following conditions and limitations:

6 (1)(a) The department shall withhold distributions under subsection
 7 (2) of this section to any county that has not paid its fifty percent
 8 share of the employer contribution on behalf of superior court judges
 9 for insurance and health care plans and federal social security and
 10 medicare and medical aid benefits for the fiscal year. As required by
 11 Article IV, section 13 of the state Constitution and 1996 Attorney
 12 General's Opinion No. 2, it is the intent of the legislature that the
 13 costs of these employer contributions shall be shared equally between
 14 the state and county or counties in which the judges serve.

15 (b) After receiving written notification from the office of the
 16 administrator for the courts that a county has paid its fifty percent
 17 share as required under (a) of this subsection, the department shall
 18 distribute the amount designated for the fiscal year under subsection
 19 (2) of this section.

20 (2) The director of community, trade, and economic development
 21 shall distribute the appropriations to the following counties in the
 22 amounts designated:

		((2001-03))
24 County	FY 2002	((FY 2003 Biennium))
25 Adams	290,303	((295,993 586,296))
26 Asotin	422,074	((434,598 856,672))
27 Benton	966,480	((999,163 1,965,643))
28 Chelan	637,688	((651,982 1,289,670))
29 Clallam	444,419	((454,391 898,810))
30 Clark	641,571	((678,997 1,320,568))
31 Columbia	561,888	((572,901 1,134,789))
32 Cowlitz	771,879	((795,808 1,567,687))
33 Douglas	505,585	((528,184 1,033,769))
34 Ferry	389,909	((397,551 787,460))
35 Franklin	442,624	((464,018 906,642))
36 Garfield	571,303	((582,501 1,153,804))
37 Grant	579,631	((604,072 1,183,703))
38 Grays Harbor	540,315	((550,905 1,091,220))
39 Island	483,589	((503,205 986,794))
40 Jefferson	239,914	((249,924 489,838))
41 King	2,661,862	((2,720,716 5,382,578))
42 Kitsap	469,992	((480,178 950,170))

1	Kittitas	366,971	((383,027	749,998))
2	Klickitat	204,726	((217,555	422,281))
3	Lewis	583,702	((598,004	1,181,706))
4	Lincoln	290,754	((302,151	592,905))
5	Mason	905,060	((930,959	1,836,019))
6	Okanogan	548,848	((560,332	1,109,180))
7	Pacific	344,047	((350,790	694,837))
8	Pend Oreille	280,342	((285,837	566,179))
9	Pierce	1,246,530	((1,284,087	2,530,617))
10	San Juan	85,712	((91,859	177,571))
11	Skagit	911,491	((944,914	1,856,405))
12	Skamania	172,840	((176,228	349,068))
13	Snohomish	1,017,209	((1,058,571	2,075,780))
14	Spokane	804,124	((823,359	1,627,483))
15	Stevens	811,482	((835,598	1,647,080))
16	Thurston	1,031,888	((1,061,579	2,093,467))
17	Wahkiakum	507,528	((517,476	1,025,004))
18	Walla Walla	241,341	((247,105	488,446))
19	Whatcom	408,025	((429,069	837,094))
20	Whitman	134,870	((138,191	273,061))
21	Yakima	1,892,018	((1,936,192	3,828,210))
22	TOTAL APPROPRIATIONS	24,410,534	((25,137,970	49,548,504))

23 **Sec. 719.** 2001 2nd sp.s. c 7 s 728 (uncodified) is amended to read
24 as follows:

25 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
26 **MUNICIPAL CORPORATION ASSISTANCE**

27	General Fund--State Appropriation (FY 2002) . . . \$	45,884,610
28	(General Fund--State Appropriation (FY 2003) . . . \$	47,251,839
29	TOTAL APPROPRIATION \$	93,136,449)

30 The appropriation(~~s~~) in this section (~~are~~) is subject to the
31 following conditions and limitations:

32 (1) The director of community, trade, and economic development
33 shall distribute the appropriation to the following cities and
34 municipalities in the amounts designated:

35			((2001-03))
36	City	FY 2002	((FY 2003 Biennium))
37	Aberdeen	119,986	((123,562 243,548))
38	Airway Heights	111,259	((114,575 225,834))
39	Albion	66,339	((68,316 134,655))
40	Algona	32,672	((33,646 66,318))
41	Almira	12,519	((12,892 25,411))

1	Anacortes	70,930	((73,044	143,974))
2	Arlington	42,344	((43,606	85,950))
3	Asotin	57,623	((59,340	116,963))
4	Auburn	192,405	((198,139	390,544))
5	Bainbridge Island	293,851	((302,608	596,459))
6	Battle Ground	118,303	((121,828	240,131))
7	Beaux Arts	1,784	((1,837	3,621))
8	Bellevue	524,203	((539,824	1,064,027))
9	Bellingham	369,121	((380,121	749,242))
10	Benton City	111,380	((114,699	226,079))
11	Bingen	6,602	((6,799	13,401))
12	Black Diamond	254,698	((262,288	516,986))
13	Blaine	20,853	((21,474	42,327))
14	Bonney Lake	158,738	((163,468	322,206))
15	Bothell	137,270	((141,361	278,631))
16	Bremerton	214,020	((220,398	434,418))
17	Brewster	11,250	((11,585	22,835))
18	Bridgeport	188,216	((193,825	382,041))
19	Brier	532,011	((547,865	1,079,876))
20	Buckley	68,227	((70,260	138,487))
21	Bucoda	52,876	((54,452	107,328))
22	Burien	284,265	((292,736	577,001))
23	Burlington	27,407	((28,224	55,631))
24	Camas	53,654	((55,253	108,907))
25	Carbonado	56,785	((58,477	115,262))
26	Carnation	9,593	((9,879	19,472))
27	Cashmere	120,801	((124,401	245,202))
28	Castle Rock	29,980	((30,873	60,853))
29	Cathlamet	6,265	((6,452	12,717))
30	Centralia	101,426	((104,448	205,874))
31	Chehalis	34,601	((35,632	70,233))
32	Chelan	19,515	((20,097	39,612))
33	Cheney	314,316	((323,683	637,999))
34	Chewelah	66,731	((68,720	135,451))
35	Clarkston	83,910	((86,411	170,321))
36	Cle Elum	8,692	((8,951	17,643))
37	Clyde Hill	136,778	((140,854	277,632))
38	Colfax	74,672	((76,897	151,569))
39	College Place	526,480	((542,169	1,068,649))
40	Colton	27,473	((28,292	55,765))
41	Colville	23,389	((24,086	47,475))
42	Conconully	13,675	((14,083	27,758))
43	Concrete	27,006	((27,811	54,817))
44	Connell	164,950	((169,866	334,816))
45	Cosmopolis	15,395	((15,854	31,249))
46	Coulee City	2,804	((2,888	5,692))
47	Coulee Dam	61,408	((63,238	124,646))

1	Coupeville	7,708	((7,938	15,646))
2	Covington	690,851	((711,438	1,402,289))
3	Creston	12,905	((13,290	26,195))
4	Cusick	9,341	((9,619	18,960))
5	Darrington	59,838	((61,621	121,459))
6	Davenport	66,350	((68,327	134,677))
7	Dayton	92,685	((95,447	188,132))
8	Deer Park	16,059	((16,538	32,597))
9	Des Moines	1,482,120	((1,526,287	3,008,407))
10	Dupont	8,109	((8,351	16,460))
11	Duvall	66,128	((68,099	134,227))
12	East Wenatchee	30,678	((31,592	62,270))
13	Eatonville	8,848	((9,112	17,960))
14	Edgewood	901,766	((928,639	1,830,405))
15	Edmonds	456,336	((469,935	926,271))
16	Electric City	87,243	((89,843	177,086))
17	Ellensburg	81,982	((84,425	166,407))
18	Elma	84,676	((87,199	171,875))
19	Elmer City	29,811	((30,699	60,510))
20	Endicott	28,758	((29,615	58,373))
21	Entiat	58,244	((59,980	118,224))
22	Enumclaw	53,013	((54,593	107,606))
23	Ephrata	59,987	((61,775	121,762))
24	Everett	495,428	((510,192	1,005,620))
25	Everson	67,517	((69,529	137,046))
26	Fairfield	18,540	((19,092	37,632))
27	Farmington	12,072	((12,432	24,504))
28	Federal Way	470,179	((484,190	954,369))
29	Ferndale	74,669	((76,894	151,563))
30	Fife	25,411	((26,168	51,579))
31	Fircrest	386,146	((397,653	783,799))
32	Forks	110,712	((114,011	224,723))
33	Friday Harbor	9,791	((10,083	19,874))
34	Garfield	45,263	((46,612	91,875))
35	George	19,319	((19,895	39,214))
36	Gig Harbor	31,615	((32,557	64,172))
37	Gold Bar	134,531	((138,540	273,071))
38	Goldendale	49,519	((50,995	100,514))
39	Grand Coulee	5,805	((5,978	11,783))
40	Grandview	256,347	((263,986	520,333))
41	Granger	173,094	((178,252	351,346))
42	Granite Falls	10,946	((11,272	22,218))
43	Hamilton	17,437	((17,957	35,394))
44	Harrah	46,947	((48,346	95,293))
45	Harrington	18,107	((18,647	36,754))
46	Hartline	11,392	((11,731	23,123))
47	Hatton	12,176	((12,539	24,715))

1	Hoquiam	374,903	((386,075	760,978))
2	Hunts Point	2,432	((2,504	4,936))
3	Ilwaco	13,150	((13,542	26,692))
4	Index	4,181	((4,306	8,487))
5	Ione	17,566	((18,089	35,655))
6	Issaquah	50,002	((51,492	101,494))
7	Kahlotus	20,210	((20,812	41,022))
8	Kalama	7,892	((8,127	16,019))
9	Kelso	68,904	((70,957	139,861))
10	Kenmore	1,099,395	((1,132,157	2,231,552))
11	Kennewick	293,534	((302,281	595,815))
12	Kent	360,624	((371,371	731,995))
13	Kettle Falls	64,422	((66,342	130,764))
14	Kirkland	221,429	((228,028	449,457))
15	Kittitas	72,698	((74,864	147,562))
16	Krupp	4,445	((4,577	9,022))
17	La Center	34,415	((35,441	69,856))
18	La Conner	3,817	((3,931	7,748))
19	La Crosse	20,141	((20,741	40,882))
20	Lacey	143,243	((147,512	290,755))
21	Lake Forest Park	897,932	((924,690	1,822,622))
22	Lake Stevens	142,295	((146,535	288,830))
23	Lakewood	2,955,109	((3,043,171	5,998,280))
24	Lamont	7,492	((7,715	15,207))
25	Langley	5,303	((5,461	10,764))
26	Latah	11,962	((12,318	24,280))
27	Leavenworth	12,189	((12,552	24,741))
28	Lind	2,217	((2,283	4,500))
29	Long Beach	10,269	((10,575	20,844))
30	Longview	249,836	((257,281	507,117))
31	Lyman	16,741	((17,240	33,981))
32	Lynden	42,717	((43,990	86,707))
33	Lynnwood	163,579	((168,454	332,033))
34	Mabton	142,491	((146,737	289,228))
35	Malden	21,588	((22,231	43,819))
36	Mansfield	26,744	((27,541	54,285))
37	Maple Valley	359,478	((370,190	729,668))
38	Marcus	14,126	((14,547	28,673))
39	Marysville	102,028	((105,068	207,096))
40	Mattawa	100,064	((103,046	203,110))
41	McCleary	105,807	((108,960	214,767))
42	Medical Lake	114,323	((117,730	232,053))
43	Medina	14,355	((14,783	29,138))
44	Mercer Island	383,527	((394,956	778,483))
45	Mesa	16,835	((17,337	34,172))
46	Metaline	14,150	((14,572	28,722))
47	Metaline Falls	7,718	((7,948	15,666))

1	Mill Creek	174,495	((179,695 354,190))
2	Millwood	22,619	((23,293 45,912))
3	Milton	28,030	((28,865 56,895))
4	Monroe	56,517	((58,201 114,718))
5	Montesano	60,229	((62,024 122,253))
6	Morton	5,891	((6,067 11,958))
7	Moses Lake	105,670	((108,819 214,489))
8	Mossyrock	16,545	((17,038 33,583))
9	Mount Vernon	130,780	((134,677 265,457))
10	Mountlake Terrace	711,188	((732,381 1,443,569))
11	Moxee	40,448	((41,653 82,101))
12	Mukilteo	274,482	((282,662 557,144))
13	Naches	7,632	((7,859 15,491))
14	Napavine	96,030	((98,892 194,922))
15	Nespelem	17,614	((18,139 35,753))
16	Newcastle	290,801	((299,467 590,268))
17	Newport	13,223	((13,617 26,840))
18	Nooksack	58,178	((59,912 118,090))
19	Normandy Park	489,113	((503,689 992,802))
20	North Bend	20,754	((21,372 42,126))
21	North Bonneville	30,574	((31,485 62,059))
22	Northport	23,489	((24,189 47,678))
23	Oak Harbor	278,157	((286,446 564,603))
24	Oakesdale	31,060	((31,986 63,046))
25	Oakville	43,411	((44,705 88,116))
26	Ocean Shores	64,837	((66,769 131,606))
27	Odessa	4,721	((4,862 9,583))
28	Okanogan	12,323	((12,690 25,013))
29	Olympia	198,476	((204,391 402,867))
30	Omak	26,117	((26,895 53,012))
31	Oroville	12,506	((12,879 25,385))
32	Orting	191,211	((196,909 388,120))
33	Othello	26,808	((27,607 54,415))
34	Pacific	69,124	((71,184 140,308))
35	Palouse	55,067	((56,708 111,775))
36	Pasco	131,298	((135,211 266,509))
37	Pateros	28,021	((28,856 56,877))
38	Pe Ell	54,800	((56,433 111,233))
39	Pomeroy	52,485	((54,049 106,534))
40	Port Angeles	124,595	((128,308 252,903))
41	Port Orchard	41,797	((43,043 84,840))
42	Port Townsend	47,126	((48,530 95,656))
43	Poulsbo	31,812	((32,760 64,572))
44	Prescott	12,349	((12,717 25,066))
45	Prosser	24,137	((24,856 48,993))
46	Pullman	584,659	((602,082 1,186,741))
47	Puyallup	151,732	((156,254 307,986))

1	Quincy	20,244	((20,847 41,091))
2	Rainier	111,521	((114,844 226,365))
3	Raymond	85,311	((87,853 173,164))
4	Reardan	38,184	((39,322 77,506))
5	Redmond	215,259	((221,674 436,933))
6	Renton	235,053	((242,058 477,111))
7	Republic	25,085	((25,833 50,918))
8	Richland	441,733	((454,897 896,630))
9	Ridgefield	55,637	((57,295 112,932))
10	Ritzville	8,498	((8,751 17,249))
11	Riverside	27,204	((28,015 55,219))
12	Rock Island	36,527	((37,616 74,143))
13	Rockford	18,965	((19,530 38,495))
14	Rosalia	36,719	((37,813 74,532))
15	Roslyn	64,571	((66,495 131,066))
16	Roy	1,709	((1,760 3,469))
17	Royal City	66,657	((68,643 135,300))
18	Ruston	50,309	((51,808 102,117))
19	Sammamish	2,361,433	((2,431,804 4,793,237))
20	Seatac	132,183	((136,122 268,305))
21	Seattle	3,189,346	((3,284,389 6,473,735))
22	Sedro-Woolley	54,896	((56,532 111,428))
23	Selah	80,704	((83,109 163,813))
24	Sequim	21,867	((22,519 44,386))
25	Shelton	58,160	((59,893 118,053))
26	Shoreline	1,485,138	((1,529,395 3,014,533))
27	Skykomish	1,417	((1,459 2,876))
28	Snohomish	40,722	((41,936 82,658))
29	Snoqualmie	9,587	((9,873 19,460))
30	Soap Lake	102,783	((105,846 208,629))
31	South Bend	75,826	((78,086 153,912))
32	South Cle Elum	46,847	((48,243 95,090))
33	South Prairie	18,788	((19,348 38,136))
34	Spangle	1,397	((1,439 2,836))
35	Spokane	1,116,419	((1,149,688 2,266,107))
36	Sprague	22,930	((23,613 46,543))
37	Springdale	11,080	((11,410 22,490))
38	St. John	4,245	((4,372 8,617))
39	Stanwood	21,141	((21,771 42,912))
40	Starbuck	8,949	((9,216 18,165))
41	Steilacoom	285,807	((294,324 580,131))
42	Stevenson	11,673	((12,021 23,694))
43	Sultan	63,199	((65,082 128,281))
44	Sumas	7,885	((8,120 16,005))
45	Sumner	41,931	((43,181 85,112))
46	Sunnyside	70,805	((72,915 143,720))
47	Tacoma	1,384,646	((1,425,908 2,810,554))

1	Tekoa	49,373	((50,844	100,217))
2	Tenino	68,820	((70,871	139,691))
3	Tieton	74,506	((76,726	151,232))
4	Toledo	8,084	((8,325	16,409))
5	Tonasket	5,500	((5,664	11,164))
6	Toppenish	443,488	((456,704	900,192))
7	Tukwila	75,320	((77,565	152,885))
8	Tumwater	61,848	((63,691	125,539))
9	Twisp	4,793	((4,936	9,729))
10	Union Gap	27,129	((27,937	55,066))
11	Uniontown	19,805	((20,395	40,200))
12	University Place	1,889,912	((1,946,231	3,836,143))
13	Vader	40,643	((41,854	82,497))
14	Vancouver	1,177,584	((1,212,676	2,390,260))
15	Waitsburg	81,097	((83,514	164,611))
16	Walla Walla	318,679	((328,176	646,855))
17	Wapato	230,783	((237,660	468,443))
18	Warden	105,612	((108,759	214,371))
19	Washougal	177,022	((182,297	359,319))
20	Washtucna	20,654	((21,269	41,923))
21	Waterville	72,880	((75,052	147,932))
22	Waverly	10,256	((10,562	20,818))
23	Wenatchee	147,602	((152,001	299,603))
24	West Richland	489,752	((504,347	994,099))
25	Westport	13,715	((14,124	27,839))
26	White Salmon	53,746	((55,348	109,094))
27	Wilbur	23,614	((24,318	47,932))
28	Wilkeson	18,762	((19,321	38,083))
29	Wilson Creek	18,403	((18,951	37,354))
30	Winlock	35,212	((36,261	71,473))
31	Winthrop	1,756	((1,808	3,564))
32	Woodinville	56,052	((57,722	113,774))
33	Woodland	17,960	((18,495	36,455))
34	Woodway	12,513	((12,886	25,399))
35	Yacolt	36,636	((37,728	74,364))
36	Yakima	487,766	((502,301	990,067))
37	Yarrow Point	32,121	((33,078	65,199))
38	Yelm	15,677	((16,144	31,821))
39	Zillah	100,818	((103,822	204,640))
40	TOTAL APPROPRIATIONS	45,545,942	((46,903,217	92,449,159))

41 (2) \$338,668 for fiscal year 2002 ((and \$348,622 for fiscal year
42 2003)) from this appropriation ((are)) is provided solely to address
43 the contingencies listed in this subsection. The department shall
44 distribute the moneys no later than March 31, 2002, ((and March 31,

1 2003,) for the respective appropriations. Moneys shall be distributed
2 for the following purposes, ranked in order of priority:

3 (a) To correct for data errors in the determination of
4 distributions in subsection (1) of this section;

5 (b) To distribute to newly qualifying jurisdictions as if the
6 jurisdiction had been in existence prior to November 1999;

7 (c) To allocate under emergency situations as determined by the
8 director of the department of community, trade, and economic
9 development in consultation with the association of Washington cities;
10 and

11 (d) After April 1(~~st of each year in the fiscal biennium ending~~
12 ~~June 30, 2003)), 2001, any moneys remaining from the amounts provided
13 in this subsection shall be prorated and distributed to cities and
14 towns on the basis of the amounts distributed for emergency
15 considerations in November 2000 as provided in section 729, chapter 1,
16 Laws of 2000, 2nd sp. sess.~~

17 **Sec. 720.** 2001 2nd sp.s. c 7 s 729 (uncodified) is amended to read
18 as follows:

19 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
20 **COUNTY PUBLIC HEALTH ASSISTANCE**

21 Health Services Account--State Appropriation . . \$ ((48,270,802))
22 36,025,651

23 The appropriation in this section is subject to the following
24 conditions and limitations: The director of the department of
25 community, trade, and economic development shall distribute the
26 appropriations to the following counties and health districts in the
27 amounts designated:

			2001-03
	FY 2002	FY 2003	Biennium
29 Health District			
30 Adams County Health District	30,824	((31,428)) <u>15,714</u>	((62,252)) <u>46,538</u>
31 Asotin County Health District	65,375	((70,818)) <u>35,409</u>	((136,193)) <u>100,784</u>
32 Benton-Franklin Health District	1,147,987	((1,196,390)) <u>598,195</u>	((2,344,377)) <u>1,746,182</u>
33 Chelan-Douglas Health District	176,979	((194,628)) <u>97,314</u>	((371,607)) <u>274,293</u>
34 Clallam County Health and Human Services Department	140,557	((144,547)) <u>72,274</u>	((285,104)) <u>212,831</u>
35 Southwest Washington Health District	1,067,962	((1,113,221)) <u>556,611</u>	((2,181,183)) <u>1,624,573</u>
36 Columbia County Health District	40,362	((41,153)) <u>20,577</u>	((81,515)) <u>60,939</u>
37 Cowlitz County Health Department	273,147	((287,116)) <u>143,558</u>	((560,263)) <u>416,705</u>
38 Garfield County Health District	14,966	((15,259)) <u>7,630</u>	((30,225)) <u>22,596</u>
39 Grant County Health District	111,767	((126,762)) <u>63,381</u>	((238,529)) <u>175,148</u>

1	Grays Harbor Health Department	183,113	((186,702))	<u>93,351</u>	((369,815))	<u>276,464</u>
2	Island County Health Department	86,600	((98,221))	<u>49,111</u>	((184,821))	<u>135,711</u>
3	Jefferson County Health and Human Services	82,856	((89,676))	<u>44,838</u>	((172,532))	<u>127,694</u>
4	Seattle-King County Department of Public Health	9,489,273	((9,681,772))	<u>4,840,886</u>	((19,171,045))	<u>14,330,159</u>
5	Bremerton-Kitsap County Health District	551,913	((563,683))	<u>281,842</u>	((1,115,596))	<u>833,755</u>
6	Kittitas County Health Department	87,822	((98,219))	<u>49,110</u>	((186,041))	<u>136,932</u>
7	Klickitat County Health Department	57,872	((67,636))	<u>33,818</u>	((125,508))	<u>91,690</u>
8	Lewis County Health Department	103,978	((108,817))	<u>54,409</u>	((212,795))	<u>158,387</u>
9	Lincoln County Health Department	26,821	((32,924))	<u>16,462</u>	((59,745))	<u>43,283</u>
10	Mason County Department of Health Services	91,638	((101,422))	<u>50,711</u>	((193,060))	<u>142,349</u>
11	Okanogan County Health District	62,844	((64,788))	<u>32,394</u>	((127,632))	<u>95,238</u>
12	Pacific County Health Department	77,108	((78,619))	<u>39,310</u>	((155,727))	<u>116,418</u>
13	Tacoma-Pierce County Health Department	2,802,613	((2,870,392))	<u>1,435,196</u>	((5,673,005))	<u>4,237,809</u>
14	San Juan County Health and Community Services	35,211	((40,274))	<u>20,137</u>	((75,485))	<u>55,348</u>
15	Skagit County Health Department	215,464	((234,917))	<u>117,459</u>	((450,381))	<u>332,923</u>
16	Snohomish Health District	2,238,523	((2,303,371))	<u>1,151,686</u>	((4,541,894))	<u>3,390,209</u>
17	Spokane County Health District	2,091,092	((2,135,477))	<u>1,067,739</u>	((4,226,569))	<u>3,158,831</u>
18	Northeast Tri-County Health District	106,019	((116,135))	<u>58,068</u>	((222,154))	<u>164,087</u>
19	Thurston County Health Department	593,358	((614,255))	<u>307,128</u>	((1,207,613))	<u>900,486</u>
20	Wahkiakum County Health Department	13,715	((13,984))	<u>6,992</u>	((27,699))	<u>20,707</u>
21	Walla Walla County-City Health Department	170,852	((175,213))	<u>87,607</u>	((346,065))	<u>258,459</u>
22	Whatcom County Health Department	846,015	((875,369))	<u>437,685</u>	((1,721,384))	<u>1,283,700</u>
23	Whitman County Health Department	78,081	((80,274))	<u>40,137</u>	((158,355))	<u>118,218</u>
24	Yakima Health District	617,792	((636,841))	<u>318,421</u>	((1,254,633))	<u>936,213</u>
25	TOTAL APPROPRIATIONS	\$23,780,499	((\$24,490,303)	<u>\$12,245,152</u>	((\$48,270,802)	<u>\$36,025,651</u>

26 **Sec. 721.** 2001 2nd sp.s. c 7 s 730 (uncodified) is amended to read
27 as follows:

28 **FOR THE LIABILITY ACCOUNT**

29	<u>General Fund--State Appropriation (FY 2002)</u>	\$	<u>12,000,000</u>
30	<u>General Fund--State Appropriation (FY 2003)</u>	\$	<u>((6,392,000))</u>
31				<u>19,392,000</u>
32	((State Surplus Assets Reserve Fund--State			
33	Appropriation	\$	25,000,000)
34	TOTAL APPROPRIATION	\$	<u>31,392,000</u>

35 The appropriations in this section are provided solely for deposit
36 in the liability account.

37 **NEW SECTION. Sec. 722.** A new section is added to 2001 2nd sp.s.
38 c 7 (uncodified) to read as follows:

39 **REVOLVING FUND REDUCTIONS**

1 The office of financial management shall reduce the allotments for
2 agencies of the state by \$4,710,000 from the general fund--state fiscal
3 year 2003 appropriations and \$5,173,000 from other funds 2001-03
4 appropriations. Reductions shall be made according to the legislative
5 evaluation and audit committee document entitled, "Revolving Fund
6 Reductions," dated March 7, 2002.

7 NEW SECTION. **Sec. 723.** A new section is added to 2001 2nd sp.s.
8 c 7 (uncodified) to read as follows:

9 **MADER SETTLEMENT**

10 General Fund--State Appropriation (FY 2003) . . . \$ 12,000,000

11 The appropriation in this section is subject to the following
12 conditions and limitations: The entire appropriation is provided
13 solely for the purposes of the settlement costs of *Mader v. State*
14 litigation regarding retirement contributions on behalf of part-time
15 faculty.

16 NEW SECTION. **Sec. 724.** A new section is added to 2001 2nd sp.s.
17 c 7 (uncodified) to read as follows:

18 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
19 be necessary, are appropriated from the general fund, unless otherwise
20 indicated, for relief of various individuals, firms, and corporations
21 for sundry claims. These appropriations are to be disbursed on
22 vouchers approved by the director of general administration, except as
23 otherwise provided, as follows:

24 (1) Reimbursement of criminal defendants acquitted on the basis of
25 self-defense, pursuant to RCW 9A.16.110:

- 26 (a) Eythor Westman, claim number SCJ 02-01 \$ 7,000
- 27 (b) Stacey Julian, claim number SCJ 02-02 \$ 59,136
- 28 (c) Christopher Denney, claim number SCJ 02-03 \$ 11,598
- 29 (d) Onofre Vasquez, claim number SCJ 02-04 \$ 200
- 30 (e) William Voorhees, claim number SCJ 02-05 \$ 3,694
- 31 (f) Glenn Rowlison, claim number SCJ 02-06 \$ 14,395
- 32 (g) Frankie Doerr, claim number SCJ 02-07 \$ 9,100
- 33 (h) Ralph Howard, claim number SCJ 00-09 \$ 99,497
- 34 (i) Johnny Adams, claim number SCJ 01-17 \$ 11,916
- 35 (j) Shane Mathus, claim number SCJ 02-08 \$ 13,043
- 36 (k) Timothy Farnum, claim number SCJ 02-09 \$ 21,822
- 37 (l) Rebecca Williams, claim number SCJ 02-10 \$ 2,241

1	(m) Stewart Bailey, claim number SCJ 02-11	\$ 4,186
2	(n) Aaron Knaack, claim number SCJ 02-13	\$ 4,330
3	(o) Jacob Clark, claim number SCJ 02-14	\$ 11,613
4	(2) Payment from the state wildlife account for damage to crops by	
5	wildlife, pursuant to RCW 77.36.050:	
6	(a) Ronald Palmer, claim number SCG 02-01	\$ 1,522
7	(b) Keith Morris, claim number SCG 02-02	\$ 1,315
8	(c) Edgar Roush, claim number SCG 02-03	\$ 1,459

9 NEW SECTION. **Sec. 725.** A new section is added to 2001 2nd sp.s.
10 c 7 (uncodified) to read as follows:

11 **CONTINGENCY POOL.** The sum of two hundred and fourteen thousand
12 dollars from the general fund--state for fiscal year 2003 is
13 appropriated to the supreme court for providing assistance to judicial
14 branch agencies that are unable to effectively absorb the
15 administrative, travel, and equipment reductions and efficiency savings
16 enacted in this act. Allocations to judicial agencies from this
17 appropriation shall be reported to the legislative fiscal committees by
18 the office of financial management within five days of the allocation.

19 NEW SECTION. **Sec. 726.** A new section is added to 2001 2nd sp.s.
20 c 7 (uncodified) to read as follows:

21 **EFFICIENCY SAVINGS.** The legislature finds that all state agencies
22 must continue to strive to make their operations more efficient and
23 effective. During periods of economic downturn, the need to reduce
24 costs while still maintaining vital services is especially critical.
25 It is the intent of the legislature that all agencies work to reduce
26 costs while minimizing the impact on services to the public by taking
27 the following actions:

28 (1) Imposing a hiring freeze for all positions except those that
29 directly serve public safety and essential health and welfare
30 activities of state government;

31 (2) Delaying equipment purchases unless that equipment is essential
32 to performing the mission of the agency;

33 (3) Avoiding all travel unless that travel is essential to
34 performing the mission of the agency;

35 (4) Avoiding personal services contracts unless those contracts are
36 essential to performing the mission of the agency; and

37 (5) Identifying and implementing other administrative efficiencies.

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

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Sec. 801. 2001 2nd sp.s. c 7 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance		
premium distributions	\$	((6,528,600))
		<u>7,526,000</u>
General Fund Appropriation for public utility		
district excise tax distributions	\$	((36,427,306))
		<u>34,754,723</u>
General Fund Appropriation for prosecuting		
attorney distributions	\$	((3,090,000))
		<u>3,110,000</u>
General Fund Appropriation for boating safety/		
education and law enforcement		
distributions	\$	3,780,000
General Fund Appropriation for other tax		
distributions	\$	((39,566))
		<u>1,951,556</u>
Death Investigations Account Appropriation for		
distribution to counties for publicly		
funded autopsies	\$	1,621,537
Aquatic Lands Enhancement Account Appropriation		
for harbor improvement revenue		
distribution	\$	147,500
Timber Tax Distribution Account Appropriation for		
distribution to "timber" counties	\$	((68,562,000))
		<u>57,405,000</u>
County Criminal Justice Assistance		
Appropriation	\$	49,835,213
Municipal Criminal Justice Assistance		
Appropriation	\$	19,988,097
Liquor Excise Tax Account Appropriation for		
liquor excise tax distribution	\$	28,659,331
Liquor Revolving Account Appropriation for		

1	liquor profits distribution	\$	55,344,817
2	TOTAL APPROPRIATION	\$	((274,023,967))
3			<u>264,124,506</u>

4 The total expenditures from the state treasury under the
5 appropriations in this section shall not exceed the funds available
6 under statutory distributions for the stated purposes.

7 **Sec. 802.** 2001 2nd sp.s. c 7 s 805 (uncodified) is amended to read
8 as follows:

9 **FOR THE STATE TREASURER--TRANSFERS**

10 For transfers in this section to the state general fund, pursuant
11 to RCW 43.135.035(5), the state expenditure limit shall be increased by
12 the amount of the transfer. The increase shall occur in the fiscal
13 year in which the transfer occurs.

14 Public Facilities Construction Loan and
15 Grant Revolving Account: For transfer
16 to the digital government revolving account
17 on or before December 31, 2001 \$ 1,418,456

18 Financial Services Regulation Fund: To be
19 transferred from the financial services
20 regulation fund to the digital government
21 revolving account during the period
22 between July 1, 2001, and December 31,
23 2001 \$ 2,000,000

24 Financial Services Regulation Fund: For
25 transfer to the state general fund,
26 \$2,250,000 for fiscal year 2002 and
27 \$357,000 for fiscal year 2003 \$ 2,607,000

28 Local Toxics Control Account: For transfer
29 to the state toxics control account.
30 Transferred funds will be utilized
31 for methamphetamine lab cleanup, to
32 address areawide soil contamination
33 problems, and clean up contaminated
34 sites as part of the clean sites
35 initiative \$ 6,000,000

36 State Toxics Control Account: For transfer
37 to the water quality account for water

1	quality related projects funded in the	
2	capital budget	\$ 9,000,000
3	General Fund: For transfer to the flood	
4	control assistance account	\$ 4,000,000
5	Water Quality Account: For transfer to the	
6	water pollution control account. Transfers	
7	shall be made at intervals coinciding with	
8	deposits of federal capitalization grant	
9	money into the account. The amounts	
10	transferred shall not exceed the match	
11	required for each federal deposit	\$ 12,564,487
12	<u>Health Services Account: For transfer to</u>	
13	<u>the water quality account</u>	<u>\$ 6,447,500</u>
14	<u>Health Services Account: For transfer to the</u>	
15	<u>violence reduction and drug enforcement</u>	
16	<u>account</u>	<u>\$ 6,497,500</u>
17	<u>Health Services Account: For transfer to the</u>	
18	<u>tobacco prevention and control account . . .</u>	<u>\$ 22,019,000</u>
19	State Treasurer's Service Account: For	
20	transfer to the general fund on or	
21	before June 30, 2003, an amount in excess	
22	of the cash requirements of the state	
23	treasurer's service account. Pursuant to	
24	RCW 43.135.035(5), the state expenditure	
25	limit shall be increased by \$4,000,000 in	
26	<u>fiscal year 2002 and by \$8,715,000 in fiscal</u>	
27	<u>year 2003 to reflect this transfer</u>	<u>\$ ((8,000,000))</u>
28		<u>12,715,000</u>
29	Public Works Assistance Account: For	
30	transfer to the drinking water	
31	assistance account	\$ 7,700,000
32	Tobacco Settlement Account: For transfer	
33	to the health services account, in an	
34	amount not to exceed the actual balance	
35	of the tobacco settlement account	\$ ((310,000,000))
36		<u>280,000,000</u>
37	General Fund: For transfer to the water quality	
38	account	\$ ((60,325,000))
39		<u>60,821,172</u>

1 Insurance Commissioner's Regulatory Account:
2 For transfer to the state general fund for
3 fiscal year 2003 \$ 721,000
4 Electrical License Account: For transfer to the
5 state general fund for fiscal year 2003 . . . \$ 426,000
6 State Drought Preparedness Account: For
7 transfer to the state general fund for
8 fiscal year 2002 \$ 3,000,000
9 Health Services Account: For
10 transfer to the state general fund
11 by June 30, 2002. Pursuant to RCW
12 43.135.035(5), the state expenditure
13 limit shall be increased in fiscal
14 year 2002 to reflect this transfer \$ 130,000,000
15 ~~((Health Services Account: For~~
16 ~~transfer to the state general fund~~
17 ~~by June 30, 2003. Pursuant to RCW~~
18 ~~43.135.035(5), the state expenditure~~
19 ~~limit shall be increased in fiscal~~
20 ~~year 2003 to reflect this transfer \$ 20,000,000~~
21 ~~State Surplus Assets Reserve Fund: For~~
22 ~~transfer to the multimodal transportation~~
23 ~~account by June 30, 2002 \$ 70,000,000))~~
24 General Fund: For transfer to the health
25 services account on June 28, 2003.
26 Pursuant to RCW 43.135.035(5), the
27 state expenditure limit shall be
28 decreased in fiscal year 2003 to
29 reflect this transfer \$ 130,000,000
30 Health Services Account: For transfer to the
31 state general fund for fiscal year 2003 . . . \$ 12,245,000
32 Health Professions Account: For transfer to the
33 state general fund for fiscal year 2003 . . . \$ 574,000
34 Industrial Insurance Premium Refund Account: For
35 transfer to the state general fund for fiscal
36 year 2002 \$ 1,000,000
37 Multimodal Transportation Account: For
38 transfer to the state general fund
39 by June 30, 2002. Pursuant to RCW

1	43.135.035(5), the state expenditure	
2	limit shall be increased in fiscal	
3	year 2002 to reflect this transfer	\$ 70,000,000
4	<u>Horticultural Districts Account: For</u>	
5	<u>transfer to the fruit and vegetable</u>	
6	<u>inspection account</u>	\$ <u>11,075,000</u>
7	<u>Agricultural Local Account: For transfer</u>	
8	<u>to the fruit and vegetable inspection</u>	
9	<u>account</u>	\$ <u>605,000</u>
10	<u>Lottery Administrative Account: For transfer</u>	
11	<u>to the state general fund for fiscal</u>	
12	<u>year 2003</u>	\$ <u>335,000</u>
13	<u>Gambling Revolving Account: For transfer</u>	
14	<u>to the state general fund for fiscal</u>	
15	<u>year 2003</u>	\$ <u>2,450,000</u>
16	<u>Liquor Control Board Construction and</u>	
17	<u>Maintenance Account: For transfer</u>	
18	<u>to the state general fund for fiscal</u>	
19	<u>year 2003</u>	\$ <u>1,067,000</u>
20	<u>Liquor Revolving Account: For transfer</u>	
21	<u>to the state general fund for fiscal</u>	
22	<u>year 2003</u>	\$ <u>2,059,000</u>
23	<u>Public Service Revolving Account: For transfer</u>	
24	<u>to the state general fund for fiscal</u>	
25	<u>year 2003</u>	\$ <u>406,000</u>
26	<u>Nisqually Earthquake Account: For transfer to</u>	
27	<u>the disaster response account for fire</u>	
28	<u>suppression and mobilization costs</u>	\$ <u>32,698,000</u>
29	<u>Enhanced 911 Account: For transfer to</u>	
30	<u>the state general fund for fiscal</u>	
31	<u>year 2003</u>	\$ <u>6,000,000</u>
32	<u>Clarke-McNary Fund: For transfer to the state</u>	
33	<u>general fund for fiscal year 2002</u>	\$ <u>4,000,000</u>
34	<u>Tobacco Prevention and Control Account:</u>	
35	<u>For transfer to the state general fund,</u>	
36	<u>\$7,102,000 for fiscal year 2002 and</u>	
37	<u>\$14,125,000 for fiscal year 2003</u>	\$ <u>21,227,000</u>
38	<u>From the Emergency Reserve Fund:</u>	
39	<u>For transfer to the state general fund</u>	

1 determination by the board that the sums are necessary to accomplish
2 the intent of chapter 19.28 RCW. The treasurer shall keep an accurate
3 record of payments into, or receipts of, said fund, and of all
4 disbursements therefrom. During the 2001-03 fiscal biennium, the
5 legislature may transfer from the electrical license fund such amounts
6 as reflect the appropriations reductions made by the 2002 supplemental
7 appropriations act for administrative efficiencies and savings.

8 **Sec. 903.** RCW 38.52.106 and 2001 c 5 s 2 are each amended to read
9 as follows:

10 The Nisqually earthquake account is created in the state treasury.
11 Moneys may be placed in the account from tax revenues, budget transfers
12 or appropriations, federal appropriations, gifts, or any other lawful
13 source. Moneys in the account may be spent only after appropriation.
14 Moneys in the account shall be used only to support state and local
15 government disaster response and recovery efforts associated with the
16 Nisqually earthquake. During the 2001-2003 fiscal biennium, the
17 legislature may transfer moneys from the Nisqually earthquake account
18 to the disaster response account for fire suppression and mobilization
19 costs.

20 **Sec. 904.** RCW 38.52.540 and 2001 c 128 s 2 are each amended to
21 read as follows:

22 The enhanced 911 account is created in the state treasury. All
23 receipts from the state enhanced 911 excise tax imposed by RCW
24 82.14B.030 shall be deposited into the account. Moneys in the account
25 shall be used only to support the statewide coordination and management
26 of the enhanced 911 system and to help supplement, within available
27 funds, the operational costs of the system. Funds shall not be
28 distributed to any county that has not imposed the maximum county
29 enhanced 911 taxes allowed under RCW 82.14B.030 (1) and (2). The state
30 enhanced 911 coordinator, with the advice and assistance of the
31 enhanced 911 advisory committee, is authorized to enter into statewide
32 agreements to improve the efficiency of enhanced 911 services for all
33 counties and shall specify by rule the additional purposes for which
34 moneys, if available, may be expended from this account. During the
35 2001-2003 fiscal biennium, the legislature may transfer from the
36 enhanced 911 account to the state general fund such amounts as reflect
37 the excess fund balance of the account.

1 **Sec. 905.** RCW 43.10.220 and 1999 c 309 s 916 are each amended to
2 read as follows:

3 The attorney general is authorized to expend from the antitrust
4 revolving fund, created by RCW 43.10.210 through 43.10.220, such funds
5 as are necessary for the payment of costs, expenses and charges
6 incurred in the preparation, institution and maintenance of antitrust
7 actions under the state and federal antitrust acts. During the ~~((1999-~~
8 ~~01))~~ 2001-03 fiscal biennium, the attorney general may expend ~~((up to~~
9 ~~one million three hundred thousand dollars))~~ from the antitrust
10 revolving fund for the purposes of ~~((implementing a case management~~
11 ~~data processing system for the centralized management of cases and~~
12 ~~workload, including antitrust and other complex litigation))~~ the
13 consumer protection activities of the office.

14 **Sec. 906.** RCW 43.30.360 and 1986 c 100 s 46 are each amended to
15 read as follows:

16 The department and Washington State University may each receive
17 funds from the federal government in connection with cooperative work
18 with the United States department of agriculture, authorized by
19 sections 4 and 5 of the Clarke-McNary act of congress, approved June 7,
20 1924, providing for the procurement, protection, and distribution of
21 forestry seed and plants for the purpose of establishing windbreaks,
22 shelter belts, and farm wood lots and to assist the owners of farms in
23 establishing, improving, and renewing wood lots, shelter belts, and
24 windbreaks; and are authorized to disburse such funds as needed.
25 During the 2001-2003 fiscal biennium, the legislature may transfer from
26 the Clarke-McNary fund to the state general fund such amounts as
27 reflect the excess fund balance of the Clarke-McNary fund.

28 **Sec. 907.** RCW 43.70.320 and 1993 c 492 s 411 are each amended to
29 read as follows:

30 (1) There is created in the state treasury an account to be known
31 as the health professions account. All fees received by the department
32 for health professions licenses, registration, certifications,
33 renewals, or examinations and the civil penalties assessed and
34 collected by the department under RCW 18.130.190 shall be forwarded to
35 the state treasurer who shall credit such moneys to the health
36 professions account.

1 (2) All expenses incurred in carrying out the health professions
2 licensing activities of the department shall be paid from the account
3 as authorized by legislative appropriation. Any residue in the account
4 shall be accumulated and shall not revert to the general fund at the
5 end of the biennium. During the 2001-2003 fiscal biennium, the
6 legislature may transfer from the health professions account to the
7 state general fund such amounts as reflect the reductions made by the
8 2002 supplemental appropriations act for administrative efficiencies
9 and savings.

10 (3) The secretary shall biennially prepare a budget request based
11 on the anticipated costs of administering the health professions
12 licensing activities of the department which shall include the
13 estimated income from health professions fees.

14 **Sec. 908.** RCW 43.79.480 and 1999 c 309 s 927 are each amended to
15 read as follows:

16 (1) Moneys received by the state of Washington in accordance with
17 the settlement of the state's legal action against tobacco product
18 manufacturers, exclusive of costs and attorneys' fees, shall be
19 deposited in the tobacco settlement account created in this section.

20 (2) The tobacco settlement account is created in the state
21 treasury. Moneys in the tobacco settlement account may only be
22 transferred to the health services account for the purposes set forth
23 in RCW 43.72.900, and to the tobacco prevention and control account for
24 purposes set forth in this section.

25 (3) The tobacco prevention and control account is created in the
26 state treasury. The source of revenue for this account is moneys
27 transferred to the account from the tobacco settlement account,
28 investment earnings, donations to the account, and other revenues as
29 directed by law. Expenditures from the account are subject to
30 appropriation. During the 2001-2003 fiscal biennium, the legislature
31 may transfer from the tobacco prevention and control account to the
32 state general fund.

33 (4) The state treasurer shall transfer one hundred million dollars
34 from the tobacco settlement account to the tobacco prevention and
35 control account upon authorization of the director of financial
36 management. The director shall authorize transfer of the total amount
37 by June 30, 2001.

1 **Sec. 909.** RCW 43.83B.430 and 1999 c 379 s 921 are each amended to
2 read as follows:

3 The state drought preparedness account is created in the state
4 treasury. All receipts from appropriated funds designated for the
5 account and funds transferred from the state emergency water projects
6 revolving account must be deposited into the account. Moneys in the
7 account may be spent only after appropriation. Expenditures from the
8 account may be used only for drought preparedness. During the 2001-
9 2003 fiscal biennium, the legislature may transfer from the state
10 drought preparedness account to the state general fund such amounts as
11 reflect the excess fund balance of the account.

12 **Sec. 910.** RCW 43.88.030 and 2000 2nd sp.s. c 4 s 12 are each
13 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 and committees that are required under
19 RCW 44.40.070 to develop comprehensive six-year program and financial
20 plans with a complete set of instructions for submitting these program
21 and financial plans at the same time that instructions for submitting
22 other budget requests are provided. The budget document or documents
23 shall consist of the governor's budget message which shall be
24 explanatory of the budget and shall contain an outline of the proposed
25 financial policies of the state for the ensuing fiscal period, as well
26 as an outline of the proposed six-year financial policies where
27 applicable, and shall describe in connection therewith the important
28 features of the budget. The message shall set forth the reasons for
29 salient changes from the previous fiscal period in expenditure and
30 revenue items and shall explain any major changes in financial policy.
31 Attached to the budget message shall be such supporting schedules,
32 exhibits and other explanatory material in respect to both current
33 operations and capital improvements as the governor shall deem to be
34 useful to the legislature. The budget document or documents shall set
35 forth a proposal for expenditures in the ensuing fiscal period, or six-
36 year 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 transportation revenue forecast council. Revenues shall be
8 estimated for such fiscal period from the source and at the rates
9 existing by law at the time of submission of the budget document,
10 including the supplemental budgets submitted in the even-numbered years
11 of a biennium. However, the estimated revenues and caseloads for use
12 in the governor's budget document may be adjusted to reflect budgetary
13 revenue transfers and revenue and caseload estimates dependent upon
14 budgetary assumptions of enrollments, workloads, and caseloads. All
15 adjustments to the approved estimated revenues and caseloads must be
16 set forth in the budget document. The governor may additionally
17 submit, as an appendix to each supplemental, biennial, or six-year
18 agency budget or to the budget document or documents, a proposal for
19 expenditures in the ensuing fiscal period from revenue sources derived
20 from proposed 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 agency. However, documents submitted for the 2003-05
6 biennial budget request need not show expenditures by activity;

7 (f) A delineation of each agency's activities, including those
8 activities funded from nonbudgeted, nonappropriated sources, including
9 funds maintained outside the state treasury;

10 (g) Identification of all proposed direct expenditures to implement
11 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
12 agency and in total; and

13 (h) Tabulations showing each postretirement adjustment by
14 retirement system established after fiscal year 1991, to include, but
15 not be limited to, estimated total payments made to the end of the
16 previous biennial period, estimated payments for the present biennium,
17 and estimated payments for the ensuing biennium.

18 (2) The budget document or documents shall include detailed
19 estimates of all anticipated revenues applicable to proposed operating
20 or capital expenditures and shall also include all proposed operating
21 or capital expenditures. The total of beginning undesignated fund
22 balance and estimated revenues less working capital and other reserves
23 shall equal or exceed the total of proposed applicable expenditures.
24 The budget document or documents shall further include:

25 (a) Interest, amortization and redemption charges on the state
26 debt;

27 (b) Payments of all reliefs, judgments, and claims;

28 (c) Other statutory expenditures;

29 (d) Expenditures incident to the operation for each agency;

30 (e) Revenues derived from agency operations;

31 (f) Expenditures and revenues shall be given in comparative form
32 showing those incurred or received for the immediately past fiscal
33 period and those anticipated for the current biennium and next ensuing
34 biennium, as well as those required to support the six-year programs
35 and financial plans required under RCW 44.40.070;

36 (g) A showing and explanation of amounts of general fund and other
37 funds obligations for debt service and any transfers of moneys that
38 otherwise would have been available for appropriation;

39 (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 **Sec. 911.** RCW 43.320.110 and 2001 2nd sp.s. c 7 s 911 are each
13 amended to read as follows:

14 There is created a local fund known as the "financial services
15 regulation fund" which shall consist of all moneys received by the
16 divisions of the department of financial institutions, except for the
17 division of securities which shall deposit thirteen percent of all
18 moneys received, and which shall be used for the purchase of supplies
19 and necessary equipment; the payment of salaries, wages, and utilities;
20 the establishment of reserves; and other incidental costs required for
21 the proper regulation of individuals and entities subject to regulation
22 by the department. The state treasurer shall be the custodian of the
23 fund. Disbursements from the fund shall be on authorization of the
24 director of financial institutions or the director's designee. In
25 order to maintain an effective expenditure and revenue control, the
26 fund shall be subject in all respects to chapter 43.88 RCW, but no
27 appropriation is required to permit expenditures and payment of
28 obligations from the fund.

29 Between July 1, 2001, and December 31, 2001, the legislature may
30 transfer up to two million dollars from the financial services
31 regulation fund to the (~~state general fund~~) digital government
32 revolving account. During the 2001-2003 fiscal biennium, the
33 legislature may transfer from the financial services regulation fund to
34 the state general fund such amounts as reflect the excess fund balance
35 of the fund and appropriations reductions made by the 2002 supplemental
36 appropriations act for administrative efficiencies and savings.

1 **Sec. 912.** RCW 48.02.190 and 1987 c 505 s 54 are each amended to
2 read as follows:

3 (1) As used in this section:

4 (a) "Organization" means every insurer, as defined in RCW
5 48.01.050, having a certificate of authority to do business in this
6 state and every health care service contractor registered to do
7 business in this state. "Class one" organizations shall consist of all
8 insurers as defined in RCW 48.01.050. "Class two" organizations shall
9 consist of all organizations registered under provisions of chapter
10 48.44 RCW.

11 (b) "Receipts" means (i) net direct premiums consisting of direct
12 gross premiums, as defined in RCW 48.18.170, paid for insurance written
13 or renewed upon risks or property resident, situated, or to be
14 performed in this state, less return premiums and premiums on policies
15 not taken, dividends paid or credited to policyholders on direct
16 business, and premiums received from policies or contracts issued in
17 connection with qualified plans as defined in RCW 48.14.021, and (ii)
18 prepayments to health care service contractors as set forth in RCW
19 48.44.010(3) less experience rating credits, dividends, prepayments
20 returned to subscribers, and payments for contracts not taken.

21 (2) The annual cost of operating the office of insurance
22 commissioner shall be determined by legislative appropriation. A pro
23 rata share of the cost shall be charged to all organizations. Each
24 class of organization shall contribute sufficient in fees to the
25 insurance commissioner's regulatory account to pay the reasonable
26 costs, including overhead, of regulating that class of organization.

27 (3) Fees charged shall be calculated separately for each class of
28 organization. The fee charged each organization shall be that portion
29 of the cost of operating the insurance commissioner's office, for that
30 class of organization, for the ensuing fiscal year that is represented
31 by the organization's portion of the receipts collected or received by
32 all organizations within that class on business in this state during
33 the previous calendar year: PROVIDED, That the fee shall not exceed
34 one-eighth of one percent of receipts: PROVIDED FURTHER, That the
35 minimum fee shall be one thousand dollars.

36 (4) The commissioner shall annually, on or before June 1, calculate
37 and bill each organization for the amount of its fee. Fees shall be
38 due and payable no later than June 15 of each year: PROVIDED, That if
39 the necessary financial records are not available or if the amount of

1 the legislative appropriation is not determined in time to carry out
2 such calculations and bill such fees within the time specified, the
3 commissioner may use the fee factors for the prior year as the basis
4 for the fees and, if necessary, the commissioner may impose
5 supplemental fees to fully and properly charge the organizations. The
6 penalties for failure to pay fees when due shall be the same as the
7 penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees
8 required by this section are in addition to all other taxes and fees
9 now imposed or that may be subsequently imposed.

10 (5) All moneys collected shall be deposited in the insurance
11 commissioner's regulatory account in the state treasury which is hereby
12 created.

13 (6) Unexpended funds in the insurance commissioner's regulatory
14 account at the close of a fiscal year shall be carried forward in the
15 insurance commissioner's regulatory account to the succeeding fiscal
16 year and shall be used to reduce future fees. During the 2001-2003
17 fiscal biennium, the legislature may transfer from the insurance
18 commissioner's regulatory account to the state general fund such
19 amounts as reflect the appropriations reductions made by the 2002
20 supplemental appropriations act for administrative efficiencies and
21 savings.

22 **Sec. 913.** RCW 50.16.010 and 1993 c 483 s 7 and 1993 c 226 s 10 are
23 each reenacted and amended to read as follows:

24 There shall be maintained as special funds, separate and apart from
25 all public moneys or funds of this state an unemployment compensation
26 fund, an administrative contingency fund, and a federal interest
27 payment fund, which shall be administered by the commissioner
28 exclusively for the purposes of this title, and to which RCW 43.01.050
29 shall not be applicable.

30 The unemployment compensation fund shall consist of

31 (1) all contributions and payments in lieu of contributions
32 collected pursuant to the provisions of this title,

33 (2) any property or securities acquired through the use of moneys
34 belonging to the fund,

35 (3) all earnings of such property or securities,

36 (4) any moneys received from the federal unemployment account in
37 the unemployment trust fund in accordance with Title XII of the social
38 security act, as amended,

1 (5) all money recovered on official bonds for losses sustained by
2 the fund,

3 (6) all money credited to this state's account in the unemployment
4 trust fund pursuant to section 903 of the social security act, as
5 amended,

6 (7) all money received from the federal government as reimbursement
7 pursuant to section 204 of the federal-state extended compensation act
8 of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

9 (8) all moneys received for the fund from any other source.

10 All moneys in the unemployment compensation fund shall be
11 commingled and undivided.

12 The administrative contingency fund shall consist of all interest
13 on delinquent contributions collected pursuant to this title, all fines
14 and penalties collected pursuant to the provisions of this title, all
15 sums recovered on official bonds for losses sustained by the fund, and
16 revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,
17 forfeitures and penalties collected or assessed by a district court
18 because of the violation of a state law shall be remitted as provided
19 in chapter 3.62 RCW as now exists or is later amended.

20 Moneys available in the administrative contingency fund, other than
21 money in the special account created under RCW 50.24.014, shall be
22 expended upon the direction of the commissioner, with the approval of
23 the governor, whenever it appears to him or her that such expenditure
24 is necessary for:

25 (a) The proper administration of this title and no federal funds
26 are available for the specific purpose to which such expenditure is to
27 be made, provided, the moneys are not substituted for appropriations
28 from federal funds which, in the absence of such moneys, would be made
29 available.

30 (b) The proper administration of this title for which purpose
31 appropriations from federal funds have been requested but not yet
32 received, provided, the administrative contingency fund will be
33 reimbursed upon receipt of the requested federal appropriation.

34 (c) The proper administration of this title for which compliance
35 and audit issues have been identified that establish federal claims
36 requiring the expenditure of state resources in resolution. Claims
37 must be resolved in the following priority: First priority is to
38 provide services to eligible participants within the state; second

1 priority is to provide substitute services or program support; and last
2 priority is the direct payment of funds to the federal government.

3 (d) During the 2001-2003 fiscal biennium, the cost of worker
4 retraining programs at community and technical colleges as appropriated
5 by the legislature.

6 Money in the special account created under RCW 50.24.014 may only
7 be expended, after appropriation, for the purposes specified in RCW
8 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
9 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

10 **Sec. 914.** RCW 50.20.190 and 2001 c 146 s 7 are each amended to
11 read as follows:

12 (1) An individual who is paid any amount as benefits under this
13 title to which he or she is not entitled shall, unless otherwise
14 relieved pursuant to this section, be liable for repayment of the
15 amount overpaid. The department shall issue an overpayment assessment
16 setting forth the reasons for and the amount of the overpayment. The
17 amount assessed, to the extent not collected, may be deducted from any
18 future benefits payable to the individual: PROVIDED, That in the
19 absence of a back pay award, a settlement affecting the allowance of
20 benefits, fraud, misrepresentation, or willful nondisclosure, every
21 determination of liability shall be mailed or personally served not
22 later than two years after the close of or final payment made on the
23 individual's applicable benefit year for which the purported
24 overpayment was made, whichever is later, unless the merits of the
25 claim are subjected to administrative or judicial review in which event
26 the period for serving the determination of liability shall be extended
27 to allow service of the determination of liability during the six-month
28 period following the final decision affecting the claim.

29 (2) The commissioner may waive an overpayment if the commissioner
30 finds that the overpayment was not the result of fraud,
31 misrepresentation, willful nondisclosure, or fault attributable to the
32 individual and that the recovery thereof would be against equity and
33 good conscience: PROVIDED, HOWEVER, That the overpayment so waived
34 shall be charged against the individual's applicable entitlement for
35 the eligibility period containing the weeks to which the overpayment
36 was attributed as though such benefits had been properly paid.

37 (3) Any assessment herein provided shall constitute a determination
38 of liability from which an appeal may be had in the same manner and to

1 the same extent as provided for appeals relating to determinations in
2 respect to claims for benefits: PROVIDED, That an appeal from any
3 determination covering overpayment only shall be deemed to be an appeal
4 from the determination which was the basis for establishing the
5 overpayment unless the merits involved in the issue set forth in such
6 determination have already been heard and passed upon by the appeal
7 tribunal. If no such appeal is taken to the appeal tribunal by the
8 individual within thirty days of the delivery of the notice of
9 determination of liability, or within thirty days of the mailing of the
10 notice of determination, whichever is the earlier, the determination of
11 liability shall be deemed conclusive and final. Whenever any such
12 notice of determination of liability becomes conclusive and final, the
13 commissioner, upon giving at least twenty days notice by certified mail
14 return receipt requested to the individual's last known address of the
15 intended action, may file with the superior court clerk of any county
16 within the state a warrant in the amount of the notice of determination
17 of liability plus a filing fee under RCW 36.18.012(10). The clerk of
18 the county where the warrant is filed shall immediately designate a
19 superior court cause number for the warrant, and the clerk shall cause
20 to be entered in the judgment docket under the superior court cause
21 number assigned to the warrant, the name of the person(s) mentioned in
22 the warrant, the amount of the notice of determination of liability,
23 and the date when the warrant was filed. The amount of the warrant as
24 docketed shall become a lien upon the title to, and any interest in,
25 all real and personal property of the person(s) against whom the
26 warrant is issued, the same as a judgment in a civil case duly docketed
27 in the office of such clerk. A warrant so docketed shall be sufficient
28 to support the issuance of writs of execution and writs of garnishment
29 in favor of the state in the manner provided by law for a civil
30 judgment. A copy of the warrant shall be mailed to the person(s)
31 mentioned in the warrant by certified mail to the person's last known
32 address within five days of its filing with the clerk.

33 (4) On request of any agency which administers an employment
34 security law of another state, the United States, or a foreign
35 government and which has found in accordance with the provisions of
36 such law that a claimant is liable to repay benefits received under
37 such law, the commissioner may collect the amount of such benefits from
38 the claimant to be refunded to the agency. In any case in which under
39 this section a claimant is liable to repay any amount to the agency of

1 another state, the United States, or a foreign government, such amounts
2 may be collected without interest by civil action in the name of the
3 commissioner acting as agent for such agency if the other state, the
4 United States, or the foreign government extends such collection rights
5 to the employment security department of the state of Washington, and
6 provided that the court costs be paid by the governmental agency
7 benefiting from such collection.

8 (5) Any employer who is a party to a back pay award or settlement
9 due to loss of wages shall, within thirty days of the award or
10 settlement, report to the department the amount of the award or
11 settlement, the name and social security number of the recipient of the
12 award or settlement, and the period for which it is awarded. When an
13 individual has been awarded or receives back pay, for benefit purposes
14 the amount of the back pay shall constitute wages paid in the period
15 for which it was awarded. For contribution purposes, the back pay
16 award or settlement shall constitute wages paid in the period in which
17 it was actually paid. The following requirements shall also apply:

18 (a) The employer shall reduce the amount of the back pay award or
19 settlement by an amount determined by the department based upon the
20 amount of unemployment benefits received by the recipient of the award
21 or settlement during the period for which the back pay award or
22 settlement was awarded;

23 (b) The employer shall pay to the unemployment compensation fund,
24 in a manner specified by the commissioner, an amount equal to the
25 amount of such reduction;

26 (c) The employer shall also pay to the department any taxes due for
27 unemployment insurance purposes on the entire amount of the back pay
28 award or settlement notwithstanding any reduction made pursuant to (a)
29 of this subsection;

30 (d) If the employer fails to reduce the amount of the back pay
31 award or settlement as required in (a) of this subsection, the
32 department shall issue an overpayment assessment against the recipient
33 of the award or settlement in the amount that the back pay award or
34 settlement should have been reduced; and

35 (e) If the employer fails to pay to the department an amount equal
36 to the reduction as required in (b) of this subsection, the department
37 shall issue an assessment of liability against the employer which shall
38 be collected pursuant to the procedures for collection of assessments
39 provided herein and in RCW 50.24.110.

1 (6) When an individual fails to repay an overpayment assessment
2 that is due and fails to arrange for satisfactory repayment terms, the
3 commissioner shall impose an interest penalty of one percent per month
4 of the outstanding balance. Interest shall accrue immediately on
5 overpayments assessed pursuant to RCW 50.20.070 and shall be imposed
6 when the assessment becomes final. For any other overpayment, interest
7 shall accrue when the individual has missed two or more of their
8 monthly payments either partially or in full. The interest penalty
9 shall be used to fund detection and recovery of overpayment and
10 collection activities, and worker retraining programs at the community
11 and technical colleges as appropriated by the legislature.

12 **Sec. 915.** RCW 51.44.170 and 1997 c 327 s 1 are each amended to
13 read as follows:

14 The industrial insurance premium refund account is created in the
15 custody of the state treasurer. All industrial insurance refunds
16 earned by state agencies or institutions of higher education under the
17 state fund retrospective rating program shall be deposited into the
18 account. The account is subject to the allotment procedures under
19 chapter 43.88 RCW, but no appropriation is required for expenditures
20 from the account. Only the executive head of the agency or institution
21 of higher education, or designee, may authorize expenditures from the
22 account. No agency or institution of higher education may make an
23 expenditure from the account for an amount greater than the refund
24 earned by the agency. If the agency or institution of higher education
25 has staff dedicated to workers' compensation claims management,
26 expenditures from the account must be used to pay for that staff, but
27 additional expenditure from the account may be used for any program
28 within an agency or institution of higher education that promotes or
29 provides incentives for employee workplace safety and health and early,
30 appropriate return-to-work for injured employees. During the 2001-2003
31 fiscal biennium, the legislature may transfer from the industrial
32 insurance premium refund account to the state general fund such amounts
33 as reflect the reductions made by the 2002 supplemental appropriations
34 act for administrative efficiencies and savings.

35 **Sec. 916.** RCW 66.08.170 and 1961 ex.s. c 6 s 1 are each amended to
36 read as follows:

1 There shall be a fund, known as the "liquor revolving fund", which
2 shall consist of all license fees, permit fees, penalties, forfeitures,
3 and all other moneys, income, or revenue received by the board. The
4 state treasurer shall be custodian of the fund. All moneys received by
5 the board or any employee thereof, except for change funds and an
6 amount of petty cash as fixed by the board within the authority of law
7 shall be deposited each day in a depository approved by the state
8 treasurer and transferred to the state treasurer to be credited to the
9 liquor revolving fund. During the 2001-2003 fiscal biennium, the
10 legislature may transfer from the liquor revolving account to the state
11 general fund such amounts as reflect the excess fund balance of the
12 fund and reductions made by the 2002 supplemental appropriations act
13 for administrative efficiencies and savings. Disbursements from the
14 revolving fund shall be on authorization of the board or a duly
15 authorized representative thereof. In order to maintain an effective
16 expenditure and revenue control the liquor revolving fund shall be
17 subject in all respects to chapter 43.88 RCW but no appropriation shall
18 be required to permit expenditures and payment of obligations from such
19 fund.

20 **Sec. 917.** RCW 66.08.235 and 1997 c 75 s 1 are each amended to read
21 as follows:

22 The liquor control board construction and maintenance account is
23 created within the state treasury. The liquor control board shall
24 deposit into this account a portion of the board's markup, as
25 authorized by chapter 66.16 RCW, placed upon liquor as determined by
26 the board. Moneys in the account may be spent only after
27 appropriation. The liquor control board shall use deposits to this
28 account to fund construction and maintenance of a centralized
29 distribution center for liquor products intended for sale through the
30 board's liquor store and vendor system. During the 2001-2003 fiscal
31 biennium, the legislature may transfer from the liquor control board
32 construction and maintenance account to the state general fund such
33 amounts as reflect the excess fund balance of the account.

34 **Sec. 918.** RCW 67.70.260 and 1985 c 375 s 6 are each amended to
35 read as follows:

36 There is hereby created the lottery administrative account in the
37 state treasury. The account shall be managed, controlled, and

1 maintained by the director. The legislature may appropriate from the
2 account for the payment of costs incurred in the operation and
3 administration of the lottery. During the 2001-2003 fiscal biennium,
4 the legislature may transfer from the lottery administrative account to
5 the state general fund such amounts as reflect the appropriations
6 reductions made by the 2002 supplemental appropriations act for
7 administrative efficiencies and savings.

8 **Sec. 919.** RCW 69.50.520 and 2001 2nd sp.s. c 7 s 920 and 2001 c
9 168 s 3 are each reenacted and amended to read as follows:

10 The violence reduction and drug enforcement account is created in
11 the state treasury. All designated receipts from RCW 9.41.110(8),
12 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),
13 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
14 shall be deposited into the account. Expenditures from the account may
15 be used only for funding services and programs under chapter 271, Laws
16 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
17 incarceration costs. Funds from the account may also be appropriated
18 to reimburse local governments for costs associated with implementing
19 criminal justice legislation including chapter 338, Laws of 1997.
20 During the 2001-2003 biennium, funds from the account may also be used
21 for costs associated with providing grants to local governments in
22 accordance with chapter 338, Laws of 1997, the replacement of the
23 department of corrections' offender-based tracking system, maintenance
24 and operating costs of the Washington association of sheriffs and
25 police chiefs jail reporting system, and for multijurisdictional
26 narcotics task forces. (~~After July 1, 2003, at least seven and one-~~
27 ~~half percent of expenditures from the account shall be used for~~
28 ~~providing grants to community networks under chapter 70.190 RCW by the~~
29 ~~family policy council.))~~

30 **Sec. 920.** RCW 70.146.030 and 2001 2nd sp.s. c 7 s 922 are each
31 amended to read as follows:

32 (1) The water quality account is hereby created in the state
33 treasury. Moneys in the account may be used only in a manner
34 consistent with this chapter. Moneys deposited in the account shall be
35 administered by the department of ecology and shall be subject to
36 legislative appropriation. Moneys placed in the account shall include
37 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,

1 principal and interest from the repayment of any loans granted pursuant
2 to this chapter, and any other moneys appropriated to the account by
3 the legislature.

4 (2) The department may use or permit the use of any moneys in the
5 account to make grants or loans to public bodies, including grants to
6 public bodies as cost-sharing moneys in any case where federal, local,
7 or other funds are made available on a cost-sharing basis, for water
8 pollution control facilities and activities, or for purposes of
9 assisting a public body to obtain an ownership interest in water
10 pollution control facilities and/or to defray a part of the payments
11 made by a public body to a service provider under a service agreement
12 entered into pursuant to RCW 70.150.060, within the purposes of this
13 chapter and for related administrative expenses. For the period July
14 1, 2001, to June 30, 2003, moneys in the account may be used to process
15 applications received by the department that seek to make changes to or
16 transfer existing water rights and for grants and technical assistance
17 to public bodies for watershed planning under chapter 90.82 RCW. No
18 more than three percent of the moneys deposited in the account may be
19 used by the department to pay for the administration of the grant and
20 loan program authorized by this chapter.

21 (3) Beginning with the biennium ending June 30, 1997, the
22 department shall present a biennial progress report on the use of
23 moneys from the account to the chairs of the senate committee on ways
24 and means and the house of representatives committee on appropriations.
25 The first report is due June 30, 1996, and the report for each
26 succeeding biennium is due December 31 of the odd-numbered year. The
27 report shall consist of a list of each recipient, project description,
28 and amount of the grant, loan, or both.

29 (4) During the fiscal biennium ending June 30, 1997, moneys in the
30 account may be transferred by the legislature to the water right permit
31 processing account.

32 **Sec. 921.** RCW 80.01.080 and 2001 c 238 s 8 are each amended to
33 read as follows:

34 (~~The transportation revolving fund and the public utilities~~
35 ~~revolving fund are abolished as of April 1, 1949, and as of such date))
36 There is created in the state treasury a ((~~"~~))public service revolving
37 fund((~~" to which shall be transferred all moneys which then remain on~~
38 ~~hand to the credit of the transportation revolving fund and the public~~~~

1 ~~utilities revolving fund, subject, however, to outstanding warrants and~~
2 ~~other obligations chargeable to appropriations made from such funds.~~
3 ~~From and after April 1, 1949,)).~~ Regulatory fees payable by all types
4 of public service companies shall be deposited to the credit of the
5 public service revolving fund. Except for expenses payable out of the
6 pipeline safety account, all expense of operation of the Washington
7 utilities and transportation commission shall be payable out of the
8 public service revolving fund.

9 During the 2001-2003 fiscal biennium, the legislature may transfer
10 from the public service revolving fund to the state general fund such
11 amounts as reflect the appropriations reductions made by the 2002
12 supplemental appropriations act for administrative efficiencies and
13 savings.

14 NEW SECTION. Sec. 922. If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

18 NEW SECTION. Sec. 923. This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 immediately.

22 (End of part)

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