
SUBSTITUTE SENATE BILL 6387

State of Washington 57th Legislature**2002 Regular Session****By Senate Committee on Ways & Means (originally sponsored by Senator Brown; by request of Governor Locke)**

READ FIRST TIME 03/07/2002.

1 AN ACT Relating to fiscal matters; amending RCW 9.46.100,
2 28B.50.837, 38.52.106, 38.52.540, 41.06.150, 43.10.220, 43.30.360,
3 43.33A.160, 43.72.900, 43.83B.430, 43.88.030, 43.320.110, 46.09.110,
4 46.10.075, 48.02.190, 49.70.170, 50.20.190, 51.44.170, 66.08.235,
5 67.16.100, 67.40.025, 67.70.260, 70.93.180, 70.94.015, 70.95E.080,
6 70.105D.070, 70.146.030, 70.168.040, 77.12.170, 77.44.050, 79.24.580,
7 79A.05.215, 80.01.080, 82.29A.080, 90.48.465, and 90.56.510; amending
8 2001 2nd sp.s. c 7 ss 101, 102, 103, 104, 105, 106, 107, 109, 110, 111,
9 112, 113, 114, 115, 117, 118, 120, 121, 123, 125, 126, 127, 128, 129,
10 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 142, 143, 144, 147,
11 148, 149, 151, 152, 153, 154, 201, 202, 203, 204, 205, 206, 207, 208,
12 209, 210, 211, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223,
13 224, 301, 302, 303, 304, 305, 306, 307, 308, 309, 401, 402, 501, 502,
14 503, 504, 505, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517,
15 519, 521, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612,
16 613, 614, 615, 616, 617, 618, 619, 701, 702, 703, 704, 706, 713, 716,
17 717, 719, 720, 722, 723, 724, 727, 728, 730, 801, and 805 (uncodified);
18 reenacting and amending RCW 50.16.010 and 69.50.520; adding new
19 sections to 2001 2nd sp.s. c 7 (uncodified); making appropriations; and
20 declaring an emergency.

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

2 **PART I**
3 **GENERAL GOVERNMENT**

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

6 **FOR THE HOUSE OF REPRESENTATIVES**

7	General Fund--State Appropriation (FY 2002) . . . \$	28,313,000
8	General Fund--State Appropriation (FY 2003) . . . \$	((28,497,000))
9		<u>27,687,000</u>
10	Department of Retirement Systems Expense Account--	
11	State Appropriation \$	45,000
12	TOTAL APPROPRIATION \$	((56,855,000))
13		<u>56,045,000</u>

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

16 (1) \$25,000 of the general fund--state appropriation is provided
17 solely for allocation to Project Citizen, a program of the national
18 conference of state legislatures to promote student civic involvement.

19 (2) \$15,000 of the general fund--state appropriation for fiscal
20 year 2002 is provided for the legislature to continue the services of
21 expert counsel on legal and policy issues relating to services for
22 persons with developmental disabilities.

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

25 **FOR THE SENATE**

26	General Fund--State Appropriation (FY 2002) . . . \$	22,863,000
27	General Fund--State Appropriation (FY 2003) . . . \$	((23,999,000))
28		<u>23,375,000</u>
29	Department of Retirement Systems Expense Account--	
30	State Appropriation \$	45,000
31	TOTAL APPROPRIATION \$	((46,907,000))
32		<u>46,283,000</u>

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

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

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

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

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

11	General Fund--State Appropriation (FY 2002) . . . \$	((2,436,000))
12		<u>2,191,000</u>
13	General Fund--State Appropriation (FY 2003) . . . \$	((1,938,000))
14		<u>1,968,000</u>
15	TOTAL APPROPRIATION \$	((4,374,000))
16		<u>4,159,000</u>

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

19 (1) ~~(((\$150,000))~~ \$75,000 of the general fund--state appropriation
20 for fiscal year 2002 and ~~(((\$75,000))~~ \$275,000 of the general fund--
21 state appropriation for fiscal year 2003 are provided solely for the
22 joint legislative audit and review committee to conduct program
23 evaluations and data analysis of the developmental disabilities
24 program. These studies shall include an evaluation of the ((client))
25 outcomes of clients in the high school transition program ((operated by
26 the department of social and health services division of developmental
27 disabilities. The study shall identify the different approaches that
28 have been used in providing transition services and whether some
29 approaches are more or less successful in helping young adults with
30 developmental disabilities achieve greater levels of independence. The
31 study shall evaluate how transition programs reduce the level of
32 support provided to clients as they achieve greater levels of
33 independence,)) and whether the program helps clients achieve greater
34 levels of independence and reduces the level of support services
35 provided to clients as they achieve greater levels of independence. An
36 analysis of service utilization and eligibility determination for
37 clients receiving services from the developmental disabilities program
38 shall be conducted in cooperation with interim studies by legislative

1 fiscal and policy staff. Preliminary study results shall be submitted
2 to the appropriate committees of the legislature by December 1, 2002.
3 The final report shall be submitted no later than June 30, 2003.

4 (2) \$50,000 of the general fund--state appropriation for fiscal
5 year 2002 is provided solely for the joint legislative audit and review
6 committee to conduct a capacity planning study of the capital
7 facilities of the state school for the deaf. The committee's study
8 shall be carried out in conjunction with the study of educational
9 service delivery models conducted by the state institute for public
10 policy. The study shall be submitted to the fiscal committees of the
11 legislature by September 30, 2002.

12 (~~(\$35,000 of the general fund--state appropriation for fiscal~~
13 ~~year 2002 is provided solely for)) The joint legislative audit and~~
14 ~~review committee ((to)) shall conduct a review of water conservancy~~
15 boards. The review shall include an assessment of the operating costs
16 of existing boards; the sources of funding for board operations;
17 sources of in-kind support for board operations; assessment of the
18 value of water rights subject to change or transfer decisions; the
19 range of costs of processing water right transfer applications by the
20 boards as well as by the department of ecology for applications filed
21 directly with the department; the costs to the department of training,
22 assistance, and review of board recommendations on applications; board
23 membership and board recordkeeping; and public participation procedures
24 for both the water conservancy boards and the department of ecology.
25 The committee shall submit its review by (~~January 1, 2003~~) December
26 1, 2004, to the appropriate policy and fiscal committees of the
27 legislature.

28 (4) \$40,000 of the general fund--state appropriation for fiscal
29 year 2002 is provided solely for a follow-up review to report number
30 98-3, the performance audit of the department of corrections. The
31 follow-up study shall include but not be limited to a review of:

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

33 (b) The implementation of risk-based classification and community
34 placement models;

35 (c) The early implementation of the offender accountability act;
36 and

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

1 The committee shall consult with the Washington state institute for
2 public policy regarding data and findings from the institute's current
3 studies on these issues. A report of the follow-up study shall be
4 submitted to the relevant policy and fiscal committees of the
5 legislature by December 21, 2001. Upon the completion of the follow-up
6 review, the committee shall make a determination whether an additional
7 phase of study is needed. If further study is indicated, the committee
8 shall submit to the relevant policy and fiscal committees of the
9 legislature its plan and cost estimate for such study by March 29,
10 2002.

11 (5) \$140,000 of the general fund--state appropriation for fiscal
12 year 2002 is provided for a study of children's mental health in
13 Washington. The study shall include but not be limited to:

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

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

17 (c) A review of the availability and reliability of fiscal,
18 program, and outcome data relating to mental health services provided
19 to children; and

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

22 The committee shall make recommendations, as appropriate, for the
23 improvement of services and system performance, including the need for
24 performance and client outcome measures. The committee may contract
25 for consulting services in conducting the study. The committee shall
26 submit a report to the appropriate policy and fiscal committees of the
27 legislature by July 1, 2002.

28 (6) Within the amounts provided in this section, the joint
29 legislative audit and review committee shall conduct a study of the
30 Washington management service. The study shall include findings
31 regarding (a) growth in the number of positions in the Washington
32 management service, (b) growth in salary levels and structure since the
33 Washington management service's inception, and (c) other compensation
34 practices used within the Washington management service. The
35 department of personnel shall cooperate with the committee in
36 conducting the study and provide information as requested by the
37 committee. The committee shall provide a report to the fiscal
38 committees of the legislature by December 31, 2001.

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

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

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

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

12 General Fund--State Appropriation (FY 2002) . . . \$	1,329,000
13 General Fund--State Appropriation (FY 2003) . . . \$	((1,462,000))
14	<u>1,418,000</u>
15 Public Works Assistance Account--State	
16 Appropriation \$	203,000
17 TOTAL APPROPRIATION \$	((2,994,000))
18	<u>2,950,000</u>

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

21 **FOR THE OFFICE OF THE STATE ACTUARY**

22 Department of Retirement Systems Expense Account--	
23 State Appropriation \$	((1,923,000))
24	<u>2,054,000</u>

25 The appropriation in this section is subject to the following
26 conditions and limitations: The joint committee on pension policy, in
27 collaboration with various interested parties, shall study issues of
28 pension governance and recommend legislation for consideration in the
29 2002 legislative session.

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

32 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

33 General Fund--State Appropriation (FY 2002) . . . \$	6,421,000
34 General Fund--State Appropriation (FY 2003) . . . \$	((7,043,000))
35	<u>6,861,000</u>
36 TOTAL APPROPRIATION \$	((13,464,000))

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

FOR THE STATUTE LAW COMMITTEE

General Fund--State Appropriation (FY 2002) . . . \$	3,909,000
General Fund--State Appropriation (FY 2003) . . . \$	((4,038,000))
	<u>3,923,000</u>
TOTAL APPROPRIATION \$	((7,947,000))
	<u>7,832,000</u>

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

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

FOR THE SUPREME COURT

General Fund--State Appropriation (FY 2002) . . . \$	((5,423,000))
	<u>5,500,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((5,510,000))
	<u>5,495,000</u>
TOTAL APPROPRIATION \$	((10,933,000))
	<u>10,995,000</u>

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

FOR THE LAW LIBRARY

General Fund--State Appropriation (FY 2002) . . . \$	1,982,000
General Fund--State Appropriation (FY 2003) . . . \$	((1,983,000))
	<u>1,924,000</u>
TOTAL APPROPRIATION \$	((3,965,000))
	<u>3,906,000</u>

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

FOR THE COURT OF APPEALS

General Fund--State Appropriation (FY 2002) . . . \$	((12,746,000))
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1		<u>12,894,000</u>
2	General Fund--State Appropriation (FY 2003) . . . \$	((12,878,000))
3		<u>12,749,000</u>
4	TOTAL APPROPRIATION \$	((25,624,000))
5		<u>25,643,000</u>

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

8 (1) \$505,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$606,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely for lease increases associated
11 with the division I facility. ~~((Within the funds provided in this
12 subsection, the court of appeals shall conduct a space planning study
13 exploring options dealing with remodeling existing space to accommodate
14 needs and evaluating the cost and benefits of moving to another
15 location.))~~

16 (2) \$168,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$159,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for providing compensation
19 adjustments to nonjudicial staff of the court of appeals. Within the
20 funds provided in this subsection, the court of appeals shall determine
21 the specific positions to receive compensation adjustments based on
22 recruitment and retention difficulties, new duties or responsibilities
23 assigned, and salary inversion or compression within the court of
24 appeals.

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

27 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

28	General Fund--State Appropriation (FY 2002) . . . \$	955,000
29	General Fund--State Appropriation (FY 2003) . . . \$	((969,000))
30		<u>940,000</u>
31	TOTAL APPROPRIATION \$	((1,924,000))
32		<u>1,895,000</u>

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

35 **FOR THE ADMINISTRATOR FOR THE COURTS**

36	General Fund--State Appropriation (FY 2002) . . . \$	((14,247,000))
37		<u>14,900,000</u>

1	General Fund--State Appropriation (FY 2003) . . . \$	((14,386,000))
2		<u>15,388,000</u>
3	Public Safety and Education Account--State	
4	Appropriation \$	((29,634,000))
5		<u>27,251,000</u>
6	Judicial Information Systems Account--State	
7	Appropriation \$	27,758,000
8	TOTAL APPROPRIATION \$	((86,025,000))
9		<u>85,297,000</u>

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

12 (1) Funding provided in the judicial information systems account
13 appropriation shall be used for the operations and maintenance of
14 technology systems that improve services provided by the supreme court,
15 the court of appeals, the office of public defense, and the
16 administrator for the courts.

17 (2) No moneys appropriated in this section may be expended by the
18 administrator for the courts for payments in excess of fifty percent of
19 the employer contribution on behalf of superior court judges for
20 insurance and health care plans and federal social security and
21 medicare and medical aid benefits. As required by Article IV, section
22 13 of the state Constitution and 1996 Attorney General's Opinion No. 2,
23 it is the intent of the legislature that the costs of these employer
24 contributions shall be shared equally between the state and county or
25 counties in which the judges serve. The administrator for the courts
26 shall continue to implement procedures for the collection and
27 disbursement of these employer contributions. During each fiscal year
28 in the 2001-03 biennium, the office of the administrator for the courts
29 shall send written notice to the office of community development in the
30 department of community, trade, and economic development when each
31 county pays its fifty percent share for the year.

32 (3) \$223,000 of the public safety and education account
33 appropriation is provided solely for the gender and justice commission.

34 (4) \$308,000 of the public safety and education account
35 appropriation is provided solely for the minority and justice
36 commission.

37 (5) \$278,000 of the general fund--state appropriation for fiscal
38 year 2002, \$285,000 of the general fund--state appropriation for fiscal
39 year 2003, and \$263,000 of the public safety and education account

1 appropriation are provided solely for the workload associated with tax
2 warrants and other state cases filed in Thurston county.

3 (6) \$750,000 of the general fund--state appropriation for fiscal
4 year 2002 and \$750,000 of the general fund--state appropriation for
5 fiscal year 2003 are provided solely for court-appointed special
6 advocates in dependency matters. The administrator for the courts,
7 after consulting with the association of juvenile court administrators
8 and the association of court-appointed special advocate/guardian ad
9 litem programs, shall distribute the funds to volunteer court-appointed
10 special advocate/guardian ad litem programs. The distribution of
11 funding shall be based on the number of children who need volunteer
12 court-appointed special advocate representation and shall be equally
13 accessible to all volunteer court-appointed special advocate/guardian
14 ad litem programs. The administrator for the courts shall not retain
15 more than six percent of total funding to cover administrative or any
16 other agency costs.

17 (7) \$750,000 of the public safety and education account--state
18 appropriation is provided solely for judicial program enhancements.
19 Within the funding provided in this subsection, the administrator for
20 the courts, in consultation with the supreme court, shall determine the
21 program or programs to receive an enhancement. Among the programs that
22 may be funded from the amount provided in this subsection are unified
23 family courts.

24 (8) (~~(\$1,618,000 of the public safety and education account--state~~
25 ~~appropriation is provided solely for increases for juror pay. The~~
26 ~~office of the administrator for the courts may contract with local~~
27 ~~governments to provide additional juror pay. The contract shall~~
28 ~~provide that the local government is responsible for the first ten~~
29 ~~dollars of juror compensation for each day or partial day of jury~~
30 ~~service, and the state shall reimburse the local government for any~~
31 ~~additional compensation, excluding the first day, up to a maximum of~~
32 ~~fifteen dollars per day.)) \$1,800,000 of the judicial information
33 systems account--state appropriation is provided solely for
34 improvements and enhancements to the judicial information systems.
35 This funding shall only be expended after the office of the
36 administrator for the courts certifies to the office of financial
37 management that there will be at least a \$1,000,000 ending fund balance
38 in the judicial information systems account at the end of the 2001-03
39 biennium.~~

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

3 **FOR THE OFFICE OF PUBLIC DEFENSE**

4	General Fund--State Appropriation (FY 2002) . . . \$	600,000
5	<u>General Fund--State Appropriation (FY 2003) . . . \$</u>	<u>400,000</u>
6	Public Safety and Education Account--State	
7	Appropriation \$	((12,626,000))
8		<u>12,247,000</u>
9	TOTAL APPROPRIATION \$	((13,226,000))
10		<u>13,247,000</u>

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

13 (1) ((~~\$233,000~~)) \$204,000 of the public safety and education
14 account appropriation is provided solely to increase the reimbursement
15 for private attorneys providing constitutionally mandated indigent
16 defense in nondeath penalty cases.

17 (2) \$51,000 of the public safety and education account
18 appropriation is provided solely for the implementation of chapter 303,
19 Laws of 1999 (court funding).

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

23 (4) The ((~~entire~~)) general fund--state appropriations ((~~is~~)) are
24 provided solely for the continuation of a dependency and termination
25 legal representation funding pilot program.

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

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

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

1 (iii) Use of investigative and expert services in appropriate
2 cases; and

3 (iv) Effective implementation of indigency screening of all
4 dependency and termination parents, guardians, and legal custodians
5 represented by appointed counsel.

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

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

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

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

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

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

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

25 (5) \$50,000 of the public safety and education account--state
26 appropriation is provided solely for the evaluation required in chapter
27 92, Laws of 2000 (DNA testing).

28 (6) \$235,000 of the public safety and education account--state
29 appropriation is provided solely for the office of public defense to
30 contract with an existing public defender association to establish a
31 capital defense assistance center.

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

34 **FOR THE OFFICE OF THE GOVERNOR**

35 General Fund--State Appropriation (FY 2002) . . . \$	4,537,000
36 General Fund--State Appropriation (FY 2003) . . . \$	((4,524,000))
37	<u>4,247,000</u>
38 General Fund--Federal Appropriation \$	219,000

1	Water Quality Account--State	
2	Appropriation	\$ ((3,908,000))
3		<u>3,726,000</u>
4	TOTAL APPROPRIATION	\$ ((13,188,000))
5		<u>12,729,000</u>

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

8 (1) ((~~\$3,908,000~~)) \$3,726,000 of the water quality account
9 appropriation and \$219,000 of the general fund--federal appropriation
10 are provided solely for the Puget Sound water quality action team to
11 implement the Puget Sound work plan and agency action items PSAT-01
12 through PSAT-05.

13 (2) \$100,000 of the general fund--state appropriation for fiscal
14 year 2002 ((~~and \$100,000 of the general fund--state appropriation for~~
15 ~~fiscal year 2003 are~~)) is provided solely for the salmon recovery
16 office to support the efforts of the independent science panel.

17 **Sec. 115.** 2001 2nd sp.s. c 7 s 117 (uncodified) is amended to read
18 as follows:

19	FOR THE PUBLIC DISCLOSURE COMMISSION	
20	General Fund--State Appropriation (FY 2002) . . .	\$ 1,910,000
21	General Fund--State Appropriation (FY 2003) . . .	\$ ((1,903,000))
22		<u>1,831,000</u>
23	TOTAL APPROPRIATION	\$ ((3,813,000))
24		<u>3,741,000</u>

25 **Sec. 116.** 2001 2nd sp.s. c 7 s 118 (uncodified) is amended to read
26 as follows:

27	FOR THE SECRETARY OF STATE	
28	General Fund--State Appropriation (FY 2002) . . .	\$ ((10,513,000))
29		<u>10,175,000</u>
30	General Fund--State Appropriation (FY 2003) . . .	\$ ((8,707,000))
31		<u>6,351,000</u>
32	Archives and Records Management Account--State	
33	Appropriation	\$ ((7,295,000))
34		<u>7,796,000</u>
35	Archives and Records Management Account--Private/	
36	Local Appropriation	\$ ((3,860,000))
37		<u>4,572,000</u>

1	Department of Personnel Service Account	
2	Appropriation	\$ ((719,000))
3		<u>701,000</u>
4	TOTAL APPROPRIATION	\$ ((31,094,000))
5		<u>29,595,000</u>

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

8 (1) (~~(\$2,296,000)~~) \$1,796,000 of the general fund--state
9 appropriation for fiscal year 2002 is provided solely to reimburse
10 counties for the state's share of primary and general election costs
11 and the costs of conducting mandatory recounts on state measures.
12 Counties shall be reimbursed only for those odd-year election costs
13 that the secretary of state validates as eligible for reimbursement.

14 (2) (~~(\$2,193,000)~~) \$2,143,000 of the general fund--state
15 appropriation for fiscal year 2002 and (~~(\$2,712,000)~~) \$2,578,000 of the
16 general fund--state appropriation for fiscal year 2003 are provided
17 solely for the verification of initiative and referendum petitions,
18 maintenance of related voter registration records, and the publication
19 and distribution of the voters and candidates pamphlet.

20 (3) \$125,000 of the general fund--state appropriation for fiscal
21 year 2002 and (~~(\$125,000)~~) \$118,000 of the general fund--state
22 appropriation for fiscal year 2003 are provided solely for legal
23 advertising of state measures under RCW 29.27.072.

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

1 office of the secretary of state may make full or partial payment once
2 all criteria in (a) and (b) of this subsection have been satisfactorily
3 documented.

4 (b) The legislature finds that the commitment of on-going funding
5 is necessary to ensure continuous, autonomous, and independent coverage
6 of public affairs. For that purpose, the secretary of state shall
7 enter into a four-year contract with the nonprofit organization to
8 provide public affairs coverage through June 30, 2006.

9 (c) The nonprofit organization shall prepare an annual independent
10 audit, an annual financial statement, and an annual report, including
11 benchmarks that measure the success of the nonprofit organization in
12 meeting the intent of the program.

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

15 (i) Attempting to influence the passage or defeat of any
16 legislation by the legislature of the state of Washington, by any
17 county, city, town, or other political subdivision of the state of
18 Washington, or by the congress, or the adoption or rejection of any
19 rule, standard, rate, or other legislative enactment of any state
20 agency;

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

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

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

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

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

34 (b) \$613,879 of the archives and records management--state
35 appropriation and \$463,102 of the archives and records management--
36 private/local appropriation are provided solely for the design and
37 establishment of an electronic data archive, including the acquisition
38 of hardware and software. The amounts provided in this subsection
39 shall lapse if:

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

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

6 (6) If the financing contract for expansion of the state records
7 center is not authorized in the capital budget for fiscal biennium
8 2001-03, then \$641,000 of the archives and records management account--
9 state appropriation shall lapse.

10 (7) (~~(\$867,000)~~) \$1,635,000 of the archives and records management
11 account--state appropriation is provided solely for operation of the
12 central microfilming bureau under RCW 40.14.020(8).

13 **Sec. 117.** 2001 2nd sp.s. c 7 s 120 (uncodified) is amended to read
14 as follows:

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

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

21 **Sec. 118.** 2001 2nd sp.s. c 7 s 121 (uncodified) is amended to read
22 as follows:

23 **FOR THE STATE TREASURER**

24	State Treasurer's Service Account--State	
25	Appropriation \$	((12,870,000))
26		<u>12,676,000</u>

27 **Sec. 119.** 2001 2nd sp.s. c 7 s 123 (uncodified) is amended to read
28 as follows:

29 **FOR THE STATE AUDITOR**

30	General Fund--State Appropriation (FY 2002) . . . \$	((1,078,000))
31		<u>778,000</u>
32	General Fund--State Appropriation (FY 2003) . . . \$	((1,324,000))
33		<u>1,024,000</u>
34	State Auditing Services Revolving Account--State	
35	Appropriation \$	((13,540,000))
36		<u>13,347,000</u>

1 TOTAL APPROPRIATION \$ ((15,942,000))
 2 15,149,000

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

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

10 (2) ((~~\$910,000~~)) \$778,000 of the general fund--state appropriation
 11 for fiscal year 2002 and ((~~\$910,000~~)) \$1,024,000 of the general fund--
 12 state appropriation for fiscal year 2003 are provided solely for staff
 13 and related costs to verify the accuracy of reported school district
 14 data submitted for state funding purposes; conduct school district
 15 program audits of state funded public school programs; establish the
 16 specific amount of state funding adjustments whenever audit exceptions
 17 occur and the amount is not firmly established in the course of regular
 18 public school audits; and to assist the state special education safety
 19 net committee when requested.

20 **Sec. 120.** 2001 2nd sp.s. c 7 s 125 (uncodified) is amended to read
 21 as follows:

22 **FOR THE ATTORNEY GENERAL**

23	General Fund--State Appropriation (FY 2002)	\$	4,811,000
24	General Fund--State Appropriation (FY 2003)	\$	((4,806,000))
25			<u>4,009,000</u>
26	General Fund--Federal Appropriation	\$	2,868,000
27	<u>General Fund--Private/Local Appropriation</u>	\$	<u>840,000</u>
28	Public Safety and Education Account--State		
29	Appropriation	\$	((1,789,000))
30			<u>1,739,000</u>
31	Tobacco Prevention and Control Account		
32	Appropriation	\$	277,000
33	New Motor Vehicle Arbitration Account--State		
34	Appropriation	\$	1,163,000
35	Legal Services Revolving Account--State		
36	Appropriation	\$	((147,306,000))
37			<u>146,633,000</u>
38	TOTAL APPROPRIATION	\$	((163,020,000))

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

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

10 (2) The attorney general and the office of financial management
11 shall modify the attorney general billing system to meet the needs of
12 user agencies for greater predictability, timeliness, and explanation
13 of how legal services are being used by the agency. The attorney
14 general shall provide the following information each month to agencies
15 receiving legal services: (a) The full-time equivalent attorney
16 services provided for the month; (b) the full-time equivalent
17 investigator services provided for the month; (c) the full-time
18 equivalent paralegal services provided for the month; and (d) direct
19 legal costs, such as filing and docket fees, charged to the agency for
20 the month.

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

26 (4)(a) \$87,000 of the general fund--state appropriation for fiscal
27 year 2003 is provided solely for the office of the attorney general to
28 prepare a report by October 1, 2002, to the standing committees of the
29 legislature having jurisdiction over water resources regarding federal
30 and Indian reserved water rights. The objectives of the report shall
31 be to:

32 (i) Examine and characterize the types of water rights issues
33 involved;

34 (ii) Examine the approaches of other states to such issues and
35 their results;

36 (iii) Examine methods for addressing such issues including, but not
37 limited to, administrative, judicial, or other methods, or any
38 combinations thereof; and

39 (iv) Examine implementation and funding requirements.

1 (b) Following receipt of the report, the standing committees of the
 2 legislature having jurisdiction over water resources shall seek and
 3 consider the recommendations of the relevant departments and agencies
 4 of the United States, the federally recognized Indian tribes with
 5 water-related interests in the state, and water users in the state and
 6 shall develop recommendations.

7 **Sec. 121.** 2001 2nd sp.s. c 7 s 126 (uncodified) is amended to read
 8 as follows:

9 **FOR THE CASELOAD FORECAST COUNCIL**

10	General Fund--State Appropriation (FY 2002) . . . \$	631,000
11	General Fund--State Appropriation (FY 2003) . . . \$	((619,000))
12		<u>600,000</u>
13	TOTAL APPROPRIATION \$	((1,250,000))
14		<u>1,231,000</u>

15 **Sec. 122.** 2001 2nd sp.s. c 7 s 127 (uncodified) is amended to read
 16 as follows:

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

18	General Fund--State Appropriation (FY 2002) . . . \$	((71,083,500))
19		<u>70,908,000</u>
20	General Fund--State Appropriation (FY 2003) . . . \$	((70,873,500))
21		<u>61,591,000</u>
22	General Fund--Federal Appropriation \$	173,342,000
23	General Fund--Private/Local Appropriation \$	7,980,000
24	Public Safety and Education Account--State	
25	Appropriation \$	((10,300,000))
26		<u>10,014,000</u>
27	Public Works Assistance Account--State	
28	Appropriation \$	1,911,000
29	<u>Salmon Recovery Account--State Appropriation . . \$</u>	<u>1,500,000</u>
30	Film and Video Promotion Account--State	
31	Appropriation \$	25,000
32	Building Code Council Account--State	
33	Appropriation \$	((1,061,000))
34		<u>1,226,000</u>
35	Administrative Contingency Account--State	
36	Appropriation \$	1,777,000
37	Low-Income Weatherization Assistance Account--State	

1	Appropriation	\$	3,292,000
2	Violence Reduction and Drug Enforcement Account--		
3	State Appropriation	\$	((6,081,000))
4			<u>7,459,000</u>
5	Manufactured Home Installation Training Account--		
6	State Appropriation	\$	256,000
7	Community Economic Development Account--		
8	State Appropriation	\$	113,000
9	Washington Housing Trust Account--State		
10	Appropriation	\$	((5,597,000))
11			<u>7,585,000</u>
12	Public Facility Construction Loan Revolving		
13	Account--State Appropriation	\$	550,000
14	TOTAL APPROPRIATION	\$	((354,242,000))
15			<u>349,529,000</u>

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

18 (1) It is the intent of the legislature that the department of
19 community, trade, and economic development receive separate
20 programmatic allotments for the office of community development and the
21 office of trade and economic development. Any appropriation made to
22 the department of community, trade, and economic development for
23 carrying out the powers, functions, and duties of either office shall
24 be credited to the appropriate office.

25 (2) \$3,085,000 of the general fund--state appropriation for fiscal
26 year 2002 and ((~~\$3,085,000~~)) \$2,992,000 of the general fund--state
27 appropriation for fiscal year 2003 are provided solely for a contract
28 with the Washington technology center. For work essential to the
29 mission of the Washington technology center and conducted in
30 partnership with universities, the center shall not pay any increased
31 indirect rate nor increases in other indirect charges above the
32 absolute amount paid during the 1995-97 fiscal biennium.

33 (3) \$61,000 of the general fund--state appropriation for fiscal
34 year 2002 and \$62,000 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 OCD-01.

37 (4) \$10,403,445 of the general fund--federal appropriation is
38 provided solely for the drug control and system improvement formula
39 grant program, to be distributed in state fiscal year 2002 as follows:

- 1 (a) \$3,603,250 to local units of government to continue
2 multijurisdictional narcotics task forces;
- 3 (b) \$620,000 to the department to continue the drug prosecution
4 assistance program in support of multijurisdictional narcotics task
5 forces;
- 6 (c) \$1,363,000 to the Washington state patrol for coordination,
7 investigative, and supervisory support to the multijurisdictional
8 narcotics task forces and for methamphetamine education and response;
- 9 (d) \$200,000 to the department for grants to support tribal law
10 enforcement needs;
- 11 (e) \$991,000 to the department of social and health services,
12 division of alcohol and substance abuse, for drug courts in eastern and
13 western Washington;
- 14 (f) \$302,551 to the department for training and technical
15 assistance of public defenders representing clients with special needs;
- 16 (g) \$88,000 to the department to continue a substance abuse
17 treatment in jails program, to test the effect of treatment on future
18 criminal behavior;
- 19 (h) \$697,075 to the department to continue domestic violence legal
20 advocacy;
- 21 (i) \$903,000 to the department of social and health services,
22 juvenile rehabilitation administration, to continue youth violence
23 prevention and intervention projects;
- 24 (j) \$60,000 to the Washington association of sheriffs and police
25 chiefs to complete the state and local components of the national
26 incident-based reporting system;
- 27 (k) \$60,000 to the department for community-based advocacy services
28 to victims of violent crime, other than sexual assault and domestic
29 violence;
- 30 (l) \$91,000 to the department to continue the governor's council on
31 substance abuse;
- 32 (m) \$99,000 to the department to continue evaluation of Byrne
33 formula grant programs;
- 34 (n) \$500,469 to the office of financial management for criminal
35 history records improvement; and
- 36 (o) \$825,100 to the department for required grant administration,
37 monitoring, and reporting on Byrne formula grant programs.

38 These amounts represent the maximum Byrne grant expenditure
39 authority for each program. No program may expend Byrne grant funds in

1 excess of the amounts provided in this subsection. If moneys in excess
2 of those appropriated in this subsection become available, whether from
3 prior or current fiscal year Byrne grant distributions, the department
4 shall hold these moneys in reserve and may not expend them without
5 specific appropriation. These moneys shall be carried forward and
6 applied to the pool of moneys available for appropriation for programs
7 and projects in the succeeding fiscal year. As part of its budget
8 request for the succeeding year, the department shall estimate and
9 request authority to spend any funds remaining in reserve as a result
10 of this subsection.

11 (5) \$470,000 of the general fund--state appropriation for fiscal
12 year 2002 and \$470,000 of the general fund--state appropriation for
13 fiscal year 2003 are provided solely for rural economic development
14 activities including \$200,000 for the Washington manufacturing service,
15 and \$100,000 for business retention and expansion.

16 (6) \$1,250,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$1,250,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for grants to operate, repair, and
19 staff shelters for homeless families with children.

20 (7) \$2,500,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$2,500,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for grants to operate transitional
23 housing for homeless families with children. The grants may also be
24 used to make partial payments for rental assistance.

25 (8) \$1,250,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$1,250,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely for consolidated emergency
28 assistance to homeless families with children.

29 (9) \$205,000 of the general fund--state appropriation for fiscal
30 year 2002 and \$205,000 of the general fund--state appropriation for
31 fiscal year 2003 are provided solely for grants to Washington Columbia
32 river gorge counties to implement their responsibilities under the
33 national scenic area management plan. Of this amount, \$390,000 is
34 provided for Skamania county and \$20,000 is provided for Clark county.

35 (10) \$698,000 of the general fund--state appropriation for fiscal
36 year 2002, \$698,000 of the general fund--state appropriation for fiscal
37 year 2003, and \$1,101,000 of the administrative contingency account
38 appropriation are provided solely for contracting with associate
39 development organizations to maintain existing programs.

1 (11) \$600,000 of the public safety and education account
2 appropriation is provided solely for sexual assault prevention and
3 treatment programs.

4 (12) \$680,000 of the Washington housing trust account appropriation
5 is provided solely to conduct a pilot project designed to lower
6 infrastructure costs for residential development.

7 (13) \$50,000 of the general fund--state appropriation for fiscal
8 year 2002 and \$50,000 of the general fund--state appropriation for
9 fiscal year 2003 are provided to the department solely for providing
10 technical assistance to developers of housing for farmworkers.

11 (14) \$370,000 of the general fund--state appropriation for fiscal
12 year 2002, (~~(\$371,000)~~) \$352,000 of the general fund--state
13 appropriation for fiscal year 2003, and \$25,000 of the film and video
14 promotion account appropriation are provided solely for the film office
15 to bring film and video production to Washington state.

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

22 (16) \$500,000 of the general fund--state appropriation for fiscal
23 year 2002 and \$500,000 of the general fund--state appropriation for
24 fiscal year 2003 are provided solely for grants to food banks and food
25 distribution centers to increase their ability to accept, store, and
26 deliver perishable food.

27 (17) \$230,000 of the general fund--state appropriation for fiscal
28 year 2002, \$230,000 of the general fund--state appropriation for fiscal
29 year 2003, and the entire community economic development account
30 appropriation are provided solely for support of the developmental
31 disabilities endowment governing board and startup costs of the
32 endowment program. Startup costs are a loan from the state general
33 fund and will be repaid from funds within the program as determined by
34 the governing board. The governing board may use state appropriations
35 to implement a sliding-scale fee waiver for families earning below 150
36 percent of the state median family income. The director of the
37 department, or the director of the subsequent department of community
38 development, may implement fees to support the program as provided
39 under RCW 43.330.152.

1 (18) \$880,000 of the public safety and education account
2 appropriation is provided solely for community-based legal advocates to
3 assist sexual assault victims with both civil and criminal justice
4 issues. If Senate Bill No. 5309 is not enacted by June 30, 2001, the
5 amount provided in this subsection shall lapse.

6 (19) \$65,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$65,000 of the general fund--state appropriation for
8 fiscal year 2003 are provided solely for a contract with a food
9 distribution program for communities in the southwestern portion of the
10 state and for workers impacted by timber and salmon fishing closures
11 and reductions. The department may not charge administrative overhead
12 or expenses to the funds provided in this subsection.

13 (20) \$120,000 of the general fund--state appropriation for fiscal
14 year 2002 and \$120,000 of the ~~((general fund--state))~~ Washington
15 housing trust account appropriation for fiscal year 2003 are provided
16 solely as one-time pass-through funding to currently licensed overnight
17 youth shelters. If Substitute House Bill No. 2060 (low-income housing)
18 is not enacted by June 30, 2002, the fiscal year 2003 appropriation
19 shall be made from the state general fund.

20 (21) \$1,868,000 of the Washington housing trust account
21 appropriation for fiscal year 2003 is provided solely for emergency
22 shelter assistance. If Substitute House Bill No. 2060 (low-income
23 housing) is not enacted by June 30, 2002, the fiscal year 2003
24 appropriation shall be made from the state general fund.

25 (22) Repayments of outstanding loans granted under RCW 43.63A.600,
26 the mortgage and rental assistance program, shall be remitted to the
27 department, including any current revolving account balances. The
28 department shall contract with a lender or contract collection agent to
29 act as a collection agent of the state. The lender or contract
30 collection agent shall collect payments on outstanding loans, and
31 deposit them into an interest-bearing account. The funds collected
32 shall be remitted to the department quarterly. Interest earned in the
33 account may be retained by the lender or contract collection agent, and
34 shall be considered a fee for processing payments on behalf of the
35 state. Repayments of loans granted under this chapter shall be made to
36 the lender or contract collection agent as long as the loan is
37 outstanding, notwithstanding the repeal of the chapter.

38 ~~((+22))~~ (23) \$75,000 of the general fund--state appropriation for
39 fiscal year 2002 ~~((and \$75,000 of the general fund--state appropriation~~

1 ~~for fiscal year 2003 are~~) is provided solely for the community
2 connections program in Walla Walla.

3 ~~((23))~~ (24) \$100,000 of the general fund--state appropriation for
4 fiscal year 2002 and \$100,000 of the general fund--state appropriation
5 for fiscal year 2003 are provided to the office of community
6 development solely for the purposes of providing assistance to
7 industrial workers who have been displaced by energy cost-related
8 industrial plant closures in rural counties. For purposes of this
9 subsection, "rural county" is as defined in RCW 82.14.370(5). The
10 office of community development shall distribute the amount in this
11 subsection to community agencies that assist the displaced industrial
12 workers in meeting basic needs including, but not limited to, emergency
13 medical and dental services, family and mental health counseling, food,
14 energy costs, mortgage, and rental costs. The department shall not
15 retain more than two percent of the amount provided in this subsection
16 for administrative costs.

17 ~~((24))~~ (25) \$91,500 of the general fund--state appropriation for
18 fiscal year 2002 and \$91,500 of the general fund--state appropriation
19 for fiscal year 2003 are provided solely for services related to the
20 foreign representative contract for Japan.

21 ~~((25))~~ (26) \$81,000 of the general fund--state appropriation for
22 fiscal year 2002 and \$81,000 of the general fund--state appropriation
23 for fiscal year 2003 are provided solely for business finance and loan
24 programs.

25 ~~((26))~~ (27) \$150,000 of the general fund--state appropriation for
26 fiscal year 2002 is provided solely for the quick sites initiative
27 program.

28 ~~((27))~~ (28) \$120,000 of the general fund--state appropriation for
29 fiscal year 2002 and \$120,000 of the general fund--state appropriation
30 for fiscal year 2003 are provided solely for operating a business
31 information hotline.

32 ~~((28))~~ (29) \$29,000 of the general fund--state appropriation for
33 fiscal year 2002 and \$29,000 of the general fund--state appropriation
34 for fiscal year 2003 are provided solely for travel expenses associated
35 with the office of trade and economic development's provision of
36 outreach and technical assistance services to businesses and local
37 economic development associations.

38 ~~((29))~~ (30) \$100,000 of the general fund--state appropriation for
39 fiscal year 2002 and \$100,000 of the general fund--state appropriation

1 for fiscal year 2003 are provided solely for information technology
2 enhancements designed to improve the delivery of agency services to
3 customers.

4 (31) \$15,000 of the general fund--state appropriation for fiscal
5 year 2002 is provided for the energy division to include the following
6 information in the biennial energy report to be transmitted to the
7 governor and the legislature by December 1, 2002: (a) Identification
8 of methods for the creation of new electricity capacity in advance of
9 any critical need; (b) identification and analysis of incentives and
10 disincentives for building new generation and transmission capacity;
11 (c) identification of methods to encourage demand management options
12 and technologies; (d) an estimate of current and future contributions
13 to global climate change attributable to state government; (e)
14 identification and analysis of specific strategies and options to
15 reduce or offset contributions to global climate change attributable to
16 state government's energy consumption, including reducing the state's
17 consumption of electricity through pursuit of cost-effective energy
18 conservation and efficiency opportunities and increasing the proportion
19 of electricity state government purchases through an electric utility
20 from clean energy resources; and (f) the results of efforts by the
21 department of general administration and other state agencies to
22 aggregate purchasing of clean technologies.

23 (32) \$300,000 of the general fund--state appropriation for fiscal
24 year 2003 is provided to reimburse nonprofit associations engaged in
25 the production and performance of musical, dance, artistic, dramatic,
26 or literary works for the benefit of the general public for back
27 leasehold excise taxes assessed by the department of revenue.

28 (33) \$10,512,393 of the general fund--federal appropriation is
29 provided solely for the drug control and system improvement formula
30 grant program, to be distributed in state fiscal year 2003 as follows:

31 (a) \$3,551,972 to local units of government to continue
32 multijurisdictional narcotics task forces;

33 (b) \$611,177 to the department to continue the drug prosecution
34 assistance program in support of multijurisdictional narcotics task
35 forces;

36 (c) \$1,343,603 to the Washington state patrol for coordination,
37 investigative, and supervisory support to the multijurisdictional
38 narcotics task forces and for methamphetamine education and response;

1 (d) \$197,154 to the department for grants to support tribal law
2 enforcement needs;

3 (e) \$976,897 to the department of social and health services,
4 division of alcohol and substance abuse, for drug courts in eastern and
5 western Washington;

6 (f) \$298,246 to the department for training and technical
7 assistance of public defenders representing clients with special needs;

8 (g) \$687,155 to the department to continue domestic violence legal
9 advocacy;

10 (h) \$890,150 to the department of social and health services,
11 juvenile rehabilitation administration, to continue youth violence
12 prevention and intervention projects;

13 (i) \$89,705 to the department to continue the governor's council on
14 substance abuse;

15 (j) \$97,591 to the department to continue evaluation of Byrne
16 formula grant programs;

17 (k) \$895,386 to the office of financial management for criminal
18 history records improvement;

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

22 (m) \$813,358 to the department for required grant administration,
23 monitoring, and reporting on Byrne formula grant programs.

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

36 (34) \$35,000 of the general fund--state appropriation for fiscal
37 year 2003 is provided solely for the department to contract with a
38 statewide trade association exclusively representing mobile home park
39 owners to deliver training courses to mobile home park managers as part

1 of a certification process included in Senate Bill No. 5694
2 (certification program for mobile home park managers). If the bill is
3 not enacted by June 30, 2002, the amount provided in this subsection
4 shall lapse.

5 (35) \$165,000 of the building code council account appropriation
6 for fiscal year 2003 is provided solely for the state building code
7 council pursuant to Senate Bill No. 5352 (building code council fee
8 increase). If the bill is not enacted by June 30, 2002, the amount
9 provided in this subsection shall lapse.

10 (36) \$129,000 of the mobile home park relocation account
11 appropriation for fiscal year 2003 is provided solely for the
12 department to administer the mobile home relocation assistance program
13 as provided by Second Substitute Senate Bill No. 5354 (mobile home
14 relocation assistance fee). If the bill is not enacted by June 30,
15 2002, the amount provided in this subsection shall lapse.

16 (37) The department shall implement efficiencies and savings
17 consistent with its mission, goals, and objectives to reduce operating
18 costs. The department should give strong consideration to the best
19 practice proposals put forth by the office of financial management and
20 the department of information services. Such action, to the extent
21 possible, should maintain client services and state revenues. Actions
22 may also include hiring freezes, employee furloughs both voluntary and
23 mandatory, restricted travel and training, and reduced equipment and
24 personal service contracts. The department, with approval from the
25 office of financial management, may use fiscal year 2002 savings to
26 offset the fiscal year 2003 reductions. Reductions shall not be made
27 to funding for public broadcast grants.

28 (38) \$40,000 of the general fund--state appropriation for fiscal
29 year 2003 is provided solely to implement the state task force on
30 funding for community-based services to victims of crime as provided in
31 Senate Bill No. 6763. If the bill is not enacted by June 30, 2002, the
32 amount provided in this subsection shall lapse.

33 **Sec. 123.** 2001 2nd sp.s. c 7 s 128 (uncodified) is amended to read
34 as follows:

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

36	General Fund--State Appropriation (FY 2002) . . . \$	512,000
37	General Fund--State Appropriation (FY 2003) . . . \$	((514,000))
38		<u>499,000</u>

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

3 **Sec. 124.** 2001 2nd sp.s. c 7 s 129 (uncodified) is amended to read
4 as follows:

5 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

6 General Fund--State Appropriation (FY 2002) . . . \$ 12,456,000
7 General Fund--State Appropriation (FY 2003) . . . \$ ((12,024,000))
8 11,615,000
9 General Fund--Federal Appropriation \$ 23,657,000
10 Violence Reduction and Drug Enforcement
11 Account--State Appropriation \$ ((229,000))
12 224,000
13 State Auditing Services Revolving
14 Account--State Appropriation \$ 25,000
15 TOTAL APPROPRIATION \$ ((48,391,000))
16 47,977,000

17 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 **Sec. 125.** 2001 2nd sp.s. c 7 s 130 (uncodified) is amended to read
30 as follows:

31 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

32 Administrative Hearings Revolving Account--State
33 Appropriation \$ ((21,938,000))
34 22,394,000

35 **Sec. 126.** 2001 2nd sp.s. c 7 s 131 (uncodified) is amended to read
36 as follows:

1 **FOR THE DEPARTMENT OF PERSONNEL**

2 Department of Personnel Service Account--State

3 Appropriation \$ ((17,297,000))
4 17,035,000

5 Higher Education Personnel Services Account--State

6 Appropriation \$ 1,636,000

7 TOTAL APPROPRIATION \$ ((18,933,000))
8 18,671,000

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

16 **Sec. 127.** 2001 2nd sp.s. c 7 s 132 (uncodified) is amended to read
17 as follows:

18 **FOR THE WASHINGTON STATE LOTTERY**

19 Lottery Administrative Account--State

20 Appropriation \$ ((22,130,000))
21 21,795,000

22 NEW SECTION. **Sec. 128.** A new section is added to 2001 2nd sp.s.
23 c 7 (uncodified) to read as follows:

24 **STATE GAMBLING COMMISSION.** (1) The state gambling commission is
25 directed to reduce its fiscal year 2003 expenditures from the gambling
26 revolving account by the amount of \$450,000.

27 (2) The state gambling commission is authorized to increase
28 existing fees in excess of the fiscal growth factor established by
29 Initiative Measure No. 601, if necessary, to meet the actual costs of
30 conducting business.

31 **Sec. 129.** 2001 2nd sp.s. c 7 s 133 (uncodified) is amended to read
32 as follows:

33 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

34 General Fund--State Appropriation (FY 2002) . . . \$ 226,000

35 General Fund--State Appropriation (FY 2003) . . . \$ ((234,000))
36 210,000

1 TOTAL APPROPRIATION \$ ((460,000))
2 436,000

3 **Sec. 130.** 2001 2nd sp.s. c 7 s 134 (uncodified) is amended to read
4 as follows:

5 **FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**
6 General Fund--State Appropriation (FY 2002) . . . \$ 211,000
7 General Fund--State Appropriation (FY 2003) . . . \$ ((209,000))
8 207,000
9 TOTAL APPROPRIATION \$ ((420,000))
10 418,000

11 **Sec. 131.** 2001 2nd sp.s. c 7 s 135 (uncodified) is amended to read
12 as follows:

13 **FOR THE PERSONNEL APPEALS BOARD**
14 Department of Personnel Service Account--State
15 Appropriation \$ ((1,679,000))
16 1,705,000

17 The appropriation in this section is subject to the following
18 conditions and limitations: \$26,000 of the department of personnel
19 services account appropriation is provided solely for paying accrued
20 annual and sick leave to a retired board member.

21 **Sec. 132.** 2001 2nd sp.s. c 7 s 136 (uncodified) is amended to read
22 as follows:

23 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS**
24 Dependent Care Administrative Account--State
25 Appropriation \$ 378,000
26 Department of Retirement Systems Expense Account--
27 State Appropriation \$ ((49,562,000))
28 49,584,000
29 TOTAL APPROPRIATION \$ ((49,940,000))
30 49,962,000

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

33 (1) \$1,000,000 of the department of retirement systems expense
34 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 appropriation is provided solely for the implementation of
12 Engrossed Senate Bill No. 5143 (Washington state patrol retirement
13 systems plan 2).

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

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

21 (7) \$744,000 of the department of retirement systems expense
22 account--state appropriation is provided solely to implement Second
23 Engrossed Substitute Senate Bill No. 6166 (LEOFF restructuring). If
24 the bill is not enacted by July 31, 2001, the amount provided in this
25 subsection shall lapse.

26 (8) \$225,000 of the department of retirement systems expense
27 account appropriation is provided solely for monitoring and actuarial
28 services for the state retirement systems.

29 (9) \$285,000 of the department of retirement systems expense
30 account appropriation is provided solely for the implementation of
31 Engrossed Substitute Senate Bill No. 5264 (employer unfair practices).
32 If the bill is not enacted by June 30, 2002, the amount provided in
33 this subsection shall lapse.

34 (10) \$96,000 of the department of retirement systems expense
35 account appropriation is provided solely for the implementation of
36 Senate Bill No. 6376 (PERS plan 3 transfer payment). If the bill is
37 not enacted by June 30, 2002, the amount provided in this subsection
38 shall lapse.

1	Appropriation	\$	5,131,000
2	Waste Education/Recycling/Litter Control--State		
3	Appropriation	\$	101,000
4	State toxics Control Account--State		
5	Appropriation	\$	67,000
6	Oil Spill Administration Account--State		
7	Appropriation	\$	14,000
8	TOTAL APPROPRIATION	\$	((150,520,000))
9			<u>156,221,000</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 (5) \$50,000 of the general fund--state appropriation for fiscal
19 year 2003 is provided solely to implement Senate Bill No. 6821 (local
20 government finance). If the bill is not enacted by June 30, 2002, the
21 amount provided in this subsection shall lapse.

22 (6) \$6,260,000 of the general fund--state appropriation for fiscal
23 year 2003 is provided solely for the department's initiative to
24 increase tax collection, tax discovery, and compliance.

25 (7) \$90,000 of the general fund--state appropriation for fiscal
26 year 2003 is provided solely for the department to conduct a study of
27 tax incentives.

28 (a) The tax incentives covered by the study shall include the
29 following:

30 (i) The rural county distressed areas sales tax deferral and
31 exemption under chapter 82.60 RCW;

32 (ii) The rural county business and occupation tax credit for
33 computer software development in RCW 82.04.4456;

34 (iii) The business and occupation tax jobs credit under chapter
35 82.62 RCW;

36 (iv) The business and occupation tax credit for international
37 services under RCW 82.04.44525;

38 (v) The business and occupation tax credit for help-desk services
39 in rural counties under RCW 82.04.4457;

1 (vi) The high technology business and occupation tax credit under
2 RCW 82.04.4452;

3 (vii) The high technology sales tax deferral/exemption in chapter
4 82.63 RCW; and

5 (viii) The manufacturing, research and development, and testing
6 operations sales and use tax exemptions under RCW 82.08.02565 and
7 82.12.02565.

8 (b) Taxpayer participation in the study is voluntary. Taxpayer
9 information used in the study is confidential under the provisions of
10 chapter 82.32 RCW. Additionally, the identity of any study
11 participants may not be disclosed.

12 (c) The purpose of the study is to allow the legislature to
13 evaluate the success of tax incentives in terms of job creation,
14 product development, and other factors that are considered a return on
15 investment of public funds. The study shall include information such
16 as the amount of the incentive taken, the annual number of net new jobs
17 as a result of the incentive, current employment, number of new
18 products developed, the types and amounts of other taxes paid, whether
19 the business expanded or is located in a certain area as a result of
20 the incentive, and other information determined by the department to be
21 relevant to the study.

22 (d) The department shall report to the appropriate legislative
23 committees of the senate and house of representatives by November 30,
24 2002.

25 **Sec. 135.** 2001 2nd sp.s. c 7 s 139 (uncodified) is amended to read
26 as follows:

27 **FOR THE BOARD OF TAX APPEALS**

28	General Fund--State Appropriation (FY 2002) . . . \$	((1,193,000))
29		<u>1,162,000</u>
30	General Fund--State Appropriation (FY 2003) . . . \$	((1,038,000))
31		<u>1,017,000</u>
32	TOTAL APPROPRIATION \$	((2,231,000))
33		<u>2,179,000</u>

34 **Sec. 136.** 2001 2nd sp.s. c 7 s 142 (uncodified) is amended to read
35 as follows:

36 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

37	General Fund--State Appropriation (FY 2002) . . . \$	549,000
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1	General Fund--State Appropriation (FY 2003) . . . \$	((630,000))
2		<u>674,000</u>
3	General Fund--Federal Appropriation \$	1,930,000
4	General Fund--Private/Local Appropriation \$	((444,000))
5		<u>223,000</u>
6	State Capitol Vehicle Parking Account--	
7	State Appropriation \$	154,000
8	General Administration Services Account--State	
9	Appropriation \$	((41,419,000))
10		<u>39,560,000</u>
11	TOTAL APPROPRIATION \$	((45,126,000))
12		<u>43,090,000</u>

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

15 (1) The department shall conduct a review of the ultimate
16 purchasing system to evaluate the following: (a) The degree to which
17 program objectives and assumptions were achieved; (b) the degree to
18 which planned schedule of phases, tasks, and activities were
19 accomplished; (c) an assessment of estimated and actual costs of each
20 phase; (d) an assessment of project cost recovery/cost avoidance,
21 return on investment, and measurable outcomes as each relate to the
22 agency's business functions and other agencies' business functions; and
23 (e) the degree to which integration with the agency and state
24 information technology infrastructure was achieved. The department
25 will receive written input from participating pilot agencies that
26 describes measurable organizational benefits and cost avoidance
27 opportunities derived from use of the ultimate purchasing system. The
28 performance review shall be submitted to the office of financial
29 management and the appropriate legislative fiscal committees by July 1,
30 2002.

31 (2) \$60,000 of the general administration services account
32 appropriation is provided solely for costs associated with the
33 development of the information technology architecture to link the risk
34 management information system and the tort division's case management
35 system, and the reconciliation of defense cost reimbursement
36 information.

37 (3) \$44,000 of the general fund--state appropriation for fiscal
38 year 2003 is provided solely for the department to implement the waste
39 management and recycling provisions of Senate Bill No. 6480

1 (encouraging recycling and waste reduction). If the bill is not
2 enacted by June 30, 2002, the amount provided in this subsection shall
3 lapse.

4 **Sec. 137.** 2001 2nd sp.s. c 7 s 143 (uncodified) is amended to read
5 as follows:

6 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

7 Data Processing Revolving Account--State

8 Appropriation \$ ((3,706,000))
9 3,610,000

10 The appropriation in this section is subject to the following
11 conditions and limitations:

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

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

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

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

31 **Sec. 138.** 2001 2nd sp.s. c 7 s 144 (uncodified) is amended to read
32 as follows:

33 **FOR THE INSURANCE COMMISSIONER**

34 General Fund--Federal Appropriation \$ 622,000
35 Insurance Commissioners Regulatory Account--State
36 Appropriation \$ ((29,053,000))
37 29,928,000

1 TOTAL APPROPRIATION \$ ((29,675,000))
2 30,550,000

3 The appropriations in this section are subject to the following
4 conditions and limitations: \$693,000 of the insurance commissioner's
5 regulatory account appropriation is provided solely for moving and
6 renovation costs associated with the colocation of the agency's
7 Olympia-area facilities. Expenditures from this amount shall be
8 subject to the approval of the department of general administration.

9 **Sec. 139.** 2001 2nd sp.s. c 7 s 147 (uncodified) is amended to read
10 as follows:

11 **FOR THE HORSE RACING COMMISSION**

12 Horse Racing Commission Account--State
13 Appropriation \$ ((4,504,000))
14 4,436,000

15 **Sec. 140.** 2001 2nd sp.s. c 7 s 148 (uncodified) is amended to read
16 as follows:

17 **FOR THE LIQUOR CONTROL BOARD**

18 General Fund--State Appropriation (FY 2002) . . . \$ 1,483,000
19 General Fund--State Appropriation (FY 2003) . . . \$ ((1,484,000))
20 1,439,000
21 Liquor Control Board Construction and Maintenance
22 Account--State Appropriation \$ ((8,114,000))
23 8,054,000
24 Liquor Revolving Account--State
25 Appropriation \$ ((142,148,000))
26 127,600,000
27 TOTAL APPROPRIATION \$ ((153,229,000))
28 138,576,000

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

31 (1) \$1,573,000 of the liquor revolving account appropriation is
32 provided solely for the agency information technology upgrade. This
33 amount provided in this subsection is conditioned upon satisfying the
34 requirements of section 902 of this act.

35 (2) \$4,803,000 of the liquor revolving account appropriation is
36 provided solely for the costs associated with the development and

1 implementation of a merchandising business system. Expenditures of any
2 funds for this system are conditioned upon the approval of the
3 merchandising business system's feasibility study by the information
4 services board. The amount provided in this subsection is also
5 conditioned upon satisfying the requirements of section 902 of this
6 act.

7 **Sec. 141.** 2001 2nd sp.s. c 7 s 149 (uncodified) is amended to read
8 as follows:

9 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

10	Public Service Revolving Account--State	
11	Appropriation	\$ ((27,108,000))
12		<u>26,702,000</u>
13	Pipeline Safety Account--State	
14	Appropriation	\$ 3,305,000
15	Pipeline Safety Account--Federal	
16	Appropriation	\$ 822,000
17	TOTAL APPROPRIATION	\$ ((31,235,000))
18		<u>30,829,000</u>

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

21 (1) \$3,011,000 of the pipeline safety account--state appropriation
22 and \$822,000 of the pipeline safety account--federal appropriation are
23 provided solely for the implementation of Substitute Senate Bill No.
24 5182 (pipeline safety). If the bill is not enacted by June 30, 2001,
25 the amount provided in this subsection shall lapse.

26 (2) \$294,000 of the pipeline safety account--state appropriation is
27 provided solely for an interagency agreement with the joint legislative
28 audit and review committee for a report on hazardous liquid and gas
29 pipeline safety programs. The committee shall review staff use,
30 inspection activity, fee methodology, and costs of the hazardous liquid
31 and gas pipeline safety programs and report to the appropriate
32 legislative committees by July 1, 2003. The report shall include a
33 comparison of interstate and intrastate programs, including but not
34 limited to the number and complexity of regular and specialized
35 inspections, mapping requirements for each program, and allocation of
36 administrative costs to each program. If Substitute Senate Bill No.
37 5182 (pipeline safety) is not enacted by June 30, 2001, the amount
38 provided in this section shall lapse.

1 **Sec. 142.** 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>8,530,000</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>148,074,000</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 this 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) \$2,818,000 of the enhanced 911 account--state appropriation is
29 provided solely for the implementation of Engrossed Second Substitute
30 Senate Bill No. 6034 or House Bill No. 2595 (enhanced 911 excise tax).
31 If neither bill is enacted by June 30, 2002, the amount provided in
32 this subsection shall lapse.

33 **Sec. 143.** 2001 2nd sp.s. c 7 s 152 (uncodified) is amended to read
34 as follows:

35 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

36	General Fund--State Appropriation (FY 2002) . . . \$	((2,154,000))
37		<u>2,225,000</u>
38	General Fund--State Appropriation (FY 2003) . . . \$	((2,164,000))

1 2,339,000
 2 TOTAL APPROPRIATION \$ ((4,318,000))
 3 4,564,000

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

6 (1) \$71,000 of the general fund--state appropriation for fiscal
 7 year 2002 and \$214,000 of the general fund--state appropriation for
 8 fiscal year 2003 are provided solely for the purpose of implementing
 9 requirements associated with Initiative Measure No. 775 (home care
 10 workers).

11 (2) \$47,000 of the general fund--state appropriation for fiscal
 12 year 2003 is provided solely to implement House Bill No. 2403 and House
 13 Bill No. 2540 (higher education collective bargaining). If House Bill
 14 No. 2403 is not enacted by June 30, 2002, the amount provided in this
 15 subsection shall lapse.

16 **Sec. 144.** 2001 2nd sp.s. c 7 s 153 (uncodified) is amended to read
 17 as follows:

18 **FOR THE GROWTH PLANNING HEARINGS BOARD**
 19 General Fund--State Appropriation (FY 2002) . . . \$ 1,497,000
 20 General Fund--State Appropriation (FY 2003) . . . \$ ((1,506,000))
 21 1,431,000
 22 TOTAL APPROPRIATION \$ ((3,003,000))
 23 2,928,000

24 **Sec. 145.** 2001 2nd sp.s. c 7 s 154 (uncodified) is amended to read
 25 as follows:

26 **FOR THE STATE CONVENTION AND TRADE CENTER**
 27 State Convention and Trade Center Operating
 28 Account--State Appropriation \$ ((37,848,000))
 29 37,269,000
 30 State Convention and Trade Center Account--State
 31 Appropriation \$ 29,886,000
 32 TOTAL APPROPRIATION \$ ((67,734,000))
 33 67,155,000

34 (End of part)

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

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

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>230,601,000</u>
32	General Fund--Federal Appropriation \$	((372,408,000))
33		<u>369,895,000</u>
34	General Fund--Private/Local Appropriation \$	400,000
35	Public Safety and Education Account--	
36	State Appropriation \$	((987,000))
37		<u>957,000</u>
38	Violence Reduction and Drug Enforcement Account--	

1	State Appropriation	\$	((5,702,000))
2			<u>5,588,000</u>
3	TOTAL APPROPRIATION	\$	((844,299,000))
4			<u>832,545,000</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)) \$2,271,000 of the fiscal year 2003
9 general fund--state appropriation, and ((\$1,590,000)) \$1,584,000 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)) \$644,000 of the general fund--state fiscal year
13 ((2002)) 2003 appropriation and ((\$701,000)) \$654,000 of the general
14 fund--((state fiscal year 2003)) federal appropriation are provided to
15 contract for ((the operation of one)) facility and nonfacility-based
16 pediatric interim care ((facility)) services. ((The facility shall
17 provide residential care for up to thirteen children through two years
18 of age. Seventy-five percent of the children served by the facility
19 must be in need of special care as a result of substance abuse by their
20 mothers. The facility shall also provide on-site training to
21 biological, adoptive, or foster parents. The facility shall provide at
22 least three months of consultation and support to parents accepting
23 placement of children from the facility. The facility may recruit new
24 and current foster and adoptive parents for infants served by the
25 facility. The department shall not require case management as a
26 condition of the contract.

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

38 (4)) (3) \$1,260,000 of the fiscal year 2002 general fund--state
39 appropriation, \$1,248,000 of the fiscal year 2003 general fund--state

1 appropriation, and (~~(\$4,196,000)~~) \$4,082,000 of the violence reduction
2 and drug enforcement account appropriation are provided solely for the
3 family policy council and community public health and safety networks.
4 The funding level for the family policy council and community public
5 health and safety networks represents a 25 percent reduction below the
6 funding level for the 1999-2001 biennium. Funding levels shall be
7 reduced 25 percent for both the family policy council and network
8 grants. Reductions to network grants shall be allocated so as to
9 maintain current funding levels, to the greatest extent possible, for
10 projects with the strongest evidence of positive outcomes and for
11 networks with substantial compliance with contracts for network grants.

12 (~~(+5)~~) (4) \$2,215,000 of the fiscal year 2002 general fund--state
13 appropriation, \$4,394,000 of the fiscal year 2003 general fund--state
14 appropriation, and \$5,604,000 of the general fund--federal
15 appropriation are provided solely for reducing the average caseload
16 level per case-carrying social worker. Average caseload reductions are
17 intended to increase the amount of time social workers spend in direct
18 contact with the children, families, and foster parents involved with
19 their open cases. The department shall use some of the funds provided
20 in several local offices to increase staff that support case-carrying
21 social workers in ways that will allow social workers to increase
22 direct contact time with children, families, and foster parents. To
23 achieve the goal of reaching an average caseload ratio of 1:24 by the
24 end of fiscal year 2003, the department shall develop a plan for
25 redeploying 30 FTEs to case-carrying social worker and support
26 positions from other areas in the children and family services budget.
27 The FTE redeployment plan shall be submitted to the fiscal committees
28 of the legislature by December 1, 2001.

29 (~~(+6)~~) (5) \$1,000,000 of the fiscal year 2002 general fund--state
30 appropriation and \$1,000,000 of the fiscal year 2003 general fund--
31 state appropriation are provided solely for increasing foster parent
32 respite care services that improve the retention of foster parents and
33 increase the stability of foster placements. The department shall
34 report quarterly to the appropriate committees of the legislature
35 progress against appropriate baseline measures for foster parent
36 retention and stability of foster placements.

37 (~~(+7)~~) (6) \$1,050,000 of the general fund--federal appropriation
38 is provided solely for increasing kinship care placements for children
39 who otherwise would likely be placed in foster care. These funds shall

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

13 ~~((+8))~~ (7) \$3,386,000 of the fiscal year 2002 general fund--state
14 appropriation, ~~(((\$7,671,000))~~ \$4,679,000 of the fiscal year 2003
15 general fund--state appropriation, and ~~(((\$20,819,000))~~ \$19,709,000 of
16 the general fund--federal appropriation are provided solely for
17 increases in the cost per case for foster care and adoption support.
18 \$16,000,000 of the general fund--federal amount shall remain unallotted
19 until the office of financial management approves a plan submitted by
20 the department to achieve a higher rate of federal earnings in the
21 foster care program. That plan shall also be submitted to the fiscal
22 committees of the legislature and shall indicate projected federal
23 revenue compared to actual fiscal year 2001 levels. Within the amounts
24 provided for foster care, the department shall increase the basic rate
25 for foster care to an average of \$420 per month on July 1, 2001(~~(, and~~
26 ~~to an average of \$440 per month on July 1, 2002)~~). The department
27 shall use the remaining funds provided in this subsection to pay for
28 increases in the cost per case for foster care and adoption support.
29 The department shall seek to control rate increases and reimbursement
30 decisions for foster care and adoption support cases such that the cost
31 per case for family foster care, group care, receiving homes, and
32 adoption support does not exceed the amount assumed in the projected
33 caseload expenditures plus the amounts provided in this subsection.

34 ~~((+9))~~ (8) \$1,767,000 of the general fund--state appropriation for
35 fiscal year 2002, ~~(((\$2,461,000))~~ \$1,767,000 of the general fund--state
36 appropriation for fiscal year 2003, and ~~(((\$1,485,000))~~ \$1,241,000 of
37 the general fund--federal appropriation are provided solely for rate
38 and capacity increases for child placing agencies. Child placing

1 agencies shall increase their capacity by 15 percent in fiscal year
2 2002 (~~and 30 percent in fiscal year 2003~~).

3 (~~(10)~~) (9) The department shall provide secure crisis residential
4 facilities across the state in a manner that: (a) Retains geographic
5 provision of these services; and (b) retains beds in high use areas.

6 (~~(11)~~) (10) \$125,000 of the general fund--state appropriation for
7 fiscal year 2002 and \$125,000 of the general fund--state appropriation
8 for fiscal year 2003 are provided solely for a foster parent retention
9 program. This program is directed at foster parents caring for
10 children who act out sexually, as described in House Bill No. 1525
11 (foster parent retention program).

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

14 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE**
15 **REHABILITATION PROGRAM**

16 (~~(1) COMMUNITY SERVICES~~)

17	General Fund--State Appropriation (FY 2002) . . . \$	((36,625,000))
18		<u>83,151,000</u>
19	General Fund--State Appropriation (FY 2003) . . . \$	((38,125,000))
20		<u>79,199,000</u>
21	General Fund--Federal Appropriation \$	((14,609,000))
22		<u>14,031,000</u>
23	General Fund--Private/Local Appropriation \$	((380,000))
24		<u>1,110,000</u>
25	Juvenile Accountability Incentive	
26	Account--Federal Appropriation \$	((9,361,000))
27		<u>10,461,000</u>
28	Public Safety and Education	
29	Account--State Appropriation \$	((6,196,000))
30		<u>5,999,000</u>
31	Violence Reduction and Drug Enforcement Account--	
32	State Appropriation \$	((21,972,000))
33		<u>36,838,000</u>
34	TOTAL APPROPRIATION \$	((127,268,000))
35		<u>230,789,000</u>

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

1 (~~(a)~~) (1) \$686,000 of the violence reduction and drug enforcement
2 account appropriation is provided solely for deposit in the county
3 criminal justice assistance account for costs to the criminal justice
4 system associated with the implementation of chapter 338, Laws of 1997
5 (juvenile code revisions). The amounts provided in this subsection are
6 intended to provide funding for county adult court costs associated
7 with the implementation of chapter 338, Laws of 1997 and shall be
8 distributed in accordance with RCW 82.14.310.

9 (~~(b)~~) (2) \$5,980,000 of the violence reduction and drug
10 enforcement account appropriation is provided solely for the
11 implementation of chapter 338, Laws of 1997 (juvenile code revisions).
12 The amounts provided in this subsection are intended to provide funding
13 for county impacts associated with the implementation of chapter 338,
14 Laws of 1997 and shall be distributed to counties as prescribed in the
15 current consolidated juvenile services (CJS) formula.

16 (~~(c)~~) (3) \$1,161,000 of the general fund--state appropriation for
17 fiscal year 2002, \$1,162,000 of the general fund--state appropriation
18 for fiscal year 2003, and \$5,190,000 of the violence reduction and drug
19 enforcement account appropriation are provided solely to implement
20 community juvenile accountability grants pursuant to chapter 338, Laws
21 of 1997 (juvenile code revisions). Funds provided in this subsection
22 may be used solely for community juvenile accountability grants,
23 administration of the grants, and evaluations of programs funded by the
24 grants.

25 (~~(d)~~) (4) \$2,515,000 of the violence reduction and drug
26 enforcement account appropriation is provided solely to implement
27 alcohol and substance abuse treatment programs for locally committed
28 offenders. The juvenile rehabilitation administration shall award
29 these moneys on a competitive basis to counties that submitted a plan
30 for the provision of services approved by the division of alcohol and
31 substance abuse. The juvenile rehabilitation administration shall
32 develop criteria for evaluation of plans submitted and a timeline for
33 awarding funding and shall assist counties in creating and submitting
34 plans for evaluation.

35 (~~(e)~~) (5) \$100,000 of the general fund--state appropriation for
36 fiscal year 2002 and \$100,000 of the general fund--state appropriation
37 for fiscal year 2003 are provided solely for juvenile rehabilitation
38 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))~~ (6) \$100,000 of the general fund--state appropriation for
4 fiscal year 2002 and \$100,000 of the general fund--state appropriation
5 for fiscal year 2003 are provided solely for a contract for expanded
6 services of the teamchild project.

7 ~~((g))~~ (7) \$423,000 of the general fund--state appropriation for
8 fiscal year 2002, ~~((924,000))~~ \$754,100 of the general fund--state
9 appropriation for fiscal year 2003, ~~((174,000))~~ \$152,000 of the
10 general fund--federal appropriation, ~~((196,000))~~ \$172,000 of the
11 public safety and education assistance account appropriation, and
12 ~~((690,000))~~ \$604,000 of the violence reduction and drug enforcement
13 account appropriation are provided solely to increase payment rates for
14 contracted service providers.

15 ~~((h))~~ (8) \$16,000 of the general fund--state appropriation for
16 fiscal year 2002 and \$16,000 of the general fund--state appropriation
17 for fiscal year 2003 are provided solely for the implementation of
18 chapter 167, Laws of 1999 (firearms on school property). The amounts
19 provided in this subsection are intended to provide funding for county
20 impacts associated with the implementation of chapter 167, Laws of
21 1999, and shall be distributed to counties as prescribed in the current
22 consolidated juvenile services (CJS) formula.

23 ~~((i))~~ (9) \$3,441,000 of the general fund--state appropriation for
24 fiscal year 2002 and \$3,441,000 of the general fund--state
25 appropriation for fiscal year 2003 are provided solely for distribution
26 to county juvenile court administrators to fund the costs of processing
27 truancy, children in need of services, and at-risk youth petitions.
28 The 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))~~ (10) \$6,000,000 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.
39 ~~((To the extent that distributions made under (i) and (j) of this~~

1 subsection and pursuant to section 801 of this act exceed actual costs
2 of 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)~~)) (11) The distributions made under ((~~(i)~~)) (9) and ((~~(j)~~))
16 (10) of this subsection and distributions from the county criminal
17 justice assistance account made pursuant to section 801 of this act
18 constitute appropriate reimbursement for costs for any new programs or
19 increased level of service for purposes of RCW 43.135.060.

20 ((~~(l)~~)) (12) Each quarter during the 2001-03 fiscal biennium, each
21 county shall report the number of petitions processed and the total
22 actual costs of processing the petitions in each of the following
23 categories: Truancy, children in need of services, and at-risk youth.
24 Counties shall submit the reports to the department no later than 45
25 days after the end of the quarter. The department shall forward this
26 information 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)~~)) (13) \$1,692,000 of the juvenile accountability incentive
32 account--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)~~)) (14) \$22,000 of the violence reduction and drug enforcement
36 account appropriation is provided solely for the evaluation of the
37 juvenile offender co-occurring disorder pilot program implemented
38 pursuant to (m) of this subsection.

1 ~~((e))~~ (15) \$900,000 of the general fund--state appropriation for
2 fiscal year 2002 and \$900,000 of the general fund--state appropriation
3 for fiscal year 2003 are provided solely for the continued
4 implementation of the juvenile violence prevention grant program
5 established in section 204, chapter 309, Laws of 1999.

6 ~~((p))~~ (16) \$33,000 of the general fund--state appropriation for
7 fiscal year 2002 and \$29,000 of the general fund--state appropriation
8 for fiscal year 2003 are provided solely for the implementation of
9 House Bill No. 1070 (juvenile offender basic training). If the bill is
10 not enacted by June 30, 2001, the amounts provided in this subsection
11 shall lapse.

12 ~~((q))~~ (17) \$21,000 of the general fund--state appropriation for
13 fiscal year 2002 and \$42,000 of the general fund--state appropriation
14 for fiscal year 2003 are provided solely for the implementation of
15 Senate Bill No. 5468 (chemical dependency). If the bill is not enacted
16 by June 30, 2001, the amounts provided in this subsection shall lapse.

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

23 ~~((2) INSTITUTIONAL SERVICES~~

24	General Fund--State Appropriation (FY 2002)	46,773,000
25	General Fund--State Appropriation (FY 2003)	48,735,000
26	General Fund--Federal Appropriation	14,000
27	General Fund--Private/Local Appropriation	740,000
28	Violence Reduction and Drug Enforcement Account--	
29	State Appropriation	15,280,000
30	TOTAL APPROPRIATION	111,542,000

31 ~~The appropriations in this subsection are subject to the following~~
32 ~~conditions and limitations:)~~ (19) \$40,000 of the general fund--state
33 appropriation for fiscal year 2002 and ~~(\$84,000)~~ \$68,000 of the
34 general fund--state appropriation for fiscal year 2003 are provided
35 solely to increase payment rates for contracted service providers.

36 ~~((3) PROGRAM SUPPORT~~

37	General Fund--State Appropriation (FY 2002)	1,738,000
38	General Fund--State Appropriation (FY 2003)	1,765,000

1	General Fund--Federal Appropriation	\$	307,000
2	Juvenile Accountability Incentive Account--Federal		
3	Appropriation	\$	1,100,000
4	Violence Reduction and Drug Enforcement Account--		
5	State Appropriation	\$	421,000
6	TOTAL APPROPRIATION	\$	5,331,000))

7 (20) \$728,000 of the general fund--state appropriation for fiscal
8 year 2003 is provided solely for providing additional research-based
9 services to the juvenile parole population. The juvenile
10 rehabilitation administration shall consult with the institute for
11 public policy in deciding which interventions to provide to the parole
12 population.

13 (21) \$9,000 of the general fund--state appropriation for fiscal
14 year 2003 is provided solely for the implementation of Substitute
15 Senate Bill No. 6473 or Substitute House Bill No. 2468 (DNA database).
16 If neither bill is enacted by June 30, 2002, the amount provided in
17 this subsection shall lapse.

18 (22) The juvenile rehabilitation administration shall continue to
19 allot and expend funds provided in this section by the category and
20 budget unit structure submitted to the legislative evaluation and
21 accountability program committee.

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

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

25	(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS		
26	General Fund--State Appropriation (FY 2002)	\$	((191,089,000))
27			<u>195,266,000</u>
28	General Fund--State Appropriation (FY 2003)	\$	((194,884,000))
29			<u>182,055,000</u>
30	General Fund--Federal Appropriation	\$	((339,077,000))
31			<u>358,657,000</u>
32	General Fund--Local Appropriation	\$	((4,363,000))
33			<u>21,133,000</u>
34	Health Services Account--State		
35	Appropriation	\$	2,450,000
36	TOTAL APPROPRIATION	\$	((731,863,000))
37			<u>759,561,000</u>

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

3 (a) Regional support networks shall use portions of the general
4 fund--state appropriation for implementation of working agreements with
5 the vocational rehabilitation program which will maximize the use of
6 federal funding for vocational programs.

7 (b) From the general fund--state appropriations in this subsection,
8 the secretary of social and health services shall assure that regional
9 support networks reimburse the aging and adult services program for the
10 general fund--state cost of medicaid personal care services that
11 enrolled regional support network consumers use because of their
12 psychiatric disability.

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

1 support networks before offering a contract to any other party. The
2 funds appropriated in this subsection shall not be considered
3 "available resources" as defined in RCW 71.24.025 and are not subject
4 to the standard allocation formula applied in accordance with RCW
5 71.24.035(13)(a).

6 (d) At least \$1,000,000 of the federal block grant funding
7 appropriated in this subsection shall be used for (i) initial
8 development, training, and operation of the community support teams
9 which will work with long-term state hospital residents prior and
10 subsequent to their return to the community; and (ii) development of
11 support strategies which will reduce the unnecessary and excessive use
12 of state and local hospitals for short-term crisis stabilization
13 services. Such strategies may include training and technical
14 assistance to community long-term care and substance abuse providers;
15 the development of diversion beds and stabilization support teams;
16 examination of state hospital policies regarding admissions; and the
17 development of new contractual standards to assure that the statutory
18 requirement that 85 percent of short-term detentions be managed locally
19 is being fulfilled. The department shall report to the fiscal and
20 policy committees of the legislature on the results of these efforts by
21 November 1, 2001, and again by November 1, 2002.

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

1 nonfederal share of the higher medicaid payment rate is provided by the
2 regional support network from local funds.

3 (f) Within funds appropriated in this subsection, the department
4 shall contract with the Clark county regional support network for
5 development and operation of a project demonstrating collaborative
6 methods for providing intensive mental health services in the school
7 setting for severely emotionally disturbed children who are medicaid
8 eligible. Project services are to be delivered by teachers and
9 teaching assistants who qualify as, or who are under the supervision
10 of, mental health professionals meeting the requirements of chapter
11 275-57 WAC. The department shall increase medicaid payments to the
12 regional support network by the amount necessary to cover the necessary
13 and allowable costs of the demonstration, not to exceed the upper
14 payment limit specified for the regional support network in the
15 department's medicaid waiver agreement with the federal government
16 after meeting all other medicaid spending requirements assumed in this
17 subsection. The regional support network shall provide the department
18 with (i) periodic reports on project service levels, methods, and
19 outcomes; and (ii) an intergovernmental transfer equal to the state
20 share of the increased medicaid payment provided for operation of this
21 project.

22 (g) The health services account appropriation is provided solely
23 for implementation of strategies which the department and the affected
24 regional support networks conclude will best assure continued
25 availability of community-based inpatient psychiatric services in all
26 areas of the state. Such strategies may include, but are not limited
27 to, emergency contracts for continued operation of inpatient facilities
28 otherwise at risk of closure because of demonstrated uncompensated
29 care; start-up grants for development of evaluation and treatment
30 facilities; and increases in the rate paid for inpatient psychiatric
31 services for medically indigent and/or general assistance for the
32 unemployed patients. The funds provided in this subsection must be:
33 (i) Prioritized for use in those areas of the state which are at
34 greatest risk of lacking sufficient inpatient psychiatric treatment
35 capacity, rather than being distributed on a formula basis; (ii)
36 prioritized for use by those hospitals which do not receive low-income
37 disproportionate share hospital payments as of the date of application
38 for funding; and (iii) matched on a one-quarter local, three-quarters
39 state basis by funding from the regional support network or networks in

1 the area in which the funds are expended. Payments from the amount
2 provided in this subsection shall not be made to any provider that has
3 not agreed that, except for prospective rate increases, the payment
4 shall offset, on a dollar-for-dollar basis, any liability that may be
5 established against, or any settlement that may be agreed to by the
6 state, regarding the rate of state reimbursement for inpatient
7 psychiatric care. The funds provided in this subsection shall not be
8 considered "available resources" as defined in RCW 71.24.025 and are
9 not subject to the distribution formula established pursuant to RCW
10 71.24.035.

11 (h) The department shall assure that no regional support network
12 uses more than 8.0 percent of the state and federal funds received from
13 appropriations in this subsection for regional support network
14 administration.

15 (i) The department shall assure that each regional support network
16 increases spending on direct client services in fiscal years 2002 and
17 2003 by at least the same percentage as the total state, federal, and
18 local funds allocated to the regional support network in those years
19 exceeds the amounts allocated to it in fiscal year 2001.

20 (j) The department shall reduce state funding otherwise payable to
21 a regional support network in fiscal years 2002 and 2003 by the full
22 amount by which the regional support network's reserves and fund
23 balances as of December 31, 2001, exceed the required risk reserve for
24 that regional support network. The required reserve amount shall be
25 calculated by applying the risk reserve percentage specified in the
26 department's contract with the regional support network to the total
27 state and federal revenues for which the regional support network would
28 otherwise be eligible in accordance with this subsection. As used in
29 this subsection, "reserves" does not include capital project reserves
30 established in accordance with state accounting and reporting standards
31 before January 1, 2002.

32 (k) The department shall maintain the same relative allocation of
33 budgeted, nonforensic state hospital beds among the regional support
34 networks as was in effect during fiscal year 2002 until at least thirty
35 days after adjournment of the first regular legislative session
36 following submission of a report on the appropriate allocation of these
37 beds. In preparing the report, the department shall: (i) Utilize the
38 most current and reliable applicable academic research, and shall
39 consult with academic and other national experts on mental health

1 inpatient care; (ii) estimate the relative need for short-term and
 2 long-term inpatient psychiatric care in each of the state's regions,
 3 based upon the factors that the experts identify as the best predictors
 4 of need, including geographic proximity to the hospitals; and (iii)
 5 identify options for changing the current distribution of state
 6 hospital beds among the regional support networks. The report shall be
 7 prepared in consultation with representatives of people with mental
 8 illness and the regional support networks, and shall be submitted to
 9 appropriate committees of the legislature. This subsection does not
 10 prohibit the replacement of current state hospital beds with community
 11 alternatives as provided elsewhere in this section.

12 (2) INSTITUTIONAL SERVICES

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

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

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

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

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

1 psychiatric hospital. No such patient is to move from the hospital
2 until a team of community professionals has become familiar with the
3 person and their treatment plan; assessed their strengths, preferences,
4 and needs; arranged a safe, clinically-appropriate, and stable place
5 for them to live; assured that other needed medical, behavioral, and
6 social services are in place; and is contracted to monitor the person's
7 progress on an ongoing basis. The department and the regional support
8 networks shall endeavor to assure that hospital patients are able to
9 return to their area of origin, and that placements are not
10 concentrated in proximity to the hospitals.

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

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

21 (3) CIVIL COMMITMENT

22	General Fund--State Appropriation (FY 2002) . . . \$	((20,037,000))
23		<u>18,267,000</u>
24	General Fund--State Appropriation (FY 2003) . . . \$	((22,441,000))
25		<u>19,120,000</u>
26	TOTAL APPROPRIATION \$	((42,478,000))
27		<u>37,387,000</u>

28 The appropriations in this subsection are subject to the following
29 conditions and limitations:

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

35 (b) ((\$1,000,000)) \$300,000 of the general fund--state
36 appropriation for fiscal year 2002 and ((\$1,000,000)) \$300,000 of the
37 general fund--state appropriation for fiscal year 2003 are provided
38 solely for mitigation funding for jurisdictions affected by the

1 placement of less restrictive alternative facilities for persons
 2 conditionally released from the special commitment center facility
 3 being constructed on McNeil Island. Of this amount, up to \$45,000 per
 4 year is provided for the city of Lakewood for police protection
 5 reimbursement at Western State Hospital and adjacent areas, up to
 6 \$45,000 per year is provided for training police personnel on chapter
 7 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), up to \$125,000 per year
 8 is provided for Pierce county for reimbursement of additional costs,
 9 and the remaining amounts are for other documented costs by
 10 jurisdictions directly impacted by the placement of the secure
 11 community transition facility on McNeil Island. Pursuant to chapter
 12 12, Laws of 2001, 2nd sp. sess (3ESSB 6151), the department shall
 13 continue to work with local jurisdictions towards reaching agreement
 14 for mitigation costs.

15 (c) By October 1, 2001, the department shall report to the office
 16 of financial management and the fiscal committees of the house of
 17 representatives and senate detailing information on plans for
 18 increasing the efficiency of staffing patterns at the new civil
 19 commitment center facility being constructed on McNeil Island.

20 (d) \$600,000 of the general fund--state appropriation for fiscal
 21 year 2003 is provided solely for the implementation of Substitute
 22 Senate Bill No. 6594 (secure community transition facilities). If the
 23 bill is not enacted by June 30, 2002, the amount provided in this
 24 subsection shall lapse.

25 (4) SPECIAL PROJECTS

26	General Fund--State Appropriation (FY 2002)	\$	444,000
27	General Fund--State Appropriation (FY 2003)	\$	((443,000))
28			<u>57,000</u>
29	General Fund--Federal Appropriation	\$	((2,082,000))
30			<u>1,802,000</u>
31	TOTAL APPROPRIATION	\$	((2,969,000))
32			<u>2,303,000</u>

33 (5) PROGRAM SUPPORT

34	General Fund--State Appropriation (FY 2002)	\$	((3,104,000))
35			<u>2,979,000</u>
36	General Fund--State Appropriation (FY 2003)	\$	((3,231,000))
37			<u>2,986,000</u>
38	General Fund--Federal Appropriation	\$. .	((5,796,000))

1 5,371,000
2 TOTAL APPROPRIATION \$ ((12,131,000))
3 11,336,000

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

6 (a) \$113,000 of the general fund--state appropriation for fiscal
7 year 2002, \$125,000 of the general fund--state appropriation for fiscal
8 year 2003, and \$164,000 of the general fund--federal appropriation are
9 provided solely for the institute for public policy to evaluate the
10 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
11 217, Laws of 2000 (atypical anti-psychotic medications), chapter 297,
12 Laws of 1998 (commitment of mentally ill persons), and chapter 334,
13 Laws of 2001 (mental health performance audit).

14 (b) \$168,000 of the general fund--state appropriation for fiscal
15 year 2002, \$243,000 of the general fund--state appropriation for fiscal
16 year 2003, and \$411,000 of the general fund--federal appropriation are
17 provided solely for the development and implementation of a uniform
18 outcome-oriented performance measurement system to be used in
19 evaluating and managing the community mental health service delivery
20 system consistent with the recommendations contained in the joint
21 legislative audit and review committee's audit of the public mental
22 health system. Once implemented, the use of performance measures will
23 allow comparison of measurement results to established standards and
24 benchmarks among regional support networks, service providers, and
25 against other states. The department shall provide a report to the
26 appropriate committees of the legislature on the development and
27 implementation of the use of performance measures by October 2002.

28 ~~(c) ((\$125,000 of the general fund--state appropriation for fiscal~~
29 ~~year 2002, \$125,000 of the general fund--state appropriation for fiscal~~
30 ~~year 2003, and \$250,000 of the general fund--federal appropriation are~~
31 ~~provided solely for a study of the prevalence of mental illness among~~
32 ~~the state's regional support networks. The study))~~ From funds
33 appropriated in this subsection, the department shall examine how
34 reasonable estimates of the prevalence of mental illness relate to the
35 incidence of persons enrolled in medical assistance programs in each
36 regional support network area. In conducting this study, the
37 department shall consult with the joint legislative audit and review
38 committee, regional support networks, community mental health
39 providers, and mental health consumer representatives. The department

1 shall submit a final report on its findings to the fiscal, health care,
2 and human services committees of the legislature by November 1, 2003.

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

5 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**
6 **DISABILITIES PROGRAM**

7 (1) COMMUNITY SERVICES

8	General Fund--State Appropriation (FY 2002) . . . \$	((231,693,000))
9		<u>233,705,000</u>
10	General Fund--State Appropriation (FY 2003) . . . \$	((242,347,000))
11		<u>257,896,000</u>
12	General Fund--Federal Appropriation \$	((396,151,000))
13		<u>402,748,000</u>
14	Health Services Account--State	
15	Appropriation \$	((741,000))
16		<u>903,000</u>
17	TOTAL APPROPRIATION \$	((870,932,000))
18		<u>895,252,000</u>

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

21 (a) The legislature finds that comprehensive reform of the
22 developmental disabilities program is required. Recent audits and
23 litigation indicate a need to improve the quality of program data,
24 strengthen program and fiscal management, and clarify the criteria and
25 determination of eligibility for services. Additional resources are
26 also needed to expand access to community services. The appropriations
27 in this section are intended to address the most urgent needs while
28 strengthening program and fiscal accountability. The department shall
29 provide monthly progress reports to the appropriate committees of the
30 legislature on actions taken in three areas: The implementation of
31 expanded services, the development and implementation of a new home and
32 community based medicaid waiver, and improvements in program and fiscal
33 management.

34 (b) \$13,705,000 of the fiscal year 2003 general fund--state
35 appropriation and \$2,096,000 of the general fund--federal appropriation
36 are provided solely for expanded access to community services. These
37 amounts are intended to provide family support for an additional 3,000
38 families, expanded residential services for an additional 175 clients

1 by the end of the biennium, and an additional 267 clients transitioning
2 from high school to work. New funding for family support and high
3 school transition along with a portion of existing funding for these
4 programs shall be provided as supplemental security income (SSI) state
5 supplemental payments. The legislature finds that providing cash
6 assistance to individuals and families needing these supports promotes
7 self-determination and independence. It is the intent of the
8 legislature that the department shall comply with federal requirements
9 to maintain aggregate funding for SSI state supplemental payments while
10 promoting self-determination and independence for persons with
11 developmental disabilities in families with low and moderate incomes.
12 This funding is also provided to increase the number of case workers
13 supporting clients receiving community services. These amounts and the
14 specified expansion of community services are intended to be the fiscal
15 component of the negotiated settlement in the pending litigation on
16 developmental disabilities services, *ARC v. Quasim*.

17 (c) The health services account appropriation and \$753,000 of the
18 general fund--federal appropriation are provided solely for health care
19 benefits for home care workers with family incomes below 200 percent of
20 the federal poverty level who are employed through state contracts for
21 twenty hours per week or more. Premium payments for individual
22 provider home care workers shall be made only to the subsidized basic
23 health plan. Home care agencies may obtain coverage either through the
24 basic health plan or through an alternative plan with substantially
25 equivalent benefits.

26 ~~((b))~~ (d) \$902,000 of the general fund--state appropriation for
27 fiscal year 2002, \$3,372,000 of the general fund--state appropriation
28 for fiscal year 2003, and \$4,056,000 of the general fund--federal
29 appropriation are provided solely for community services for residents
30 of residential habilitation centers (RHCs) who are able to be
31 adequately cared for in community settings and who choose to live in
32 those community settings. The department shall ensure that the average
33 cost per day for all program services other than start-up costs shall
34 not exceed \$280. If the number and timing of residents choosing to
35 move into community settings is not sufficient to achieve the RHC
36 cottage consolidation plan assumed in the appropriations in subsection
37 (2) of this section, the department shall transfer sufficient
38 appropriations from this subsection to subsection (2) of this section
39 to cover the added costs incurred in the RHCs. The department shall

1 report to the appropriate committees of the legislature, within 45 days
2 following each fiscal year quarter, the number of residents moving into
3 community settings and the actual expenditures for all community
4 services to support those residents.

5 ~~((e) \$1,440,000))~~ (e) \$1,153,000 of the general fund--state
6 appropriation for fiscal year 2002, ~~((\$3,041,000))~~ \$3,054,000 of the
7 general fund--state appropriation for fiscal year 2003, and
8 ~~((\$4,311,000))~~ \$4,031,000 of the general fund--federal appropriation
9 are provided solely for expanded community services for persons with
10 developmental disabilities who also have community protection issues or
11 are diverted or discharged from state psychiatric hospitals. The
12 department shall ensure that the average cost per day for all program
13 services other than start-up costs shall not exceed \$275. The
14 department shall report to the appropriate committees of the
15 legislature, within 45 days following each fiscal year quarter, the
16 number of persons served with these additional community services,
17 where they were residing, what kinds of services they were receiving
18 prior to placement, and the actual expenditures for all community
19 services to support these clients.

20 ~~(((d) \$1,005,000 of the general fund state appropriation for
21 fiscal year 2002, \$2,262,000 of the general fund state appropriation
22 for fiscal year 2003, and \$2,588,000 of the general fund federal
23 appropriation are provided solely for increasing case/resource
24 management resources to improve oversight and quality of care for
25 persons enrolled in the medicaid home and community services waiver for
26 persons with developmental disabilities.))~~ (f) The department shall not
27 increase total enrollment in home and community based waivers for
28 persons with developmental disabilities except for ~~((increases))~~
29 changes assumed in additional funding provided in subsections (b) ~~((and
30 (e)))~~, (d), and (e) of this section. Prior to submitting to the health
31 care financing authority any additional home and community based waiver
32 request for persons with developmental disabilities, the department
33 shall submit a summary of the waiver request to the appropriate
34 committees of the legislature. The summary shall include eligibility
35 criteria, program description, enrollment projections and limits, and
36 budget and cost effectiveness projections that distinguish the
37 requested waiver from other existing or proposed waivers.

38 ~~((e))~~ (g) \$1,000,000 of the general fund--state appropriation for
39 fiscal year 2002 and \$1,000,000 of the general fund--state

1 appropriation for fiscal year 2003 are provided solely for employment,
 2 or other day activities and training programs, for young adults with
 3 developmental disabilities who complete their high school curriculum in
 4 2001 or 2002. These services are intended to assist with the
 5 transition to work and more independent living. Funding shall be used
 6 to the greatest extent possible for vocational rehabilitation services
 7 matched with federal funding. In recent years, the state general fund
 8 appropriation for employment and day programs has been underspent.
 9 These surpluses, built into the carry forward level budget, shall be
 10 redeployed for high school transition services.

11 ~~((f))~~ (h) \$369,000 of the fiscal year 2002 general fund--state
 12 appropriation and \$369,000 of the fiscal year 2003 general fund--state
 13 appropriation are provided solely for continuation of the autism pilot
 14 project started in 1999.

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

29 (2) INSTITUTIONAL SERVICES

30	General Fund--State Appropriation (FY 2002) . . . \$	((71,977,000))
31		<u>69,375,000</u>
32	General Fund--State Appropriation (FY 2003) . . . \$	((69,303,000))
33		<u>68,203,000</u>
34	General Fund--Federal Appropriation \$	((145,641,000))
35		<u>145,672,000</u>
36	General Fund--Private/Local Appropriation \$	((10,230,000))
37		<u>11,230,000</u>
38	TOTAL APPROPRIATION \$	((297,151,000))
39		<u>294,480,000</u>

1 The appropriations in this subsection are subject to the following
 2 conditions and limitations: Pursuant to RCW 71A.12.160, if residential
 3 habilitation center capacity is not being used for permanent residents,
 4 the department (~~may~~) shall make residential habilitation center
 5 vacancies available for respite care and any other services needed to
 6 care for clients who are not currently being served in a residential
 7 habilitation center and whose needs require staffing levels similar to
 8 current residential habilitation center residents. Providing respite
 9 care shall not impede the department's ability to consolidate cottages,
 10 and maintain expenditures within allotments, as assumed in the
 11 appropriations in this subsection.

12 (3) PROGRAM SUPPORT

13	General Fund--State Appropriation (FY 2002) \$	((2,601,000))
14		<u>1,711,000</u>
15	General Fund--State Appropriation (FY 2003) \$	((2,623,000))
16		<u>2,237,000</u>
17	General Fund--Federal Appropriation \$	((2,413,000))
18		<u>2,742,000</u>
19	<u>Telecommunications Devices for the Hearing and</u>	
20	<u>Speech Impaired Account Appropriation \$</u>	<u>1,767,000</u>
21	TOTAL APPROPRIATION \$	((7,637,000))
22		<u>8,457,000</u>

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

25 (a) \$500,000 of the fiscal year 2003 general fund--state
 26 appropriation and \$300,000 of the general fund--federal appropriation
 27 are provided solely for improved fiscal management of the home and
 28 community-based waiver and other community services.

29 ~~(b) ((\$50,000 of the fiscal year 2002 general fund--state~~
 30 ~~appropriation and \$50,000 of the fiscal year 2003 general fund--state~~
 31 ~~appropriation are))~~ \$100,000 of the telecommunications devices for the
 32 hearing and speech impaired account appropriation is provided solely
 33 for increasing the contract amount for the southeast Washington deaf
 34 and hard of hearing services center due to increased workload.

35 (4) SPECIAL PROJECTS

36	General Fund--Federal Appropriation \$	11,995,000
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1 **Sec. 206.** 2001 2nd sp.s. c 7 s 206 (uncodified) is amended to read
2 as follows:

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

5	General Fund--State Appropriation (FY 2002) . . . \$	((518,911,000))
6		<u>506,139,000</u>
7	General Fund--State Appropriation (FY 2003) . . . \$	((537,907,000))
8		<u>511,575,000</u>
9	General Fund--Federal Appropriation \$	((1,078,417,000))
10		<u>1,051,847,000</u>
11	General Fund--Private/Local Appropriation \$	((4,324,000))
12		<u>11,803,000</u>
13	Health Services Account--State	
14	Appropriation \$	4,523,000
15	TOTAL APPROPRIATION \$	((2,144,082,000))
16		<u>2,085,887,000</u>

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

19 (1) The entire health services account appropriation, \$1,210,000 of
20 the general fund--state appropriation for fiscal year 2002, \$1,423,000
21 of the general fund--state appropriation for fiscal year 2003, and
22 \$6,794,000 of the general fund--federal appropriation are provided
23 solely for health care benefits for home care workers who are employed
24 through state contracts for at least twenty hours per week. Premium
25 payments for individual provider home care workers shall be made only
26 to the subsidized basic health plan, and only for persons with incomes
27 below 200 percent of the federal poverty level. Home care agencies may
28 obtain coverage either through the basic health plan or through an
29 alternative plan with substantially equivalent benefits.

30 (2) \$1,706,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$1,706,000 of the general fund--state appropriation for
32 fiscal year 2003, plus the associated vendor rate increase for each
33 year, are provided solely for operation of the volunteer chore services
34 program.

35 (3) For purposes of implementing chapter 74.46 RCW, the weighted
36 average nursing facility payment rate shall be no more than \$128.79 for
37 fiscal year 2002, and no more than ((~~\$134.45~~)) \$132.58 for fiscal year
38 2003. For all facilities, the therapy care, support services, and
39 operations component rates established in accordance with chapter 74.46

1 RCW shall be adjusted for economic trends and conditions by 2.1 percent
2 effective July 1, 2001, and by an additional ((2.3)) 1.5 percent
3 effective July 1, 2002. For case-mix facilities, direct care component
4 rates established in accordance with chapter 74.46 RCW shall also be
5 adjusted for economic trends and conditions by 2.1 percent effective
6 July 1, 2001, and by an additional 2.3 percent effective July 1, 2002.
7 Additionally, to facilitate the transition to a fully case-mix based
8 direct care payment system, the median price per case-mix unit for each
9 of the applicable direct care peer groups shall be increased on a one-
10 time basis by 2.64 percent effective July 1, 2002.

11 (4) In accordance with Substitute House Bill No. 2242 (nursing home
12 rates), the department shall issue certificates of capital
13 authorization which result in up to \$10 million of increased asset
14 value completed and ready for occupancy in fiscal year 2003; in up to
15 \$27 million of increased asset value completed and ready for occupancy
16 in fiscal year 2004; and in up to \$27 million of increased asset value
17 completed and ready for occupancy in fiscal year 2005.

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

21 (6) Within funds appropriated in this section and in section 204 of
22 this act, the aging and adult services program shall coordinate with
23 and actively support the efforts of the mental health program and of
24 the regional support networks to provide stable community living
25 arrangements for persons with dementia and traumatic brain injuries who
26 have been long-term residents of the state psychiatric hospitals. The
27 aging and adult services program shall report to the health care and
28 fiscal committees of the legislature by November 1, 2001, and by
29 November 1, 2002, on the actions it has taken to achieve this
30 objective.

31 (7) Within funds appropriated in this section and in section 204 of
32 this act, the aging and adult services program shall devise and
33 implement strategies in partnership with the mental health program and
34 the regional support networks to reduce the use of state and local
35 psychiatric hospitals for the short-term stabilization of persons with
36 dementia and traumatic brain injuries. Such strategies may include
37 training and technical assistance to help long-term care providers
38 avoid and manage behaviors which might otherwise result in psychiatric
39 hospitalizations; monitoring long-term care facilities to assure

1 residents are receiving appropriate mental health care and are not
2 being inappropriately medicated or hospitalized; the development of
3 diversion beds and stabilization support teams; and the establishment
4 of systems to track the use of psychiatric hospitals by long-term care
5 providers. The aging and adult services program shall report to the
6 health care and fiscal committees of the legislature by November 1,
7 2001, and by November 1, 2002, on the actions it has taken to achieve
8 this objective.

9 (8) In accordance with Substitute House Bill No. 1341, the
10 department may implement ~~((two))~~ a medicaid waiver program~~((s))~~ for
11 persons who do not qualify for such services as categorically needy,
12 subject to federal approval and the following conditions and
13 limitations:

14 (a) ~~((One))~~ The waiver program shall include coverage of ~~((home-~~
15 ~~based services, and the second shall include coverage of))~~ care in
16 community residential facilities. ~~((Enrollment in the waiver covering~~
17 ~~home-based services shall not exceed 150 persons by the end of fiscal~~
18 ~~year 2002, nor 200 persons by the end of fiscal year 2003.))~~
19 Enrollment in the waiver ~~((covering community residential services))~~
20 shall not exceed ~~((500))~~ 50 persons by the end of fiscal year 2002, nor
21 ~~((900))~~ 600 persons by the end of fiscal year 2003.

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

29 (c) The department shall identify the number of medically needy
30 nursing home residents, and enrollment and expenditures on ~~((each of))~~
31 the ~~((two))~~ medically needy waiver~~((s))~~, on monthly management reports.

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

37 (9) \$50,000 of the general fund--state appropriation for fiscal
38 year 2002 and \$50,000 of the general fund--state appropriation for
39 fiscal year 2003 are provided solely for payments to any nursing

1 facility licensed under chapter 18.51 RCW which meets all of the
2 following criteria: (a) The nursing home entered into an arm's length
3 agreement for a facility lease prior to January 1, 1980; (b) the lessee
4 purchased the leased nursing home after January 1, 1980; and (c) the
5 lessor defaulted on its loan or mortgage for the assets of the home
6 after January 1, 1991, and prior to January 1, 1992. Payments provided
7 pursuant to this subsection shall not be subject to the settlement,
8 audit, or rate-setting requirements contained in chapter 74.46 RCW.

9 (10) \$364,000 of the general fund--state appropriation for fiscal
10 year 2002, \$364,000 of the general fund--state appropriation for fiscal
11 year 2003, and \$740,000 of the general fund--federal appropriation are
12 provided solely for payment of exceptional care rates so that persons
13 with Alzheimer's disease and related dementias who might otherwise
14 require nursing home or state hospital care can instead be served in
15 boarding home-licensed facilities which specialize in the care of such
16 conditions.

17 (11) From funds appropriated in this section, the department shall
18 increase compensation for individual and for agency home care
19 providers. Payments to individual home care providers are to be
20 increased from \$7.18 per hour to \$7.68 per hour on July 1, 2001.
21 Payments to agency providers are to be increased to \$13.30 per hour on
22 July 1, 2001, and to \$13.44 per hour on July 1, 2002. All but 18 cents
23 per hour of the July 1, 2001, increase to agency providers is to be
24 used to increase wages for direct care workers. The appropriations in
25 this section also include the funds needed for the employer share of
26 unemployment and social security taxes on the amount of the wage
27 increase required by this subsection.

28 (12) \$2,507,000 of the general fund--state appropriation for fiscal
29 year 2002, \$2,595,000 of the general fund--state appropriation for
30 fiscal year 2003, and \$5,100,000 of the general fund--federal
31 appropriation are provided solely for prospective rate increases
32 intended to increase compensation by an average of fifty cents per hour
33 for low-wage workers in agencies which contract with the state to
34 provide community residential services for persons with functional
35 disabilities. In consultation with the statewide associations
36 representing such agencies, the department shall establish a mechanism
37 for testing the extent to which funds have been used for this purpose,
38 and report the results to the fiscal committees of the legislature by
39 February 1, 2002. The amounts in this subsection also include the

1 funds needed for the employer share of unemployment and social security
2 taxes on the amount of the wage increase.

3 (13) \$1,082,000 of the general fund--state appropriation for fiscal
4 year 2002, \$1,082,000 of the general fund--state appropriation for
5 fiscal year 2003, and \$2,204,000 of the general fund--federal
6 appropriation are provided solely for prospective rate increases
7 intended to increase compensation for low-wage workers in nursing homes
8 which contract with the state. For fiscal year 2002, the department
9 shall add forty-five cents per patient day to the direct care rate
10 which would otherwise be paid to each nursing facility in accordance
11 with chapter 74.46 RCW. For fiscal year 2003, the department shall
12 increase the median price per case-mix unit for each of the applicable
13 peer groups by six-tenths of one percent in order to distribute the
14 available funds. In consultation with the statewide associations
15 representing nursing facilities, the department shall establish a
16 mechanism for testing the extent to which funds have been used for this
17 purpose, and report the results to the fiscal committees of the
18 legislature by February 1, 2002.

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>409,911,000</u>
27	General Fund--Federal Appropriation \$	((1,356,351,000))
28		<u>1,359,505,000</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>2,246,280,000</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))~~ \$292,231,000 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 (e) Reduce funding contracted to the department of employment
26 security in order to maintain funding for drug and alcohol treatment
27 services designed to help TANF parents enter the job market and keep
28 their jobs.

29 (2) (~~(\$48,341,000)~~) \$54,623,000 of the general fund--state
30 appropriation for fiscal year 2002 and (~~(\$48,341,000)~~) \$51,268,000 of
31 the general fund--state appropriation for fiscal year 2003 are provided
32 solely for cash assistance and other services to recipients in the
33 general assistance--unemployable program. Within these amounts, the
34 department may expend funds for services that assist recipients to
35 reduce their dependence on public assistance, provided that
36 expenditures for these services and cash assistance do not exceed the
37 funds provided.

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

1 appropriation for fiscal year 2003 are provided solely for the food
2 assistance program for legal immigrants. The level of benefits shall
3 be equivalent to the benefits provided by the federal food stamp
4 program.

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

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

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

14 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
15 **ABUSE PROGRAM**

16	General Fund--State Appropriation (FY 2002) . . . \$	((38,047,000))
17		<u>35,851,000</u>
18	General Fund--State Appropriation (FY 2003) . . . \$	((38,938,000))
19		<u>37,622,000</u>
20	General Fund--Federal Appropriation \$	((91,695,000))
21		<u>91,563,000</u>
22	General Fund--Private/Local Appropriation \$	723,000
23	Public Safety and Education Account--State	
24	Appropriation \$	((13,733,000))
25		<u>13,321,000</u>
26	Violence Reduction and Drug Enforcement Account--	
27	State Appropriation \$	((52,510,000))
28		<u>51,764,000</u>
29	TOTAL APPROPRIATION \$	((235,646,000))
30		<u>230,844,000</u>

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

33 (1) ((\$1,610,000)) \$810,000 of the general fund--state
34 appropriation for fiscal year 2002 and \$1,622,000 of the general fund--
35 state appropriation for fiscal year 2003 are provided solely for
36 expansion of 35 drug and alcohol treatment beds for persons committed
37 under RCW 70.96A.140. Patients meeting the commitment criteria of RCW
38 70.96A.140 but who voluntarily agree to treatment in lieu of commitment

1 shall also be eligible for treatment in these additional treatment
2 beds. The department shall develop specific placement criteria for
3 these expanded treatment beds to ensure that this new treatment
4 capacity is prioritized for persons incapacitated as a result of
5 chemical dependency and who are also high utilizers of hospital
6 services. These additional treatment beds shall be located in the
7 eastern part of the state.

8 (2) (~~(\$2,800,000)~~) \$1,400,000 of the public safety and education
9 account--state appropriation is provided solely for expansion of
10 treatment for persons gravely disabled by abuse and addiction to
11 alcohol and other drugs including methamphetamine.

12 (3) \$1,083,000 of the public safety and education account--state
13 appropriation is provided solely for adult and juvenile drug courts
14 that have a net loss of federal grant funding in state fiscal year 2002
15 and state fiscal year 2003. This appropriation is intended to cover
16 approximately one-half of lost federal funding. It is the intent of
17 the legislature to provide state assistance to counties to cover a part
18 of lost federal funding for drug courts for a maximum of three years.

19 (4) \$1,993,000 of the public safety and education account--state
20 appropriation and \$951,000 of the general fund--federal appropriation
21 are provided solely for drug and alcohol treatment for SSI clients.
22 The department shall continue research and post-program evaluation of
23 these clients to further determine the post-treatment utilization of
24 medical services and the service effectiveness of consolidation.

25 (5) \$500,000 of the violence reduction and drug enforcement account
26 appropriation for fiscal year 2003 is provided solely for the
27 department to provide treatment for pathological gambling or training
28 for the treatment of pathological gambling under Second Substitute
29 Senate Bill No. 6560 (shared game lottery). If the bill is not enacted
30 by June 30, 2002, the amount provided in this subsection shall lapse.

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

33 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
34 **PROGRAM**

35	General Fund--State Appropriation (FY 2002) . . . \$	(1,028,885,000)
36		<u>1,072,650,000</u>
37	General Fund--State Appropriation (FY 2003) . . . \$	(1,130,904,000)
38		<u>1,132,694,000</u>

1	General Fund--Federal Appropriation	\$ ((3,637,511,000))
2		<u>3,619,014,000</u>
3	General Fund--Private/Local Appropriation	\$ ((276,147,000))
4		<u>211,272,000</u>
5	Emergency Medical Services and Trauma Care Systems	
6	Trust Account--State Appropriation	\$ 9,200,000
7	Health Services Account--State Appropriation	\$ ((1,043,310,000))
8		<u>1,108,727,000</u>
9	TOTAL APPROPRIATION	\$ ((7,125,957,000))
10		<u>7,153,557,000</u>

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

13 (1) The department shall increase its efforts to restrain the
14 growth of health care costs. The appropriations in this section
15 anticipate that the department implements a combination of cost
16 containment and utilization strategies sufficient to reduce general
17 fund--state costs by approximately 3 percent below the level projected
18 for the 2001-03 biennium in the March 2001 forecast. The department
19 shall report to the fiscal committees of the legislature by October 1,
20 2001, on its specific plans and semiannual targets for accomplishing
21 these savings. The department shall report again to the fiscal
22 committees by March 1, 2002, and by September 1, 2002, on actual
23 performance relative to the semiannual targets. If satisfactory
24 progress is not being made to achieve the targeted savings, the reports
25 shall include recommendations for additional or alternative measures to
26 control costs.

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

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

34 (4) \$502,000 of the health services account appropriation, \$400,000
35 of the general fund--private/local appropriation, and \$1,676,000 of the
36 general fund--federal appropriation are provided solely for
37 implementation of Second Substitute House Bill No. 1058 (breast and
38 cervical cancer treatment). If the bill is not enacted by June 30,
39 2001, or if private funding is not contributed equivalent to the

1 general fund--private/local appropriation, the funds appropriated in
2 this subsection shall lapse.

3 (5) \$620,000 of the health services account appropriation for
4 fiscal year 2002, \$1,380,000 of the health services account
5 appropriation for fiscal year 2003, and \$2,000,000 of the general
6 fund--federal appropriation are provided solely for implementation of
7 a "ticket to work" medicaid buy-in program for working persons with
8 disabilities, operated in accordance with the following conditions:

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

11 (b) Participants shall participate in the cost of the program by
12 paying (i) a monthly enrollment fee equal to fifty percent of any
13 unearned income in excess of the medicaid medically needy standard; and
14 (ii) a monthly premium equal to 5 percent of all unearned income, plus
15 5 percent of all earned income after disregarding the first sixty-five
16 dollars of monthly earnings, and half the remainder;

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

20 (d) The department may require point-of-service copayments as
21 appropriate, except that copayments shall not be so high as to
22 discourage appropriate service utilization, particularly of
23 prescription drugs needed for the treatment of psychiatric conditions;
24 and

25 (e) The department shall establish systems for tracking and
26 reporting enrollment and expenditures in this program, and the prior
27 medical assistance eligibility status of new program enrollees. The
28 department shall additionally survey the prior and current employment
29 status and approximate hours worked of program enrollees, and report
30 the results to the fiscal and health care committees of the legislature
31 by January 15, 2003.

32 (6) From funds appropriated in this section, the department shall
33 design, implement, and evaluate pilot projects to assist individuals
34 with at least three different diseases to improve their health, while
35 reducing total medical expenditures. The projects shall involve (a)
36 identifying persons who are seriously or chronically ill due to a
37 combination of medical, social, and functional problems; and (b)
38 working with the individuals and their care providers to improve
39 adherence to state-of-the-art treatment regimens. The department shall

1 report to the health care and the fiscal committees of the legislature
2 by January 1, 2002, on the particular disease states, intervention
3 protocols, and delivery mechanisms it proposes to test.

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

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

10 (9) \$80,000 of the general fund--state appropriation for fiscal
11 year 2002, \$80,000 of the general fund--state appropriation for fiscal
12 year 2003, and \$160,000 of the general fund--federal appropriation are
13 provided solely for the newborn referral program to provide access and
14 outreach to reduce infant mortality.

15 (10) \$30,000 of the general fund--state appropriation for fiscal
16 year 2002, \$31,000 of the general fund--state appropriation for fiscal
17 year 2003, and \$62,000 of the general fund--federal appropriation are
18 provided solely for implementation of Substitute Senate Bill No. 6020
19 (dental sealants). If Substitute Senate Bill No. 6020 is not enacted
20 by June 30, 2001, the amounts provided in this subsection shall lapse.

21 (11) In accordance with RCW 74.46.625, (~~(\$376,318,000)~~)
22 \$528,171,000 of the health services account appropriation (~~(for fiscal~~
23 ~~year 2002, \$144,896,000 of the health services account appropriation~~
24 ~~for fiscal year 2003, and \$542,089,000)) and \$526,014,000 of the
25 general fund--federal appropriation are provided solely for
26 supplemental payments to nursing homes operated by rural public
27 hospital districts. The payments shall be conditioned upon (a) a
28 contractual commitment by the association of public hospital districts
29 and participating rural public hospital districts to make an
30 intergovernmental transfer to the state treasurer, for deposit into the
31 health services account, equal to at least 98 percent of the
32 supplemental payments; and (b) a contractual commitment by the
33 participating districts to not allow expenditures covered by the
34 supplemental payments to be used for medicaid nursing home rate-
35 setting. The participating districts shall retain no more than a total
36 of \$20,000,000 for the 2001-03 biennium.~~

37 (12) (~~(\$38,690,000)~~) \$39,121,000 of the health services account
38 appropriation for fiscal year 2002, (~~(\$40,189,000)~~) \$40,337,000 of the
39 health services account appropriation for fiscal year 2003, and

1 ((~~\$80,241,000~~)) \$79,628,000 of the general fund--federal appropriation
2 are provided solely for additional disproportionate share and medicare
3 upper payment limit payments to public hospital districts.

4 ((~~(a)~~)) The payments shall be conditioned upon a contractual
5 commitment by the participating public hospital districts to make an
6 intergovernmental transfer to the health services account equal to at
7 least 91 percent of the additional payments. At least 28 percent of
8 the amounts retained by the participating hospital districts shall be
9 allocated to the state's teaching hospitals.

10 ((~~(b) An additional 4.5 percent of the additional payments may be~~
11 ~~retained by the participating public hospital districts contingent upon~~
12 ~~the receipt of \$446,500,000 in newly identified proshare reimbursement~~
13 ~~from the federal government over the 2001-03 biennium. If the actual~~
14 ~~amount received is less than \$446,500,000, the amount retained pursuant~~
15 ~~to this subsection (12)(b) shall be prorated accordingly. The state~~
16 ~~teaching hospitals shall receive a distribution of the amount retained~~
17 ~~by the participating hospital districts in this subsection (12)(b) as~~
18 ~~allocated in (a) of this subsection.~~))

19 (13) \$412,000 of the general fund--state appropriation for fiscal
20 year 2002, \$862,000 of the general fund--state appropriation for fiscal
21 year 2003, and \$730,000 of the general fund--federal appropriation are
22 provided solely for implementation of Substitute House Bill No. 1162
23 (small rural hospitals). If Substitute House Bill No. 1162 is not
24 enacted by June 30, 2001, the amounts provided in this subsection shall
25 lapse.

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

33 (15) The department shall coordinate with the health care authority
34 to actively assist children and immigrant adults not eligible for
35 medicaid to enroll in the basic health plan.

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

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**
2 **REHABILITATION PROGRAM**

3	General Fund--State Appropriation (FY 2002) . . . \$	((11,309,000))
4		<u>11,135,000</u>
5	General Fund--State Appropriation (FY 2003) . . . \$	((9,780,000))
6		<u>9,385,000</u>
7	General Fund--Federal Appropriation \$	((83,738,000))
8		<u>82,235,000</u>
9	General Fund--Private/Local Appropriation \$	360,000
10	TOTAL APPROPRIATION \$	((105,187,000))
11		<u>103,115,000</u>

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

14 (1) The division of vocational rehabilitation shall negotiate
15 cooperative interagency agreements with state and local organizations
16 to improve and expand employment opportunities for people with severe
17 disabilities.

18 (2) The department shall actively assist participants in the
19 employment support services program to obtain other employment or
20 training opportunities over the course of fiscal year 2003.

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

23 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**
24 **SUPPORTING SERVICES PROGRAM**

25	General Fund--State Appropriation (FY 2002) . . . \$	((30,444,000))
26		<u>30,419,000</u>
27	General Fund--State Appropriation (FY 2003) . . . \$	((29,369,000))
28		<u>22,419,000</u>
29	General Fund--Federal Appropriation \$	((50,562,000))
30		<u>47,135,000</u>
31	General Fund--Private/Local Appropriation \$	810,000
32	TOTAL APPROPRIATION \$	((111,185,000))
33		<u>100,783,000</u>

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

36 (1) By November 1, 2001, the secretary shall report to the fiscal
37 committees of the legislature on the actions the secretary has taken,

1 or proposes to take, within current funding levels to resolve the
2 organizational problems identified in the department's February 2001
3 report to the legislature on current systems for billing third-party
4 payers for services delivered by the state psychiatric hospitals. The
5 secretary is authorized to transfer funds from this section to the
6 mental health program to the extent necessary to achieve the
7 organizational improvements recommended in that report.

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

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

23 (4) By September 1, 2001, the department shall report to the fiscal
24 committees of the legislature results from the payment review program.
25 The report shall include actual costs recovered and estimated costs
26 avoided for fiscal year 2001 and the costs incurred by the department
27 to administer the program. The report shall document criteria and
28 methodology used for determining avoided costs. In addition, the
29 department shall seek input from health care providers and consumer
30 organizations on modifications to the program. The department shall
31 provide annual updates to the report to the fiscal committees of the
32 legislature by September 1st of each year for the preceding fiscal
33 year.

34 (5) The department shall implement reductions in administrative
35 expenditures assumed in these appropriations that achieve ongoing
36 savings, reduce duplicative and redundant work processes, and, where
37 possible, eliminate entire administrative functions and offices. The
38 department may transfer amounts among sections and programs to achieve
39 these savings provided that reductions in direct services to clients

1 and recipients of the department shall not be counted as administrative
2 reductions. The department shall report to the appropriate committees
3 of the legislature a spending plan to achieve these reductions by July
4 1, 2002, and shall report actual achieved administrative savings and
5 projected saving for the remainder of the biennium by December 1, 2002.

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		<u>9,654,000</u>
12	State Health Care Authority Administrative	
13	Account--State Appropriation \$	((20,091,000))
14		<u>20,032,000</u>
15	Health Services Account--State Appropriation . . \$	((499,148,000))
16		<u>529,174,000</u>
17	General Fund--Federal Appropriation \$	((3,611,000))
18		<u>4,240,000</u>
19	<u>Medical Aid Account--State Appropriation</u> \$	<u>45,000</u>
20	TOTAL APPROPRIATION \$	((536,159,000))
21		<u>569,800,000</u>

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

24 (1) \$6,551,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$6,550,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided solely for health care services provided
27 through local 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) The administrator shall take at least the following actions to
15 assure that persons participating in the basic health plan are eligible
16 for the level of assistance they receive: (a) Require submission of
17 income tax returns and recent pay history from all applicants; (b)
18 check employment security payroll records at least once every twelve
19 months on all enrollees; (c) require enrollees whose income as
20 indicated by payroll records exceeds that upon which their subsidy is
21 based to document their current income as a condition of continued
22 eligibility; (d) require enrollees for whom employment security payroll
23 records cannot be obtained to document their current income at least
24 once every six months; and (e) pursue repayment and civil penalties
25 from persons who have received excessive subsidies, as provided in RCW
26 70.47.060(9).

27 (6) \$20,000,000 of the health services account appropriation is
28 provided solely for enrollment in the subsidized basic health plan of
29 persons who, solely by reason of their immigration status, are not
30 eligible for medicaid coverage of their nonemergent medical care needs.

31 (7) \$3,000,000 of the general fund--state appropriation for fiscal
32 year 2003 is provided solely to increase the number of persons not
33 eligible for medicaid receiving dental care from nonprofit community
34 clinics.

35 (8) The health care authority shall report to the fiscal committees
36 of the legislature on the costs, benefits, and feasibility of
37 implementing a system no later than January 1, 2004, under which the
38 state's contribution to the cost of employee medical coverage would be
39 graduated according to employee salary. Under the graduated system,

1 employees in higher salary ranges would pay a larger share of the cost
 2 of their medical coverage, while those paid lower salaries would pay a
 3 smaller percentage of their premium. The report shall be prepared in
 4 consultation with the department of personnel and the state-supported
 5 colleges and universities, and shall be submitted to the fiscal
 6 committees no later than December 1, 2002.

7 (9) In consultation with the department of personnel and with the
 8 state-supported colleges and universities, the health care authority
 9 shall report to the fiscal committees of the legislature by October 1,
 10 2002, a plan for expanding the availability and use of flexible
 11 spending account plans under which employees may set aside pretax
 12 earnings to cover their out-of-pocket medical costs. The authority is
 13 authorized to proceed with implementation of such a plan to the extent
 14 it can be accomplished within existing state funding levels.

15 (10) \$685,000 of the health services account appropriation,
 16 \$629,000 of the general fund--federal appropriation, and the medical
 17 aid account appropriation are provided solely for implementation of
 18 Substitute Senate Bill No. 6368 (prescription drug utilization and
 19 education). If the bill is not enacted by June 30, 2002, these amounts
 20 shall lapse.

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

23 **FOR THE HUMAN RIGHTS COMMISSION**

24	General Fund--State Appropriation (FY 2002) . . . \$	2,688,000
25	General Fund--State Appropriation (FY 2003) . . . \$	((2,700,000))
26		<u>2,619,000</u>
27	General Fund--Federal Appropriation \$	1,544,000
28	General Fund--Private/Local Appropriation \$	100,000
29	TOTAL APPROPRIATION \$	((7,032,000))
30		<u>6,951,000</u>

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

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

34	Worker and Community Right-to-Know Account--State	
35	Appropriation \$	20,000
36	Accident Account--State Appropriation \$	((14,692,000))
37		<u>14,785,000</u>

1 Medical Aid Account--State Appropriation \$ ((~~14,694,000~~))
 2 14,788,000
 3 TOTAL APPROPRIATION \$ ((~~29,406,000~~))
 4 29,593,000

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

7 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

8 Municipal Criminal Justice Assistance Account--
 9 Local Appropriation \$ 460,000
 10 Death Investigations Account--State
 11 Appropriation \$ 148,000
 12 Public Safety and Education Account--State
 13 Appropriation \$ ((~~18,439,000~~))
 14 18,005,000
 15 TOTAL APPROPRIATION \$ ((~~19,047,000~~))
 16 18,613,000

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

19 (1) \$124,000 of the public safety and education account
 20 appropriation is provided solely to allow the Washington association of
 21 sheriffs and police chiefs to increase the technical and training
 22 support provided to the local criminal justice agencies on the new
 23 incident-based reporting system and the national incident-based
 24 reporting system.

25 (2) \$136,000 of the public safety and education account
 26 appropriation is provided solely to allow the Washington association of
 27 prosecuting attorneys to enhance the training provided to criminal
 28 justice personnel.

29 (3) ((~~\$22,000~~)) \$19,000 of the public safety and education account
 30 appropriation is provided solely to increase payment rates for the
 31 criminal justice training commission's contracted food service
 32 provider.

33 (4) ((~~\$31,000~~)) \$27,000 of the public safety and education account
 34 appropriation is provided solely to increase payment rates for the
 35 criminal justice training commission's contract with the Washington
 36 association of sheriffs and police chiefs.

37 (5) \$65,000 of the public safety and education account
 38 appropriation is provided solely for regionalized training programs for

1 school district and local law enforcement officials on school safety
2 issues.

3 (6) (~~(\$233,000 of the public safety and education account~~
4 ~~appropriation is provided solely for training and equipping local law~~
5 ~~enforcement officers to respond to methamphetamine crime.~~

6 (7) ~~\$374,000 of the public safety and education account~~
7 ~~appropriation is provided solely for the implementation of House Bill~~
8 ~~No. 1062 (certification of peace officers). If the bill is not enacted~~
9 ~~by June 30, 2001, the amounts provided in this subsection shall lapse.~~

10 (8)) \$450,000 of the public safety and education account
11 appropriation is provided solely for grants to be distributed by the
12 Washington association of sheriffs and police chiefs for electronic
13 mapping of school facilities.

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

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

17	General Fund--State Appropriation (FY 2002)	\$	(7,738,000)
18			<u>5,577,000</u>
19	General Fund--State Appropriation (FY 2003)	\$	(7,682,000)
20			<u>5,517,000</u>
21	General Fund--Federal Appropriation	\$	1,250,000
22	Public Safety and Education Account--State		
23	Appropriation	\$	(19,862,000)
24			<u>19,311,000</u>
25	Public Safety and Education Account--Federal		
26	Appropriation	\$	(6,950,000)
27			<u>3,331,000</u>
28	Public Safety and Education Account--Private/Local		
29	Appropriation	\$	(4,200,000)
30			<u>2,100,000</u>
31	Asbestos Account--State Appropriation	\$	688,000
32	Electrical License Account--State		
33	Appropriation	\$	28,412,000
34	Farm Labor Revolving Account--Private/Local		
35	Appropriation	\$	28,000
36	Worker and Community Right-to-Know Account--State		
37	Appropriation	\$	2,281,000
38	Public Works Administration Account--State		

1	Appropriation	\$	2,856,000
2	Accident Account--State Appropriation	\$	((179,186,000))
3			<u>184,219,000</u>
4	Accident Account--Federal Appropriation	\$	11,568,000
5	Medical Aid Account--State Appropriation	\$	((176,715,000))
6			<u>178,666,000</u>
7	Medical Aid Account--Federal Appropriation	\$	2,438,000
8	Plumbing Certificate Account--State		
9	Appropriation	\$	1,015,000
10	Pressure Systems Safety Account--State		
11	Appropriation	\$	((2,274,000))
12			<u>2,525,000</u>
13	TOTAL APPROPRIATION	\$	((455,143,000))
14			<u>451,782,000</u>

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

17 (1) Pursuant to RCW 7.68.015, the department shall operate the
18 crime victims compensation program within the public safety and
19 education account funds appropriated in this section and funds
20 available in the crime victims compensation trust account. In the
21 event that cost containment measures are necessary, the department may
22 (a) institute copayments for services; (b) develop preferred provider
23 contracts; or (c) other cost containment measures. Cost containment
24 measures shall not include holding invoices received in one fiscal
25 period for payment from appropriations in subsequent fiscal periods.
26 No more than \$5,248,000 of the public safety and education account
27 appropriation shall be expended for department administration of the
28 crime victims compensation program.

29 (2) ~~((\$1,438,000 of the accident account--state appropriation and~~
30 ~~\$1,438,000 of the medical aid account--state appropriation are provided~~
31 ~~for the one-time cost of implementing a recent state supreme court~~
32 ~~ruling regarding the calculation of workers' compensation benefits.~~
33 ~~This decision significantly increases the complexity of calculating~~
34 ~~benefits and therefore increases the administrative and legal costs of~~
35 ~~the workers' compensation program. The department shall develop and~~
36 ~~report to appropriate committees of the legislature proposed statutory~~
37 ~~language that provides greater certainty and simplicity in the~~
38 ~~calculation of benefits. The report shall be submitted by October 1,~~
39 ~~2001.~~

1 (3)) It is the intent of the legislature that elevator inspection
2 fees shall fully cover the cost of the elevator inspection program.
3 Pursuant to RCW 43.135.055, during the 2001-03 fiscal biennium the
4 department may increase fees in excess of the fiscal growth factor, if
5 the increases are necessary to fully fund the cost of the elevator
6 inspection program.

7 (3) \$300,000 of the medical aid account--state appropriation is
8 provided for a second center of occupational health and education to be
9 located on the east side of the state. These centers train physicians
10 on best practices for occupational medicine and work with labor and
11 business to improve the quality and outcomes of medical care provided
12 to injured workers.

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

15 **FOR THE INDETERMINATE SENTENCE REVIEW BOARD**

16	General Fund--State Appropriation (FY 2002) . . . \$	999,000
17	General Fund--State Appropriation (FY 2003) . . . \$	((999,000))
18		<u>969,000</u>
19	TOTAL APPROPRIATION \$	((1,998,000))
20		<u>1,968,000</u>

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

23 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

24 (1) HEADQUARTERS

25	General Fund--State Appropriation (FY 2002) . . . \$	1,529,000
26	General Fund--State Appropriation (FY 2003) . . . \$	((1,533,000))
27		<u>1,484,000</u>
28	Charitable, Educational, Penal, and Reformatory	
29	Institutions Account--State	
30	Appropriation \$	7,000
31	TOTAL APPROPRIATION \$	((3,069,000))
32		<u>3,020,000</u>

33 (2) FIELD SERVICES

34	General Fund--State Appropriation (FY 2002) . . . \$	2,619,000
35	General Fund--State Appropriation (FY 2003) . . . \$	((2,643,000))
36		<u>2,580,000</u>
37	General Fund--Federal Appropriation \$	155,000

1	General Fund--Private/Local Appropriation \$	1,663,000
2	TOTAL APPROPRIATION \$	((7,080,000))
3		<u>7,017,000</u>
4	(3) INSTITUTIONAL SERVICES	
5	General Fund--State Appropriation (FY 2002) . . . \$	((6,832,000))
6		<u>5,765,000</u>
7	General Fund--State Appropriation (FY 2003) . . . \$	((4,600,000))
8		<u>5,516,000</u>
9	General Fund--Federal Appropriation \$	((28,699,000))
10		<u>27,437,000</u>
11	General Fund--Private/Local Appropriation \$	((25,614,000))
12		<u>22,828,000</u>
13	TOTAL APPROPRIATION \$	((65,745,000))
14		<u>61,546,000</u>

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

22 NEW SECTION. **Sec. 219.** A new section is added to 2001 2nd sp.s.
23 c 7 (uncodified) to read as follows:

24 **FOR THE HOME CARE QUALITY AUTHORITY**
25 General Fund--State Appropriation (FY 2003) . . . \$ 152,000

26 The appropriation in this section is subject to the following
27 conditions and limitations: The general fund--state appropriation for
28 fiscal year 2003 is provided for start-up costs of the home care
29 quality authority, a new state agency established by the enactment of
30 Initiative Measure No. 775.

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

33 **FOR THE DEPARTMENT OF HEALTH**
34 General Fund--State Appropriation (FY 2002) . . . \$ ((65,308,000))
35 62,500,000
36 General Fund--State Appropriation (FY 2003) . . . \$ ((66,941,000))

1		<u>57,805,000</u>
2	Health Services Account--State Appropriation . . . \$	((24,186,000))
3		<u>28,357,000</u>
4	General Fund--Federal Appropriation \$	((276,840,000))
5		<u>296,992,000</u>
6	General Fund--Private/Local Appropriation \$	((81,526,000))
7		<u>82,912,000</u>
8	Hospital Commission Account--State	
9	Appropriation \$	((1,718,000))
10		<u>2,305,000</u>
11	Health Professions Account--State	
12	Appropriation \$	((38,456,000))
13		<u>39,855,000</u>
14	Emergency Medical Services and Trauma Care Systems	
15	Trust Account--State Appropriation \$	14,858,000
16	Safe Drinking Water Account--State	
17	Appropriation \$	((2,701,000))
18		<u>2,689,000</u>
19	Drinking Water Assistance Account--Federal	
20	Appropriation \$	((13,400,000))
21		<u>13,376,000</u>
22	Waterworks Operator Certification--State	
23	Appropriation \$	622,000
24	<u>Salmon Recovery Account--State Appropriation . . \$</u>	<u>182,000</u>
25	Water Quality Account--State Appropriation . . . \$	((3,328,000))
26		<u>3,304,000</u>
27	Accident Account--State Appropriation \$	257,000
28	Medical Aid Account--State Appropriation \$	45,000
29	State Toxics Control Account--State	
30	Appropriation \$	((2,817,000))
31		<u>2,809,000</u>
32	Medical Test Site Licensure Account--State	
33	Appropriation \$	((1,369,000))
34		<u>1,801,000</u>
35	Youth Tobacco Prevention Account--State	
36	Appropriation \$	1,797,000
37	Tobacco Prevention and Control Account--State	
38	Appropriation \$	((34,992,000))
39		<u>43,737,000</u>

1	<u>Worker and Community Right-To-Know Account--State</u>	
2	<u>Appropriation</u>	\$ <u>48,000</u>
3	TOTAL APPROPRIATION	\$ ((631,161,000))
4		<u>656,251,000</u>

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

7 (1) The department or any successor agency is authorized to raise
8 existing fees charged to the drinking water operator certification,
9 newborn screening, radioactive materials, x-ray compliance, drinking
10 water plan review, midwifery, hearing and speech, veterinarians,
11 psychologists, pharmacists, hospitals, podiatrists, ((and)) home health
12 and home care, transient accommodations licensing, adult residential
13 rehabilitation facilities licensing, state institution licensing,
14 medical test site licensing, alcoholism treatment facilities licensing,
15 and food handlers programs, in excess of the fiscal growth factor
16 established by Initiative Measure No. 601, if necessary, to meet the
17 actual costs of conducting business and the appropriation levels in
18 this section.

19 (2) \$339,000 of the general fund--state appropriation for fiscal
20 year 2002 ((~~and \$339,000~~)), \$157,000 of the general fund--state
21 appropriation for fiscal year 2003, and the salmon recovery account
22 appropriation are provided solely for technical assistance to local
23 governments and special districts on water conservation and reuse.

24 (3) \$1,675,000 of the general fund--state fiscal year 2002
25 appropriation and \$1,676,000 of the general fund--state fiscal year
26 2003 appropriation are provided solely for the implementation of the
27 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
28 DOH-03, and DOH-04.

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

1 subsection, the office of financial management shall notify the
2 legislative fiscal committees. As used in this subsection,
3 "unrestricted federal moneys" includes block grants and other funds
4 that federal law does not require to be spent on specifically defined
5 projects or matched on a formula basis by state funds.

6 (5) (~~(\$5,779,000)~~) \$14,615,000 of the health services account--
7 state appropriation (~~for fiscal year 2002 and \$4,665,000 of the health~~
8 ~~services account--state appropriation for fiscal year 2003 are~~) and
9 \$5,163,000 of the general fund--state appropriation for fiscal year
10 2002 are provided solely for (~~purchase and distribution of the~~
11 ~~pneumococcal conjugate vaccine as part of~~) the state's program of
12 universal access to essential childhood vaccines. The department shall
13 utilize all available federal funding before expenditure of these
14 funds.

15 (6) \$85,000 of the general fund--state appropriation for fiscal
16 year 2002 and \$65,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for the implementation of
18 Substitute House Bill No. 1365 (infant and child products). If the
19 bill is not enacted by June 30, 2001, the amounts provided in this
20 subsection shall lapse.

21 (7) (~~(\$58,000 of the general fund--state appropriation for fiscal~~
22 ~~year 2002 and \$25,000 of the general fund--state appropriation for~~
23 ~~fiscal year 2003 are provided solely for the implementation of Second~~
24 ~~Substitute House Bill No. 1590 (breastfeeding).~~ If the bill is not
25 enacted by June 30, 2001, the amounts provided in this subsection shall
26 lapse.

27 (+8)) From funds appropriated in this section, the state board of
28 health shall convene a broadly-based task force to review the available
29 information on the potential risks and benefits to public and personal
30 health and safety, and to individual privacy, of emerging technologies
31 involving human deoxyribonucleic acid (DNA). The board may reimburse
32 task force members for travel expenses according to RCW 43.03.220. The
33 task force shall consider information provided to it by interested
34 persons on: (a) The incidence of discriminatory actions based upon
35 genetic information; (b) strategies to safeguard civil rights and
36 privacy related to genetic information; (c) remedies to compensate
37 individuals for inappropriate use of their genetic information; and (d)
38 incentives for further research and development on the use of DNA to
39 promote public health, safety, and welfare. The task force shall

1 report on its findings and any recommendations to appropriate
2 committees of the legislature by October 1, 2002.

3 ~~((+9))~~ (8) \$533,000 of the general fund--state appropriation for
4 fiscal year 2002 and ~~((+\$1,067,000))~~ \$847,000 of the general fund--state
5 appropriation for fiscal year 2003 are provided solely for performance-
6 based contracts with local jurisdictions to assure the safety of
7 drinking water provided by small "group B" water systems.

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

16 (10) By December 1, 2002, the department shall report to
17 appropriate committees of the legislature with a feasibility analysis
18 of implementing an electronic filing system for death certificates.
19 The study shall be conducted in consultation and cooperation with local
20 and state registrars, funeral directors, and physicians, and shall
21 include an analysis of applying an additional fee to death certificates
22 to cover the cost of developing and operating the electronic system.

23 (11) The community and worker right to know appropriation is
24 provided solely for implementation of Senate Bill No. 6356 (children's
25 environmental health protection advisory committee). If Senate Bill
26 No. 6356 is not enacted by June 30, 2002, the community and worker
27 right-to-know account appropriation in this section shall lapse.

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

30 **FOR THE DEPARTMENT OF CORRECTIONS**

31 The appropriations to the department of corrections in this act
32 shall be expended for the programs and in the amounts specified herein.
33 However, after May 1, 2002, after approval by the director of financial
34 management and unless specifically prohibited by this act, the
35 department may transfer general fund--state appropriations for fiscal
36 year 2002 between programs. The director of financial management shall
37 notify the appropriate fiscal committees of the senate and house of

1 representatives in writing prior to approving any deviations from
2 appropriation levels.

3 (1) ADMINISTRATION AND SUPPORT SERVICES

4	General Fund--State Appropriation (FY 2002) . . . \$	((36,156,000))
5		<u>36,786,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((36,365,000))
7		<u>36,212,000</u>
8	Public Safety and Education Account--State	
9	Appropriation \$	1,576,000
10	Violence Reduction and Drug Enforcement	
11	Account Appropriation \$	3,254,000
12	TOTAL APPROPRIATION \$	((77,351,000))
13		<u>77,828,000</u>

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

24 (a) Include a description of any changes to the replacement
25 project;

26 (b) Provide the estimated costs for each component in the 2001-03
27 and subsequent biennia;

28 (c) Include a schedule that provides the time estimated to complete
29 changes to each component of the replacement project; and

30 (d) Be provided to the office of financial management, the
31 department of information services, the information services board, and
32 the staff of the fiscal committees of the senate and the house of
33 representatives no later than November 1, 2002.

34 (2) CORRECTIONAL OPERATIONS

35	General Fund--State Appropriation (FY 2002) . . . \$	((397,231,000))
36		<u>404,390,000</u>
37	General Fund--State Appropriation (FY 2003) . . . \$	((407,078,000))
38		<u>412,717,000</u>

1	General Fund--Federal Appropriation	\$	((12,096,000))
2			<u>9,142,000</u>
3	Violence Reduction and Drug Enforcement Account--		
4	State Appropriation	\$	((1,614,000))
5			<u>1,582,000</u>
6	Public Health Services Account Appropriation . .	\$	1,453,000
7	TOTAL APPROPRIATION	\$	((819,472,000))
8			<u>829,284,000</u>

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

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

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

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

25 (d) \$553,000 of the general fund--state appropriation for fiscal
26 year 2002 and ((~~\$1,171,000~~)) \$956,000 of the general fund--state
27 appropriation for fiscal year 2003 are provided solely to increase
28 payment rates for contracted education providers, contracted chemical
29 dependency providers, and contracted work release facilities.

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

1 (f) For the acquisition of properties and facilities, the
2 department of corrections is authorized to enter into financial
3 contracts, paid for from operating resources, for the purposes
4 indicated and in not more than the principal amounts indicated, plus
5 financing expenses and required reserves pursuant to chapter 39.94 RCW.
6 This authority applies to the following: Lease-develop with the option
7 to purchase or lease-purchase approximately 50 work release beds in
8 facilities throughout the state for \$3,500,000.

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

15 (h) The department may acquire a ferry for no more than \$1,000,000
16 from Washington state ferries. Funds expended for this purpose will be
17 recovered from the sale of marine assets.

18 (i) \$31,000 of the general fund--state appropriation for fiscal
19 year 2003 is provided solely for the implementation of Substitute
20 Senate Bill No. 6473 or Substitute House Bill No. 2468 (DNA database).
21 If neither bill is enacted by June 30, 2002, the amount provided in
22 this subsection shall lapse.

23 (j) \$53,000 of the general fund--state appropriation for fiscal
24 year 2003 is provided solely for the implementation of Engrossed
25 Substitute Senate Bill No. 6490 (motor vehicle theft). If the bill is
26 not enacted by June 30, 2002, the amount provided in this subsection
27 shall lapse.

28 (k) \$50,000 of the general fund--state appropriation for fiscal
29 year 2003 is provided solely for the initial implementation of a
30 medical algorithm practice program within the department's facilities.
31 The program shall be designed to achieve clinical efficacy and costs
32 efficiency in the utilization of psychiatric drugs.

33 (3) COMMUNITY SUPERVISION

34	General Fund--State Appropriation (FY 2002) . . . \$	((61,427,000))
35		<u>68,097,000</u>
36	General Fund--State Appropriation (FY 2003) . . . \$	((62,934,000))
37		<u>70,542,000</u>
38	General Fund--Federal Appropriation \$	((1,125,000))
39		<u>870,000</u>

1	Public Safety and Education	
2	Account--State Appropriation	\$ ((15,841,000))
3		<u>15,358,000</u>
4	TOTAL APPROPRIATION	\$ ((141,327,000))
5		<u>154,867,000</u>

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

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

13 (b) \$75,000 of the general fund--state appropriation for fiscal
14 year 2002 and \$75,000 of the general fund--state appropriation for
15 fiscal year 2003 are provided solely for the department of corrections
16 to contract with the institute for public policy for responsibilities
17 assigned in chapter 196, Laws of 1999 (offender accountability act) and
18 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
19 sentencing).

20 (c) \$16,000 of the general fund--state appropriation for fiscal
21 year 2002 and ((~~\$34,000~~)) \$28,000 of the general fund--state
22 appropriation for fiscal year 2003 are provided solely to increase
23 payment rates for contracted chemical dependency providers.

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

30 (4) CORRECTIONAL INDUSTRIES

31	General Fund--State Appropriation (FY 2002) . . .	\$ 631,000
32	General Fund--State Appropriation (FY 2003) . . .	\$ 629,000
33	TOTAL APPROPRIATION	\$ 1,260,000

34 The appropriations in this subsection are subject to the following
35 conditions and limitations: \$110,000 of the general fund--state
36 appropriation for fiscal year 2002 and \$110,000 of the general fund--
37 state appropriation for fiscal year 2003 are provided solely for
38 transfer to the jail industries board. The board shall use the amounts

1 provided only for administrative expenses, equipment purchases, and
2 technical assistance associated with advising cities and counties in
3 developing, promoting, and implementing consistent, safe, and efficient
4 offender work programs.

5 (5) INTERAGENCY PAYMENTS

6	General Fund--State Appropriation (FY 2002) . . . \$	18,568,000
7	General Fund--State Appropriation (FY 2003) . . . \$	18,569,000
8	TOTAL APPROPRIATION \$	37,137,000

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

11 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

12	General Fund--State Appropriation (FY 2002) . . . \$	((1,693,000))
13		<u>1,652,000</u>
14	General Fund--State Appropriation (FY 2003) . . . \$	((1,628,000))
15		<u>1,588,000</u>
16	General Fund--Federal Appropriation \$	((11,140,000))
17		<u>12,643,000</u>
18	General Fund--Private/Local Appropriation \$	80,000
19	TOTAL APPROPRIATION \$	((14,541,000))
20		<u>15,963,000</u>

21 The appropriations in this section are subject to the following
22 conditions and limitations: \$50,000 of the general fund--state
23 appropriation for fiscal year 2002 and \$50,000 of the general fund--
24 state appropriation for fiscal year 2003 are provided solely to
25 increase state assistance for a comprehensive program of training and
26 support services for persons who are both deaf and blind.

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

29 **FOR THE SENTENCING GUIDELINES COMMISSION**

30	General Fund--State Appropriation (FY 2002) . . . \$	936,000
31	General Fund--State Appropriation (FY 2003) . . . \$	((857,000))
32		<u>832,000</u>
33	TOTAL APPROPRIATION \$	((1,793,000))
34		<u>1,768,000</u>

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

1 \$78,000 of the general fund--state appropriation for fiscal year
2 2002 is provided solely for the sentencing guidelines commission to
3 conduct a comprehensive review and evaluation of state sentencing
4 policy. The review and evaluation shall include an analysis of whether
5 current sentencing ranges and standards, as well as existing mandatory
6 minimum sentences, existing sentence enhancements, and special
7 sentencing alternatives, are consistent with the purposes of the
8 sentencing reform act as set out in RCW 9.94A.010, including the intent
9 of the legislature to emphasize confinement for the violent offender
10 and alternatives to confinement for the nonviolent offender. The
11 review and evaluation shall also examine whether current sentencing
12 ranges and standards are consistent with existing corrections capacity.

13 The review and evaluation shall consider studies on the cost-
14 effectiveness of sentencing alternatives, as well as the fiscal impact
15 of sentencing policies on state and local government. In conducting
16 the review and evaluation, the commission shall consult with the
17 superior court judges' association, the Washington association of
18 prosecuting attorneys, the Washington defenders' association, the
19 Washington association of criminal defense lawyers, the Washington
20 association of sheriffs and police chiefs, organizations representing
21 crime victims, and other organizations and individuals with expertise
22 and interest in sentencing policy.

23 Not later than December 1, 2001, the commission shall present to
24 the appropriate standing committees of the legislature the report of
25 its comprehensive review and evaluation, together with any
26 recommendations for revisions and modifications to state sentencing
27 policy, including sentencing ranges and standards, mandatory minimum
28 sentences, and sentence enhancements. If implementation of the
29 recommendations of the commission would result in exceeding the
30 capacity of correctional facilities, the commission shall at the same
31 time present to the legislature a list of revised standard sentence
32 ranges which are consistent with currently authorized rated and
33 operational corrections capacity, and consistent with the purposes of
34 the sentencing reform act.

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

37 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

38 General Fund--Federal Appropriation \$ 180,628,000

1	General Fund--Private/Local Appropriation	\$	30,119,000
2	Unemployment Compensation Administration Account--		
3	Federal Appropriation	\$	((181,677,000))
4			<u>194,167,000</u>
5	Administrative Contingency Account--State		
6	Appropriation	\$	13,914,000
7	Employment Service Administrative Account--State		
8	Appropriation	\$	20,001,000
9	TOTAL APPROPRIATION	\$	((426,339,000))
10			<u>438,829,000</u>

11 (End of part)

PART III
NATURAL RESOURCES

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

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 2002)	\$ 398,000
General Fund--State Appropriation (FY 2003)	\$ ((391,000))
	<u>379,000</u>
General Fund--Private/Local Appropriation	\$ 749,000
TOTAL APPROPRIATION	\$((1,538,000))
	<u>1,526,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$40,000 of the general fund--state appropriation for fiscal year 2002 and \$40,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to implement the scenic area management plan for Klickitat county. If Klickitat county adopts an ordinance to implement the scenic area management plan in accordance with the national scenic area act, P.L. 99-663, then the amounts provided in this subsection shall be provided as a grant to Klickitat county to implement its responsibilities under the act.

Sec. 302. 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>34,163,000</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>

1	Flood Control Assistance Account--		
2	State Appropriation	\$	4,098,000
3	State Emergency Water Projects Revolving Account--		
4	State Appropriation	\$	878,000
5	Waste Reduction/Recycling/Litter Control Account--		
6	State Appropriation	\$	(13,537,000)
7			<u>13,850,000</u>
8	State Drought Preparedness Account--State		
9	Appropriation	\$	(5,325,000)
10			<u>2,575,000</u>
11	<u>Salmon Recovery Account--State Appropriation . .</u>	<u>\$</u>	<u>250,000</u>
12	State and Local Improvements Revolving Account		
13	(Water Supply Facilities)--State		
14	Appropriation	\$	587,000
15	Water Quality Account--State Appropriation . . .	\$	(12,481,000)
16			<u>22,375,000</u>
17	Wood Stove Education and Enforcement Account--		
18	State Appropriation	\$	353,000
19	Worker and Community Right-to-Know Account--		
20	State Appropriation	\$	(3,288,000)
21			<u>3,235,000</u>
22	State Toxics Control Account--State		
23	Appropriation	\$	(68,931,000)
24			<u>69,496,000</u>
25	State Toxics Control Account--Private/Local		
26	Appropriation	\$	350,000
27	Local Toxics Control Account--State		
28	Appropriation	\$	(4,751,000)
29			<u>4,674,000</u>
30	Water Quality Permit Account--State		
31	Appropriation	\$	(23,827,000)
32			<u>23,848,000</u>
33	Underground Storage Tank Account--State		
34	Appropriation	\$	2,682,000
35	Environmental Excellence Account--State		
36	Appropriation	\$	504,000
37	Biosolids Permit Account--State Appropriation . .	\$	(589,000)
38			<u>764,000</u>
39	Hazardous Waste Assistance Account--State		

1	Appropriation	\$	((4,308,000))
2			<u>4,254,000</u>
3	Air Pollution Control Account--State		
4	Appropriation	\$	((1,066,000))
5			<u>1,366,000</u>
6	Oil Spill Prevention Account--State		
7	Appropriation	\$	((7,921,000))
8			<u>7,758,000</u>
9	Air Operating Permit Account--State		
10	Appropriation	\$	((3,608,000))
11			<u>3,554,000</u>
12	Freshwater Aquatic Weeds Account--State		
13	Appropriation	\$	1,898,000
14	Oil Spill Response Account--State		
15	Appropriation	\$	7,078,000
16	Metals Mining Account--State Appropriation	\$	5,000
17	Water Pollution Control Revolving Account--		
18	State Appropriation	\$	((467,000))
19			<u>564,000</u>
20	Water Pollution Control Revolving Account--		
21	Federal Appropriation	\$	((2,316,000))
22			<u>2,802,000</u>
23	TOTAL APPROPRIATION	\$	((324,942,000))
24			<u>316,439,000</u>

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

27 (1) \$3,874,000 of the general fund--state appropriation for fiscal
28 year 2002, \$3,874,000 of the general fund--state appropriation for
29 fiscal year 2003, \$394,000 of the general fund--federal appropriation,
30 \$2,070,000 of the oil spill prevention account--state appropriation,
31 and \$3,686,000 of the water quality permit account--state appropriation
32 are provided solely for the implementation of the Puget Sound work plan
33 and agency action items DOE-01, DOE-02, DOE-03, DOE-05, DOE-06, DOE-07,
34 DOE-08, and DOE-09.

35 (2) \$500,000 of the state toxics control account appropriation is
36 provided for an assessment of the financial assurance requirements of
37 hazardous waste management facilities. By September 30, 2002, the
38 department shall provide to the governor and appropriate committees of
39 the legislature a report that: (a) Evaluates current statutes and

1 regulations governing hazardous waste management facilities; (b)
2 analyzes and makes recommendations for improving financial assurance
3 regulatory control; and (c) makes recommendations for funding financial
4 assurance regulatory control of hazardous waste management facilities.

5 (3) (~~(\$250,000 of the general fund--state appropriation for fiscal~~
6 ~~year 2002, \$250,000 of the general fund--state appropriation for fiscal~~
7 ~~year 2003, \$564,000)) \$814,000 of the state drought preparedness
8 account--state appropriation, (~~and~~) \$549,000 of the water quality
9 account--state appropriation, and \$250,000 of the salmon recovery
10 account--state appropriation are provided solely for enhanced
11 streamflow monitoring in critical salmon recovery basins. \$640,000 of
12 this amount is provided solely to implement the Puget Sound work plan
13 and agency action item DOE-01.~~

14 (4) \$1,000,000 of the state toxics control account appropriation in
15 this section is provided solely for the department to work in
16 cooperation with local jurisdictions to address emerging storm water
17 management requirements. This work shall include developing a storm
18 water manual for eastern Washington, technical assistance to local
19 jurisdictions, and increased implementation of the department's
20 existing storm water program. \$200,000 of this amount is provided
21 solely for implementation of the Puget Sound work plan and agency
22 action item DOE-06.

23 (5) \$383,000 of the general fund--state appropriation for fiscal
24 year 2002 and \$383,000 of the general fund--state appropriation for
25 fiscal year 2003 are provided solely for water conservation plan
26 review, technical assistance, and project review for water conservation
27 and reuse projects. By December 1, 2003, the department in cooperation
28 with the department of health shall report to the governor and
29 appropriate committees of the legislature on the activities and
30 achievements related to water conservation and reuse during the past
31 two biennia. The report shall include an overview of technical
32 assistance provided, reuse project development activities, and water
33 conservation achievements.

34 (6) \$3,424,000 of the state toxics control account appropriation is
35 provided solely for methamphetamine lab clean up activities.

36 (7) \$800,000 of the state toxics control account appropriation is
37 provided solely to implement the department's persistent,
38 bioaccumulative toxic chemical strategy. \$54,000 of this amount shall
39 be allocated to the department of health to assist with this effort.

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

10 (9) \$200,000 of the state toxics control account appropriation is
11 provided to assess the effectiveness of the state's current toxic
12 pollution prevention and dangerous waste programs and policies. The
13 department shall work with affected stakeholder groups and the public
14 to evaluate the performance of existing programs, and identify feasible
15 methods of reducing the generation of these wastes. The department
16 shall report its findings to the governor and the appropriate
17 committees of the legislature by September 30, 2002.

18 (10) \$1,200,000 of the state toxics control account appropriation
19 is provided solely for the department, in conjunction with affected
20 local governments, to address emergent areawide soil contamination
21 problems. The department's efforts will include public involvement
22 processes and completing assessments of the geographical extent of
23 toxic contamination including highly contaminated areas.

24 (11) \$170,000 of the oil spill prevention account appropriation is
25 provided solely for implementation of the Puget Sound work plan action
26 item UW-02 through a contract with the University of Washington's sea
27 grant program to develop an educational program targeted to small
28 spills from commercial fishing vessels, ferries, cruise ships, ports,
29 and marinas.

30 (12) \$1,500,000 of the general fund--state appropriation for fiscal
31 year 2002, \$1,500,000 of the general fund--state appropriation for
32 fiscal year 2003, and \$3,000,000 of the water quality account
33 appropriation are provided solely to implement chapter 237, Laws of
34 2001 (Engrossed Substitute House Bill No. 1832, water resources
35 management) and to support the processing of applications for changes
36 and transfers of existing water rights.

37 (13) (~~(\$4,500,000 of the general fund--state appropriation for~~
38 ~~fiscal year 2002 and \$4,500,000 of the general fund--state~~
39 ~~appropriation for fiscal year 2003 are)) \$9,000,000 of the water~~

1 quality account--state appropriation is provided solely for grants to
2 local governments to conduct watershed planning and technical
3 assistance. At least \$7,000,000 shall be distributed as grants.

4 (14) \$3,114,000 of the water quality account appropriation is
5 provided solely to implement Engrossed Substitute House Bill No. 1832
6 (water resources management). Of this amount: (a) \$2,100,000 is
7 provided for grants to local governments for targeted watershed
8 assessments consistent with Engrossed Substitute House Bill No. 1832;
9 and (b) the remainder of the funding is provided solely for development
10 of a state environmental policy act template to streamline
11 environmental review, creation of a blue ribbon panel to develop long-
12 term watershed planning implementation funding options, and technical
13 assistance.

14 (~~(18)~~) (15) \$200,000 of the water quality account appropriation
15 is provided solely to provide coordination and assistance to groups
16 established for the purpose of protecting, enhancing, and restoring the
17 biological, chemical, and physical processes of watersheds. These
18 groups may include those involved in coordinated resource management,
19 regional fisheries enhancement groups, conservation districts,
20 watershed councils, and private nonprofit organizations incorporated
21 under Title 24 RCW.

22 (~~(19)~~) (16) \$325,000 of the state drought preparedness account--
23 state appropriation is provided solely for an environmental impact
24 statement of the Pine Hollow reservoir project to be conducted in
25 conjunction with the local irrigation district.

26 (~~(20) \$1,700,000~~) (17) \$1,352,000 of the general fund--state
27 appropriation for fiscal year 2002 and \$280,000 of the oil spill
28 prevention account appropriation are provided solely for oil spill
29 prevention measures in Puget Sound. Of these amounts:

30 (a) The general fund appropriation is provided solely for the
31 department of ecology to provide for charter safety tug services(~~(-~~
32 ~~Safety tug services shall include: (i))~~), including the placement of
33 a dedicated tug at Neah Bay for not less than 200 days in fiscal year
34 2002(~~(; and (ii) other safety tug services that may be released by the~~
35 ~~department at the request of the United States coast guard captain of~~
36 ~~the port for Puget Sound to the areas or incidents that the department~~
37 ~~deems to be of highest concern)). By January 10, 2002, the department~~
38 shall report to the appropriate committees of the legislature regarding
39 the number of dispatches, response time and distance, and other factors

1 pertaining to the safety tug services. The general fund--state
2 appropriation in this subsection is provided solely for implementation
3 of the Puget Sound work plan and agency action item DOE-09;

4 (b) \$100,000 of the oil spill prevention account appropriation is
5 provided solely for the department to conduct a vessel transponder
6 feasibility study for Washington waters and undertake a trial vessel
7 tracking program using transponders. In conducting the feasibility
8 study and trial program, the department of ecology shall consult with
9 state pilotage authorities, the maritime industry and the United States
10 coast guard; and

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

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

15 (~~((21))~~) (18) \$600,000 of the water quality account--state
16 appropriation is provided solely for setting instream flows in six
17 basins not currently planning under the watershed planning act.

18 (19) The departments of fish and wildlife, natural resources, and
19 ecology shall jointly evaluate the feasibility of aligning regional
20 operations and boundaries. The evaluation shall consider, but not be
21 limited to the following elements: Colocation of regional and other
22 field offices, administrative efficiencies, geographic boundaries that
23 conform to water resource inventory areas, and the level of decision-
24 making authorized for regional and field operations. Jointly, the
25 departments shall provide a report to the legislature and the office of
26 financial management by November 1, 2002, on the evaluation. The
27 report shall include recommendations for changes to regional operations
28 alignment and consolidation.

29 (20) \$200,000 of the water quality account appropriation is
30 provided solely for activities associated with development of the
31 Willapa River total maximum daily load (TMDL). The activities shall
32 include but are not limited to: (a) A contract with Pacific county to
33 complete the oxygen/bacteria and temperature model for the TMDL,
34 conduct a technical analysis of local options for waste load
35 allocations, and develop the first draft of the waste load allocation
36 plan; and (b) a contract for facilitation services for a public process
37 for the TMDL, assist in reaching consensus between parties involved in
38 the technical work, help ensure that there is an accurate public
39 record, and provide a forum for the waste load allocation.

1 (21) \$175,000 of the biosolids permit account is provided solely to
2 develop a statewide septage strategy. The department shall work with
3 affected stakeholders to address septage permit requirements, changes
4 to existing rules, clarification of state and local responsibilities,
5 and fee structure changes that are necessary to support the program in
6 future biennia. The department shall report its findings to the
7 governor and appropriate committees of the legislature by June 30,
8 2003.

9 (22) \$364,000 of the general fund--state appropriation for fiscal
10 year 2003 is provided solely for the department to contract with the
11 governor's water policy advisor through fiscal year 2003 and the
12 following activities:

13 (a)(i) A joint task force is created to study judicial and
14 administrative alternatives for resolving water disputes. The task
15 force is organized and led by the office of the attorney general. In
16 addition to the office of the attorney general, members of the task
17 force include:

18 (A) Representatives of the legislature, including one member from
19 each caucus appointed by the president of the senate and the speaker of
20 the house;

21 (B) Representatives of the superior courts of Washington state
22 appointed by the president of the superior court judges association,
23 and shall include two judicial officers of the superior court from
24 eastern Washington and two judicial officers of the superior court from
25 western Washington;

26 (C) A representative of the Washington state court of appeals
27 appointed by the chief justice of the state supreme court;

28 (D) A representative of the environmental hearings office; and

29 (E) A representative of the department of ecology.

30 (ii) The objectives of the task force are to:

31 (A) Examine and characterize the types of water disputes to be
32 resolved;

33 (B) Examine the approach of other states to water dispute
34 resolution;

35 (C) Recommend one or more methods to resolve water disputes,
36 including, but not limited to, an administrative resolution process; a
37 judicial resolution process such as water court; or any combination
38 thereof; and

39 (D) Recommend an implementation plan that will address:

1 (I) A specific administrative structure for each method used to
2 resolve water disputes;

3 (II) The cost to implement the plan; and

4 (III) The changes to statutes and administrative rules necessary to
5 implement the plan.

6 (iii) The office of the attorney general shall work with the staff
7 of the standing committees of the legislature with jurisdiction over
8 water resources to research and compile information relevant to the
9 mission of the task force by December 31, 2002.

10 (iv) The task force shall submit its report to the appropriate
11 committees of the legislature no later than December 30, 2003.

12 (b) The department of ecology and the attorney general's office
13 will conduct a study to identify possible ways to streamline the water
14 right general adjudication procedures. By December 1, 2002, the
15 agencies will report on their findings and recommendations to the
16 legislature.

17 (c)(i) The legislature finds that it is in the public interest to
18 investigate the feasibility of conducting negotiations with other
19 states and Canada regarding use of water bodies they share with the
20 state of Washington.

21 (ii) The governor, or the governor's designee, shall consult with
22 the states that share water bodies with the state of Washington, with
23 Canada, and with other states that have conducted similar negotiations,
24 regarding issues and strategies in those negotiations and shall report
25 to the standing committees of the legislature having jurisdiction over
26 water resources by January 1, 2003.

27 (iii) In conducting the consultations under this subsection (c),
28 the governor shall give priority consideration to the interstate issues
29 affecting the Spokane-Rathdrum Prairie aquifer.

30 (d) By October 1, 2002, the department of ecology shall provide to
31 the appropriate standing committees of the legislature, a plan,
32 schedule, and budget for improving the administration of water right
33 records held by the department of ecology. The department of ecology
34 shall work with the department of revenue and with county auditors in
35 developing recommendations for improving the administration of water
36 rights ownership information and integrating this information with real
37 property ownership records. The department of ecology shall evaluate
38 the need for grants to counties to assist with recording and

1 information management needs related to water rights ownership and
2 title.

3 (23) \$690,000 of the water quality account appropriation is
4 provided solely for development of regional water initiatives. Of this
5 amount, \$450,000 is provided for the Columbia River regional
6 initiative, and \$240,000 is provided for the Central Puget Sound
7 regional initiative.

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

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

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

17	General Fund--State Appropriation (FY 2002) . . . \$	((32,298,000))
18		<u>32,198,000</u>
19	General Fund--State Appropriation (FY 2003) . . . \$	((32,866,000))
20		<u>29,802,000</u>
21	General Fund--Federal Appropriation \$	2,690,000
22	General Fund--Private/Local Appropriation \$	60,000
23	Winter Recreation Program Account--State	
24	Appropriation \$	((787,000))
25		<u>1,087,000</u>
26	Off Road Vehicle Account--State Appropriation . . \$	274,000
27	Snowmobile Account--State Appropriation \$	((4,682,000))
28		<u>4,612,000</u>
29	Aquatic Lands Enhancement Account--State	
30	Appropriation \$	337,000
31	Public Safety and Education Account--State	
32	Appropriation \$	((48,000))
33		<u>47,000</u>
34	<u>Salmon Recovery Account--State Appropriation . . \$</u>	<u>200,000</u>
35	Water Trail Program Account--State	
36	Appropriation \$	24,000
37	Parks Renewal and Stewardship Account--	
38	State Appropriation \$	((26,420,000))

1 26,409,000
2 TOTAL APPROPRIATION \$ ((100,486,000))
3 97,740,000

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

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

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

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

19 ~~(4))~~ \$79,000 of the general fund--state appropriation for fiscal
20 year 2002, \$79,000 of the general fund--state appropriation for fiscal
21 year 2003, and \$8,000 of the winter recreation program account--state
22 appropriation are provided solely for a grant for the operation of the
23 Northwest avalanche center.

24 ~~((5))~~ (4) \$432,000 of the parks renewal and stewardship account
25 appropriation is provided for the operation of the Silver Lake visitor
26 center. If a long-term management agreement is not reached with the
27 U.S. forest service by September 30, 2001, the amount provided in this
28 subsection shall lapse.

29 ~~((6))~~ (5) \$189,000 of the aquatic lands enhancement account
30 appropriation is provided solely for the implementation of the Puget
31 Sound work plan and agency action item P+RC-02.

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

34 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**
35 General Fund--State Appropriation (FY 2002) . . . \$ ((393,000))
36 143,000
37 General Fund--State Appropriation (FY 2003) . . . \$ ((395,000))
38 194,000

1	General Fund--Federal Appropriation	\$	8,358,000
2	Firearms Range Account--State Appropriation . . .	\$	13,000
3	<u>Salmon Recovery Account--State Appropriation . .</u>	<u>\$</u>	<u>500,000</u>
4	Recreation Resources Account--State		
5	Appropriation	\$	2,584,000
6	Recreation Resources Account--Federal		
7	Appropriation	\$	481,000
8	NOVA Program Account--State Appropriation	\$	611,000
9	Water Quality Account--State Appropriation . . .	\$	700,000
10	State Toxics Control Account--State		
11	Appropriation	\$	500,000
12	Aquatic Lands Enhancement Account--State		
13	Appropriation	\$	200,000
14	TOTAL APPROPRIATION	\$	((14,235,000))
15			<u>14,284,000</u>

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

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

37 (2) \$8,000,000 of the general fund--federal appropriation is
38 provided solely for implementation of the forest and fish agreement

1 rules. These funds will be passed through to the department of natural
2 resources and the department of fish and wildlife.

3 (3) By August 1, 2001, the interagency committee for outdoor
4 recreation shall complete the public lands inventory project and submit
5 the project report to the joint legislative audit and review committee
6 for review.

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

15 (5) \$49,000 of the general fund--state appropriation for fiscal
16 year 2003 is provided solely to the interagency committee for outdoor
17 recreation to convene and facilitate a biodiversity conservation
18 committee to develop recommendations for a state biodiversity program.
19 Up to \$45,000 of this appropriation may be granted, on a competitive
20 basis, to conduct a review of biodiversity programs and develop
21 recommendations. The grant agreement must be conditioned to require
22 that at least an amount of funding equal to the state grant be applied
23 to the project from nonstate sources. The grantee must provide a final
24 report describing its review and recommendations to the governor and
25 the appropriate standing committees of the senate and house of
26 representatives by October 1, 2003.

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

29 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

30	General Fund--State Appropriation (FY 2002)	\$	846,000
31	General Fund--State Appropriation (FY 2003)	\$	((847,000))
32			<u>822,000</u>
33	TOTAL APPROPRIATION	\$	((1,693,000))
34			<u>1,668,000</u>

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

37 **FOR THE CONSERVATION COMMISSION**

1	General Fund--State Appropriation (FY 2002) . . . \$	((2,207,000))
2		<u>2,141,000</u>
3	General Fund--State Appropriation (FY 2003) . . . \$	((2,196,000))
4		<u>2,131,000</u>
5	Water Quality Account--State Appropriation . . . \$	((3,739,000))
6		<u>2,098,000</u>
7	TOTAL APPROPRIATION \$	((8,142,000))
8		<u>6,370,000</u>

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

11 (1) \$500,000 of the water quality account--state appropriation is
12 provided solely for the agriculture, fish, and water negotiations to
13 develop best management practices that will protect and recover salmon.
14 The commission shall make grants to allow interest groups to
15 participate in the negotiations.

16 (2) ~~(((\$1,601,000 of the water quality account--state appropriation~~
17 ~~is provided solely for the completion of limiting factors analysis for~~
18 ~~watersheds affected by listings of salmon and bull trout under the~~
19 ~~federal endangered species act.~~

20 ~~(3))~~ \$247,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$247,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for the implementation of the
23 Puget Sound work plan and agency action item CC-01.

24 ~~((4))~~ (3) By March 1, 2002, the conservation reserve enhancement
25 program contract with the federal farm service agency shall be proposed
26 for amendment to allow funding of flexible riparian buffer standards
27 consistent with: (a) The recommendations of the state's
28 agriculture/fish/water negotiation process; or (b) ordinances adopted
29 through municipal regulations in compliance with the state growth
30 management act requirement to protect critical areas. These ordinances
31 shall be scientifically defensible and include programs for monitoring
32 and adaptive management.

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

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

36	General Fund--State Appropriation (FY 2002) . . . \$	((51,600,000))
37		<u>47,691,000</u>
38	General Fund--State Appropriation (FY 2003) . . . \$	((50,762,000))

1		42,403,000
2	General Fund--Federal Appropriation \$	((37,366,000))
3		<u>37,591,000</u>
4	General Fund--Private/Local Appropriation \$	24,365,000
5	Off Road Vehicle Account--State	
6	Appropriation \$	475,000
7	Aquatic Lands Enhancement Account--State	
8	Appropriation \$	((6,094,000))
9		<u>5,037,000</u>
10	Public Safety and Education Account--State	
11	Appropriation \$	((586,000))
12		<u>570,000</u>
13	Recreational Fisheries Enhancement Account--	
14	State Appropriation \$	((3,032,000))
15		<u>3,332,000</u>
16	<u>Salmon Recovery Account--State Appropriation</u> . . . \$	<u>1,612,000</u>
17	Warm Water Game Fish Account--State	
18	Appropriation \$	((2,567,000))
19		<u>2,518,000</u>
20	Eastern Washington Pheasant Enhancement Account--	
21	State Appropriation \$	750,000
22	Wildlife Account--State Appropriation \$	((48,518,000))
23		<u>49,622,000</u>
24	Wildlife Account--Federal Appropriation \$	38,182,000
25	Wildlife Account--Private/Local	
26	Appropriation \$	15,133,000
27	Game Special Wildlife Account--State	
28	Appropriation \$	1,941,000
29	Game Special Wildlife Account--Federal	
30	Appropriation \$	9,591,000
31	Game Special Wildlife Account--Private/Local	
32	Appropriation \$	350,000
33	((Water Quality Account--State Appropriation . . . \$	1,000,000))
34	Environmental Excellence Account--State	
35	Appropriation \$	15,000
36	Regional Fisheries Salmonid Recovery Account--	
37	Federal Appropriation \$	1,750,000
38	Oil Spill Administration Account--State	
39	Appropriation \$	963,000

1	Oyster Reserve Land Account--State	
2	Appropriation	\$ 135,000
3	TOTAL APPROPRIATION	\$ ((295,175,000))
4		<u>284,026,000</u>

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

7 (1) \$1,682,000 of the general fund--state appropriation for fiscal
8 year 2002 and ~~((\$1,682,000))~~ \$1,395,000 of the general fund--state
9 appropriation for fiscal year 2003 are provided solely for the
10 implementation of the Puget Sound work plan and agency action items
11 DFW-01 through DFW-07.

12 (2) \$200,000 of the general fund--state appropriation for fiscal
13 year 2002 and \$200,000 of the general fund--state appropriation for
14 fiscal year 2003 are provided solely for the department to update the
15 salmon and steelhead stock inventory.

16 ~~(3) ((\$550,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$550,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for salmonid smolt production
19 monitoring.~~

20 ~~(4))~~ (4) \$250,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$250,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for the department to implement a
23 hatchery endangered species act response. The response shall include
24 emergency hatchery responses, production, and retrofitting of
25 hatcheries for salmon recovery.

26 ~~((5))~~ (4) \$600,000 of the general fund--state appropriation for
27 fiscal year 2002 and \$600,000 of the general fund--state appropriation
28 for fiscal year 2003 are provided solely for local salmon recovery
29 technical assistance.

30 ~~((6) \$1,625,000 of the general fund--state appropriation for
31 fiscal year 2002 and \$1,625,000 of the general fund--state
32 appropriation for fiscal year 2003 are provided solely to fund grants
33 to lead entities established under chapter 77.85 RCW. The department,
34 in consultation with the lead entity advisory group and individual lead
35 entities, shall establish an application process and evaluation
36 criteria to allocate funds to up to 26 lead entities to provide core
37 activities identified in chapter 77.85 RCW. Grants to individual lead
38 entities may range from \$37,500 to \$150,000 per year.~~

1 ~~(7) \$125,000 of the general fund--state appropriation for fiscal~~
2 ~~year 2002 and \$125,000 of the general fund--state appropriation for~~
3 ~~fiscal year 2003 are))~~ (5) \$250,000 of the salmon recovery account
4 appropriation is provided solely for a grant to the lower Skykomish
5 River habitat conservation group for the purpose of developing a salmon
6 recovery plan, in coordination with the lead entity established under
7 chapter 77.85 RCW for that area. The salmon recovery plan must be
8 consistent with the regional recovery plans of the Puget Sound shared
9 strategy and criteria developed by the department for the regional
10 salmon recovery planning program.

11 ~~((8) \$1,000,000 of the water quality--state appropriation is~~
12 ~~provided solely to fund grants to lead entities established under~~
13 ~~chapter 77.85 RCW or watershed planning units established under chapter~~
14 ~~90.82 RCW that agree to coordinate the development of comprehensive~~
15 ~~local and regional salmon recovery plans. The department shall~~
16 ~~establish a model for local and regional plans as well as eligibility~~
17 ~~and evaluation criteria for distribution of funds to lead entities and~~
18 ~~watershed planning units. No annual grant shall exceed \$125,000 per~~
19 ~~year.~~

20 ~~(9))~~ (6) \$91,000 of the warm water game fish account appropriation
21 is provided solely for warm water fish culture at the Rod Meseberg warm
22 water fish production facility.

23 ~~((10) \$300,000))~~ (7) \$200,000 of the general fund--state
24 appropriation for fiscal year 2002 and ((300,000)) \$200,000 of the
25 general fund--state appropriation for fiscal year 2003 are provided
26 solely to fund ((four)) three cooperative compliance programs, ((two))
27 both in Western ((Washington)) and ((two in)) Eastern Washington. The
28 cooperative compliance program shall conduct fish screen, fish way, and
29 fish passage barrier assessments and correction plans for landowners
30 seeking cooperative compliance agreements with the department.

31 ~~((11) \$1,300,000 of the general fund--state appropriation for~~
32 ~~fiscal year 2002))~~ (8) \$1,300,000 of the salmon recovery account
33 appropriation and \$5,000,000 of the general fund--federal
34 appropriation are provided solely for economic adjustment assistance to
35 fishermen pursuant to the 1999 Pacific salmon treaty agreement.

36 ~~((12) \$2,000,000 of the aquatic lands enhancement account~~
37 ~~appropriation is provided for cooperative volunteer projects.~~

38 ~~(13))~~ (9) \$810,000 of the general fund--state appropriation for
39 fiscal year 2002, \$790,000 of the general fund--state appropriation for

1 fiscal year 2003, and \$250,000 of the wildlife account--state
2 appropriation are provided solely for enforcement and biological staff
3 to respond and take appropriate action to public complaints regarding
4 bear and cougar.

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

8 ~~(15))~~ (10) \$75,000 of the general fund--state appropriation for
9 fiscal year 2003 is provided solely to the department to execute an
10 interagency agreement with the joint legislative audit and review
11 committee to complete an independent organizational and operational
12 review of the fish management division of the fish program. This
13 review shall include:

14 (a) Identifying those actual functions carried out by the fish
15 management division, including all expenditures by fund source linked
16 to those functions, and the agency's rationale for its current staffing
17 and expenditure levels;

18 (b) Distinguishing those specific division activities and
19 expenditures that are mandated by court decisions, federal laws or
20 treaties, federal contracts, state laws, and fish and wildlife
21 commission directives, as apart from department discretionary policies;

22 (c) Reviewing the extent to which division activities and related
23 program expenditures contribute to meeting legislative intent, agency
24 goals, and programmatic objectives; and

25 (d) Evaluating how performance in meeting intent, goals, and
26 objectives through program activities is measured, reported, and
27 improved.

28 The committee shall provide a status report on this review to the
29 appropriate legislative policy and fiscal committees by November 1,
30 2002, and a final report by December 1, 2003.

31 (11) The department shall implement a lands program manager
32 consolidation program. The consolidation program shall target the
33 department's south central region. The savings from this consolidation
34 shall be used by the department for additional maintenance on agency
35 lands within the south central region.

36 ~~((16))~~ (12) The department shall implement a survey of all agency
37 lands to evaluate whether agency lands support the agency's strategic
38 plan and goals. The department shall submit a report to the governor
39 and legislature by September 1, 2002, identifying those lands not

1 conforming with the agency's strategic plan and which should be
2 divested.

3 (~~(17)~~) (13) \$388,000 of the general fund--state appropriation for
4 fiscal year 2002 and \$388,000 of the general fund--state appropriation
5 for fiscal year 2003 are provided solely to implement the forests and
6 fish agreement and includes funding to continue statewide coordination
7 and implementation of the forests and fish rules, integration of
8 portions of the hydraulic code into the forest practices rules to
9 provide permit streamlining, and sharing the responsibility of
10 developing and implementing the required forests and fish agreement
11 monitoring and adaptive management program.

12 (~~(18)~~) (14) \$194,000 of the general fund--state appropriation for
13 fiscal year 2002 and \$195,000 of the general fund--state appropriation
14 for fiscal year 2003 are provided solely for staff to represent the
15 state's fish and wildlife interests in hydroelectric project
16 relicensing processes by the federal energy regulatory commission.

17 (~~(19)~~) (15) \$156,000 of the wildlife account--state appropriation
18 is provided solely for a youth fishing coordinator to develop
19 partnerships with local communities, and to identify, develop, fund,
20 and promote youth fishing events and opportunities. Event coordination
21 and promotion services shall be contracted to a private consultant.

22 (~~(20)~~) (16) \$135,000 of the oyster reserve land account
23 appropriation is provided solely to implement chapter 273, Laws of
24 2001, Engrossed Second Substitute House Bill No. 1658 (state oyster
25 reserve lands).

26 (~~(21)~~) (17) \$43,000 of the general fund--state appropriation for
27 fiscal year 2002 and \$42,000 of the general fund--state appropriation
28 for fiscal year 2003 are provided solely for staffing and operation of
29 the Tennant Lake interpretive center.

30 (~~(22)~~) (18) \$32,000 of the general fund--state appropriation for
31 fiscal year 2002 and \$33,000 of the general fund--state appropriation
32 for fiscal year 2003 are provided solely to support the activities of
33 the aquatic nuisance species coordination committee to foster state,
34 federal, tribal, and private cooperation on aquatic nuisance species
35 issues. The committee shall strive to prevent the introduction of
36 nonnative aquatic species and to minimize the spread of species that
37 are introduced.

1 (~~(23)~~) (19) \$25,000 of the wildlife account--state appropriation
2 is provided solely for the WildWatchCam program to provide internet
3 transmission of live views of wildlife.

4 (~~(24)~~) (20) \$8,000 of the general fund--state appropriation for
5 fiscal year 2002 and \$7,000 of the general fund--state appropriation
6 for fiscal year 2003 are provided solely for the payment of the
7 department's share of approved lake management district assessments.
8 By December 15, 2001, the department shall provide the legislature a
9 summary of its activities related to lake management districts as well
10 as recommendations for establishing equitable lake management district
11 assessments.

12 (21) The department shall emphasize enforcement of laws related to
13 protection of fish habitat and the illegal harvest of salmon and
14 steelhead. Within the amount provided for the agency, the department
15 shall provide support to the department of health to enforce state
16 shellfish harvest laws.

17 (22) The departments of fish and wildlife, natural resources, and
18 ecology shall jointly evaluate the feasibility of aligning regional
19 operations and boundaries. The evaluation shall consider, but not be
20 limited to the following elements: Colocation of regional and other
21 field offices, administrative efficiencies, geographic boundaries that
22 conform to water resource inventory areas, and the level of decision-
23 making authorized for regional and field operations. Jointly, the
24 departments shall provide a report to the legislature and the office of
25 financial management by November 1, 2002, on the evaluation. The
26 report shall include recommendations for changes to regional operations
27 alignment and consolidation.

28 (23) The fish and wildlife commission shall evaluate the adequacy,
29 structure, and amount of fees for hunting and fishing licenses and make
30 recommendations for revision of the fee structure and schedule as
31 appropriate. The evaluation shall consider, but is not limited to:
32 Assessment of the fish and wildlife resource management needs, fees in
33 adjacent states and countries, and efficiencies made possible through
34 automation. The commission shall report to the legislature and the
35 office of financial management by November 1, 2002.

36 (24) The department shall establish a hydraulic project approval
37 program technical review task force. The task force shall be composed
38 of a balanced representation of both hydraulic project proponents and
39 conservation interests. The task force shall conduct a thorough

1 evaluation of the hydraulic project approval program and make
 2 recommendations to the legislature by November 30, 2002, based upon its
 3 evaluation. The task force recommendations shall include a potential
 4 fee structure and schedule for hydraulic project approval permits.

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

7 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

8	General Fund--State Appropriation (FY 2002) . . . \$	((36,709,000))
9		<u>36,490,000</u>
10	General Fund--State Appropriation (FY 2003) . . . \$	((36,266,000))
11		<u>28,863,000</u>
12	General Fund--Federal Appropriation \$	((3,440,000))
13		<u>10,936,000</u>
14	General Fund--Private/Local Appropriation \$	((1,865,000))
15		<u>2,252,000</u>
16	Forest Development Account--State	
17	Appropriation \$	((52,511,000))
18		<u>50,053,000</u>
19	Off Road Vehicle Account--State	
20	Appropriation \$	((3,684,000))
21		<u>3,627,000</u>
22	Surveys and Maps Account--State	
23	Appropriation \$	2,689,000
24	Aquatic Lands Enhancement Account--State	
25	Appropriation \$	((4,458,000))
26		<u>3,854,000</u>
27	Resources Management Cost Account--State	
28	Appropriation \$	((85,979,000))
29		<u>79,134,000</u>
30	Surface Mining Reclamation Account--State	
31	Appropriation \$	((2,549,000))
32		<u>2,416,000</u>
33	Salmon Recovery Account--State	
34	Appropriation \$	625,000
35	Water Quality Account--State Appropriation . . . \$	2,900,000
36	Aquatic Land Dredged Material Disposal Site	
37	Account--State Appropriation \$	1,056,000
38	Natural Resource Conservation Areas Stewardship	

1	Account Appropriation	\$	((34,000))
2			<u>209,000</u>
3	<u>State Toxics Account--State Appropriation</u>	\$	<u>1,865,000</u>
4	Air Pollution Control Account--State		
5	Appropriation	\$	629,000
6	Metals Mining Account--State Appropriation	\$	64,000
7	Agricultural College Trust Management Account		
8	Appropriation	\$	1,790,000
9	<u>Derelict Vessel Removal Account--State</u>		
10	<u>Appropriation</u>	\$	<u>89,000</u>
11	TOTAL APPROPRIATION	\$	((237,248,000))
12			<u>229,541,000</u>

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

15 (1) \$18,000 of the general fund--state appropriation for fiscal
16 year 2002, \$18,000 of the general fund--state appropriation for fiscal
17 year 2003, and \$998,000 of the aquatic lands enhancement account
18 appropriation are provided solely for the implementation of the Puget
19 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

20 (2)(a) \$625,000 of the salmon recovery account appropriation,
21 \$1,250,000 of the general fund--state appropriation for fiscal year
22 2002, \$1,250,000 of the general fund--state appropriation for fiscal
23 year 2003, and \$2,900,000 of the water quality account--state
24 appropriation are provided solely for implementation of chapter 4, Laws
25 of 1999 sp. sess. (forest practices and salmon recovery).

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

31 (3) \$2,000,000 of the forest development account appropriation is
32 provided solely for road decommissioning, maintenance, and repair in
33 the Lake Whatcom watershed.

34 (4) \$543,000 of the forest fire protection assessment account
35 appropriation, \$22,000 of the forest development account appropriation,
36 and \$76,000 of the resource management cost account appropriation are
37 provided solely to implement chapter 279, Laws of 2001, Substitute
38 House Bill No. 2104, (modifying forest fire protection assessments).

1 (5) \$895,000 of the general fund--state appropriation for fiscal
2 year 2002 (~~((and \$895,000 of the general fund--state appropriation for~~
3 ~~fiscal year 2003))~~ shall be transferred to the agricultural college
4 trust management account and are provided solely to manage
5 approximately 70,700 acres of Washington State University's
6 agricultural college trust lands.

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

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

18 ~~(9))~~ (7) \$828,000 of the surface mine reclamation account
19 appropriation is provided to implement Engrossed House Bill No. 1845
20 (surface mining fees). If the bill is not enacted by June 30, 2001,
21 the amount provided in this subsection shall lapse.

22 (~~((10))~~) (8) \$800,000 of the aquatic lands enhancement account
23 appropriation and \$200,000 of the resources management cost account
24 appropriation are provided solely to improve asset management on state-
25 owned aquatic lands. The department shall streamline the use
26 authorization process for businesses operating on state-owned aquatic
27 lands and issue decisions on 325 pending lease applications by June 30,
28 (~~(2002))~~ 2003. The department, in consultation with the attorney
29 general, shall develop a strategic program to resolve claims related to
30 contaminated sediments on state-owned aquatic lands.

31 (~~((11))~~) (9) \$246,000 of the resource management cost account
32 appropriation is provided to the department for continuing control of
33 spruce budworm.

34 (~~((12))~~) (10) \$100,000 of the aquatic lands enhancement account is
35 provided solely for the development and initial implementation of a
36 statewide management plan for marine reserves.

37 (~~((13))~~) (11) \$7,657,859 of the general fund--state appropriation
38 for fiscal year 2002 and (~~(\$7,657,859))~~ \$4,153,859 of the general

1 fund--state appropriation for fiscal year 2003 are provided solely for
2 emergency fire suppression.

3 ~~((14))~~ (12) \$7,216,000 of the general fund--state appropriation
4 for fiscal year 2002 and \$6,584,000 of the general fund--state
5 appropriation for fiscal year 2003 are provided solely for fire
6 protection activities and to implement provisions of the 1997 tridata
7 fire program review.

8 ~~((15)---\$275,000)~~ (13) \$100,000 of the general fund--state
9 appropriation for fiscal year 2002, \$275,000 of the general fund--state
10 appropriation for fiscal year 2003, ~~((and))~~ \$550,000 of the aquatic
11 lands enhancement account--state appropriation, and \$209,000 of the
12 natural resources conservation areas stewardship account--state
13 appropriation are provided solely to the department for planning,
14 management, and stewardship of natural area preserves and natural
15 resources conservation areas.

16 ~~((16))~~ (14) \$187,000 of the general fund--state appropriation for
17 fiscal year 2002~~((7))~~ and \$188,000 of the general fund--state
18 appropriation for fiscal year 2003~~((7, and \$375,000 of the aquatic lands~~
19 ~~enhancement account--state appropriation))~~ are provided solely to the
20 department for maintenance and stewardship of public lands.

21 ~~((17))~~ (15) \$100,000 of the general fund--state appropriation for
22 fiscal year 2002, \$100,000 of the general fund--state appropriation for
23 fiscal year 2003, and \$400,000 of the aquatic lands enhancement account
24 appropriation are provided solely for spartina control.

25 (16) Fees approved by the board of natural resources for filing and
26 recording surveys are authorized to exceed the fiscal growth factor
27 under RCW 43.135.055 for 2002.

28 (17) The entire state toxics control account appropriation is
29 provided solely for the department to meet its settlement obligation
30 with the U.S. Environmental Protection Agency for the clean-up of the
31 Thea Foss Waterway.

32 (18) The departments of fish and wildlife, natural resources, and
33 ecology shall jointly evaluate the feasibility of aligning regional
34 operations and boundaries. The evaluation shall consider, but not be
35 limited to the following elements: Colocation of regional and other
36 field offices, administrative efficiencies, geographic boundaries that
37 conform to water resource inventory areas, and the level of decision-
38 making authorized for regional and field operations. Jointly, the
39 departments shall provide a report to the legislature and the office of

1 financial management by November 1, 2002, on the evaluation. The
2 report shall include recommendations for changes to regional operations
3 alignment and consolidation.

4 (19) In managing natural resources conservation areas and
5 recreation sites in the San Juan Islands, the department shall
6 implement cost-recovery methodologies that will recover at least 30
7 percent of the expenditures for managing these lands.

8 (20) \$8,384,000 of the resource management cost account
9 appropriation is provided solely for the purposes of RCW 79.64.020 and
10 is contingent upon the establishment, management, and protection of the
11 following marine reserves: Tidelands and bedlands adjacent to Cherry
12 Point in Whatcom county; tidelands and bedlands surrounding Maury
13 Island in King county; tidelands, bedlands, harbor areas, and waterways
14 adjacent to the Puyallup River delta, within Commencement Bay in Pierce
15 county; tidelands and bedlands surrounding Cypress Island in Skagit
16 county; and tidelands and bedlands within Fidalgo Bay in Skagit county.

17 (21) In order to diversify the investments of a trust on which a
18 state institution depends, by June 30, 2003, the department shall offer
19 for sale, consistent with the provisions of chapter 79.01 RCW, at least
20 10 percent of the value of the agricultural school trust lands. All
21 proceeds from the sales shall be deposited in the agricultural
22 permanent fund as established in RCW 43.79.130, except the department's
23 costs of transactions, including, but not limited to the costs of land
24 and asset appraisal, survey, and auction, shall be deducted from the
25 sale proceeds, but shall not be greater than 5 percent of the value of
26 the assets sold.

27 (22) \$250,000 of the resource management cost account--state
28 appropriation and \$250,000 of the forest development account--state
29 appropriation are deposited in the contract harvesting revolving
30 account--nonappropriated to implement Substitute Senate Bill No. 6257
31 (contract harvesting). If Substitute Senate Bill No. 6257 is not
32 enacted the deposit in this subsection shall not occur.

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

35 **FOR THE DEPARTMENT OF AGRICULTURE**

36	General Fund--State Appropriation (FY 2002) . . . \$	((8,165,000))
37		7,815,000
38	General Fund--State Appropriation (FY 2003) . . . \$	((8,024,000))

1		<u>7,434,000</u>
2	General Fund--Federal Appropriation \$	((4,636,000))
3		<u>7,441,000</u>
4	General fund--Private/Local Appropriation \$	1,110,000
5	Aquatic Lands Enhancement Account--State	
6	Appropriation \$	((2,304,000))
7		<u>2,272,000</u>
8	State Toxics Control Account--State	
9	Appropriation \$	((2,672,000))
10		<u>2,882,000</u>
11	TOTAL APPROPRIATION \$	((26,911,000))
12		<u>28,954,000</u>

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

15 (1) \$36,000 of the general fund--state appropriation for fiscal
16 year 2002 and \$37,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for implementation of the Puget
18 Sound work plan and agency action item DOA-01.

19 (2) ~~((\$832,000))~~ \$1,077,000 of the state toxics control account
20 appropriation and \$298,000 of the agricultural local account are
21 provided solely to establish a program to monitor pesticides in surface
22 water, sample and analyze surface waters for pesticide residues,
23 evaluate pesticide exposure on salmon species listed under the
24 provisions of the endangered species act, and implement actions needed
25 to protect salmonids.

26 (3) \$1,480,000 of the aquatic lands enhancement account
27 appropriation is provided solely to initiate a ~~((four-year))~~ plan to
28 eradicate infestations of spartina in Puget Sound, Hood Canal, and
29 Grays Harbor and begin the reduction in spartina infestations in
30 Willapa Bay.

31 (4) \$75,000 of the general fund--state appropriation for fiscal
32 year 2002, \$75,000 of the general fund--state appropriation for fiscal
33 year 2003, and \$150,000 of the general fund--federal appropriation are
34 provided solely to the small farm and direct marketing program to
35 support small farms in complying with federal, state, and local
36 regulations, facilitating access to food processing centers, and
37 assisting with grant funding requests.

38 (5) ~~((\$350,000 of the general fund--state appropriation for fiscal~~
39 ~~year 2002, \$350,000 of the general fund--state appropriation for fiscal~~

1 ~~year 2003,~~) \$700,000 of the general fund--federal appropriation and
2 \$700,000 of the general fund--private/local appropriation are provided
3 solely to implement chapter 324, Laws of 2001 (Substitute House Bill
4 No. 1891, marketing of agriculture). Of these amounts, \$40,000 of the
5 general fund--state appropriation is provided solely to match funds
6 provided by the red raspberry commission to address unfair trade
7 practices by other countries that result in sales in Washington that
8 are below the cost of production in Washington.

9 (6) \$450,000 of the state toxics control account--state
10 appropriation is provided solely for deposit in the agricultural local
11 nonappropriated account for the plant pest account to reimburse county
12 horticultural pest and disease boards for the costs of pest control
13 activities, including tree removal, conducted under their existing
14 authorities in chapters 15.08 and 15.09 RCW.

15 (7) The district manager for district two as defined in WAC 16-458-
16 075 shall transfer four hundred fifty thousand dollars from the fruit
17 and vegetable district fund to the plant pest account within the
18 agricultural local fund. The amount transferred must be derived from
19 fees collected for state inspections of tree fruits and shall be used
20 solely to reimburse county horticultural pest and disease boards in
21 district two for the cost of pest control activities, including tree
22 removal, conducted under their existing authority in chapters 15.08 and
23 15.09 RCW. The transfer of funds shall occur by July 1, 2001. On June
24 30, 2003, any unexpended portion of the four hundred fifty thousand
25 dollars shall be returned to the fruit and vegetable district fund.

26 (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>5,300,000</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>3,103,000</u>
Real Estate Commission--State Appropriation . . . \$	((6,777,000))
	<u>6,841,000</u>
Master License Account--State Appropriation . . . \$	((8,409,000))
	<u>8,285,000</u>
Uniform Commercial Code Account--State	
Appropriation \$	((3,104,000))
	<u>2,902,000</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
<u>Derelict Vessel Removal Account--State</u>	

1	Appropriation	\$	86,000
2	TOTAL APPROPRIATION	\$	((34,139,000))
3			<u>33,832,000</u>

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

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

18 **FOR THE STATE PATROL**

19	General Fund--State Appropriation (FY 2002)	\$	((21,890,000))
20			<u>21,567,000</u>
21	General Fund--State Appropriation (FY 2003)	\$	((8,066,000))
22			<u>7,933,000</u>
23	General Fund--Federal Appropriation	\$	4,178,000
24	General Fund--Private/Local Appropriation	\$	369,000
25	Death Investigations Account--State		
26	Appropriation	\$	((3,899,000))
27			<u>4,024,000</u>
28	Public Safety and Education Account--State		
29	Appropriation	\$	((16,070,000))
30			<u>14,652,000</u>
31	County Criminal Justice Assistance Account--State		
32	Appropriation	\$	((2,490,000))
33			<u>2,870,000</u>
34	Municipal Criminal Justice Assistance Account--		
35	State Appropriation	\$	((987,000))
36			<u>1,367,000</u>
37	Fire Service Trust Account--State		
38	Appropriation	\$	125,000

1	Fire Service Training Account--State	
2	Appropriation	\$ 6,328,000
3	State toxics Control Account--State	
4	Appropriation	\$ 461,000
5	Violence Reduction and Drug Enforcement Account--	
6	State Appropriation	\$ ((277,000))
7		<u>271,000</u>
8	Fingerprint Identification Account--State	
9	Appropriation	\$ ((3,684,000))
10		<u>5,316,000</u>
11	TOTAL APPROPRIATION	\$ ((68,824,000))
12		<u>69,461,000</u>

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

15 (1) \$354,000 of the public safety and education account
16 appropriation is provided solely for additional law enforcement and
17 security coverage on the west capitol campus.

18 (2) When a program within the agency is supported by more than one
19 fund and one of the funds is the state general fund, the agency shall
20 charge its expenditures in such a manner as to ensure that each fund is
21 charged in proportion to its support of the program. The agency may
22 adopt guidelines for the implementation of this subsection. The
23 guidelines may account for federal matching requirements, budget
24 provisos, or other requirements to spend other moneys in a particular
25 manner.

26 (3) \$100,000 of the public safety and education account
27 appropriation is provided solely for the implementation of Substitute
28 Senate Bill No. 5896 (DNA testing of evidence). If the bill is not
29 enacted by June 30, 2001, the amount provided in this subsection shall
30 lapse.

31 (4) \$1,419,000 of the public safety and education account--state
32 appropriation is provided solely for combating the proliferation of
33 methamphetamine labs. The amounts in this subsection are provided
34 solely for the following activities: (a) The establishment of a
35 regional methamphetamine enforcement, training, and education program;
36 (b) additional members for the statewide methamphetamine incident
37 response team; and (c) two forensic scientists with the necessary
38 equipment to perform lab analysis in the crime laboratory division.

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>11,951,000</u>
General Fund--Federal Appropriation \$	((23,668,000))
	<u>53,760,000</u>
TOTAL APPROPRIATION \$	((48,291,000))
	<u>78,013,000</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~~)) \$11,052,000 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, a maximum of \$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~~)) \$481,000 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. Of the general fund--state appropriation ((~~for fiscal year 2002~~)), \$100,000 is 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~~)) \$418,000 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	(2) STATEWIDE PROGRAMS	
2	General Fund--State Appropriation (FY 2002) . . . \$	((17,274,000))
3		<u>17,280,000</u>
4	General Fund--State Appropriation (FY 2003) . . . \$	((19,407,000))
5		<u>3,948,000</u>
6	General Fund--Federal Appropriation \$	((213,016,000))
7		<u>85,395,000</u>
8	TOTAL APPROPRIATION \$	((249,697,000))
9		<u>106,623,000</u>

10 The appropriations in this subsection are provided solely for the
11 statewide programs specified in this subsection and are subject to the
12 following conditions and limitations:

13 (a) HEALTH AND SAFETY

14 (i) A maximum of \$150,000 of the general fund--state appropriation
15 for fiscal year 2002 (~~((and a maximum of \$150,000 of the fiscal year~~
16 ~~2003 appropriation are))~~ is provided for alcohol and drug prevention
17 programs pursuant to RCW 66.08.180.

18 (ii) A maximum \$2,621,000 of the general fund--state appropriation
19 for fiscal year 2002 (~~((and a maximum of \$2,621,000 of the general~~
20 ~~fund--state appropriation for fiscal year 2003 are))~~ is provided for a
21 corps of nurses located at educational service districts, as determined
22 by the superintendent of public instruction, to be dispatched to the
23 most needy schools to provide direct care to students, health
24 education, and training for school staff.

25 (iii) A maximum of \$100,000 of the general fund--state
26 appropriation for fiscal year 2002 (~~((and a maximum of \$100,000 of the~~
27 ~~general fund--state appropriation for fiscal year 2003 are))~~ is
28 provided to create a school safety center subject to the following
29 conditions and limitations.

30 (A) The safety center shall: Disseminate successful models of
31 school safety plans and cooperative efforts; provide assistance to
32 schools to establish a comprehensive safe school plan; select models of
33 cooperative efforts that have been proven successful; act as an
34 information dissemination and resource center when an incident occurs
35 in a school district either in Washington or in another state;
36 coordinate activities relating to school safety; review and approve
37 manuals and curricula used for school safety models and training; and
38 develop and maintain a school safety information web site.

1 (B) The school safety center shall be established in the office of
2 the superintendent of public instruction. The superintendent of public
3 instruction shall participate in a school safety center advisory
4 committee that includes representatives of educators, classified staff,
5 principals, superintendents, administrators, the American society for
6 industrial security, the state criminal justice training commission,
7 and others deemed appropriate and approved by the school safety center
8 advisory committee. Members of the committee shall be chosen by the
9 groups they represent. In addition, the Washington association of
10 sheriffs and police chiefs shall appoint representatives of law
11 enforcement to participate on the school safety center advisory
12 committee. The advisory committee shall select a chair.

13 (C) The school safety center advisory committee shall develop a
14 training program, using the best practices in school safety, for all
15 school safety personnel.

16 (iv) A maximum of \$113,000 of the general fund--state appropriation
17 for fiscal year 2002 (~~((and a maximum of \$103,000 of the general fund--~~
18 ~~state appropriation for fiscal year 2003 are))~~ is provided for a school
19 safety training program provided by the criminal justice training
20 commission subject to the following conditions and limitations:

21 (A) The criminal justice training commission with assistance of the
22 school safety center advisory committee established in section
23 2(b)(iii) of this section shall develop manuals and curricula for a
24 training program for all school safety personnel.

25 (B) The Washington state criminal justice training commission, in
26 collaboration with the advisory committee, shall provide the school
27 safety training for all school administrators and school safety
28 personnel, including school safety personnel hired after the effective
29 date of this section.

30 (v) A maximum of \$250,000 of the general fund--state appropriation
31 for fiscal year 2002 (~~((and a maximum of \$250,000 of the general~~
32 ~~fund--state appropriation for fiscal year 2003 are))~~ is provided for
33 training in school districts regarding the prevention of bullying and
34 harassment. The superintendent of public instruction shall use the
35 funds to develop a model bullying and harassment prevention policy and
36 training materials for school and educational service districts. The
37 information may be disseminated in a variety of ways, including
38 workshops and other staff development activities such as videotape or
39 broadcasts.

1 (vi) A maximum of \$6,042,000 of the general fund--state
2 appropriation for fiscal year 2002 (~~and a maximum of \$6,028,000 of the~~
3 ~~general fund--state appropriation for fiscal year 2003 are~~) is
4 provided for a safety allocation to districts subject to the following
5 conditions and limitations:

6 (A) The funds shall be allocated at a maximum rate of \$6.36 per
7 year per full-time equivalent K-12 student enrolled in each school
8 district in the prior school year.

9 (B) Districts shall expend funds allocated under this section to
10 develop and implement strategies identified in a comprehensive safe
11 school plan pursuant to House Bill No. 1818 (student safety) or Senate
12 Bill No. 5543 (student safety). If neither bill is enacted by June 30,
13 2001, expenditures of the safety allocation shall be subject to (i),
14 (ii), and (iii) of this subsection (a)(vi)(B).

15 (i) School districts shall use the funds for school safety purposes
16 and are encouraged to prioritize the use of funds allocated under this
17 section for the development, by September 1, 2002, of school-based
18 comprehensive safe school plans that include prevention, intervention,
19 all-hazards/crisis response, and post crisis recovery components. When
20 developing comprehensive safe school plans, school districts are
21 encouraged to use model school safety plans as developed by the school
22 safety center. Implementation of comprehensive safe school plans may
23 include, but is not limited to, employing or contracting for building
24 security monitors in schools during school hours and school events;
25 research-based early prevention and intervention programs; training for
26 school staff, including security personnel; equipment; school safety
27 hotlines; before, during, and after-school student and staff safety;
28 minor building renovations related to student and staff safety and
29 security; and other purposes identified in the comprehensive safe
30 school plan.

31 (ii) Each school may conduct an evaluation of its comprehensive
32 safe school plan and conduct reviews, drills, or simulated practices in
33 coordination with local fire, law enforcement, and medical emergency
34 management agencies.

35 (iii) By September 1, 2002, school districts shall provide the
36 superintendent of public instruction information regarding the purposes
37 for which the safety allocation funding was used and the status of the
38 comprehensive safe school plans for the schools in the school district.

1 (vii) A maximum of \$200,000 of the general fund--state
2 appropriation for fiscal year 2002(~~(, a maximum of \$200,000 of the~~
3 ~~general fund--state appropriation for fiscal year 2003,~~) and \$400,000
4 of the general fund--federal appropriation transferred from the
5 department of health are provided for a program that provides grants to
6 school districts for media campaigns promoting sexual abstinence and
7 addressing the importance of delaying sexual activity, pregnancy, and
8 childbearing until individuals are ready to nurture and support their
9 children. Grants to the school districts shall be for projects that
10 are substantially designed and produced by students. The grants shall
11 require a local private sector match equal to one-half of the state
12 grant, which may include in-kind contribution of technical or other
13 assistance from consultants or firms involved in public relations,
14 advertising, broadcasting, and graphics or video production or other
15 related fields.

16 (viii) A maximum of \$150,000 of the general fund--state
17 appropriation for fiscal year 2002 (~~(and a maximum of \$150,000 of the~~
18 ~~general fund--state appropriation for fiscal year 2003--are))~~ is
19 provided for a nonviolence and leadership training program provided by
20 the institute for community leadership. The program shall provide the
21 following:

22 (A) Statewide nonviolence leadership coaches training program for
23 certification of educational employees and community members in
24 nonviolence leadership workshops;

25 (B) Statewide leadership nonviolence student exchanges, training,
26 and speaking opportunities for student workshop participants; and

27 (C) A request for proposal process, with up to 80 percent funding,
28 for nonviolence leadership workshops serving at least 12 school
29 districts with direct programming in 36 elementary, middle, and high
30 schools throughout Washington state.

31 (ix) A maximum of \$1,500,000 of the general fund--state
32 appropriation for fiscal year 2002 (~~(and a maximum of \$1,500,000 of the~~
33 ~~general fund--state appropriation for fiscal year 2003--are))~~ is
34 provided for school district petitions to juvenile court for truant
35 students as provided in RCW 28A.225.030 and 28A.225.035. Allocation of
36 this money to school districts shall be based on the number of
37 petitions filed.

38 (b) TECHNOLOGY

1 (i) A maximum of \$2,000,000 of the general fund--state
2 appropriation for fiscal year 2002 and a maximum of (~~(\$2,000,000)~~)
3 \$1,940,000 of the general fund--state appropriation for fiscal year
4 2003 are provided for K-20 telecommunications network technical support
5 in the K-12 sector to prevent system failures and avoid interruptions
6 in school utilization of the data processing and video-conferencing
7 capabilities of the network. These funds may be used to purchase
8 engineering and advanced technical support for the network. A maximum
9 of \$650,000 of this amount may be expended for state-level
10 administration and staff training on the K-20 network.

11 (ii) A maximum of \$617,000 of the general fund--state appropriation
12 for fiscal year 2002 (~~(and a maximum of \$1,112,000 of the general~~
13 ~~fund--state appropriation for fiscal year 2003 are))~~ is provided for
14 the Washington state leadership assistance for science education reform
15 (LASER) regional partnership coordinated at the Pacific Science Center.

16 (iii) \$92,000 of the general fund--state appropriation for fiscal
17 year 2003 is provided solely for a study of technology in the public
18 schools subject to the following conditions and limitations:

19 (A) The superintendent shall convene a technology in education task
20 force to develop recommendations about the use of technology and
21 recommendations about funding technology in the schools after
22 conducting a study. The study shall focus on the application of
23 technology in grades three through twelve. The study shall be
24 completed not later than November 1, 2002, and the recommendations
25 shall be submitted to the education and fiscal committees of the house
26 of representatives and the senate. The study shall include but not be
27 limited to:

28 (1) The technology currently available in schools and school
29 districts. Technology includes but is not limited to computers, local
30 area networks, and access to electronic media on the internet;

31 (2) Methods school districts are using currently to fund technology
32 and recommendations for the future;

33 (3) Plans to update the technology including any replacement
34 schedules;

35 (4) Training in the use of technology;

36 (5) Integration of technology into the curriculum;

37 (6) The different uses of technology in upper elementary grades,
38 middle school, and high school; and

1 (7) Applications of technology in schools in other states and how
2 that technology is funded.

3 (B) The technology in education task force shall consist of the
4 following voting members or their designees: One member from each
5 major caucus of the senate, appointed by the president of the senate;
6 one member from each major caucus of the house of representatives,
7 appointed by the speaker of the house of representatives; the
8 superintendent of public instruction; the chair of the information
9 services board; one representative of the community and technical
10 colleges, appointed by the state board for community and technical
11 colleges; one educational service district superintendent, one school
12 district superintendent, one principal, and one teacher, each appointed
13 by the superintendent of public instruction; two representatives
14 appointed by the higher education coordinating board; and three
15 representatives of the computer or digital technology industry and
16 three members of the general public, each appointed by the
17 superintendent of public instruction. The superintendent of public
18 instruction, or designee, shall chair the task force.

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)~~) \$1,916,000 of the
22 general fund--state appropriation for fiscal year 2003 are provided for
23 Senate Bill No. 5695 (alternative certification routes). If the bill
24 is not enacted by June 30, 2001, the amount provided in this subsection
25 shall lapse. The stipend allocation per teacher candidate and mentor
26 pair shall not exceed \$28,318. The professional educator standards
27 board shall report to the education committees of the legislature by
28 December 15, 2002, on the districts applying for partnership grants,
29 the districts receiving partnership grants, and the number of interns
30 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))~~ is provided for
34 operation of 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))~~ is
38 provided for 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 for fiscal year 2002 is provided to
12 help stabilize funding through distribution among existing education
13 centers that are currently funded by the state at an amount less than
14 (~~(\$100,000 a biennium)~~) \$50,000 a fiscal 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)~~) is
24 provided for in-service training and educational programs conducted by
25 the Pacific 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)~~) is
29 provided to 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)~~) is provided for the
36 World War 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>3,714,432,000</u>
31 TOTAL APPROPRIATION \$ ((7,512,176,000))	
32	<u>7,500,556,000</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 class size reduction and expanded learning opportunities
26 under the better schools program, an additional 2.2 certificated
27 instructional staff units for grades K-4 per thousand full-time
28 equivalent students. Funds allocated for these additional certificated
29 units shall not be considered as basic education funding. The
30 allocation may be used for reducing class sizes in grades K-4 or to
31 provide additional classroom contact hours for kindergarten, before-
32 and-after-school programs, weekend school programs, summer school
33 programs, and intercession opportunities to assist elementary school
34 students in meeting the essential academic learning requirements and
35 student assessment performance standards. For purposes of this
36 subsection, additional classroom contact hours provided by teachers
37 beyond the normal school day under a supplemental contract shall be
38 converted to a certificated full-time equivalent by dividing the
39 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 equal to or greater than 55.4
5 certificated instructional staff per thousand full-time equivalent
6 students in grades K-4. For any school district documenting a lower
7 certificated instructional staff ratio, the allocation shall be based
8 on the district's actual grades K-4 certificated instructional staff
9 ratio achieved in that school year, or the statutory minimum ratio
10 established under RCW 28A.150.260(2)(b), if greater;

11 (B) Districts at or above 51.0 certificated instructional staff per
12 one thousand full-time equivalent students in grades K-4 may dedicate
13 up to 1.3 of the 55.4 funding ratio to employ additional classified
14 instructional assistants assigned to basic education classrooms in
15 grades K-4. For purposes of documenting a district's staff ratio under
16 this section, funds used by the district to employ additional
17 classified instructional assistants shall be converted to a
18 certificated staff equivalent and added to the district's actual
19 certificated instructional staff ratio. Additional classified
20 instructional assistants, for the purposes of this subsection, shall be
21 determined using the 1989-90 school year as the base year;

22 (C) Any district maintaining a ratio equal to or greater than 55.4
23 certificated instructional staff per thousand full-time equivalent
24 students in grades K-4 may use allocations generated under this
25 subsection (2)(a)(iv) and (v) in excess of that required to maintain
26 the minimum ratio established under RCW 28A.150.260(2)(b) to employ
27 additional basic education certificated instructional staff or
28 classified instructional assistants in grades 5-6. Funds allocated
29 under this subsection (2)(a)(iv) and (v) shall only be expended to
30 reduce class size in grades K-6. No more than 1.3 of the certificated
31 instructional funding ratio amount may be expended for provision of
32 classified instructional assistants;

33 (b) For school districts with a minimum enrollment of 250 full-time
34 equivalent students whose full-time equivalent student enrollment count
35 in a given month exceeds the first of the month full-time equivalent
36 enrollment count by 5 percent, an additional state allocation of 110
37 percent of the share that such increased enrollment would have
38 generated had such additional full-time equivalent students been
39 included in the normal enrollment count for that particular month;

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

2 (A) Vocational education programs approved by the superintendent of
3 public instruction, a maximum of 0.92 certificated instructional staff
4 units and 0.08 certificated administrative staff units for each 19.5
5 full-time equivalent vocational students; and

6 (B) Skills center programs meeting the standards for skills center
7 funding established in January 1999 by the superintendent of public
8 instruction, 0.92 certificated instructional staff units and 0.08
9 certificated administrative units for each 16.67 full-time equivalent
10 vocational students; ((and))

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

16 (iii) Indirect cost charges by a school district to vocational-
17 secondary programs shall not exceed 15 percent of the combined basic
18 education and vocational enhancement allocations of state funds;

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

25 (i) For those enrolling no students in grades 7 and 8, 1.76
26 certificated instructional staff units and 0.24 certificated
27 administrative staff units for enrollment of not more than five
28 students, plus one-twentieth of a certificated instructional staff unit
29 for each additional student enrolled; and

30 (ii) For those enrolling students in grades 7 or 8, 1.68
31 certificated instructional staff units and 0.32 certificated
32 administrative staff units for enrollment of not more than five
33 students, plus one-tenth of a certificated instructional staff unit for
34 each additional student enrolled;

35 (e) For specified enrollments in districts enrolling more than
36 twenty-five but not more than one hundred average annual full-time
37 equivalent students in grades K-8, and for small school plants within
38 any school district which enroll more than twenty-five average annual

1 full-time equivalent students in grades K-8 and have been judged to be
2 remote and necessary by the state board of education:

3 (i) For enrollment of up to sixty annual average full-time
4 equivalent students in grades K-6, 2.76 certificated instructional
5 staff units and 0.24 certificated administrative staff units; and

6 (ii) For enrollment of up to twenty annual average full-time
7 equivalent students in grades 7 and 8, 0.92 certificated instructional
8 staff units and 0.08 certificated administrative staff units;

9 (f) For districts operating no more than two high schools with
10 enrollments of less than three hundred average annual full-time
11 equivalent students, for enrollment in grades 9-12 in each such school,
12 other than alternative schools:

13 (i) For remote and necessary schools enrolling students in any
14 grades 9-12 but no more than twenty-five average annual full-time
15 equivalent students in grades K-12, four and one-half certificated
16 instructional staff units and one-quarter of a certificated
17 administrative staff unit;

18 (ii) For all other small high schools under this subsection, nine
19 certificated instructional staff units and one-half of a certificated
20 administrative staff unit for the first sixty average annual full time
21 equivalent students, and additional staff units based on a ratio of
22 0.8732 certificated instructional staff units and 0.1268 certificated
23 administrative staff units per each additional forty-three and one-half
24 average annual full time equivalent students.

25 Units calculated under (f)(ii) of this subsection shall be reduced
26 by certificated staff units at the rate of forty-six certificated
27 instructional staff units and four certificated administrative staff
28 units per thousand vocational full-time equivalent students(~~(-)~~);

29 (g) For each nonhigh school district having an enrollment of more
30 than seventy annual average full-time equivalent students and less than
31 one hundred eighty students, operating a grades K-8 program or a grades
32 1-8 program, an additional one-half of a certificated instructional
33 staff unit; and

34 (h) For each nonhigh school district having an enrollment of more
35 than fifty annual average full-time equivalent students and less than
36 one hundred eighty students, operating a grades K-6 program or a grades
37 1-6 program, an additional one-half of a certificated instructional
38 staff unit.

1 (3) Allocations for classified salaries for the 2001-02 and 2002-03
2 school years shall be calculated using formula-generated classified
3 staff units determined as follows:

4 (a) For enrollments generating certificated staff unit allocations
5 under subsection (2)(d) through (h) of this section, one classified
6 staff unit for each three certificated staff units allocated under such
7 subsections;

8 (b) For all other enrollment in grades K-12, including vocational
9 full-time equivalent enrollments, one classified staff unit for each
10 sixty average annual full-time equivalent students; and

11 (c) For each nonhigh school district with an enrollment of more
12 than fifty annual average full-time equivalent students and less than
13 one hundred eighty students, an additional one-half of a classified
14 staff unit.

15 (4) Fringe benefit allocations shall be calculated at a rate of
16 (~~(11.27)~~) 10.76 percent in the 2001-02 school year and (~~(11.27)~~) 9.57
17 percent in the 2002-03 school year for certificated salary allocations
18 provided under subsection (2) of this section, and a rate of (~~(12.92)~~)
19 12.73 percent in the 2001-02 school year and (~~(12.92)~~) 12.36 percent in
20 the 2002-03 school year for classified salary allocations provided
21 under subsection (3) of this section.

22 (5) Insurance benefit allocations shall be calculated at the
23 maintenance rate specified in section 504(3) of this act, based on the
24 number of benefit units determined as follows:

25 (a) The number of certificated staff units determined in subsection
26 (2) of this section; and

27 (b) The number of classified staff units determined in subsection
28 (3) of this section multiplied by 1.152. This factor is intended to
29 adjust allocations so that, for the purposes of distributing insurance
30 benefits, full-time equivalent classified employees may be calculated
31 on the basis of 1440 hours of work per year, with no individual
32 employee counted as more than one full-time equivalent.

33 (6)(a) For nonemployee-related costs associated with each
34 certificated staff unit allocated under subsection (2)(a), (b), and (d)
35 through (h) of this section, there shall be provided a maximum of
36 \$8,519 per certificated staff unit in the 2001-02 school year and a
37 maximum of (~~(\$8,715)~~) \$8,604 per certificated staff unit in the 2002-03
38 school year.

1 (b) For nonemployee-related costs associated with each vocational
2 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
3 section, there shall be provided a maximum of \$20,920 per certificated
4 staff unit in the 2001-02 school year and a maximum of (~~(\$21,401)~~)
5 \$21,129 per certificated staff unit in the 2002-03 school year.

6 (c) For nonemployee-related costs associated with each vocational
7 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
8 section, there shall be provided a maximum of \$16,233 per certificated
9 staff unit in the 2001-02 school year and a maximum of (~~(\$16,606)~~)
10 \$16,395 per certificated staff unit in the 2002-03 school year.

11 (7) Allocations for substitute costs for classroom teachers shall
12 be distributed at a maintenance rate of \$494.34 for the 2001-02 and
13 2002-03 school years per allocated classroom teachers exclusive of
14 salary increase amounts provided in section 504 of this act. Solely
15 for the purposes of this subsection, allocated classroom teachers shall
16 be equal to the number of certificated instructional staff units
17 allocated under subsection (2) of this section, multiplied by the ratio
18 between the number of actual basic education certificated teachers and
19 the number of actual basic education certificated instructional staff
20 reported statewide for the prior school year.

21 (8) Any school district board of directors may petition the
22 superintendent of public instruction by submission of a resolution
23 adopted in a public meeting to reduce or delay any portion of its basic
24 education allocation for any school year. The superintendent of public
25 instruction shall approve such reduction or delay if it does not impair
26 the district's financial condition. Any delay shall not be for more
27 than two school years. Any reduction or delay shall have no impact on
28 levy authority pursuant to RCW 84.52.0531 and local effort assistance
29 pursuant to chapter 28A.500 RCW.

30 (9) The superintendent may distribute a maximum of (~~(\$6,510,000)~~)
31 \$5,939,000 outside the basic education formula during fiscal years 2002
32 and 2003 as follows:

33 (a) For fire protection for school districts located in a fire
34 protection district as now or hereafter established pursuant to chapter
35 52.04 RCW, a maximum of \$480,000 may be expended in fiscal year 2002
36 and a maximum of (~~(\$491,000)~~) \$485,000 may be expended in fiscal year
37 2003;

1 (b) For summer vocational programs at skills centers, a maximum of
2 \$2,098,000 may be expended (~~(each)~~) for the 2001-02 fiscal year and a
3 maximum of \$2,035,000 for the 2003 fiscal year;

4 (c) A maximum of (~~(\$343,000)~~) \$341,000 may be expended for school
5 district emergencies; and

6 (d) A maximum of \$500,000 (~~(per fiscal year)~~) may be expended in
7 fiscal year 2002 for programs providing skills training for secondary
8 students who are enrolled in extended day school-to-work programs, as
9 approved by the superintendent of public instruction. The funds shall
10 be allocated at a rate not to exceed \$500 per full-time equivalent
11 student enrolled in those programs.

12 (10) For purposes of RCW 84.52.0531, the increase per full-time
13 equivalent student in state basic education appropriations provided
14 under this act, including appropriations for salary and benefits
15 increases, is 2.5 percent from the 2000-01 school year to the 2001-02
16 school year, and (~~(3.3)~~) 0.5 percent from the 2000-01 school year to
17 the 2002-03 school year.

18 (11) If two or more school districts consolidate and each district
19 was receiving additional basic education formula staff units pursuant
20 to subsection (2)(b) through (h) of this section, the following shall
21 apply:

22 (a) For three school years following consolidation, the number of
23 basic education formula staff units shall not be less than the number
24 of basic education formula staff units received by the districts in the
25 school year prior to the consolidation; and

26 (b) For the fourth through eighth school years following
27 consolidation, the difference between the basic education formula staff
28 units received by the districts for the school year prior to
29 consolidation and the basic education formula staff units after
30 consolidation pursuant to subsection (2)(a) through (h) of this section
31 shall be reduced in increments of twenty percent per year.

32 **Sec. 503.** 2001 2nd sp.s. c 7 s 503 (uncodified) is amended to read
33 as follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE**
35 **COMPENSATION.** (1) The following calculations determine the salaries
36 used in the general fund allocations for certificated instructional,
37 certificated administrative, and classified staff units under section
38 502 of this act:

1 (a) For school year 2001-02, salary allocations for certificated
2 instructional staff units shall be determined for each district by
3 multiplying the district's certificated instructional total base salary
4 shown on LEAP Document 12E for the appropriate year, by the district's
5 average staff mix factor for basic education and special education
6 certificated instructional staff in that school year, computed using
7 LEAP Document 1S; ((and))

8 (b) For school year 2002-03, salary allocations for certificated
9 instructional staff units shall be determined for each district by
10 multiplying the district's certificated instructional total base salary
11 shown on LEAP Document 12E for the appropriate year, by the district's
12 average staff mix factor for certificated instructional staff in that
13 school year, computed using LEAP Document 1S; and

14 (c) Salary allocations for certificated administrative staff units
15 and classified staff units for each district shall be based on the
16 district's certificated administrative and classified salary allocation
17 amounts shown on LEAP Document 12E for the appropriate year.

18 (2) For the purposes of this section:

19 (a) "Basic education certificated instructional staff" is defined
20 as provided in RCW 28A.150.100 and "special education certificated
21 staff" means staff assigned to the state-supported special education
22 program pursuant to chapter 28A.155 RCW in positions requiring a
23 certificate;

24 (b) "LEAP Document 1S" means the computerized tabulation
25 establishing staff mix factors for certificated instructional staff
26 according to education and years of experience, as developed by the
27 legislative evaluation and accountability program committee on March
28 25, 1999, at 16:55 hours; and

29 (c) "LEAP Document 12E" means the computerized tabulation of 2001-
30 02 and 2002-03 school year salary allocations for certificated
31 administrative staff and classified staff and derived and total base
32 salaries for certificated instructional staff as developed by the
33 legislative evaluation and accountability program committee on ~~((March~~
34 ~~13, 2001, at 16:32 hours))~~ February 14, 2002, at 10:30 hours.

35 (3) Incremental fringe benefit factors shall be applied to salary
36 adjustments at a rate of ~~((10.63))~~ 10.12 percent for school year~~((s))~~
37 2001-02 and 8.93 percent for school year 2002-03 for certificated staff
38 and ~~((9.42))~~ for classified staff 9.23 percent for school year~~((s))~~

1 2001-02 and 8.86 percent for the 2002-03 (~~for classified staff~~)
 2 school year.

3 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary
 4 allocation schedules for certificated instructional staff are
 5 established for basic education salary allocations:

6 K-12 Salary Schedule for Certificated Instructional Staff
 7 2001-02 School Year

8 Years of					
9 Service	BA	BA+15	BA+30	BA+45	BA+90
10 0	27,467	28,209	28,977	29,746	32,219
11 1	27,836	28,588	29,366	30,171	32,668
12 2	28,464	29,231	30,025	30,900	33,414
13 3	29,401	30,192	31,009	31,931	34,490
14 4	30,063	30,896	31,727	32,689	35,290
15 5	30,750	31,595	32,443	33,468	36,085
16 6	31,147	31,974	32,850	33,928	36,531
17 7	32,164	33,010	33,909	35,055	37,724
18 8	33,195	34,088	35,008	36,248	38,954
19 9		35,205	36,169	37,455	40,223
20 10			37,344	38,724	41,529
21 11				40,029	42,895
22 12				41,293	44,298
23 13					45,736
24 14					47,181
25 15					48,408
26 16 or more					49,376

27 Years of				MA+90
28 Service	BA+135	MA	MA+45	or PHD
29 0	33,811	32,931	35,403	36,996
30 1	34,252	33,297	35,793	37,377
31 2	35,030	33,995	36,509	38,124
32 3	36,177	35,027	37,585	39,273
33 4	37,007	35,755	38,355	40,072
34 5	37,853	36,503	39,121	40,889
35 6	38,308	36,904	39,508	41,285
36 7	39,569	38,031	40,700	42,546
37 8	40,867	39,225	41,930	43,843

1	9	42,201	40,430	43,200	45,177
2	10	43,572	41,700	44,505	46,549
3	11	44,979	43,005	45,872	47,956
4	12	46,446	44,362	47,275	49,422
5	13	47,947	45,766	48,712	50,923
6	14	49,505	47,212	50,251	52,481
7	15	50,792	48,439	51,557	53,846
8	16 or more	51,808	49,407	52,589	54,923

9 K-12 Allocation Salary Schedule For Certificated Instructional Staff
10 2002-03 School Year

11 Years of

12 Service	BA	BA+15	BA+30	BA+45	BA+90
13 (0	28,318	29,083	29,875	30,668	33,217
14 1	28,699	29,473	30,276	31,106	33,680
15 2	29,345	30,137	30,955	31,857	34,449
16 3	30,312	31,127	31,970	32,920	35,559
17 4	30,994	31,854	32,710	33,702	36,383
18 5	31,703	32,574	33,448	34,505	37,203
19 6	32,112	32,964	33,868	34,979	37,663
20 7	33,160	34,033	34,959	36,141	38,893
21 8	34,223	35,145	36,092	37,372	40,161
22 9		36,295	37,289	38,616	41,470
23 10			38,501	39,923	42,815
24 11				41,269	44,225
25 12				42,572	45,671
26 13					47,153
27 14					48,642
28 15					49,907
29 16 or more					50,906

30 Years of	MA+90			
31 Service	BA+135	MA	MA+45	or PHD
32 0	34,859	33,951	36,500	38,142
33 1	35,313	34,328	36,902	38,535
34 2	36,116	35,048	37,640	39,305
35 3	37,298	36,112	38,750	40,490
36 4	38,153	36,863	39,544	41,314
37 5	39,026	37,634	40,333	42,156

1	6	39,495	38,047	40,732	42,564	
2	7	40,795	39,210	41,961	43,864	
3	8	42,133	40,440	43,229	45,201	
4	9	43,509	41,683	44,538	46,577	
5	10	44,922	42,992	45,884	47,991	
6	11	46,373	44,337	47,293	49,442	
7	12	47,885	45,736	48,739	50,953	
8	13	49,432	47,184	50,221	52,501	
9	14	51,039	48,675	51,808	54,107	
10	15	52,366	49,940	53,155	55,514	
11	16 or more	53,413	50,938	54,218	56,624)

12	<u>0</u>	<u>27,989</u>	<u>28,745</u>	<u>29,528</u>	<u>30,312</u>	<u>32,831</u>
13	<u>1</u>	<u>28,365</u>	<u>29,131</u>	<u>29,924</u>	<u>30,745</u>	<u>33,289</u>
14	<u>2</u>	<u>29,004</u>	<u>29,786</u>	<u>30,596</u>	<u>31,487</u>	<u>34,049</u>
15	<u>3</u>	<u>29,960</u>	<u>30,766</u>	<u>31,599</u>	<u>32,538</u>	<u>35,146</u>
16	<u>4</u>	<u>30,634</u>	<u>31,483</u>	<u>32,330</u>	<u>33,311</u>	<u>35,961</u>
17	<u>5</u>	<u>31,334</u>	<u>32,196</u>	<u>33,060</u>	<u>34,104</u>	<u>36,771</u>
18	<u>6</u>	<u>31,739</u>	<u>32,581</u>	<u>33,475</u>	<u>34,572</u>	<u>37,226</u>
19	<u>7</u>	<u>32,775</u>	<u>33,638</u>	<u>34,553</u>	<u>35,721</u>	<u>38,441</u>
20	<u>8</u>	<u>33,826</u>	<u>34,736</u>	<u>35,673</u>	<u>36,937</u>	<u>39,694</u>
21	<u>9</u>		<u>35,874</u>	<u>36,856</u>	<u>38,167</u>	<u>40,988</u>
22	<u>10</u>			<u>38,054</u>	<u>39,459</u>	<u>42,318</u>
23	<u>11</u>				<u>40,789</u>	<u>43,711</u>
24	<u>12</u>				<u>42,078</u>	<u>45,140</u>
25	<u>13</u>					<u>46,605</u>
26	<u>14</u>					<u>48,077</u>
27	<u>15</u>					<u>49,328</u>
28	<u>16 or more</u>					<u>50,314</u>

29	<u>Years of</u>				<u>MA+90</u>	
30	<u>Service</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>or PHD</u>	
31	<u>0</u>	<u>34,454</u>	<u>33,557</u>	<u>36,076</u>	<u>37,699</u>	
32	<u>1</u>	<u>34,903</u>	<u>33,929</u>	<u>36,473</u>	<u>38,087</u>	
33	<u>2</u>	<u>35,696</u>	<u>34,641</u>	<u>37,203</u>	<u>38,849</u>	
34	<u>3</u>	<u>36,864</u>	<u>35,693</u>	<u>38,299</u>	<u>40,019</u>	
35	<u>4</u>	<u>37,710</u>	<u>36,435</u>	<u>39,084</u>	<u>40,834</u>	
36	<u>5</u>	<u>38,573</u>	<u>37,197</u>	<u>39,864</u>	<u>41,666</u>	
37	<u>6</u>	<u>39,037</u>	<u>37,605</u>	<u>40,259</u>	<u>42,069</u>	
38	<u>7</u>	<u>40,321</u>	<u>38,754</u>	<u>41,474</u>	<u>43,354</u>	

1	<u>8</u>	<u>41,643</u>	<u>39,970</u>	<u>42,727</u>	<u>44,676</u>
2	<u>9</u>	<u>43,003</u>	<u>41,199</u>	<u>44,021</u>	<u>46,036</u>
3	<u>10</u>	<u>44,400</u>	<u>42,492</u>	<u>45,351</u>	<u>47,433</u>
4	<u>11</u>	<u>45,834</u>	<u>43,822</u>	<u>46,744</u>	<u>48,867</u>
5	<u>12</u>	<u>47,328</u>	<u>45,205</u>	<u>48,173</u>	<u>50,361</u>
6	<u>13</u>	<u>48,858</u>	<u>46,636</u>	<u>49,638</u>	<u>51,891</u>
7	<u>14</u>	<u>50,446</u>	<u>48,109</u>	<u>51,206</u>	<u>53,479</u>
8	<u>15</u>	<u>51,758</u>	<u>49,359</u>	<u>52,537</u>	<u>54,869</u>
9	<u>16 or more</u>	<u>52,792</u>	<u>50,346</u>	<u>53,588</u>	<u>55,967</u>

10 (b) As used in this subsection, the column headings "BA+(N)" refer
11 to the number of credits earned since receiving the baccalaureate
12 degree.

13 (c) For credits earned after the baccalaureate degree but before
14 the masters degree, any credits in excess of forty-five credits may be
15 counted after the masters degree. Thus, as used in this subsection,
16 the column headings "MA+(N)" refer to the total of:

- 17 (i) Credits earned since receiving the masters degree; and
- 18 (ii) Any credits in excess of forty-five credits that were earned
19 after the baccalaureate degree but before the masters degree.

20 (5) For the purposes of this section:

- 21 (a) "BA" means a baccalaureate degree.
- 22 (b) "MA" means a masters degree.
- 23 (c) "PHD" means a doctorate degree.

24 (d) "Years of service" shall be calculated under the same rules
25 adopted by the superintendent of public instruction.

26 (e) "Credits" means college quarter hour credits and equivalent in-
27 service credits computed in accordance with RCW 28A.415.020 and
28 28A.415.023.

29 (6) No more than ninety college quarter-hour credits received by
30 any employee after the baccalaureate degree may be used to determine
31 compensation allocations under the state salary allocation schedule and
32 LEAP documents referenced in this act, or any replacement schedules and
33 documents, unless:

- 34 (a) The employee has a masters degree; or
- 35 (b) The credits were used in generating state salary allocations
36 before January 1, 1992.

37 (7) The certificated instructional staff base salary specified for
38 each district in LEAP Document 12E and the salary schedule((s)) in
39 subsection (4)(a) of this section for the 2001-02 school year includes

1 three learning improvement days originally added in the 1999-00 school
2 year. A school district is eligible for the learning improvement day
3 funds for school year(~~(s)~~) 2001-02 (~~(and 2002-03)~~), only if three
4 learning improvement days have been added to the 180-day contract year.
5 If fewer than three days are added, the additional learning improvement
6 allocation shall be adjusted accordingly. The additional days shall be
7 for activities related to improving student learning consistent with
8 education reform implementation, and shall not be considered part of
9 basic education. The length of a learning improvement day shall not be
10 less than the length of a full day under the base contract. The
11 superintendent of public instruction shall ensure that school districts
12 adhere to the intent and purposes of this subsection.

13 (8) The salary allocation schedules established in this section are
14 for allocation purposes only except as provided in RCW 28A.400.200(2).

15 **Sec. 504.** 2001 2nd sp.s. c 7 s 504 (uncodified) is amended to read
16 as follows:

17 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
18 **COMPENSATION ADJUSTMENTS**

19	General Fund--State Appropriation (FY 2002) . . . \$	((124,130,000))
20		<u>124,903,000</u>
21	General Fund--State Appropriation (FY 2003) . . . \$	((274,529,000))
22		<u>254,219,000</u>
23	<u>General Fund--Federal Appropriation (FY 2003) . . \$</u>	<u>191,000</u>
24	TOTAL APPROPRIATION \$	((398,659,000))
25		<u>379,313,000</u>

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

28 (1) (~~(\$318,024,000)~~) A total of \$328,952,000 is provided for a cost
29 of living adjustment for state formula staff units of 3.7 percent
30 effective September 1, 2001, and (~~(another salary adjustment)~~) 3.6
31 percent effective on September 1, 2002(~~(, in a percentage amount to be~~
32 ~~determined by the 2002 legislature consistent with the provisions of~~
33 ~~chapter 4, Laws of 2001 (Initiative Measure No. 732))~~). The
34 appropriations include associated incremental fringe benefit
35 allocations at rates of (~~(10.63)~~) 10.12 percent for school year(~~(s)~~)
36 2001-02 and 8.93 percent for school year 2002-03 for certificated staff
37 and (~~(9.42)~~) 9.23 percent for school year(~~(s)~~) 2001-02 and 8.86 for
38 school year 2002-03 for classified staff.

1 (a) The appropriations in this section include the increased
 2 portion of salaries and incremental fringe benefits for all relevant
 3 state-funded school programs in part V of this act, in accordance with
 4 chapter 4, Laws of 2001 (Initiative Measure No. 732). Salary
 5 adjustments for state employees in the office of superintendent of
 6 public instruction and the education reform program are provided in
 7 part VII of this act. Increases for general apportionment (basic
 8 education) are based on the salary allocation schedules and methodology
 9 in section 502 of this act. Increases for special education result
 10 from increases in each district's basic education allocation per
 11 student. Increases for educational service districts and institutional
 12 education programs are determined by the superintendent of public
 13 instruction using the methodology for general apportionment salaries
 14 and benefits in section 502 of this act.

15 (b) The appropriations in this section provide cost-of-living and
 16 incremental fringe benefit allocations based on formula adjustments as
 17 follows:

	School Year	
	2001-02	2002-03
20 Pupil Transportation (per weighted pupil mile)	\$ 0.77	\$ ((1.44))
21		<u>1.54</u>
22 Highly Capable (per formula student)	\$((8.75))	\$((16.35))
23	<u>8.71</u>	<u>16.53</u>
24 Transitional Bilingual Education (per eligible		
25 bilingual student)	\$((22.73))	\$((42.48))
26	<u>22.63</u>	<u>44.29</u>
27 Learning Assistance (per entitlement unit)	\$((11.23))	\$((20.99))
28	<u>11.19</u>	<u>22.13</u>
29 Substitute Teacher (allocation per teacher,		
30 section 502(7))	\$ 18.29	\$ ((34.18))
31		<u>36.75</u>

32 (2) This act appropriates general fund--state funds and other funds
 33 for the purpose of providing the annual salary cost-of-living increase
 34 required by section 2, chapter 4, Laws of 2001 (Initiative Measure No.
 35 732) for teachers and other school district employees in the state-
 36 funded salary base. For employees not included in the state-funded
 37 salary base, the annual salary cost-of-living increase may be provided
 38 by school districts from the federal funds appropriated in this act and

1 local revenues, including the adjusted levy base as provided in RCW
 2 84.52.053 and section 502 of this act, and state discretionary funds
 3 provided under this act.

4 (3) (~~(\$80,635,000)~~) \$50,361,000 is provided for adjustments to
 5 insurance benefit allocations. The maintenance rate for insurance
 6 benefit allocations is \$427.73 per month for the 2001-02 and 2002-03
 7 school years. The appropriations in this section provide for a rate
 8 increase to \$455.27 per month for the 2001-02 (~~(school year)~~) and
 9 (~~(\$493.59 per month for the)~~) 2002-03 school years at the following
 10 rates:

	School Year	
	2001-02	2002-03
13 Pupil Transportation (per weighted pupil mile)	\$ 0.25	\$(0.60)
14		<u>0.25</u>
15 Highly Capable (per formula student)	\$ 1.74	\$(4.18)
16		<u>1.70</u>
17 Transitional Bilingual Education (per eligible		
18 bilingual student)	\$ 4.46	\$(10.66)
19		<u>4.46</u>
20 Learning Assistance (per entitlement unit)	\$ 3.51	\$(8.38)
21		<u>3.51</u>

22 (4) The rates specified in this section are subject to revision
 23 each year by the legislature.

24 **Sec. 505.** 2001 2nd sp.s. c 7 s 505 (uncodified) is amended to read
 25 as follows:

26 FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION		
27 General Fund--State Appropriation (FY 2002) . . . \$	((193,198,000))	
28		<u>192,402,000</u>
29 General Fund--State Appropriation (FY 2003) . . . \$	((194,293,000))	
30		<u>193,293,000</u>
31 TOTAL APPROPRIATION \$	((387,491,000))	
32		<u>385,695,000</u>

33 The appropriations in this section are subject to the following
 34 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)~~) \$752,000 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>420,165,000</u>
36	General Fund--State Appropriation (FY 2003) . . . \$	((420,644,000))
37		<u>408,693,000</u>
38	General Fund--Federal Appropriation \$	((256,092,000))

256,407,000

TOTAL APPROPRIATION \$ ((1,096,000,000))

1,085,265,000

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

(1) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

(2)(a) Effective with the 2001-02 school year, the superintendent of public instruction shall change the S-275 personnel reporting system and all related accounting requirements to ensure that:

- (i) Special education students are basic education students first;
- (ii) As a class, special education students are entitled to the full basic education allocation; and
- (iii) Special education students are basic education students for the entire school day.

(b) Effective with the 2001-02 school year, the S-275 and accounting changes shall supercede any prior excess cost methodologies and shall be required of all school districts.

(3) Each ((general fund--state)) fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(4) The superintendent of public instruction shall distribute state funds to school districts based on two categories: The optional birth through age two program for special education eligible developmentally delayed infants and toddlers, and the mandatory special education program for special education eligible students ages three to twenty-one. A "special education eligible student" means a student receiving specially designed instruction in accordance with a properly formulated individualized education program.

(5)(a) For the 2001-02 and 2002-03 school years, the superintendent shall ((distribute state funds)) make allocations to each district based on the sum of:

1 (i) A district's annual average headcount enrollment of
2 developmentally delayed infants and toddlers ages birth through two,
3 multiplied by the district's average basic education allocation per
4 full-time equivalent student, multiplied by 1.15; and

5 (ii) A district's annual average full-time equivalent basic
6 education enrollment multiplied by the funded enrollment percent
7 determined pursuant to subsection (6)(b) of this section, multiplied by
8 the district's average basic education allocation per full-time
9 equivalent student multiplied by 0.9309.

10 (b) For purposes of this subsection, "average basic education
11 allocation per full-time equivalent student" for a district shall be
12 based on the staffing ratios required by RCW 28A.150.260 and shall not
13 include enhancements, secondary vocational education, or small schools.

14 (6) The definitions in this subsection apply throughout this
15 section.

16 (a) "Annual average full-time equivalent basic education
17 enrollment" means the resident enrollment including students enrolled
18 through choice (RCW 28A.225.225) and students from nonhigh districts
19 (RCW 28A.225.210) and excluding students residing in another district
20 enrolled as part of an interdistrict cooperative program (RCW
21 28A.225.250).

22 (b) "Enrollment percent" means the district's resident special
23 education annual average enrollment, excluding the birth through age
24 two enrollment, as a percent of the district's annual average full-time
25 equivalent basic education enrollment.

26 (i) For the 2001-02 ((and the 2002-03)) school year((s)), each
27 district's funded enrollment percent shall be the lesser of the
28 district's actual enrollment percent ((for the school year for which
29 the allocation is being determined)) or 12.7 percent ((for the 2001-02
30 school year or 13.0 percent for the 2002-03 school year)).

31 (ii) For the 2002-03 school year, each district's general
32 fund--state funded special education enrollment shall be the lesser of
33 the district's actual enrollment percent or 12.7 percent. Increases in
34 enrollment percent from 12.7 percent to 13.0 percent shall be funded
35 from the general fund--federal appropriation.

36 (7) At the request of any interdistrict cooperative of at least 15
37 districts in which all excess cost services for special education
38 students of the districts are provided by the cooperative, the maximum
39 enrollment percent shall be ~~((12.7 percent for the 2001-02 school year~~

1 ~~and 13.0 percent for the 2002-03 school year))~~ calculated in accordance
2 with subsection (6)(b) of this section, and shall be calculated in the
3 aggregate rather than individual district units. For purposes of this
4 subsection, the average basic education allocation per full-time
5 equivalent student shall be calculated in the aggregate rather than
6 individual district units.

7 (8) Safety net funding shall be awarded by the state safety net
8 oversight committee subject to the following conditions and
9 limitations:

10 (a) A maximum of (~~(\$12,000,000)~~) \$8,500,000 of the general fund--
11 state appropriation and a maximum of \$3,500,000 of the general fund--
12 federal appropriation for fiscal year 2002 (~~and a maximum of~~
13 ~~\$10,623,000 of the general fund state appropriation for fiscal year~~
14 ~~2003)) are provided as safety net funding for districts with
15 demonstrated needs for state special education funding beyond the
16 amounts provided in subsection (5) of this section. (~~Safety net~~
17 ~~funding shall be awarded by the state safety net oversight committee.~~~~

18 (~~a~~)) (b) The safety net oversight committee shall first consider
19 the needs of districts adversely affected by the 1995 change in the
20 special education funding formula. Awards shall be based on the lesser
21 of the amount required to maintain the 1994-95 state special education
22 excess cost allocation to the school district in aggregate or on a
23 dollar per funded student basis.

24 (~~b~~)) (c) The committee shall then consider unmet needs for
25 districts that can convincingly demonstrate that all legitimate
26 expenditures for special education exceed all available revenues from
27 state funding formulas. In the determination of need, the committee
28 shall also consider additional available revenues from federal and
29 local sources. Differences in program costs attributable to district
30 philosophy, service delivery choice, or accounting practices are not a
31 legitimate basis for safety net awards.

32 (~~c~~)) (d) The maximum allowable indirect cost for calculating
33 safety net eligibility may not exceed the federal restricted indirect
34 cost rate for the district plus one percent.

35 (~~d~~)) (e) Safety net awards shall be adjusted based on the
36 percent of potential medicaid eligible students billed as calculated by
37 the superintendent in accordance with chapter 318, Laws of 1999.

38 (~~e~~)) (f) Safety net awards must be adjusted for any audit
39 findings or exceptions related to special education funding.

1 (~~(f)~~) (g) The superintendent may expend up to \$120,000 (~~(per~~
2 year)) of the amounts provided in this subsection (8) to provide staff
3 assistance to the committee in analyzing applications for safety net
4 funds received by the committee.

5 (9) To the extent necessary, \$2,058,000 of the general fund--state
6 appropriation for fiscal year 2003 and \$10,815,000 of the general
7 fund--federal appropriation are provided for safety net awards for
8 districts with demonstrated needs for state special education funding
9 beyond the amounts provided in subsection (5) of this section. If
10 safety net awards exceed the amount appropriated in this subsection
11 (9), the superintendent shall expend all available federal
12 discretionary funds necessary to meet this need. Safety net funds
13 shall be awarded by the state safety net oversight committee subject to
14 the following conditions and limitations:

15 (a) The committee shall consider unmet needs for districts that can
16 convincingly demonstrate that all legitimate expenditures for special
17 education exceed all available revenues from state funding formulas.
18 In the determination of need, the committee shall also consider
19 additional available revenues from federal and local sources.
20 Differences in program costs attributable to district philosophy,
21 service delivery choice, or accounting practices are not a legitimate
22 basis for safety net awards.

23 (b) The committee shall then consider the extraordinary high cost
24 needs of one or more individual special education students.
25 Differences in costs attributable to district philosophy, service
26 delivery choice, or accounting practices are not a legitimate basis for
27 safety net awards.

28 (c) The maximum allowable indirect cost for calculating safety net
29 eligibility may not exceed the federal restricted indirect cost rate
30 for the district plus one percent.

31 (d) Safety net awards shall be adjusted based on the percent of
32 potential medicaid eligible students billed as calculated by the
33 superintendent in accordance with chapter 318, Laws of 1999.

34 (e) Safety net awards must be adjusted for any audit findings or
35 exceptions related to special education funding.

36 (f) The superintendent may expend up to \$120,000 of the amount
37 provided from the general fund--federal appropriation in this
38 subsection (9) to provide staff assistance to the committee in
39 analyzing applications for safety net funds received by the committee.

1 (~~(9)~~) (10) The superintendent of public instruction may adopt
2 such rules and procedures as are necessary to administer the special
3 education funding and safety net award process. Prior to revising any
4 standards, procedures, or rules, the superintendent shall consult with
5 the office of financial management and the fiscal committees of the
6 legislature.

7 (~~(10)~~) (11) The safety net oversight committee appointed by the
8 superintendent of public instruction shall consist of:

9 (a) One staff from the office of superintendent of public
10 instruction;

11 (b) Staff of the office of the state auditor;

12 (c) Staff of the office of the financial management; and

13 (d) One or more representatives from school districts or
14 educational service districts knowledgeable of special education
15 programs and funding.

16 (~~(11)~~) (12) To the extent necessary, (~~(\$5,500,000)~~) in fiscal
17 year 2002, \$2,250,000 of the general fund--federal appropriation shall
18 be expended for safety net funding to meet the extraordinary needs of
19 one or more individual special education students. If safety net
20 awards to meet the extraordinary needs exceed (~~(\$5,500,000)~~) \$2,250,000
21 of the general fund--federal appropriation, the superintendent shall
22 expend all available federal discretionary funds necessary to meet this
23 need. General fund--state funds shall not be expended for this
24 purpose.

25 (~~(12)~~) (13) A maximum of \$678,000 may be expended from the
26 general fund--state appropriations to fund 5.43 full-time equivalent
27 teachers and 2.1 full-time equivalent aides at children's orthopedic
28 hospital and medical center. This amount is in lieu of money provided
29 through the home and hospital allocation and the special education
30 program.

31 (~~(13)~~) (14) \$1,000,000 of the general fund--federal appropriation
32 is provided for projects to provide special education students with
33 appropriate job and independent living skills, including work
34 experience where possible, to facilitate their successful transition
35 out of the public school system. The funds provided by this subsection
36 shall be from federal discretionary grants.

37 (~~(14)~~) (15) The superintendent shall maintain the percentage of
38 federal flow-through to school districts at 85 percent for the 2001-02
39 school year. For the 2002-03 school year, the superintendent shall

1 allocate the federal funds as specified in this section and shall
2 adjust federal flow-through funds accordingly. In addition to other
3 purposes, school districts may use increased federal funds for high-
4 cost students, for purchasing regional special education services from
5 educational service districts, and for staff development activities
6 particularly relating to inclusion issues.

7 ~~((15))~~ (16) A maximum of \$1,200,000 of the general fund--federal
8 appropriation may be expended by the superintendent for projects
9 related to use of inclusion strategies by school districts for
10 provision of special education services. The superintendent shall
11 prepare an information database on laws, best practices, examples of
12 programs, and recommended resources. The information may be
13 disseminated in a variety of ways, including workshops and other staff
14 development activities.

15 ~~((16))~~ (17) A school district may carry over from one year to the
16 next year up to 10 percent of general fund--state funds allocated under
17 this program; however, carry over funds shall be expended in the
18 special education program.

19 (18) The superintendent of public instruction shall implement the
20 recommendations of the joint legislative audit and review committee
21 study on special education (report 01-11) only to the extent that funds
22 have been specifically provided therefor.

23 **Sec. 507.** 2001 2nd sp.s. c 7 s 508 (uncodified) is amended to read
24 as follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY**
26 **EDUCATION PROGRAMS**

27	General Fund--State Appropriation (FY 2002) . . . \$	((3,595,000))
28		<u>3,765,000</u>
29	General Fund--State Appropriation (FY 2003) . . . \$	((2,588,000))
30		<u>2,726,000</u>
31	TOTAL APPROPRIATION \$	((6,183,000))
32		<u>6,491,000</u>

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

35 (1) The appropriations include such funds as are necessary to
36 complete the school year ending in each fiscal year and for prior
37 fiscal year adjustments.

1 (2) A maximum of \$253,000 of the fiscal year 2002 general fund
2 appropriation and a maximum of (~~(\$254,000)~~) \$246,000 of the fiscal year
3 2003 general fund appropriation may be expended for regional traffic
4 safety education coordinators.

5 (3) Allocations to provide tuition assistance for students eligible
6 for free and reduced price lunch who complete the program shall be a
7 maximum of \$203.97 per eligible student in the 2001-02 school year and
8 \$197.85 in the 2002-03 school year(~~(s)~~).

9 **Sec. 508.** 2001 2nd sp.s. c 7 s 509 (uncodified) is amended to read
10 as follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
12 **DISTRICTS**

13	General Fund--State Appropriation (FY 2002) . . . \$	((4,768,000))
14		<u>4,757,000</u>
15	General Fund--State Appropriation (FY 2003) . . . \$	((4,768,000))
16		<u>4,561,000</u>
17	TOTAL APPROPRIATION \$	((9,536,000))
18		<u>9,318,000</u>

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

21 (1) The educational service districts shall continue to furnish
22 financial services required by the superintendent of public instruction
23 and RCW 28A.310.190 (3) and (4).

24 (2) \$250,000 of the general fund appropriation for fiscal year
25 (~~(2000)~~) 2002 and (~~(\$250,000)~~) \$243,000 of the general fund
26 appropriation for fiscal year (~~(2001)~~) 2003 are provided solely for
27 student teaching centers as provided in RCW 28A.415.100.

28 (3) A maximum of \$250,000 of the fiscal year 2002 general fund
29 appropriation and a maximum of (~~(\$250,000)~~) \$243,000 of the fiscal year
30 2003 general fund appropriation are provided for centers for the
31 improvement of teaching pursuant to RCW 28A.415.010.

32 **Sec. 509.** 2001 2nd sp.s. c 7 s 510 (uncodified) is amended to read
33 as follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
35 **ASSISTANCE**

36	General Fund--State Appropriation (FY 2002) . . . \$	((136,315,000))
37		<u>140,932,000</u>

1	General Fund--State Appropriation (FY 2003) . . . \$	((148,329,000))
2		<u>152,744,000</u>
3	TOTAL APPROPRIATION \$	((284,644,000))
4		<u>293,676,000</u>

5 **Sec. 510.** 2001 2nd sp.s. c 7 s 511 (uncodified) is amended to read
6 as follows:

7 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
8 **EDUCATION PROGRAMS**

9	General Fund--State Appropriation (FY 2002) . . . \$	((19,133,000))
10		<u>19,073,000</u>
11	General Fund--State Appropriation (FY 2003) . . . \$	((19,115,000))
12		<u>18,553,000</u>
13	General Fund--Federal Appropriation \$	8,548,000
14	TOTAL APPROPRIATION \$	((46,796,000))
15		<u>46,174,000</u>

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

18 (1) Each general fund--state fiscal year appropriation includes
19 such funds as are necessary to complete the school year ending in the
20 fiscal year and for prior fiscal year adjustments.

21 (2) State funding provided under this section is based on salaries
22 and other expenditures for a 220-day school year. The superintendent
23 of public instruction shall monitor school district expenditure plans
24 for institutional education programs to ensure that districts plan for
25 a full-time summer program.

26 (3) State funding for each institutional education program shall be
27 based on the institution's annual average full-time equivalent student
28 enrollment. Staffing ratios for each category of institution shall
29 remain the same as those funded in the 1995-97 biennium.

30 (4) The funded staffing ratios for education programs for juveniles
31 age 18 or less in department of corrections facilities shall be the
32 same as those provided in the 1997-99 biennium.

33 (5) \$141,000 of the general fund--state appropriation for fiscal
34 year 2002 and \$139,000 of the general fund--state appropriation for
35 fiscal year 2003 are provided solely to maintain at least one
36 certificated instructional staff and related support services at an
37 institution whenever the K-12 enrollment is not sufficient to support
38 one full-time equivalent certificated instructional staff to furnish

1 the educational program. The following types of institutions are
2 included: Residential programs under the department of social and
3 health services for developmentally disabled juveniles, programs for
4 juveniles under the department of corrections, and programs for
5 juveniles under the juvenile rehabilitation administration.

6 (6) Ten percent of the funds allocated for each institution may be
7 carried over from one year to the next.

8 **Sec. 511.** 2001 2nd sp.s. c 7 s 512 (uncodified) is amended to read
9 as follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
11 **CAPABLE STUDENTS**

12	General Fund--State Appropriation (FY 2002) . . . \$	((6,443,000))
13		<u>6,470,000</u>
14	General Fund--State Appropriation (FY 2003) . . . \$	((6,397,000))
15		<u>6,194,000</u>
16	TOTAL APPROPRIATION \$	((12,840,000))
17		<u>12,664,000</u>

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

20 (1) Each general fund fiscal year appropriation includes such funds
21 as are necessary to complete the school year ending in the fiscal year
22 and for prior fiscal year adjustments.

23 (2) Allocations for school district programs for highly capable
24 students shall be distributed at a maximum rate of ((~~\$328.10~~)) \$327.22
25 per funded student for the 2001-02 school year and ((~~\$328.05~~)) \$310.75
26 per funded student for the 2002-03 school year, exclusive of salary and
27 benefit adjustments pursuant to section 504 of this act. The number of
28 funded students shall be a maximum of two percent of each district's
29 full-time equivalent basic education enrollment.

30 (3) \$175,000 of the fiscal year 2002 appropriation and ((~~\$175,000~~))
31 \$170,000 of the fiscal year 2003 appropriation are provided for the
32 centrum program at Fort Worden state park.

33 (4) \$93,000 of the fiscal year 2002 appropriation and ((~~\$93,000~~))
34 \$90,000 of the fiscal year 2003 appropriation are provided for the
35 Washington imagination network and future problem-solving programs.

36 **Sec. 512.** 2001 2nd sp.s. c 7 s 513 (uncodified) is amended to read
37 as follows:

1 FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS
2 PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND
3 THE NO CHILD LEFT BEHIND ACT

4 General Fund--Federal Appropriation \$ ((288,166,000))
5 201,737,000

6 **Sec. 513.** 2001 2nd sp.s. c 7 s 514 (uncodified) is amended to read
7 as follows:

8 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS**

9 General Fund--State Appropriation (FY 2002) . . . \$ ((35,882,000))
10 35,880,000

11 General Fund--State Appropriation (FY 2003) . . . \$ ((36,363,000))
12 23,123,000

13 General Fund--Federal Appropriation \$ ((3,000,000))
14 60,571,000

15 TOTAL APPROPRIATION \$ ((75,245,000))
16 119,574,000

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

19 (1) \$322,000 of the general fund--state appropriation for fiscal
20 year 2002 and ((~~\$322,000~~)) \$312,000 of the general fund--state
21 appropriation for fiscal year 2003 are provided solely for the academic
22 achievement and accountability commission.

23 (2) \$11,209,000 of the general fund--state appropriation for fiscal
24 year 2002, ((~~\$10,872,000~~)) \$8,872,000 of the general fund--state
25 appropriation for fiscal year 2003, and ((~~\$3,000,000~~)) \$5,000,000 of
26 the general fund--federal appropriation are provided for development
27 and implementation of the Washington assessments of student learning.
28 Up to \$689,000 of the appropriation may be expended for data analysis
29 and data management of test results.

30 (3) \$1,095,000 of the fiscal year 2002 general fund--state
31 appropriation ((~~and \$1,095,000 of the fiscal year 2003 general~~
32 ~~fund--state appropriation are~~)) is provided solely for training of
33 paraprofessional classroom assistants and certificated staff who work
34 with classroom assistants as provided in RCW 28A.415.310.

35 (4) \$4,695,000 of the general fund--state appropriation for fiscal
36 year 2002 ((~~and \$4,695,000 of the general fund--state appropriation for~~
37 ~~fiscal year 2003 are~~)) is provided solely for mentor teacher
38 assistance, including state support activities, under RCW 28A.415.250

1 and 28A.415.260, and for a mentor academy. Up to \$200,000 of the
2 amount in this subsection may be used (~~each fiscal year~~) to operate
3 a mentor academy to help districts provide effective training for peer
4 mentors. Funds for the teacher assistance program shall be allocated
5 to school districts based on the number of first year beginning
6 teachers.

7 (a) A teacher assistance program is a program that provides to a
8 first year beginning teacher peer mentor services that include but are
9 not limited to:

10 (i) An orientation process and individualized assistance to help
11 beginning teachers who have been hired prior to the start of the school
12 year prepare for the start of a school year;

13 (ii) The assignment of a peer mentor whose responsibilities to the
14 beginning teacher include but are not limited to constructive feedback,
15 the modeling of instructional strategies, and frequent meetings and
16 other forms of contact;

17 (iii) The provision by peer mentors of strategies, training, and
18 guidance in critical areas such as classroom management, student
19 discipline, curriculum management, instructional skill, assessment,
20 communication skills, and professional conduct. A district may provide
21 these components through a variety of means including one-on-one
22 contact and workshops offered by peer mentors to groups, including
23 cohort groups, of beginning teachers;

24 (iv) The provision of release time, substitutes, mentor training in
25 observation techniques, and other measures for both peer mentors and
26 beginning teachers, to allow each an adequate amount of time to observe
27 the other and to provide the classroom experience that each needs to
28 work together effectively;

29 (v) Assistance in the incorporation of the essential academic
30 learning requirements into instructional plans and in the development
31 of complex teaching strategies, including strategies to raise the
32 achievement of students with diverse learning styles and backgrounds;
33 and

34 (vi) Guidance and assistance in the development and implementation
35 of a professional growth plan. The plan shall include a professional
36 self-evaluation component and one or more informal performance
37 assessments. A peer mentor may not be involved in any evaluation under
38 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
39 assisted through this program.

1 (b) In addition to the services provided in (a) of this subsection,
2 an eligible peer mentor program shall include but is not limited to the
3 following components:

4 (i) Strong collaboration among the peer mentor, the beginning
5 teacher's principal, and the beginning teacher;

6 (ii) Stipends for peer mentors and, at the option of a district,
7 for beginning teachers. The stipends shall not be deemed compensation
8 for the purposes of salary lid compliance under RCW 28A.400.200 and are
9 not subject to the continuing contract provisions of Title 28A RCW; and

10 (iii) To the extent that resources are available for this purpose
11 and that assistance to beginning teachers is not adversely impacted,
12 the program may serve second year and more experienced teachers who
13 request the assistance of peer mentors.

14 (5) \$2,025,000 of the general fund--state appropriation for fiscal
15 year 2002 and (~~(\$2,025,000)~~) \$1,964,000 of the general fund--state
16 appropriation for fiscal year 2003 are provided for improving
17 technology infrastructure, monitoring and reporting on school district
18 technology development, promoting standards for school district
19 technology, promoting statewide coordination and planning for
20 technology development, and providing regional educational technology
21 support centers, including state support activities, under chapter
22 28A.650 RCW. The superintendent of public instruction shall coordinate
23 a process to facilitate the evaluation and provision of online
24 curriculum courses to school districts which includes the following:
25 Creation of a general listing of the types of available online
26 curriculum courses; a survey conducted by each regional educational
27 technology support center of school districts in its region regarding
28 the types of online curriculum courses desired by school districts; a
29 process to evaluate and recommend to school districts the best online
30 courses in terms of curriculum, student performance, and cost; and
31 assistance to school districts in procuring and providing the courses
32 to students.

33 (6) \$3,600,000 of the general fund--state appropriation for fiscal
34 year 2002 and (~~(\$3,600,000)~~) \$2,700,000 of the general fund--state
35 appropriation for fiscal year 2003 are provided for grants to school
36 districts to provide a continuum of care for children and families to
37 help children become ready to learn. Grant proposals from school
38 districts shall contain local plans designed collaboratively with
39 community service providers. If a continuum of care program exists in

1 the area in which the school district is located, the local plan shall
2 provide for coordination with existing programs to the greatest extent
3 possible. Grant funds shall be allocated pursuant to RCW 70.190.040.

4 (7) \$2,500,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$2,500,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for the meals for kids program
7 under RCW 28A.235.145 through 28A.235.155.

8 (8) \$1,409,000 of the general fund--state appropriation for fiscal
9 year 2002 (~~(and \$1,409,000 of the general fund--state appropriation for~~
10 ~~fiscal year 2003 are))~~ is provided solely for the leadership internship
11 program for superintendents, principals, and program administrators.

12 (9) \$1,828,000 of the general fund--state appropriation for fiscal
13 year 2002 (~~(and \$1,828,000 of the general fund--state appropriation for~~
14 ~~fiscal year 2003 are))~~ is provided solely for the mathematics helping
15 corps subject to the following conditions and limitations:

16 (a) In order to increase the availability and quality of technical
17 mathematics assistance statewide, the superintendent of public
18 instruction shall employ mathematics school improvement specialists to
19 provide assistance to schools and districts. The specialists shall be
20 hired by and work under the direction of a statewide school improvement
21 coordinator. The mathematics improvement specialists shall serve on a
22 rotating basis from one to three years and shall not be permanent
23 employees of the superintendent of public instruction.

24 (b) The school improvement specialists shall provide the following:

25 (i) Assistance to schools to disaggregate student performance data
26 and develop improvement plans based on those data;

27 (ii) Consultation with schools and districts concerning their
28 performance on the Washington assessment of student learning and other
29 assessments emphasizing the performance on the mathematics assessments;

30 (iii) Consultation concerning curricula that aligns with the
31 essential academic learning requirements emphasizing the academic
32 learning requirements for mathematics, the Washington assessment of
33 student learning, and meets the needs of diverse learners;

34 (iv) Assistance in the identification and implementation of
35 research-based instructional practices in mathematics;

36 (v) Staff training that emphasizes effective instructional
37 strategies and classroom-based assessment for mathematics;

38 (vi) Assistance in developing and implementing family and community
39 involvement programs emphasizing mathematics; and

1 (vii) Other assistance to schools and school districts intended to
2 improve student mathematics learning.

3 (10) A maximum of \$500,000 of the general fund--state appropriation
4 for fiscal year 2002 and a maximum of (~~(\$500,000)~~) \$485,000 of the
5 general fund--state appropriation for fiscal year 2003 are provided for
6 summer accountability institutes offered by the superintendent of
7 public instruction and the academic achievement and accountability
8 commission. The institutes shall provide school district staff with
9 training in the analysis of student assessment data, information
10 regarding successful district and school teaching models, research on
11 curriculum and instruction, and planning tools for districts to improve
12 instruction in reading, mathematics, language arts, and guidance and
13 counseling.

14 (11) \$3,930,000 of the general fund--state appropriation for fiscal
15 year 2002 and (~~(\$3,829,000)~~) \$3,714,000 of the general fund--state
16 appropriation for fiscal year 2003 are provided solely for the
17 Washington reading corps subject to the following conditions and
18 limitations:

19 (a) Grants shall be allocated to schools and school districts to
20 implement proven, research-based mentoring and tutoring programs in
21 reading for low-performing students in grades K-6. If the grant is
22 made to a school district, the principals of schools enrolling targeted
23 students shall be consulted concerning design and implementation of the
24 program.

25 (b) The programs may be implemented before, after, or during the
26 regular school day, or on Saturdays, summer, intercessions, or other
27 vacation periods.

28 (c) Two or more schools may combine their Washington reading corps
29 programs.

30 (d) A program is eligible for a grant if it meets the following
31 conditions:

32 (i) The program employs methods of teaching and student learning
33 based on reliable reading/literacy research and effective practices;

34 (ii) The program design is comprehensive and includes instruction,
35 on-going student assessment, professional development,
36 parental/community involvement, and program management aligned with the
37 school's reading curriculum;

38 (iii) It provides quality professional development and training for
39 teachers, staff, and volunteer mentors and tutors;

1 (iv) It has measurable goals for student reading aligned with the
2 essential academic learning requirements; and

3 (v) It contains an evaluation component to determine the
4 effectiveness of the program.

5 (e) Funding priority shall be given to low-performing schools.

6 (f) Beginning and end-of-program testing data shall be available to
7 determine the effectiveness of funded programs and practices. Common
8 evaluative criteria across programs, such as grade-level improvements
9 shall be available for each reading corps program. The superintendent
10 of public instruction shall provide program evaluations to the governor
11 and the appropriate committees of the legislature. Administrative and
12 evaluation costs may be assessed from the annual appropriation for the
13 program.

14 (g) Grants provided under this section may be used by schools and
15 school districts for expenditures from September 2001 through August
16 31, 2003.

17 (12) (~~(\$377,000)~~) \$375,000 of the general fund--state appropriation
18 for fiscal year 2002 and (~~(\$701,000)~~) \$655,000 of the general fund--
19 state appropriation for fiscal year 2003 are provided solely for salary
20 bonuses for teachers who attain certification by the national board for
21 professional teaching standards.

22 (~~(b)~~) (a) In the 2002-03 school year, teachers who have attained
23 certification by the national board in the 2000-01 school year or the
24 2001-02 school year or the 2002-03 school year shall receive an annual
25 bonus not to exceed \$3,500.

26 (~~(e)~~) (b) The annual bonus shall be paid in a lump sum amount and
27 shall not be included in the definition of "earnable compensation"
28 under RCW 41.32.010(10).

29 (~~(d)~~) (c) It is the intent of the legislature that teachers
30 achieving certification by the national board of professional teaching
31 standards will receive no more than three annual bonus payments for
32 attaining certification by the national board.

33 (13) \$625,000 of the general fund--state appropriation for fiscal
34 year 2002 (~~(and \$625,000 of the general fund--state appropriation for~~
35 ~~fiscal year 2003 are))~~ is provided for a principal support program.
36 The office of the superintendent of public instruction may contract
37 with an independent organization to administer the program. The
38 program shall include: (a) Development of an individualized
39 professional growth plan for a new principal or principal candidate;

1 and (b) participation of a mentor principal who works over a period of
2 between one and three years with the new principal or principal
3 candidate to help him or her build the skills identified as critical to
4 the success of the professional growth plan.

5 (14) \$71,000 of the general fund--state appropriation for fiscal
6 year 2002 and \$71,000 of the general fund--state appropriation for
7 fiscal year 2003 are provided solely for the second grade reading test.
8 The funds shall be expended for assessment training for new second
9 grade teachers and replacement of assessment materials.

10 (15) \$384,000 of the general fund--state appropriation for fiscal
11 year 2002 (~~((and \$384,000 of the general fund--state appropriation for~~
12 ~~fiscal year 2003 are))~~ is provided for the superintendent to assist
13 schools in implementing high academic standards, aligning curriculum
14 with these standards, and training teachers to use assessments to
15 improve student learning. Funds may also be used to increase community
16 and parental awareness of education reform.

17 (16) \$130,000 of the general fund--state appropriation for fiscal
18 year 2002 and (~~(\$130,000)~~) \$126,000 of the general fund--state
19 appropriation for fiscal year 2003 are provided for the development and
20 posting of web-based instructional tools, assessment data, and other
21 information that assists schools and teachers implementing higher
22 academic standards.

23 (17) \$1,000,000 of the general fund--state appropriation for fiscal
24 year 2002 and (~~(\$1,800,000)~~) \$1,746,000 of the general fund--state
25 appropriation for fiscal year 2003 are provided solely to the office of
26 the superintendent of public instruction for focused assistance. The
27 office of the superintendent of public instruction shall conduct
28 educational audits of low-performing schools and enter into performance
29 agreements between school districts and the office to implement the
30 recommendations of the audit and the community. Of the amounts
31 provided, \$219,000 of the fiscal year 2002 appropriation and
32 (~~(\$207,000)~~) \$201,000 of the fiscal year 2003 appropriation are
33 provided to the office of the superintendent of public instruction for
34 the administrative duties arising under this subsection. Each
35 educational audit shall include recommendations for best practices and
36 ways to address identified needs and shall be presented to the
37 community in a public meeting to seek input on ways to implement the
38 audit and its recommendations.

1 (18) \$100,000 of the general fund--state appropriation for fiscal
2 year 2002 is provided solely for grants to school districts to adopt or
3 revise district-wide and school-level plans to achieve performance
4 improvement goals established under RCW 28A.655.030, and to post a
5 summary of the improvement plans on district websites using a common
6 format provided by the office of the superintendent of public
7 instruction.

8 (19) \$100,000 of the general fund--state appropriation for fiscal
9 year 2002 is provided solely for recognition plaques for schools that
10 successfully met the fourth grade reading improvement goal established
11 under RCW 28A.655.050.

12 **Sec. 514.** 2001 2nd sp.s. c 7 s 515 (uncodified) is amended to read
13 as follows:

14 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
15 **BILINGUAL PROGRAMS**

16	General Fund--State Appropriation (FY 2002) . . . \$	((43,044,000))
17		<u>42,767,000</u>
18	General Fund--State Appropriation (FY 2003) . . . \$	((45,171,000))
19		<u>44,407,000</u>
20	<u>General Fund--Federal Appropriation (FY 2003) . . \$</u>	<u>20,280,000</u>
21	TOTAL APPROPRIATION \$	((88,215,000))
22		<u>107,454,000</u>

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

25 (1) Each general fund fiscal year appropriation includes such funds
26 as are necessary to complete the school year ending in the fiscal year
27 and for prior fiscal year adjustments.

28 (2) The superintendent shall distribute a maximum of ((~~\$687.19~~))
29 \$684.36 per eligible bilingual student in the 2001-02 school year and
30 ((~~\$687.19~~)) \$668.58 in the 2002-03 school year, exclusive of salary and
31 benefit adjustments provided in section 504 of this act.

32 (3) The superintendent may withhold up to \$295,000 in school year
33 2001-02 and up to \$268,000 in school year 2002-03, and adjust the per
34 eligible pupil rates in subsection (2) of this section accordingly, for
35 the central provision of assessments as provided in section 2(1) and
36 (2) of Engrossed Second Substitute House Bill No. 2025.

1 (4) \$70,000 of the amounts appropriated in this section are
2 provided solely to develop a system for the tracking of current and
3 former transitional bilingual program students.

4 (5) Sufficient funding is provided to implement Engrossed Second
5 Substitute House Bill No. 2025 (schools/bilingual instruction).

6 **Sec. 515.** 2001 2nd sp.s. c 7 s 516 (uncodified) is amended to read
7 as follows:

8 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
9 **ASSISTANCE PROGRAM**

10	General Fund--State Appropriation (FY 2002) . . . \$	((70,593,000))
11		<u>71,342,000</u>
12	General Fund--State Appropriation (FY 2003) . . . \$	((68,817,000))
13		<u>64,400,000</u>
14	<u>General Fund--Federal Appropriation (FY 2003) . . \$</u>	<u>130,631,000</u>
15	TOTAL APPROPRIATION \$	((139,410,000))
16		<u>266,373,000</u>

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

19 (1) Each general fund--state fiscal year appropriation includes
20 such funds as are necessary to complete the school year ending in the
21 fiscal year and for prior fiscal year adjustments.

22 (2) Funding for school district learning assistance programs shall
23 be allocated at maximum rates of ((~~\$408.38~~)) \$407.39 per funded unit
24 for the 2001-02 school year and ((~~\$409.41~~)) \$403.06 per funded unit for
25 the 2002-03 school year exclusive of salary and benefit adjustments
26 provided under section 504 of this act.

27 (3) For purposes of this section, "test results" refers to the
28 district results from the norm-referenced test administered in the
29 specified grade level. The norm-referenced test results used for the
30 third and sixth grade calculations shall be consistent with the third
31 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

32 (4) A school district's general fund--state funded units for the
33 2001-02 ((~~and 2002-03~~)) school year((s)) shall be the sum of the
34 following:

35 (a) The district's full-time equivalent enrollment in grades K-6,
36 multiplied by the 5-year average 4th grade lowest quartile test results
37 as adjusted for funding purposes in the school years prior to 1999-

1 2000, multiplied by 0.92. As the 3rd grade test becomes available, it
2 shall be phased into the 5-year average on a 1-year lag; and

3 (b) The district's full-time equivalent enrollment in grades 7-9,
4 multiplied by the 5-year average 8th grade lowest quartile test results
5 as adjusted for funding purposes in the school years prior to 1999-
6 2000, multiplied by 0.92. As the 6th grade test becomes available, it
7 shall be phased into the 5-year average for these grades on a 1-year
8 lag; and

9 (c) The district's full-time equivalent enrollment in grades 10-11
10 multiplied by the 5-year average 11th grade lowest quartile test
11 results, multiplied by 0.92. As the 9th grade test becomes available,
12 it shall be phased into the 5-year average for these grades on a 1-year
13 lag; and

14 (d) If, in the prior school year, the district's percentage of
15 October headcount enrollment in grades K-12 eligible for free and
16 reduced price lunch exceeded the state average, subtract the state
17 average percentage of students eligible for free and reduced price
18 lunch from the district's percentage and multiply the result by the
19 district's K-12 annual average full-time equivalent enrollment for the
20 current school year multiplied by 22.3 percent.

21 (5)(a) A school district's general fund--state funded units for the
22 2002-03 school year shall be the sum of the following:

23 (i) The district's full-time equivalent enrollment in grades K-6,
24 multiplied by the 5-year average 4th grade lowest quartile test results
25 as adjusted for funding purposes in the school years prior to
26 1999-2000, multiplied by 0.82. As the 3rd grade test becomes
27 available, it shall be phased into the 5-year average on a 1-year lag;

28 (ii) The district's full-time equivalent enrollment in grades 7-9,
29 multiplied by the 5-year average 8th grade lowest quartile test results
30 as adjusted for funding purposes in the school years prior to
31 1999-2000, multiplied by 0.82. As the 6th grade test becomes
32 available, it shall be phased into the 5-year average for these grades
33 on a 1-year lag; and

34 (iii) The district's full-time equivalent enrollment in grades
35 10-11 multiplied by the 5-year average 11th grade lowest quartile test
36 results, multiplied by 0.82. As the 9th grade test becomes available,
37 it shall be phased into the 5-year average for these grades on a 1-year
38 lag; and

1 (iv) If, in the prior school year, the district's percentage of
2 October headcount enrollment in grades K-12 eligible for free and
3 reduced price lunch exceeded the state average, subtract the state
4 average percentage of students eligible for free and reduced price
5 lunch from the district's percentage and multiply the result by the
6 district's K-12 annual average full-time equivalent enrollment for the
7 current school year multiplied by 22.3 percent.

8 (b) In addition to amounts allocated under (a) of this subsection,
9 the superintendent shall provide additional amounts as follows:

10 (i) For school districts receiving less than a 3.0 percent increase
11 in federal Title I Part A (basic program) funds, the multiplier in
12 (a)(i), (ii), and (iii) of this subsection shall be .92;

13 (ii) For school districts not eligible for additional funds under
14 (b)(i) of this subsection, and whose effective increase in federal
15 Title I Part A (basic program) funds is less than 3.0 percent after
16 taking into account the change in the multiplier from .92 to .82, an
17 additional amount to provide a 3.0 percent increase.

18 (6) School districts may carry over from one year to the next up to
19 10 percent of general fund--state funds allocated under this program;
20 however, carryover funds shall be expended for the learning assistance
21 program.

22 **Sec. 516.** 2001 2nd sp.s. c 7 s 517 (uncodified) is amended to read
23 as follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS**

25	General Fund--State Appropriation (FY 2002) . . . \$	((19,515,000))
26		<u>19,663,000</u>
27	General Fund--State Appropriation (FY 2003) . . . \$	((17,516,000))
28		<u>3,541,000</u>
29	TOTAL APPROPRIATION \$	((37,031,000))
30		<u>23,204,000</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) Funds are provided for local education program enhancements to
37 meet educational needs as identified by the school district, including
38 alternative education programs.

1 (3) Allocations for the 2001-02 school year shall be at a maximum
2 annual rate of \$18.48 per full-time equivalent student (~~and \$18.48 per~~
3 ~~full-time equivalent student for the 2002-03 school year~~).
4 Allocations shall be made on the monthly apportionment payment schedule
5 provided in RCW 28A.510.250 and shall be based on school district
6 annual average full-time equivalent enrollment in grades kindergarten
7 through twelve: PROVIDED, That for school districts enrolling not more
8 than one hundred average annual full-time equivalent students, and for
9 small school plants within any school district designated as remote and
10 necessary schools, the allocations shall be as follows:

11 (a) Enrollment of not more than sixty average annual full-time
12 equivalent students in grades kindergarten through six shall generate
13 funding based on sixty full-time equivalent students;

14 (b) Enrollment of not more than twenty average annual full-time
15 equivalent students in grades seven and eight shall generate funding
16 based on twenty full-time equivalent students; and

17 (c) Enrollment of not more than sixty average annual full-time
18 equivalent students in grades nine through twelve shall generate
19 funding based on sixty full-time equivalent students.

20 (4) Funding provided pursuant to this section does not fall within
21 the definition of basic education for purposes of Article IX of the
22 state Constitution and the state's funding duty thereunder.

23 (5) The superintendent shall not allocate up to one-fourth of a
24 district's funds under this section if:

25 (a) The district is not maximizing federal matching funds for
26 medical services provided through special education programs, pursuant
27 to RCW 74.09.5241 through 74.09.5256 (Title XIX funding); or

28 (b) The district is not in compliance in filing truancy petitions
29 as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

30 NEW SECTION. **Sec. 517.** A new section is added to 2001 2nd sp.s.
31 c 7 (uncodified) to read as follows:

32 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--STATE FLEXIBLE EDUCATION**
33 **FUNDS**

34 General Fund--State Appropriation (FY 2003) . . . \$ 34,436,000

35 The appropriation in this section is subject to the following
36 conditions and limitations:

37 (1) State flexible education funds for the 2002-03 school year
38 shall be allocated at a maximum rate of \$36.00 per full-time equivalent

1 student in grades K-12. For the purpose of this section, "FTE student"
2 refers to the annual average full-time equivalent enrollment of the
3 school district in grades kindergarten through twelve for the prior
4 school year. The funds shall be distributed to school districts at ten
5 percent per month for the months of September through June.

6 (2) Funds are provided for local education program enhancements to
7 improve student learning as identified by each school district,
8 including the following programs: Alternative education programs;
9 paraprofessional training; mentor/beginning teacher assistance;
10 principal assessment and mentorships; superintendent and principal
11 internships; mathematics helping corps; anti-bullying/harassment
12 training; nonviolence leadership training; nursing support; school
13 safety and school safety training; school safety center; Teen Aware;
14 truancy; LASER science program; Cispus; contracting with educational
15 centers; Pacific Science Center programs; civil liberties education;
16 World War II oral history project; and extended day skills center.

17 (3) Funds provided under this section shall not be used for salary
18 increases or additional compensation for existing teaching duties.

19 (4) Funding provided under this section does not fall within the
20 definition of basic education for purposes of Article IX of the state
21 Constitution.

22 **Sec. 518.** 2001 2nd sp.s. c 7 s 519 (uncodified) is amended to read
23 as follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
25 **PROGRAM**

26 Student Achievement Fund--State	
27 Appropriation (FY 2002)	\$ ((184,232,000))
28	<u>180,837,000</u>
29 Student Achievement Fund--State	
30 Appropriation (FY 2003)	\$ ((209,068,000))
31	<u>210,312,000</u>
32 TOTAL APPROPRIATION	\$ ((393,300,000))
33	<u>391,149,000</u>

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

36 (1) The appropriation is allocated for the following uses as
37 specified in chapter 28A.505 RCW as amended by chapter 3, Laws of 2001
38 (Initiative Measure No. 728):

1 (a) To reduce class size by hiring certificated elementary
2 classroom teachers in grades K-4 and paying nonemployee-related costs
3 associated with those new teachers;

4 (b) To make selected reductions in class size in grades 5-12, such
5 as small high school writing classes;

6 (c) To provide extended learning opportunities to improve student
7 academic achievement in grades K-12, including, but not limited to,
8 extended school year, extended school day, before-and-after-school
9 programs, special tutoring programs, weekend school programs, summer
10 school, and all-day kindergarten;

11 (d) To provide additional professional development for educators
12 including additional paid time for curriculum and lesson redesign and
13 alignment, training to ensure that instruction is aligned with state
14 standards and student needs, reimbursement for higher education costs
15 related to enhancing teaching skills and knowledge, and mentoring
16 programs to match teachers with skilled, master teachers. The funding
17 shall not be used for salary increases or additional compensation for
18 existing teaching duties, but may be used for extended year and extend
19 day teaching contracts;

20 (e) To provide early assistance for children who need
21 prekindergarten support in order to be successful in school; or

22 (f) To provide improvements or additions to school building
23 facilities which are directly related to the class size reductions and
24 extended learning opportunities under (a) through (c) of this
25 subsection.

26 (2) Funding for school district student achievement programs shall
27 be allocated at a maximum rate of ((~~\$193.92~~)) \$190.19 per FTE student
28 for the 2001-02 school year and ((~~\$220.59~~)) \$219.84 per FTE student for
29 the 2002-03 school year. For the purposes of this section and in
30 accordance with ((~~RCW 84.52.——(section 5 of Initiative Measure No.~~
31 ~~728)~~)) RCW 84.52.068, FTE student refers to the annual average full-
32 time equivalent enrollment of the school district in grades
33 kindergarten through twelve for the prior school year.

34 (3) The office of the superintendent of public instruction shall
35 distribute ten percent of the annual allocation to districts each month
36 for the months of September through June.

37 **Sec. 519.** 2001 2nd sp.s. c 7 s 521 (uncodified) is amended to read
38 as follows:

1 (d) The community and technical colleges shall provide to academic
2 employees, exempt professional staff, and academic administrators an
3 average salary increase of 3.7 percent on July 1, 2001. Funds are also
4 provided for salary increases for (~~these groups on July 1, 2002, in a~~
5 ~~percentage amount to be determined by the 2002 legislature and, in the~~
6 ~~case of~~) community college academic employees and technical college
7 employees, consistent with the provisions of Initiative 732.

8 (e) For employees under the jurisdiction of chapter 41.56 RCW
9 pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1),
10 distribution of the salary increases will be in accordance with the
11 applicable collective bargaining agreement. However, an increase shall
12 not be provided to any classified employee whose salary is above the
13 approved salary range maximum for the class to which the employee's
14 position is allocated.

15 (f) Each institution of higher education receiving appropriations
16 under sections 604 through 609 of this act may provide additional
17 salary increases to instructional and research faculty, exempt
18 professional staff, academic administrators, academic librarians,
19 counselors, teaching and research assistants, as classified by the
20 office of financial management, and all other nonclassified staff, but
21 not including employees under RCW 28B.16.015. Any salary increase
22 granted under the authority of this subsection (2)(f) or accomplished
23 with local, nonstate funds under the collective bargaining provisions
24 of either (i) Substitute Senate Bill No. 6440 or Substitute House Bill
25 No. 2403, or (ii) Substitute Senate Bill No. 6403 or Substitute House
26 Bill No. 2540, shall not be included in an institution's salary base.
27 It is the intent of the legislature that general fund--state support
28 for an institution shall not increase during the current or any future
29 biennium as a result of any salary increases authorized under this
30 subsection (2)(f) or under rights granted to award additional
31 compensation with local, nonstate funds under the collective bargaining
32 provisions of Substitute Senate Bill No. 6440, Substitute House Bill
33 No. 2403, Substitute Senate Bill No. 6403, or Substitute House Bill No.
34 2540.

35 (g) To collect consistent data for use by the legislature, the
36 office of financial management, and other state agencies for policy and
37 planning purposes, institutions of higher education shall report
38 personnel data to be used in the department of personnel's human

1 resource data warehouse in compliance with uniform reporting procedures
2 established by the department of personnel.

3 (h) Specific salary increases authorized in sections 603 through
4 609 of this act are in addition to any salary increase provided in this
5 subsection.

6 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to
7 full-time resident students at the state's institutions of higher
8 education for the 2001-02 and 2002-03 academic years, other than the
9 summer term, may be adjusted by the governing boards of the state
10 universities, regional universities, The Evergreen State College, and
11 the state board for community and technical colleges as provided in
12 this subsection.

13 (a) For the 2001-02 academic year, the governing boards and the
14 state board may implement an increase no greater than six and seven-
15 tenths percent over tuition fees charged to full-time students for the
16 2000-01 academic year.

17 (b)(i) For the 2002-03 academic year, the governing boards of the
18 state universities may implement an increase no greater than fourteen
19 percent over tuition fees charged to full-time students for the 2001-02
20 academic year, except as provided in (d) and (g) of this subsection.

21 (ii) For the 2002-03 academic year, the governing boards of the
22 regional universities and The Evergreen State College may implement an
23 increase no greater than ten percent over tuition fees charged to full-
24 time students for the 2001-02 academic year, except as provided in (d)
25 and (g) of this subsection.

26 (iii) For the 2002-03 academic year, the ~~((governing boards and~~
27 ~~the))~~ state board may implement an increase no greater than ~~((six and~~
28 ~~one-tenth))~~ seven percent over the tuition fees charged to full-time
29 students for the 2001-02 academic year except as provided in (g) of
30 this subsection.

31 (c) For the 2001-02 academic year, the governing boards may
32 implement an increase for law and graduate business programs no greater
33 than twelve percent over tuition fees charged to law and graduate
34 business students for the 2000-01 academic year, except as provided in
35 (e) of this subsection.

36 (d) For the 2002-03 academic year, ~~((the governing boards may~~
37 ~~implement an increase for law and graduate business programs no greater~~
38 ~~than twelve percent over tuition fees charged to law and graduate~~
39 ~~business students for the 2001-02 academic year, except as provided in~~

1 ~~(f) of this subsection))~~ tuition fees for all graduate, law, and
2 professional programs may exceed the limits specified in (b) of this
3 subsection. Tuition increases adopted under this subsection need not
4 apply uniformly across student categories as defined in chapter 28B.15
5 RCW and may vary by discipline and degree.

6 (e) For the 2001-02 academic year, the governing boards of the
7 University of Washington may implement an increase for graduate
8 business programs no greater than 15 percent over tuition fees charged
9 to graduate business students for the 2000-01 academic year.

10 ~~(f) ((For the 2002-03 academic year, the governing boards of the~~
11 ~~University of Washington may implement an increase for graduate~~
12 ~~business programs no greater than 20 percent over tuition fees charged~~
13 ~~to graduate business students for the 2001-02 academic year.~~

14 ~~(g))~~ For the 2001-02 and the 2002-03 academic years, the state
15 board for community and technical colleges may increase fees
16 differentially based on student credit hour load, but the percentage
17 increase for students taking fifteen or fewer credits shall not exceed
18 the limits in subsection (3)(a) and (b)(iii) of this section.

19 (g) For the 2002-03 academic year, governing boards and the state
20 board for community and technical colleges may charge full-time tuition
21 of students who register for 9 credit hours a term even if the
22 increases exceed limits specified in (b) of this subsection.

23 (h) For the 2001-03 biennium, the governing boards and the state
24 board may adjust full-time operating fees for factors that may include
25 time of day and day of week, as well as delivery method and campus, to
26 encourage full use of the state's educational facilities and resources.

27 (i) The tuition increases adopted under (a), ~~((b), (g))~~ (f), and
28 (h) of this subsection need not apply uniformly across student
29 categories as defined in chapter 28B.15 RCW so long as the increase for
30 each student category does not exceed the percentages specified in this
31 subsection.

32 (4) The tuition fees, as defined in chapter 28B.15 RCW, charged to
33 full-time nonresident students at the state's institutions of higher
34 education for the 2001-02 and the 2002-03 academic years, other than
35 summer term, may be adjusted by governing boards of the state
36 universities, regional universities, The Evergreen State College, and
37 the state board for community and technical colleges.

38 (5) In addition to waivers granted under the authority of RCW
39 28B.15.910, the governing boards and the state board may waive all or

1 a portion of the operating fees for any student. State general fund
2 appropriations shall not be provided to replace tuition and fee revenue
3 foregone as a result of waivers granted under this subsection.

4 ~~((+5))~~ (6) Pursuant to RCW ~~((43.15.055))~~ 43.135.055, institutions
5 of higher education receiving appropriations under sections 603 through
6 609 of this act are authorized to increase summer term tuition in
7 excess of the fiscal growth factor during the 2001-03 biennium.
8 Tuition levels increased pursuant to this subsection shall not exceed
9 the per credit hour rate calculated from the academic year tuition
10 levels adopted under this act.

11 ~~((+6))~~ (7) Community colleges may increase services and activities
12 fee charges in excess of the fiscal growth factor up to the maximum
13 level authorized by the state board for community and technical
14 colleges.

15 ~~((+7))~~ (8) Each institution receiving appropriations under
16 sections 604 through 609 of this act shall submit a biennial plan to
17 achieve measurable and specific improvements each academic year as part
18 of a continuing effort to make meaningful and substantial progress
19 towards the achievement of long-term performance goals. The plans, to
20 be prepared at the direction of the higher education coordinating
21 board, shall be submitted by August 15, 2001. The higher education
22 coordinating board shall set biennial performance targets for each
23 institution and shall review actual achievements annually.
24 Institutions shall track their actual performance on the statewide
25 measures as well as faculty productivity, the goals and targets for
26 which may be unique to each institution. A report on progress towards
27 statewide and institution-specific goals, with recommendations for the
28 ensuing biennium, shall be submitted to the fiscal and higher education
29 committees of the legislature by November 15, 2003.

30 ~~((+8))~~ (9) The state board for community and technical colleges
31 shall develop a biennial plan to achieve measurable and specific
32 improvements each academic year as part of a continuing effort to make
33 meaningful and substantial progress to achieve long-term performance
34 goals. The board shall set biennial performance targets for each
35 college or district, where appropriate, and shall review actual
36 achievements annually. Colleges shall track their actual performance
37 on the statewide measures. A report on progress towards the statewide
38 goals, with recommendations for the ensuing biennium, shall be

1 submitted to the fiscal and higher education committees of the
2 legislature by 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. In consideration of reduced general fund support for the
10 2002-03 academic year, institutions may serve fewer full-time
11 equivalent student enrollments than assumed in this act.

	2001-2002	2002-2003
	Annual	Annual
	Average	Average
15 University of Washington		
16 Main campus	32,321	32,427
17 Bothell branch	1,169	1,235
18 Tacoma branch	1,330	1,484
19 Washington State University		
20 Main campus	17,332	17,332
21 Spokane branch	551	593
22 Tri-Cities branch	616	616
23 Vancouver branch	1,071	1,153
24 Central Washington University	7,470	7,470
25 Eastern Washington University	7,933	8,017
26 The Evergreen State College	3,754	3,837
27 Western Washington University	10,976	11,126
28 State Board for Community and		
29 Technical Colleges	125,082	((126,902))
30		<u>127,902</u>

31 When allocating newly budgeted enrollments, each institution of
32 higher education shall give priority to high demand fields, including
33 but not limited to technology, health professions, and education. At
34 the end of each fiscal year, each institution of higher education and
35 the state board for community and technical colleges shall submit a

1 report to the higher education coordinating board detailing how newly
2 budgeted enrollments have been allocated.

3 **Sec. 603.** 2001 2nd sp.s. c 7 s 603 (uncodified) is amended to read
4 as follows:

5 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

6	General Fund--State Appropriation (FY 2002) . . . \$	((514,399,000))
7		<u>514,141,000</u>
8	General Fund--State Appropriation (FY 2003) . . . \$	((543,731,000))
9		<u>520,469,000</u>
10	General Fund--Federal Appropriation \$	11,404,000
11	Education Savings Account--State	
12	Appropriation \$	4,500,000
13	<u>College Faculty Awards Trust Account--State</u>	
14	<u>Appropriation</u> \$	<u>3,500,000</u>
15	<u>Administrative Contingency Account--State</u>	
16	<u>Appropriation</u> \$	<u>2,600,000</u>
17	TOTAL APPROPRIATION \$	((1,074,034,000))
18		<u>1,056,614,000</u>

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

21 (1) The technical colleges may increase tuition and fees in excess
22 of the fiscal growth factor to conform with the percentage increase in
23 community college operating fees.

24 (2) \$2,475,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$5,025,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided solely to increase salaries and related
27 benefits for part-time faculty. The board shall report by December 1
28 of each fiscal year to the office of financial management and
29 legislative fiscal and higher education committees on (a) the
30 distribution of state funds; (b) wage adjustments for part-time
31 faculty; and (c) progress to achieve the long-term performance targets
32 for each district, with respect to use of part-time faculty, pursuant
33 to the faculty mix study conducted under section 603, chapter 309, Laws
34 of 1999.

35 (3) \$1,155,000 of the general fund--state appropriation for fiscal
36 year 2002 and ((~~\$2,345,000~~)) \$1,155,000 of the general fund--state
37 appropriation for fiscal year 2003 are provided solely for faculty
38 salary increments and associated benefits and may be used in

1 combination with salary and benefit savings from faculty turnover to
2 provide faculty salary increments and associated benefits. To the
3 extent general salary increase funding is used to pay faculty
4 increments, the general salary increase shall be reduced by the same
5 amount.

6 (4) \$1,000,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$1,000,000 of the general fund--state appropriation for
8 fiscal year 2003 are provided for a program to fund the start-up of new
9 community and technical college programs in rural counties as defined
10 under RCW 43.160.020(12) and in communities impacted by business
11 closures and job reductions. Successful proposals must respond to
12 local economic development strategies and must include a plan to
13 continue programs developed with this funding.

14 (5) \$326,000 of the general fund--state appropriation for fiscal
15 year 2002 and \$640,000 of the general fund--state appropriation for
16 fiscal year 2003 are provided solely for allocation to twelve college
17 districts identified in (a) through (l) of this subsection to prepare
18 students for transfer to the state technology institute at the Tacoma
19 branch campus of the University of Washington. The appropriations in
20 this section are intended to supplement, not supplant, general
21 enrollment allocations by the board to the districts under (a) through
22 (l) of this subsection:

- 23 (a) Bates Technical College;
- 24 (b) Bellevue Community College;
- 25 (c) Centralia Community College;
- 26 (d) Clover Park Community College;
- 27 (e) Grays Harbor Community College;
- 28 (f) Green River Community College;
- 29 (g) Highline Community College;
- 30 (h) Tacoma Community College;
- 31 (i) Olympic Community College;
- 32 (j) Pierce District;
- 33 (k) Seattle District; and
- 34 (l) South Puget Sound Community College.

35 (6) \$28,761,000 of the general fund--state appropriation for fiscal
36 year 2002 and (~~(\$28,761,000)~~) \$32,161,000 of the general fund--state
37 appropriation for fiscal year 2003 and the entire administrative
38 contingency account appropriation are provided solely as special funds
39 for training and related support services, including financial aid, as

1 specified in chapter 226, Laws of 1993 (employment and training for
2 unemployed workers).

3 (a) Funding is provided to support up to 7,200 full-time equivalent
4 students in ~~((each))~~ fiscal year 2002 and up to 8,200 full-time
5 equivalent students in fiscal year 2003.

6 (b) In directing these resources during the 2001-03 biennium, the
7 state board for community and technical colleges shall give
8 considerable attention to the permanent dislocation of workers from
9 industries facing rapidly rising energy costs, such as direct service
10 industries.

11 (7) \$1,000,000 of the general fund--state appropriation for fiscal
12 year 2002 and \$1,000,000 of the general fund--state appropriation for
13 fiscal year 2003 are provided solely for tuition support for students
14 enrolled in work-based learning programs.

15 (8) \$567,000 of the general fund--state appropriation for fiscal
16 year 2002 and \$568,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for administration and customized
18 training contracts through the job skills program.

19 (9) \$50,000 of the general fund--state appropriation for fiscal
20 year 2002 and \$50,000 of the general fund--state appropriation for
21 fiscal year 2003 are solely for higher education student child care
22 matching grants under chapter 28B.135 RCW.

23 (10) \$212,000 of the general fund--state appropriation for fiscal
24 year 2002 and \$212,000 of the general fund--state appropriation for
25 fiscal year 2003 are provided for allocation to Olympic college. The
26 college shall contract with accredited baccalaureate institution(s) to
27 bring a program of upper-division courses to Bremerton. Funds provided
28 are sufficient to support at least 30 additional annual full-time
29 equivalent students. The state board for community and technical
30 colleges shall report to the office of financial management and the
31 fiscal and higher education committees of the legislature on the
32 implementation of this subsection by December 1st of each fiscal year.

33 (11) The entire education savings account appropriation is provided
34 solely to support the development of a multicollege student-centered
35 online service center for distance learners, including self-service
36 internet applications and staff support 24 hours per day. Moneys may
37 be allocated by the office of financial management upon certification
38 that sufficient cash is available beyond the appropriations made for
39 the 2001-03 biennium for the purposes of common school construction.

1 (12) \$7,000,000 of the general fund--state appropriation for fiscal
2 year 2003 and the entire college faculty awards trust account
3 appropriation are provided solely for the purposes of the settlement
4 costs of *Mader v. State* litigation regarding retirement contributions
5 on behalf of part-time faculty.

6 **Sec. 604.** 2001 2nd sp.s. c 7 s 604 (uncodified) is amended to read
7 as follows:

8 **FOR UNIVERSITY OF WASHINGTON**

9	General Fund--State Appropriation (FY 2002) . . . \$	((345,974,000))
10		<u>345,904,000</u>
11	General Fund--State Appropriation (FY 2003) . . . \$	((361,114,000))
12		<u>323,185,000</u>
13	Death Investigations Account--State	
14	Appropriation \$	((259,000))
15		<u>258,000</u>
16	University of Washington Building Account--	
17	State Appropriation \$	1,103,000
18	Accident Account--State Appropriation \$	((5,891,000))
19		<u>5,881,000</u>
20	Medical Aid Account--State Appropriation \$	((5,945,000))
21		<u>5,937,000</u>
22	TOTAL APPROPRIATION \$	((720,286,000))
23		<u>682,268,000</u>

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

26 (1) The university may reallocate 10 percent of newly budgeted
27 enrollments to campuses other than as specified by the legislature in
28 section 602 of this act in order to focus on high demand areas. The
29 university shall report the details of these reallocations to the
30 office of financial management and the fiscal and higher education
31 committees of the legislature for monitoring purposes by the 10th day
32 of the academic quarter that follows the reallocation actions. The
33 report shall provide details of undergraduate and graduate enrollments
34 at the main campus and each of the branch campuses.

35 (2) \$2,000,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$2,000,000 of the general fund--state appropriation for
37 fiscal year 2003 are provided solely to create a state resource for
38 technology education in the form of an institute located at the

1 University of Washington, Tacoma. It is the intent of the legislature
2 that at least ninety-nine of the full-time equivalent enrollments
3 allocated to the university's Tacoma branch campus for the 2002-03
4 academic year may be used to establish the technology institute. The
5 university will expand undergraduate and graduate degree programs
6 meeting regional technology needs including, but not limited to,
7 computing and software systems. As a condition of these
8 appropriations:

9 (a) The university will work with the state board for community and
10 technical colleges, or individual colleges where necessary, to
11 establish articulation agreements in addition to the existing associate
12 of arts and associate of science transfer degrees. Such agreements
13 shall improve the transferability of students and in particular,
14 students with substantial applied information technology credits.

15 (b) The university will establish performance measures for
16 recruiting, retaining and graduating students, including nontraditional
17 students, and report back to the governor and legislature by September
18 2002 as to its progress and future steps.

19 (3) \$150,000 of the general fund--state appropriation for fiscal
20 year 2002 and \$150,000 of the general fund--state appropriation for
21 fiscal year 2003 are provided solely for research faculty clusters in
22 the advanced technology initiative program.

23 (4) The department of environmental health shall report to the
24 legislature the historical, current, and anticipated use of funds
25 provided from the accident and medical aid accounts. The report shall
26 be submitted prior to the convening of the 2002 legislative session.

27 (5) (~~(\$259,000)~~) \$258,000 of the death investigations account
28 appropriation is provided solely for the forensic pathologist
29 fellowship program.

30 (6) \$150,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$150,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided solely for the implementation of the
33 Puget Sound work plan and agency action item UW-01.

34 (7) \$75,000 of the general fund--state appropriation for fiscal
35 year 2002 and \$75,000 of the general fund--state appropriation for
36 fiscal year 2003 are provided solely for the Olympic natural resource
37 center.

38 (8) \$50,000 of the general fund--state appropriations are provided
39 solely for the school of medicine to conduct a survey designed to

1 evaluate characteristics, factors and probable causes for the high
2 incidence of multiple sclerosis cases in Washington state.

3 (9) \$1,103,000 of the University of Washington building account--
4 state appropriation is provided solely for the repair and
5 reconstruction of the Urban Horticulture Center (Merrill Hall).

6 **Sec. 605.** 2001 2nd sp.s. c 7 s 605 (uncodified) is amended to read
7 as follows:

8 **FOR WASHINGTON STATE UNIVERSITY**

9	General Fund--State Appropriation (FY 2002) . . . \$	((201,416,000))
10		<u>201,362,000</u>
11	General Fund--State Appropriation (FY 2003) . . . \$	((209,939,000))
12		<u>190,460,000</u>
13	TOTAL APPROPRIATION \$	((411,355,000))
14		<u>391,822,000</u>

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

17 (1) The university may reallocate 10 percent of newly budgeted
18 enrollments to campuses other than specified by the legislature in
19 section 602 of this act in order to focus on high demand areas. The
20 university will report the details of these reallocations to the office
21 of financial management and the fiscal and higher education committees
22 of the legislature for monitoring purposes by the 10th day of the
23 academic quarter that follows the reallocation actions. The report
24 will provide details of undergraduate and graduate enrollments at the
25 main campus and each of the branch campuses.

26 (2) \$150,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$150,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely for research faculty clusters in
29 the advanced technology initiative program.

30 (3) \$165,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$166,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided solely for the implementation of the
33 Puget Sound work plan and agency action item WSU-01.

34 (4) Cooperative extension service programs may receive less state
35 support during fiscal year 2003 but such reductions shall not be made
36 out-of-proportion to the change in state general fund appropriations to
37 the entire university reflected in this section.

1 **Sec. 606.** 2001 2nd sp.s. c 7 s 606 (uncodified) is amended to read
2 as follows:

3 **FOR EASTERN WASHINGTON UNIVERSITY**

4	General Fund--State Appropriation (FY 2002) . . . \$	((45,532,000))
5		<u>45,517,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((47,382,000))
7		<u>43,318,000</u>
8	TOTAL APPROPRIATION \$	((92,914,000))
9		<u>88,835,000</u>

10 **Sec. 607.** 2001 2nd sp.s. c 7 s 607 (uncodified) is amended to read
11 as follows:

12 **FOR CENTRAL WASHINGTON UNIVERSITY**

13	General Fund--State Appropriation (FY 2002) . . . \$	((44,164,000))
14		<u>44,147,000</u>
15	General Fund--State Appropriation (FY 2003) . . . \$	((44,976,000))
16		<u>41,295,000</u>
17	TOTAL APPROPRIATION \$	((89,140,000))
18		<u>85,442,000</u>

19 The appropriations in this section are subject to the following
20 conditions and limitations: \$700,000 of the general fund--state
21 appropriation for fiscal year 2002 is provided solely for the
22 development and implementation of the university's enrollment
23 stabilization recovery and growth plan. The university shall report
24 back to the fiscal committees of the legislature, the office of
25 financial management, and the higher education coordinating board at
26 the end of each fiscal year with details of its actions and progress.

27 **Sec. 608.** 2001 2nd sp.s. c 7 s 608 (uncodified) is amended to read
28 as follows:

29 **FOR THE EVERGREEN STATE COLLEGE**

30	General Fund--State Appropriation (FY 2002) . . . \$	((25,334,000))
31		<u>25,351,000</u>
32	General Fund--State Appropriation (FY 2003) . . . \$	((26,260,000))
33		<u>23,916,000</u>
34	TOTAL APPROPRIATION \$	((51,594,000))
35		<u>49,267,000</u>

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

3 (1) \$75,000 of the general fund--state appropriation for fiscal
4 year 2002 is provided solely for the institute for public policy to
5 complete studies of services described in section 202(1), chapter 1,
6 Laws of 2000 2nd sp. sess.

7 (2) \$11,000 of the general fund--state appropriation for fiscal
8 year 2002 and \$54,000 of the general fund--state appropriation for
9 fiscal year 2003 are provided solely for the institute for public
10 policy to conduct an outcome evaluation pursuant to Substitute Senate
11 Bill No. 5416 (drug-affected infants). The institute shall provide a
12 report to the fiscal, health, and human services committees of the
13 legislature by December 1, 2003. If the bill is not enacted by June
14 30, 2001, the amounts provided in this subsection shall be used to
15 evaluate outcomes across state health and social service pilot projects
16 and other national models involving women who have given birth to a
17 drug-affected infant, comparing gains in positive birth outcomes for
18 resources invested, in which case the institute's findings and
19 recommendations will be provided by November 15, 2002.

20 (3) \$11,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$33,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for the institute for public
23 policy to evaluate partnership grant programs for alternative teacher
24 certification pursuant to Engrossed Second Substitute Senate Bill No.
25 5695. An interim report shall be provided to the fiscal and education
26 committees of the legislature by December 1, 2002, and a final report
27 by December 1, 2004.

28 (4) \$60,000 of the general fund--state appropriation for fiscal
29 year 2002 is provided solely for the institute for public policy to
30 examine options for revising the state's funding formula for the
31 learning assistance program to enhance accountability for school
32 performance in meeting education reform goals. The institute shall
33 submit its report to the appropriate legislative fiscal and policy
34 committees by June 30, 2002.

35 (5) \$50,000 of the general fund--state appropriation for fiscal
36 year 2002 is provided solely for the institute for public policy to
37 study the prevalence and needs of families who are raising related
38 children. The study shall compare services and policies of Washington
39 state with other states that have a high rate of kinship care

1 placements in lieu of foster care placements. The study shall identify
2 possible changes in services and policies that are likely to increase
3 appropriate kinship care placements. A report shall be provided to the
4 fiscal and human services committees of the legislature by June 1,
5 2002.

6 (6) \$35,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$15,000 of the general fund--state appropriation for
8 fiscal year 2003 are provided solely for the institute for public
9 policy to examine various educational delivery models for providing
10 services and education for students through the Washington state school
11 for the deaf. The institute's report, in conjunction with the capacity
12 planning study from the joint legislative audit and review committee,
13 shall be submitted to the fiscal committees of the legislature by
14 September 30, 2002.

15 (7) \$30,000 of the general fund--state appropriation for fiscal
16 year 2002 is provided solely for the institute for public policy to
17 examine the structure, policies, and recent experience in states where
18 welfare recipients may attend college full-time as their required TANF
19 work activity. The institute will provide findings and recommend how
20 Washington could consider adding this feature in a targeted, cost-
21 neutral manner that would complement the present-day WorkFirst efforts
22 and caseload. The institute shall provide a report to the human
23 services, higher education, and fiscal committees of the legislature by
24 November 15, 2001.

25 (8) \$75,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$75,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely for the institute for public
28 policy to research and evaluate strategies for constraining the growth
29 in state health expenditures. Specific research topics, approaches,
30 and timelines shall be identified in consultation with the fiscal
31 committees of the legislature.

32 (9) \$100,000 of the general fund--state appropriation for fiscal
33 year 2002 is provided solely for the institute for public policy to
34 conduct a comprehensive review of the costs and benefits of existing
35 juvenile crime prevention and intervention programs. This evaluation
36 shall also consider what changes could result in more cost-effective
37 and efficient funding for juvenile crime prevention and intervention
38 programs presently supported with state funds. The institute for
39 public policy shall report its findings and recommendations to the

1 appropriate legislative fiscal and policy committees by October 1,
2 2002.

3 (10) \$35,000 of the general fund--state appropriation for fiscal
4 year 2003 is provided solely for the institute for public policy, in
5 consultation with the office of financial management, to review options
6 regarding the elimination or distribution of current functions of the
7 state library to other entities or retaining the state library as an
8 independent agency. The institute shall also develop an implementation
9 plan for closure of the state library for the legislature and office of
10 financial management to consider. The plan shall include necessary
11 steps to be taken and estimated time for accomplishing them. The state
12 library shall assist the institute in providing information necessary
13 to formulate the plan. The institute shall submit the plan to the
14 appropriate committees of the legislature by November 15, 2003.

15 (11) \$15,000 of the general fund--state appropriation for fiscal
16 year 2002 and \$71,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for the institute for public
18 policy to review and evaluate the mission of the branch campuses of the
19 state's higher education research universities under Substitute Senate
20 Bill No. 6626. If the bill is not enacted by June 30, 2002, the
21 amounts provided in this subsection shall lapse.

22 (12) \$11,000 of the general fund--state appropriation for fiscal
23 year 2002 and \$29,000 of the general fund--state appropriation for
24 fiscal year 2003 are provided solely for the institute for public
25 policy to conduct research on at-risk youth programs. The institute
26 for public policy shall conduct the necessary research in order to
27 recommend to the legislature the criteria, processes, and institutional
28 arrangements under which proven best practices could be identified, the
29 reductions in the state justice system caseloads estimated, and the
30 unit cost and total cost savings estimated for the intervention and
31 prevention programs focused on youth at high risk for involvement with
32 the juvenile and adult justice systems. The development of criteria,
33 processes, and institutional arrangements for the limited purposes of
34 this study shall not be construed to define best practices for all
35 programs. The institute for public policy shall report its findings
36 and recommendations to the appropriate committees of legislature by
37 December 15, 2002.

1 **Sec. 609.** 2001 2nd sp.s. c 7 s 609 (uncodified) is amended to read
2 as follows:

3 **FOR WESTERN WASHINGTON UNIVERSITY**

4	General Fund--State Appropriation (FY 2002) . . . \$	((59,755,000))
5		<u>59,732,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((62,881,000))
7		<u>57,508,000</u>
8	TOTAL APPROPRIATION \$	((122,636,000))
9		<u>117,240,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations: \$753,000 of the general fund--state
12 appropriation for fiscal year 2002 and \$1,032,000 of the general fund--
13 state appropriation for fiscal year 2003 are provided solely for the
14 operations of the North Snohomish, Island, Skagit (NSIS) higher
15 education consortium.

16 **Sec. 610.** 2001 2nd sp.s. c 7 s 610 (uncodified) is amended to read
17 as follows:

18 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
19 **ADMINISTRATION**

20	General Fund--State Appropriation (FY 2002) . . . \$	2,345,000
21	General Fund--State Appropriation (FY 2003) . . . \$	((2,408,000))
22		<u>2,288,000</u>
23	General Fund--Federal Appropriation \$	636,000
24	TOTAL APPROPRIATION \$	((5,389,000))
25		<u>5,269,000</u>

26 The appropriations in this section are provided to carry out the
27 policy coordination, planning, studies and administrative functions of
28 the board and are subject to the following conditions and limitations:

29 (1) \$150,000 of the general fund--state appropriation for fiscal
30 year 2002 and \$150,000 of the general fund--state appropriation for
31 fiscal year 2003 are provided solely to continue the teacher training
32 pilot program pursuant to chapter 177, Laws of 1999.

33 (2) \$105,000 of the general fund--state appropriation for fiscal
34 year 2002 and \$245,000 of the general fund--state appropriation for
35 fiscal year 2003 are provided solely to continue a demonstration
36 project to improve rural access to post-secondary education by bringing
37 distance learning technologies into Jefferson county.

1 **Sec. 611.** 2001 2nd sp.s. c 7 s 611 (uncodified) is amended to read
2 as follows:

3 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
4 **PROGRAMS**

5	General Fund--State Appropriation (FY 2002) . . . \$	((123,645,000))
6		<u>123,525,000</u>
7	General Fund--State Appropriation (FY 2003) . . . \$	((136,205,000))
8		<u>136,998,000</u>
9	General Fund--Federal Appropriation \$	7,511,000
10	Advanced College Tuition Payment Program Account--	
11	State Appropriation \$	3,604,000
12	TOTAL APPROPRIATION \$	((270,965,000))
13		<u>271,638,000</u>

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

16 (1) \$534,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$529,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for the displaced homemakers
19 program.

20 (2) \$234,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$240,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for the western interstate
23 commission for higher education.

24 (3) \$1,000,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$1,000,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided solely for the health professional
27 conditional scholarship and loan program under chapter 28B.115 RCW.
28 This amount shall be deposited to the health professional loan
29 repayment and scholarship trust fund to carry out the purposes of the
30 program.

31 (4) \$1,000,000 of the general fund--state appropriations is
32 provided solely to continue a demonstration project that enables
33 classified public K-12 employees to become future teachers, subject to
34 the following conditions and limitations:

35 (a) Within available funds, the board may renew and offer
36 conditional scholarships of up to \$4,000 per year for full or part-time
37 studies that may be forgiven in exchange for teaching service in
38 Washington's public K-12 schools. In selecting loan recipients, the
39 board shall take into account the applicant's demonstrated academic

1 ability and commitment to serve as a teacher within the state of
2 Washington.

3 (b) Loans shall be forgiven at the rate of one year of loan for two
4 years of teaching service. Recipients who teach in geographic or
5 subject-matter shortage areas, as specified by the office of the
6 superintendent for public instruction, may have their loans forgiven at
7 the rate of one year of loan for one year of teaching service;

8 (c) Recipients who fail to fulfill the required teaching service
9 shall be required to repay the conditional loan with interest. The
10 board shall define the terms for repayment, including applicable
11 interest rates, fees and deferments, and may adopt other rules as
12 necessary to implement this demonstration project.

13 (d) The board may deposit this appropriation and all collections
14 into the student loan account authorized in RCW 28B.102.060.

15 (e) The board will provide the legislature and governor with
16 findings about the impact of this demonstration project on persons
17 entering the teaching profession in shortage areas by no later than
18 January of 2002.

19 (5) \$75,000 of the general fund--state appropriation for fiscal
20 year 2002 and \$75,000 of the general fund--state appropriation for
21 fiscal year 2003 are provided solely for higher education student child
22 care matching grants under chapter 28B.135 RCW.

23 (6) \$25,000 of the general fund--state appropriation for fiscal
24 year 2002 and \$25,000 of the general fund--state appropriation for
25 fiscal year 2003 are provided solely for the benefit of students who
26 participate in college assistance migrant programs (CAMP) operating in
27 Washington state. To ensure timely state aid, the board may establish
28 a date after which no additional grants would be available for the
29 2001-02 and 2002-03 academic years. The board shall disperse grants in
30 equal amounts to eligible post-secondary institutions so that state
31 money in all cases supplements federal CAMP awards.

32 (7) \$120,156,000 of the general fund--state appropriation for
33 fiscal year 2002 and (~~(\$133,965,000)~~) \$134,879,000 of the general
34 fund--state appropriation for fiscal year 2003 are provided solely for
35 student financial aid, including all administrative costs. Of these
36 amounts:

37 (a) \$90,566,000 of the general fund--state appropriation for fiscal
38 year 2002 and (~~(\$102,667,000)~~) \$106,447,000 of the general fund--state
39 appropriation for fiscal year 2003 are provided solely for the state

1 need grant program. After April 1 of each fiscal year, up to one
2 percent of the annual appropriation for the state need grant program
3 may be transferred to the state work study program;

4 (b) \$16,340,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$17,360,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for the state work study program.
7 Four percent of the appropriations in this subsection (b) may be spent
8 to administer state work study. After April 1 of each fiscal year, up
9 to one percent of the annual appropriation for the state work study
10 program may be transferred to the state need grant program;

11 (c) \$2,920,000 of the general fund--state appropriation for fiscal
12 year 2002 and \$2,920,000 of the general fund--state appropriation for
13 fiscal year 2003 are provided solely for educational opportunity
14 grants. The board may deposit sufficient funds from its appropriation
15 into the state education trust fund as established in RCW 28B.10.821 to
16 provide a one-year renewal of the grant for each new recipient of the
17 educational opportunity grant award. For the purpose of establishing
18 eligibility for the equal opportunity grant program for placebound
19 students under RCW 28B.101.020, Thurston county lies within the branch
20 campus service area of the Tacoma branch campus of the University of
21 Washington;

22 (d) A maximum of 2.1 percent of the general fund--state
23 appropriation for fiscal year 2002 and ((2.1)) 1.8 percent of the
24 general fund--state appropriation for fiscal year 2003 may be expended
25 for financial aid administration(~~(, excluding the 4 percent state work~~
26 ~~study program administrative allowance provision))~~);

27 (e) \$1,241,000 of the general fund--state appropriation for fiscal
28 year 2002 and \$1,428,000 of the general fund--state appropriation for
29 fiscal year 2003 are provided solely to implement the Washington
30 scholars program. Any Washington scholars program moneys not awarded
31 by April 1st of each year may be transferred by the board to the
32 Washington award for vocational excellence;

33 (f) \$588,000 of the general fund--state appropriation for fiscal
34 year 2002 and \$589,000 of the general fund--state appropriation for
35 fiscal year 2003 are provided solely to implement Washington award for
36 vocational excellence program. Any Washington award for vocational
37 program moneys not awarded by April 1st of each year may be transferred
38 by the board to the Washington scholars program;

1 (g) \$251,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$251,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for community scholarship matching
4 grants of \$2,000 each. Of the amounts provided, no more than \$5,200
5 each year is for the administration of the community scholarship
6 matching grant program. To be eligible for the matching grant, a
7 nonprofit community organization organized under section 501(c)(3) of
8 the internal revenue code must demonstrate that it has raised \$2,000 in
9 new moneys for college scholarships after the effective date of this
10 act. An organization may receive more than one \$2,000 matching grant
11 and preference shall be given to organizations affiliated with the
12 citizens' scholarship foundation; and

13 (h) \$8,250,000 of the general fund--state appropriation for fiscal
14 year 2002 and (~~(\$8,750,000)~~) \$6,300,000 of the general fund--state
15 appropriation for fiscal year 2003 are provided solely for the
16 Washington promise scholarship program subject to the following
17 conditions and limitations:

18 (i) Within available funds and subject to state need grant service
19 requirements pursuant to Substitute House Bill No. 2807 (promise
20 scholarships) as amended by the Senate, the higher education
21 coordinating board shall award scholarships for use at accredited
22 institutions of higher education in the state of Washington to as many
23 students as possible from among those qualifying under (iv) and (v) of
24 this subsection. Each qualifying student will receive two consecutive
25 annual installments, the value of each not to exceed the full-time
26 annual resident tuition rates charged by community colleges.

27 (ii) Of the amounts provided, no more than \$260,000 (~~(each year~~
28 ~~is))~~ in fiscal year 2002 and no more than \$250,000 in fiscal year 2003
29 are for administration of the Washington promise scholarship program.

30 (iii) Other than funds provided for program administration, the
31 higher education coordinating board shall deposit all money received
32 for the program in the Washington promise scholarship account, a
33 nonappropriated fund in the custody of the state treasurer. The
34 account shall be self-sustaining and consist of funds appropriated by
35 the legislature for these scholarships, private contributions, and
36 receipts from refunds of tuition and fees.

37 (iv) Scholarships in (~~(the 2001-03 biennium)~~) fiscal year 2002
38 shall be awarded to students who graduate from high school or its
39 equivalent whose family income does not exceed one hundred thirty-five

1 percent of the state's median family income, adjusted for family size,
2 if they meet any of the following academic criteria:

3 (A) Students graduating from public and approved private high
4 schools under chapter 28A.195 RCW must be in the top fifteen percent of
5 their graduating class, or must equal or exceed a cumulative scholastic
6 assessment test score of 1200 on their first attempt;

7 (B) Students participating in home-based instruction as provided in
8 chapter 28A.200 RCW must equal or exceed a cumulative scholastic
9 assessment test score of 1200 on their first attempt.

10 (v) Scholarships in fiscal year 2003 shall be awarded to students
11 who graduate from high school or its equivalent whose family income
12 does not exceed one hundred percent of the state's median family
13 income, adjusted for family size, if they meet any of the following
14 academic criteria:

15 (A) Students graduating from public and approved private high
16 schools under chapter 28A.195 RCW must be in the top ten percent of
17 their graduating class, or must equal or exceed a cumulative scholastic
18 assessment test score of 1200 on their first attempt;

19 (B) Students participating in home-based instruction as provided in
20 chapter 28A.200 RCW must equal or exceed a cumulative scholastic
21 assessment test score of 1200 on their first attempt.

22 (vi) For students eligible under (~~(iv)~~) this subsection, the
23 superintendent of public instruction shall provide the higher education
24 coordinating board with the names, addresses, and unique numeric
25 identifiers of eligible students (~~(in the top fifteen percent or)~~)
26 including those who meet the scholastic aptitude test score
27 requirement, as appropriate in each of the respective high school
28 senior or home based instruction classes in Washington state. This
29 shall be provided no later than October 1 of each year.

30 (~~(vi)~~) (vii) Scholarships awarded under this section may only be
31 used at accredited institutions of higher education in the state of
32 Washington for college-related expenses, including but not limited to,
33 tuition, room and board, books, materials, and transportation. The
34 Washington promise scholarship award shall not supplant other
35 scholarship awards, financial aid, or tax programs related to
36 postsecondary education. Scholarships may not be transferred or
37 refunded to students.

38 (~~(vii)~~) (viii) The higher education coordinating board shall
39 evaluate the impact and effectiveness of the Washington promise

1 scholarship program. The evaluation shall include, but not be limited
2 to: (A) An analysis of other financial assistance promise scholarship
3 recipients are receiving through other federal, state, and
4 institutional programs, including grants, work study, tuition waivers,
5 tax credits, and loan programs; (B) an analysis of whether the
6 implementation of the promise scholarship program has had an impact on
7 student indebtedness; and (C) an evaluation of what types of students
8 are successfully completing high school but do not have the financial
9 ability to attend college because they cannot obtain financial aid or
10 the financial aid is insufficient. The board shall report its findings
11 to the governor and the legislature by December 1, 2002.

12 ~~((viii))~~ (ix) The higher education coordinating board may adopt
13 rules as necessary to implement this program.

14 (x) Moneys appropriated for fiscal year 2003 in this subsection (h)
15 may be used as necessary to meet state need grant service requirements
16 pursuant to Substitute House Bill No. 2807 (promise scholarships) as
17 amended by the Senate.

18 **Sec. 612.** 2001 2nd sp.s. c 7 s 612 (uncodified) is amended to read
19 as follows:

20 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

21 General Fund--State Appropriation (FY 2002) . . . \$	1,762,000
22 General Fund--State Appropriation (FY 2003) . . . \$	((1,720,000))
23	<u>1,633,000</u>
24 General Fund--Federal Appropriation \$	44,987,000
25 TOTAL APPROPRIATION \$	((48,469,000))
26	<u>48,382,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations: \$500,000 of the general fund--state
29 appropriation for fiscal year 2002 and \$500,000 of the general fund--
30 state appropriation for fiscal year 2003 are provided solely for the
31 operations and development of the inland northwest technology education
32 center (INTEC) as a regional resource and model for the rapid
33 deployment of skilled workers trained in the latest technologies for
34 Washington. The board shall serve as an advisor to and fiscal agent
35 for INTEC, and will report back to the governor and legislature by
36 September 2002 as to the progress and future steps for INTEC as this
37 new public-private partnership evolves.

1 **Sec. 613.** 2001 2nd sp.s. c 7 s 613 (uncodified) is amended to read
2 as follows:

3 **FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE**

4	General Fund--State Appropriation (FY 2002) . . . \$	((1,500,000))
5		<u>1,499,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((1,500,000))
7		<u>1,452,000</u>
8	TOTAL APPROPRIATION \$	((3,000,000))
9		<u>2,951,000</u>

10 **Sec. 614.** 2001 2nd sp.s. c 7 s 614 (uncodified) is amended to read
11 as follows:

12 **FOR WASHINGTON STATE LIBRARY**

13	General Fund--State Appropriation (FY 2002) . . . \$	8,791,000
14	General Fund--State Appropriation (FY 2003) . . . \$	((8,786,000))
15		<u>8,522,000</u>
16	General Fund--Federal Appropriation \$	6,976,000
17	TOTAL APPROPRIATION \$	((24,553,000))
18		<u>24,289,000</u>

19 The appropriations in this section are subject to the following
20 conditions and limitations: At least \$2,700,000 shall be expended for
21 a contract with the Seattle public library for library services for the
22 Washington book and braille library.

23 **Sec. 615.** 2001 2nd sp.s. c 7 s 615 (uncodified) is amended to read
24 as follows:

25 **FOR THE WASHINGTON STATE ARTS COMMISSION**

26	General Fund--State Appropriation (FY 2002) . . . \$	2,873,000
27	General Fund--State Appropriation (FY 2003) . . . \$	((2,874,000))
28		<u>2,788,000</u>
29	General Fund--Federal Appropriation \$	1,000,000
30	<u>General Fund--Private/Local Appropriation</u> \$	<u>3,000</u>
31	TOTAL APPROPRIATION \$	((6,747,000))
32		<u>6,664,000</u>

33 **Sec. 616.** 2001 2nd sp.s. c 7 s 616 (uncodified) is amended to read
34 as follows:

35 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

36	General Fund--State Appropriation (FY 2002) . . . \$	2,899,000
----	--	-----------

1	General Fund--State Appropriation (FY 2003) . . . \$	((3,129,000))
2		<u>3,035,000</u>
3	TOTAL APPROPRIATION \$	((6,028,000))
4		<u>5,934,000</u>

5 The appropriations in this section are subject to the following
6 conditions and limitations: \$90,000 of the general fund--state
7 appropriation for fiscal year 2002 and \$285,000 of the general fund--
8 state appropriation for fiscal year 2003 are provided solely for
9 activities related to the Lewis and Clark Bicentennial.

10 **Sec. 617.** 2001 2nd sp.s. c 7 s 617 (uncodified) is amended to read
11 as follows:

12 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

13	General Fund--State Appropriation (FY 2002) . . . \$	1,674,000
14	General Fund--State Appropriation (FY 2003) . . . \$	((1,535,000))
15		<u>1,489,000</u>
16	TOTAL APPROPRIATION \$	((3,209,000))
17		<u>3,163,000</u>

18 **Sec. 618.** 2001 2nd sp.s. c 7 s 618 (uncodified) is amended to read
19 as follows:

20 **FOR THE STATE SCHOOL FOR THE BLIND**

21	General Fund--State Appropriation (FY 2002) . . . \$	4,520,000
22	General Fund--State Appropriation (FY 2003) . . . \$	((4,591,000))
23		<u>4,499,000</u>
24	General Fund--Private/Local Appropriation \$	((1,173,000))
25		<u>1,254,000</u>
26	TOTAL APPROPRIATION \$	((10,284,000))
27		<u>10,273,000</u>

28 **Sec. 619.** 2001 2nd sp.s. c 7 s 619 (uncodified) is amended to read
29 as follows:

30 **FOR THE STATE SCHOOL FOR THE DEAF**

31	General Fund--State Appropriation (FY 2002) . . . \$	7,395,000
32	General Fund--State Appropriation (FY 2003) . . . \$	((7,439,000))
33		<u>7,464,000</u>
34	General Fund--Private/Local Appropriation \$	232,000
35	TOTAL APPROPRIATION \$	((15,066,000))

1 15,091,000

2 (End of part)

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
General Fund--State Appropriation (FY 2003)	\$	((567,290,000))
		<u>565,290,000</u>
State Building Construction Account--State Appropriation	\$	((11,351,000))
		<u>7,999,000</u>
Debt-Limit Reimbursable Bond Retire Account-- State Appropriation	\$	2,591,000
<u>State Taxable Building Construction Account-- State Appropriation</u>	<u>\$</u>	<u>496,000</u>
TOTAL APPROPRIATION	\$	((1,210,329,000))
		<u>1,205,473,000</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))
		<u>5,096,000</u>

1	TOTAL APPROPRIATION	\$	((51,130,000))
2			<u>39,441,000</u>
3	Sec. 703. 2001 2nd sp.s. c 7 s 703 (uncodified) is amended to read		
4	as follows:		
5	FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND		
6	REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE		
7	REIMBURSED AS PRESCRIBED BY STATUTE		
8	General Fund--State Appropriation (FY 2002) . . .	\$	24,542,000
9	General Fund--State Appropriation (FY 2003) . . .	\$	26,706,000
10	Capitol Historic District Construction		
11	Account--State Appropriation	\$	454,000
12	Higher Education Construction Account--State		
13	Appropriation	\$	((815,000))
14			<u>499,000</u>
15	State Higher Education Construction Account--		
16	State Appropriation	\$	((348,000))
17			<u>50,000</u>
18	State Vehicle Parking Account--State		
19	Appropriation	\$	((35,000))
20			<u>100,000</u>
21	<u>Education Construction Account--State</u>		
22	<u>Appropriation</u>	\$	<u>19,500,000</u>
23	Nondebt-Limit Reimbursable Bond Retirement Account--		
24	State Appropriation	\$	128,043,000
25	TOTAL APPROPRIATION	\$	((180,943,000))
26			<u>199,894,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations: The general fund appropriation is for
29 deposit into the nondebt-limit general fund bond retirement account.

30 **Sec. 704.** 2001 2nd sp.s. c 7 s 704 (uncodified) is amended to read
31 as follows:

32 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
33 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

34	General Fund--State Appropriation (FY 2002) . . .	\$	567,000
35	General Fund--State Appropriation (FY 2003) . . .	\$	568,000
36	Higher Education Construction Account--State		
37	Appropriation	\$	77,000

1	State Higher Education Construction Account--	
2	State Appropriation	\$ 42,000
3	State Building Construction Account--State	
4	Appropriation	\$ 1,488,000
5	State Vehicle Parking Account--State	
6	Appropriation	\$ ((5,000))
7		<u>10,000</u>
8	<u>Education Construction Account--State</u>	
9	<u>Appropriation</u>	<u>\$ 325,000</u>
10	Capitol Historic District Construction	
11	Account--State Appropriation	\$ 130,000
12	<u>State Taxable Building Construction Account--</u>	
13	<u>State Appropriation</u>	<u>\$ 50,000</u>
14	TOTAL APPROPRIATION	\$ ((2,877,000))
15		<u>3,257,000</u>

16 **Sec. 705.** 2001 2nd sp.s. c 7 s 706 (uncodified) is amended to read
17 as follows:

18 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--FIRE CONTINGENCY POOL.** The
19 sum of ((three million dollars)) \$39,487,000, or so much thereof as may
20 be available on June 30, 2001, from the total amount of unspent fiscal
21 year 2001 fire contingency funding in the disaster response account and
22 the moneys appropriated to the disaster response account in section 707
23 of this act, is appropriated for the purpose of making allocations to
24 the military department for fire mobilizations costs or to the
25 department of natural resources for fire suppression costs. Of this
26 amount, \$27,513,000 shall be provided to the department of natural
27 resources, \$135,000 shall be provided to the state parks and recreation
28 commission, and \$60,000 shall be provided to the department of fish and
29 wildlife, for costs of fire suppression during the 2001 fire season.

30 **NEW SECTION. Sec. 706.** A new section is added to 2001 2nd sp.s.
31 c 7 (uncodified) to read as follows:

32 **REVOLVING FUND REDUCTIONS.** (1) The 2001-2003 supplemental
33 appropriations in this act reflect reduced appropriations from the
34 specified funds and accounts in the following amounts:

35	Administrative Hearings Revolving Account	\$ 330,000
36	Legal Services Revolving Account	\$ 1,543,000
37	Data Processing Revolving Account	\$ 246,000

1	Department of Personnel Service Account	\$	262,000
2	Department of Retirement Systems Expense		
3	Account	\$	768,000
4	General Administration Services Account	\$	620,000
5	Auditing Services Revolving Account	\$	183,000
6	Archives & Records Management Account	\$	81,000

7 (2) The director of financial management shall reduce allotments
8 from general fund--state appropriations in this act for the 2001-2003
9 biennium by \$1,654,000, which is forty-one percent of the amounts
10 specified in subsection (1) of this section and reflects the
11 proportionate share of the general fund--state savings from the
12 appropriations reductions. The amount of the allotment reduction shall
13 be placed in reserve status.

14 NEW SECTION. **Sec. 707.** A new section is added to 2001 2nd sp.s.
15 c 7 (uncodified) to read as follows:

16 **EQUIPMENT PURCHASE REDUCTION.** The director of financial management
17 shall reduce allotments from general fund--state appropriations in this
18 act for the 2001-2003 biennium by \$2,300,000 to reflect a freeze on
19 state agency equipment purchases for the remainder of the 2001-03
20 biennium. The amount of the allotment reduction shall be placed in
21 reserve status.

22 NEW SECTION. **Sec. 708.** A new section is added to 2001 2nd sp.s.
23 c 7 (uncodified) to read as follows:

24 **EMPLOYEE TRAVEL REDUCTION.** The director of financial management
25 shall reduce allotments from general fund--state appropriations in this
26 act for the 2001-2003 biennium by \$3,000,000 to reflect the elimination
27 of nonessential travel by state employees and officials. The amount of
28 the allotment reduction shall be placed in reserve status.

29 NEW SECTION. **Sec. 709.** A new section is added to 2001 2nd sp.s.
30 c 7 (uncodified) to read as follows:

31 **CONTINGENCY POOL.** (1) With the prior approval of the office of
32 financial management, agencies may reduce allotments for fiscal year
33 2002 to reflect all or a portion of, and not to exceed, the
34 administrative, travel, and equipment reductions and efficiency savings
35 enacted in this 2002 supplemental appropriations act as an alternative
36 to allotment reductions for fiscal year 2003.

1 (2) The sum of one million five hundred thousand dollars from the
 2 general fund--state for fiscal year 2003 is appropriated to the
 3 governor for providing assistance to state agencies that are unable to
 4 effectively absorb the administrative, travel, and equipment reductions
 5 and efficiency savings enacted in this 2002 supplemental appropriations
 6 act. Allocations to state agencies from this appropriation shall be
 7 reported to the legislative fiscal committees by the office of
 8 financial management within five days of the allocation.

9 **Sec. 710.** 2001 2nd sp.s. c 7 s 713 (uncodified) is amended to read
 10 as follows:

11 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--DIGITAL GOVERNMENT REVOLVING**
 12 **ACCOUNT**

13	General Fund--State Appropriation (FY 2002) . . . \$	2,050,000
14	General Fund--State Appropriation (FY 2003) . . . \$	((2,050,000))
15		<u>1,050,000</u>
16	TOTAL APPROPRIATION \$	((4,100,000))
17		<u>3,100,000</u>

18 The appropriations in this section are subject to the following
 19 conditions and limitations: The appropriations in this section are
 20 provided solely for deposit in the digital government revolving
 21 account.

22 **Sec. 711.** 2001 2nd sp.s. c 7 s 716 (uncodified) is amended to read
 23 as follows:

24 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

25	General Fund--State Appropriation (FY 2002) . . . \$	7,218,000
26	General Fund--State Appropriation (FY 2003) . . . \$	((19,947,000))
27		<u>14,803,000</u>
28	General Fund--Federal Appropriation \$	((8,692,000))
29		<u>7,374,000</u>
30	General Fund--Private/Local Appropriation \$	((456,000))
31		<u>331,000</u>
32	Salary and Insurance Increase Revolving Account	
33	Appropriation \$	((19,468,000))
34		<u>15,969,000</u>
35	TOTAL APPROPRIATION \$	((55,781,000))
36		<u>45,695,000</u>

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

3 (1)(a) The monthly employer funding rate for insurance benefit
4 premiums, public employees' benefits board administration, and the
5 uniform medical plan, shall not exceed \$457.29 per eligible employee
6 for fiscal year 2002, and (~~(\$497.69)~~) \$482.38 for fiscal year 2003.

7 (b) Within the rates in (a) of this subsection, \$2.02 per eligible
8 employee shall be included in the employer funding rate for fiscal year
9 2002, and \$4.10 per eligible employee shall be included in the employer
10 funding rate for fiscal year 2003, solely to increase life insurance
11 coverage in accordance with a court approved settlement in *Burbage et*
12 *al. v. State of Washington* (Thurston county superior court cause no.
13 94-2-02560-8).

14 (c) In order to achieve the level of funding provided for health
15 benefits, the public employees' benefits board shall require any or all
16 of the following: Employee premium copayments, increases in point-of-
17 service cost sharing, the implementation of managed competition, or
18 make other changes to benefits consistent with RCW 41.05.065.

19 (d) The health care authority shall deposit any moneys received on
20 behalf of the uniform medical plan as a result of rebates on
21 prescription drugs, audits of hospitals, subrogation payments, or any
22 other moneys recovered as a result of prior uniform medical plan claims
23 payments, into the public employees' and retirees' insurance account to
24 be used for insurance benefits. Such receipts shall not be used for
25 administrative expenditures.

26 (2) To facilitate the transfer of moneys from dedicated funds and
27 accounts, the state treasurer is directed to transfer sufficient moneys
28 from each dedicated fund or account to the special fund salary and
29 insurance contribution increase revolving fund in accordance with
30 schedules provided by the office of financial management.

31 (3) The health care authority, subject to the approval of the
32 public employees' benefits board, shall provide subsidies for health
33 benefit premiums to eligible retired or disabled public employees and
34 school district employees who are eligible for parts A and B of
35 medicare, pursuant to RCW 41.05.085. From January 1, 2002, through
36 December 31, 2002, the subsidy shall be \$85.84. Starting January 1,
37 2003, the subsidy shall be (~~(\$102.55)~~) \$92.74 per month.

38 (4) Technical colleges, school districts, and educational service
39 districts shall remit to the health care authority for deposit into the

1 public employees' and retirees' insurance account established in RCW
2 41.05.120 the following amounts:

3 (a) For each full-time employee, \$32.41 per month beginning
4 September 1, 2001, and (~~(\$37.48)~~) \$36.36 beginning September 1, 2002;

5 (b) For each part-time employee who, at the time of the remittance,
6 is employed in an eligible position as defined in RCW 41.32.010 or
7 41.40.010 and is eligible for employer fringe benefit contributions for
8 basic benefits, \$32.41 each month beginning September 1, 2001, and
9 (~~(\$37.48)~~) \$36.36 beginning September 1, 2002, prorated by the
10 proportion of employer fringe benefit contributions for a full-time
11 employee that the part-time employee receives.

12 The remittance requirements specified in this subsection shall not
13 apply to employees of a technical college, school district, or
14 educational service district who purchase insurance benefits through
15 contracts with the health care authority.

16 (5) The salary and insurance increase revolving account
17 appropriation includes amounts sufficient to fund health benefits for
18 ferry workers at the premium levels specified in subsection (1) of this
19 section, consistent with the 2001-2003 transportation appropriations
20 act.

21 **Sec. 712.** 2001 2nd sp.s. c 7 s 717 (uncodified) is amended to read
22 as follows:

23 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO**
24 **RETIREMENT SYSTEMS.** The appropriations in this section are subject to
25 the following conditions and limitations: The appropriations for the
26 law enforcement officers' and firefighters' retirement system shall be
27 made on a monthly basis beginning July 1, 2001, consistent with chapter
28 41.45 RCW, and the appropriations for the judges and judicial
29 retirement systems shall be made on a quarterly basis consistent with
30 chapters 2.10 and 2.12 RCW.

31 (1) There is appropriated for state contributions to the law
32 enforcement officers' and fire fighters' retirement system:

33	General Fund--State Appropriation (FY 2002) . . . \$	((15,552,000))
34		<u>15,437,000</u>
35	General Fund--State Appropriation (FY 2003) . . . \$	((16,668,000))
36		<u>16,208,000</u>

1 The appropriations in this subsection are subject to the following
 2 conditions and limitations: The appropriations include reductions to
 3 reflect savings resulting from the implementation of state pension
 4 contribution rates effective (~~July 1, 2001, as provided in Senate Bill~~
 5 ~~No. 6167 or House Bill No. 2236~~) April 1, 2002, as provided in House
 6 Bill No. 2782.

7 (2) There is appropriated for contributions to the judicial
 8 retirement system:

9	General Fund--State Appropriation (FY 2002) . . . \$	6,000,000
10	General Fund--State Appropriation (FY 2003) . . . \$	6,000,000

11 (3) There is appropriated for contributions to the judges
 12 retirement system:

13	General Fund--State Appropriation (FY 2002) . . . \$	250,000
14	General Fund--State Appropriation (FY 2003) . . . \$	250,000
15	TOTAL APPROPRIATION \$	((44,720,000))
16		<u>44,145,000</u>

17 NEW SECTION. Sec. 713. A new section is added to 2001 2nd sp.s.
 18 c 7 (uncodified) to read as follows:

19 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--PENSION SAVINGS.** The
 20 office of financial management shall reduce allotments from the
 21 appropriations for agencies of the state by \$1,208,000 from the general
 22 fund--state fiscal year 2002 appropriations, \$4,929,000 from the
 23 general fund--state fiscal year 2003 appropriations, \$1,606,000 from
 24 the general fund--federal 2001-03 appropriations, \$148,000 from the
 25 general fund--private/local 2001-03 appropriations, and \$4,326,000 from
 26 other funds 2001-03 appropriations to reflect savings from pension
 27 contribution rate reductions, effective April 1, 2002, as provided in
 28 House Bill No. 2782.

29 **Sec. 714.** 2001 2nd sp.s. c 7 s 719 (uncodified) is amended to read
 30 as follows:

31 **SALARY COST OF LIVING ADJUSTMENT**

32	General Fund--State Appropriation (FY 2002) . . . \$	41,712,000
33	General Fund--State Appropriation (FY 2003) . . . \$	((73,358,000))
34		<u>44,469,000</u>
35	General Fund--Federal Appropriation \$	((37,955,000))
36		<u>25,629,000</u>

1	General Fund--Private/Local Appropriation \$	((2,325,000))
2		<u>1,876,000</u>
3	Salary and Insurance Increase Revolving Account	
4	Appropriation \$	((92,156,000))
5		<u>68,224,000</u>
6	TOTAL APPROPRIATION \$	((247,506,000))
7		<u>181,910,000</u>

8 The appropriations in this section shall be expended solely for the
9 purposes designated in this section and are subject to the following
10 conditions and limitations:

11 (1) In addition to the purposes set forth in subsections (2) and
12 (3) of this section, appropriations in this section are provided solely
13 for a 3.7 percent salary increase effective July 1, 2001, for all
14 classified employees, except the certificated employees of the state
15 schools for the deaf and blind, and including those employees in the
16 Washington management service, and exempt employees under the
17 jurisdiction of the personnel resources board. ~~((Funds are also
18 provided for salary increases for classified employees on July 1, 2002,
19 in a percentage amount to be determined by the 2002 legislature.))~~

20 (2) The appropriations in this section are sufficient to fund a 3.7
21 percent salary increase effective July 1, 2001, for general government,
22 legislative, and judicial employees exempt from merit system rules
23 whose maximum salaries are not set by the commission on salaries for
24 elected officials. ~~((Funds are also provided for salary increases for
25 these employees on July 1, 2002, in a percentage amount to be
26 determined by the 2002 legislature.))~~

27 (3) The salary and insurance increase revolving account
28 appropriation in this section includes funds sufficient to fund a 3.7
29 percent salary increase effective July 1, 2001, for ferry workers
30 consistent with the 2001-03 transportation appropriations act. ~~((Funds
31 are also provided for salary increases for ferry workers on July 1,
32 2002, in a percentage amount to be determined by the 2002
33 legislature.))~~

34 (4)(a) No salary increase may be paid under this section to any
35 person whose salary has been Y-rated pursuant to rules adopted by the
36 personnel resources board.

37 (b) The average salary increases paid under this section to agency
38 officials whose maximum salaries are established by the committee on

1 agency official salaries shall not exceed the average increases
2 provided by subsection (2) of this section.

3 **Sec. 715.** 2001 2nd sp.s. c 7 s 720 (uncodified) is amended to read
4 as follows:

5 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY REVOLVING**
6 **ACCOUNT**

7	General Fund--State Appropriation (FY 2002) . . . \$	11,264,000
8	General Fund--State Appropriation (FY 2003) . . . \$	((11,264,000))
9		<u>2,364,000</u>
10	TOTAL APPROPRIATION \$	((22,528,000))
11		<u>13,628,000</u>

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

14 (1) The appropriations in this section are for appropriation to the
15 education technology revolving account for the purpose of covering
16 operational and transport costs incurred by the K-20 educational
17 network program in providing telecommunication services to network
18 participants.

19 (2) Use of these moneys to connect public libraries are limited to
20 public libraries which have in place a policy of internet safety
21 applied to publicly available computers with internet access via the K-
22 20 educational network that protects against access to visual
23 depictions that are (a) obscene under chapter 9.68 RCW; or (b) sexual
24 exploitation of children under chapter 9.68A RCW.

25 **Sec. 716.** 2001 2nd sp.s. c 7 s 722 (uncodified) is amended to read
26 as follows:

27 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--COMPENSATION ACTIONS OF**
28 **PERSONNEL RESOURCES BOARD**

29	General Fund--State Appropriation (FY 2002) . . . \$	((9,179,000))
30		<u>9,183,000</u>
31	General Fund--State Appropriation (FY 2003) . . . \$	((18,359,000))
32		<u>18,369,000</u>
33	General Fund--Federal Appropriation \$	10,392,000
34	Salary and Insurance Increase Revolving Account	
35	Appropriation \$	((2,735,000))
36		<u>2,809,000</u>
37	TOTAL APPROPRIATION \$	((40,665,000))

1

2 The appropriations in this section shall be expended solely for the
3 purposes designated in this section and are subject to the following
4 conditions and limitations: Funding is provided to implement the
5 salary increase recommendations of the Washington personnel resources
6 board for the priority classes identified through item 8B pursuant to
7 RCW 41.06.152. The salary increases shall be effective January 1,
8 2002.

9 **Sec. 717.** 2001 2nd sp.s. c 7 s 723 (uncodified) is amended to read
10 as follows:

11 **INCENTIVE SAVINGS--FY 2002.** The sum of one hundred million dollars
12 or so much thereof as may be available on June 30, 2002, from the total
13 amount of unspent fiscal year 2002 state general fund appropriations is
14 appropriated for the purposes of RCW 43.79.460 in the manner provided
15 in this section.

16 (1) Of the total appropriated amount, one-half of that portion that
17 is attributable to incentive savings, not to exceed twenty-five million
18 dollars, is appropriated to the savings incentive account for the
19 purpose of improving the quality, efficiency, and effectiveness of
20 agency services, and credited to the agency that generated the savings.

21 (2) Of the total appropriated amount, any amount attributable to
22 unspent general fund--state appropriations in the state need grant
23 program, the state work study program, the Washington scholars program,
24 and the Washington award for vocational excellence program is
25 appropriated to the state financial aid account if Substitute House
26 Bill No. 2914 (state financial aid account) is enacted by June 30,
27 2002.

28 (3) The remainder of the total amount, not to exceed seventy-five
29 million dollars, is appropriated to the education savings account.

30 ((+3)) (4) For purposes of this section, the total amount of
31 unspent state general fund appropriations does not include the
32 appropriations made in this section, amounts included in allotment
33 reductions in sections 706, 707, or 708 of this act, or any amounts
34 included in across-the-board allotment reductions under RCW 43.88.110.

35 **Sec. 718.** 2001 2nd sp.s. c 7 s 724 (uncodified) is amended to read
36 as follows:

1 **INCENTIVE SAVINGS--FY 2003.** The sum of one hundred million dollars
2 or so much thereof as may be available on June 30, 2003, from the total
3 amount of unspent fiscal year 2003 state general fund appropriations is
4 appropriated for the purposes of RCW 43.79.460 in the manner provided
5 in this section.

6 (1) Of the total appropriated amount, one-half of that portion that
7 is attributable to incentive savings, not to exceed twenty-five million
8 dollars, is appropriated to the savings incentive account for the
9 purpose of improving the quality, efficiency, and effectiveness of
10 agency services, and credited to the agency that generated the savings.

11 (2) Of the total appropriated amount, any amount attributable to
12 unspent general fund--state appropriations in the state need grant
13 program, the state work study program, the Washington scholars program,
14 and the Washington award for vocational excellence program is
15 appropriated to the state financial aid account if Substitute House
16 Bill No. 2914 (state financial aid account) is enacted by June 30,
17 2002.

18 (3) The remainder of the total amount, not to exceed seventy-five
19 million dollars, is appropriated to the education savings account.

20 ~~((+3))~~ (4) For purposes of this section, the total amount of
21 unspent state general fund appropriations does not include the
22 appropriations made in this section, amounts included in allotment
23 reductions in sections 706, 707, or 708 of this act, or any amounts
24 included in across-the-board allotment reductions under RCW 43.88.110.

25 NEW SECTION. **Sec. 719.** A new section is added to 2001 2nd sp.s.
26 c 7 (uncodified) to read as follows:

27 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL**
28 **JUSTICE COSTS**

29 General Fund--State Appropriation (FY 2003) \$ 394,000

30 The appropriation in this section is subject to the following
31 conditions and limitations: The director of financial management shall
32 distribute the appropriation to the following counties in the amounts
33 designated for extraordinary criminal justice costs:

34 Franklin \$ 312,000
35 Stevens \$ 82,000

36 NEW SECTION. **Sec. 720.** A new section is added to 2001 2nd sp.s.
37 c 7 (uncodified) to read as follows:

1 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
2 **COUNTY ASSISTANCE**
3 General Fund--State Appropriation (FY 2003) . . . \$ 2,670,000
4 TOTAL APPROPRIATION \$ 2,670,000

5 The appropriation in this section is subject to the following
6 conditions and limitations: The director of community, trade, and
7 economic development shall distribute the appropriation in this section
8 to the following counties in the amounts designated:

9 Asotin County \$ 217,000
10 Columbia County \$ 573,000
11 Ferry County \$ 398,000
12 Garfield County \$ 583,000
13 Lincoln County \$ 151,000
14 Pend Oreille County \$ 143,000
15 Skamania County \$ 88,000
16 Wahkiakum County \$ 517,000
17 TOTAL \$ 2,670,000

18 **Sec. 721.** 2001 2nd sp.s. c 7 s 727 (uncodified) is amended to read
19 as follows:

20 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
21 **COUNTY CORPORATION ASSISTANCE**
22 General Fund--State Appropriation (FY 2002) . . . \$ 24,410,534
23 ((General Fund--State Appropriation (FY 2003) . . . \$ 25,137,970
24 TOTAL APPROPRIATION \$ 49,548,504))

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

27 (1)(a) The department shall withhold distributions under subsection
28 (2) of this section to any county that has not paid its fifty percent
29 share of the employer contribution on behalf of superior court judges
30 for insurance and health care plans and federal social security and
31 medicare and medical aid benefits for the fiscal year. As required by
32 Article IV, section 13 of the state Constitution and 1996 Attorney
33 General's Opinion No. 2, it is the intent of the legislature that the
34 costs of these employer contributions shall be shared equally between
35 the state and county or counties in which the judges serve.

36 (b) After receiving written notification from the office of the
37 administrator for the courts that a county has paid its fifty percent

1 share as required under (a) of this subsection, the department shall
 2 distribute the amount designated for the fiscal year under subsection
 3 (2) of this section.

4 (2) The director of community, trade, and economic development
 5 shall distribute the appropriations to the following counties in the
 6 amounts designated:

		((2001-03))	
8	County	FY 2002	((FY 2003 ————— Biennium))
9	Adams	290,303	((295,993 ————— 586,296))
10	Asotin	422,074	((434,598 ————— 856,672))
11	Benton	966,480	((999,163 ————— 1,965,643))
12	Chelan	637,688	((651,982 ————— 1,289,670))
13	Clallam	444,419	((454,391 ————— 898,810))
14	Clark	641,571	((678,997 ————— 1,320,568))
15	Columbia	561,888	((572,901 ————— 1,134,789))
16	Cowlitz	771,879	((795,808 ————— 1,567,687))
17	Douglas	505,585	((528,184 ————— 1,033,769))
18	Ferry	389,909	((397,551 ————— 787,460))
19	Franklin	442,624	((464,018 ————— 906,642))
20	Garfield	571,303	((582,501 ————— 1,153,804))
21	Grant	579,631	((604,072 ————— 1,183,703))
22	Grays Harbor	540,315	((550,905 ————— 1,091,220))
23	Island	483,589	((503,205 ————— 986,794))
24	Jefferson	239,914	((249,924 ————— 489,838))
25	King	2,661,862	((2,720,716 ————— 5,382,578))
26	Kitsap	469,992	((480,178 ————— 950,170))
27	Kittitas	366,971	((383,027 ————— 749,998))
28	Klickitat	204,726	((217,555 ————— 422,281))
29	Lewis	583,702	((598,004 ————— 1,181,706))
30	Lincoln	290,754	((302,151 ————— 592,905))
31	Mason	905,060	((930,959 ————— 1,836,019))
32	Okanogan	548,848	((560,332 ————— 1,109,180))
33	Pacific	344,047	((350,790 ————— 694,837))
34	Pend Oreille	280,342	((285,837 ————— 566,179))
35	Pierce	1,246,530	((1,284,087 ————— 2,530,617))
36	San Juan	85,712	((91,859 ————— 177,571))
37	Skagit	911,491	((944,914 ————— 1,856,405))
38	Skamania	172,840	((176,228 ————— 349,068))
39	Snohomish	1,017,209	((1,058,571 ————— 2,075,780))
40	Spokane	804,124	((823,359 ————— 1,627,483))
41	Stevens	811,482	((835,598 ————— 1,647,080))
42	Thurston	1,031,888	((1,061,579 ————— 2,093,467))
43	Wahkiakum	507,528	((517,476 ————— 1,025,004))
44	Walla Walla	241,341	((247,105 ————— 488,446))
45	Whatcom	408,025	((429,069 ————— 837,094))
46	Whitman	134,870	((138,191 ————— 273,061))

1	Yakima	1,892,018	((1,936,192 3,828,210))
2	TOTAL APPROPRIATIONS	24,410,534	((25,137,970 49,548,504))

3 **Sec. 722.** 2001 2nd sp.s. c 7 s 728 (uncodified) is amended to read
4 as follows:

5 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
6 **MUNICIPAL CORPORATION ASSISTANCE**

7	General Fund--State Appropriation (FY 2002) . . . \$	45,884,610
8	((General Fund--State Appropriation (FY 2003) . . . \$	47,251,839
9	TOTAL APPROPRIATION \$	93,136,449)

10 The appropriation((s)) in this section ((are)) is subject to the
11 following conditions and limitations:

12 (1) The director of community, trade, and economic development
13 shall distribute the appropriation to the following cities and
14 municipalities in the amounts designated:

15			((2001-03))
16	City	FY 2002	((FY 2003 Biennium))
17	Aberdeen	119,986	((123,562 243,548))
18	Airway Heights	111,259	((114,575 225,834))
19	Albion	66,339	((68,316 134,655))
20	Algona	32,672	((33,646 66,318))
21	Almira	12,519	((12,892 25,411))
22	Anacortes	70,930	((73,044 143,974))
23	Arlington	42,344	((43,606 85,950))
24	Asotin	57,623	((59,340 116,963))
25	Auburn	192,405	((198,139 390,544))
26	Bainbridge Island	293,851	((302,608 596,459))
27	Battle Ground	118,303	((121,828 240,131))
28	Beaux Arts	1,784	((1,837 3,621))
29	Bellevue	524,203	((539,824 1,064,027))
30	Bellingham	369,121	((380,121 749,242))
31	Benton City	111,380	((114,699 226,079))
32	Bingen	6,602	((6,799 13,401))
33	Black Diamond	254,698	((262,288 516,986))
34	Blaine	20,853	((21,474 42,327))
35	Bonney Lake	158,738	((163,468 322,206))
36	Bothell	137,270	((141,361 278,631))
37	Bremerton	214,020	((220,398 434,418))
38	Brewster	11,250	((11,585 22,835))
39	Bridgeport	188,216	((193,825 382,041))
40	Brier	532,011	((547,865 1,079,876))
41	Buckley	68,227	((70,260 138,487))

1	Bucoda	52,876	((54,452	107,328))
2	Burien	284,265	((292,736	577,001))
3	Burlington	27,407	((28,224	55,631))
4	Camas	53,654	((55,253	108,907))
5	Carbonado	56,785	((58,477	115,262))
6	Carnation	9,593	((9,879	19,472))
7	Cashmere	120,801	((124,401	245,202))
8	Castle Rock	29,980	((30,873	60,853))
9	Cathlamet	6,265	((6,452	12,717))
10	Centralia	101,426	((104,448	205,874))
11	Chehalis	34,601	((35,632	70,233))
12	Chelan	19,515	((20,097	39,612))
13	Cheney	314,316	((323,683	637,999))
14	Chewelah	66,731	((68,720	135,451))
15	Clarkston	83,910	((86,411	170,321))
16	Cle Elum	8,692	((8,951	17,643))
17	Clyde Hill	136,778	((140,854	277,632))
18	Colfax	74,672	((76,897	151,569))
19	College Place	526,480	((542,169	1,068,649))
20	Colton	27,473	((28,292	55,765))
21	Colville	23,389	((24,086	47,475))
22	Conconully	13,675	((14,083	27,758))
23	Concrete	27,006	((27,811	54,817))
24	Connell	164,950	((169,866	334,816))
25	Cosmopolis	15,395	((15,854	31,249))
26	Coulee City	2,804	((2,888	5,692))
27	Coulee Dam	61,408	((63,238	124,646))
28	Coupeville	7,708	((7,938	15,646))
29	Covington	690,851	((711,438	1,402,289))
30	Creston	12,905	((13,290	26,195))
31	Cusick	9,341	((9,619	18,960))
32	Darrington	59,838	((61,621	121,459))
33	Davenport	66,350	((68,327	134,677))
34	Dayton	92,685	((95,447	188,132))
35	Deer Park	16,059	((16,538	32,597))
36	Des Moines	1,482,120	((1,526,287	3,008,407))
37	Dupont	8,109	((8,351	16,460))
38	Duvall	66,128	((68,099	134,227))
39	East Wenatchee	30,678	((31,592	62,270))
40	Eatonville	8,848	((9,112	17,960))
41	Edgewood	901,766	((928,639	1,830,405))
42	Edmonds	456,336	((469,935	926,271))
43	Electric City	87,243	((89,843	177,086))
44	Ellensburg	81,982	((84,425	166,407))
45	Elma	84,676	((87,199	171,875))
46	Elmer City	29,811	((30,699	60,510))
47	Endicott	28,758	((29,615	58,373))

1	Entiat	58,244	((59,980	118,224))
2	Enumclaw	53,013	((54,593	107,606))
3	Ephrata	59,987	((61,775	121,762))
4	Everett	495,428	((510,192	1,005,620))
5	Everson	67,517	((69,529	137,046))
6	Fairfield	18,540	((19,092	37,632))
7	Farmington	12,072	((12,432	24,504))
8	Federal Way	470,179	((484,190	954,369))
9	Ferndale	74,669	((76,894	151,563))
10	Fife	25,411	((26,168	51,579))
11	Fircrest	386,146	((397,653	783,799))
12	Forks	110,712	((114,011	224,723))
13	Friday Harbor	9,791	((10,083	19,874))
14	Garfield	45,263	((46,612	91,875))
15	George	19,319	((19,895	39,214))
16	Gig Harbor	31,615	((32,557	64,172))
17	Gold Bar	134,531	((138,540	273,071))
18	Goldendale	49,519	((50,995	100,514))
19	Grand Coulee	5,805	((5,978	11,783))
20	Grandview	256,347	((263,986	520,333))
21	Granger	173,094	((178,252	351,346))
22	Granite Falls	10,946	((11,272	22,218))
23	Hamilton	17,437	((17,957	35,394))
24	Harrah	46,947	((48,346	95,293))
25	Harrington	18,107	((18,647	36,754))
26	Hartline	11,392	((11,731	23,123))
27	Hatton	12,176	((12,539	24,715))
28	Hoquiam	374,903	((386,075	760,978))
29	Hunts Point	2,432	((2,504	4,936))
30	Ilwaco	13,150	((13,542	26,692))
31	Index	4,181	((4,306	8,487))
32	Ione	17,566	((18,089	35,655))
33	Issaquah	50,002	((51,492	101,494))
34	Kahlotus	20,210	((20,812	41,022))
35	Kalama	7,892	((8,127	16,019))
36	Kelso	68,904	((70,957	139,861))
37	Kenmore	1,099,395	((1,132,157	2,231,552))
38	Kennewick	293,534	((302,281	595,815))
39	Kent	360,624	((371,371	731,995))
40	Kettle Falls	64,422	((66,342	130,764))
41	Kirkland	221,429	((228,028	449,457))
42	Kittitas	72,698	((74,864	147,562))
43	Krupp	4,445	((4,577	9,022))
44	La Center	34,415	((35,441	69,856))
45	La Conner	3,817	((3,931	7,748))
46	La Crosse	20,141	((20,741	40,882))
47	Lacey	143,243	((147,512	290,755))

1	Lake Forest Park	897,932	((924,690 ————— 1,822,622))
2	Lake Stevens	142,295	((146,535 ————— 288,830))
3	Lakewood	2,955,109	((3,043,171 ————— 5,998,280))
4	Lamont	7,492	((7,715 ————— 15,207))
5	Langley	5,303	((5,461 ————— 10,764))
6	Latah	11,962	((12,318 ————— 24,280))
7	Leavenworth	12,189	((12,552 ————— 24,741))
8	Lind	2,217	((2,283 ————— 4,500))
9	Long Beach	10,269	((10,575 ————— 20,844))
10	Longview	249,836	((257,281 ————— 507,117))
11	Lyman	16,741	((17,240 ————— 33,981))
12	Lynden	42,717	((43,990 ————— 86,707))
13	Lynnwood	163,579	((168,454 ————— 332,033))
14	Mabton	142,491	((146,737 ————— 289,228))
15	Malden	21,588	((22,231 ————— 43,819))
16	Mansfield	26,744	((27,541 ————— 54,285))
17	Maple Valley	359,478	((370,190 ————— 729,668))
18	Marcus	14,126	((14,547 ————— 28,673))
19	Marysville	102,028	((105,068 ————— 207,096))
20	Mattawa	100,064	((103,046 ————— 203,110))
21	McCleary	105,807	((108,960 ————— 214,767))
22	Medical Lake	114,323	((117,730 ————— 232,053))
23	Medina	14,355	((14,783 ————— 29,138))
24	Mercer Island	383,527	((394,956 ————— 778,483))
25	Mesa	16,835	((17,337 ————— 34,172))
26	Metaline	14,150	((14,572 ————— 28,722))
27	Metaline Falls	7,718	((7,948 ————— 15,666))
28	Mill Creek	174,495	((179,695 ————— 354,190))
29	Millwood	22,619	((23,293 ————— 45,912))
30	Milton	28,030	((28,865 ————— 56,895))
31	Monroe	56,517	((58,201 ————— 114,718))
32	Montesano	60,229	((62,024 ————— 122,253))
33	Morton	5,891	((6,067 ————— 11,958))
34	Moses Lake	105,670	((108,819 ————— 214,489))
35	Mossyrock	16,545	((17,038 ————— 33,583))
36	Mount Vernon	130,780	((134,677 ————— 265,457))
37	Mountlake Terrace	711,188	((732,381 ————— 1,443,569))
38	Moxee	40,448	((41,653 ————— 82,101))
39	Mukilteo	274,482	((282,662 ————— 557,144))
40	Naches	7,632	((7,859 ————— 15,491))
41	Napavine	96,030	((98,892 ————— 194,922))
42	Nespelem	17,614	((18,139 ————— 35,753))
43	Newcastle	290,801	((299,467 ————— 590,268))
44	Newport	13,223	((13,617 ————— 26,840))
45	Nooksack	58,178	((59,912 ————— 118,090))
46	Normandy Park	489,113	((503,689 ————— 992,802))
47	North Bend	20,754	((21,372 ————— 42,126))

1	North Bonneville	30,574	((31,485 ————— 62,059))
2	Northport	23,489	((24,189 ————— 47,678))
3	Oak Harbor	278,157	((286,446 ————— 564,603))
4	Oakesdale	31,060	((31,986 ————— 63,046))
5	Oakville	43,411	((44,705 ————— 88,116))
6	Ocean Shores	64,837	((66,769 ————— 131,606))
7	Odessa	4,721	((4,862 ————— 9,583))
8	Okanogan	12,323	((12,690 ————— 25,013))
9	Olympia	198,476	((204,391 ————— 402,867))
10	Omak	26,117	((26,895 ————— 53,012))
11	Oroville	12,506	((12,879 ————— 25,385))
12	Orting	191,211	((196,909 ————— 388,120))
13	Othello	26,808	((27,607 ————— 54,415))
14	Pacific	69,124	((71,184 ————— 140,308))
15	Palouse	55,067	((56,708 ————— 111,775))
16	Pasco	131,298	((135,211 ————— 266,509))
17	Pateros	28,021	((28,856 ————— 56,877))
18	Pe Ell	54,800	((56,433 ————— 111,233))
19	Pomeroy	52,485	((54,049 ————— 106,534))
20	Port Angeles	124,595	((128,308 ————— 252,903))
21	Port Orchard	41,797	((43,043 ————— 84,840))
22	Port Townsend	47,126	((48,530 ————— 95,656))
23	Poulsbo	31,812	((32,760 ————— 64,572))
24	Prescott	12,349	((12,717 ————— 25,066))
25	Prosser	24,137	((24,856 ————— 48,993))
26	Pullman	584,659	((602,082 ————— 1,186,741))
27	Puyallup	151,732	((156,254 ————— 307,986))
28	Quincy	20,244	((20,847 ————— 41,091))
29	Rainier	111,521	((114,844 ————— 226,365))
30	Raymond	85,311	((87,853 ————— 173,164))
31	Reardan	38,184	((39,322 ————— 77,506))
32	Redmond	215,259	((221,674 ————— 436,933))
33	Renton	235,053	((242,058 ————— 477,111))
34	Republic	25,085	((25,833 ————— 50,918))
35	Richland	441,733	((454,897 ————— 896,630))
36	Ridgefield	55,637	((57,295 ————— 112,932))
37	Ritzville	8,498	((8,751 ————— 17,249))
38	Riverside	27,204	((28,015 ————— 55,219))
39	Rock Island	36,527	((37,616 ————— 74,143))
40	Rockford	18,965	((19,530 ————— 38,495))
41	Rosalia	36,719	((37,813 ————— 74,532))
42	Roslyn	64,571	((66,495 ————— 131,066))
43	Roy	1,709	((1,760 ————— 3,469))
44	Royal City	66,657	((68,643 ————— 135,300))
45	Ruston	50,309	((51,808 ————— 102,117))
46	Sammamish	2,361,433	((2,431,804 ————— 4,793,237))
47	Seatac	132,183	((136,122 ————— 268,305))

1	Seattle	3,189,346	((3,284,389	6,473,735))
2	Sedro-Woolley	54,896	((56,532	111,428))
3	Selah	80,704	((83,109	163,813))
4	Sequim	21,867	((22,519	44,386))
5	Shelton	58,160	((59,893	118,053))
6	Shoreline	1,485,138	((1,529,395	3,014,533))
7	Skykomish	1,417	((1,459	2,876))
8	Snohomish	40,722	((41,936	82,658))
9	Snoqualmie	9,587	((9,873	19,460))
10	Soap Lake	102,783	((105,846	208,629))
11	South Bend	75,826	((78,086	153,912))
12	South Cle Elum	46,847	((48,243	95,090))
13	South Prairie	18,788	((19,348	38,136))
14	Spangle	1,397	((1,439	2,836))
15	Spokane	1,116,419	((1,149,688	2,266,107))
16	Sprague	22,930	((23,613	46,543))
17	Springdale	11,080	((11,410	22,490))
18	St. John	4,245	((4,372	8,617))
19	Stanwood	21,141	((21,771	42,912))
20	Starbuck	8,949	((9,216	18,165))
21	Steilacoom	285,807	((294,324	580,131))
22	Stevenson	11,673	((12,021	23,694))
23	Sultan	63,199	((65,082	128,281))
24	Sumas	7,885	((8,120	16,005))
25	Sumner	41,931	((43,181	85,112))
26	Sunnyside	70,805	((72,915	143,720))
27	Tacoma	1,384,646	((1,425,908	2,810,554))
28	Tekoa	49,373	((50,844	100,217))
29	Tenino	68,820	((70,871	139,691))
30	Tieton	74,506	((76,726	151,232))
31	Toledo	8,084	((8,325	16,409))
32	Tonasket	5,500	((5,664	11,164))
33	Toppenish	443,488	((456,704	900,192))
34	Tukwila	75,320	((77,565	152,885))
35	Tumwater	61,848	((63,691	125,539))
36	Twisp	4,793	((4,936	9,729))
37	Union Gap	27,129	((27,937	55,066))
38	Uniontown	19,805	((20,395	40,200))
39	University Place	1,889,912	((1,946,231	3,836,143))
40	Vader	40,643	((41,854	82,497))
41	Vancouver	1,177,584	((1,212,676	2,390,260))
42	Waitsburg	81,097	((83,514	164,611))
43	Walla Walla	318,679	((328,176	646,855))
44	Wapato	230,783	((237,660	468,443))
45	Warden	105,612	((108,759	214,371))
46	Washougal	177,022	((182,297	359,319))
47	Washtucna	20,654	((21,269	41,923))

1	Waterville	72,880	((75,052 147,932))
2	Waverly	10,256	((10,562 20,818))
3	Wenatchee	147,602	((152,001 299,603))
4	West Richland	489,752	((504,347 994,099))
5	Westport	13,715	((14,124 27,839))
6	White Salmon	53,746	((55,348 109,094))
7	Wilbur	23,614	((24,318 47,932))
8	Wilkeson	18,762	((19,321 38,083))
9	Wilson Creek	18,403	((18,951 37,354))
10	Winlock	35,212	((36,261 71,473))
11	Winthrop	1,756	((1,808 3,564))
12	Woodinville	56,052	((57,722 113,774))
13	Woodland	17,960	((18,495 36,455))
14	Woodway	12,513	((12,886 25,399))
15	Yacolt	36,636	((37,728 74,364))
16	Yakima	487,766	((502,301 990,067))
17	Yarrow Point	32,121	((33,078 65,199))
18	Yelm	15,677	((16,144 31,821))
19	Zillah	100,818	((103,822 204,640))
20	TOTAL APPROPRIATIONS	45,545,942	((46,903,217 92,449,159))

21 (2) \$338,668 for fiscal year 2002 (~~and \$348,622 for fiscal year~~
22 ~~2003~~) from this appropriation (~~are~~) is provided solely to address
23 the contingencies listed in this subsection. The department shall
24 distribute the moneys no later than March 31, 2002, (~~and March 31,~~
25 ~~2003,~~) for the respective appropriations. Moneys shall be distributed
26 for the following purposes, ranked in order of priority:

27 (a) To correct for data errors in the determination of
28 distributions in subsection (1) of this section;

29 (b) To distribute to newly qualifying jurisdictions as if the
30 jurisdiction had been in existence prior to November 1999;

31 (c) To allocate under emergency situations as determined by the
32 director of the department of community, trade, and economic
33 development in consultation with the association of Washington cities;
34 and

35 (d) After April 1 (~~st of each year in the fiscal biennium ending~~
36 ~~June 30, 2003~~), 2001, any moneys remaining from the amounts provided
37 in this subsection shall be prorated and distributed to cities and
38 towns on the basis of the amounts distributed for emergency
39 considerations in November 2000 as provided in section 729, chapter 1,
40 Laws of 2000, 2nd sp. sess.

1 **Sec. 723.** 2001 2nd sp.s. c 7 s 730 (uncodified) is amended to read
2 as follows:

3 **FOR THE LIABILITY ACCOUNT**

4	<u>General Fund--State Appropriation (FY 2002)</u>	\$	<u>12,000,000</u>
5	General Fund--State Appropriation (FY 2003)	\$((6,392,000)
6			<u>19,392,000</u>
7	((State Surplus Assets Reserve Fund--State		
8	Appropriation	\$	25,000,000))
9	TOTAL APPROPRIATION	\$	31,392,000

10 The appropriations in this section are provided solely for deposit
11 in the liability account.

12 NEW SECTION. **Sec. 724.** A new section is added to 2001 2nd sp.s.
13 c 7 (uncodified) to read as follows:

14 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
15 be necessary, are appropriated from the general fund, unless otherwise
16 indicated, for relief of various individuals, firms, and corporations
17 for sundry claims. These appropriations are to be disbursed on
18 vouchers approved by the director of general administration, except as
19 otherwise provided, as follows:

20 (1) Reimbursement of criminal defendants acquitted on the basis of
21 self-defense, pursuant to RCW 9A.16.110:

- 22 (a) Eythor Westman, claim number SCJ 02-01 \$ 7,000
- 23 (b) Stacey Julian, claim number SCJ 02-02 \$ 59,136
- 24 (c) Christopher Denney, claim number SCJ 02-03 \$ 11,598
- 25 (d) Onofre Vasquez, claim number SCJ 02-04 \$ 200
- 26 (e) William Voorhees, claim number SCJ 02-05 \$ 3,694
- 27 (f) Glenn Rowlison, claim number SCJ 02-06 \$ 14,395
- 28 (g) Frankie Doerr, claim number SCJ 02-07 \$ 9,100
- 29 (h) Ralph Howard, claim number SCJ 00-09 \$ 99,497
- 30 (i) Johnny Adams, claim number SCJ 01-17 \$ 11,916
- 31 (j) Shane Mathus, claim number SCJ 02-08 \$ 13,043
- 32 (k) Timothy Farnum, claim number SCJ 02-09 \$ 21,822
- 33 (l) Rebecca Williams, claim number SCJ 02-10 \$ 2,241
- 34 (m) Stewart Bailey, claim number SCJ 02-11 \$ 4,186
- 35 (n) Aaron Knaack, claim number SCJ 02-13 \$ 4,330
- 36 (o) Jacob Clark, claim number SCJ 02-14 \$ 11,613

37 (2) Payment from the state wildlife account for damage to crops by
38 wildlife, pursuant to RCW 77.36.050:

1	(a) Ronald Palmer, claim number SCG 02-01	\$ 1,522
2	(b) Keith Morris, claim number SCG 02-02	\$ 1,315
3	(c) Edgar Roush, claim number SCG 02-03	\$ 1,459

4 (End of part)

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>7,526,700</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>57,405,032</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 Local Toxics Control Account: For transfer
25 to the state toxics control account.
26 Transferred funds will be utilized
27 for methamphetamine lab cleanup, to
28 address areawide soil contamination
29 problems, and clean up contaminated
30 sites as part of the clean sites
31 initiative \$ 6,000,000

32 State Toxics Control Account: For transfer
33 to the water quality account for water
34 quality related projects funded in the
35 capital budget \$ 9,000,000

36 General Fund: For transfer to the flood
37 control assistance account \$ 4,000,000

1 Water Quality Account: For transfer to the
2 water pollution control account. Transfers
3 shall be made at intervals coinciding with
4 deposits of federal capitalization grant
5 money into the account. The amounts
6 transferred shall not exceed the match
7 required for each federal deposit \$ 12,564,487

8 Health Services Account: For transfer
9 to the water quality account \$ 6,447,500

10 State Treasurer's Service Account: For
11 transfer to the general fund on or
12 before June 30, 2003, an amount in excess
13 of the cash requirements of the state
14 treasurer's service account. Pursuant to
15 RCW 43.135.035(5), the state expenditure
16 limit shall be increased by \$4,000,000 in
17 fiscal year 2002 and by \$8,587,000 in fiscal
18 year 2003 to reflect this transfer \$ ((8,000,000))
19 12,587,000

20 Public Works Assistance Account: For
21 transfer to the drinking water
22 assistance account \$ 7,700,000

23 Tobacco Settlement Account: For transfer
24 to the health services account, in an
25 amount not to exceed the actual balance
26 of the tobacco settlement account \$ ((310,000,000))
27 265,000,000

28 General Fund: For transfer to the water quality
29 account \$ ((60,325,000))
30 60,821,172

31 Health Services Account: For
32 transfer to the state general fund
33 by June 30, 2002. Pursuant to RCW
34 43.135.035(5), the state expenditure
35 limit shall be increased in fiscal
36 year 2002 to reflect this transfer \$ 130,000,000

37 Health Services Account: For
38 transfer to the state general fund
39 ((by)) on June ((30)) 28, 2003. Pursuant

1 to RCW 43.135.035(5), the state expenditure
2 limit shall be increased in fiscal
3 year 2003 to reflect this transfer \$ 20,000,000
4 (~~State Surplus Assets Reserve Fund: For~~
5 ~~transfer to the multimodal transportation~~
6 ~~account by June 30, 2002 \$ 70,000,000~~)
7 Multimodal Transportation Account: For
8 transfer to the state general fund
9 by June 30, 2002. Pursuant to RCW
10 43.135.035(5), the state expenditure
11 limit shall be increased in fiscal
12 year 2002 to reflect this transfer \$ 70,000,000
13 Health Service Account: For transfer
14 to the violence reduction and drug
15 enforcement account \$ 6,497,500
16 Gambling Revolving Account: For transfer
17 to the state general fund, \$2,000,000
18 for fiscal year 2002 and \$450,000 for
19 fiscal year 2003 \$ 2,450,000
20 Horticultural Districts Account: For transfer
21 to the fruit and vegetable inspection
22 account \$ 11,075,000
23 Agricultural Local Account: For
24 transfer to the fruit and vegetable
25 inspection account \$ 605,000
26 Nisqually Earthquake Account: For transfer to
27 the disaster response account for fire
28 suppression and mobilization costs \$ 32,698,000
29 Enhanced 911 Account: For transfer to
30 the state general fund for fiscal
31 year 2003 \$ 6,000,000
32 Clarke-McNary Fund: For transfer to the
33 state general fund for fiscal year 2002 . . . \$ 4,000,000
34 State Investment Board Expense Account: For
35 transfer to the state general fund for
36 fiscal year 2003 \$ 194,000
37 State Drought Preparedness Account: For
38 transfer to the state general fund for
39 fiscal year 2002 \$ 3,000,000

1	<u>Financial Services Regulation Fund: For</u>	
2	<u>transfer to the state general fund,</u>	
3	<u>\$2,250,000 for fiscal year 2002 and</u>	
4	<u>\$357,000 for fiscal year 2003</u>	<u>\$ 2,607,000</u>
5	<u>Off-Road Vehicle (ORV) Account: For</u>	
6	<u>transfer to the state general fund</u>	
7	<u>for fiscal year 2003</u>	<u>\$ 57,000</u>
8	<u>Snowmobile Account: For transfer</u>	
9	<u>to the state general fund for</u>	
10	<u>fiscal year 2003</u>	<u>\$ 70,000</u>
11	<u>Insurance Commissioner's Regulatory Account:</u>	
12	<u>For transfer to the state general fund</u>	
13	<u>for fiscal year 2003</u>	<u>\$ 366,000</u>
14	<u>Worker and Community Right to Know Account:</u>	
15	<u>For transfer to the state general fund</u>	
16	<u>for fiscal year 2003</u>	<u>\$ 53,000</u>
17	<u>Industrial Insurance Premium Refund Account:</u>	
18	<u>For transfer to the state general fund</u>	
19	<u>for fiscal year 2002</u>	<u>\$ 1,000,000</u>
20	<u>Liquor Control Board Construction and</u>	
21	<u>Maintenance Account: For transfer</u>	
22	<u>to the state general fund for fiscal</u>	
23	<u>year 2003</u>	<u>\$ 1,067,000</u>
24	<u>Horse Racing Commission Account: For transfer</u>	
25	<u>to the state general fund for fiscal</u>	
26	<u>year 2003</u>	<u>\$ 68,000</u>
27	<u>State Convention and Trade Center Operations</u>	
28	<u>Account: For transfer to the state</u>	
29	<u>general fund for fiscal year 2003</u>	<u>\$ 579,000</u>
30	<u>Lottery Administrative Account: For transfer</u>	
31	<u>to the state general fund for fiscal</u>	
32	<u>year 2003</u>	<u>\$ 335,000</u>
33	<u>Waste Reduction, Recycling, and Litter Control</u>	
34	<u>Account: For transfer to the state general</u>	
35	<u>fund for fiscal year 2003</u>	<u>\$ 187,000</u>
36	<u>Air Operating Permit Account: For transfer</u>	
37	<u>to the state general fund for fiscal</u>	
38	<u>year 2003</u>	<u>\$ 54,000</u>
39	<u>Hazardous Waste Assistance Account: For</u>	

1	<u>transfer to the state general fund</u>	
2	<u>for fiscal year 2003</u>	\$ 54,000
3	<u>Local Toxics Control Account: For transfer</u>	
4	<u>to the state general fund, \$4,000,000</u>	
5	<u>for fiscal year 2002 and \$77,000 for</u>	
6	<u>fiscal year 2003</u>	\$ 4,077,000
7	<u>State Toxics Control Account: For transfer</u>	
8	<u>to the state general fund for fiscal</u>	
9	<u>year 2003</u>	\$ 770,000
10	<u>Water Quality Account: For transfer</u>	
11	<u>to the state general fund for fiscal</u>	
12	<u>year 2003</u>	\$ 40,000
13	<u>Emergency Medical Services and Trauma Care</u>	
14	<u>System Trust Account: For transfer</u>	
15	<u>to the state general fund for fiscal</u>	
16	<u>year 2002</u>	\$ 6,000,000
17	<u>Wildlife Account: For transfer to the state</u>	
18	<u>general fund for fiscal year 2003</u>	\$ 723,000
19	<u>Warm Water Game Fish Account: For transfer</u>	
20	<u>to the state general fund for fiscal</u>	
21	<u>year 2003</u>	\$ 49,000
22	<u>Aquatic Lands Enhancement Account: For transfer</u>	
23	<u>to the state general fund for fiscal</u>	
24	<u>year 2003</u>	\$ 197,000
25	<u>State Parks Renewal and Stewardship Account:</u>	
26	<u>For transfer to the state general fund</u>	
27	<u>for fiscal year 2003</u>	\$ 378,000
28	<u>Public Service Revolving Account: For transfer</u>	
29	<u>to the state general fund for fiscal</u>	
30	<u>year 2003</u>	\$ 406,000
31	<u>Local Leasehold Excise Tax Account: For transfer</u>	
32	<u>of interest to the state general fund by</u>	
33	<u>June 1, 2002, for fiscal year 2002</u>	\$ 1,000,000
34	<u>Water Quality Permit Account: For transfer</u>	
35	<u>to the state general fund for fiscal</u>	
36	<u>year 2003</u>	\$ 362,000
37	<u>Oil Spill Prevention Account: For transfer</u>	
38	<u>to the state general fund for fiscal</u>	
39	<u>year 2003</u>	\$ 163,000

1 (2) Funds appropriated by the legislature for the community and
2 technical college exceptional faculty awards program shall be deposited
3 in the college faculty awards trust fund. At the request of the
4 college board, the treasurer shall release the state matching funds to
5 the local endowment fund of the college or its foundation. No
6 appropriation is necessary for the expenditure of moneys from the fund.
7 During the 2001-2003 fiscal biennium, the legislature may appropriate
8 funds from the college faculty awards trust fund for the purposes of
9 the settlement costs of the *Mader v. State* litigation regarding
10 retirement contributions on behalf of part-time faculty.

11 **Sec. 903.** RCW 38.52.106 and 2001 c 5 s 2 are each amended to read
12 as follows:

13 The Nisqually earthquake account is created in the state treasury.
14 Moneys may be placed in the account from tax revenues, budget transfers
15 or appropriations, federal appropriations, gifts, or any other lawful
16 source. Moneys in the account may be spent only after appropriation.
17 Moneys in the account shall be used only to support state and local
18 government disaster response and recovery efforts associated with the
19 Nisqually earthquake. During the 2001-2003 fiscal biennium, the
20 legislature may transfer moneys from the Nisqually earthquake account
21 to the disaster response account for fire suppression and mobilization
22 costs.

23 **Sec. 904.** RCW 38.52.540 and 2001 c 128 s 2 are each amended to
24 read as follows:

25 The enhanced 911 account is created in the state treasury. All
26 receipts from the state enhanced 911 excise tax imposed by RCW
27 82.14B.030 shall be deposited into the account. Moneys in the account
28 shall be used only to support the statewide coordination and management
29 of the enhanced 911 system and to help supplement, within available
30 funds, the operational costs of the system. Funds shall not be
31 distributed to any county that has not imposed the maximum county
32 enhanced 911 taxes allowed under RCW 82.14B.030 (1) and (2). The state
33 enhanced 911 coordinator, with the advice and assistance of the
34 enhanced 911 advisory committee, is authorized to enter into statewide
35 agreements to improve the efficiency of enhanced 911 services for all
36 counties and shall specify by rule the additional purposes for which
37 moneys, if available, may be expended from this account. During the

1 2001-2003 fiscal biennium, the legislature may transfer from the
2 enhanced 911 account to the state general fund such amounts as reflect
3 the excess fund balance of the account.

4 **Sec. 905.** RCW 41.06.150 and 1999 c 297 s 3 are each amended to
5 read as follows:

6 The board shall adopt rules, consistent with the purposes and
7 provisions of this chapter, as now or hereafter amended, and with the
8 best standards of personnel administration, regarding the basis and
9 procedures to be followed for:

10 (1) The reduction, dismissal, suspension, or demotion of an
11 employee;

12 (2) Certification of names for vacancies, including departmental
13 promotions, with the number of names equal to six more names than there
14 are vacancies to be filled, such names representing applicants rated
15 highest on eligibility lists: PROVIDED, That when other applicants
16 have scores equal to the lowest score among the names certified, their
17 names shall also be certified;

18 (3) Examinations for all positions in the competitive and
19 noncompetitive service;

20 (4) Appointments;

21 (5) Training and career development;

22 (6) Probationary periods of six to twelve months and rejections of
23 probationary employees, depending on the job requirements of the class,
24 except that entry level state park rangers shall serve a probationary
25 period of twelve months;

26 (7) Transfers;

27 (8) Sick leaves and vacations;

28 (9) Hours of work;

29 (10) Layoffs when necessary and subsequent reemployment, both
30 according to seniority;

31 (11) Determination of appropriate bargaining units within any
32 agency: PROVIDED, That in making such determination the board shall
33 consider the duties, skills, and working conditions of the employees,
34 the history of collective bargaining by the employees and their
35 bargaining representatives, the extent of organization among the
36 employees, and the desires of the employees;

37 (12) Certification and decertification of exclusive bargaining
38 representatives: PROVIDED, That after certification of an exclusive

1 bargaining representative and upon the representative's request, the
2 director shall hold an election among employees in a bargaining unit to
3 determine by a majority whether to require as a condition of employment
4 membership in the certified exclusive bargaining representative on or
5 after the thirtieth day following the beginning of employment or the
6 date of such election, whichever is the later, and the failure of an
7 employee to comply with such a condition of employment constitutes
8 cause for dismissal: PROVIDED FURTHER, That no more often than once in
9 each twelve-month period after expiration of twelve months following
10 the date of the original election in a bargaining unit and upon
11 petition of thirty percent of the members of a bargaining unit the
12 director shall hold an election to determine whether a majority wish to
13 rescind such condition of employment: PROVIDED FURTHER, That for
14 purposes of this clause, membership in the certified exclusive
15 bargaining representative is satisfied by the payment of monthly or
16 other periodic dues and does not require payment of initiation,
17 reinstatement, or any other fees or fines and includes full and
18 complete membership rights: AND PROVIDED FURTHER, That in order to
19 safeguard the right of nonassociation of public employees, based on
20 bona fide religious tenets or teachings of a church or religious body
21 of which such public employee is a member, such public employee shall
22 pay to the union, for purposes within the program of the union as
23 designated by such employee that would be in harmony with his or her
24 individual conscience, an amount of money equivalent to regular union
25 dues minus any included monthly premiums for union-sponsored insurance
26 programs, and such employee shall not be a member of the union but is
27 entitled to all the representation rights of a union member;

28 (13) Agreements between agencies and certified exclusive bargaining
29 representatives providing for grievance procedures and collective
30 negotiations on all personnel matters over which the appointing
31 authority of the appropriate bargaining unit of such agency may
32 lawfully exercise discretion;

33 (14) Written agreements may contain provisions for payroll
34 deductions of employee organization dues upon authorization by the
35 employee member and for the cancellation of such payroll deduction by
36 the filing of a proper prior notice by the employee with the appointing
37 authority and the employee organization: PROVIDED, That nothing
38 contained herein permits or grants to any employee the right to strike
39 or refuse to perform his or her official duties;

1 (15) Adoption and revision of a comprehensive classification plan
2 for all positions in the classified service, based on investigation and
3 analysis of the duties and responsibilities of each such position.

4 (a) The board shall not adopt job classification revisions or class
5 studies unless implementation of the proposed revision or study will
6 result in net cost savings, increased efficiencies, or improved
7 management of personnel or services, and the proposed revision or study
8 has been approved by the director of financial management in accordance
9 with chapter 43.88 RCW.

10 (b) Beginning July 1, 1995, through June 30, 1997, in addition to
11 the requirements of (a) of this subsection:

12 (i) The board may approve the implementation of salary increases
13 resulting from adjustments to the classification plan during the 1995-
14 97 fiscal biennium only if:

15 (A) The implementation will not result in additional net costs and
16 the proposed implementation has been approved by the director of
17 financial management in accordance with chapter 43.88 RCW;

18 (B) The implementation will take effect on July 1, 1996, and the
19 total net cost of all such actions approved by the board for
20 implementation during the 1995-97 fiscal biennium does not exceed the
21 amounts specified by the legislature specifically for this purpose; or

22 (C) The implementation is a result of emergent conditions.
23 Emergent conditions are defined as emergency situations requiring the
24 establishment of positions necessary for the preservation of the public
25 health, safety, or general welfare, which do not exceed \$250,000 of the
26 moneys identified in section 718(2), chapter 18, Laws of 1995 2nd sp.
27 sess.

28 (ii) The board shall approve only those salary increases resulting
29 from adjustments to the classification plan if they are due to
30 documented recruitment and retention difficulties, salary compression
31 or inversion, increased duties and responsibilities, or inequities.
32 For these purposes, inequities are defined as similar work assigned to
33 different job classes with a salary disparity greater than 7.5 percent.

34 (iii) Adjustments made to the higher education hospital special pay
35 plan are exempt from (b)(i) through (ii) of this subsection.

36 (c) Reclassifications, class studies, and salary adjustments to be
37 implemented during the 1997-99 and subsequent fiscal biennia are
38 governed by (a) of this subsection and RCW 41.06.152;

1 (16) Allocation and reallocation of positions within the
2 classification plan;

3 (17) Adoption and revision of a state salary schedule to reflect
4 the prevailing rates in Washington state private industries and other
5 governmental units but the rates in the salary schedules or plans shall
6 be increased if necessary to attain comparable worth under an
7 implementation plan under RCW 41.06.155 and that, for institutions of
8 higher education and related boards, shall be competitive for positions
9 of a similar nature in the state or the locality in which an
10 institution of higher education or related board is located, such
11 adoption and revision subject to approval by the director of financial
12 management in accordance with the provisions of chapter 43.88 RCW;

13 (18) Increment increases within the series of steps for each pay
14 grade based on length of service for all employees whose standards of
15 performance are such as to permit them to retain job status in the
16 classified service;

17 (19) Optional lump sum relocation compensation approved by the
18 agency director, whenever it is reasonably necessary that a person make
19 a domiciliary move in accepting a transfer or other employment with the
20 state. An agency must provide lump sum compensation within existing
21 resources. If the person receiving the relocation payment terminates
22 or causes termination with the state, for reasons other than layoff,
23 disability separation, or other good cause as determined by an agency
24 director, within one year of the date of the employment, the state is
25 entitled to reimbursement of the lump sum compensation from the person;

26 (20) Providing for veteran's preference as required by existing
27 statutes, with recognition of preference in regard to layoffs and
28 subsequent reemployment for veterans and their surviving spouses by
29 giving such eligible veterans and their surviving spouses additional
30 credit in computing their seniority by adding to their unbroken state
31 service, as defined by the board, the veteran's service in the military
32 not to exceed five years. For the purposes of this section, "veteran"
33 means any person who has one or more years of active military service
34 in any branch of the armed forces of the United States or who has less
35 than one year's service and is discharged with a disability incurred in
36 the line of duty or is discharged at the convenience of the government
37 and who, upon termination of such service has received an honorable
38 discharge, a discharge for physical reasons with an honorable record,
39 or a release from active military service with evidence of service

1 other than that for which an undesirable, bad conduct, or dishonorable
2 discharge shall be given: PROVIDED, HOWEVER, That the surviving spouse
3 of a veteran is entitled to the benefits of this section regardless of
4 the veteran's length of active military service: PROVIDED FURTHER,
5 That for the purposes of this section "veteran" does not include any
6 person who has voluntarily retired with twenty or more years of active
7 military service and whose military retirement pay is in excess of five
8 hundred dollars per month;

9 (21) Permitting agency heads to delegate the authority to appoint,
10 reduce, dismiss, suspend, or demote employees within their agencies if
11 such agency heads do not have specific statutory authority to so
12 delegate: PROVIDED, That the board may not authorize such delegation
13 to any position lower than the head of a major subdivision of the
14 agency;

15 (22) Assuring persons who are or have been employed in classified
16 positions before July 1, 1993, will be eligible for employment,
17 reemployment, transfer, and promotion in respect to classified
18 positions covered by this chapter;

19 (23) Affirmative action in appointment, promotion, transfer,
20 recruitment, training, and career development; development and
21 implementation of affirmative action goals and timetables; and
22 monitoring of progress against those goals and timetables.

23 The board shall consult with the human rights commission in the
24 development of rules pertaining to affirmative action. The department
25 of personnel shall transmit a report annually to the human rights
26 commission which states the progress each state agency has made in
27 meeting affirmative action goals and timetables.

28 Notwithstanding this section and rules of the board adopted under
29 this section, agencies may place employees on temporary unpaid leave
30 during the 2001-2003 fiscal biennium for the purpose of implementing
31 appropriations reductions enacted in the 2002 supplemental
32 appropriations act. Mandatory unpaid leave must be approved by the
33 agency director, and must be, to the greatest extent possible, mutually
34 agreeable to the employee and employer. Employees taking mandatory
35 temporary unpaid leave will not lose seniority, leave accrual, or
36 health insurance benefits.

37 **Sec. 906.** RCW 43.10.220 and 1999 c 309 s 916 are each amended to
38 read as follows:

1 The attorney general is authorized to expend from the antitrust
2 revolving fund, created by RCW 43.10.210 through 43.10.220, such funds
3 as are necessary for the payment of costs, expenses and charges
4 incurred in the preparation, institution and maintenance of antitrust
5 actions under the state and federal antitrust acts. During the ((1999-
6 01)) 2001-03 fiscal biennium, the attorney general may expend ((up to
7 one million three hundred thousand dollars)) from the antitrust
8 revolving fund for the purposes of ((implementing a case management
9 data processing system for the centralized management of cases and
10 workload, including antitrust and other complex litigation)) the
11 consumer protection activities of the office.

12 **Sec. 907.** RCW 43.30.360 and 1986 c 100 s 46 are each amended to
13 read as follows:

14 The department and Washington State University may each receive
15 funds from the federal government in connection with cooperative work
16 with the United States department of agriculture, authorized by
17 sections 4 and 5 of the Clarke-McNary act of congress, approved June 7,
18 1924, providing for the procurement, protection, and distribution of
19 forestry seed and plants for the purpose of establishing windbreaks,
20 shelter belts, and farm wood lots and to assist the owners of farms in
21 establishing, improving, and renewing wood lots, shelter belts, and
22 windbreaks; and are authorized to disburse such funds as needed.
23 During the 2001-2003 fiscal biennium, the legislature may transfer from
24 the Clarke-McNary fund to the state general fund such amounts as
25 reflect the excess fund balance of the Clarke-McNary fund.

26 **Sec. 908.** RCW 43.33A.160 and 1991 sp.s. c 13 s 32 are each amended
27 to read as follows:

28 (1) The state investment board shall be funded from the earnings of
29 the funds managed by the state investment board, proportional to the
30 value of the assets of each fund, subject to legislative appropriation.

31 (2) There is established in the state treasury a state investment
32 board expense account from which shall be paid the operating expenses
33 of the state investment board. Prior to November 1 of each even-
34 numbered year, the state investment board shall determine and certify
35 to the state treasurer and the office of financial management the value
36 of the various funds managed by the investment board in order to
37 determine the proportional liability of the funds for the operating

1 expenses of the state investment board. Pursuant to appropriation, the
2 state treasurer is authorized to transfer such moneys from the various
3 funds managed by the investment board to the state investment board
4 expense account as are necessary to pay the operating expenses of the
5 investment board. During the 2001-2003 fiscal biennium, the
6 legislature may transfer from the state investment board expense
7 account to the state general fund such amounts as reflect the
8 appropriations reductions made by the 2002 supplemental appropriations
9 act for administrative efficiencies and savings.

10 **Sec. 909.** RCW 43.72.900 and 2002 c 2 s 2 (Initiative Measure No.
11 773) are each amended to read as follows:

12 (1) The health services account is created in the state treasury.
13 Moneys in the account may be spent only after appropriation. Subject
14 to the transfers described in subsection (3) of this section, moneys in
15 the account may be expended only for maintaining and expanding health
16 services access for low-income residents, maintaining and expanding the
17 public health system, maintaining and improving the capacity of the
18 health care system, containing health care costs, and the regulation,
19 planning, and administering of the health care system.

20 (2) Funds deposited into the health services account under RCW
21 82.24.028 and 82.26.028 shall be used solely as follows:

22 (a) Five million dollars for the state fiscal year beginning July
23 1, 2002, and five million dollars for the state fiscal year beginning
24 July 1, 2003, shall be appropriated by the legislature for programs
25 that effectively improve the health of low-income persons, including
26 efforts to reduce diseases and illnesses that harm low-income persons.
27 The department of health shall submit a report to the legislature on
28 March 1, 2002, evaluating the cost-effectiveness of programs that
29 improve the health of low-income persons and address diseases and
30 illnesses that disproportionately affect low-income persons, and making
31 recommendations to the legislature on which of these programs could
32 most effectively utilize the funds appropriated under this subsection.

33 (b) Ten percent of the funds deposited into the health services
34 account under RCW 82.24.028 and 82.26.028 remaining after the
35 appropriation under (a) of this subsection shall be transferred no less
36 frequently than annually by the treasurer to the tobacco prevention and
37 control account established by RCW 43.79.480. The funds transferred
38 shall be used exclusively for implementation of the Washington state

1 tobacco prevention and control plan and shall be used only to
2 supplement, and not supplant, funds in the tobacco prevention and
3 control account as of January 1, 2001, however, these funds may be used
4 to replace funds appropriated by the legislature for further
5 implementation of the Washington state tobacco prevention and control
6 plan for the biennium beginning July 1, 2001. For each state fiscal
7 year beginning on and after July 1, 2002, the legislature shall
8 appropriate no less than twenty-six million two hundred forty thousand
9 dollars from the tobacco prevention and control account for
10 implementation of the Washington state tobacco prevention and control
11 plan.

12 (c) Because of its demonstrated effectiveness in improving the
13 health of low-income persons and addressing illnesses and diseases that
14 harm low-income persons, the remainder of the funds deposited into the
15 health services account under RCW 82.24.028 and 82.26.028 shall be
16 appropriated solely for Washington basic health plan enrollment as
17 provided in chapter 70.47 RCW. Funds appropriated pursuant to this
18 subsection (2)(c) must supplement, and not supplant, the level of state
19 funding needed to support enrollment of a minimum of one hundred
20 twenty-five thousand persons for the fiscal year beginning July 1,
21 2002, and every fiscal year thereafter. The health care authority may
22 enroll up to twenty thousand additional persons in the basic health
23 plan during the biennium beginning July 1, 2001, above the base level
24 of one hundred twenty-five thousand enrollees. The health care
25 authority may enroll up to fifty thousand additional persons in the
26 basic health plan during the biennium beginning July 1, 2003, above the
27 base level of one hundred twenty-five thousand enrollees. For each
28 biennium beginning on and after July 1, 2005, the health care authority
29 may enroll up to at least one hundred seventy-five thousand enrollees.
30 Funds appropriated under this subsection may be used to support
31 outreach and enrollment activities only to the extent necessary to
32 achieve the enrollment goals described in this section.

33 (3) Prior to expenditure for the purposes described in subsection
34 (2) of this section, funds deposited into the health services account
35 under RCW 82.24.028 and 82.26.028 shall first be transferred to the
36 following accounts to ensure the continued availability of previously
37 dedicated revenues for certain existing programs:

38 (a) To the violence reduction and drug enforcement account under
39 RCW 69.50.520, two million two hundred forty-nine thousand five hundred

1 dollars for the state fiscal year beginning July 1, 2001, four million
2 two hundred forty-eight thousand dollars for the state fiscal year
3 beginning July 1, 2002, seven million seven hundred eighty-nine
4 thousand dollars for the biennium beginning July 1, 2003, six million
5 nine hundred thirty-two thousand dollars for the biennium beginning
6 July 1, 2005, and six million nine hundred thirty-two thousand dollars
7 for each biennium thereafter, as required by RCW 82.24.020(2);

8 (b) To the health services account under this section, nine million
9 seventy-seven thousand dollars for the state fiscal year beginning July
10 1, 2001, seventeen million one hundred eighty-eight thousand dollars
11 for the state fiscal year beginning July 1, 2002, thirty-one million
12 seven hundred fifty-five thousand dollars for the biennium beginning
13 July 1, 2003, twenty-eight million six hundred twenty-two thousand
14 dollars for the biennium beginning July 1, 2005, and twenty-eight
15 million six hundred twenty-two thousand dollars for each biennium
16 thereafter, as required by RCW 82.24.020(3); and

17 (c) To the water quality account under RCW 70.146.030, two million
18 two hundred three thousand five hundred dollars for the state fiscal
19 year beginning July 1, 2001, four million two hundred forty-four
20 thousand dollars for the state fiscal year beginning July 1, 2002,
21 eight million one hundred eighty-two thousand dollars for the biennium
22 beginning July 1, 2003, seven million eight hundred eighty-five
23 thousand dollars for the biennium beginning July 1, 2005, and seven
24 million eight hundred eighty-five thousand dollars for each biennium
25 thereafter, as required by RCW 82.24.027(2)(a).

26 During the 2001-2003 fiscal biennium, the legislature may transfer
27 from the health services account such amounts as reflect the excess
28 fund balance of the account.

29 **Sec. 910.** RCW 43.83B.430 and 1999 c 379 s 921 are each amended to
30 read as follows:

31 The state drought preparedness account is created in the state
32 treasury. All receipts from appropriated funds designated for the
33 account and funds transferred from the state emergency water projects
34 revolving account must be deposited into the account. Moneys in the
35 account may be spent only after appropriation. Expenditures from the
36 account may be used only for drought preparedness. During the 2001-
37 2003 fiscal biennium, the legislature may transfer from the state

1 drought preparedness account to the state general fund such amounts as
2 reflect the excess fund balance of the account.

3 **Sec. 911.** RCW 43.88.030 and 2000 2nd sp.s. c 4 s 12 are each
4 amended to read as follows:

5 (1) The director of financial management shall provide all agencies
6 with a complete set of instructions for submitting biennial budget
7 requests to the director at least three months before agency budget
8 documents are due into the office of financial management. The
9 director shall provide agencies and committees that are required under
10 RCW 44.40.070 to develop comprehensive six-year program and financial
11 plans with a complete set of instructions for submitting these program
12 and financial plans at the same time that instructions for submitting
13 other budget requests are provided. The budget document or documents
14 shall consist of the governor's budget message which shall be
15 explanatory of the budget and shall contain an outline of the proposed
16 financial policies of the state for the ensuing fiscal period, as well
17 as an outline of the proposed six-year financial policies where
18 applicable, and shall describe in connection therewith the important
19 features of the budget. The message shall set forth the reasons for
20 salient changes from the previous fiscal period in expenditure and
21 revenue items and shall explain any major changes in financial policy.
22 Attached to the budget message shall be such supporting schedules,
23 exhibits and other explanatory material in respect to both current
24 operations and capital improvements as the governor shall deem to be
25 useful to the legislature. The budget document or documents shall set
26 forth a proposal for expenditures in the ensuing fiscal period, or six-
27 year period where applicable, based upon the estimated revenues and
28 caseloads as approved by the economic and revenue forecast council and
29 caseload forecast council or upon the estimated revenues and caseloads
30 of the office of financial management for those funds, accounts,
31 sources, and programs for which the forecast councils do not prepare an
32 official forecast, including those revenues anticipated to support the
33 six-year programs and financial plans under RCW 44.40.070. In
34 estimating revenues to support financial plans under RCW 44.40.070, the
35 office of financial management shall rely on information and advice
36 from the transportation revenue forecast council. Revenues shall be
37 estimated for such fiscal period from the source and at the rates
38 existing by law at the time of submission of the budget document,

1 including the supplemental budgets submitted in the even-numbered years
2 of a biennium. However, the estimated revenues and caseloads for use
3 in the governor's budget document may be adjusted to reflect budgetary
4 revenue transfers and revenue and caseload estimates dependent upon
5 budgetary assumptions of enrollments, workloads, and caseloads. All
6 adjustments to the approved estimated revenues and caseloads must be
7 set forth in the budget document. The governor may additionally
8 submit, as an appendix to each supplemental, biennial, or six-year
9 agency budget or to the budget document or documents, a proposal for
10 expenditures in the ensuing fiscal period from revenue sources derived
11 from proposed changes in existing statutes.

12 Supplemental and biennial documents shall reflect a six-year
13 expenditure plan consistent with estimated revenues from existing
14 sources and at existing rates for those agencies required to submit
15 six-year program and financial plans under RCW 44.40.070. Any
16 additional revenue resulting from proposed changes to existing statutes
17 shall be separately identified within the document as well as related
18 expenditures for the six-year period.

19 The budget document or documents shall also contain:

20 (a) Revenues classified by fund and source for the immediately past
21 fiscal period, those received or anticipated for the current fiscal
22 period, those anticipated for the ensuing biennium, and those
23 anticipated for the ensuing six-year period to support the six-year
24 programs and financial plans required under RCW 44.40.070;

25 (b) The undesignated fund balance or deficit, by fund;

26 (c) Such additional information dealing with expenditures,
27 revenues, workload, performance, and personnel as the legislature may
28 direct by law or concurrent resolution;

29 (d) Such additional information dealing with revenues and
30 expenditures as the governor shall deem pertinent and useful to the
31 legislature;

32 (e) Tabulations showing expenditures classified by fund, function,
33 (~~activity,~~) and agency;

34 (f) A delineation of each agency's activities, including those
35 activities funded from nonbudgeted, nonappropriated sources, including
36 funds maintained outside the state treasury;

37 (g) Identification of all proposed direct expenditures to implement
38 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
39 agency and in total; and

1 (h) Tabulations showing each postretirement adjustment by
2 retirement system established after fiscal year 1991, to include, but
3 not be limited to, estimated total payments made to the end of the
4 previous biennial period, estimated payments for the present biennium,
5 and estimated payments for the ensuing biennium.

6 (2) The budget document or documents shall include detailed
7 estimates of all anticipated revenues applicable to proposed operating
8 or capital expenditures and shall also include all proposed operating
9 or capital expenditures. The total of beginning undesignated fund
10 balance and estimated revenues less working capital and other reserves
11 shall equal or exceed the total of proposed applicable expenditures.
12 The budget document or documents shall further include:

13 (a) Interest, amortization and redemption charges on the state
14 debt;

15 (b) Payments of all reliefs, judgments, and claims;

16 (c) Other statutory expenditures;

17 (d) Expenditures incident to the operation for each agency;

18 (e) Revenues derived from agency operations;

19 (f) Expenditures and revenues shall be given in comparative form
20 showing those incurred or received for the immediately past fiscal
21 period and those anticipated for the current biennium and next ensuing
22 biennium, as well as those required to support the six-year programs
23 and financial plans required under RCW 44.40.070;

24 (g) A showing and explanation of amounts of general fund and other
25 funds obligations for debt service and any transfers of moneys that
26 otherwise would have been available for appropriation;

27 (h) Common school expenditures on a fiscal-year basis;

28 (i) A showing, by agency, of the value and purpose of financing
29 contracts for the lease/purchase or acquisition of personal or real
30 property for the current and ensuing fiscal periods; and

31 (j) A showing and explanation of anticipated amounts of general
32 fund and other funds required to amortize the unfunded actuarial
33 accrued liability of the retirement system specified under chapter
34 41.45 RCW, and the contributions to meet such amortization, stated in
35 total dollars and as a level percentage of total compensation.

36 (3) A separate capital budget document or schedule shall be
37 submitted that will contain the following:

- 1 (a) A statement setting forth a long-range facilities plan for the
2 state that identifies and includes the highest priority needs within
3 affordable spending levels;
- 4 (b) A capital program consisting of proposed capital projects for
5 the next biennium and the two biennia succeeding the next biennium
6 consistent with the long-range facilities plan. Inasmuch as is
7 practical, and recognizing emergent needs, the capital program shall
8 reflect the priorities, projects, and spending levels proposed in
9 previously submitted capital budget documents in order to provide a
10 reliable long-range planning tool for the legislature and state
11 agencies;
- 12 (c) A capital plan consisting of proposed capital spending for at
13 least four biennia succeeding the next biennium;
- 14 (d) A strategic plan for reducing backlogs of maintenance and
15 repair projects. The plan shall include a prioritized list of specific
16 facility deficiencies and capital projects to address the deficiencies
17 for each agency, cost estimates for each project, a schedule for
18 completing projects over a reasonable period of time, and
19 identification of normal maintenance activities to reduce future
20 backlogs;
- 21 (e) A statement of the reason or purpose for a project;
- 22 (f) Verification that a project is consistent with the provisions
23 set forth in chapter 36.70A RCW;
- 24 (g) A statement about the proposed site, size, and estimated life
25 of the project, if applicable;
- 26 (h) Estimated total project cost;
- 27 (i) For major projects valued over five million dollars, estimated
28 costs for the following project components: Acquisition, consultant
29 services, construction, equipment, project management, and other costs
30 included as part of the project. Project component costs shall be
31 displayed in a standard format defined by the office of financial
32 management to allow comparisons between projects;
- 33 (j) Estimated total project cost for each phase of the project as
34 defined by the office of financial management;
- 35 (k) Estimated ensuing biennium costs;
- 36 (l) Estimated costs beyond the ensuing biennium;
- 37 (m) Estimated construction start and completion dates;
- 38 (n) Source and type of funds proposed;

1 (o) Estimated ongoing operating budget costs or savings resulting
2 from the project, including staffing and maintenance costs;

3 (p) For any capital appropriation requested for a state agency for
4 the acquisition of land or the capital improvement of land in which the
5 primary purpose of the acquisition or improvement is recreation or
6 wildlife habitat conservation, the capital budget document, or an
7 omnibus list of recreation and habitat acquisitions provided with the
8 governor's budget document, shall identify the projected costs of
9 operation and maintenance for at least the two biennia succeeding the
10 next biennium. Omnibus lists of habitat and recreation land
11 acquisitions shall include individual project cost estimates for
12 operation and maintenance as well as a total for all state projects
13 included in the list. The document shall identify the source of funds
14 from which the operation and maintenance costs are proposed to be
15 funded;

16 (q) Such other information bearing upon capital projects as the
17 governor deems to be useful;

18 (r) Standard terms, including a standard and uniform definition of
19 normal maintenance, for all capital projects;

20 (s) Such other information as the legislature may direct by law or
21 concurrent resolution.

22 For purposes of this subsection (3), the term "capital project"
23 shall be defined subsequent to the analysis, findings, and
24 recommendations of a joint committee comprised of representatives from
25 the house capital appropriations committee, senate ways and means
26 committee, legislative transportation committee, legislative evaluation
27 and accountability program committee, and office of financial
28 management.

29 (4) No change affecting the comparability of agency or program
30 information relating to expenditures, revenues, workload, performance
31 and personnel shall be made in the format of any budget document or
32 report presented to the legislature under this section or RCW
33 43.88.160(1) relative to the format of the budget document or report
34 which was presented to the previous regular session of the legislature
35 during an odd-numbered year without prior legislative concurrence.
36 Prior legislative concurrence shall consist of (a) a favorable majority
37 vote on the proposal by the standing committees on ways and means of
38 both houses if the legislature is in session or (b) a favorable
39 majority vote on the proposal by members of the legislative evaluation

1 and accountability program committee if the legislature is not in
2 session.

3 **Sec. 912.** RCW 43.320.110 and 2001 2nd sp.s. c 7 s 911 are each
4 amended to read as follows:

5 There is created a local fund known as the "financial services
6 regulation fund" which shall consist of all moneys received by the
7 divisions of the department of financial institutions, except for the
8 division of securities which shall deposit thirteen percent of all
9 moneys received, and which shall be used for the purchase of supplies
10 and necessary equipment; the payment of salaries, wages, and utilities;
11 the establishment of reserves; and other incidental costs required for
12 the proper regulation of individuals and entities subject to regulation
13 by the department. The state treasurer shall be the custodian of the
14 fund. Disbursements from the fund shall be on authorization of the
15 director of financial institutions or the director's designee. In
16 order to maintain an effective expenditure and revenue control, the
17 fund shall be subject in all respects to chapter 43.88 RCW, but no
18 appropriation is required to permit expenditures and payment of
19 obligations from the fund.

20 Between July 1, 2001, and December 31, 2001, the legislature may
21 transfer up to two million dollars from the financial services
22 regulation fund to the (~~state general fund~~) digital government
23 revolving account. During the 2001-2003 fiscal biennium, the
24 legislature may transfer from the financial services regulation fund to
25 the state general fund such amounts as reflect the excess fund balance
26 of the fund and appropriations reductions made by the 2002 supplemental
27 appropriations act for administrative efficiencies and savings.

28 **Sec. 913.** RCW 46.09.110 and 1986 c 206 s 6 are each amended to
29 read as follows:

30 The moneys collected by the department under this chapter shall be
31 distributed from time to time but at least once a year in the following
32 manner:

33 The department shall retain enough money to cover expenses incurred
34 in the administration of this chapter: PROVIDED, That such retention
35 shall never exceed eighteen percent of fees collected.

36 The remaining moneys shall be distributed by the interagency
37 committee for outdoor recreation in accordance with RCW

1 46.09.170(1)(d). During the 2001-2003 fiscal biennium, the legislature
2 may transfer from the ORV account to the state general fund such
3 amounts as reflect the appropriations reductions made by the 2002
4 supplemental appropriations act for administrative efficiencies and
5 savings.

6 **Sec. 914.** RCW 46.10.075 and 1991 sp.s. c 13 s 9 are each amended
7 to read as follows:

8 There is created a snowmobile account within the state treasury.
9 Snowmobile registration fees, monetary civil penalties from snowmobile
10 dealers, and snowmobile fuel tax moneys collected under this chapter
11 and in excess of the amounts fixed for the administration of the
12 registration and fuel tax provisions of this chapter shall be deposited
13 in the snowmobile account and shall be appropriated only to the state
14 parks and recreation commission for the administration and coordination
15 of this chapter. During the 2001-2003 fiscal biennium, the legislature
16 may transfer from the snowmobile account to the state general fund such
17 amounts as reflect the appropriations reductions made by the 2002
18 supplemental appropriations act for administrative efficiencies and
19 savings.

20 **Sec. 915.** RCW 48.02.190 and 1987 c 505 s 54 are each amended to
21 read as follows:

22 (1) As used in this section:

23 (a) "Organization" means every insurer, as defined in RCW
24 48.01.050, having a certificate of authority to do business in this
25 state and every health care service contractor registered to do
26 business in this state. "Class one" organizations shall consist of all
27 insurers as defined in RCW 48.01.050. "Class two" organizations shall
28 consist of all organizations registered under provisions of chapter
29 48.44 RCW.

30 (b) "Receipts" means (i) net direct premiums consisting of direct
31 gross premiums, as defined in RCW 48.18.170, paid for insurance written
32 or renewed upon risks or property resident, situated, or to be
33 performed in this state, less return premiums and premiums on policies
34 not taken, dividends paid or credited to policyholders on direct
35 business, and premiums received from policies or contracts issued in
36 connection with qualified plans as defined in RCW 48.14.021, and (ii)
37 prepayments to health care service contractors as set forth in RCW

1 48.44.010(3) less experience rating credits, dividends, prepayments
2 returned to subscribers, and payments for contracts not taken.

3 (2) The annual cost of operating the office of insurance
4 commissioner shall be determined by legislative appropriation. A pro
5 rata share of the cost shall be charged to all organizations. Each
6 class of organization shall contribute sufficient in fees to the
7 insurance commissioner's regulatory account to pay the reasonable
8 costs, including overhead, of regulating that class of organization.

9 (3) Fees charged shall be calculated separately for each class of
10 organization. The fee charged each organization shall be that portion
11 of the cost of operating the insurance commissioner's office, for that
12 class of organization, for the ensuing fiscal year that is represented
13 by the organization's portion of the receipts collected or received by
14 all organizations within that class on business in this state during
15 the previous calendar year: PROVIDED, That the fee shall not exceed
16 one-eighth of one percent of receipts: PROVIDED FURTHER, That the
17 minimum fee shall be one thousand dollars.

18 (4) The commissioner shall annually, on or before June 1, calculate
19 and bill each organization for the amount of its fee. Fees shall be
20 due and payable no later than June 15 of each year: PROVIDED, That if
21 the necessary financial records are not available or if the amount of
22 the legislative appropriation is not determined in time to carry out
23 such calculations and bill such fees within the time specified, the
24 commissioner may use the fee factors for the prior year as the basis
25 for the fees and, if necessary, the commissioner may impose
26 supplemental fees to fully and properly charge the organizations. The
27 penalties for failure to pay fees when due shall be the same as the
28 penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees
29 required by this section are in addition to all other taxes and fees
30 now imposed or that may be subsequently imposed.

31 (5) All moneys collected shall be deposited in the insurance
32 commissioner's regulatory account in the state treasury which is hereby
33 created.

34 (6) Unexpended funds in the insurance commissioner's regulatory
35 account at the close of a fiscal year shall be carried forward in the
36 insurance commissioner's regulatory account to the succeeding fiscal
37 year and shall be used to reduce future fees. During the 2001-2003
38 fiscal biennium, the legislature may transfer from the insurance

1 commissioner's regulatory account to the state general fund such
2 amounts as reflect excess fund balance in the account.

3 **Sec. 916.** RCW 49.70.170 and 2001 2nd sp.s. c 7 s 913 are each
4 amended to read as follows:

5 (1) The worker and community right to know fund is hereby
6 established in the custody of the state treasurer. The department
7 shall deposit all moneys received under this chapter in the fund.
8 Moneys in the fund may be spent only for the purposes of this chapter
9 following legislative appropriation. Disbursements from the fund shall
10 be on authorization of the director or the director's designee. During
11 the 2001-2003 fiscal biennium, moneys in the fund may also be used by
12 the military department for the purpose of assisting the state
13 emergency response commission and coordinating local emergency planning
14 activities. During the 2001-2003 fiscal biennium, the legislature may
15 transfer from the worker and community right to know fund to the state
16 general fund such amounts as reflect the appropriations reductions made
17 by the 2002 supplemental appropriations act for administrative
18 efficiencies and savings. The fund is subject to the allotment
19 procedure provided under chapter 43.88 RCW.

20 (2) The department shall assess each employer who reported ten
21 thousand four hundred or more worker hours in the prior calendar year
22 an annual fee to provide for the implementation of this chapter. The
23 department shall promulgate rules establishing a fee schedule for all
24 employers who reported ten thousand four hundred or more worker hours
25 in the prior calendar year and are engaged in business operations
26 having a standard industrial classification, as designated in the
27 standard industrial classification manual prepared by the federal
28 office of management and budget, within major group numbers 01 through
29 08 (agriculture and forestry industries), numbers 10 through 14 (mining
30 industries), numbers 15 through 17 (construction industries), numbers
31 20 through 39 (manufacturing industries), numbers 41, 42, and 44
32 through 49 (transportation, communications, electric, gas, and sanitary
33 services), number 75 (automotive repair, services, and garages), number
34 76 (miscellaneous repair services), number 80 (health services), and
35 number 82 (educational services). The department shall establish the
36 annual fee for each employer who reported ten thousand four hundred or
37 more worker hours in the prior calendar year in industries identified
38 by this section, provided that fees assessed shall not be more than two

1 dollars and fifty cents per full time equivalent employee. The annual
2 fee shall not exceed fifty thousand dollars. The fees shall be
3 collected solely from employers whose industries have been identified
4 by rule under this chapter. The department shall promulgate rules
5 allowing employers who do not have hazardous substances at their
6 workplace to request an exemption from the assessment and shall
7 establish penalties for fraudulent exemption requests. All fees
8 collected by the department pursuant to this section shall be collected
9 in a cost-efficient manner and shall be deposited in the fund.

10 (3) Records required by this chapter shall at all times be open to
11 the inspection of the director, or his designee including, the
12 traveling auditors, agents or assistants of the department provided for
13 in RCW 51.16.070 and 51.48.040. The information obtained from employer
14 records under the provisions of this section shall be subject to the
15 same confidentiality requirements as set forth in RCW 51.16.070.

16 (4) An employer may appeal the assessment of the fee or penalties
17 pursuant to the procedures set forth in Title 51 RCW and accompanying
18 rules except that the employer shall not have the right of appeal to
19 superior court as provided in Title 51 RCW. The employer from whom the
20 fee or penalty is demanded or enforced, may however, within thirty days
21 of the board of industrial insurance appeal's final order, pay the fee
22 or penalty under written protest setting forth all the grounds upon
23 which such fee or penalty is claimed to be unlawful, excessive or
24 otherwise improper and thereafter bring an action in superior court
25 against the department to recover such fee or penalty or any portion of
26 the fee or penalty which was paid under protest.

27 (5) Repayment shall be made to the general fund of any moneys
28 appropriated by law in order to implement this chapter.

29 **Sec. 917.** RCW 50.16.010 and 1993 c 483 s 7 and 1993 c 226 s 10 are
30 each reenacted and amended to read as follows:

31 There shall be maintained as special funds, separate and apart from
32 all public moneys or funds of this state an unemployment compensation
33 fund, an administrative contingency fund, and a federal interest
34 payment fund, which shall be administered by the commissioner
35 exclusively for the purposes of this title, and to which RCW 43.01.050
36 shall not be applicable.

37 The unemployment compensation fund shall consist of

1 (1) all contributions and payments in lieu of contributions
2 collected pursuant to the provisions of this title,

3 (2) any property or securities acquired through the use of moneys
4 belonging to the fund,

5 (3) all earnings of such property or securities,

6 (4) any moneys received from the federal unemployment account in
7 the unemployment trust fund in accordance with Title XII of the social
8 security act, as amended,

9 (5) all money recovered on official bonds for losses sustained by
10 the fund,

11 (6) all money credited to this state's account in the unemployment
12 trust fund pursuant to section 903 of the social security act, as
13 amended,

14 (7) all money received from the federal government as reimbursement
15 pursuant to section 204 of the federal-state extended compensation act
16 of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

17 (8) all moneys received for the fund from any other source.

18 All moneys in the unemployment compensation fund shall be
19 commingled and undivided.

20 The administrative contingency fund shall consist of all interest
21 on delinquent contributions collected pursuant to this title, all fines
22 and penalties collected pursuant to the provisions of this title, all
23 sums recovered on official bonds for losses sustained by the fund, and
24 revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,
25 forfeitures and penalties collected or assessed by a district court
26 because of the violation of a state law shall be remitted as provided
27 in chapter 3.62 RCW as now exists or is later amended.

28 Moneys available in the administrative contingency fund, other than
29 money in the special account created under RCW 50.24.014, shall be
30 expended upon the direction of the commissioner, with the approval of
31 the governor, whenever it appears to him or her that such expenditure
32 is necessary for:

33 (a) The proper administration of this title and no federal funds
34 are available for the specific purpose to which such expenditure is to
35 be made, provided, the moneys are not substituted for appropriations
36 from federal funds which, in the absence of such moneys, would be made
37 available.

38 (b) The proper administration of this title for which purpose
39 appropriations from federal funds have been requested but not yet

1 received, provided, the administrative contingency fund will be
2 reimbursed upon receipt of the requested federal appropriation.

3 (c) The proper administration of this title for which compliance
4 and audit issues have been identified that establish federal claims
5 requiring the expenditure of state resources in resolution. Claims
6 must be resolved in the following priority: First priority is to
7 provide services to eligible participants within the state; second
8 priority is to provide substitute services or program support; and last
9 priority is the direct payment of funds to the federal government.

10 (d) During the 2001-2003 fiscal biennium, the cost of worker
11 retraining programs at community and technical colleges as appropriated
12 by the legislature.

13 Money in the special account created under RCW 50.24.014 may only
14 be expended, after appropriation, for the purposes specified in RCW
15 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
16 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

17 **Sec. 918.** RCW 50.20.190 and 2001 c 146 s 7 are each amended to
18 read as follows:

19 (1) An individual who is paid any amount as benefits under this
20 title to which he or she is not entitled shall, unless otherwise
21 relieved pursuant to this section, be liable for repayment of the
22 amount overpaid. The department shall issue an overpayment assessment
23 setting forth the reasons for and the amount of the overpayment. The
24 amount assessed, to the extent not collected, may be deducted from any
25 future benefits payable to the individual: PROVIDED, That in the
26 absence of a back pay award, a settlement affecting the allowance of
27 benefits, fraud, misrepresentation, or willful nondisclosure, every
28 determination of liability shall be mailed or personally served not
29 later than two years after the close of or final payment made on the
30 individual's applicable benefit year for which the purported
31 overpayment was made, whichever is later, unless the merits of the
32 claim are subjected to administrative or judicial review in which event
33 the period for serving the determination of liability shall be extended
34 to allow service of the determination of liability during the six-month
35 period following the final decision affecting the claim.

36 (2) The commissioner may waive an overpayment if the commissioner
37 finds that the overpayment was not the result of fraud,
38 misrepresentation, willful nondisclosure, or fault attributable to the

1 individual and that the recovery thereof would be against equity and
2 good conscience: PROVIDED, HOWEVER, That the overpayment so waived
3 shall be charged against the individual's applicable entitlement for
4 the eligibility period containing the weeks to which the overpayment
5 was attributed as though such benefits had been properly paid.

6 (3) Any assessment herein provided shall constitute a determination
7 of liability from which an appeal may be had in the same manner and to
8 the same extent as provided for appeals relating to determinations in
9 respect to claims for benefits: PROVIDED, That an appeal from any
10 determination covering overpayment only shall be deemed to be an appeal
11 from the determination which was the basis for establishing the
12 overpayment unless the merits involved in the issue set forth in such
13 determination have already been heard and passed upon by the appeal
14 tribunal. If no such appeal is taken to the appeal tribunal by the
15 individual within thirty days of the delivery of the notice of
16 determination of liability, or within thirty days of the mailing of the
17 notice of determination, whichever is the earlier, the determination of
18 liability shall be deemed conclusive and final. Whenever any such
19 notice of determination of liability becomes conclusive and final, the
20 commissioner, upon giving at least twenty days notice by certified mail
21 return receipt requested to the individual's last known address of the
22 intended action, may file with the superior court clerk of any county
23 within the state a warrant in the amount of the notice of determination
24 of liability plus a filing fee under RCW 36.18.012(10). The clerk of
25 the county where the warrant is filed shall immediately designate a
26 superior court cause number for the warrant, and the clerk shall cause
27 to be entered in the judgment docket under the superior court cause
28 number assigned to the warrant, the name of the person(s) mentioned in
29 the warrant, the amount of the notice of determination of liability,
30 and the date when the warrant was filed. The amount of the warrant as
31 docketed shall become a lien upon the title to, and any interest in,
32 all real and personal property of the person(s) against whom the
33 warrant is issued, the same as a judgment in a civil case duly docketed
34 in the office of such clerk. A warrant so docketed shall be sufficient
35 to support the issuance of writs of execution and writs of garnishment
36 in favor of the state in the manner provided by law for a civil
37 judgment. A copy of the warrant shall be mailed to the person(s)
38 mentioned in the warrant by certified mail to the person's last known
39 address within five days of its filing with the clerk.

1 (4) On request of any agency which administers an employment
2 security law of another state, the United States, or a foreign
3 government and which has found in accordance with the provisions of
4 such law that a claimant is liable to repay benefits received under
5 such law, the commissioner may collect the amount of such benefits from
6 the claimant to be refunded to the agency. In any case in which under
7 this section a claimant is liable to repay any amount to the agency of
8 another state, the United States, or a foreign government, such amounts
9 may be collected without interest by civil action in the name of the
10 commissioner acting as agent for such agency if the other state, the
11 United States, or the foreign government extends such collection rights
12 to the employment security department of the state of Washington, and
13 provided that the court costs be paid by the governmental agency
14 benefiting from such collection.

15 (5) Any employer who is a party to a back pay award or settlement
16 due to loss of wages shall, within thirty days of the award or
17 settlement, report to the department the amount of the award or
18 settlement, the name and social security number of the recipient of the
19 award or settlement, and the period for which it is awarded. When an
20 individual has been awarded or receives back pay, for benefit purposes
21 the amount of the back pay shall constitute wages paid in the period
22 for which it was awarded. For contribution purposes, the back pay
23 award or settlement shall constitute wages paid in the period in which
24 it was actually paid. The following requirements shall also apply:

25 (a) The employer shall reduce the amount of the back pay award or
26 settlement by an amount determined by the department based upon the
27 amount of unemployment benefits received by the recipient of the award
28 or settlement during the period for which the back pay award or
29 settlement was awarded;

30 (b) The employer shall pay to the unemployment compensation fund,
31 in a manner specified by the commissioner, an amount equal to the
32 amount of such reduction;

33 (c) The employer shall also pay to the department any taxes due for
34 unemployment insurance purposes on the entire amount of the back pay
35 award or settlement notwithstanding any reduction made pursuant to (a)
36 of this subsection;

37 (d) If the employer fails to reduce the amount of the back pay
38 award or settlement as required in (a) of this subsection, the
39 department shall issue an overpayment assessment against the recipient

1 of the award or settlement in the amount that the back pay award or
2 settlement should have been reduced; and

3 (e) If the employer fails to pay to the department an amount equal
4 to the reduction as required in (b) of this subsection, the department
5 shall issue an assessment of liability against the employer which shall
6 be collected pursuant to the procedures for collection of assessments
7 provided herein and in RCW 50.24.110.

8 (6) When an individual fails to repay an overpayment assessment
9 that is due and fails to arrange for satisfactory repayment terms, the
10 commissioner shall impose an interest penalty of one percent per month
11 of the outstanding balance. Interest shall accrue immediately on
12 overpayments assessed pursuant to RCW 50.20.070 and shall be imposed
13 when the assessment becomes final. For any other overpayment, interest
14 shall accrue when the individual has missed two or more of their
15 monthly payments either partially or in full. The interest penalty
16 shall be used to fund detection and recovery of overpayment and
17 collection activities and, during the 2001-2003 fiscal biennium, the
18 cost of worker retraining programs at community and technical colleges
19 as appropriated by the legislature.

20 **Sec. 919.** RCW 51.44.170 and 1997 c 327 s 1 are each amended to
21 read as follows:

22 The industrial insurance premium refund account is created in the
23 custody of the state treasurer. All industrial insurance refunds
24 earned by state agencies or institutions of higher education under the
25 state fund retrospective rating program shall be deposited into the
26 account. The account is subject to the allotment procedures under
27 chapter 43.88 RCW, but no appropriation is required for expenditures
28 from the account. Only the executive head of the agency or institution
29 of higher education, or designee, may authorize expenditures from the
30 account. No agency or institution of higher education may make an
31 expenditure from the account for an amount greater than the refund
32 earned by the agency. If the agency or institution of higher education
33 has staff dedicated to workers' compensation claims management,
34 expenditures from the account must be used to pay for that staff, but
35 additional expenditure from the account may be used for any program
36 within an agency or institution of higher education that promotes or
37 provides incentives for employee workplace safety and health and early,
38 appropriate return-to-work for injured employees. During the 2001-2003

1 fiscal biennium, the legislature may transfer from the industrial
2 insurance premium refund account to the state general fund such amounts
3 as reflect the reductions made by the 2002 supplemental appropriations
4 act for administrative efficiencies and savings.

5 **Sec. 920.** RCW 66.08.235 and 1997 c 75 s 1 are each amended to read
6 as follows:

7 The liquor control board construction and maintenance account is
8 created within the state treasury. The liquor control board shall
9 deposit into this account a portion of the board's markup, as
10 authorized by chapter 66.16 RCW, placed upon liquor as determined by
11 the board. Moneys in the account may be spent only after
12 appropriation. The liquor control board shall use deposits to this
13 account to fund construction and maintenance of a centralized
14 distribution center for liquor products intended for sale through the
15 board's liquor store and vendor system. During the 2001-2003 fiscal
16 biennium, the legislature may transfer from the liquor control board
17 construction and maintenance account to the state general fund such
18 amounts as reflect the appropriations reductions made by the 2002
19 supplemental appropriations act for administrative efficiencies and
20 savings.

21 **Sec. 921.** RCW 67.16.100 and 1998 c 345 s 5 are each amended to
22 read as follows:

23 (1) All sums paid to the commission under this chapter, including
24 those sums collected for license fees and excluding those sums
25 collected under RCW 67.16.102 and 67.16.105(3), shall be disposed of by
26 the commission as follows: One hundred percent thereof shall be
27 retained by the commission in the horse racing commission fund for the
28 payment of the salaries of its members, secretary, clerical, office,
29 and other help and all expenses incurred in carrying out the provisions
30 of this chapter. No salary, wages, expenses, or compensation of any
31 kind shall be paid by the state in connection with the work of the
32 commission.

33 (2) Any moneys collected or paid to the commission under the terms
34 of this chapter and not expended at the close of the fiscal biennium
35 shall be paid to the state treasurer and be placed in the fair fund
36 created in RCW 15.76.115. The commission may, with the approval of the
37 office of financial management, retain any sum required for working

1 capital. During the 2001-2003 fiscal biennium, the legislature may
2 transfer from the horse racing commission fund to the state general
3 fund such amounts as reflect the reductions made by the 2002
4 supplemental appropriations act for administrative efficiencies and
5 savings.

6 **Sec. 922.** RCW 67.40.025 and 1988 ex.s. c 1 s 2 are each amended to
7 read as follows:

8 All operating revenues received by the corporation formed under RCW
9 67.40.020 shall be deposited in the state convention and trade center
10 operations account, hereby created in the state treasury. Moneys in
11 the account, including unanticipated revenues under RCW 43.79.270, may
12 be spent only after appropriation by statute, and may be used only for
13 operation and promotion of the center. During the 2001-2003 fiscal
14 biennium, the legislature may transfer from the state convention and
15 trade center operations account to the state general fund such amounts
16 as reflect the appropriations reductions made by the 2002 supplemental
17 appropriations act for administrative efficiencies and savings.

18 Subject to approval by the office of financial management under RCW
19 43.88.260, the corporation may expend moneys for operational purposes
20 in excess of the balance in the account, to the extent the corporation
21 receives or will receive additional operating revenues.

22 As used in this section, "operating revenues" does not include any
23 moneys required to be deposited in the state convention and trade
24 center account.

25 **Sec. 923.** RCW 67.70.260 and 1985 c 375 s 6 are each amended to
26 read as follows:

27 There is hereby created the lottery administrative account in the
28 state treasury. The account shall be managed, controlled, and
29 maintained by the director. The legislature may appropriate from the
30 account for the payment of costs incurred in the operation and
31 administration of the lottery. During the 2001-2003 fiscal biennium,
32 the legislature may transfer from the lottery administrative account to
33 the state general fund such amounts as reflect the appropriations
34 reductions made by the 2002 supplemental appropriations act for
35 administrative efficiencies and savings.

1 **Sec. 924.** RCW 69.50.520 and 2001 2nd sp.s. c 7 s 920 and 2001 c
2 168 s 3 are each reenacted and amended to read as follows:

3 The violence reduction and drug enforcement account is created in
4 the state treasury. All designated receipts from RCW 9.41.110(8),
5 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),
6 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
7 shall be deposited into the account. Expenditures from the account may
8 be used only for funding services and programs under chapter 271, Laws
9 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
10 incarceration costs. Funds from the account may also be appropriated
11 to reimburse local governments for costs associated with implementing
12 criminal justice legislation including chapter 338, Laws of 1997.
13 During the 2001-2003 biennium, funds from the account may also be used
14 for costs associated with providing grants to local governments in
15 accordance with chapter 338, Laws of 1997, the replacement of the
16 department of corrections' offender-based tracking system, maintenance
17 and operating costs of the Washington association of sheriffs and
18 police chiefs jail reporting system, civil indigent legal
19 representation, and for multijurisdictional narcotics task forces.
20 After July 1, 2003, at least seven and one-half percent of expenditures
21 from the account shall be used for providing grants to community
22 networks under chapter 70.190 RCW by the family policy council.

23 **Sec. 925.** RCW 70.93.180 and 1998 c 257 s 5 are each amended to
24 read as follows:

25 (1) There is hereby created an account within the state treasury to
26 be known as the "waste reduction, recycling, and litter control
27 account". Moneys in the account may be spent only after appropriation.
28 Expenditures from the waste reduction, recycling, and litter control
29 account shall be used as follows:

30 (a) Fifty percent to the department of ecology, for use by the
31 departments of ecology, natural resources, revenue, transportation, and
32 corrections, and the parks and recreation commission, for use in litter
33 collection programs, to be distributed under RCW 70.93.220. The amount
34 to the department of ecology shall also be used for a central
35 coordination function for litter control efforts statewide, for the
36 biennial litter survey under RCW 70.93.200(8), and for statewide public
37 awareness programs under RCW 70.93.200(7). The amount to the
38 department shall also be used to defray the costs of administering the

1 funding, coordination, and oversight of local government programs for
2 waste reduction, litter control, and recycling, so that local
3 governments can apply one hundred percent of their funding to achieving
4 program goals. The amount to the department of revenue shall be used
5 to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

6 (b) Twenty percent to the department for local government funding
7 programs for waste reduction, litter control, and recycling activities
8 by cities and counties under RCW 70.93.250, to be administered by the
9 department of ecology; and

10 (c) Thirty percent to the department of ecology for waste reduction
11 and recycling efforts.

12 (2) All taxes imposed in RCW 82.19.010 and fines and bail
13 forfeitures collected or received pursuant to this chapter shall be
14 deposited in the waste reduction, recycling, and litter control account
15 and used for the programs under subsection (1) of this section.

16 (3) Not less than five percent and no more than ten percent of the
17 amount appropriated into the waste reduction, recycling, and litter
18 control account every biennium shall be reserved for capital needs,
19 including the purchase of vehicles for transporting crews and for
20 collecting litter and solid waste. Capital funds shall be distributed
21 among state agencies and local governments according to the same
22 criteria provided in RCW 70.93.220 for the remainder of the funds, so
23 that the most effective waste reduction, litter control, and recycling
24 programs receive the most funding. The intent of this subsection is to
25 provide funds for the purchase of equipment that will enable the
26 department to account for the greatest return on investment in terms of
27 reaching a zero litter goal.

28 (4) During the 2001-2003 fiscal biennium, the legislature may
29 transfer from the waste reduction, recycling, and litter control
30 account to the state general fund such amounts as reflect the
31 appropriations reductions made by the 2002 supplemental appropriations
32 act for administrative efficiencies and savings.

33 **Sec. 926.** RCW 70.94.015 and 1998 c 321 s 33 are each amended to
34 read as follows:

35 (1) The air pollution control account is established in the state
36 treasury. All receipts collected by or on behalf of the department
37 from RCW 70.94.151(2), and receipts from nonpermit program sources
38 under RCW 70.94.152(1) and 70.94.154(7), and all receipts from RCW

1 70.94.650(~~(7)~~) and 70.94.660(~~(7, 82.44.020(2), and 82.50.405)~~) shall be
2 deposited into the account. Moneys in the account may be spent only
3 after appropriation. Expenditures from the account may be used only to
4 develop and implement the provisions of chapters 70.94 and 70.120 RCW.

5 (2) The amounts collected and allocated in accordance with this
6 section shall be expended upon appropriation except as otherwise
7 provided in this section and in accordance with the following
8 limitations:

9 Portions of moneys received by the department of ecology from the
10 air pollution control account shall be distributed by the department to
11 local authorities based on:

12 (a) The level and extent of air quality problems within such
13 authority's jurisdiction;

14 (b) The costs associated with implementing air pollution regulatory
15 programs by such authority; and

16 (c) The amount of funding available to such authority from other
17 sources, whether state, federal, or local, that could be used to
18 implement such programs.

19 (3) The air operating permit account is created in the custody of
20 the state treasurer. All receipts collected by or on behalf of the
21 department from permit program sources under RCW 70.94.152(1),
22 70.94.161, 70.94.162, and 70.94.154(7) shall be deposited into the
23 account. Expenditures from the account may be used only for the
24 activities described in RCW 70.94.152(1), 70.94.161, 70.94.162, and
25 70.94.154(7). Moneys in the account may be spent only after
26 appropriation. During the 2001-2003 fiscal biennium, the legislature
27 may transfer from the air operating permit account to the state general
28 fund such amounts as reflect the appropriations reductions made by the
29 2002 supplemental appropriations act for administrative efficiencies
30 and savings.

31 **Sec. 927.** RCW 70.95E.080 and 1991 sp.s. c 13 s 75 are each amended
32 to read as follows:

33 The hazardous waste assistance account is hereby created in the
34 state treasury. The following moneys shall be deposited into the
35 hazardous waste assistance account:

36 (1) Those revenues which are raised by the fees imposed under RCW
37 70.95E.020 and 70.95E.030;

1 (2) Penalties and surcharges collected under chapter 70.95C RCW and
2 this chapter; and

3 (3) Any other moneys appropriated or transferred to the account by
4 the legislature. Moneys in the hazardous waste assistance account may
5 be spent only for the purposes of this chapter following legislative
6 appropriation. During the 2001-2003 fiscal biennium, the legislature
7 may transfer from the hazardous waste assistance account to the state
8 general fund such amounts as reflect the appropriations reductions made
9 by the 2002 supplemental appropriations act for administrative
10 efficiencies and savings.

11 **Sec. 928.** RCW 70.105D.070 and 2001 c 27 s 2 are each amended to
12 read as follows:

13 (1) The state toxics control account and the local toxics control
14 account are hereby created in the state treasury.

15 (2) The following moneys shall be deposited into the state toxics
16 control account: (a) Those revenues which are raised by the tax
17 imposed under RCW 82.21.030 and which are attributable to that portion
18 of the rate equal to thirty-three one-hundredths of one percent; (b)
19 the costs of remedial actions recovered under this chapter or chapter
20 70.105A RCW; (c) penalties collected or recovered under this chapter;
21 and (d) any other money appropriated or transferred to the account by
22 the legislature. Moneys in the account may be used only to carry out
23 the purposes of this chapter, including but not limited to the
24 following activities:

25 (i) The state's responsibility for hazardous waste planning,
26 management, regulation, enforcement, technical assistance, and public
27 education required under chapter 70.105 RCW;

28 (ii) The state's responsibility for solid waste planning,
29 management, regulation, enforcement, technical assistance, and public
30 education required under chapter 70.95 RCW;

31 (iii) The hazardous waste cleanup program required under this
32 chapter;

33 (iv) State matching funds required under the federal cleanup law;

34 (v) Financial assistance for local programs in accordance with
35 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

36 (vi) State government programs for the safe reduction, recycling,
37 or disposal of hazardous wastes from households, small businesses, and
38 agriculture;

- 1 (vii) Hazardous materials emergency response training;
- 2 (viii) Water and environmental health protection and monitoring
3 programs;
- 4 (ix) Programs authorized under chapter 70.146 RCW;
- 5 (x) A public participation program, including regional citizen
6 advisory committees;
- 7 (xi) Public funding to assist potentially liable persons to pay for
8 the costs of remedial action in compliance with cleanup standards under
9 RCW 70.105D.030(2)(e) but only when the amount and terms of such
10 funding are established under a settlement agreement under RCW
11 70.105D.040(4) and when the director has found that the funding will
12 achieve both (A) a substantially more expeditious or enhanced cleanup
13 than would otherwise occur, and (B) the prevention or mitigation of
14 unfair economic hardship; and
- 15 (xii) Development and demonstration of alternative management
16 technologies designed to carry out the top two hazardous waste
17 management priorities of RCW 70.105.150.

18 (3) The following moneys shall be deposited into the local toxics
19 control account: Those revenues which are raised by the tax imposed
20 under RCW 82.21.030 and which are attributable to that portion of the
21 rate equal to thirty-seven one-hundredths of one percent.

22 (a) Moneys deposited in the local toxics control account shall be
23 used by the department for grants or loans to local governments for the
24 following purposes in descending order of priority: (i) Remedial
25 actions; (ii) hazardous waste plans and programs under chapter 70.105
26 RCW; (iii) solid waste plans and programs under chapters 70.95, 70.95C,
27 70.95I, and 70.105 RCW; (iv) funds for a program to assist in the
28 assessment and cleanup of sites of methamphetamine production, but not
29 to be used for the initial containment of such sites, consistent with
30 the responsibilities and intent of RCW 69.50.511; and (v) cleanup and
31 disposal of hazardous substances from abandoned or derelict vessels
32 that pose a threat to human health or the environment. For purposes of
33 this subsection (3)(a)(v), "abandoned or derelict vessels" means
34 vessels that have little or no value and either have no identified
35 owner or have an identified owner lacking financial resources to clean
36 up and dispose of the vessel. Funds for plans and programs shall be
37 allocated consistent with the priorities and matching requirements
38 established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During
39 the 1999-2001 fiscal biennium, moneys in the account may also be used

1 for the following activities: Conducting a study of whether dioxins
2 occur in fertilizers, soil amendments, and soils; reviewing
3 applications for registration of fertilizers; and conducting a study of
4 plant uptake of metals.

5 (b) Funds may also be appropriated to the department of health to
6 implement programs to reduce testing requirements under the federal
7 safe drinking water act for public water systems. The department of
8 health shall reimburse the account from fees assessed under RCW
9 70.119A.115 by June 30, 1995.

10 (4) Except for unanticipated receipts under RCW 43.79.260 through
11 43.79.282, moneys in the state and local toxics control accounts may be
12 spent only after appropriation by statute.

13 (5) One percent of the moneys deposited into the state and local
14 toxics control accounts shall be allocated only for public
15 participation grants to persons who may be adversely affected by a
16 release or threatened release of a hazardous substance and to not-for-
17 profit public interest organizations. The primary purpose of these
18 grants is to facilitate the participation by persons and organizations
19 in the investigation and remedying of releases or threatened releases
20 of hazardous substances and to implement the state's solid and
21 hazardous waste management priorities. However, during the 1999-2001
22 fiscal biennium, funding may not be granted to entities engaged in
23 lobbying activities, and applicants may not be awarded grants if their
24 cumulative grant awards under this section exceed two hundred thousand
25 dollars. No grant may exceed sixty thousand dollars. Grants may be
26 renewed annually. Moneys appropriated for public participation from
27 either account which are not expended at the close of any biennium
28 shall revert to the state toxics control account.

29 (6) No moneys deposited into either the state or local toxics
30 control account may be used for solid waste incinerator feasibility
31 studies, construction, maintenance, or operation.

32 (7) The department shall adopt rules for grant or loan issuance and
33 performance.

34 (8) During the 2001-2003 fiscal biennium, the legislature may
35 transfer from the state toxics control account and the local toxics
36 control account to the state general fund such amounts as reflect the
37 excess fund balance of the accounts and appropriations reductions made
38 by the 2002 supplemental appropriations act for administrative
39 efficiencies and savings.

1 **Sec. 929.** RCW 70.146.030 and 2001 2nd sp.s. c 7 s 922 are each
2 amended to read as follows:

3 (1) The water quality account is hereby created in the state
4 treasury. Moneys in the account may be used only in a manner
5 consistent with this chapter. Moneys deposited in the account shall be
6 administered by the department of ecology and shall be subject to
7 legislative appropriation. Moneys placed in the account shall include
8 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
9 principal and interest from the repayment of any loans granted pursuant
10 to this chapter, and any other moneys appropriated to the account by
11 the legislature.

12 (2) The department may use or permit the use of any moneys in the
13 account to make grants or loans to public bodies, including grants to
14 public bodies as cost-sharing moneys in any case where federal, local,
15 or other funds are made available on a cost-sharing basis, for water
16 pollution control facilities and activities, or for purposes of
17 assisting a public body to obtain an ownership interest in water
18 pollution control facilities and/or to defray a part of the payments
19 made by a public body to a service provider under a service agreement
20 entered into pursuant to RCW 70.150.060, within the purposes of this
21 chapter and for related administrative expenses. For the period July
22 1, 2001, to June 30, 2003, moneys in the account may be used to process
23 applications received by the department that seek to make changes to or
24 transfer existing water rights and for grants to public bodies for
25 watershed planning under chapter 90.82 RCW. No more than three percent
26 of the moneys deposited in the account may be used by the department to
27 pay for the administration of the grant and loan program authorized by
28 this chapter.

29 (3) Beginning with the biennium ending June 30, 1997, the
30 department shall present a biennial progress report on the use of
31 moneys from the account to the chairs of the senate committee on ways
32 and means and the house of representatives committee on appropriations.
33 The first report is due June 30, 1996, and the report for each
34 succeeding biennium is due December 31 of the odd-numbered year. The
35 report shall consist of a list of each recipient, project description,
36 and amount of the grant, loan, or both.

37 (4) (~~During the fiscal biennium ending June 30, 1997, moneys in~~
38 ~~the account may be transferred by the legislature to the water right~~
39 ~~permit processing account.)) During the 2001-2003 fiscal biennium, the~~

1 legislature may transfer from the water quality account to the state
2 general fund such amounts as reflect the excess fund balance of the
3 fund and appropriations reductions made by the 2002 supplemental
4 appropriations act for administrative efficiencies and savings.

5 **Sec. 930.** RCW 70.168.040 and 1997 c 331 s 2 are each amended to
6 read as follows:

7 The emergency medical services and trauma care system trust account
8 is hereby created in the state treasury. Moneys shall be transferred
9 to the emergency medical services and trauma care system trust account
10 from the public safety education account or other sources as
11 appropriated, and as collected under RCW 46.63.110(6) and 46.12.042.
12 Disbursements shall be made by the department subject to legislative
13 appropriation. Expenditures may be made only for the purposes of the
14 state trauma care system under this chapter, including emergency
15 medical services, trauma care services, rehabilitative services, and
16 the planning and development of related services under this chapter and
17 for reimbursement by the department of social and health services for
18 trauma care services provided by designated trauma centers. During the
19 2001-2003 fiscal biennium, the legislature may transfer from the
20 emergency medical services and trauma care system trust account to the
21 state general fund such amounts as reflect the excess fund balance of
22 the account.

23 **Sec. 931.** RCW 77.12.170 and 2001 c 253 s 15 are each amended to
24 read as follows:

25 (1) There is established in the state treasury the state wildlife
26 fund which consists of moneys received from:

27 (a) Rentals or concessions of the department;

28 (b) The sale of real or personal property held for department
29 purposes;

30 (c) The sale of licenses, permits, tags, and stamps required by
31 chapter 77.32 RCW and RCW 77.65.490, except annual resident adult
32 saltwater and all shellfish licenses, which shall be deposited into the
33 state general fund;

34 (d) Fees for informational materials published by the department;

35 (e) Fees for personalized vehicle license plates as provided in
36 chapter 46.16 RCW;

37 (f) Articles or wildlife sold by the director under this title;

1 (g) Compensation for damage to department property or wildlife
2 losses or contributions, gifts, or grants received under RCW 77.12.320
3 or 77.32.380;

4 (h) Excise tax on anadromous game fish collected under chapter
5 82.27 RCW;

6 (i) The sale of personal property seized by the department for
7 fish, shellfish, or wildlife violations; and

8 (j) The department's share of revenues from auctions and raffles
9 authorized by the commission.

10 (2) State and county officers receiving any moneys listed in
11 subsection (1) of this section shall deposit them in the state treasury
12 to be credited to the state wildlife fund.

13 During the 2001-2003 fiscal biennium, the legislature may transfer
14 from the state wildlife fund to the state general fund such amounts as
15 reflect the excess fund balance of the fund and appropriations
16 reductions made by the 2002 supplemental appropriations act for
17 administrative efficiencies and savings.

18 **Sec. 932.** RCW 77.44.050 and 1999 c 235 s 1 are each amended to
19 read as follows:

20 The warm water game fish account is hereby created in the state
21 wildlife fund. Moneys in the account are subject to legislative
22 appropriation and shall be used for the purpose of funding the warm
23 water game fish enhancement program, including the development of warm
24 water pond and lake habitat, culture of warm water game fish,
25 improvement of warm water fish habitat, management of warm water fish
26 populations, and other practical activities that will improve the
27 fishing for warm water fish. Funds for warm water game fish as
28 provided in RCW 77.32.440 shall not serve as replacement funding for
29 department-operated warm water fish projects existing on December 31,
30 1994, except that an amount not to exceed ninety-one thousand dollars
31 may be used for warm water fish culture at the Rod Meseberg warm water
32 fish production facility during the biennium ending June 30, 2001.
33 During the 2001-2003 fiscal biennium, the legislature may transfer from
34 the warm water game fish account to the state general fund such amounts
35 as reflect the excess fund balance of the account and appropriations
36 reductions made by the 2002 supplemental appropriations act for
37 administrative efficiencies and savings.

1 **Sec. 933.** RCW 79.24.580 and 2001 c 227 s 7 are each amended to
2 read as follows:

3 After deduction for management costs as provided in RCW 79.64.040
4 and payments to towns under RCW 79.92.110(2), all moneys received by
5 the state from the sale or lease of state-owned aquatic lands and from
6 the sale of valuable material from state-owned aquatic lands shall be
7 deposited in the aquatic lands enhancement account which is hereby
8 created in the state treasury. After appropriation, these funds shall
9 be used solely for aquatic lands enhancement projects; for the
10 purchase, improvement, or protection of aquatic lands for public
11 purposes; for providing and improving access to such lands; and for
12 volunteer cooperative fish and game projects.

13 In providing grants for aquatic lands enhancement projects, the
14 department shall require grant recipients to incorporate the
15 environmental benefits of the project into their grant applications,
16 and the department shall utilize the statement of environmental
17 benefits in its prioritization and selection process. The department
18 shall also develop appropriate outcome-focused performance measures to
19 be used both for management and performance assessment of the grants.
20 To the extent possible, the department should coordinate its
21 performance measure system with other natural resource-related agencies
22 as defined in RCW 43.41.270. The department shall consult with
23 affected interest groups in implementing this section.

24 During the fiscal biennium ending June 30, ~~((2001))~~ 2003, the funds
25 may be appropriated for boating safety~~((7))~~ and shellfish management,
26 enforcement, and enhancement ~~((and for developing and implementing~~
27 ~~plans for population monitoring and restoration of native wild salmon~~
28 ~~stock))~~. During the 2001-2003 fiscal biennium, the legislature may
29 transfer from the aquatic lands enhancement account to the state
30 general fund such amounts as reflect the excess fund balance of the
31 account and appropriations reductions made by the 2002 supplemental
32 appropriations act for administrative efficiencies and savings.

33 **Sec. 934.** RCW 79A.05.215 and 1995 c 211 s 7 are each amended to
34 read as follows:

35 The state parks renewal and stewardship account is created in the
36 state treasury. Except as otherwise provided in this chapter, all
37 receipts from user fees, concessions, leases, and other state park-
38 based activities shall be deposited into the account. Expenditures

1 from the account may be used for operating state parks, developing and
2 renovating park facilities, undertaking deferred maintenance, enhancing
3 park stewardship, and other state park purposes. Expenditures from the
4 account may be made only after appropriation by the legislature.
5 During the 2001-2003 fiscal biennium, the legislature may transfer from
6 the state parks renewal and stewardship account to the state general
7 fund such amounts as reflect the appropriations reductions made by the
8 2002 supplemental appropriations act for administrative efficiencies
9 and savings.

10 **Sec. 935.** RCW 80.01.080 and 2001 c 238 s 8 are each amended to
11 read as follows:

12 ~~((The transportation revolving fund and the public utilities~~
13 ~~revolving fund are abolished as of April 1, 1949, and as of such date))~~
14 There is created in the state treasury a ((^u))public service revolving
15 fund((^u to which shall be transferred all moneys which then remain on
16 hand to the credit of the transportation revolving fund and the public
17 utilities revolving fund, subject, however, to outstanding warrants and
18 other obligations chargeable to appropriations made from such funds.
19 From and after April 1, 1949,)). Regulatory fees payable by all types
20 of public service companies shall be deposited to the credit of the
21 public service revolving fund. Except for expenses payable out of the
22 pipeline safety account, all expense of operation of the Washington
23 utilities and transportation commission shall be payable out of the
24 public service revolving fund.

25 During the 2001-2003 fiscal biennium, the legislature may transfer
26 from the public service revolving fund to the state general fund such
27 amounts as reflect the appropriations reductions made by the 2002
28 supplemental appropriations act for administrative efficiencies and
29 savings.

30 **Sec. 936.** RCW 82.29A.080 and 1985 c 57 s 84 are each amended to
31 read as follows:

32 The counties and cities shall contract, prior to the effective date
33 of an ordinance imposing a leasehold excise tax, with the department of
34 revenue for administration and collection. The department of revenue
35 shall deduct a percentage amount, as provided by such contract, not to
36 exceed two percent of the taxes collected, for administration and
37 collection expenses incurred by the department. The remainder of any

1 portion of any tax authorized by RCW 82.29A.040 which is collected by
2 the department of revenue shall be deposited by the state department of
3 revenue in the local leasehold excise tax account hereby created in the
4 state treasury. Moneys in the local leasehold excise tax account may
5 be spent only for distribution to counties and cities imposing a
6 leasehold excise tax.

7 During the 2001-2003 fiscal biennium, the legislature may transfer
8 from the local leasehold excise tax account to the state general fund
9 such amounts as reflect the interest earnings of the account.

10 **Sec. 937.** RCW 90.48.465 and 1998 c 262 s 16 are each amended to
11 read as follows:

12 (1) The department shall establish annual fees to collect expenses
13 for issuing and administering each class of permits under RCW
14 90.48.160, 90.48.162, and 90.48.260. An initial fee schedule shall be
15 established by rule within one year of March 1, 1989, and thereafter
16 the fee schedule shall be adjusted no more often than once every two
17 years. This fee schedule shall apply to all permits, regardless of
18 date of issuance, and fees shall be assessed prospectively. All fees
19 charged shall be based on factors relating to the complexity of permit
20 issuance and compliance and may be based on pollutant loading and
21 toxicity and be designed to encourage recycling and the reduction of
22 the quantity of pollutants. Fees shall be established in amounts to
23 fully recover and not to exceed expenses incurred by the department in
24 processing permit applications and modifications, monitoring and
25 evaluating compliance with permits, conducting inspections, securing
26 laboratory analysis of samples taken during inspections, reviewing
27 plans and documents directly related to operations of permittees,
28 overseeing performance of delegated pretreatment programs, and
29 supporting the overhead expenses that are directly related to these
30 activities.

31 (2) The annual fee paid by a municipality, as defined in 33 U.S.C.
32 Sec. 1362, for all domestic wastewater facility permits issued under
33 RCW 90.48.162 and 90.48.260 shall not exceed the total of a maximum of
34 fifteen cents per month per residence or residential equivalent
35 contributing to the municipality's wastewater system. The department
36 shall adopt by rule a schedule of credits for any municipality engaging
37 in a comprehensive monitoring program beyond the requirements imposed
38 by the department, with the credits available for five years from March

1 1, 1989, and with the total amount of all credits not to exceed fifty
2 thousand dollars in the five-year period.

3 (3) The department shall ensure that indirect dischargers do not
4 pay twice for the administrative expense of a permit. Accordingly,
5 administrative expenses for permits issued by a municipality under RCW
6 90.48.165 are not recoverable by the department.

7 (4) In establishing fees, the department shall consider the
8 economic impact of fees on small dischargers and the economic impact of
9 fees on public entities required to obtain permits for storm water
10 runoff and shall provide appropriate adjustments.

11 (5) The fee for an individual permit issued for a dairy farm as
12 defined under chapter 90.64 RCW shall be fifty cents per animal unit up
13 to one thousand one hundred sixty-seven dollars for fiscal year 1998
14 and one thousand two hundred fourteen dollars for fiscal year 1999.
15 The fee for a general permit issued for a dairy farm as defined under
16 chapter 90.64 RCW shall be fifty cents per animal unit up to eight
17 hundred seventeen dollars for fiscal year 1998 and eight hundred fifty
18 dollars for fiscal year 1999. Thereafter, these fees may rise in
19 accordance with the fiscal growth factor as provided in chapter 43.135
20 RCW.

21 (6) All fees collected under this section shall be deposited in the
22 water quality permit account hereby created in the state treasury.
23 Moneys in the account may be appropriated only for purposes of
24 administering permits under RCW 90.48.160, 90.48.162, and 90.48.260.
25 During the 2001-2003 fiscal biennium, the legislature may transfer from
26 the water quality permit account to the state general fund such amounts
27 as reflect the appropriations reductions made by the 2002 supplemental
28 appropriations act for administrative efficiencies and savings.

29 (7) Beginning with the biennium ending June 30, 1997, the
30 department shall present a biennial progress report on the use of
31 moneys from the account to the legislature. The report will be due
32 December 31st of odd-numbered years. The report shall consist of
33 information on fees collected, actual expenses incurred, and
34 anticipated expenses for the current and following fiscal years.

35 **Sec. 938.** RCW 90.56.510 and 2000 c 69 s 22 are each amended to
36 read as follows:

37 (1) The oil spill prevention account is created in the state
38 treasury. All receipts from RCW 82.23B.020(2) shall be deposited in

1 the account. Moneys from the account may be spent only after
2 appropriation. The account is subject to allotment procedures under
3 chapter 43.88 RCW. If, on the first day of any calendar month, the
4 balance of the oil spill response account is greater than nine million
5 dollars and the balance of the oil spill prevention account exceeds the
6 unexpended appropriation for the current biennium, then the tax under
7 RCW 82.23B.020(2) shall be suspended on the first day of the next
8 calendar month until the beginning of the following biennium, provided
9 that the tax shall not be suspended during the last six months of the
10 biennium. If the tax imposed under RCW 82.23B.020(2) is suspended
11 during two consecutive biennia, the department shall by November 1st
12 after the end of the second biennium, recommend to the appropriate
13 standing committees an adjustment in the tax rate. ((For the biennium
14 ending June 30, 1999, and the biennium ending June 30, 2001, the state
15 treasurer may transfer a total of up to one million dollars from the
16 oil spill response account to the oil spill prevention account to
17 support appropriations made from the oil spill prevention account in
18 the omnibus appropriations act adopted not later than June 30, 1999.))
19 During the 2001-2003 fiscal biennium, the legislature may transfer from
20 the oil spill prevention account to the state general fund such amounts
21 as reflect the appropriations reductions made by the 2002 supplemental
22 appropriations act for administrative efficiencies and savings.

23 (2) Expenditures from the oil spill prevention account shall be
24 used exclusively for the administrative costs related to the purposes
25 of this chapter, and chapters 90.48, 88.40, and 88.46 RCW. Starting
26 with the 1995-1997 biennium, the legislature shall give activities of
27 state agencies related to prevention of oil spills priority in funding
28 from the oil spill prevention account. Costs of prevention include the
29 costs of:

- 30 (a) Routine responses not covered under RCW 90.56.500;
- 31 (b) Management and staff development activities;
- 32 (c) Development of rules and policies and the statewide plan
33 provided for in RCW 90.56.060;
- 34 (d) Facility and vessel plan review and approval, drills,
35 inspections, investigations, enforcement, and litigation;
- 36 (e) Interagency coordination and public outreach and education;
- 37 (f) Collection and administration of the tax provided for in
38 chapter 82.23B RCW; and

1 (g) Appropriate travel, goods and services, contracts, and
2 equipment.

3 NEW SECTION. **Sec. 939.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

7 NEW SECTION. **Sec. 940.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of the
9 state government and its existing public institutions, and takes effect
10 immediately.

11 (End of part)

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