

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 5403

Chapter 10, Laws of 2003
(partial veto)

58th Legislature
2003 Regular Session

FISCAL MATTERS--SUPPLEMENTAL OPERATING APPROPRIATIONS

EFFECTIVE DATE: 4/9/03

Passed by the Senate April 2, 2003
YEAS 34 NAYS 14

SHIRLEY WINSLEY

President of the Senate

Passed by the House March 31, 2003
YEAS 95 NAYS 1

FRANK CHOPP

Speaker of the House of Representatives

Approved April 9, 2003, with the
exception of sections 202, lines 31 and
32; 305, lines 14 and 15; 706; and 707,
which are vetoed.

GARY F. LOCKE

Governor of the State of Washington

CERTIFICATE

I, Milton H. Doumit, Jr.,
Secretary of the Senate of the
State of Washington, do hereby
certify that the attached is
SUBSTITUTE SENATE BILL 5403 as
passed by the Senate and the House
of Representatives on the dates
hereon set forth.

MILTON H. DOUMIT JR.

Secretary

FILED

April 9, 2003 - 11:06 a.m.

**Secretary of State
State of Washington**

1 **FOR THE ADMINISTRATOR FOR THE COURTS**

| | | |
|----|---|---------------------|
| 2 | General Fund--State Appropriation (FY 2002) | \$14,900,000 |
| 3 | General Fund--State Appropriation (FY 2003) | (\$15,388,000) |
| 4 | | <u>\$17,430,000</u> |
| 5 | Public Safety and Education Account--State | |
| 6 | Appropriation | \$27,468,000 |
| 7 | Judicial Information Systems Account--State | |
| 8 | Appropriation | \$27,758,000 |
| 9 | TOTAL APPROPRIATION | (\$85,514,000) |
| 10 | | <u>\$87,556,000</u> |

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

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

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

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

35 ((+4)) (3) \$308,000 of the public safety and education account
36 appropriation is provided solely for the minority and justice
37 commission.

1 ~~((5))~~ (4) \$278,000 of the general fund--state appropriation for
2 fiscal year 2002, \$285,000 of the general fund--state appropriation for
3 fiscal year 2003, and \$263,000 of the public safety and education
4 account appropriation are provided solely for the workload associated
5 with tax warrants and other state cases filed in Thurston county.

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

20 ~~((7))~~ (6) \$750,000 of the public safety and education account--
21 state appropriation is provided solely for judicial program
22 enhancements. Within the funding provided in this subsection, the
23 administrator for the courts, in consultation with the supreme court,
24 shall determine the program or programs to receive an enhancement.
25 Among the programs that may be funded from the amount provided in this
26 subsection are unified family courts.

27 ~~((8))~~ (7) \$1,800,000 of the judicial information systems
28 account--state appropriation is provided solely for improvements and
29 enhancements to the judicial information systems. This funding shall
30 only be expended after the office of the administrator for the courts
31 certifies to the office of financial management that there will be at
32 least a \$1,000,000 ending fund balance in the judicial information
33 systems account at the end of the 2001-03 biennium.

34 **Sec. 102.** 2002 c 371 s 113 (uncodified) is amended to read as
35 follows:

36 **FOR THE OFFICE OF PUBLIC DEFENSE**
37 General Fund--State Appropriation (FY 2002) \$600,000

| | | |
|---|--|---------------------|
| 1 | <u>General Fund--State Appropriation (FY 2003)</u> | <u>\$170,000</u> |
| 2 | <u>General Fund--Private/Local Appropriation (FY 2003)</u> | <u>\$5,000</u> |
| 3 | Public Safety and Education Account--State | |
| 4 | Appropriation | \$12,344,000 |
| 5 | TOTAL APPROPRIATION | ((\$13,444,000)) |
| 6 | | <u>\$13,119,000</u> |

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

9 (1) \$204,000 of the public safety and education account
10 appropriation is provided solely to increase the reimbursement for
11 private attorneys providing constitutionally mandated indigent defense
12 in nondeath penalty cases.

13 (2) \$51,000 of the public safety and education account
14 appropriation is provided solely for the implementation of chapter 303,
15 Laws of 1999 (court funding).

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

19 (4) The general fund--state appropriations are provided solely for
20 the continuation of a dependency and termination legal representation
21 funding pilot program.

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

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

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

35 (iii) Use of investigative and expert services in appropriate
36 cases; and

37 (iv) Effective implementation of indigency screening of all

1 dependency and termination parents, guardians, and legal custodians
2 represented by appointed counsel.

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

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

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

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

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

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

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

22 (5) \$50,000 of the public safety and education account--state
23 appropriation is provided solely for the evaluation required in chapter
24 92, Laws of 2000 (DNA testing).

25 (6) \$235,000 of the public safety and education account--state
26 appropriation is provided solely for the office of public defense to
27 contract with an existing public defender association to establish a
28 capital defense assistance center.

29 **Sec. 103.** 2002 c 371 s 114 (uncodified) is amended to read as
30 follows:

31 **FOR THE OFFICE OF THE GOVERNOR**

| | | |
|----|---|------------------------------|
| 32 | General Fund--State Appropriation (FY 2002) | \$4,497,000 |
| 33 | General Fund--State Appropriation (FY 2003) | ((\$4,028,000)) |
| 34 | | <u>\$3,970,000</u> |
| 35 | General Fund--Federal Appropriation | \$219,000 |
| 36 | Water Quality Account--State | |
| 37 | Appropriation | ((\$3,908,000)) |

1 \$3,882,000
 2 TOTAL APPROPRIATION (~~(\$12,652,000)~~)
 3 \$12,568,000

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

6 (1) (~~(\$3,908,000)~~) \$3,882,000 of the water quality account
 7 appropriation and \$219,000 of the general fund--federal appropriation
 8 are provided solely for the Puget Sound water quality action team to
 9 implement the Puget Sound work plan and agency action items PSAT-01
 10 through PSAT-05.

11 (2) \$100,000 of the general fund--state appropriation for fiscal
 12 year 2002 is provided solely for the salmon recovery office to support
 13 the efforts of the independent science panel.

14 **Sec. 104.** 2002 c 371 s 118 (uncodified) is amended to read as
 15 follows:

16 **FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS**
 17 General Fund--State Appropriation (FY 2002) \$269,000
 18 General Fund--State Appropriation (FY 2003) (~~(\$274,000)~~)
 19 \$279,000
 20 TOTAL APPROPRIATION (~~(\$543,000)~~)
 21 \$548,000

22 **Sec. 105.** 2002 c 371 s 119 (uncodified) is amended to read as
 23 follows:

24 **FOR THE COMMISSION ON ASIAN-AMERICAN AFFAIRS**
 25 General Fund--State Appropriation (FY 2002) \$233,000
 26 General Fund--State Appropriation (FY 2003) (~~(\$201,000)~~)
 27 \$184,000
 28 TOTAL APPROPRIATION (~~(\$434,000)~~)
 29 \$417,000

30 **Sec. 106.** 2002 c 371 s 122 (uncodified) is amended to read as
 31 follows:

32 **FOR THE ATTORNEY GENERAL**
 33 General Fund--State Appropriation (FY 2002) \$4,811,000
 34 General Fund--State Appropriation (FY 2003) (~~(\$4,070,000)~~)
 35 \$4,073,000

| | | |
|----|---|-------------------------------|
| 1 | General Fund--Federal Appropriation | \$2,868,000 |
| 2 | Public Safety and Education Account--State | |
| 3 | Appropriation | \$1,753,000 |
| 4 | Tobacco Prevention and Control Account | |
| 5 | Appropriation | \$277,000 |
| 6 | New Motor Vehicle Arbitration Account--State | |
| 7 | Appropriation | \$1,163,000 |
| 8 | Legal Services Revolving Account--State | |
| 9 | Appropriation | \$147,422,000 |
| 10 | TOTAL APPROPRIATION | (((\$162,364,000)) |
| 11 | | <u>\$162,367,000</u> |

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

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

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

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

36 (4)(a) \$87,000 of the general fund--state appropriation for fiscal
37 year 2003 is provided solely for the office of the attorney general to
38 prepare a report by October 1, 2002, on federal and Indian reserved

1 water rights, and to submit the report to the standing committees of
2 the legislature having jurisdiction over water resources. The
3 objectives of the report shall be to:

4 (i) Examine and characterize the types of water rights issues
5 involved;

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

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

11 (iv) Examine implementation and funding requirements.

12 (b) Following receipt of the report, the standing committees of the
13 legislature having jurisdiction over water resources shall seek and
14 consider the recommendations of the relevant departments and agencies
15 of the United States, the federally recognized Indian tribes with
16 water-related interests in the state, and water users in the state and
17 shall develop recommendations.

18 **Sec. 107.** 2002 c 371 s 125 (uncodified) is amended to read as
19 follows:

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

| | | |
|----|--|----------------------------|
| 21 | General Fund--State Appropriation (FY 2002) | \$70,893,000 |
| 22 | General Fund--State Appropriation (FY 2003) | (\$60,499,000) |
| 23 | | <u>\$59,723,000</u> |
| 24 | General Fund--Federal Appropriation | (\$173,342,000) |
| 25 | | <u>\$201,965,000</u> |
| 26 | General Fund--Private/Local Appropriation | \$7,980,000 |
| 27 | Public Safety and Education Account--State | |
| 28 | Appropriation | \$10,094,000 |
| 29 | Public Works Assistance Account--State | |
| 30 | Appropriation | \$1,911,000 |
| 31 | Salmon Recovery Account--State Appropriation | \$1,500,000 |
| 32 | Film and Video Promotion Account--State | |
| 33 | Appropriation | \$25,000 |
| 34 | Building Code Council Account--State | |
| 35 | Appropriation | (\$1,226,000) |
| 36 | | <u>\$1,061,000</u> |
| 37 | Administrative Contingency Account--State | |

| | | |
|----|---|----------------------------|
| 1 | Appropriation | \$1,777,000 |
| 2 | Low-Income Weatherization Assistance Account--State | |
| 3 | Appropriation | \$3,292,000 |
| 4 | Violence Reduction and Drug Enforcement Account-- | |
| 5 | State Appropriation | \$7,513,000 |
| 6 | Manufactured Home Installation Training Account-- | |
| 7 | State Appropriation | \$256,000 |
| 8 | Community Economic Development Account-- | |
| 9 | State Appropriation | \$113,000 |
| 10 | Washington Housing Trust Account--State | |
| 11 | Appropriation | \$10,368,000 |
| 12 | Public Facility Construction Loan Revolving | |
| 13 | Account--State Appropriation | \$586,000 |
| 14 | TOTAL APPROPRIATION | (\$351,375,000) |
| 15 | | <u>\$379,057,000</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 \$2,838,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely for a contract with the Washington
28 technology center. For work essential to the mission of the Washington
29 technology center and conducted in partnership with universities, the
30 center shall not pay any increased indirect rate nor increases in other
31 indirect charges above the absolute amount paid during the 1995-97
32 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) \$10,804,156 of the general fund--federal appropriation is

1 provided solely for the drug control and system improvement formula
2 grant program, to be distributed in state fiscal year 2002 as follows:
3 (a) \$3,603,250 to local units of government to continue
4 multijurisdictional narcotics task forces;
5 (b) \$620,000 to the department to continue the drug prosecution
6 assistance program in support of multijurisdictional narcotics task
7 forces;
8 (c) \$1,363,000 to the Washington state patrol for coordination,
9 investigative, and supervisory support to the multijurisdictional
10 narcotics task forces and for methamphetamine education and response;
11 (d) \$200,000 to the department for grants to support tribal law
12 enforcement needs;
13 (e) \$991,000 to the department of social and health services,
14 division of alcohol and substance abuse, for drug courts in eastern and
15 western Washington;
16 (f) \$302,551 to the department for training and technical
17 assistance of public defenders representing clients with special needs;
18 (g) \$88,000 to the department to continue a substance abuse
19 treatment in jails program, to test the effect of treatment on future
20 criminal behavior;
21 (h) \$697,075 to the department to continue domestic violence legal
22 advocacy;
23 (i) \$903,000 to the department of social and health services,
24 juvenile rehabilitation administration, to continue youth violence
25 prevention and intervention projects;
26 (j) \$60,000 to the Washington association of sheriffs and police
27 chiefs to complete the state and local components of the national
28 incident-based reporting system;
29 (k) \$60,000 to the department for community-based advocacy services
30 to victims of violent crime, other than sexual assault and domestic
31 violence;
32 (l) \$91,000 to the department to continue the governor's council on
33 substance abuse;
34 (m) \$99,000 to the department to continue evaluation of Byrne
35 formula grant programs;
36 (n) \$901,180 to the office of financial management for criminal
37 history records improvement; and

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

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

15 (5) \$320,000 of the general fund--state appropriation for fiscal
16 year 2002 and \$320,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for the rural economic opportunity
18 fund.

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

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

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

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

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

6 (11) \$600,000 of the public safety and education account
7 appropriation is provided solely for sexual assault prevention and
8 treatment programs.

9 (12) \$680,000 of the Washington housing trust account appropriation
10 is provided solely to conduct a pilot project designed to lower
11 infrastructure costs for residential development.

12 (13) \$50,000 of the general fund--state appropriation for fiscal
13 year 2002 and \$50,000 of the general fund--state appropriation for
14 fiscal year 2003 are provided to the department solely for providing
15 technical assistance to developers of housing for farmworkers.

16 (14) \$370,000 of the general fund--state appropriation for fiscal
17 year 2002, \$371,000 of the general fund--state appropriation for fiscal
18 year 2003, and \$25,000 of the film and video promotion account
19 appropriation are provided solely for the film office to bring film and
20 video production to Washington state.

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

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

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

1 percent of the state median family income. The director of the
2 department, or the director of the subsequent department of community
3 development, may implement fees to support the program as provided
4 under RCW 43.330.152.

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

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

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

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

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

1 state. Repayments of loans granted under this chapter shall be made to
2 the lender or contract collection agent as long as the loan is
3 outstanding, notwithstanding the repeal of the chapter.

4 (23) \$75,000 of the general fund--state appropriation for fiscal
5 year 2002 is provided solely for the community connections program in
6 Walla Walla.

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

21 (25) \$91,500 of the general fund--state appropriation for fiscal
22 year 2002 and \$91,500 of the general fund--state appropriation for
23 fiscal year 2003 are provided solely for services related to the
24 foreign representative contract for Japan.

25 (26) \$81,000 of the general fund--state appropriation for fiscal
26 year 2002 is provided solely for business finance and loan programs.

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

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

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

37 (30) \$100,000 of the general fund--state appropriation for fiscal
38 year 2002 and \$100,000 of the general fund--state appropriation for

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

4 ~~((32))~~ (31) \$10,111,682 of the general fund--federal
5 appropriation is provided solely for the drug control and system
6 improvement formula grant program, to be distributed in state fiscal
7 year 2003 as follows:

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

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

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

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

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

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

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

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

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

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

32 (k) \$494,675 to the office of financial management for criminal
33 history records improvement;

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

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

1 These amounts represent the maximum Byrne grant expenditure
2 authority for each program. No program may expend Byrne grant funds in
3 excess of the amounts provided in this subsection. If moneys in excess
4 of those appropriated in this subsection become available, whether from
5 prior or current fiscal year Byrne grant distributions, the department
6 shall hold these moneys in reserve and may not expend them without
7 specific appropriation. These moneys shall be carried forward and
8 applied to the pool of moneys available for appropriation for programs
9 and projects in the succeeding fiscal year. As part of its budget
10 request for the succeeding year, the department shall estimate and
11 request authority to spend any funds remaining in reserve as a result
12 of this subsection.

13 ~~((33) \$165,000 of the building code council account appropriation
14 for fiscal year 2003 is provided solely for the state building code
15 council pursuant to Senate Bill No. 5352 (building code council fee
16 increase). If the bill is not enacted by June 30, 2002, the amount
17 provided in this subsection shall lapse.~~

18 ~~(35))~~ (32) The appropriations in this section reflect a reduction
19 of \$504,000 from the general fund--state appropriation for fiscal year
20 2003. To implement this reduction, the office of trade and economic
21 development shall take actions consistent with its mission, goals, and
22 objectives to reduce operating costs. Such action, to the greatest
23 extent possible, shall maintain direct payments to service providers,
24 grants to other entities, and other pass-through funds. Examples of
25 actions that may be taken to effect this reduction include hiring
26 freezes, employee furloughs, staffing reductions, restricted travel and
27 training, delaying purchases of equipment, and limiting personal
28 service contracts.

29 ~~((36))~~ (33) \$40,000 of the general fund--state appropriation for
30 fiscal year 2003 is provided solely to implement the state task force
31 on funding for community-based services to victims of crime as provided
32 in Senate Bill No. 6763. If the bill is not enacted by June 30, 2002,
33 the amount provided in this subsection shall lapse.

34 ~~((37))~~ (34) The appropriations in this section reflect a
35 reduction of \$1,641,000 from the general fund--state appropriation for
36 fiscal year 2003. To implement this reduction, the office of community
37 development shall take actions consistent with its mission, goals, and
38 objectives to reduce operating costs. Such action, to the greatest

1 extent possible, shall maintain direct payments to service providers,
2 grants to other entities, and other pass-through funds. Examples of
3 actions that may be taken to effect this reduction include hiring
4 freezes, employee furloughs, staffing reductions, restricted travel and
5 training, delaying purchases of equipment, and limiting personal
6 service contracts.

7 **Sec. 108.** 2002 c 371 s 127 (uncodified) is amended to read as
8 follows:

9 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

| | | |
|----|---|---------------------------|
| 10 | General Fund--State Appropriation (FY 2002) | \$12,456,000 |
| 11 | General Fund--State Appropriation (FY 2003) | (\$12,508,000) |
| 12 | | <u>\$12,488,000</u> |
| 13 | General Fund--Federal Appropriation | (\$23,657,000) |
| 14 | | <u>\$35,657,000</u> |
| 15 | Violence Reduction and Drug Enforcement | |
| 16 | Account--State Appropriation | \$226,000 |
| 17 | State Auditing Services Revolving | |
| 18 | Account--State Appropriation | \$25,000 |
| 19 | TOTAL APPROPRIATION | (\$48,872,000) |
| 20 | | <u>\$60,852,000</u> |

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

23 (1) The office of financial management shall review policies and
24 procedures regarding purchasing of information technology upgrades by
25 state agencies. Information technology upgrades include replacement
26 workstations, network equipment, operating systems and application
27 software. The review shall document existing policies and procedures,
28 and shall compare alternative upgrade policies that reduce the overall
29 cost to state government for maintaining adequate information
30 technology to meet the existing business needs of state agencies.
31 Findings and recommendations from this review shall be reported to
32 appropriate committees of the legislature by December 1, 2001.

33 (2) State agencies that provide services to other state agencies
34 are expected to reduce their expenditures and to share the savings with
35 their clients. The office of financial management shall achieve a
36 reduction of \$339,000 in its billings for financial system services

1 purchased by state agencies in fiscal year 2003. The reduction is
2 expected to result from both reduced demand for services and reduced
3 rates.

4 (3) \$500,000 of the general fund--state appropriation for fiscal
5 year 2003 is provided solely for implementation of Engrossed Second
6 Substitute House Bill No. 2671 (permit assistance center). If the bill
7 is not enacted by June 30, 2002, the amount provided in this subsection
8 shall lapse.

9 (4) \$350,000 of the general fund--state appropriation for fiscal
10 year 2003 is provided solely for an assessment and performance scoring
11 of state agencies and separate systemwide performance audits of two
12 governmental functions: State capital construction practices and state
13 contracting practices.

14 (a) The scorecard on state agencies shall include, but not be
15 limited to, the following:

- 16 (i) Quality and process management practices;
- 17 (ii) Independent and internal audit functions;
- 18 (iii) Internal and external customer satisfaction;
- 19 (iv) Program effectiveness;
- 20 (v) Fiscal productivity and efficiency; and
- 21 (vi) Statutory and regulatory compliance.

22 Each agency shall be graded on the categories selected for the
23 scorecard. The office of financial management shall submit the results
24 of the performance scoring, forward recommendations for legislation to
25 the governor and the appropriate committees of the legislature by
26 November 30, 2002, and release the results of the performance scoring
27 to the public.

28 (b)(i) The office of financial management shall conduct separate
29 systemwide performance audits on the state's capital construction and
30 contracting practices using generally accepted government auditing
31 standards. Each performance audit shall include, but not be limited
32 to, a review of the following:

- 33 (A) Validity and reliability of management's performance measures;
- 34 (B) A review of internal controls and internal audits;
- 35 (C) The adequacy of systems used for measuring, reporting, and
36 monitoring performance;
- 37 (D) The extent to which legislative, regulatory, and organizational
38 goals and objectives are being achieved; and

1 (E) Identification and recognition of best practices.
 2 (ii) The performance audit on state capital construction practices
 3 shall include building projects, highway projects, and architectural
 4 and engineering services. The following state agencies, at a minimum,
 5 shall be subject to audit sampling: Department of transportation,
 6 department of general administration, and state higher education
 7 agencies.

8 (iii) The performance audit on state contracting practices shall
 9 include state agencies with sufficient activity with personal services
 10 contracts and other types of contracts to evaluate the state's
 11 contracting practices.

12 (iv) The office of financial management shall grade the results of
 13 the performance audits to indicate agencies' performance regarding
 14 capital construction and contracting practices. The office of
 15 financial management shall report findings from the performance audits
 16 to the governor and appropriate legislative committees by November 30,
 17 2002.

18 (c) The office of financial management may contract for consulting
 19 services in completing requirements under this subsection.

20 **Sec. 109.** 2002 c 371 s 128 (uncodified) is amended to read as
 21 follows:

22 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**
 23 Administrative Hearings Revolving Account--State
 24 Appropriation ((~~\$22,394,000~~))
 25 \$23,473,000

26 **Sec. 110.** 2002 c 371 s 132 (uncodified) is amended to read as
 27 follows:

28 **FOR THE COMMISSION ON HISPANIC AFFAIRS**
 29 General Fund--State Appropriation (FY 2002) \$226,000
 30 General Fund--State Appropriation (FY 2003) ((~~\$210,000~~))
 31 \$215,000
 32 TOTAL APPROPRIATION ((~~\$436,000~~))
 33 \$441,000

34 **Sec. 111.** 2002 c 371 s 133 (uncodified) is amended to read as
 35 follows:

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

| | | |
|---|---|------------------------|
| 2 | General Fund--State Appropriation (FY 2002) | \$211,000 |
| 3 | General Fund--State Appropriation (FY 2003) | (\$207,000) |
| 4 | | <u>\$212,000</u> |
| 5 | TOTAL APPROPRIATION | (\$418,000) |
| 6 | | <u>\$423,000</u> |

7 **Sec. 112.** 2002 c 371 s 135 (uncodified) is amended to read as
8 follows:

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

| | | |
|----|--|---------------------------|
| 10 | Dependent Care Administrative Account--State | |
| 11 | Appropriation | \$378,000 |
| 12 | Department of Retirement Systems Expense Account-- | |
| 13 | State Appropriation | (\$49,183,000) |
| 14 | | <u>\$49,044,000</u> |
| 15 | TOTAL APPROPRIATION | (\$49,561,000) |
| 16 | | <u>\$49,422,000</u> |

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

19 (1) \$1,000,000 of the department of retirement systems expense
20 account appropriation is provided solely for support of the information
21 systems project known as the electronic document image management
22 system.

23 (2) \$120,000 of the department of retirement systems expense
24 account appropriation is provided solely for locating inactive members
25 entitled to retirement benefits.

26 (3) \$117,000 of the department of retirement systems expense
27 account appropriation is provided solely for modifications to the
28 retirement information systems to accommodate tracking of
29 postretirement employment on an hourly basis.

30 (4) \$440,000 of the department of retirement systems expense
31 account appropriation is provided solely for the implementation of
32 Engrossed Senate Bill No. 5143 (Washington state patrol retirement
33 systems plan 2).

34 (5) \$6,420,000 of the department of retirement systems expense
35 account appropriation is provided solely for the implementation of
36 public employees' retirement system plan 3 (chapter 247, Laws of 2000).

1 (6) \$96,000 of the department of retirement systems expense account
2 appropriation is provided solely for the implementation of Senate Bill
3 No. 6376 (PERS plan 3 transfer payment). If the bill is not enacted by
4 June 30, 2002, the amount provided in this subsection shall lapse.

5 ~~((7) (\$9,000 of the department of retirement systems expense
6 account appropriation is provided solely for the implementation of
7 Senate Bill No. 6377 (TRS plan 1 extended school year). If the bill is
8 not enacted by June 30, 2002, the amount provided in this subsection
9 shall lapse.~~

10 ~~(8))~~ \$12,000 of the department of retirement systems expense
11 account appropriation is provided solely for the implementation of
12 Senate Bill No. 6378 (LEOFF plan 2 part-time leave of absence). If the
13 bill is not enacted by June 30, 2002, the amount provided in this
14 subsection shall lapse.

15 ~~((9))~~ (8) \$122,000 of the department of retirement systems
16 expense account appropriation is provided solely for the implementation
17 of Senate Bill No. 6379 (transferring service credit to WSPRS). If the
18 bill is not enacted by June 30, 2002, the amount provided in this
19 subsection shall lapse.

20 ~~((10))~~ (9) \$651,000 of the department of retirement systems
21 expense account appropriation is provided solely for the implementation
22 of Engrossed Senate Bill No. 6380 (survivor benefits). If the bill is
23 not enacted by June 30, 2002, the amount provided in this subsection
24 shall lapse.

25 ~~((11))~~ (10) \$53,000 of the department of retirement systems
26 expense account appropriation is provided solely for the implementation
27 of Senate Bill No. 6381 (PERS plan 1 terminated vested). If the bill
28 is not enacted by June 30, 2002, the amount provided in this subsection
29 shall lapse.

30 ~~((12) \$130,000 of the department of retirement systems expense
31 account appropriation for fiscal year 2003 is provided solely for the
32 implementation of House Bill No. 2896 (EMT service credit transfer).
33 If the bill is not enacted by June 30, 2002, the amount provided in
34 this subsection shall lapse.~~

35 ~~(13))~~ (11) The appropriations in this section are reduced to
36 reflect savings resulting from a 0.01 percent reduction of the
37 department of retirement systems administrative expense rate, effective

1 May 1, 2002, from 0.23 to 0.22 for the remainder of the 2001-03
2 biennium.

3 **Sec. 113.** 2002 c 371 s 137 (uncodified) is amended to read as
4 follows:

5 **FOR THE DEPARTMENT OF REVENUE**

| | | |
|----|---|--------------------------------|
| 6 | General Fund--State Appropriation (FY 2002) | ((\$72,823,000)) |
| 7 | | <u>\$72,820,000</u> |
| 8 | General Fund--State Appropriation (FY 2003) | ((\$78,149,000)) |
| 9 | | <u>\$77,118,000</u> |
| 10 | Timber Tax Distribution Account--State | |
| 11 | Appropriation | \$5,131,000 |
| 12 | Waste Education/Recycling/Litter Control--State | |
| 13 | Appropriation | \$101,000 |
| 14 | State Toxics Control Account--State | |
| 15 | Appropriation | \$67,000 |
| 16 | Oil Spill Administration Account--State | |
| 17 | Appropriation | \$14,000 |
| 18 | Multimodal Transportation Account--State | |
| 19 | Appropriation | ((\$109,000)) |
| 20 | | <u>\$9,000</u> |
| 21 | TOTAL APPROPRIATION | ((\$156,394,000)) |
| 22 | | <u>\$155,260,000</u> |

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

25 (1) \$269,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$49,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely to establish and provide staff
28 support to a committee on taxation to study the elasticity, equity, and
29 adequacy of the state's tax system.

30 (a) The committee shall consist of eleven members. The department
31 shall appoint six academic scholars from the fields of economics,
32 taxation, business administration, public administration, public
33 policy, and other relevant disciplines as determined by the department,
34 after consulting with the majority and minority leaders in the senate,
35 the co-speakers in the house of representatives, the chair of the ways
36 and means committee in the senate, and the co-chairs of the finance
37 committee in the house of representatives. The governor and the chairs

1 of the majority and minority caucuses in each house of the legislature
2 shall each appoint one member to the committee. These appointments may
3 be legislative members. The members of the committee shall either
4 elect a voting chair from among their membership or a nonvoting chair
5 who is not a member of the committee. Members of the committee shall
6 serve without compensation but shall be reimbursed for travel expenses
7 under RCW 43.03.050 and 43.03.060.

8 (b) The purpose of the study is to determine how well the current
9 tax system functions and how it might be changed to better serve the
10 citizens of the state in the twenty-first century. In reviewing
11 options for changes to the tax system, the committee shall develop
12 multiple alternatives to the existing tax system. To the extent
13 possible, the alternatives shall be designed to increase the harmony
14 between the tax system of this state and the surrounding states,
15 encourage commerce and business creation, and encourage home ownership.
16 In developing alternatives, the committee shall examine and consider
17 the effects of tax incentives, including exemptions, deferrals, and
18 credits. The alternatives shall range from incremental improvements in
19 the current tax structure to complete replacement of the tax structure.
20 In conducting the study, the committee shall examine the tax structures
21 of other states and review previous studies regarding tax reform in
22 this state. In developing alternatives, the committee shall be guided
23 by administrative simplicity, economic neutrality, fairness, stability,
24 and transparency. Most of the alternatives presented by the committee
25 to the legislature shall be revenue neutral and contain no income tax.

26 (c) The department shall create an advisory group to include, but
27 not be limited to, representatives of business, state agencies, local
28 governments, labor, taxpayers, and other advocacy groups. The group
29 shall provide advice and assistance to the committee.

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

33 ~~((3) \$109,000))~~ (2) \$9,000 of the multimodal transportation
34 account--state appropriation for fiscal year 2003 is provided solely
35 for the department to implement the provisions of House Bill No. 2969
36 (transportation). If the bill is not enacted by January 1, 2003, the
37 amount provided in this subsection shall lapse. Further, the amount

1 provided in this subsection shall lapse to the extent that funds are
2 provided for this purpose in the transportation appropriations act.

3 **Sec. 114.** 2002 c 371 s 139 (uncodified) is amended to read as
4 follows:

5 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

| | | |
|----|---|---------------------------|
| 6 | General Fund--State Appropriation (FY 2002) | \$549,000 |
| 7 | General Fund--State Appropriation (FY 2003) | (\$655,000) |
| 8 | | <u>\$646,000</u> |
| 9 | General Fund--Federal Appropriation | \$1,930,000 |
| 10 | General Fund--Private/Local Appropriation | \$223,000 |
| 11 | State Capitol Vehicle Parking Account-- | |
| 12 | State Appropriation | \$154,000 |
| 13 | General Administration Services Account--State | |
| 14 | Appropriation | \$39,546,000 |
| 15 | TOTAL APPROPRIATION | (\$43,057,000) |
| 16 | | <u>\$43,048,000</u> |

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

19 (1) The department shall conduct a review of the ultimate
20 purchasing system to evaluate the following: (a) The degree to which
21 program objectives and assumptions were achieved; (b) the degree to
22 which planned schedule of phases, tasks, and activities were
23 accomplished; (c) an assessment of estimated and actual costs of each
24 phase; (d) an assessment of project cost recovery/cost avoidance,
25 return on investment, and measurable outcomes as each relate to the
26 agency's business functions and other agencies' business functions; and
27 (e) the degree to which integration with the agency and state
28 information technology infrastructure was achieved. The department
29 will receive written input from participating pilot agencies that
30 describes measurable organizational benefits and cost avoidance
31 opportunities derived from use of the ultimate purchasing system. The
32 performance review shall be submitted to the office of financial
33 management and the appropriate legislative fiscal committees by July 1,
34 2002.

35 (2) \$60,000 of the general administration services account
36 appropriation is provided solely for costs associated with the
37 development of the information technology architecture to link the risk

1 management information system and the tort division's case management
2 system, and the reconciliation of defense cost reimbursement
3 information.

4 (3) \$44,000 of the general fund--state appropriation for fiscal
5 year 2003 is provided solely for the department to implement the waste
6 management and recycling provisions of Substitute House Bill No. 2308
7 (encouraging recycling and waste reduction). If the bill is not
8 enacted by June 30, 2002, the amount provided in this subsection shall
9 lapse.

10 (4) State agencies that provide services to other state agencies
11 are expected to reduce their expenditures and to share the savings with
12 their clients. The department of general administration shall achieve
13 a reduction of \$1,302,000 in its billings for motor pool, consolidated
14 mail, and other services that state agencies purchase in fiscal year
15 2003. The reduction is expected to result from both reduced demand for
16 services and reduced rates.

17 (5) Beginning on the effective date of this act, the department of
18 general administration shall not purchase or lease any additional
19 automobiles for the state motor pool, unless the director of general
20 administration determines that the purchase or lease is necessary for
21 the safety of state personnel.

22 **Sec. 115.** 2002 c 371 s 143 (uncodified) is amended to read as
23 follows:

24 **FOR THE LIQUOR CONTROL BOARD**

| | | |
|----|---|--------------------------------|
| 25 | General Fund--State Appropriation (FY 2002) | \$1,483,000 |
| 26 | General Fund--State Appropriation (FY 2003) | \$1,439,000 |
| 27 | General Fund--Federal Appropriation (FY 2003) | \$99,000 |
| 28 | Liquor Control Board Construction and Maintenance | |
| 29 | Account--State Appropriation | \$9,684,000 |
| 30 | Liquor Revolving Account--State | |
| 31 | Appropriation | ((\$125,927,000)) |
| 32 | | <u>\$126,407,000</u> |
| 33 | TOTAL APPROPRIATION | ((\$138,632,000)) |
| 34 | | <u>\$139,112,000</u> |

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

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

5 (2) \$4,803,000 of the liquor revolving account appropriation is
6 provided solely for the costs associated with the development and
7 implementation of a merchandising business system. Expenditures of any
8 funds for this system are conditioned upon the approval of the
9 merchandising business system's feasibility study by the information
10 services board. The amount provided in this subsection is also
11 conditioned upon satisfying the requirements of section 902 of this
12 act.

13 (3) \$84,000 of the liquor control board construction and
14 maintenance account appropriation for fiscal year 2003 is provided
15 solely for the liquor control board to employ additional staff during
16 the holiday season to handle the expected increase in sales volume at
17 the Seattle distribution center.

18 **Sec. 116.** 2002 c 371 s 145 (uncodified) is amended to read as
19 follows:

20 **FOR THE MILITARY DEPARTMENT**

| | | |
|----|--|-------------------------------|
| 21 | General Fund--State Appropriation (FY 2002) | \$9,165,000 |
| 22 | General Fund--State Appropriation (FY 2003) | ((\$8,710,000)) |
| 23 | | <u>\$8,740,000</u> |
| 24 | General Fund--Federal Appropriation | ((\$22,509,000)) |
| 25 | | <u>\$28,003,000</u> |
| 26 | General Fund--Private/Local Appropriation | \$234,000 |
| 27 | Enhanced 911 Account--State Appropriation | \$20,269,000 |
| 28 | Disaster Response Account--State Appropriation | ((\$2,010,000)) |
| 29 | | <u>\$1,531,000</u> |
| 30 | Disaster Response Account--Federal Appropriation | ((\$6,510,000)) |
| 31 | | <u>\$3,243,000</u> |
| 32 | Worker and Community Right to Know Fund--State | |
| 33 | Appropriation | \$283,000 |
| 34 | Nisqually Earthquake Account--State | |
| 35 | Appropriation | ((\$29,027,000)) |
| 36 | | <u>\$24,101,000</u> |
| 37 | Nisqually Earthquake Account--Federal | |

| | | |
|---|-------------------------------|--------------------------------|
| 1 | Appropriation | ((\$49,641,000)) |
| 2 | | <u>\$48,153,000</u> |
| 3 | TOTAL APPROPRIATION | ((\$148,358,000)) |
| 4 | | <u>\$143,722,000</u> |

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

7 (1) (~~(\$1,906,000)~~) \$1,427,000 of the disaster response account--
8 state appropriation is provided solely for the state share of response
9 and recovery costs associated with federal emergency management agency
10 (FEMA) disasters approved in the 1999-01 biennium budget. The military
11 department may, upon approval of the director of financial management,
12 use portions of the disaster response account--state appropriation to
13 offset costs of new disasters occurring before June 30, 2003. The
14 military department shall submit a report quarterly to the office of
15 financial management and the legislative fiscal committees detailing
16 disaster costs, including: (a) Estimates of total costs; (b)
17 incremental changes from the previous estimate; (c) actual
18 expenditures; (d) estimates of total remaining costs to be paid; and
19 (d) estimates of future payments by biennium. This information shall
20 be displayed by individual disaster, by fund, and by type of
21 assistance. The military department shall also submit a report
22 quarterly to the office of financial management and the legislative
23 fiscal committees detailing information on the disaster response
24 account, including: (a) The amount and type of deposits into the
25 account; (b) the current available fund balance as of the reporting
26 date; and (c) the projected fund balance at the end of the 2001-03
27 biennium based on current revenue and expenditure patterns.

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

32 (3) \$60,000 of the general fund--state appropriation for fiscal
33 year 2002 and \$60,000 of the general fund--state appropriation for
34 fiscal year 2003 are provided solely for the implementation of Senate
35 Bill No. 5256 (emergency management compact). If the bill is not
36 enacted by June 30, 2001, the amounts provided in this subsection shall
37 lapse.

1 (4) \$35,000 of the general fund--state fiscal year 2002
2 appropriation and \$35,000 of the general fund--state fiscal year 2003
3 appropriation are provided solely for the north county emergency
4 medical service.

5 (5) (~~(\$2,145,000)~~) \$1,967,000 of the Nisqually earthquake account--
6 state appropriation and (~~(\$4,174,000)~~) \$3,305,000 of the Nisqually
7 earthquake account--federal appropriation are provided solely for the
8 military department's costs associated with coordinating the state's
9 response to the February 28, 2001, earthquake.

10 (6) (~~(\$678,000)~~) \$641,000 of the Nisqually earthquake account--
11 state appropriation and (~~(\$3,420,000)~~) \$3,797,000 of the Nisqually
12 earthquake account--federal appropriation are provided solely for
13 mitigation costs associated with the earthquake for state and local
14 agencies. Of the amount from the Nisqually earthquake account--state
15 appropriation, (~~(\$217,000)~~) \$227,000 is provided for the state matching
16 share for state agencies and (~~(\$462,000)~~) \$414,000 is provided for one-
17 half of the local matching share for local entities. The amount
18 provided for the local matching share constitutes a revenue
19 distribution for purposes of RCW 43.135.060(1).

20 (7) (~~(\$8,970,000)~~) \$10,493,000 of the Nisqually earthquake
21 account--state appropriation and (~~(\$42,047,000)~~) \$41,051,000 of the
22 Nisqually earthquake account--federal appropriation are provided solely
23 for public assistance costs associated with the earthquake for state
24 and local agencies. Of the amount from the Nisqually earthquake
25 account--state appropriation, (~~(\$3,924,000)~~) \$5,237,000 is provided for
26 the state matching share for state agencies and (~~(\$5,046,000)~~)
27 \$5,256,000 is provided for one-half of the local matching share for
28 local entities. The amount provided for the local matching share
29 constitutes a revenue distribution for purposes of RCW 43.135.060(1).

30 (8) (~~(\$17,234,000)~~) \$11,000,000 of the Nisqually earthquake
31 account--state appropriation is provided solely to cover other response
32 and recovery costs associated with the Nisqually earthquake that are
33 not eligible for federal emergency management agency reimbursement.
34 Prior to expending funds provided in this subsection, the military
35 department shall obtain prior approval of the director of financial
36 management. Prior to approving any single project of over \$1,000,000,
37 the office of financial management shall notify the fiscal committees

1 of the legislature. The military department is to submit a quarterly
2 report detailing the costs authorized under this subsection to the
3 office of financial management and the legislative fiscal committees.

4 (9) \$2,818,000 of the enhanced 911 account--state appropriation is
5 provided solely for the implementation of Engrossed Second Substitute
6 Senate Bill No. 6034 or House Bill No. 2595 (enhanced 911 excise tax).
7 If neither bill is enacted by June 30, 2002, the amount provided in
8 this subsection shall lapse.

(End of part)

PART II
HUMAN SERVICES

1
2
3 **Sec. 201.** 2002 c 371 s 201 (uncodified) is amended to read as
4 follows:

5 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES. (1)**

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

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

30 (3)(a) The appropriations to the department of social and health
31 services in this act shall be expended for the programs and in the
32 amounts specified in this act. However, after May 1, 2002, unless
33 specifically prohibited by this act, the department may transfer
34 general fund--state appropriations for fiscal year 2002 among programs
35 after approval by the director of financial management; and after May
36 1, 2003, the department may transfer general fund--state appropriations

1 for fiscal year 2003 among programs after such approval. However, the
2 department shall not transfer state moneys that are provided solely for
3 a specified purpose except as expressly provided in subsection (3)(b)
4 of this section.

5 (b) To the extent that transfers under subsection (3)(a) of this
6 section are insufficient to fund actual expenditures in excess of
7 fiscal year 2002 or fiscal year 2003 caseload forecasts and utilization
8 assumptions in the medical assistance, long-term care, foster care,
9 adoption support, and child support programs, the department may
10 transfer state moneys that are provided solely for a specified purpose
11 after approval by the director of financial management.

12 (c) The director of financial management shall notify the
13 appropriate fiscal committees of the senate and house of
14 representatives in writing prior to approving any allotment
15 modifications.

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

26 *Sec. 202. 2002 c 371 s 202 (uncodified) is amended to read as
27 follows:

28 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY**
29 **SERVICES PROGRAM**

| | | |
|----|--|------------------------------------|
| 30 | General Fund--State Appropriation (FY 2002) | \$225,104,000 |
| 31 | General Fund--State Appropriation (FY 2003) | ((\$231,042,000) |
| 32 | | <u>\$227,238,000</u> |
| 33 | General Fund--Federal Appropriation | ((\$369,403,000)) |
| 34 | | <u>\$376,136,000</u> |
| 35 | General Fund--Private/Local Appropriation | \$400,000 |
| 36 | Public Safety and Education Account-- | |
| 37 | State Appropriation | \$964,000 |

| | | |
|---|---|----------------------------|
| 1 | Violence Reduction and Drug Enforcement Account-- | |
| 2 | State Appropriation | \$5,639,000 |
| 3 | TOTAL APPROPRIATION | (\$832,552,000) |
| 4 | | <u>\$835,481,000</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, \$2,271,000 of the fiscal year 2003 general fund--state
9 appropriation, and \$1,584,000 of the general fund--federal
10 appropriation are provided solely for the category of services titled
11 "intensive family preservation services."

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

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

1 (4) \$1,260,000 of the fiscal year 2002 general fund--state
2 appropriation, \$1,248,000 of the fiscal year 2003 general fund--state
3 appropriation, and \$4,150,000 of the violence reduction and drug
4 enforcement account appropriation are provided solely for the family
5 policy council and community public health and safety networks. The
6 funding level for the family policy council and community public health
7 and safety networks represents a 25 percent reduction below the funding
8 level for the 1999-2001 biennium. Funding levels shall be reduced 25
9 percent for both the family policy council and network grants.
10 Reductions to network grants shall be allocated so as to maintain
11 current funding levels, to the greatest extent possible, for projects
12 with the strongest evidence of positive outcomes and for networks with
13 substantial compliance with contracts for network grants.

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

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

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

16 (8) \$3,386,000 of the fiscal year 2002 general fund--state
17 appropriation, \$5,710,000 of the fiscal year 2003 general fund--state
18 appropriation, and \$19,819,000 of the general fund--federal
19 appropriation are provided solely for increases in the cost per case
20 for foster care and adoption support. \$16,000,000 of the general
21 fund--federal amount shall remain unallotted until the office of
22 financial management approves a plan submitted by the department to
23 achieve a higher rate of federal earnings in the foster care program.
24 That plan shall also be submitted to the fiscal committees of the
25 legislature and shall indicate projected federal revenue compared to
26 actual fiscal year 2001 levels. Within the amounts provided for foster
27 care, the department shall increase the basic rate for foster care to
28 an average of \$420 per month on July 1, 2001. The department shall use
29 the remaining funds provided in this subsection to pay for increases in
30 the cost per case for foster care and adoption support. The department
31 shall seek to control rate increases and reimbursement decisions for
32 foster care and adoption support cases such that the cost per case for
33 family foster care, group care, receiving homes, and adoption support
34 does not exceed the amount assumed in the projected caseload
35 expenditures plus the amounts provided in this subsection. By April
36 2003, the department shall adjust adoption support benefits to account
37 for the availability of the new federal adoption support tax credit for
38 special needs children.

(9) \$1,767,000 of the general fund--state appropriation for fiscal year 2002, \$1,767,000 of the general fund--state appropriation for fiscal year 2003, and \$1,241,000 of the general fund--federal appropriation are provided solely for rate and capacity increases for child placing agencies. Child placing agencies shall increase their capacity by 15 percent in fiscal year 2002.

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

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

**Sec. 202 was partially vetoed. See message at end of chapter.*

Sec. 203. 2002 c 371 s 203 (uncodified) is amended to read as follows:

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

| | | |
|---|-----------|--------------------------------|
| General Fund--State Appropriation (FY 2002) | | \$83,151,000 |
| General Fund--State Appropriation (FY 2003) | | ((\$79,107,000)) |
| | | <u>\$78,281,000</u> |
| General Fund--Federal Appropriation | | ((\$13,803,000)) |
| | | <u>\$13,645,000</u> |
| General Fund--Private/Local Appropriation | | \$1,110,000 |
| Juvenile Accountability Incentive | | |
| Account--Federal Appropriation | | \$10,461,000 |
| Public Safety and Education | | |
| Account--State Appropriation | | \$6,047,000 |
| Violence Reduction and Drug Enforcement Account-- | | |
| State Appropriation | | \$37,174,000 |
| TOTAL APPROPRIATION | | ((\$230,853,000)) |
| | | <u>\$229,869,000</u> |

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

(1) \$686,000 of the violence reduction and drug enforcement account appropriation is provided solely for deposit in the county criminal

1 justice assistance account for costs to the criminal justice system
2 associated with the implementation of chapter 338, Laws of 1997
3 (juvenile code revisions). The amounts provided in this subsection are
4 intended to provide funding for county adult court costs associated
5 with the implementation of chapter 338, Laws of 1997 and shall be
6 distributed in accordance with RCW 82.14.310.

7 (2) \$5,980,000 of the violence reduction and drug enforcement
8 account appropriation is provided solely for the implementation of
9 chapter 338, Laws of 1997 (juvenile code revisions). The amounts
10 provided in this subsection are intended to provide funding for county
11 impacts associated with the implementation of chapter 338, Laws of 1997
12 and shall be distributed to counties as prescribed in the current
13 consolidated juvenile services (CJS) formula.

14 (3) \$1,161,000 of the general fund--state appropriation for fiscal
15 year 2002, \$1,162,000 of the general fund--state appropriation for
16 fiscal year 2003, and \$5,190,000 of the violence reduction and drug
17 enforcement account appropriation are provided solely to implement
18 community juvenile accountability grants pursuant to chapter 338, Laws
19 of 1997 (juvenile code revisions). Funds provided in this subsection
20 may be used solely for community juvenile accountability grants,
21 administration of the grants, and evaluations of programs funded by the
22 grants.

23 (4) \$2,515,000 of the violence reduction and drug enforcement
24 account appropriation is provided solely to implement alcohol and
25 substance abuse treatment programs for locally committed offenders.
26 The juvenile rehabilitation administration shall award these moneys on
27 a competitive basis to counties that submitted a plan for the provision
28 of services approved by the division of alcohol and substance abuse.
29 The juvenile rehabilitation administration shall develop criteria for
30 evaluation of plans submitted and a timeline for awarding funding and
31 shall assist counties in creating and submitting plans for evaluation.

32 (5) \$100,000 of the general fund--state appropriation for fiscal
33 year 2002 and \$100,000 of the general fund--state appropriation for
34 fiscal year 2003 are provided solely for juvenile rehabilitation
35 administration to contract with the institute for public policy for
36 responsibilities assigned in chapter 338, Laws of 1997 (juvenile code
37 revisions).

1 (6) \$100,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$100,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for a contract for expanded
4 services of the teamchild project.

5 (7) \$423,000 of the general fund--state appropriation for fiscal
6 year 2002, \$754,100 of the general fund--state appropriation for fiscal
7 year 2003, \$152,000 of the general fund--federal appropriation,
8 \$172,000 of the public safety and education assistance account
9 appropriation, and \$604,000 of the violence reduction and drug
10 enforcement account appropriation are provided solely to increase
11 payment rates for contracted service providers.

12 (8) \$16,000 of the general fund--state appropriation for fiscal
13 year 2002 and \$16,000 of the general fund--state appropriation for
14 fiscal year 2003 are provided solely for the implementation of chapter
15 167, Laws of 1999 (firearms on school property). The amounts provided
16 in this subsection are intended to provide funding for county impacts
17 associated with the implementation of chapter 167, Laws of 1999, and
18 shall be distributed to counties as prescribed in the current
19 consolidated juvenile services (CJS) formula.

20 (9) \$3,441,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$3,441,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for distribution to county
23 juvenile court administrators to fund the costs of processing truancy,
24 children in need of services, and at-risk youth petitions. The
25 department shall not retain any portion of these funds to cover
26 administrative or any other departmental costs. The department, in
27 conjunction with the juvenile court administrators, shall develop an
28 equitable funding distribution formula. The formula shall neither
29 reward counties with higher than average per-petition processing costs
30 nor shall it penalize counties with lower than average per-petition
31 processing costs.

32 (10) \$6,000,000 of the public safety and education account--state
33 appropriation is provided solely for distribution to county juvenile
34 court administrators to fund the costs of processing truancy, children
35 in need of services, and at-risk youth petitions. The department shall
36 not retain any portion of these funds to cover administrative or any
37 other departmental costs. The department, in conjunction with the
38 juvenile court administrators, shall develop an equitable funding

1 distribution formula. The formula shall neither reward counties with
2 higher than average per-petition processing costs nor shall it penalize
3 counties with lower than average per-petition processing costs.

4 (11) The distributions made under (9) and (10) of this subsection
5 and distributions from the county criminal justice assistance account
6 made pursuant to section 801 of this act constitute appropriate
7 reimbursement for costs for any new programs or increased level of
8 service for purposes of RCW 43.135.060.

9 (12) Each quarter during the 2001-03 fiscal biennium, each county
10 shall report the number of petitions processed and the total actual
11 costs of processing the petitions in each of the following categories:
12 Truancy, children in need of services, and at-risk youth. Counties
13 shall submit the reports to the department no later than 45 days after
14 the end of the quarter. The department shall forward this information
15 to the chair and ranking minority member of the house of
16 representatives appropriations committee and the senate ways and means
17 committee no later than 60 days after a quarter ends. These reports
18 are deemed informational in nature and are not for the purpose of
19 distributing funds.

20 (13) \$1,692,000 of the juvenile accountability incentive account--
21 federal appropriation is provided solely for the continued
22 implementation of a pilot program to provide for postrelease planning
23 and treatment of juvenile offenders with co-occurring disorders.

24 (14) \$22,000 of the violence reduction and drug enforcement account
25 appropriation is provided solely for the evaluation of the juvenile
26 offender co-occurring disorder pilot program implemented pursuant to
27 (m) of this subsection.

28 (15) \$900,000 of the general fund--state appropriation for fiscal
29 year 2002 and \$900,000 of the general fund--state appropriation for
30 fiscal year 2003 are provided solely for the continued implementation
31 of the juvenile violence prevention grant program established in
32 section 204, chapter 309, Laws of 1999.

33 (16) \$33,000 of the general fund--state appropriation for fiscal
34 year 2002 and \$29,000 of the general fund--state appropriation for
35 fiscal year 2003 are provided solely for the implementation of House
36 Bill No. 1070 (juvenile offender basic training). If the bill is not
37 enacted by June 30, 2001, the amounts provided in this subsection shall
38 lapse.

1 (17) \$21,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$42,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for the implementation of Senate
4 Bill No. 5468 (chemical dependency). If the bill is not enacted by
5 June 30, 2001, the amounts provided in this subsection shall lapse.

6 (18) The juvenile rehabilitation administration, in consultation
7 with the juvenile court administrators, may agree on a formula to allow
8 the transfer of funds among amounts appropriated for consolidated
9 juvenile services, community juvenile accountability act grants, the
10 chemically dependent disposition alternative, and the special sex
11 offender disposition alternative.

12 (19) \$40,000 of the general fund--state appropriation for fiscal
13 year 2002 and \$68,000 of the general fund--state appropriation for
14 fiscal year 2003 are provided solely to increase payment rates for
15 contracted service providers.

16 (20) \$945,000 of the general fund--state appropriation for fiscal
17 year 2003 is provided solely for providing additional research-based
18 services to the juvenile parole population. The juvenile
19 rehabilitation administration shall consult with the institute for
20 public policy in deciding which interventions to provide to the parole
21 population.

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

26 **Sec. 204.** 2002 c 371 s 204 (uncodified) is amended to read as
27 follows:

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

30 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

| | | |
|----|---|----------------------------|
| 31 | General Fund--State Appropriation (FY 2002) | \$194,566,000 |
| 32 | General Fund--State Appropriation (FY 2003) | (\$177,206,000) |
| 33 | | <u>\$179,547,000</u> |
| 34 | General Fund--Federal Appropriation | (\$358,377,000) |
| 35 | | <u>\$360,727,000</u> |
| 36 | General Fund--Local Appropriation | \$25,596,000 |
| 37 | Health Services Account--State | |

| | | |
|---|-------------------------------|--------------------------------|
| 1 | Appropriation | \$2,450,000 |
| 2 | TOTAL APPROPRIATION | ((\$758,195,000)) |
| 3 | | <u>\$762,886,000</u> |

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

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

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

16 (c) \$388,000 of the general fund--state appropriation for fiscal
17 year 2002, \$2,829,000 of the general fund--state appropriation for
18 fiscal year 2003, and \$3,157,000 of the general fund--federal
19 appropriation are provided solely for development and operation of
20 community residential and support services for persons whose treatment
21 needs constitute substantial barriers to community placement and who no
22 longer require active psychiatric treatment at an inpatient hospital
23 level of care, no longer meet the criteria for inpatient involuntary
24 commitment, and who are clinically ready for discharge from a state
25 psychiatric hospital. In the event that enough patients are not
26 transitioned or diverted from the state hospitals to close at least two
27 hospital wards by July 2002, and four additional wards by April 2003,
28 a proportional share of these funds shall be transferred to the
29 appropriations in subsection (2) of this section to support continued
30 care of the patients in the state hospitals. Primary responsibility
31 and accountability for provision of appropriate community support for
32 persons placed with these funds shall reside with the mental health
33 program and the regional support networks, with partnership and active
34 support from the alcohol and substance abuse and from the aging and
35 adult services programs. The department shall negotiate performance-
36 based incentive contracts to provide appropriate community support
37 services for individuals leaving the state hospitals under this
38 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 3.5 percent over the amount actually paid to that regional
35 support network in fiscal year 2001, and by up to an additional 5.0
36 percent in fiscal year 2003, if total funding to the regional support
37 network would otherwise increase by less than those percentages under

1 the new formula, and provided that the nonfederal share of the higher
2 medicaid payment rate is provided by the regional support network from
3 local funds.

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

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

1 for funding; and (iii) matched on a one-quarter local, three-quarters
 2 state basis by funding from the regional support network or networks in
 3 the area in which the funds are expended. Payments from the amount
 4 provided in this subsection shall not be made to any provider that has
 5 not agreed that, except for prospective rate increases, the payment
 6 shall offset, on a dollar-for-dollar basis, any liability that may be
 7 established against, or any settlement that may be agreed to by the
 8 state, regarding the rate of state reimbursement for inpatient
 9 psychiatric care. The funds provided in this subsection shall not be
 10 considered "available resources" as defined in RCW 71.24.025 and are
 11 not subject to the distribution formula established pursuant to RCW
 12 71.24.035.

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

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

30 (2) INSTITUTIONAL SERVICES

| | | |
|----|---|----------------------------|
| 31 | General Fund--State Appropriation (FY 2002) | \$84,878,000 |
| 32 | General Fund--State Appropriation (FY 2003) | (\$80,784,000) |
| 33 | | <u>\$88,187,000</u> |
| 34 | General Fund--Federal Appropriation | (\$139,821,000) |
| 35 | | <u>\$134,120,000</u> |
| 36 | General Fund--Private/Local Appropriation | (\$29,532,000) |
| 37 | | <u>\$29,680,000</u> |
| 38 | TOTAL APPROPRIATION | (\$335,015,000) |

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

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

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

(c) The department shall seek to reduce the census of the two state psychiatric hospitals by 178 beds by April 2003 by arranging and providing community residential, mental health, and other support services for long-term state hospital patients whose treatment needs constitute substantial barriers to community placement and who no longer require active psychiatric treatment at an inpatient hospital level of care, no longer meet the criteria for inpatient involuntary commitment, and who are clinically ready for discharge from a state psychiatric hospital. No such patient is to move from the hospital until a team of community professionals has become familiar with the person and their treatment plan; assessed their strengths, preferences, and needs; arranged a safe, clinically-appropriate, and stable place for them to live; assured that other needed medical, behavioral, and social services are in place; and is contracted to monitor the person's progress on an ongoing basis. The department and the regional support networks shall endeavor to assure that hospital patients are able to return to their area of origin, and that placements are not concentrated in proximity to the hospitals.

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

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

(3) CIVIL COMMITMENT

| | | |
|---|---|---------------------------|
| 1 | General Fund--State Appropriation (FY 2002) | \$18,267,000 |
| 2 | General Fund--State Appropriation (FY 2003) | (\$20,934,000) |
| 3 | | <u>\$21,320,000</u> |
| 4 | TOTAL APPROPRIATION | (\$39,201,000) |
| 5 | | <u>\$39,587,000</u> |

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

8 (a) \$1,587,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$2,646,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely for operational costs associated
11 with a less restrictive step-down placement facility on McNeil Island.

12 (b) \$300,000 of the general fund--state appropriation for fiscal
13 year 2002 and \$300,000 of the general fund--state appropriation for
14 fiscal year 2003 are provided solely for mitigation funding for
15 jurisdictions affected by the placement of less restrictive alternative
16 facilities for persons conditionally released from the special
17 commitment center facility being constructed on McNeil Island. Of this
18 amount, up to \$45,000 per year is provided for the city of Lakewood for
19 police protection reimbursement at Western State Hospital and adjacent
20 areas, up to \$45,000 per year is provided for training police personnel
21 on chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), up to \$125,000
22 per year is provided for Pierce county for reimbursement of additional
23 costs, and the remaining amounts are for other documented costs by
24 jurisdictions directly impacted by the placement of the secure
25 community transition facility on McNeil Island. Pursuant to chapter
26 12, Laws of 2001, 2nd sp. sess (3ESSB 6151), the department shall
27 continue to work with local jurisdictions towards reaching agreement
28 for mitigation costs.

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

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

1 (4) SPECIAL PROJECTS

| | | |
|---|---|-------------|
| 2 | General Fund--State Appropriation (FY 2002) | \$444,000 |
| 3 | General Fund--State Appropriation (FY 2003) | \$443,000 |
| 4 | General Fund--Federal Appropriation | \$2,082,000 |
| 5 | TOTAL APPROPRIATION | \$2,969,000 |

6 (5) PROGRAM SUPPORT

| | | |
|----|---|---------------------------|
| 7 | General Fund--State Appropriation (FY 2002) | \$3,104,000 |
| 8 | General Fund--State Appropriation (FY 2003) | (\$3,111,000) |
| 9 | | <u>\$4,527,000</u> |
| 10 | General Fund--Federal Appropriation | (\$5,659,000) |
| 11 | | <u>\$7,077,000</u> |
| 12 | TOTAL APPROPRIATION | (\$11,874,000) |
| 13 | | <u>\$14,708,000</u> |

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

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

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

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

14 **Sec. 205.** 2002 c 371 s 205 (uncodified) is amended to read as
 15 follows:

16 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**
 17 **DISABILITIES PROGRAM**

18 (1) COMMUNITY SERVICES

| | | |
|----|---|--------------------------------|
| 19 | General Fund--State Appropriation (FY 2002) | \$233,705,000 |
| 20 | General Fund--State Appropriation (FY 2003) | ((\$255,415,000)) |
| 21 | | <u>\$250,654,000</u> |
| 22 | General Fund--Federal Appropriation | ((\$405,773,000)) |
| 23 | | <u>\$400,311,000</u> |
| 24 | Health Services Account--State | |
| 25 | Appropriation | \$903,000 |
| 26 | TOTAL APPROPRIATION | ((\$895,796,000)) |
| 27 | | <u>\$885,573,000</u> |

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

30 (a) ~~((b) \$10,050,000 of the fiscal year 2003 general fund state~~
 31 ~~appropriation and \$3,550,000 of the general fund federal appropriation~~
 32 ~~are provided solely for expanded access to community services. A total~~
 33 ~~of \$7,800,000 is provided for additional residential services for~~
 34 ~~persons on the home and community based waiver. A total of \$3,600,000~~
 35 ~~is provided for family support and high school transition. A total of~~
 36 ~~\$2,700,000 is provided between this subsection and subsection (3) of~~
 37 ~~this section for staffing and other costs to improve oversight of~~

1 ~~quality of care, program management, and fiscal management.))~~ New
2 funding for family support and high school transition along with a
3 portion of existing funding for these programs shall be provided as
4 supplemental security income (SSI) state supplemental payments. The
5 legislature finds that providing cash assistance to individuals and
6 families needing these supports promotes self-determination and
7 independence. It is the intent of the legislature that the department
8 shall comply with federal requirements to maintain aggregate funding
9 for SSI state supplemental payments while promoting self-determination
10 and independence for persons with developmental disabilities in
11 families with taxable incomes at or below 150 percent of median family
12 income. Individuals receiving family support or high school transition
13 payments shall not become eligible for medical assistance under RCW
14 74.09.510 due solely to the receipt of SSI state supplemental payments.
15 ~~((These amounts and the specified expansion of community services are
16 intended to be the fiscal component of the negotiated settlement in the
17 pending litigation on developmental disabilities services, ARC v.
18 Quasim.~~

19 ~~(e))~~ (b) The health services account appropriation and \$904,000 of
20 the general fund--federal appropriation are provided solely for health
21 care benefits for home care workers with family incomes below 200
22 percent of the federal poverty level who are employed through state
23 contracts for twenty hours per week or more. Premium payments for
24 individual provider home care workers shall be made only to the
25 subsidized basic health plan. Home care agencies may obtain coverage
26 either through the basic health plan or through an alternative plan
27 with substantially equivalent benefits.

28 ~~((d))~~ (c) \$902,000 of the general fund--state appropriation for
29 fiscal year 2002, ~~(((\$3,372,000))~~ \$2,274,000 of the general fund--state
30 appropriation for fiscal year 2003, and ~~(((\$4,056,000))~~ \$3,011,000 of
31 the general fund--federal appropriation are provided solely for
32 community services for residents of residential habilitation centers
33 (RHCs) who are able to be adequately cared for in community settings
34 and who choose to live in those community settings. The department
35 shall ensure that the average cost per day for all program services
36 other than start-up costs shall not exceed \$280. If the number and
37 timing of residents choosing to move into community settings is not
38 sufficient to achieve the RHC cottage consolidation plan assumed in the

1 appropriations in subsection (2) of this section, the department shall
2 transfer sufficient appropriations from this subsection to subsection
3 (2) of this section to cover the added costs incurred in the RHCs. The
4 department shall report to the appropriate committees of the
5 legislature, within 45 days following each fiscal year quarter, the
6 number of residents moving into community settings and the actual
7 expenditures for all community services to support those residents.

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

22 ~~((+f))~~ (e) The department shall not increase total enrollment in
23 home and community based waivers for persons with developmental
24 disabilities except for changes assumed in additional funding provided
25 in subsections ~~((+b), (d), and (e))~~ (c) and (d) of this section.
26 Prior to submitting to the health care financing authority any
27 additional home and community based waiver request for persons with
28 developmental disabilities, the department shall submit a summary of
29 the waiver request to the appropriate committees of the legislature.
30 The summary shall include eligibility criteria, program description,
31 enrollment projections and limits, and budget and cost effectiveness
32 projections that distinguish the requested waiver from other existing
33 or proposed waivers.

34 ~~((+g))~~ (f) \$1,000,000 of the general fund--state appropriation for
35 fiscal year 2002 and \$1,000,000 of the general fund--state
36 appropriation for fiscal year 2003 are provided solely for employment,
37 or other day activities and training programs, for young adults with
38 developmental disabilities who complete their high school curriculum in

1 2001 or 2002. These services are intended to assist with the
2 transition to work and more independent living. Funding shall be used
3 to the greatest extent possible for vocational rehabilitation services
4 matched with federal funding. In recent years, the state general fund
5 appropriation for employment and day programs has been underspent.
6 These surpluses, built into the carry forward level budget, shall be
7 redeployed for high school transition services.

8 ~~((+h))~~ (g) \$369,000 of the fiscal year 2002 general fund--state
9 appropriation and \$369,000 of the fiscal year 2003 general fund--state
10 appropriation are provided solely for continuation of the autism pilot
11 project started in 1999.

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

26 (2) INSTITUTIONAL SERVICES

| | | |
|----|---|--------------------------------|
| 27 | General Fund--State Appropriation (FY 2002) | \$69,375,000 |
| 28 | General Fund--State Appropriation (FY 2003) | ((\$68,203,000)) |
| 29 | | <u>\$68,914,000</u> |
| 30 | General Fund--Federal Appropriation | ((\$145,672,000)) |
| 31 | | <u>\$146,495,000</u> |
| 32 | General Fund--Private/Local Appropriation | \$11,230,000 |
| 33 | TOTAL APPROPRIATION | ((\$294,480,000)) |
| 34 | | <u>\$296,014,000</u> |

35 The appropriations in this subsection are subject to the following
36 conditions and limitations: Pursuant to RCW 71A.12.160, if residential
37 habilitation center capacity is not being used for permanent residents,
38 the department shall make residential habilitation center vacancies

1 available for respite care and any other services needed to care for
2 clients who are not currently being served in a residential
3 habilitation center and whose needs require staffing levels similar to
4 current residential habilitation center residents. Providing respite
5 care shall not impede the department's ability to consolidate cottages,
6 and maintain expenditures within allotments, as assumed in the
7 appropriations in this subsection.

8 (3) PROGRAM SUPPORT

| | | |
|----|---|--------------------------|
| 9 | General Fund--State Appropriation (FY 2002) | \$1,711,000 |
| 10 | General Fund--State Appropriation (FY 2003) | (\$2,007,000) |
| 11 | | <u>\$3,088,000</u> |
| 12 | General Fund--Federal Appropriation | (\$2,612,000) |
| 13 | | <u>\$3,421,000</u> |
| 14 | Telecommunications Devices for the Hearing and | |
| 15 | Speech Impaired Account Appropriation | \$1,767,000 |
| 16 | TOTAL APPROPRIATION | (\$8,097,000) |
| 17 | | <u>\$9,987,000</u> |

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

20 (a) \$270,000 of the fiscal year 2003 general fund--state
21 appropriation and \$170,000 of the general fund--federal appropriation
22 are provided solely for improved fiscal management of the home and
23 community-based waiver and other community services.

24 (b) \$100,000 of the telecommunications devices for the hearing and
25 speech impaired account appropriation is provided solely for increasing
26 the contract amount for the southeast Washington deaf and hard of
27 hearing services center due to increased workload.

28 (4) SPECIAL PROJECTS

| | | |
|----|---|--------------|
| 29 | General Fund--Federal Appropriation | \$11,995,000 |
|----|---|--------------|

30 **Sec. 206.** 2002 c 371 s 206 (uncodified) is amended to read as
31 follows:

32 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**
33 **SERVICES PROGRAM**

| | | |
|----|---|----------------------------|
| 34 | General Fund--State Appropriation (FY 2002) | \$505,983,000 |
| 35 | General Fund--State Appropriation (FY 2003) | (\$513,154,000) |
| 36 | | <u>\$513,676,000</u> |

| | | |
|---|---|----------------------------------|
| 1 | General Fund--Federal Appropriation | ((\$1,053,299,000)) |
| 2 | | <u>\$1,052,943,000</u> |
| 3 | General Fund--Private/Local Appropriation | ((\$11,803,000)) |
| 4 | | <u>\$11,387,000</u> |
| 5 | Health Services Account--State | |
| 6 | Appropriation | ((\$4,523,000)) |
| 7 | | <u>\$5,087,000</u> |
| 8 | TOTAL APPROPRIATION | ((\$2,088,762,000)) |
| 9 | | <u>\$2,089,076,000</u> |

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

12 (1) The entire health services account appropriation, \$1,210,000 of
13 the general fund--state appropriation for fiscal year 2002,
14 ((~~\$1,423,000~~)) \$1,458,000 of the general fund--state appropriation for
15 fiscal year 2003, and ((~~\$6,794,000~~)) \$7,346,000 of the general fund--
16 federal appropriation are provided solely for health care benefits for
17 home care workers who are employed through state contracts for at least
18 twenty hours per week. Premium payments for individual provider home
19 care workers shall be made only to the subsidized basic health plan,
20 and only for persons with incomes below 200 percent of the federal
21 poverty level. Home care agencies may obtain coverage either through
22 the basic health plan or through an alternative plan with substantially
23 equivalent benefits.

24 (2) \$1,706,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$1,706,000 of the general fund--state appropriation for
26 fiscal year 2003, plus the associated vendor rate increase for each
27 year, are provided solely for operation of the volunteer chore services
28 program.

29 (3) For purposes of implementing chapter 74.46 RCW, the weighted
30 average nursing facility payment rate shall be no more than \$128.79 for
31 fiscal year 2002, and no more than ((~~\$132.58~~)) \$131.57 for fiscal year
32 2003. For all facilities, the therapy care, support services, and
33 operations component rates established in accordance with chapter 74.46
34 RCW shall be adjusted for economic trends and conditions by 2.1 percent
35 effective July 1, 2001, and by an additional 1.5 percent effective July
36 1, 2002. For case-mix facilities, direct care component rates
37 established in accordance with chapter 74.46 RCW shall also be adjusted
38 for economic trends and conditions by 2.1 percent effective July 1,

1 2001, and by an additional 2.3 percent effective July 1, 2002.
2 Additionally, to facilitate the transition to a fully case-mix based
3 direct care payment system, the median price per case-mix unit for each
4 of the applicable direct care peer groups shall be increased on a one-
5 time basis by 2.64 percent effective July 1, 2002.

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

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

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

26 (7) Within funds appropriated in this section and in section 204 of
27 this act, the aging and adult services program shall devise and
28 implement strategies in partnership with the mental health program and
29 the regional support networks to reduce the use of state and local
30 psychiatric hospitals for the short-term stabilization of persons with
31 dementia and traumatic brain injuries. Such strategies may include
32 training and technical assistance to help long-term care providers
33 avoid and manage behaviors which might otherwise result in psychiatric
34 hospitalizations; monitoring long-term care facilities to assure
35 residents are receiving appropriate mental health care and are not
36 being inappropriately medicated or hospitalized; the development of
37 diversion beds and stabilization support teams; and the establishment
38 of systems to track the use of psychiatric hospitals by long-term care

1 providers. The aging and adult services program shall report to the
2 health care and fiscal committees of the legislature by November 1,
3 2001, and by November 1, 2002, on the actions it has taken to achieve
4 this objective.

5 (8) In accordance with Substitute House Bill No. 1341, the
6 department may implement a medicaid waiver program for persons who do
7 not qualify for such services as categorically needy, subject to
8 federal approval and the following conditions and limitations:

9 (a) The waiver program shall include coverage of care in community
10 residential facilities. Enrollment in the waiver shall not exceed 50
11 persons by the end of fiscal year 2002, nor 600 persons by the end of
12 fiscal year 2003.

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

20 (c) The department shall identify the number of medically needy
21 nursing home residents, and enrollment and expenditures on the
22 medically needy waiver, on monthly management reports.

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

28 (9) \$50,000 of the general fund--state appropriation for fiscal
29 year 2002 and \$50,000 of the general fund--state appropriation for
30 fiscal year 2003 are provided solely for payments to any nursing
31 facility licensed under chapter 18.51 RCW which meets all of the
32 following criteria: (a) The nursing home entered into an arm's length
33 agreement for a facility lease prior to January 1, 1980; (b) the lessee
34 purchased the leased nursing home after January 1, 1980; and (c) the
35 lessor defaulted on its loan or mortgage for the assets of the home
36 after January 1, 1991, and prior to January 1, 1992. Payments provided
37 pursuant to this subsection shall not be subject to the settlement,
38 audit, or rate-setting requirements contained in chapter 74.46 RCW.

1 (10) \$364,000 of the general fund--state appropriation for fiscal
2 year 2002, \$364,000 of the general fund--state appropriation for fiscal
3 year 2003, and \$740,000 of the general fund--federal appropriation are
4 provided solely for payment of exceptional care rates so that persons
5 with Alzheimer's disease and related dementias who might otherwise
6 require nursing home or state hospital care can instead be served in
7 boarding home-licensed facilities which specialize in the care of such
8 conditions.

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

20 (12) \$2,507,000 of the general fund--state appropriation for fiscal
21 year 2002, \$2,595,000 of the general fund--state appropriation for
22 fiscal year 2003, and \$5,100,000 of the general fund--federal
23 appropriation are provided solely for prospective rate increases
24 intended to increase compensation by an average of fifty cents per hour
25 for low-wage workers in agencies which contract with the state to
26 provide community residential services for persons with functional
27 disabilities. In consultation with the statewide associations
28 representing such agencies, the department shall establish a mechanism
29 for testing the extent to which funds have been used for this purpose,
30 and report the results to the fiscal committees of the legislature by
31 February 1, 2002. The amounts in this subsection also include the
32 funds needed for the employer share of unemployment and social security
33 taxes on the amount of the wage increase.

34 (13) \$1,082,000 of the general fund--state appropriation for fiscal
35 year 2002, \$1,082,000 of the general fund--state appropriation for
36 fiscal year 2003, and \$2,204,000 of the general fund--federal
37 appropriation are provided solely for prospective rate increases
38 intended to increase compensation for low-wage workers in nursing homes

1 which contract with the state. For fiscal year 2002, the department
2 shall add forty-five cents per patient day to the direct care rate
3 which would otherwise be paid to each nursing facility in accordance
4 with chapter 74.46 RCW. For fiscal year 2003, the department shall
5 increase the median price per case-mix unit for each of the applicable
6 peer groups by six-tenths of one percent in order to distribute the
7 available funds. In consultation with the statewide associations
8 representing nursing facilities, the department shall establish a
9 mechanism for testing the extent to which funds have been used for this
10 purpose, and report the results to the fiscal committees of the
11 legislature by February 1, 2002, and by December 1, 2002.

12 **Sec. 207.** 2002 c 371 s 207 (uncodified) is amended to read as
13 follows:

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

| | | |
|----|---|----------------------------------|
| 16 | General Fund--State Appropriation (FY 2002) | \$442,984,000 |
| 17 | General Fund--State Appropriation (FY 2003) | ((\$394,974,000)) |
| 18 | | <u>\$406,972,000</u> |
| 19 | General Fund--Federal Appropriation | ((\$1,359,505,000)) |
| 20 | | <u>\$1,363,821,000</u> |
| 21 | General Fund--Private/Local Appropriation | \$33,880,000 |
| 22 | TOTAL APPROPRIATION | ((\$2,231,343,000)) |
| 23 | | <u>\$2,247,657,000</u> |

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

26 (1) \$281,035,000 of the general fund--state appropriation for
27 fiscal year 2002, ~~((\$277,231,000))~~ \$281,089,000 of the general fund--
28 state appropriation for fiscal year 2003, ~~((\$1,254,197,000))~~
29 \$1,258,165,000 of the general fund--federal appropriation, and
30 \$31,444,000 of the general fund--local appropriation are provided
31 solely for the WorkFirst program and child support operations.
32 WorkFirst expenditures include TANF grants, diversion services,
33 subsidized child care, employment and training, other WorkFirst related
34 services, allocated field services operating costs, and allocated
35 economic services program administrative costs. Within the amounts
36 provided in this subsection, the department shall:

1 (a) Continue to implement WorkFirst program improvements that are
2 designed to achieve progress against outcome measures specified in RCW
3 74.08A.410. Valid outcome measures of job retention and wage
4 progression shall be developed and reported quarterly to appropriate
5 fiscal and policy committees of the legislature for families who leave
6 assistance, measured after 12 months, 24 months, and 36 months. An
7 increased attention to job retention and wage progression is necessary
8 to emphasize the legislature's goal that the WorkFirst program succeed
9 in helping recipients gain long-term economic independence and not
10 cycle on and off public assistance. The wage progression measure shall
11 report the median percentage increase in quarterly earnings and hourly
12 wage after 12 months, 24 months, and 36 months. The wage progression
13 report shall also report the percent with earnings above one hundred
14 percent and two hundred percent of the federal poverty level. The
15 report shall compare former WorkFirst participants with similar workers
16 who did not participate in WorkFirst. The department shall also report
17 the percentage of families who have returned to temporary assistance
18 for needy families after 12 months, 24 months, and 36 months.

19 (b) Develop informational materials that educate families about the
20 difference between cash assistance and work support benefits. These
21 materials must explain, among other facts, that the benefits are
22 designed to support their employment, that there are no time limits on
23 the receipt of work support benefits, and that immigration or residency
24 status will not be affected by the receipt of benefits. These
25 materials shall be posted in all community service offices and
26 distributed to families. Materials must be available in multiple
27 languages. When a family leaves the temporary assistance for needy
28 families program, receives cash diversion assistance, or withdraws a
29 temporary assistance for needy families application, the department of
30 social and health services shall educate them about the difference
31 between cash assistance and work support benefits and offer them the
32 opportunity to begin or to continue receiving work support benefits, so
33 long as they are eligible. The department shall provide this
34 information through in-person interviews, over the telephone, and/or
35 through the mail. Work support benefits include food stamps, medicaid
36 for all family members, medicaid or state children's health insurance
37 program for children, and child care assistance. The department shall
38 report annually to the legislature the number of families who have had

1 exit interviews, been reached successfully by phone, and been sent
2 mail. The report shall also include the percentage of families who
3 elect to continue each of the benefits and the percentage found
4 ineligible by each substantive reason code. A substantive reason code
5 shall not be "other." The report shall identify barriers to informing
6 families about work support benefits and describe existing and future
7 actions to overcome such barriers.

8 (c) From the amounts provided in this subsection, provide \$50,000
9 from the general fund--state appropriation for fiscal year 2002 and
10 \$50,000 from the general fund--state appropriation for fiscal year 2003
11 to the Washington institute for public policy for continuation of the
12 WorkFirst evaluation database.

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

19 (2) \$54,623,000 of the general fund--state appropriation for fiscal
20 year 2002 and (~~(\$44,431,000)~~) \$51,147,000 of the general fund--state
21 appropriation for fiscal year 2003 are provided solely for cash
22 assistance and other services to recipients in the general assistance--
23 unemployable program. Within these amounts, the department may expend
24 funds for services that assist recipients to reduce their dependence on
25 public assistance, provided that expenditures for these services and
26 cash assistance do not exceed the funds provided.

27 (3) \$5,632,000 of the general fund--state appropriation for fiscal
28 year 2002 and (~~(\$4,032,000)~~) \$6,852,000 of the general fund--state
29 appropriation for fiscal year 2003 are provided solely for the food
30 assistance program for legal immigrants. The level of benefits shall
31 be equivalent to the benefits provided by the federal food stamp
32 program.

33 (4) \$48,000 of the general fund--state appropriation for fiscal
34 year 2002 is provided solely to implement chapter 111, Laws of 2001
35 (veterans/Philippines).

36 (5) The department shall apply the provisions of RCW 74.04.005(10)
37 to simplify resource eligibility policy, make such policy consistent

1 with other federal public assistance programs, and achieve the
2 budgetary savings assumed in this section.

3 (6) It is the intent of the legislature that the department shall
4 comply with federal requirements to maintain aggregate funding for
5 supplemental security income (SSI) supplemental payments. Within the
6 amount remaining in this section, SSI supplemental payments shall be
7 used for current SSI recipients who have ineligible spouses.

8 (7) \$311,000 of the fiscal year 2003 general fund--state
9 appropriation and \$255,000 of the general fund--federal appropriation
10 are provided solely for the department to: (a) Increase and improve
11 efforts to verify that children and pregnant women are in fact eligible
12 for the medical assistance services they receive; and (b) review their
13 continued eligibility for medical assistance services every six months.
14 The improved income verification efforts shall be implemented no later
15 than April 1, 2003, and shall include review of recipient documentation
16 and employer contacts to verify that the income declared by applicants
17 and recipients is accurate. These efforts will be supplemented by
18 electronic records checks that will be in place by July 1, 2003. The
19 six-month rather than annual review of continued eligibility is to be
20 implemented no later than November 2003. All administrative rules,
21 guidelines, and procedures; staffing levels and training; and changes
22 to electronic systems necessary to implement the six-month review of
23 continued eligibility shall be in place as required to timely implement
24 the six-month reviews beginning November 2003.

25 (8) In reviewing the budget for the division of child support, the
26 legislature has conducted a review of the Washington state child
27 support schedule, chapter 26.19 RCW, and supporting documentation as
28 required by federal law. The legislature concludes that the
29 application of the support schedule continues to result in the correct
30 amount of child support to be awarded. No further changes will be made
31 to the support schedule or the economic table at this time.

32 **Sec. 208.** 2002 c 371 s 208 (uncodified) is amended to read as
33 follows:

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

| | | |
|----|---|-------------------------------|
| 36 | General Fund--State Appropriation (FY 2002) | \$35,851,000 |
| 37 | General Fund--State Appropriation (FY 2003) | ((\$37,022,000)) |

| | | |
|----|---|--------------------------------|
| 1 | | <u>\$36,548,000</u> |
| 2 | General Fund--Federal Appropriation | ((\$91,549,000)) |
| 3 | | <u>\$91,539,000</u> |
| 4 | General Fund--Private/Local Appropriation | \$723,000 |
| 5 | Public Safety and Education Account--State | |
| 6 | Appropriation | \$13,427,000 |
| 7 | Violence Reduction and Drug Enforcement Account-- | |
| 8 | State Appropriation | \$52,306,000 |
| 9 | TOTAL APPROPRIATION | ((\$230,878,000)) |
| 10 | | <u>\$230,394,000</u> |

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

13 (1) \$810,000 of the general fund--state appropriation for fiscal
14 year 2002 and \$1,622,000 of the general fund--state appropriation for
15 fiscal year 2003 are provided solely for expansion of 35 drug and
16 alcohol treatment beds for persons committed under RCW 70.96A.140.
17 Patients meeting the commitment criteria of RCW 70.96A.140 but who
18 voluntarily agree to treatment in lieu of commitment shall also be
19 eligible for treatment in these additional treatment beds. The
20 department shall develop specific placement criteria for these expanded
21 treatment beds to ensure that this new treatment capacity is
22 prioritized for persons incapacitated as a result of chemical
23 dependency and who are also high utilizers of hospital services. These
24 additional treatment beds shall be located in the eastern part of the
25 state.

26 (2) \$1,000,000 of the public safety and education account--state
27 appropriation is provided solely for expansion of treatment for persons
28 gravely disabled by abuse and addiction to alcohol and other drugs
29 including methamphetamine.

30 (3) \$1,083,000 of the public safety and education account--state
31 appropriation and \$75,000 of the violence reduction and drug
32 enforcement account--state appropriation are provided solely for adult
33 and juvenile drug courts that have a net loss of federal grant funding
34 in state fiscal year 2002 and state fiscal year 2003. This
35 appropriation is intended to cover approximately one-half of lost
36 federal funding.

37 (4) \$1,993,000 of the public safety and education account--state
38 appropriation and \$951,000 of the general fund--federal appropriation

1 are provided solely for drug and alcohol treatment for SSI clients.
2 The department shall continue research and post-program evaluation of
3 these clients to further determine the post-treatment utilization of
4 medical services and the service effectiveness of consolidation.

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

11 (6) Within the amounts appropriated in this section, funding is
12 provided to implement Second Substitute House Bill No. 2338 or
13 Substitute Senate Bill No. 6361 (drug offender sentencing).

14 **Sec. 209.** 2002 c 371 s 209 (uncodified) is amended to read as
15 follows:

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

| | | |
|----|--|----------------------------------|
| 18 | General Fund--State Appropriation (FY 2002) | \$1,081,150,000 |
| 19 | General Fund--State Appropriation (FY 2003) | ((\$1,124,758,000)) |
| 20 | | <u>\$1,202,277,000</u> |
| 21 | General Fund--Federal Appropriation | ((\$3,621,077,000)) |
| 22 | | <u>\$3,319,133,000</u> |
| 23 | General Fund--Private/Local Appropriation | ((\$211,272,000)) |
| 24 | | <u>\$216,735,000</u> |
| 25 | Emergency Medical Services and Trauma Care Systems | |
| 26 | Trust Account--State Appropriation | ((\$9,200,000)) |
| 27 | | <u>\$10,700,000</u> |
| 28 | Health Services Account--State Appropriation | ((\$1,104,119,000)) |
| 29 | | <u>\$720,236,000</u> |
| 30 | TOTAL APPROPRIATION | ((\$7,151,576,000)) |
| 31 | | <u>\$6,550,231,000</u> |

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

34 (1) The department shall increase its efforts to restrain the
35 growth of health care costs. The appropriations in this section
36 anticipate that the department implements a combination of cost
37 containment and utilization strategies sufficient to reduce general

1 fund--state costs by approximately 3 percent below the level projected
2 for the 2001-03 biennium in the March 2001 forecast. The department
3 shall report to the fiscal committees of the legislature by October 1,
4 2001, on its specific plans and semiannual targets for accomplishing
5 these savings. The department shall report again to the fiscal
6 committees by March 1, 2002, and by September 1, 2002, on actual
7 performance relative to the semiannual targets. If satisfactory
8 progress is not being made to achieve the targeted savings, the reports
9 shall include recommendations for additional or alternative measures to
10 control costs.

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

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

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

26 (5) \$620,000 of the health services account appropriation for
27 fiscal year 2002, (~~(\$1,380,000)~~) \$337,000 of the health services
28 account appropriation for fiscal year 2003, and (~~(\$2,000,000)~~) \$960,000
29 of the general fund--federal appropriation are provided solely for
30 implementation of a "ticket to work" medicaid buy-in program for
31 working persons with disabilities, operated in accordance with the
32 following conditions:

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

35 (b) Participants shall participate in the cost of the program by
36 paying (i) a monthly enrollment fee equal to fifty percent of any
37 unearned income in excess of the medicaid medically needy standard; and

1 (ii) a monthly premium equal to 5 percent of all unearned income, plus
2 5 percent of all earned income after disregarding the first sixty-five
3 dollars of monthly earnings, and half the remainder;

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

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

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

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

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

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

36 (9) \$80,000 of the general fund--state appropriation for fiscal
37 year 2002, \$80,000 of the general fund--state appropriation for fiscal

1 year 2003, and \$160,000 of the general fund--federal appropriation are
2 provided solely for the newborn referral program to provide access and
3 outreach to reduce infant mortality.

4 (10) \$30,000 of the general fund--state appropriation for fiscal
5 year 2002, \$31,000 of the general fund--state appropriation for fiscal
6 year 2003, and \$62,000 of the general fund--federal appropriation are
7 provided solely for implementation of Substitute Senate Bill No. 6020
8 (dental sealants). If Substitute Senate Bill No. 6020 is not enacted
9 by June 30, 2001, the amounts provided in this subsection shall lapse.

10 (11) In accordance with RCW 74.46.625, (~~(\$523,600,000)~~)
11 \$199,111,000 of the health services account appropriation and
12 (~~(\$530,585,000)~~) \$201,049,000 of the general fund--federal
13 appropriation are provided solely for supplemental payments to nursing
14 homes operated by rural public hospital districts. The payments shall
15 be conditioned upon (a) a contractual commitment by the association of
16 public hospital districts and participating rural public hospital
17 districts to make an intergovernmental transfer to the state treasurer,
18 for deposit into the health services account, equal to at least (~~(98)~~)
19 95 percent of the supplemental payments; and (b) a contractual
20 commitment by the participating districts to not allow expenditures
21 covered by the supplemental payments to be used for medicaid nursing
22 home rate-setting. The participating districts shall retain no more
23 than a total of \$20,000,000 for the 2001-03 biennium. If the medicare
24 upper payment limit revenues referenced in this subsection are not
25 received in an amount or within a time frame sufficient to support
26 spending from the health services account, the governor shall take
27 actions in accordance with RCW 43.88.110(8).

28 (12) (~~(\$38,766,000)~~) \$40,428,000 of the health services account
29 appropriation (~~(for fiscal year 2002, \$40,494,000 of the health~~
30 ~~services account appropriation for fiscal year 2003, and \$79,839,000)~~)
31 and \$40,807,000 of the general fund--federal appropriation are provided
32 solely for additional disproportionate share and medicare upper payment
33 limit payments to public hospital districts.

34 The payments shall be conditioned upon a contractual commitment by
35 the participating public hospital districts to make an
36 intergovernmental transfer to the health services account equal to at
37 least 91 percent of the additional payments. At least 28 percent of

1 the amounts retained by the participating hospital districts shall be
2 allocated to the state's teaching hospitals.

3 (13) \$412,000 of the general fund--state appropriation for fiscal
4 year 2002, \$862,000 of the general fund--state appropriation for fiscal
5 year 2003, and \$730,000 of the general fund--federal appropriation are
6 provided solely for implementation of Substitute House Bill No. 1162
7 (small rural hospitals). If Substitute House Bill No. 1162 is not
8 enacted by June 30, 2001, the amounts provided in this subsection shall
9 lapse.

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

17 (15) The department shall coordinate with the health care authority
18 and with community and migrant health clinics to actively assist
19 children and immigrant adults not eligible for medicaid to enroll in
20 the basic health plan.

21 (16) \$8,500,000 of the general fund--state appropriation for fiscal
22 year 2002, or so much thereof as may be necessary, is provided solely
23 for settlement of *Providence St. Peter's Hospital et al. vs. Department*
24 *of Social and Health Services*.

25 (17) In consultation and coordination with the department of
26 health, the department shall establish mechanisms to assure that the
27 AIDS insurance program operates within budgeted levels. Such
28 mechanisms shall include a system under which the state's contribution
29 to the cost of coverage is adjusted on a sliding-scale basis.

30 (18) The department shall implement an academic detailing program
31 that educates prescribers on the availability of generic versions of
32 off-patent brand drugs. To the extent the net cost of generics, after
33 accounting for rebates, is less than the off-patent drug, generics will
34 be substituted, with the prescriber's approval, consistent with
35 criteria developed by the department in consultation with the state
36 medical association and the state pharmacists association.

37 (19) Within available resources, the department shall design and
38 (~~initiate~~) report on the feasibility of a general assistance medical

1 care management project in two counties, one in eastern Washington and
 2 one in western Washington. In designing the project, the department
 3 shall consult with the mental health division, migrant and community
 4 health centers, and any other managed care provider that has the
 5 capacity to offer coordinated medical and mental health care. The
 6 projects shall be designed in such a way that a designated provider
 7 network is established for general assistance clients so that care
 8 management can be maximized. The department shall report on the design
 9 of the pilot project to the policy and fiscal committees of the
 10 legislature by October 15, 2002.

11 (20) \$21,000 of the general fund--state appropriation and \$189,000
 12 of the general fund--federal appropriation are provided solely for
 13 initiation of a study to assess alternatives for replacing the existing
 14 medicaid management information system. The department shall report to
 15 the information services board and to the fiscal committees of the
 16 legislature by December 1, 2003, on the anticipated costs and benefits
 17 of the major alternative approaches. The department shall receive
 18 specific authorization in the 2003-05 appropriations act before
 19 proceeding with procurement of the replacement system.

20 **Sec. 210.** 2002 c 371 s 210 (uncodified) is amended to read as
 21 follows:

22 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**
 23 **REHABILITATION PROGRAM**

| | | |
|----|---|--------------------------------|
| 24 | General Fund--State Appropriation (FY 2002) | \$11,135,000 |
| 25 | General Fund--State Appropriation (FY 2003) | ((\$9,385,000)) |
| 26 | | <u>\$9,371,000</u> |
| 27 | General Fund--Federal Appropriation | ((\$82,235,000)) |
| 28 | | <u>\$82,185,000</u> |
| 29 | General Fund--Private/Local Appropriation | \$360,000 |
| 30 | TOTAL APPROPRIATION | ((\$103,115,000)) |
| 31 | | <u>\$103,051,000</u> |

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

34 (1) The division of vocational rehabilitation shall negotiate
 35 cooperative interagency agreements with state and local organizations
 36 to improve and expand employment opportunities for people with severe
 37 disabilities.

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

4 **Sec. 211.** 2002 c 371 s 211 (uncodified) is amended to read as
5 follows:

6 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**
7 **SUPPORTING SERVICES PROGRAM**

| | | |
|----|---|----------------------------|
| 8 | General Fund--State Appropriation (FY 2002) | \$30,419,000 |
| 9 | General Fund--State Appropriation (FY 2003) | (\$22,419,000) |
| 10 | | <u>\$24,818,000</u> |
| 11 | General Fund--Federal Appropriation | (\$47,135,000) |
| 12 | | <u>\$48,157,000</u> |
| 13 | General Fund--Private/Local Appropriation | \$810,000 |
| 14 | TOTAL APPROPRIATION | (\$100,783,000) |
| 15 | | <u>\$104,204,000</u> |

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

18 (1) By November 1, 2001, the secretary shall report to the fiscal
19 committees of the legislature on the actions the secretary has taken,
20 or proposes to take, within current funding levels to resolve the
21 organizational problems identified in the department's February 2001
22 report to the legislature on current systems for billing third-party
23 payers for services delivered by the state psychiatric hospitals. The
24 secretary is authorized to transfer funds from this section to the
25 mental health program to the extent necessary to achieve the
26 organizational improvements recommended in that report.

27 (2) By November 1, 2001, the department shall report to the fiscal
28 committees of the legislature with the least costly plan for assuring
29 that billing and accounting technologies in the state psychiatric
30 hospitals adequately and efficiently comply with standards set by
31 third-party payers. The plan shall be developed with participation by
32 and oversight from the office of financial management, the department's
33 information systems services division, and the department of
34 information services.

35 (3) The department shall reconstitute the payment integrity program
36 to place greater emphasis upon the prevention of future billing errors,
37 ensure billing and administrative errors are treated in a manner

1 distinct from allegations of fraud and abuse, and shall rename the
2 program. In keeping with this revised focus, the department shall also
3 increase to one thousand dollars the cumulative total of apparent
4 billing errors allowed before a provider is contacted for repayment.

5 (4) By September 1, 2001, the department shall report to the fiscal
6 committees of the legislature results from the payment review program.
7 The report shall include actual costs recovered and estimated costs
8 avoided for fiscal year 2001 and the costs incurred by the department
9 to administer the program. The report shall document criteria and
10 methodology used for determining avoided costs. In addition, the
11 department shall seek input from health care providers and consumer
12 organizations on modifications to the program. The department shall
13 provide annual updates to the report to the fiscal committees of the
14 legislature by September 1st of each year for the preceding fiscal
15 year.

16 (5) The department shall implement reductions in administrative
17 expenditures assumed in these appropriations that achieve ongoing
18 savings, reduce duplicative and redundant work processes, and, where
19 possible, eliminate entire administrative functions and offices. The
20 department may transfer amounts among sections and programs to achieve
21 these savings provided that reductions in direct services to clients
22 and recipients of the department shall not be counted as administrative
23 reductions. The department shall report to the appropriate committees
24 of the legislature a spending plan to achieve these reductions by July
25 1, 2002, and shall report actual achieved administrative savings and
26 projected saving for the remainder of the biennium by December 1, 2002.

27 **Sec. 212.** 2002 c 371 s 212 (uncodified) is amended to read as
28 follows:

29 **FOR THE STATE HEALTH CARE AUTHORITY**

| | | |
|----|--|--------------------------------|
| 30 | General Fund--State Appropriation (FY 2002) | \$6,655,000 |
| 31 | State Health Care Authority Administrative | |
| 32 | Account--State Appropriation | ((\$20,032,000)) |
| 33 | | <u>\$19,310,000</u> |
| 34 | Health Services Account--State Appropriation | ((\$538,828,000)) |
| 35 | | <u>\$502,278,000</u> |
| 36 | General Fund--Federal Appropriation | ((\$4,240,000)) |
| 37 | | <u>\$3,521,000</u> |

1 ((~~Medical Aid Account State Appropriation \$45,000~~))
2 TOTAL APPROPRIATION ((~~\$569,800,000~~))
3 \$531,764,000

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

6 (1) \$6,551,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$6,550,000 of the health services account--state
8 appropriation for fiscal year 2003 are provided solely for health care
9 services provided through local community clinics.

10 (2) Within funds appropriated in this section and sections 205 and
11 206 of this 2001 act, the health care authority shall continue to
12 provide an enhanced basic health plan subsidy option for foster parents
13 licensed under chapter 74.15 RCW and workers in state-funded home care
14 programs. Under this enhanced subsidy option, foster parents and home
15 care workers with family incomes below 200 percent of the federal
16 poverty level shall be allowed to enroll in the basic health plan at a
17 cost of ten dollars per covered worker per month.

18 (3) The health care authority shall require organizations and
19 individuals which are paid to deliver basic health plan services and
20 which choose to sponsor enrollment in the subsidized basic health plan
21 to pay the following: (i) A minimum of fifteen dollars per enrollee
22 per month for persons below 100 percent of the federal poverty level;
23 and (ii) a minimum of twenty dollars per enrollee per month for persons
24 whose family income is 100 percent to 125 percent of the federal
25 poverty level.

26 (4) The health care authority shall solicit information from the
27 United States office of personnel management, health plans, and other
28 relevant sources, regarding the cost of implementation of mental health
29 parity by the federal employees health benefits program in 2001. A
30 progress report shall be provided to the senate and house of
31 representatives fiscal committees by July 1, 2002, and a final report
32 shall be provided to the legislature by November 15, 2002, on the study
33 findings.

34 (5) The administrator shall take at least the following actions to
35 assure that persons participating in the basic health plan are eligible
36 for the level of assistance they receive: (a) Require submission of
37 income tax returns and recent pay history from all applicants; (b)
38 check employment security payroll records at least once every twelve

1 months on all enrollees; (c) require enrollees whose income as
2 indicated by payroll records exceeds that upon which their subsidy is
3 based to document their current income as a condition of continued
4 eligibility; (d) require enrollees for whom employment security payroll
5 records cannot be obtained to document their current income at least
6 once every six months; and (e) pursue repayment and civil penalties
7 from persons who have received excessive subsidies, as provided in RCW
8 70.47.060(9).

9 ~~(6) ((The health services account revenues generated by Initiative~~
10 ~~Measure No. 773 which are appropriated in this section shall be used to~~
11 ~~subsidize enrollments in excess of the 125,000 per month base~~
12 ~~enrollment level as follows:~~

13 ~~(a) \$20,000,000 is provided solely for enrollment in the subsidized~~
14 ~~basic health plan of persons who, solely by reason of their immigration~~
15 ~~status, are not eligible for medicaid coverage of their nonemergent~~
16 ~~medical care needs. From July 2002 to October 2002, opportunities for~~
17 ~~subsidized coverage will be offered on a phased in basis to this group~~
18 ~~of persons. Any entity or organization may sponsor subsidized basic~~
19 ~~health plan enrollment.~~

20 ~~(b) Beginning January 1, 2003, subsidized basic health plan~~
21 ~~coverage shall be offered on a phased in basis to an additional 20,000~~
22 ~~enrollees.~~

23 ~~(7))~~ \$3,000,000 of the health services account--state
24 appropriation for fiscal year 2003 is provided solely to increase the
25 number of persons not eligible for medicaid receiving dental care from
26 nonprofit community clinics, and for interpreter services to support
27 dental and medical services for persons for whom interpreters are not
28 available from any other source.

29 ~~((8))~~ (7) The health care authority shall report to the fiscal
30 committees of the legislature on the costs, benefits, and feasibility
31 of implementing a system no later than January 1, 2004, under which the
32 state's contribution to the cost of employee medical coverage would be
33 graduated according to employee salary. Under the graduated system,
34 employees in higher salary ranges would pay a larger share of the cost
35 of their medical coverage, while those paid lower salaries would pay a
36 smaller percentage of their premium. The report shall be prepared in
37 consultation with the department of personnel and the state-supported

1 colleges and universities, and shall be submitted to the fiscal
2 committees no later than December 1, 2002.

3 ~~((9))~~ (8) In consultation with the department of personnel and
4 with the state-supported colleges and universities, the health care
5 authority shall report to the fiscal committees of the legislature by
6 October 1, 2002, a plan for expanding the availability and use of
7 flexible spending account plans under which employees may set aside
8 pretax earnings to cover their out-of-pocket medical costs. The
9 authority is authorized to proceed with implementation of such a plan
10 to the extent it can be accomplished within existing state funding
11 levels.

12 ~~((10) \$685,000 of the health services account appropriation,
13 \$629,000 of the general fund federal appropriation, and the medical
14 aid account appropriation are provided solely for implementation of
15 Substitute Senate Bill No. 6368 (prescription drug utilization and
16 education). If the bill is not enacted by June 30, 2002, these amounts
17 shall lapse.))~~

18 (9) As of the effective date of this 2003 act, the health care
19 authority shall admit new members to the basic health plan only to the
20 extent authorized under the authority's September 6, 2001,
21 administrative policy on basic health enrollment management.

22 **Sec. 213.** 2002 c 371 s 213 (uncodified) is amended to read as
23 follows:

24 **FOR THE HUMAN RIGHTS COMMISSION**

| | | |
|----|---|--------------------------|
| 25 | General Fund--State Appropriation (FY 2002) | \$2,688,000 |
| 26 | General Fund--State Appropriation (FY 2003) | (\$2,619,000) |
| 27 | | <u>\$2,483,000</u> |
| 28 | General Fund--Federal Appropriation | (\$1,544,000) |
| 29 | | <u>\$1,794,000</u> |
| 30 | General Fund--Private/Local Appropriation | \$100,000 |
| 31 | TOTAL APPROPRIATION | (\$6,951,000) |
| 32 | | <u>\$7,065,000</u> |

33 **Sec. 214.** 2002 c 371 s 216 (uncodified) is amended to read as
34 follows:

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

| | | |
|----|---|-------------|
| 36 | General Fund--State Appropriation (FY 2002) | \$5,577,000 |
|----|---|-------------|

| | | |
|----|---|----------------------------|
| 1 | General Fund--State Appropriation (FY 2003) | \$5,517,000 |
| 2 | General Fund--Federal Appropriation | \$1,250,000 |
| 3 | Public Safety and Education Account--State | |
| 4 | Appropriation | \$18,292,000 |
| 5 | Public Safety and Education Account--Federal | |
| 6 | Appropriation | \$6,950,000 |
| 7 | Public Safety and Education Account--Private/Local | |
| 8 | Appropriation | (\$5,373,000) |
| 9 | | <u>\$4,200,000</u> |
| 10 | Asbestos Account--State Appropriation | \$688,000 |
| 11 | Electrical License Account--State | |
| 12 | Appropriation | \$28,412,000 |
| 13 | Farm Labor Revolving Account--Private/Local | |
| 14 | Appropriation | \$28,000 |
| 15 | Worker and Community Right-to-Know Account--State | |
| 16 | Appropriation | \$2,281,000 |
| 17 | Public Works Administration Account--State | |
| 18 | Appropriation | \$2,856,000 |
| 19 | Accident Account--State Appropriation | \$184,219,000 |
| 20 | Accident Account--Federal Appropriation | \$11,568,000 |
| 21 | Medical Aid Account--State Appropriation | (\$183,666,000) |
| 22 | | <u>\$178,666,000</u> |
| 23 | Medical Aid Account--Federal Appropriation | \$2,438,000 |
| 24 | Plumbing Certificate Account--State | |
| 25 | Appropriation | \$1,111,000 |
| 26 | Pressure Systems Safety Account--State | |
| 27 | Appropriation | \$2,525,000 |
| 28 | TOTAL APPROPRIATION | (\$462,751,000) |
| 29 | | <u>\$456,578,000</u> |

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

32 (1) Pursuant to RCW 7.68.015, the department shall operate the
33 crime victims compensation program within the public safety and
34 education account funds appropriated in this section. In the event
35 that cost containment measures are necessary, the department may (a)
36 institute copayments for services; (b) develop preferred provider
37 contracts; or (c) other cost containment measures. Cost containment
38 measures shall not include holding invoices received in one fiscal

1 period for payment from appropriations in subsequent fiscal periods.
2 No more than \$5,248,000 of the public safety and education account
3 appropriation shall be expended for department administration of the
4 crime victims compensation program.

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

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

17 **Sec. 215.** 2002 c 371 s 218 (uncodified) is amended to read as
18 follows:

19 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

20 (1) HEADQUARTERS

| | | |
|----|---|------------------------------|
| 21 | General Fund--State Appropriation (FY 2002) | \$1,577,000 |
| 22 | General Fund--State Appropriation (FY 2003) | ((\$1,533,000)) |
| 23 | | <u>\$1,546,000</u> |
| 24 | Charitable, Educational, Penal, and Reformatory | |
| 25 | Institutions Account--State | |
| 26 | Appropriation | \$7,000 |
| 27 | TOTAL APPROPRIATION | ((\$3,117,000)) |
| 28 | | <u>\$3,130,000</u> |

29 (2) FIELD SERVICES

| | | |
|----|---|------------------------------|
| 30 | General Fund--State Appropriation (FY 2002) | \$2,619,000 |
| 31 | General Fund--State Appropriation (FY 2003) | ((\$2,580,000)) |
| 32 | | <u>\$2,603,000</u> |
| 33 | General Fund--Federal Appropriation | \$310,000 |
| 34 | General Fund--Private/Local Appropriation | \$1,663,000 |
| 35 | TOTAL APPROPRIATION | ((\$7,172,000)) |
| 36 | | <u>\$7,195,000</u> |

| | | |
|----|---|---------------------------|
| 1 | (3) INSTITUTIONAL SERVICES | |
| 2 | General Fund--State Appropriation (FY 2002) | \$5,765,000 |
| 3 | General Fund--State Appropriation (FY 2003) | (\$5,516,000) |
| 4 | | <u>\$6,034,000</u> |
| 5 | General Fund--Federal Appropriation | (\$27,437,000) |
| 6 | | <u>\$27,411,000</u> |
| 7 | General Fund--Private/Local Appropriation | (\$22,828,000) |
| 8 | | <u>\$22,526,000</u> |
| 9 | TOTAL APPROPRIATION | (\$61,546,000) |
| 10 | | <u>\$61,736,000</u> |

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

13 (1) \$2,886,000 of the general fund--federal appropriation and
14 \$5,639,000 of the general fund--local appropriation are provided solely
15 for the department to acquire, establish, and operate a nursing
16 facility dedicated to serving men and women from Washington who have
17 served in the nation's armed forces.

18 (2) After July 1, 2003, unless specifically prohibited by this act,
19 the department may transfer general fund--state appropriations for
20 fiscal year 2003 among programs after approval by the director of
21 financial management. However, the department shall not transfer state
22 moneys that are provided solely for a specified purpose, nor may the
23 department transfer appropriations into the headquarters program.

24 **Sec. 216.** 2002 c 371 s 219 (uncodified) is amended to read as
25 follows:

26 **FOR THE HOME CARE QUALITY AUTHORITY**

| | | |
|----|---|------------------------|
| 27 | General Fund--State Appropriation (FY 2003) | (\$152,000) |
| 28 | | <u>\$171,000</u> |

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

34 **Sec. 217.** 2002 c 371 s 220 (uncodified) is amended to read as
35 follows:

| | | |
|----|--|----------------------------|
| 1 | FOR THE DEPARTMENT OF HEALTH | |
| 2 | General Fund--State Appropriation (FY 2002) | \$57,337,000 |
| 3 | General Fund--State Appropriation (FY 2003) | (\$54,940,000) |
| 4 | | <u>\$54,845,000</u> |
| 5 | Health Services Account--State Appropriation | (\$33,520,000) |
| 6 | | <u>\$28,460,000</u> |
| 7 | General Fund--Federal Appropriation | \$297,352,000 |
| 8 | General Fund--Private/Local Appropriation | (\$82,912,000) |
| 9 | | <u>\$84,212,000</u> |
| 10 | Hospital Commission Account--State | |
| 11 | Appropriation | \$2,305,000 |
| 12 | Health Professions Account--State | |
| 13 | Appropriation | \$39,374,000 |
| 14 | Emergency Medical Services and Trauma Care Systems | |
| 15 | Trust Account--State Appropriation | \$14,858,000 |
| 16 | Safe Drinking Water Account--State | |
| 17 | Appropriation | \$2,689,000 |
| 18 | Drinking Water Assistance Account--Federal | |
| 19 | Appropriation | \$13,376,000 |
| 20 | Waterworks Operator Certification--State | |
| 21 | Appropriation | (\$622,000) |
| 22 | | <u>\$743,000</u> |
| 23 | Salmon Recovery Account--State Appropriation | \$182,000 |
| 24 | Water Quality Account--State Appropriation | \$3,304,000 |
| 25 | Accident Account--State Appropriation | \$257,000 |
| 26 | Medical Aid Account--State Appropriation | \$45,000 |
| 27 | State Toxics Control Account--State | |
| 28 | Appropriation | \$2,809,000 |
| 29 | Medical Test Site Licensure Account--State | |
| 30 | Appropriation | \$1,801,000 |
| 31 | Youth Tobacco Prevention Account--State | |
| 32 | Appropriation | \$1,797,000 |
| 33 | Tobacco Prevention and Control Account--State | |
| 34 | Appropriation | \$43,737,000 |
| 35 | TOTAL APPROPRIATION | (\$653,217,000) |
| 36 | | <u>\$649,483,000</u> |

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

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

13 (2) \$339,000 of the general fund--state appropriation for fiscal
14 year 2002, \$157,000 of the general fund--state appropriation for fiscal
15 year 2003, and the salmon recovery account appropriation are provided
16 solely for technical assistance to local governments and special
17 districts on water conservation and reuse.

18 (3) \$1,675,000 of the general fund--state fiscal year 2002
19 appropriation and \$1,676,000 of the general fund--state fiscal year
20 2003 appropriation are provided solely for the implementation of the
21 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
22 DOH-03, and DOH-04.

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

1 (5) (~~(\$19,778,000)~~) \$14,718,000 of the health services account--
2 state appropriation is provided solely for the state's program of
3 universal access to essential childhood vaccines. The department shall
4 utilize all available federal funding before expenditure of these
5 funds.

6 (6) \$85,000 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 the implementation of
9 Substitute House Bill No. 1365 (infant and child products). If the
10 bill is not enacted by June 30, 2001, the amounts provided in this
11 subsection shall lapse.

12 (7) From funds appropriated in this section, the state board of
13 health shall convene a broadly-based task force to review the available
14 information on the potential risks and benefits to public and personal
15 health and safety, and to individual privacy, of emerging technologies
16 involving human deoxyribonucleic acid (DNA). The board may reimburse
17 task force members for travel expenses according to RCW 43.03.220. The
18 task force shall consider information provided to it by interested
19 persons on: (a) The incidence of discriminatory actions based upon
20 genetic information; (b) strategies to safeguard civil rights and
21 privacy related to genetic information; (c) remedies to compensate
22 individuals for inappropriate use of their genetic information; and (d)
23 incentives for further research and development on the use of DNA to
24 promote public health, safety, and welfare. The task force shall
25 report on its findings and any recommendations to appropriate
26 committees of the legislature by October 1, 2002.

27 (8) \$533,000 of the general fund--state appropriation for fiscal
28 year 2002 and \$847,000 of the general fund--state appropriation for
29 fiscal year 2003 are provided solely for performance-based contracts
30 with local jurisdictions to assure the safety of drinking water
31 provided by small "group B" water systems.

32 (9) By October 1, 2002, the department shall establish mechanisms
33 to assure that the HIV early intervention services program operates
34 within appropriated levels. This shall include a system under which
35 the state's contribution to the cost of care is adjusted on a sliding-
36 scale basis.

37 (10) By December 1, 2002, the department shall report to
38 appropriate committees of the legislature with a feasibility analysis

1 of implementing an electronic filing system for death certificates.
2 The study shall be conducted in consultation and cooperation with local
3 and state registrars, funeral directors, and physicians, and shall
4 include an analysis of applying an additional fee to death certificates
5 to cover the cost of developing and operating the electronic system.

6 **Sec. 218.** 2002 c 371 s 221 (uncodified) is amended to read as
7 follows:

8 **FOR THE DEPARTMENT OF CORRECTIONS.** The appropriations to the
9 department of corrections in this act shall be expended for the
10 programs and in the amounts specified herein. However, after May 1,
11 ~~((2002))~~ 2003, after approval by the director of financial management
12 and unless specifically prohibited by this act, the department may
13 transfer general fund--state appropriations for fiscal year ~~((2002))~~
14 2003 between programs. The director of financial management shall
15 notify the appropriate fiscal committees of the senate and house of
16 representatives in writing prior to approving any deviations from
17 appropriation levels.

18 (1) ADMINISTRATION AND SUPPORT SERVICES

| | |
|--|-------------------------------|
| 19 General Fund--State Appropriation (FY 2002) | \$36,786,000 |
| 20 General Fund--State Appropriation (FY 2003) | ((\$36,434,000)) |
| | <u>\$36,239,000</u> |
| 22 Public Safety and Education Account--State | |
| 23 Appropriation | \$1,576,000 |
| 24 Violence Reduction and Drug Enforcement | |
| 25 Account Appropriation | \$3,254,000 |
| 26 TOTAL APPROPRIATION | ((\$78,050,000)) |
| | <u>\$77,855,000</u> |

27

28 The appropriations in this subsection are subject to the following
29 conditions and limitations: \$4,623,000 of the general fund--state
30 appropriation for fiscal year 2002, \$4,623,000 of the general fund--
31 state appropriation for fiscal year 2003, and \$3,254,000 of the
32 violence reduction and drug enforcement account appropriation are
33 provided solely for the replacement of the department's offender-based
34 tracking system. This amount is conditioned on the department
35 satisfying the requirements of section 902 of this act. The department
36 shall prepare an assessment of the fiscal impact of any changes to the
37 replacement project. The assessment shall:

- 1 (a) Include a description of any changes to the replacement
- 2 project;
- 3 (b) Provide the estimated costs for each component in the 2001-03
- 4 and subsequent biennia;
- 5 (c) Include a schedule that provides the time estimated to complete
- 6 changes to each component of the replacement project; and
- 7 (d) Be provided to the office of financial management, the
- 8 department of information services, the information services board, and
- 9 the staff of the fiscal committees of the senate and the house of
- 10 representatives no later than November 1, 2002.

11 (2) CORRECTIONAL OPERATIONS

| | | |
|----|--|--------------------------------|
| 12 | General Fund--State Appropriation (FY 2002) | \$404,390,000 |
| 13 | General Fund--State Appropriation (FY 2003) | ((\$412,788,000)) |
| 14 | | <u>\$433,915,000</u> |
| 15 | General Fund--Federal Appropriation | ((\$9,142,000)) |
| 16 | | <u>\$9,936,000</u> |
| 17 | Violence Reduction and Drug Enforcement Account-- | |
| 18 | State Appropriation | \$1,596,000 |
| 19 | Public Health Services Account Appropriation | \$1,453,000 |
| 20 | TOTAL APPROPRIATION | ((\$829,369,000)) |
| 21 | | <u>\$851,290,000</u> |

22 The appropriations in this subsection are subject to the following

23 conditions and limitations:

24 (a) The department may expend funds generated by contractual

25 agreements entered into for mitigation of severe overcrowding in local

26 jails. Any funds generated in excess of actual costs shall be

27 deposited in the state general fund. Expenditures shall not exceed

28 revenue generated by such agreements and shall be treated as recovery

29 of costs.

30 (b) The department shall provide funding for the pet partnership

31 program at the Washington corrections center for women at a level at

32 least equal to that provided in the 1995-97 biennium.

33 (c) The department of corrections shall accomplish personnel

34 reductions with the least possible impact on correctional custody

35 staff, community custody staff, and correctional industries. For the

36 purposes of this subsection, correctional custody staff means employees

37 responsible for the direct supervision of offenders.

1 (d) \$553,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$956,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely to increase payment rates for
4 contracted education providers, contracted chemical dependency
5 providers, and contracted work release facilities.

6 (e) During the 2001-03 biennium, when contracts are established or
7 renewed for offender pay phone and other telephone services provided to
8 inmates, the department shall select the contractor or contractors
9 primarily based on the following factors: (i) The lowest rate charged
10 to both the inmate and the person paying for the telephone call; and
11 (ii) the lowest commission rates paid to the department, while
12 providing reasonable compensation to cover the costs of the department
13 to provide the telephone services to inmates and provide sufficient
14 revenues for the activities funded from the institutional welfare
15 betterment account (~~as of January 1, 2000~~).

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

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

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

33 ~~((+j))~~ (i) Within the amounts appropriated in this section,
34 funding is provided for the initial implementation of a medical
35 algorithm practice program within the department's facilities. The
36 program shall be designed to achieve clinical efficacy and costs
37 efficiency in the utilization of psychiatric drugs.

38 (3) COMMUNITY SUPERVISION

| | | |
|---|---|----------------------------|
| 1 | General Fund--State Appropriation (FY 2002) | \$68,097,000 |
| 2 | General Fund--State Appropriation (FY 2003) | (\$75,720,000) |
| 3 | | <u>\$77,436,000</u> |
| 4 | General Fund--Federal Appropriation | \$870,000 |
| 5 | Public Safety and Education | |
| 6 | Account--State Appropriation | \$15,493,000 |
| 7 | TOTAL APPROPRIATION | (\$160,180,000) |
| 8 | | <u>\$161,896,000</u> |

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

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

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

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

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

33 (4) CORRECTIONAL INDUSTRIES

| | | |
|----|---|-------------|
| 34 | General Fund--State Appropriation (FY 2002) | \$631,000 |
| 35 | General Fund--State Appropriation (FY 2003) | \$629,000 |
| 36 | TOTAL APPROPRIATION | \$1,260,000 |

1 The appropriations in this subsection are subject to the following
 2 conditions and limitations: \$110,000 of the general fund--state
 3 appropriation for fiscal year 2002 and \$110,000 of the general fund--
 4 state appropriation for fiscal year 2003 are provided solely for
 5 transfer to the jail industries board. The board shall use the amounts
 6 provided only for administrative expenses, equipment purchases, and
 7 technical assistance associated with advising cities and counties in
 8 developing, promoting, and implementing consistent, safe, and efficient
 9 offender work programs.

10 (5) INTERAGENCY PAYMENTS

| | | |
|----|---|--------------|
| 11 | General Fund--State Appropriation (FY 2002) | \$18,568,000 |
| 12 | General Fund--State Appropriation (FY 2003) | \$18,569,000 |
| 13 | TOTAL APPROPRIATION | \$37,137,000 |

14 **Sec. 219.** 2002 c 371 s 222 (uncodified) is amended to read as
 15 follows:

16 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

| | | |
|----|---|-------------------------------|
| 17 | General Fund--State Appropriation (FY 2002) | \$1,652,000 |
| 18 | General Fund--State Appropriation (FY 2003) | ((\$1,588,000)) |
| 19 | | <u>\$1,582,000</u> |
| 20 | General Fund--Federal Appropriation | ((\$12,643,000)) |
| 21 | | <u>\$13,186,000</u> |
| 22 | General Fund--Private/Local Appropriation | \$80,000 |
| 23 | TOTAL APPROPRIATION | ((\$15,963,000)) |
| 24 | | <u>\$16,500,000</u> |

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

31 **Sec. 220.** 2002 c 371 s 224 (uncodified) is amended to read as
 32 follows:

33 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

| | | |
|----|---|---------------|
| 34 | General Fund--Federal Appropriation | \$180,628,000 |
| 35 | General Fund--Private/Local Appropriation | \$30,119,000 |
| 36 | Unemployment Compensation Administration Account-- | |

| | | |
|----|--|--------------------------------|
| 1 | Federal Appropriation | ((\$194,167,000)) |
| 2 | | <u>\$194,011,000</u> |
| 3 | Administrative Contingency Account--State | |
| 4 | Appropriation | ((\$15,514,000)) |
| 5 | | <u>\$13,914,000</u> |
| 6 | Employment Service Administrative Account--State | |
| 7 | Appropriation | ((\$20,001,000)) |
| 8 | | <u>\$20,851,000</u> |
| 9 | TOTAL APPROPRIATION | ((\$440,429,000)) |
| 10 | | <u>\$439,523,000</u> |

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

13 (1) \$156,000 of the unemployment compensation administration
14 account is provided solely for the implementation of Substitute House
15 Bill No. 2355 (unemployment insurance). If the bill is not enacted by
16 June 30, 2002, the amount provided in this subsection shall lapse.

17 (2) ((~~Up to \$1,600,000~~)) \$850,000 of the ((~~administrative~~
18 ~~contingency account~~)) employment service administrative account--state
19 appropriation is provided solely for administrative costs related to
20 the implementation of Engrossed House Bill No. 2901 (unemployment
21 insurance). If the bill is not enacted by June 30, 2002, the amount
22 provided in this subsection shall lapse.

(End of part)

PART III
NATURAL RESOURCES

Sec. 301. 2002 c 371 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

| | |
|--|---------------------------|
| General Fund--State Appropriation (FY 2002) | \$39,404,000 |
| General Fund--State Appropriation (FY 2003) | (\$34,283,000) |
| | <u>\$34,225,000</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 | \$1,935,000 |
| Flood Control Assistance Account-- | |
| State Appropriation | \$4,098,000 |
| State Emergency Water Projects Revolving Account-- | |
| State Appropriation | \$878,000 |
| Waste Reduction/Recycling/Litter Control Account-- | |
| State Appropriation | \$14,287,000 |
| State Drought Preparedness Account--State | |
| Appropriation | \$2,575,000 |
| Salmon Recovery Account--State Appropriation | \$250,000 |
| State and Local Improvements Revolving Account | |
| (Water Supply Facilities)--State | |
| Appropriation | \$587,000 |
| Water Quality Account--State Appropriation | (\$22,985,000) |
| | <u>\$22,976,000</u> |
| Wood Stove Education and Enforcement Account-- | |
| State Appropriation | \$353,000 |
| Worker and Community Right-to-Know Account-- | |
| State Appropriation | \$3,288,000 |
| State Toxics Control Account--State | |
| Appropriation | \$70,001,000 |
| State Toxics Control Account--Private/Local | |
| Appropriation | \$350,000 |

| | | |
|----|---|--------------------------------|
| 1 | Local Toxics Control Account--State | |
| 2 | Appropriation | \$4,751,000 |
| 3 | Water Quality Permit Account--State | |
| 4 | Appropriation | \$24,210,000 |
| 5 | Underground Storage Tank Account--State | |
| 6 | Appropriation | \$2,682,000 |
| 7 | Environmental Excellence Account--State | |
| 8 | Appropriation | \$504,000 |
| 9 | Biosolids Permit Account--State Appropriation | \$764,000 |
| 10 | Hazardous Waste Assistance Account--State | |
| 11 | Appropriation | \$4,308,000 |
| 12 | Air Pollution Control Account--State | |
| 13 | Appropriation | \$1,366,000 |
| 14 | Oil Spill Prevention Account--State | |
| 15 | Appropriation | \$7,921,000 |
| 16 | Air Operating Permit Account--State | |
| 17 | Appropriation | \$3,608,000 |
| 18 | Freshwater Aquatic Weeds Account--State | |
| 19 | Appropriation | \$1,898,000 |
| 20 | Oil Spill Response Account--State | |
| 21 | Appropriation | \$7,078,000 |
| 22 | Metals Mining Account--State Appropriation | \$5,000 |
| 23 | Water Pollution Control Revolving Account-- | |
| 24 | State Appropriation | ((\$536,000)) |
| 25 | | <u>\$564,000</u> |
| 26 | Water Pollution Control Revolving Account-- | |
| 27 | Federal Appropriation | \$2,802,000 |
| 28 | TOTAL APPROPRIATION | ((\$318,877,000)) |
| 29 | | <u>\$318,838,000</u> |

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

32 (1) \$3,874,000 of the general fund--state appropriation for fiscal
33 year 2002, ((~~\$3,874,000~~)) \$2,684,000 of the general fund--state
34 appropriation for fiscal year 2003, \$394,000 of the general fund--
35 federal appropriation, \$2,070,000 of the oil spill prevention account--
36 state appropriation, \$1,190,000 of the state toxics control account,
37 and \$3,686,000 of the water quality permit account--state appropriation

1 are provided solely for the implementation of the Puget Sound work plan
2 and agency action items DOE-01, DOE-02, DOE-03, DOE-05, DOE-06, DOE-07,
3 DOE-08, and DOE-09.

4 (2) \$500,000 of the state toxics control account appropriation is
5 provided for an assessment of the financial assurance requirements of
6 hazardous waste management facilities. By September 30, 2002, the
7 department shall provide to the governor and appropriate committees of
8 the legislature a report that: (a) Evaluates current statutes and
9 regulations governing hazardous waste management facilities; (b)
10 analyzes and makes recommendations for improving financial assurance
11 regulatory control; and (c) makes recommendations for funding financial
12 assurance regulatory control of hazardous waste management facilities.

13 (3) \$814,000 of the state drought preparedness account--state
14 appropriation, \$549,000 of the water quality account--state
15 appropriation, and \$250,000 of the salmon recovery account--state
16 appropriation are provided solely for enhanced streamflow monitoring in
17 critical salmon recovery basins. \$640,000 of this amount is provided
18 solely to implement the Puget Sound work plan and agency action item
19 DOE-01.

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

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

1 assistance provided, reuse project development activities, and water
2 conservation achievements.

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

5 (7)(a) \$800,000 of the state toxics control account appropriation
6 is provided solely to implement the department's persistent,
7 bioaccumulative toxic chemical strategy.

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

10 (i) First develop a planned strategy for the reduction of mercury
11 from the environment. This strategy will be known as the mercury
12 chemical action plan. The development of the mercury chemical action
13 plan will be a model for developing all future chemical action plans;

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

20 (iii) Involve an advisory committee of up to twelve members
21 composed of adequate and balanced representation of local government,
22 business, agriculture, and environmental, public health, and community
23 groups in the development of the mercury chemical action plan. In
24 addition, the department must invite and strongly encourage any
25 interested tribes or federal agencies to participate in the advisory
26 committee process. The advisory committee must be involved in the
27 development of the mercury chemical action plan. All information that
28 will serve as the basis for any decisions in the mercury chemical
29 action plan's development must be available to the advisory committee
30 members. The advisory committee has sixty days to provide input to the
31 department on the elements of the mercury chemical action plan. The
32 comments and suggestions made by the advisory committee must be
33 considered by the department; however, consensus of the advisory
34 committee is not necessary for the department to move forward in the
35 development of the mercury chemical action plan. All meetings of the
36 advisory committee are subject to the provisions of chapter 42.30 RCW.
37 The advisory committee for the mercury chemical action plan must be
38 established by April 15, 2002;

1 (iv) By August 31, 2002, develop and issue a draft mercury chemical
2 action plan in consultation with the advisory committee. Following the
3 release of the draft plan, the department must allow for a sixty-day
4 public comment period. The advisory committee, following the comment
5 period, shall consider the public comments received; and

6 (v) The department shall finalize the mercury chemical action plan
7 by December 31, 2002. The final mercury chemical action plan,
8 developed after considering the public comments and the input of the
9 advisory committee, must outline actions for the department to take,
10 including, but not limited to, the development of any rules and
11 recommending any legislation. Implementation must begin no later than
12 February 1, 2003.

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

22 (9) \$200,000 of the state toxics control account appropriation is
23 provided to assess the effectiveness of the state's current toxic
24 pollution prevention and dangerous waste programs and policies. The
25 department shall work with affected stakeholder groups and the public
26 to evaluate the performance of existing programs, and identify feasible
27 methods of reducing the generation of these wastes. The department
28 shall report its findings to the governor and the appropriate
29 committees of the legislature by September 30, 2002.

30 (10) \$1,200,000 of the state toxics control account appropriation
31 is provided solely for the department, in conjunction with affected
32 local governments, to address emergent areawide soil contamination
33 problems. The department's efforts will include public involvement
34 processes and completing assessments of the geographical extent of
35 toxic contamination including highly contaminated areas.

36 (11) \$170,000 of the oil spill prevention account appropriation is
37 provided solely for implementation of the Puget Sound work plan action
38 item UW-02 through a contract with the University of Washington's sea

1 grant program to develop an educational program targeted to small
2 spills from commercial fishing vessels, ferries, cruise ships, ports,
3 and marinas.

4 (12) \$1,500,000 of the general fund--state appropriation for fiscal
5 year 2002, \$1,500,000 of the general fund--state appropriation for
6 fiscal year 2003, and \$3,000,000 of the water quality account
7 appropriation are provided solely to implement chapter 237, Laws of
8 2001 (Engrossed Substitute House Bill No. 1832, water resources
9 management) and to support the processing of applications for changes
10 and transfers of existing water rights.

11 (13) \$9,000,000 of the water quality account--state appropriation
12 is provided solely for grants to local governments to conduct watershed
13 planning and technical assistance. At least \$7,000,000 shall be
14 distributed as grants and shall include \$200,000 for facilitation of
15 the central Puget Sound regional initiative.

16 (14) \$3,114,000 of the water quality account appropriation is
17 provided solely to implement Engrossed Substitute House Bill No. 1832
18 (water resources management). Of this amount: (a) \$1,200,000 is
19 provided for grants to local governments for targeted watershed
20 assessments consistent with Engrossed Substitute House Bill No. 1832;
21 and (b) the remainder of the funding is provided solely for development
22 of a state environmental policy act template to streamline
23 environmental review, creation of a blue ribbon panel to develop long-
24 term watershed planning implementation funding options, and technical
25 assistance.

26 (15) \$200,000 of the water quality account appropriation is
27 provided solely to provide coordination and assistance to groups
28 established for the purpose of protecting, enhancing, and restoring the
29 biological, chemical, and physical processes of watersheds. These
30 groups may include those involved in coordinated resource management,
31 regional fisheries enhancement groups, conservation districts,
32 watershed councils, and private nonprofit organizations incorporated
33 under Title 24 RCW.

34 (16) \$325,000 of the state drought preparedness account--state
35 appropriation is provided solely for an environmental impact statement
36 of the Pine Hollow reservoir project to be conducted in conjunction
37 with the local irrigation district.

1 (17) \$1,352,000 of the general fund--state appropriation for fiscal
2 year 2002, \$700,000 of the general fund--state appropriation for fiscal
3 year 2003, \$700,000 of the water quality account appropriation, and
4 \$280,000 of the oil spill prevention account appropriation are provided
5 solely for oil spill prevention measures in Puget Sound. Of these
6 amounts:

7 (a) The general fund appropriation and the water quality account
8 appropriation are provided solely for the department of ecology to
9 provide for charter safety tug services, including the placement of a
10 dedicated tug at Neah Bay for not less than 200 days in fiscal year
11 2002 and fiscal year 2003. By January 10, 2002, the department shall
12 report to the appropriate committees of the legislature regarding the
13 number of dispatches, response time and distance, and other factors
14 pertaining to the safety tug services. The general fund--state
15 appropriation in this subsection is provided solely for implementation
16 of the Puget Sound work plan and agency action item DOE-09;

17 (b) \$100,000 of the oil spill prevention account appropriation is
18 provided solely for the department to conduct a vessel transponder
19 feasibility study for Washington waters and undertake a trial vessel
20 tracking program using transponders. In conducting the feasibility
21 study and trial program, the department of ecology shall consult with
22 state pilotage authorities, the maritime industry and the United States
23 coast guard; and

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

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

28 (18) \$600,000 of the water quality account--state appropriation is
29 provided solely for setting instream flows in six basins not currently
30 planning under the watershed planning act.

31 (19) \$200,000 of the water quality account appropriation is
32 provided solely for activities associated with development of the
33 Willapa River total maximum daily load (TMDL). The activities shall
34 include but are not limited to: (a) A contract with Pacific county to
35 complete the oxygen/bacteria and temperature model for the TMDL,
36 conduct a technical analysis of local options for waste load
37 allocations, and develop the first draft of the waste load allocation
38 plan; and (b) a contract for facilitation services for a public process

1 for the TMDL, assist in reaching consensus between parties involved in
2 the technical work, help ensure that there is an accurate public
3 record, and provide a forum for the waste load allocation.

4 (20) \$175,000 of the biosolids permit account is provided solely to
5 develop a statewide septage strategy. The department shall work with
6 affected stakeholders to address septage permit requirements, changes
7 to existing rules, clarification of state and local responsibilities,
8 and fee structure changes that are necessary to support the program in
9 future biennia. The department shall report its findings to the
10 governor and appropriate committees of the legislature by June 30,
11 2003.

12 (21) \$189,000 of the general fund--state appropriation for fiscal
13 year 2003 is provided solely for facilitation services and the
14 following activities:

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

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

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

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

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

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

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

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

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

36 (C) Recommend one or more methods to resolve water disputes,
37 including, but not limited to, an administrative resolution process; a

1 judicial resolution process such as water court; or any combination
2 thereof; and

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

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

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

7 (III) The changes to statutes and administrative rules necessary to
8 implement the plan.

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

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

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

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

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

30 (iii) In conducting the consultations under this subsection (c),
31 the governor shall give priority consideration to the interstate issues
32 affecting the Spokane-Rathdrum Prairie aquifer including those issues
33 affecting a safe and adequate supply of public drinking water, as
34 provided by municipal governments.

35 (d) By October 1, 2002, the department of ecology shall provide to
36 the appropriate standing committees of the legislature, a plan,
37 schedule, and budget for improving the administration of water right
38 records held by the department of ecology. The department of ecology

1 shall work with the department of revenue and with county auditors in
 2 developing recommendations for improving the administration of water
 3 rights ownership information and integrating this information with real
 4 property ownership records. The department of ecology shall evaluate
 5 the need for grants to counties to assist with recording and
 6 information management needs related to water rights ownership and
 7 title.

8 (22) 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. 302.** 2002 c 371 s 303 (uncodified) is amended to read as
 15 follows:

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

| | | |
|----|---|---------------------------|
| 17 | General Fund--State Appropriation (FY 2002) | \$32,198,000 |
| 18 | General Fund--State Appropriation (FY 2003) | (\$30,340,000) |
| 19 | | <u>\$30,332,000</u> |
| 20 | General Fund--Federal Appropriation | \$2,690,000 |
| 21 | General Fund--Private/Local Appropriation | \$60,000 |
| 22 | Winter Recreation Program Account--State | |
| 23 | Appropriation | \$1,087,000 |
| 24 | Off Road Vehicle Account--State Appropriation | \$274,000 |
| 25 | Snowmobile Account--State Appropriation | \$4,682,000 |
| 26 | Aquatic Lands Enhancement Account--State | |
| 27 | Appropriation | \$337,000 |
| 28 | Public Safety and Education Account--State | |
| 29 | Appropriation | \$47,000 |
| 30 | Salmon Recovery Account--State Appropriation | \$200,000 |
| 31 | Water Trail Program Account--State | |
| 32 | Appropriation | \$24,000 |
| 33 | Parks Renewal and Stewardship Account-- | |
| 34 | State Appropriation | (\$27,193,000) |
| 35 | | <u>\$27,733,000</u> |
| 36 | TOTAL APPROPRIATION | (\$99,132,000) |
| 37 | | <u>\$99,664,000</u> |

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

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

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

11 (3) \$79,000 of the general fund--state appropriation for fiscal
12 year 2002, \$79,000 of the general fund--state appropriation for fiscal
13 year 2003, and \$8,000 of the winter recreation program account--state
14 appropriation are provided solely for a grant for the operation of the
15 Northwest avalanche center.

16 (4) \$432,000 of the parks renewal and stewardship account
17 appropriation is provided for the operation of the Silver Lake visitor
18 center. If a long-term management agreement is not reached with the
19 U.S. forest service by September 30, 2001, the amount provided in this
20 subsection shall lapse.

21 (5) \$189,000 of the aquatic lands enhancement account appropriation
22 is provided solely for the implementation of the Puget Sound work plan
23 and agency action item P+RC-02.

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

1 elect its own officers, shall be staffed by staff of the legislature,
 2 the executive agencies, and the office of the governor, and may appoint
 3 an advisory committee of additional persons and organizations
 4 interested in the operation and funding of state parks and outdoor
 5 recreation. The task force shall specifically review and incorporate
 6 into its work the reports prepared pursuant to budget provisos by the
 7 Washington state parks and recreation commission regarding its
 8 operating budget needs, deferred maintenance backlog, and capital
 9 facilities renovation and replacement requirements. The task force
 10 shall prepare recommendations for improving the operation of state
 11 parks and outdoor recreation programs and for securing adequate funding
 12 on a permanent basis for supporting the needs of the state parks and
 13 outdoor recreation programs of the state, including a legislative
 14 proposal for the implementation of an evergreen recreation pass that
 15 would combine the various permits and licenses of the participating
 16 agencies into a single pass for recreational day use. The
 17 recommendations shall be developed no later than January 1, 2003, and
 18 shall be designed for enactment by the legislature during 2003 for
 19 implementation in the 2005-07 biennium. The task force shall cease to
 20 exist on June 30, 2003.

21 **Sec. 303.** 2002 c 371 s 307 (uncodified) is amended to read as
 22 follows:

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

| | | |
|----|---|-------------------------------|
| 24 | General Fund--State Appropriation (FY 2002) | \$46,375,000 |
| 25 | General Fund--State Appropriation (FY 2003) | ((\$44,334,000)) |
| 26 | | <u>\$44,328,000</u> |
| 27 | General Fund--Federal Appropriation | ((\$37,716,000)) |
| 28 | | <u>\$46,242,000</u> |
| 29 | General Fund--Private/Local Appropriation | ((\$24,365,000)) |
| 30 | | <u>\$29,039,000</u> |
| 31 | Off Road Vehicle Account--State | |
| 32 | Appropriation | \$475,000 |
| 33 | Aquatic Lands Enhancement Account--State | |
| 34 | Appropriation | ((\$5,133,000)) |
| 35 | | <u>\$5,366,000</u> |
| 36 | Public Safety and Education Account--State | |
| 37 | Appropriation | \$574,000 |

| | | |
|----|--|----------------------------|
| 1 | Recreational Fisheries Enhancement Account-- | |
| 2 | State Appropriation | \$3,354,000 |
| 3 | Salmon Recovery Account--State Appropriation | \$1,612,000 |
| 4 | Warm Water Game Fish Account--State | |
| 5 | Appropriation | \$2,567,000 |
| 6 | Eastern Washington Pheasant Enhancement Account-- | |
| 7 | State Appropriation | \$750,000 |
| 8 | Wildlife Account--State Appropriation | (\$50,680,000) |
| 9 | | <u>\$50,897,000</u> |
| 10 | Wildlife Account--Federal Appropriation | (\$38,182,000) |
| 11 | | <u>\$29,656,000</u> |
| 12 | Wildlife Account--Private/Local | |
| 13 | Appropriation | (\$15,133,000) |
| 14 | | <u>\$10,459,000</u> |
| 15 | Game Special Wildlife Account--State | |
| 16 | Appropriation | \$1,941,000 |
| 17 | Game Special Wildlife Account--Federal | |
| 18 | Appropriation | \$9,591,000 |
| 19 | Game Special Wildlife Account--Private/Local | |
| 20 | Appropriation | \$350,000 |
| 21 | Environmental Excellence Account--State | |
| 22 | Appropriation | \$15,000 |
| 23 | Regional Fisheries Salmonid Recovery Account-- | |
| 24 | Federal Appropriation | \$1,750,000 |
| 25 | Oil Spill Administration Account--State | |
| 26 | Appropriation | \$963,000 |
| 27 | Oyster Reserve Land Account--State | |
| 28 | Appropriation | \$135,000 |
| 29 | TOTAL APPROPRIATION | (\$285,995,000) |
| 30 | | <u>\$286,439,000</u> |

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

33 (1) \$1,682,000 of the general fund--state appropriation for fiscal
34 year 2002 and \$1,189,000 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 items DFW-01 through DFW-07.

37 (2) \$200,000 of the general fund--state appropriation for fiscal

1 year 2002 and \$200,000 of the general fund--state appropriation for
2 fiscal year 2003 are provided solely for the department to update the
3 salmon and steelhead stock inventory.

4 (3) \$250,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$250,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for the department to implement a
7 hatchery endangered species act response. The response shall include
8 emergency hatchery responses, production, and retrofitting of
9 hatcheries for salmon recovery.

10 (4) \$600,000 of the general fund--state appropriation for fiscal
11 year 2002 and \$600,000 of the general fund--state appropriation for
12 fiscal year 2003 are provided solely for local salmon recovery
13 technical assistance.

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

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

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

32 (8) \$1,300,000 of the salmon recovery account appropriation,
33 \$400,000 of the general fund--state appropriation for fiscal year 2003,
34 and \$5,000,000 of the general fund--federal appropriation are provided
35 solely for economic adjustment assistance to fishermen pursuant to the
36 1999 Pacific salmon treaty agreement.

37 (9) \$810,000 of the general fund--state appropriation for fiscal
38 year 2002, \$790,000 of the general fund--state appropriation for fiscal

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

4 (10) \$75,000 of the general fund--state appropriation for fiscal
5 year 2003 is provided solely to the department to execute an
6 interagency agreement with the joint legislative audit and review
7 committee to complete an independent organizational and operational
8 review of the fish management division of the fish program. This
9 review shall include:

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

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

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

21 (d) Evaluating how performance in meeting intent, goals, and
22 objectives through program activities is measured, reported, and
23 improved.

24 The committee shall provide a status report on this review to the
25 appropriate legislative policy and fiscal committees by November 1,
26 2002, and a final report by December 1, 2003.

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

32 (12) The department shall implement a survey of all agency lands to
33 evaluate whether agency lands support the agency's strategic plan and
34 goals. The department shall submit a report to the governor and
35 legislature by September 1, 2002, identifying those lands not
36 conforming with the agency's strategic plan and which should be
37 divested.

1 (13) \$388,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$388,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely to implement the forests and fish
4 agreement and includes funding to continue statewide coordination and
5 implementation of the forests and fish rules, integration of portions
6 of the hydraulic code into the forest practices rules to provide permit
7 streamlining, and sharing the responsibility of developing and
8 implementing the required forests and fish agreement monitoring and
9 adaptive management program.

10 (14) \$194,000 of the general fund--state appropriation for fiscal
11 year 2002 and \$195,000 of the general fund--state appropriation for
12 fiscal year 2003 are provided solely for staff to represent the state's
13 fish and wildlife interests in hydroelectric project relicensing
14 processes by the federal energy regulatory commission.

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

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

23 (17) \$43,000 of the general fund--state appropriation for fiscal
24 year 2002 and \$42,000 of the general fund--state appropriation for
25 fiscal year 2003 are provided solely for staffing and operation of the
26 Tennant Lake interpretive center.

27 (18) \$32,000 of the general fund--state appropriation for fiscal
28 year 2002 and \$33,000 of the general fund--state appropriation for
29 fiscal year 2003 are provided solely to support the activities of the
30 aquatic nuisance species coordination committee to foster state,
31 federal, tribal, and private cooperation on aquatic nuisance species
32 issues. The committee shall strive to prevent the introduction of
33 nonnative aquatic species and to minimize the spread of species that
34 are introduced.

35 (19) \$25,000 of the wildlife account--state appropriation is
36 provided solely for the WildWatchCam program to provide internet
37 transmission of live views of wildlife.

1 (20) \$8,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$7,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for the payment of the
4 department's share of approved lake management district assessments.
5 By December 15, 2001, the department shall provide the legislature a
6 summary of its activities related to lake management districts as well
7 as recommendations for establishing equitable lake management district
8 assessments.

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

14 (22) The fish and wildlife commission shall evaluate the adequacy,
15 structure, and amount of fees for hunting and fishing licenses and make
16 recommendations for revision of the fee structure and schedule as
17 appropriate. The evaluation shall consider, but is not limited to:
18 Assessment of the fish and wildlife resource management needs, fees in
19 adjacent states and countries, and efficiencies made possible through
20 automation. The commission shall report to the legislature and the
21 office of financial management by November 1, 2002.

22 (23) The department shall establish a hydraulic project approval
23 program technical review task force. The task force shall be composed
24 of a balanced representation of both hydraulic project proponents and
25 conservation interests. The task force shall conduct a thorough
26 evaluation of the hydraulic project approval program and make
27 recommendations to the legislature by November 30, 2002, based upon its
28 evaluation. The task force recommendations shall include a potential
29 fee structure and schedule for hydraulic project approval permits.

30 **Sec. 304.** 2002 c 371 s 308 (uncodified) is amended to read as
31 follows:

32 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

| | | |
|----|---|-------------------------------|
| 33 | General Fund--State Appropriation (FY 2002) | \$35,949,000 |
| 34 | General Fund--State Appropriation (FY 2003) | ((\$30,465,000)) |
| 35 | | <u>\$48,332,000</u> |
| 36 | General Fund--Federal Appropriation | ((\$10,936,000)) |
| 37 | | <u>\$20,267,000</u> |

| | | |
|----|--|----------------------------|
| 1 | General Fund--Private/Local Appropriation | \$2,265,000 |
| 2 | Forest Development Account--State | |
| 3 | Appropriation | \$50,088,000 |
| 4 | Off Road Vehicle Account--State | |
| 5 | Appropriation | \$3,684,000 |
| 6 | Surveys and Maps Account--State | |
| 7 | Appropriation | \$2,689,000 |
| 8 | Aquatic Lands Enhancement Account--State | |
| 9 | Appropriation | \$3,923,000 |
| 10 | Resources Management Cost Account--State | |
| 11 | Appropriation | \$79,156,000 |
| 12 | Surface Mining Reclamation Account--State | |
| 13 | Appropriation | \$2,416,000 |
| 14 | Salmon Recovery Account--State | |
| 15 | Appropriation | \$625,000 |
| 16 | Water Quality Account--State Appropriation | (\$2,900,000) |
| 17 | | <u>\$2,898,000</u> |
| 18 | Aquatic Land Dredged Material Disposal Site | |
| 19 | Account--State Appropriation | \$1,056,000 |
| 20 | Natural Resource Conservation Areas Stewardship | |
| 21 | Account Appropriation | \$209,000 |
| 22 | State Toxics Account--State Appropriation | \$1,865,000 |
| 23 | Air Pollution Control Account--State | |
| 24 | Appropriation | \$629,000 |
| 25 | Metals Mining Account--State Appropriation | \$64,000 |
| 26 | Agricultural College Trust Management Account | |
| 27 | Appropriation | \$1,790,000 |
| 28 | Derelict Vessel Removal Account--State | |
| 29 | Appropriation | (\$89,000) |
| 30 | | <u>\$289,000</u> |
| 31 | TOTAL APPROPRIATION | (\$230,798,000) |
| 32 | | <u>\$258,194,000</u> |

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

35 (1) \$18,000 of the general fund--state appropriation for fiscal
36 year 2002, \$18,000 of the general fund--state appropriation for fiscal
37 year 2003, and \$998,000 of the aquatic lands enhancement account

1 appropriation are provided solely for the implementation of the Puget
2 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

3 (2)(a) \$625,000 of the salmon recovery account appropriation,
4 \$1,250,000 of the general fund--state appropriation for fiscal year
5 2002, \$1,250,000 of the general fund--state appropriation for fiscal
6 year 2003, and \$2,900,000 of the water quality account--state
7 appropriation are provided solely for implementation of chapter 4, Laws
8 of 1999 sp. sess. (forest practices and salmon recovery).

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

14 (3) \$2,000,000 of the forest development account appropriation is
15 provided solely for road decommissioning, maintenance, and repair in
16 the Lake Whatcom watershed.

17 (4) \$543,000 of the forest fire protection assessment account
18 appropriation, \$22,000 of the forest development account appropriation,
19 and \$76,000 of the resource management cost account appropriation are
20 provided solely to implement chapter 279, Laws of 2001, Substitute
21 House Bill No. 2104, (modifying forest fire protection assessments).

22 (5) \$354,000 of the general fund--state appropriation for fiscal
23 year 2002 and \$895,000 of the general fund--state appropriation for
24 fiscal year 2003 shall be transferred to the agricultural college trust
25 management account and are provided solely to manage approximately
26 70,700 acres of Washington State University's agricultural college
27 trust lands.

28 (6) \$4,000 of the general fund--state appropriation for fiscal year
29 2002 and \$4,000 of the general fund--state appropriation for fiscal
30 year 2003 are provided solely to compensate the forest board trust for
31 a portion of the lease to the Crescent television improvement district
32 consistent with RCW 79.12.055.

33 (7) \$828,000 of the surface mine reclamation account appropriation
34 is provided to implement Engrossed House Bill No. 1845 (surface mining
35 fees). If the bill is not enacted by June 30, 2001, the amount
36 provided in this subsection shall lapse.

37 (8) \$800,000 of the aquatic lands enhancement account appropriation
38 and \$200,000 of the resources management cost account appropriation are

1 provided solely to improve asset management on state-owned aquatic
2 lands. The department shall streamline the use authorization process
3 for businesses operating on state-owned aquatic lands and issue
4 decisions on 325 pending lease applications by June 30, 2003. The
5 department, in consultation with the attorney general, shall develop a
6 strategic program to resolve claims related to contaminated sediments
7 on state-owned aquatic lands.

8 (9) \$246,000 of the resource management cost account appropriation
9 is provided to the department for continuing control of spruce budworm.

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

13 (11) \$7,657,859 of the general fund--state appropriation for fiscal
14 year 2002 and (~~(\$4,153,859)~~) \$22,049,859 of the general fund--state
15 appropriation for fiscal year 2003 are provided solely for emergency
16 fire suppression.

17 (12) \$7,216,000 of the general fund--state appropriation for fiscal
18 year 2002 and \$6,584,000 of the general fund--state appropriation for
19 fiscal year 2003 are provided solely for fire protection activities and
20 to implement provisions of the 1997 tridata fire program review.

21 (13) \$100,000 of the general fund--state appropriation for fiscal
22 year 2002, \$550,000 of the aquatic lands enhancement account--state
23 appropriation, and \$209,000 of the natural resources conservation areas
24 stewardship account--state appropriation are provided solely to the
25 department for planning, management, and stewardship of natural area
26 preserves and natural resources conservation areas.

27 (14) \$187,000 of the general fund--state appropriation for fiscal
28 year 2002 and \$188,000 of the general fund--state appropriation for
29 fiscal year 2003 are provided solely to the department for maintenance
30 and stewardship of public lands.

31 (15) \$100,000 of the general fund--state appropriation for fiscal
32 year 2002, \$100,000 of the general fund--state appropriation for fiscal
33 year 2003, and \$400,000 of the aquatic lands enhancement account
34 appropriation are provided solely for spartina control.

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

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

5 ~~((+19+))~~ (18) \$250,000 of the resource management cost account--
6 state appropriation and \$250,000 of the forest development account--
7 state appropriation are deposited in the contract harvesting revolving
8 account--nonappropriated to implement Substitute Senate Bill No. 6257
9 (contract harvesting). If Substitute Senate Bill No. 6257 is not
10 enacted the deposit in this subsection shall not occur.

11 ~~((+20+))~~ (19) Within the amounts appropriated in this section, the
12 department shall review the current procedures used to mobilize
13 resources to fight forest fires under the state mobilization plan and
14 through the department of natural resources. The review must include
15 recommendations to ensure that the people closest to a fire are called
16 first, to allow private contractors to be mobilized under the state
17 mobilization plan, and to identify other efficiencies. The department
18 shall review recent studies regarding ways to improve forest fire
19 fighting in the state. The department shall consult with
20 representatives of private contractors, fire districts, municipal fire
21 departments, the state fire marshal, appropriate federal agencies, and
22 other interested groups in developing the recommendations. The
23 department shall report their findings and recommendations to the
24 appropriate committees of the legislature by January 1, 2003.

25 ~~((+21+))~~ (20) \$4,000,000 of the resource management cost account
26 appropriation is provided solely for the purposes of RCW 79.64.020 and
27 is contingent upon the establishment, management, and protection of the
28 following marine reserves: Tidelands and bedlands adjacent to Cherry
29 Point in Whatcom county; tidelands and bedlands surrounding Maury
30 Island in King county; tidelands, bedlands, harbor areas, and waterways
31 adjacent to the Puyallup River delta, within Commencement Bay in Pierce
32 county; tidelands and bedlands surrounding Cypress Island in Skagit
33 county; and tidelands and bedlands within Fidalgo Bay in Skagit county.

34 ~~((+22+))~~ (21) Within the amounts appropriated in this section, the
35 department shall update the Washington State University asset
36 diversification plan to diversify at least ten percent of the
37 commercial forest land base within ten years and report recommendations

1 for implementing the plan to the appropriate committees of the
2 legislature by December 1, 2002.

3 *Sec. 305. 2002 c 371 s 309 (uncodified) is amended to read as
4 follows:

5 **FOR THE DEPARTMENT OF AGRICULTURE**

| | | |
|----|---|---------------------------------|
| 6 | General Fund--State Appropriation (FY 2002) | \$7,815,000 |
| 7 | General Fund--State Appropriation (FY 2003) | (\$7,434,000) |
| 8 | | <u>\$7,377,000</u> |
| 9 | General Fund--Federal Appropriation | \$7,441,000 |
| 10 | General Fund--Private/Local Appropriation | \$1,110,000 |
| 11 | Aquatic Lands Enhancement Account--State | |
| 12 | Appropriation | \$2,304,000 |
| 13 | State Toxics Control Account--State | |
| 14 | Appropriation | (\$2,917,000) |
| 15 | | <u>\$2,484,000</u> |
| 16 | TOTAL APPROPRIATION | (\$29,021,000) |
| 17 | | <u>\$28,531,000</u> |

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

20 (1) \$36,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$37,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for implementation of the Puget
23 Sound work plan and agency action item DOA-01.

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

31 (3) \$1,480,000 of the aquatic lands enhancement account
32 appropriation is provided solely to initiate a plan to eradicate
33 infestations of spartina in Puget Sound, Hood Canal, and Grays Harbor
34 and begin the reduction in spartina infestations in Willapa Bay.

35 (4) \$75,000 of the general fund--state appropriation for fiscal
36 year 2002, \$75,000 of the general fund--state appropriation for fiscal
37 year 2003, and \$150,000 of the general fund--federal appropriation are

1 provided solely to the small farm and direct marketing program to
2 support small farms in complying with federal, state, and local
3 regulations, facilitating access to food processing centers, and
4 assisting with grant funding requests.

5 (5) \$700,000 of the general fund--federal appropriation and
6 \$700,000 of the general fund--private/local appropriation are provided
7 solely to implement chapter 324, Laws of 2001 (Substitute House Bill
8 No. 1891, marketing of agriculture).

9 (6) (~~(\$450,000)~~) \$242,000 of the state toxics control account--
10 state appropriation is provided solely for deposit in the agricultural
11 local nonappropriated account for the plant pest account to reimburse
12 county horticultural pest and disease boards for the costs of pest
13 control activities, including tree removal, conducted under their
14 existing 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.

**Sec. 305 was partially vetoed. See message at end of chapter.*

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2002 c 371 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

| | |
|--|---------------------------|
| General Fund--State Appropriation (FY 2002) | \$5,366,000 |
| General Fund--State Appropriation (FY 2003) | (\$5,300,000) |
| | <u>\$5,350,000</u> |
| Architects' License Account--State | |
| Appropriation | (\$684,000) |
| | <u>\$687,000</u> |
| Cemetery Account--State Appropriation | (\$200,000) |
| | <u>\$203,000</u> |
| Professional Engineers' Account--State | |
| Appropriation | (\$3,102,000) |
| | <u>\$3,116,000</u> |
| Real Estate Commission--State Appropriation | (\$6,837,000) |
| | <u>\$6,868,000</u> |
| Master License Account--State Appropriation | (\$8,278,000) |
| | <u>\$8,306,000</u> |
| Uniform Commercial Code Account--State | |
| Appropriation | (\$2,900,000) |
| | <u>\$2,914,000</u> |
| Real Estate Education Account--State | |
| Appropriation | \$276,000 |
| Funeral Directors and Embalmers Account--State | |
| Appropriation | (\$459,000) |
| | <u>\$460,000</u> |
| Washington Real Estate Research Account | |
| Appropriation | \$307,000 |
| Data Processing Revolving Account--State | |
| Appropriation | \$23,000 |
| Derelict Vessel Removal Account--State | |
| Appropriation | \$86,000 |
| TOTAL APPROPRIATION | (\$33,818,000) |
| | <u>\$33,962,000</u> |

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

13 **Sec. 402.** 2002 c 371 s 402 (uncodified) is amended to read as
 14 follows:

15 **FOR THE STATE PATROL**

| | | |
|----|---|-------------------------------|
| 16 | General Fund--State Appropriation (FY 2002) | \$21,567,000 |
| 17 | General Fund--State Appropriation (FY 2003) | ((\$7,933,000)) |
| 18 | | <u>\$8,271,000</u> |
| 19 | General Fund--Federal Appropriation | ((\$4,178,000)) |
| 20 | | <u>\$4,818,000</u> |
| 21 | General Fund--Private/Local Appropriation | \$369,000 |
| 22 | Death Investigations Account--State | |
| 23 | Appropriation | \$4,024,000 |
| 24 | Public Safety and Education Account--State | |
| 25 | Appropriation | ((\$14,769,000)) |
| 26 | | <u>\$14,748,000</u> |
| 27 | County Criminal Justice Assistance Account--State | |
| 28 | Appropriation | \$2,870,000 |
| 29 | Municipal Criminal Justice Assistance Account-- | |
| 30 | State Appropriation | \$1,367,000 |
| 31 | Fire Service Trust Account--State | |
| 32 | Appropriation | \$125,000 |
| 33 | Fire Service Training Account--State | |
| 34 | Appropriation | \$6,328,000 |
| 35 | State Toxics Control Account--State | |
| 36 | Appropriation | \$461,000 |
| 37 | Violence Reduction and Drug Enforcement Account-- | |

| | | |
|---|---|-------------------------------|
| 1 | State Appropriation | \$274,000 |
| 2 | Fingerprint Identification Account--State | |
| 3 | Appropriation | ((\$5,316,000)) |
| 4 | | <u>\$6,028,000</u> |
| 5 | TOTAL APPROPRIATION | ((\$69,581,000)) |
| 6 | | <u>\$71,250,000</u> |

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

9 (1) \$354,000 of the public safety and education account
10 appropriation is provided solely for additional law enforcement and
11 security coverage on the west capitol campus.

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

20 (3) \$100,000 of the public safety and education account
21 appropriation is provided solely for the implementation of Substitute
22 Senate Bill No. 5896 (DNA testing of evidence). If the bill is not
23 enacted by June 30, 2001, the amount provided in this subsection shall
24 lapse.

25 (4) \$1,419,000 of the public safety and education account--state
26 appropriation is provided solely for combating the proliferation of
27 methamphetamine labs. The amounts in this subsection are provided
28 solely for the following activities: (a) The establishment of a
29 regional methamphetamine enforcement, training, and education program;
30 (b) additional members for the statewide methamphetamine incident
31 response team; and (c) two forensic scientists with the necessary
32 equipment to perform lab analysis in the crime laboratory division.

33 (5) Within the amounts appropriated in this section, funding is
34 provided to implement Substitute House Bill No. 2468 (offender DNA
35 database).

1 (6) \$375,000 of the general fund--state appropriation for fiscal
2 year 2003 is provided solely for additional DNA testing kits.

(End of part)

PART V
EDUCATION

Sec. 501. 2002 c 371 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) | \$12,302,000 |
| General Fund--State Appropriation (FY 2003) | \$12,000,000 |
| General Fund--Federal Appropriation | (\$53,760,000) |
| | <u>\$15,248,000</u> |
| TOTAL APPROPRIATION | (\$78,062,000) |
| | <u>\$39,550,000</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 \$11,101,000 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) \$486,000 of the general fund--state appropriation for fiscal year 2002 and \$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, \$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 \$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.

(d) \$49,000 of the general fund--state appropriation for fiscal year 2003 is provided solely to support the joint task force on local effort assistance created by House Bill No. 3011.

(2) STATEWIDE PROGRAMS

| | | |
|---|---|----------------------------|
| 1 | General Fund--State Appropriation (FY 2002) | \$17,280,000 |
| 2 | General Fund--State Appropriation (FY 2003) | (\$9,990,000) |
| 3 | | <u>\$9,898,000</u> |
| 4 | General Fund--Federal Appropriation | (\$85,395,000) |
| 5 | | <u>\$139,140,000</u> |
| 6 | TOTAL APPROPRIATION | (\$112,665,000) |
| 7 | | <u>\$166,318,000</u> |

8 The appropriations in this subsection are provided solely for the
9 statewide programs specified in this subsection and are subject to the
10 following conditions and limitations:

11 (a) HEALTH AND SAFETY

12 (i) A maximum of \$150,000 of the general fund--state appropriation
13 for fiscal year 2002 is provided for alcohol and drug prevention
14 programs pursuant to RCW 66.08.180.

15 (ii) A maximum \$2,621,000 of the general fund--state appropriation
16 for fiscal year 2002 and a maximum of \$2,542,000 of the general fund--
17 state appropriation for fiscal year 2003 are provided for a corps of
18 nurses located at educational service districts, as determined by the
19 superintendent of public instruction, to be dispatched to the most
20 needy schools to provide direct care to students, health education, and
21 training for school staff.

22 (iii) A maximum of \$100,000 of the general fund--state
23 appropriation for fiscal year 2002 and a maximum of \$97,000 of the
24 general fund--state appropriation for fiscal year 2003 are provided to
25 create a school safety center subject to the following conditions and
26 limitations.

27 (A) The safety center shall: Disseminate successful models of
28 school safety plans and cooperative efforts; provide assistance to
29 schools to establish a comprehensive safe school plan; select models of
30 cooperative efforts that have been proven successful; act as an
31 information dissemination and resource center when an incident occurs
32 in a school district either in Washington or in another state;
33 coordinate activities relating to school safety; review and approve
34 manuals and curricula used for school safety models and training; and
35 develop and maintain a school safety information web site.

36 (B) The school safety center shall be established in the office of
37 the superintendent of public instruction. The superintendent of public
38 instruction shall participate in a school safety center advisory

1 committee that includes representatives of educators, classified staff,
2 principals, superintendents, administrators, the American society for
3 industrial security, the state criminal justice training commission,
4 and others deemed appropriate and approved by the school safety center
5 advisory committee. Members of the committee shall be chosen by the
6 groups they represent. In addition, the Washington association of
7 sheriffs and police chiefs shall appoint representatives of law
8 enforcement to participate on the school safety center advisory
9 committee. The advisory committee shall select a chair.

10 (C) The school safety center advisory committee shall develop a
11 training program, using the best practices in school safety, for all
12 school safety personnel.

13 (iv) A maximum of \$113,000 of the general fund--state appropriation
14 for fiscal year 2002 and a maximum of \$100,000 of the general fund--
15 state appropriation for fiscal year 2003 are provided for a school
16 safety training program provided by the criminal justice training
17 commission subject to the following conditions and limitations:

18 (A) The criminal justice training commission with assistance of the
19 school safety center advisory committee established in section
20 2(b)(iii) of this section shall develop manuals and curricula for a
21 training program for all school safety personnel.

22 (B) The Washington state criminal justice training commission, in
23 collaboration with the advisory committee, shall provide the school
24 safety training for all school administrators and school safety
25 personnel, including school safety personnel hired after the effective
26 date of this section.

27 (v) A maximum of \$250,000 of the general fund--state appropriation
28 for fiscal year 2002 and a maximum of \$243,000 of the general fund--
29 state appropriation for fiscal year 2003 are provided for training in
30 school districts regarding the prevention of bullying and harassment.
31 The superintendent of public instruction shall use the funds to develop
32 a model bullying and harassment prevention policy and training
33 materials for school and educational service districts. The
34 information may be disseminated in a variety of ways, including
35 workshops and other staff development activities such as videotape or
36 broadcasts.

37 (vi) A maximum of \$6,048,000 of the general fund--state

1 appropriation for fiscal year 2002 is provided for a safety allocation
2 to districts subject to the following conditions and limitations:

3 (A) The funds shall be allocated at a maximum rate of \$6.36 per
4 year per full-time equivalent K-12 student enrolled in each school
5 district in the prior school year.

6 (B) Districts shall expend funds allocated under this section to
7 develop and implement strategies identified in a comprehensive safe
8 school plan pursuant to House Bill No. 1818 (student safety) or Senate
9 Bill No. 5543 (student safety). If neither bill is enacted by June 30,
10 2001, expenditures of the safety allocation shall be subject to (i),
11 (ii), and (iii) of this subsection (a)(vi)(B).

12 (i) School districts shall use the funds for school safety purposes
13 and are encouraged to prioritize the use of funds allocated under this
14 section for the development, by September 1, 2002, of school-based
15 comprehensive safe school plans that include prevention, intervention,
16 all-hazards/crisis response, and post crisis recovery components. When
17 developing comprehensive safe school plans, school districts are
18 encouraged to use model school safety plans as developed by the school
19 safety center. Implementation of comprehensive safe school plans may
20 include, but is not limited to, employing or contracting for building
21 security monitors in schools during school hours and school events;
22 research-based early prevention and intervention programs; training for
23 school staff, including security personnel; equipment; school safety
24 hotlines; before, during, and after-school student and staff safety;
25 minor building renovations related to student and staff safety and
26 security; and other purposes identified in the comprehensive safe
27 school plan.

28 (ii) Each school may conduct an evaluation of its comprehensive
29 safe school plan and conduct reviews, drills, or simulated practices in
30 coordination with local fire, law enforcement, and medical emergency
31 management agencies.

32 (iii) By September 1, 2002, school districts shall provide the
33 superintendent of public instruction information regarding the purposes
34 for which the safety allocation funding was used and the status of the
35 comprehensive safe school plans for the schools in the school district.

36 (vii) A maximum of \$200,000 of the general fund--state
37 appropriation for fiscal year 2002, a maximum of \$194,000 of the
38 general fund--state appropriation for fiscal year 2003, and \$400,000 of

1 the general fund--federal appropriation transferred from the department
2 of health are provided for a program that provides grants to school
3 districts for media campaigns promoting sexual abstinence and
4 addressing the importance of delaying sexual activity, pregnancy, and
5 childbearing until individuals are ready to nurture and support their
6 children. Grants to the school districts shall be for projects that
7 are substantially designed and produced by students. The grants shall
8 require a local private sector match equal to one-half of the state
9 grant, which may include in-kind contribution of technical or other
10 assistance from consultants or firms involved in public relations,
11 advertising, broadcasting, and graphics or video production or other
12 related fields.

13 (viii) A maximum of \$150,000 of the general fund--state
14 appropriation for fiscal year 2002 and a maximum of \$145,000 of the
15 general fund--state appropriation for fiscal year 2003 are provided for
16 a nonviolence and leadership training program provided by the institute
17 for community leadership. The program shall provide the following:

18 (A) Statewide nonviolence leadership coaches training program for
19 certification of educational employees and community members in
20 nonviolence leadership workshops;

21 (B) Statewide leadership nonviolence student exchanges, training,
22 and speaking opportunities for student workshop participants; and

23 (C) A request for proposal process, with up to 80 percent funding,
24 for nonviolence leadership workshops serving at least 12 school
25 districts with direct programming in 36 elementary, middle, and high
26 schools throughout Washington state.

27 (ix) A maximum of \$1,500,000 of the general fund--state
28 appropriation for fiscal year 2002 is provided for school district
29 petitions to juvenile court for truant students as provided in RCW
30 28A.225.030 and 28A.225.035. Allocation of this money to school
31 districts shall be based on the number of petitions filed.

32 (b) TECHNOLOGY

33 (i) A maximum of \$2,000,000 of the general fund--state
34 appropriation for fiscal year 2002 and a maximum of \$1,940,000 of the
35 general fund--state appropriation for fiscal year 2003 are provided for
36 K-20 telecommunications network technical support in the K-12 sector to
37 prevent system failures and avoid interruptions in school utilization
38 of the data processing and video-conferencing capabilities of the

1 network. These funds may be used to purchase engineering and advanced
2 technical support for the network. A maximum of \$650,000 of this
3 amount may be expended for state-level administration and staff
4 training on the K-20 network.

5 (ii) A maximum of \$617,000 of the general fund--state appropriation
6 for fiscal year 2002 and a maximum of \$1,079,000 of the general fund--
7 state appropriation for fiscal year 2003 are provided for the
8 Washington state leadership assistance for science education reform
9 (LASER) regional partnership coordinated at the Pacific Science Center.

10 (c) GRANTS AND ALLOCATIONS

11 (i) A maximum of \$25,000 of the general fund--state appropriation
12 for fiscal year 2002 and a maximum of \$1,916,000 of the general fund--
13 state appropriation for fiscal year 2003 are provided for Senate Bill
14 No. 5695 (alternative certification routes). If the bill is not
15 enacted by June 30, 2001, the amount provided in this subsection shall
16 lapse. The stipend allocation per teacher candidate and mentor pair
17 shall not exceed \$28,300. The professional educator standards board
18 shall report to the education committees of the legislature by December
19 15, 2002, on the districts applying for partnership grants, the
20 districts receiving partnership grants, and the number of interns per
21 route enrolled in each district.

22 (ii) A maximum of \$31,500 of the general fund--state appropriation
23 for fiscal year 2002 and a maximum of \$31,000 of the general fund--
24 state appropriation for fiscal year 2003 are provided for operation of
25 the Cispus environmental learning center.

26 (iii) A maximum of \$150,000 of the general fund--state
27 appropriation for fiscal year 2002 and a maximum of \$146,000 of the
28 general fund--state appropriation for fiscal year 2003 are provided for
29 the Washington civil liberties education program.

30 (iv) A maximum of \$2,150,000 of the general fund--state
31 appropriation for fiscal year 2002 is provided for complex need grants.
32 The maximum grants for eligible districts are specified in LEAP
33 Document 30C as developed on April 27, 1997, at 03:00 hours.

34 (v) A maximum of \$1,377,000 of the general fund--state
35 appropriation for fiscal year 2002 is provided for educational centers,
36 including state support activities. \$50,000 of this amount for fiscal
37 year 2002 is provided to help stabilize funding through distribution

1 among existing education centers that are currently funded by the state
2 at an amount less than \$50,000 a fiscal year.

3 (vi) A maximum of \$50,000 of the general fund--state appropriation
4 for fiscal year 2002 is provided for an organization in southwest
5 Washington that received funding from the Spokane educational center in
6 the 1995-97 biennium and provides educational services to students who
7 have dropped out of school.

8 (vii) A maximum of \$1,262,000 of the general fund--state
9 appropriation for fiscal year 2002 and a maximum of \$1,224,000 of the
10 general fund--state appropriation for fiscal year 2003 are provided for
11 in-service training and educational programs conducted by the Pacific
12 Science Center.

13 (viii) A maximum of \$100,000 of the general fund--state
14 appropriation for fiscal year 2002 and a maximum of \$97,000 of the
15 general fund--state appropriation for fiscal year 2003 are provided to
16 support vocational student leadership organizations.

17 (ix) (~~(\$9,900,000)~~) \$13,955,000 of the general fund--federal
18 appropriation is provided for the Washington Reads project to enhance
19 high quality reading instruction and school programs.

20 (x) A maximum of \$150,000 of the general fund--state appropriation
21 for fiscal year 2002 and a maximum of \$146,000 of the general fund--
22 state appropriation for fiscal year 2003 are provided for the World War
23 II oral history project.

24 (xi) \$13,942,000 of the general fund--federal appropriation is
25 provided for school renovation grants for school districts with urgent
26 school renovation needs, special education-related renovations, and
27 technology related renovations.

28 (xii) (~~(\$4,962,000)~~) \$4,698,000 of the general fund--federal
29 appropriation is provided for LINKS technology challenge grants to
30 integrate educational reform with state technology systems and
31 development of technology products that enhance professional
32 development and classroom instruction.

33 (xiii) (~~(\$536,000)~~) \$1,763,000 of the general fund--federal
34 appropriation is provided for the advanced placement fee program to
35 increase opportunities for low-income students and under-represented
36 populations to participate in advanced placement courses and to
37 increase the capacity of schools to provide advanced placement courses
38 to students.

1 (xiv) (~~(\$12,318,000)~~) \$8,197,000 of the general fund--federal
2 appropriation is provided for comprehensive school reform demonstration
3 projects to provide grants to low-income schools for improving student
4 achievement through adoption and implementation of research-based
5 curricula and instructional programs.

6 (xv) (~~(\$2,612,000)~~) \$2,473,000 of the general fund--federal
7 appropriation is provided for teacher quality enhancement through
8 provision of consortia grants to school districts and higher education
9 institutions to improve teacher preparation and professional
10 development.

11 **Sec. 502.** 2002 c 371 s 502 (uncodified) is amended to read as
12 follows:

13 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT**

| | |
|--|----------------------------------|
| 14 General Fund--State Appropriation (FY 2002) | \$3,786,124,000 |
| 15 General Fund--State Appropriation (FY 2003) | ((\$3,711,897,000)) |
| 16 | <u>\$3,728,589,000</u> |
| 17 TOTAL APPROPRIATION | ((\$7,498,021,000)) |
| 18 | <u>\$7,514,713,000</u> |

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

21 (1) Each general fund fiscal year appropriation includes such funds
22 as are necessary to complete the school year ending in the fiscal year
23 and for prior fiscal year adjustments.

24 (2) Allocations for certificated staff salaries for the 2001-02 and
25 2002-03 school years shall be determined using formula-generated staff
26 units calculated pursuant to this subsection. Staff allocations for
27 small school enrollments in (d) through (f) of this subsection shall be
28 reduced for vocational full-time equivalent enrollments. Staff
29 allocations for small school enrollments in grades K-6 shall be the
30 greater of that generated under (a) of this subsection, or under (d)
31 and (e) of this subsection. Certificated staffing allocations shall be
32 as follows:

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

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

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

5 (iii) Forty-six certificated instructional staff units per thousand
6 full-time equivalent students in grades 4-12; and

7 (iv) An additional 4.2 certificated instructional staff units for
8 grades K-3 and an additional 7.2 certificated instructional staff units
9 for grade 4. Any funds allocated for the additional certificated units
10 provided in this subsection (iv) shall not be considered as basic
11 education funding;

12 (v) For class size reduction and expanded learning opportunities
13 under the better schools program, an additional 2.2 certificated
14 instructional staff units for the 2001-02 school year and an additional
15 0.8 certificated instructional staff units for the 2002-03 school year
16 for grades K-4 per thousand full-time equivalent students. Funds
17 allocated for these additional certificated units shall not be
18 considered as basic education funding. The allocation may be used for
19 reducing class sizes in grades K-4 or to provide additional classroom
20 contact hours for kindergarten, before-and-after-school programs,
21 weekend school programs, summer school programs, and intercession
22 opportunities to assist elementary school students in meeting the
23 essential academic learning requirements and student assessment
24 performance standards. For purposes of this subsection, additional
25 classroom contact hours provided by teachers beyond the normal school
26 day under a supplemental contract shall be converted to a certificated
27 full-time equivalent by dividing the classroom contact hours by 900.

28 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
29 excess of the amount required to maintain the statutory minimum ratio
30 established under RCW 28A.150.260(2)(b) shall be allocated only if the
31 district documents an actual ratio in grades K-4 equal to or greater
32 than 55.4 certificated instructional staff per thousand full-time
33 equivalent students in the 2001-02 school year and 54.0 certificated
34 instructional staff per thousand full-time equivalent students in the
35 2002-03 school year. For any school district documenting a lower
36 certificated instructional staff ratio, the allocation shall be based
37 on the district's actual grades K-4 certificated instructional staff

1 ratio achieved in that school year, or the statutory minimum ratio
2 established under RCW 28A.150.260(2)(b), if greater;

3 (B) Districts at or above 51.0 certificated instructional staff per
4 one thousand full-time equivalent students in grades K-4 may dedicate
5 up to 1.3 of the 55.4 funding ratio in the 2001-02 school year, and up
6 to 1.3 of the 54.0 funding ratio in the 2002-03 school year, to employ
7 additional classified instructional assistants assigned to basic
8 education classrooms in grades K-4. For purposes of documenting a
9 district's staff ratio under this section, funds used by the district
10 to employ additional classified instructional assistants shall be
11 converted to a certificated staff equivalent and added to the
12 district's actual certificated instructional staff ratio. Additional
13 classified instructional assistants, for the purposes of this
14 subsection, shall be determined using the 1989-90 school year as the
15 base year;

16 (C) Any district maintaining a ratio in grades K-4 equal to or
17 greater than 55.4 certificated instructional staff per thousand full-
18 time equivalent students in the 2001-02 school year, and a ratio equal
19 to or greater than 54.0 certificated instructional staff per thousand
20 full-time equivalent students in the 2002-03 school year, may use
21 allocations generated under this subsection (2)(a)(iv) and (v) in
22 excess of that required to maintain the minimum ratio established under
23 RCW 28A.150.260(2)(b) to employ additional basic education certificated
24 instructional staff or classified instructional assistants in grades 5-
25 6. Funds allocated under this subsection (2)(a)(iv) and (v) shall only
26 be expended to reduce class size in grades K-6. No more than 1.3 of
27 the certificated instructional funding ratio amount may be expended for
28 provision of classified instructional assistants;

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

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

37 (A) Vocational education programs approved by the superintendent of

1 public instruction, a maximum of 0.92 certificated instructional staff
2 units and 0.08 certificated administrative staff units for each 19.5
3 full-time equivalent vocational students; and

4 (B) Skills center programs meeting the standards for skills center
5 funding established in January 1999 by the superintendent of public
6 instruction, 0.92 certificated instructional staff units and 0.08
7 certificated administrative units for each 16.67 full-time equivalent
8 vocational students;

9 (ii) Vocational full-time equivalent enrollment shall be reported
10 on the same monthly basis as the enrollment for students eligible for
11 basic support, and payments shall be adjusted for reported vocational
12 enrollments on the same monthly basis as those adjustments for
13 enrollment for students eligible for basic support; and

14 (iii) For the 2002-03 school year, indirect cost charges by a
15 school district to vocational-secondary programs shall not exceed 15
16 percent of the combined basic education and vocational enhancement
17 allocations of state funds;

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

24 (i) For those enrolling no students in grades 7 and 8, 1.76
25 certificated instructional staff units and 0.24 certificated
26 administrative staff units for enrollment of not more than five
27 students, plus one-twentieth of a certificated instructional staff unit
28 for each additional student enrolled; and

29 (ii) For those enrolling students in grades 7 or 8, 1.68
30 certificated instructional staff units and 0.32 certificated
31 administrative staff units for enrollment of not more than five
32 students, plus one-tenth of a certificated instructional staff unit for
33 each additional student enrolled;

34 (e) For specified enrollments in districts enrolling more than
35 twenty-five but not more than one hundred average annual full-time
36 equivalent students in grades K-8, and for small school plants within
37 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 10.76 percent in the 2001-02 school year and 9.57 percent in the 2002-
17 03 school year for certificated salary allocations provided under
18 subsection (2) of this section, and a rate of 12.73 percent in the
19 2001-02 school year and 12.36 percent in the 2002-03 school year for
20 classified salary allocations provided under subsection (3) of this
21 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 \$8,604 per certificated staff unit in the 2002-03 school
38 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 \$21,129 per
5 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 \$16,395 per
10 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 \$6,424,000
31 outside the basic education formula during fiscal years 2002 and 2003
32 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 \$485,000 may be expended in fiscal year 2003;

37 (b) For summer vocational programs at skills centers, a maximum of

1 \$2,098,000 may be expended for the 2001-02 fiscal year and a maximum of
2 \$2,035,000 for the 2003 fiscal year;

3 (c) A maximum of \$341,000 may be expended for school district
4 emergencies; and

5 (d) A maximum of \$500,000 for fiscal year 2002 and \$485,000 for
6 fiscal year 2003 may be expended for programs providing skills training
7 for secondary students who are enrolled in extended day school-to-work
8 programs, as approved by the superintendent of public instruction. The
9 funds shall be allocated at a rate not to exceed \$500 per full-time
10 equivalent student enrolled in those programs.

11 (10) For purposes of RCW 84.52.0531, the increase per full-time
12 equivalent student in state basic education appropriations provided
13 under this act, including appropriations for salary and benefits
14 increases, is 2.5 percent from the 2000-01 school year to the 2001-02
15 school year.

16 (11) For purposes of RCW 84.52.0531, the increase in appropriations
17 per full-time equivalent student provided in this act, including
18 appropriations for salary and benefits increases, is 2.9 percent from
19 the 2001-02 school year to the 2002-03 school year.

20 (12) If two or more school districts consolidate and each district
21 was receiving additional basic education formula staff units pursuant
22 to subsection (2)(b) through (h) of this section, the following shall
23 apply:

24 (a) For three school years following consolidation, the number of
25 basic education formula staff units shall not be less than the number
26 of basic education formula staff units received by the districts in the
27 school year prior to the consolidation; and

28 (b) For the fourth through eighth school years following
29 consolidation, the difference between the basic education formula staff
30 units received by the districts for the school year prior to
31 consolidation and the basic education formula staff units after
32 consolidation pursuant to subsection (2)(a) through (h) of this section
33 shall be reduced in increments of twenty percent per year.

34 **Sec. 503.** 2002 c 371 s 504 (uncodified) is amended to read as
35 follows:

36 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**

1 **COMPENSATION ADJUSTMENTS**

| | | |
|---|---|----------------------------|
| 2 | General Fund--State Appropriation (FY 2002) | \$124,903,000 |
| 3 | General Fund--State Appropriation (FY 2003) | (\$255,910,000) |
| 4 | | <u>\$256,809,000</u> |
| 5 | General Fund--Federal Appropriation (FY 2003) | (\$191,000) |
| 6 | | <u>\$246,000</u> |
| 7 | TOTAL APPROPRIATION | (\$381,004,000) |
| 8 | | <u>\$381,958,000</u> |

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

11 (1) A total of ~~(\$329,316,000)~~ \$330,239,000 is provided for a cost
12 of living adjustment for state formula staff units of 3.7 percent
13 effective September 1, 2001, and 3.6 percent effective on September 1,
14 2002, consistent with the provisions of chapter 4, Laws of 2001
15 (Initiative Measure No. 732). The appropriations include associated
16 incremental fringe benefit allocations at rates of 10.12 percent for
17 school year 2001-02 and 8.93 percent for school year 2002-03 for
18 certificated staff and 9.23 percent for school year 2001-02 and 8.86
19 for school year 2002-03 for classified staff.

20 (a) The appropriations in this section include the increased
21 portion of salaries and incremental fringe benefits for all relevant
22 state-funded school programs in part V of this act, in accordance with
23 chapter 4, Laws of 2001 (Initiative Measure No. 732). Salary
24 adjustments for state employees in the office of superintendent of
25 public instruction and the education reform program are provided in
26 part VII of this act. Increases for general apportionment (basic
27 education) are based on the salary allocation schedules and methodology
28 in section 502 of this act. Increases for special education result
29 from increases in each district's basic education allocation per
30 student. Increases for educational service districts and institutional
31 education programs are determined by the superintendent of public
32 instruction using the methodology for general apportionment salaries
33 and benefits in section 502 of this act.

34 (b) The appropriations in this section provide cost-of-living and
35 incremental fringe benefit allocations based on formula adjustments as
36 follows:

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| | School Year | |
|---|-------------|---------|
| | 2001-02 | 2002-03 |
| Pupil Transportation (per weighted pupil mile) | \$0.77 | \$1.54 |
| Highly Capable (per formula student) | \$8.71 | \$16.70 |
| Transitional Bilingual Education (per eligible bilingual student) | \$22.63 | \$44.74 |
| Learning Assistance (per entitlement unit) | \$11.19 | \$22.26 |
| Substitute Teacher (allocation per teacher, section 502(7)) | \$18.29 | \$36.75 |

(2) This act appropriates general fund--state funds and other funds for the purpose of providing the annual salary cost-of-living increase required by section 2, chapter 4, Laws of 2001 (Initiative Measure No. 732) for teachers and other school district employees in the state-funded salary base. For employees not included in the state-funded salary base, the annual salary cost-of-living increase may be provided by school districts from the federal funds appropriated in this act and local revenues, including the adjusted levy base as provided in RCW 84.52.053 and section 502 of this act, and state discretionary funds provided under this act.

(3) (~~(\$51,688,000)~~) \$51,719,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$427.73 per month for the 2001-02 and 2002-03 school years. The appropriations in this section provide for a rate increase to \$455.27 per month for the 2001-02 school year and \$457.07 per month for the 2002-03 school year at the following rates:

| | School Year | |
|---|-------------|---------|
| | 2001-02 | 2002-03 |
| Pupil Transportation (per weighted pupil mile) | \$0.25 | \$0.27 |
| Highly Capable (per formula student) | \$1.74 | \$1.81 |
| Transitional Bilingual Education (per eligible bilingual student) | \$4.46 | \$4.75 |
| Learning Assistance (per entitlement unit) | \$3.51 | \$3.73 |

(4) The rates specified in this section are subject to revision each year by the legislature.

1 **Sec. 504.** 2002 c 371 s 505 (uncodified) is amended to read as
2 follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**

| | |
|---|----------------------------|
| 4 General Fund--State Appropriation (FY 2002) | \$192,402,000 |
| 5 General Fund--State Appropriation (FY 2003) | (\$193,293,000) |
| 6 | <u>\$212,019,000</u> |
| 7 TOTAL APPROPRIATION | (\$385,695,000) |
| 8 | <u>\$404,421,000</u> |

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

11 (1) Each general fund fiscal year appropriation includes such funds
12 as are necessary to complete the school year ending in the fiscal year
13 and for prior fiscal year adjustments.

14 (2) A maximum of \$767,000 of this fiscal year 2002 appropriation
15 and a maximum of \$752,000 of the fiscal year 2003 appropriation may be
16 expended for regional transportation coordinators and related
17 activities. The transportation coordinators shall ensure that data
18 submitted by school districts for state transportation funding shall,
19 to the greatest extent practical, reflect the actual transportation
20 activity of each district.

21 (3) \$5,000 of the fiscal year 2002 appropriation and \$5,000 of the
22 fiscal year 2003 appropriation are provided solely for the
23 transportation of students enrolled in "choice" programs.
24 Transportation shall be limited to low-income students who are
25 transferring to "choice" programs solely for educational reasons.

26 (4) Allocations for transportation of students shall be based on
27 reimbursement rates of \$37.07 per weighted mile in the 2001-02 school
28 year and \$37.12 per weighted mile in the 2002-03 school year exclusive
29 of salary and benefit adjustments provided in section 504 of this act.
30 Allocations for transportation of students transported more than one
31 radius mile shall be based on weighted miles as determined by
32 superintendent of public instruction multiplied by the per mile
33 reimbursement rates for the school year pursuant to the formulas
34 adopted by the superintendent of public instruction. Allocations for
35 transportation of students living within one radius mile shall be based
36 on the number of enrolled students in grades kindergarten through five
37 living within one radius mile of their assigned school multiplied by
38 the per mile reimbursement rate for the school year multiplied by 1.29.

1 **Sec. 505.** 2001 2nd sp.s. c 7 s 506 (uncodified) is amended to read
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
4 **PROGRAMS**

| | | |
|----|---|----------------------------|
| 5 | General Fund--State Appropriation (FY 2002) | \$3,100,000 |
| 6 | General Fund--State Appropriation (FY 2003) | \$3,100,000 |
| 7 | General Fund--Federal Appropriation | (\$225,630,000) |
| 8 | | <u>\$236,435,000</u> |
| 9 | TOTAL APPROPRIATION | (\$231,830,000) |
| 10 | | <u>\$242,635,000</u> |

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

13 (1) \$3,000,000 of the general fund--state appropriation for fiscal
14 year 2002 and \$3,000,000 of the general fund--state appropriation for
15 fiscal year 2003 are provided for state matching money for federal
16 child nutrition programs.

17 (2) \$100,000 of the general fund--state appropriation for fiscal
18 year 2002 and \$100,000 of the 2003 fiscal year appropriation are
19 provided for summer food programs for children in low-income areas.

20 **Sec. 506.** 2002 c 371 s 506 (uncodified) is amended to read as
21 follows:

22 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
23 **PROGRAMS**

| | | |
|----|---|------------------------------|
| 24 | General Fund--State Appropriation (FY 2002) | \$420,165,000 |
| 25 | General Fund--State Appropriation (FY 2003) | (\$408,761,000) |
| 26 | | <u>\$410,263,000</u> |
| 27 | General Fund--Federal Appropriation | (\$256,407,000) |
| 28 | | <u>\$295,015,000</u> |
| 29 | TOTAL APPROPRIATION | (\$1,085,333,000) |
| 30 | | <u>\$1,125,443,000</u> |

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

33 (1) Funding for special education programs is provided on an excess
34 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
35 that special education students as a class receive their full share of
36 the general apportionment allocation accruing through sections 502 and
37 504 of this act. To the extent a school district cannot provide an

1 appropriate education for special education students under chapter
2 28A.155 RCW through the general apportionment allocation, it shall
3 provide services through the special education excess cost allocation
4 funded in this section.

5 (2)(a) Effective with the 2001-02 school year, the superintendent
6 of public instruction shall change the S-275 personnel reporting system
7 and all related accounting requirements to ensure that:

8 (i) Special education students are basic education students first;

9 (ii) As a class, special education students are entitled to the
10 full basic education allocation; and

11 (iii) Special education students are basic education students for
12 the entire school day.

13 (b) Effective with the 2001-02 school year, the S-275 and
14 accounting changes shall supercede any prior excess cost methodologies
15 and shall be required of all school districts.

16 (3) Each fiscal year appropriation includes such funds as are
17 necessary to complete the school year ending in the fiscal year and for
18 prior fiscal year adjustments.

19 (4) The superintendent of public instruction shall distribute state
20 funds to school districts based on two categories: The optional birth
21 through age two program for special education eligible developmentally
22 delayed infants and toddlers, and the mandatory special education
23 program for special education eligible students ages three to twenty-
24 one. A "special education eligible student" means a student receiving
25 specially designed instruction in accordance with a properly formulated
26 individualized education program.

27 (5)(a) For the 2001-02 and 2002-03 school years, the superintendent
28 shall make allocations to each district based on the sum of:

29 (i) A district's annual average headcount enrollment of
30 developmentally delayed infants and toddlers ages birth through two,
31 multiplied by the district's average basic education allocation per
32 full-time equivalent student, multiplied by 1.15; and

33 (ii) A district's annual average full-time equivalent basic
34 education enrollment multiplied by the funded enrollment percent
35 determined pursuant to subsection (6)(b) of this section, multiplied by
36 the district's average basic education allocation per full-time
37 equivalent student multiplied by 0.9309.

1 (b) For purposes of this subsection, "average basic education
2 allocation per full-time equivalent student" for a district shall be
3 based on the staffing ratios required by RCW 28A.150.260 and shall not
4 include enhancements, secondary vocational education, or small schools.

5 (6) The definitions in this subsection apply throughout this
6 section.

7 (a) "Annual average full-time equivalent basic education
8 enrollment" means the resident enrollment including students enrolled
9 through choice (RCW 28A.225.225) and students from nonhigh districts
10 (RCW 28A.225.210) and excluding students residing in another district
11 enrolled as part of an interdistrict cooperative program (RCW
12 28A.225.250).

13 (b) "Enrollment percent" means the district's resident special
14 education annual average enrollment, excluding the birth through age
15 two enrollment, as a percent of the district's annual average full-time
16 equivalent basic education enrollment.

17 (i) For the 2001-02 school year, each district's funded enrollment
18 percent shall be the lesser of the district's actual enrollment percent
19 or 12.7 percent.

20 (ii) For the 2002-03 school year, each district's general fund--
21 state funded special education enrollment shall be the lesser of the
22 district's actual enrollment percent or 12.7 percent. Increases in
23 enrollment percent from 12.7 percent to 13.0 percent shall be funded
24 from the general fund--federal appropriation.

25 (7) At the request of any interdistrict cooperative of at least 15
26 districts in which all excess cost services for special education
27 students of the districts are provided by the cooperative, the maximum
28 enrollment percent shall be calculated in accordance with subsection
29 (6)(b) of this section, and shall be calculated in the aggregate rather
30 than individual district units. For purposes of this subsection, the
31 average basic education allocation per full-time equivalent student
32 shall be calculated in the aggregate rather than individual district
33 units.

34 (8) Safety net funding shall be awarded by the state safety net
35 oversight committee subject to the following conditions and
36 limitations:

37 (a) A maximum of \$8,500,000 of the general fund--state
38 appropriation and a maximum of \$3,500,000 of the general fund--federal

1 appropriation for fiscal year 2002 are provided as safety net funding
2 for districts with demonstrated needs for state special education
3 funding beyond the amounts provided in subsection (5) of this section.

4 (b) The safety net oversight committee shall first consider the
5 needs of districts adversely affected by the 1995 change in the special
6 education funding formula. Awards shall be based on the lesser of the
7 amount required to maintain the 1994-95 state special education excess
8 cost allocation to the school district in aggregate or on a dollar per
9 funded student basis.

10 (c) The committee shall then consider unmet needs for districts
11 that can convincingly demonstrate that all legitimate expenditures for
12 special education exceed all available revenues from state funding
13 formulas. In the determination of need, the committee shall also
14 consider additional available revenues from federal and local sources.
15 Differences in program costs attributable to district philosophy,
16 service delivery choice, or accounting practices are not a legitimate
17 basis for safety net awards.

18 (d) The maximum allowable indirect cost for calculating safety net
19 eligibility may not exceed the federal restricted indirect cost rate
20 for the district plus one percent.

21 (e) Safety net awards shall be adjusted based on the percent of
22 potential medicaid eligible students billed as calculated by the
23 superintendent in accordance with chapter 318, Laws of 1999.

24 (f) Safety net awards must be adjusted for any audit findings or
25 exceptions related to special education funding.

26 (g) The superintendent may expend up to \$120,000 of the amounts
27 provided in this subsection (8) to provide staff assistance to the
28 committee in analyzing applications for safety net funds received by
29 the committee.

30 (9) For fiscal year 2003 to the extent necessary, \$12,873,000 of
31 the general fund--federal appropriation is provided for safety net
32 awards for districts with demonstrated needs for state special
33 education funding beyond the amounts provided in subsection (5) of this
34 section. If safety net awards exceed the amount appropriated in this
35 subsection (9), the superintendent shall expend all available federal
36 discretionary funds necessary to meet this need. Safety net funds
37 shall be awarded by the state safety net oversight committee subject to
38 the following conditions and limitations:

1 (a) The committee shall consider unmet needs for districts that can
2 convincingly demonstrate that all legitimate expenditures for special
3 education exceed all available revenues from state funding formulas.
4 In the determination of need, the committee shall also consider
5 additional available revenues from federal and local sources.
6 Differences in program costs attributable to district philosophy,
7 service delivery choice, or accounting practices are not a legitimate
8 basis for safety net awards.

9 (b) The committee shall then consider the extraordinary high cost
10 needs of one or more individual special education students.
11 Differences in costs attributable to district philosophy, service
12 delivery choice, or accounting practices are not a legitimate basis for
13 safety net awards.

14 (c) The maximum allowable indirect cost for calculating safety net
15 eligibility may not exceed the federal restricted indirect cost rate
16 for the district plus one percent.

17 (d) Safety net awards shall be adjusted based on the percent of
18 potential medicaid eligible students billed as calculated by the
19 superintendent in accordance with chapter 318, Laws of 1999.

20 (e) Safety net awards must be adjusted for any audit findings or
21 exceptions related to special education funding.

22 (f) The superintendent may expend up to \$120,000 of the amount
23 provided from the general fund--federal appropriation in this
24 subsection (9) to provide staff assistance to the committee in
25 analyzing applications for safety net funds received by the committee.

26 (10) The superintendent of public instruction may adopt such rules
27 and procedures as are necessary to administer the special education
28 funding and safety net award process. Prior to revising any standards,
29 procedures, or rules, the superintendent shall consult with the office
30 of financial management and the fiscal committees of the legislature.

31 (11) The safety net oversight committee appointed by the
32 superintendent of public instruction shall consist of:

33 (a) One staff from the office of superintendent of public
34 instruction;

35 (b) Staff of the office of the state auditor;

36 (c) Staff of the office of the financial management; and

37 (d) One or more representatives from school districts or

1 educational service districts knowledgeable of special education
2 programs and funding.

3 (12) To the extent necessary, in fiscal year 2002, \$2,250,000 of
4 the general fund--federal appropriation shall be expended for safety
5 net funding to meet the extraordinary needs of one or more individual
6 special education students. If safety net awards to meet the
7 extraordinary needs exceed \$2,250,000 of the general fund--federal
8 appropriation, the superintendent shall expend all available federal
9 discretionary funds necessary to meet this need. General fund--state
10 funds shall not be expended for this purpose.

11 (13) A maximum of \$678,000 may be expended from the general fund--
12 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
13 full-time equivalent aides at children's orthopedic hospital and
14 medical center. This amount is in lieu of money provided through the
15 home and hospital allocation and the special education program.

16 (14) \$1,000,000 of the general fund--federal appropriation is
17 provided for projects to provide special education students with
18 appropriate job and independent living skills, including work
19 experience where possible, to facilitate their successful transition
20 out of the public school system. The funds provided by this subsection
21 shall be from federal discretionary grants.

22 (15) The superintendent shall maintain the percentage of federal
23 flow-through to school districts at 85 percent for the 2001-02 school
24 year. For the 2002-03 school year, the superintendent shall allocate
25 the federal funds as specified in this section and shall adjust federal
26 flow-through funds accordingly. In addition to other purposes, school
27 districts may use increased federal funds for high-cost students, for
28 purchasing regional special education services from educational service
29 districts, and for staff development activities particularly relating
30 to inclusion issues.

31 (16) A maximum of \$1,200,000 of the general fund--federal
32 appropriation may be expended by the superintendent for projects
33 related to use of inclusion strategies by school districts for
34 provision of special education services. The superintendent shall
35 prepare an information database on laws, best practices, examples of
36 programs, and recommended resources. The information may be
37 disseminated in a variety of ways, including workshops and other staff
38 development activities.

1 (17) A school district may carry over from one year to the next
2 year up to 10 percent of general fund--state funds allocated under this
3 program; however, carry over funds shall be expended in the special
4 education program.

5 (18) The superintendent of public instruction shall implement the
6 recommendations of the joint legislative audit and review committee
7 study on special education (report 01-11) only to the extent that funds
8 have been specifically provided therefor.

9 **Sec. 507.** 2002 c 371 s 507 (uncodified) is amended to read as
10 follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY**
12 **EDUCATION PROGRAMS**

| | | |
|----|---|--------------------------|
| 13 | General Fund--State Appropriation (FY 2002) | \$3,765,000 |
| 14 | General Fund--State Appropriation (FY 2003) | (((\$512,000)) |
| 15 | | <u>\$513,000</u> |
| 16 | ((Public Safety and Education Account | |
| 17 | Appropriation | \$6,567,000)) |
| 18 | TOTAL APPROPRIATION | (((\$10,844,000)) |
| 19 | | <u>\$4,278,000</u> |

20 ~~((1))~~ The general fund--state appropriations in this section are
21 subject to the following conditions and limitations:

22 ~~((a))~~ (1) The appropriations include such funds as are necessary
23 to complete the school year ending in each fiscal year and for prior
24 fiscal year adjustments.

25 ~~((b))~~ (2) A maximum of \$253,000 of the fiscal year 2002 general
26 fund appropriation may be expended for regional traffic safety
27 education coordinators.

28 ~~((c))~~ (3) Allocations to provide tuition assistance for students
29 eligible for free and reduced price lunch who complete the program
30 shall be a maximum of \$203.97 per eligible student in the 2001-02
31 school year.

32 ~~((2) The public safety and education account appropriation in this~~
33 ~~section is subject to the following conditions and limitations:~~

34 ~~(a) The public safety and education account appropriation shall~~
35 ~~lapse if House Bill No. 2573 (traffic safety education) is not enacted~~
36 ~~by June 30, 2002.~~

1 ~~(b) If House Bill No. 2573 is enacted by June 30, 2002, districts~~
 2 ~~shall receive the following allocations:~~
 3 ~~(i) The maximum basic state allocation per student completing the~~
 4 ~~program shall be \$148.00 in the 2002-03 school year.~~
 5 ~~(ii) Additional allocations to provide tuition assistance for~~
 6 ~~students eligible for free and reduced price lunch who complete the~~
 7 ~~program shall be a maximum of \$71.00 per eligible student in the 2002-~~
 8 ~~03 school year.~~
 9 ~~(c) A maximum of \$254,000 may be expended for regional traffic~~
 10 ~~safety education coordinators.))~~

11 **Sec. 508.** 2002 c 371 s 509 (uncodified) is amended to read as
 12 follows:

13 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
 14 **ASSISTANCE**

| | | |
|----|---|--------------------------------|
| 15 | General Fund--State Appropriation (FY 2002) | \$140,932,000 |
| 16 | General Fund--State Appropriation (FY 2003) | ((\$154,931,000)) |
| 17 | | <u>\$155,788,000</u> |
| 18 | TOTAL APPROPRIATION | ((\$295,863,000)) |
| 19 | | <u>\$296,720,000</u> |

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

22 Calendar year 2003 local effort assistance calculations under
 23 chapter 28A.500 RCW shall be adjusted by multiplying allocations and
 24 maximum eligibility for each district by 0.99 as authorized by House
 25 Bill No. 3011.

26 **Sec. 509.** 2002 c 371 s 510 (uncodified) is amended to read as
 27 follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
 29 **EDUCATION PROGRAMS**

| | | |
|----|---|-------------------------------|
| 30 | General Fund--State Appropriation (FY 2002) | \$19,073,000 |
| 31 | General Fund--State Appropriation (FY 2003) | ((\$18,658,000)) |
| 32 | | <u>\$17,844,000</u> |
| 33 | General Fund--Federal Appropriation | \$8,548,000 |
| 34 | TOTAL APPROPRIATION | ((\$46,279,000)) |
| 35 | | <u>\$45,465,000</u> |

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

3 (1) Each general fund--state fiscal year appropriation includes
4 such funds as are necessary to complete the school year ending in the
5 fiscal year and for prior fiscal year adjustments.

6 (2) State funding provided under this section is based on salaries
7 and other expenditures for a 220-day school year. The superintendent
8 of public instruction shall monitor school district expenditure plans
9 for institutional education programs to ensure that districts plan for
10 a full-time summer program.

11 (3) State funding for each institutional education program shall be
12 based on the institution's annual average full-time equivalent student
13 enrollment. Staffing ratios for each category of institution shall
14 remain the same as those funded in the 1995-97 biennium.

15 (4) The funded staffing ratios for education programs for juveniles
16 age 18 or less in department of corrections facilities shall be the
17 same as those provided in the 1997-99 biennium.

18 (5) \$141,000 of the general fund--state appropriation for fiscal
19 year 2002 and (~~(\$139,000)~~) \$226,000 of the general fund--state
20 appropriation for fiscal year 2003 are provided solely to maintain at
21 least one certificated instructional staff and related support services
22 at an institution whenever the K-12 enrollment is not sufficient to
23 support one full-time equivalent certificated instructional staff to
24 furnish the educational program. The following types of institutions
25 are included: Residential programs under the department of social and
26 health services for developmentally disabled juveniles, programs for
27 juveniles under the department of corrections, and programs for
28 juveniles under the juvenile rehabilitation administration.

29 (6) Ten percent of the funds allocated for each institution may be
30 carried over from one year to the next.

31 **Sec. 510.** 2002 c 371 s 511 (uncodified) is amended to read as
32 follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
34 **CAPABLE STUDENTS**

| | | |
|----|---|------------------------------|
| 35 | General Fund--State Appropriation (FY 2002) | \$6,470,000 |
| 36 | General Fund--State Appropriation (FY 2003) | ((\$6,229,000)) |
| 37 | | <u>\$6,246,000</u> |

1 TOTAL APPROPRIATION ((~~\$12,699,000~~))
2 \$12,716,000

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

5 (1) Each general fund fiscal year appropriation includes such funds
6 as are necessary to complete the school year ending in the fiscal year
7 and for prior fiscal year adjustments.

8 (2) Allocations for school district programs for highly capable
9 students shall be distributed at a maximum rate of \$327.22 per funded
10 student for the 2001-02 school year and (~~(\$313.07)~~) \$313.12 per funded
11 student for the 2002-03 school year, exclusive of salary and benefit
12 adjustments pursuant to section 504 of this act. The number of funded
13 students shall be a maximum of two percent of each district's full-time
14 equivalent basic education enrollment.

15 (3) \$175,000 of the fiscal year 2002 appropriation and \$170,000 of
16 the fiscal year 2003 appropriation are provided for the centrum program
17 at Fort Worden state park.

18 (4) \$93,000 of the fiscal year 2002 appropriation and \$90,000 of
19 the fiscal year 2003 appropriation are provided for the Washington
20 imagination network and future problem-solving programs.

21 **Sec. 511.** 2002 c 371 s 512 (uncodified) is amended to read as
22 follows:

23 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
24 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
25 **THE NO CHILD LEFT BEHIND ACT**

26 General Fund--Federal Appropriation ((~~\$201,737,000~~))
27 \$199,660,000

28 **Sec. 512.** 2002 c 371 s 513 (uncodified) is amended to read as
29 follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
31 **PROGRAMS**

32 General Fund--State Appropriation (FY 2002) \$36,880,000
33 General Fund--State Appropriation (FY 2003) ((~~\$30,150,000~~))
34 \$30,269,000
35 General Fund--Federal Appropriation \$60,571,000
36 TOTAL APPROPRIATION ((~~\$127,601,000~~))

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

(1) \$322,000 of the general fund--state appropriation for fiscal year 2002 and \$312,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the academic achievement and accountability commission.

(2) \$12,209,000 of the general fund--state appropriation for fiscal year 2002, \$8,872,000 of the general fund--state appropriation for fiscal year 2003, and \$4,000,000 of the general fund--federal appropriation are provided for development and implementation of the Washington assessments of student learning. Up to \$689,000 of the appropriation may be expended for data analysis and data management of test results.

(3) \$1,095,000 of the fiscal year 2002 general fund--state appropriation and \$548,000 of the fiscal year 2003 general fund--state appropriation are provided solely for training of paraprofessional classroom assistants and certificated staff who work with classroom assistants as provided in RCW 28A.415.310.

(4) \$4,695,000 of the general fund--state appropriation for fiscal year 2002 and \$2,348,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for mentor teacher assistance, including state support activities, under RCW 28A.415.250 and 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in this subsection may be used each fiscal year to operate a mentor academy to help districts provide effective training for peer mentors. Funds for the teacher assistance program shall be allocated to school districts based on the number of first year beginning teachers.

(a) A teacher assistance program is a program that provides to a first year beginning teacher peer mentor services that include but are not limited to:

(i) An orientation process and individualized assistance to help beginning teachers who have been hired prior to the start of the school year prepare for the start of a school year;

(ii) The assignment of a peer mentor whose responsibilities to the beginning teacher include but are not limited to constructive feedback, the modeling of instructional strategies, and frequent meetings and other forms of contact;

1 (iii) The provision by peer mentors of strategies, training, and
2 guidance in critical areas such as classroom management, student
3 discipline, curriculum management, instructional skill, assessment,
4 communication skills, and professional conduct. A district may provide
5 these components through a variety of means including one-on-one
6 contact and workshops offered by peer mentors to groups, including
7 cohort groups, of beginning teachers;

8 (iv) The provision of release time, substitutes, mentor training in
9 observation techniques, and other measures for both peer mentors and
10 beginning teachers, to allow each an adequate amount of time to observe
11 the other and to provide the classroom experience that each needs to
12 work together effectively;

13 (v) Assistance in the incorporation of the essential academic
14 learning requirements into instructional plans and in the development
15 of complex teaching strategies, including strategies to raise the
16 achievement of students with diverse learning styles and backgrounds;
17 and

18 (vi) Guidance and assistance in the development and implementation
19 of a professional growth plan. The plan shall include a professional
20 self-evaluation component and one or more informal performance
21 assessments. A peer mentor may not be involved in any evaluation under
22 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
23 assisted through this program.

24 (b) In addition to the services provided in (a) of this subsection,
25 an eligible peer mentor program shall include but is not limited to the
26 following components:

27 (i) Strong collaboration among the peer mentor, the beginning
28 teacher's principal, and the beginning teacher;

29 (ii) Stipends for peer mentors and, at the option of a district,
30 for beginning teachers. The stipends shall not be deemed compensation
31 for the purposes of salary lid compliance under RCW 28A.400.200 and are
32 not subject to the continuing contract provisions of Title 28A RCW; and

33 (iii) To the extent that resources are available for this purpose
34 and that assistance to beginning teachers is not adversely impacted,
35 the program may serve second year and more experienced teachers who
36 request the assistance of peer mentors.

37 (5) \$2,025,000 of the general fund--state appropriation for fiscal
38 year 2002 and \$1,964,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided for improving technology infrastructure,
2 monitoring and reporting on school district technology development,
3 promoting standards for school district technology, promoting statewide
4 coordination and planning for technology development, and providing
5 regional educational technology support centers, including state
6 support activities, under chapter 28A.650 RCW. The superintendent of
7 public instruction shall coordinate a process to facilitate the
8 evaluation and provision of online curriculum courses to school
9 districts which includes the following: Creation of a general listing
10 of the types of available online curriculum courses; a survey conducted
11 by each regional educational technology support center of school
12 districts in its region regarding the types of online curriculum
13 courses desired by school districts; a process to evaluate and
14 recommend to school districts the best online courses in terms of
15 curriculum, student performance, and cost; and assistance to school
16 districts in procuring and providing the courses to students.

17 (6) \$3,600,000 of the general fund--state appropriation for fiscal
18 year 2002 and \$3,600,000 of the general fund--state appropriation for
19 fiscal year 2003 are provided for grants to school districts to provide
20 a continuum of care for children and families to help children become
21 ready to learn. Grant proposals from school districts shall contain
22 local plans designed collaboratively with community service providers.
23 If a continuum of care program exists in the area in which the school
24 district is located, the local plan shall provide for coordination with
25 existing programs to the greatest extent possible. Grant funds shall
26 be allocated pursuant to RCW 70.190.040.

27 (7) \$2,500,000 of the general fund--state appropriation for fiscal
28 year 2002 and \$2,500,000 of the general fund--state appropriation for
29 fiscal year 2003 are provided solely for the meals for kids program
30 under RCW 28A.235.145 through 28A.235.155.

31 (8) \$1,409,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$705,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely for the leadership internship
34 program for superintendents, principals, and program administrators.

35 (9) \$1,828,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$1,773,000 of the general fund--state appropriation for
37 fiscal year 2003 are provided solely for the mathematics helping corps
38 subject to the following conditions and limitations:

1 (a) In order to increase the availability and quality of technical
2 mathematics assistance statewide, the superintendent of public
3 instruction shall employ mathematics school improvement specialists to
4 provide assistance to schools and districts. The specialists shall be
5 hired by and work under the direction of a statewide school improvement
6 coordinator. The mathematics improvement specialists shall serve on a
7 rotating basis from one to three years and shall not be permanent
8 employees of the superintendent of public instruction.

9 (b) The school improvement specialists shall provide the following:

10 (i) Assistance to schools to disaggregate student performance data
11 and develop improvement plans based on those data;

12 (ii) Consultation with schools and districts concerning their
13 performance on the Washington assessment of student learning and other
14 assessments emphasizing the performance on the mathematics assessments;

15 (iii) Consultation concerning curricula that aligns with the
16 essential academic learning requirements emphasizing the academic
17 learning requirements for mathematics, the Washington assessment of
18 student learning, and meets the needs of diverse learners;

19 (iv) Assistance in the identification and implementation of
20 research-based instructional practices in mathematics;

21 (v) Staff training that emphasizes effective instructional
22 strategies and classroom-based assessment for mathematics;

23 (vi) Assistance in developing and implementing family and community
24 involvement programs emphasizing mathematics; and

25 (vii) Other assistance to schools and school districts intended to
26 improve student mathematics learning.

27 (10) A maximum of \$500,000 of the general fund--state appropriation
28 for fiscal year 2002 and a maximum of \$485,000 of the general fund--
29 state appropriation for fiscal year 2003 are provided for summer
30 accountability institutes offered by the superintendent of public
31 instruction and the academic achievement and accountability commission.
32 The institutes shall provide school district staff with training in the
33 analysis of student assessment data, information regarding successful
34 district and school teaching models, research on curriculum and
35 instruction, and planning tools for districts to improve instruction in
36 reading, mathematics, language arts, and guidance and counseling.

37 (11) \$3,930,000 of the general fund--state appropriation for fiscal

1 year 2002 and \$3,714,000 of the general fund--state appropriation for
2 fiscal year 2003 are provided solely for the Washington reading corps
3 subject to the following conditions and limitations:

4 (a) Grants shall be allocated to schools and school districts to
5 implement proven, research-based mentoring and tutoring programs in
6 reading for low-performing students in grades K-6. If the grant is
7 made to a school district, the principals of schools enrolling targeted
8 students shall be consulted concerning design and implementation of the
9 program.

10 (b) The programs may be implemented before, after, or during the
11 regular school day, or on Saturdays, summer, intercessions, or other
12 vacation periods.

13 (c) Two or more schools may combine their Washington reading corps
14 programs.

15 (d) A program is eligible for a grant if it meets the following
16 conditions:

17 (i) The program employs methods of teaching and student learning
18 based on reliable reading/literacy research and effective practices;

19 (ii) The program design is comprehensive and includes instruction,
20 on-going student assessment, professional development,
21 parental/community involvement, and program management aligned with the
22 school's reading curriculum;

23 (iii) It provides quality professional development and training for
24 teachers, staff, and volunteer mentors and tutors;

25 (iv) It has measurable goals for student reading aligned with the
26 essential academic learning requirements; and

27 (v) It contains an evaluation component to determine the
28 effectiveness of the program.

29 (e) Funding priority shall be given to low-performing schools.

30 (f) Beginning and end-of-program testing data shall be available to
31 determine the effectiveness of funded programs and practices. Common
32 evaluative criteria across programs, such as grade-level improvements
33 shall be available for each reading corps program. The superintendent
34 of public instruction shall provide program evaluations to the governor
35 and the appropriate committees of the legislature. Administrative and
36 evaluation costs may be assessed from the annual appropriation for the
37 program.

1 (g) Grants provided under this section may be used by schools and
2 school districts for expenditures from September 2001 through August
3 31, 2003.

4 (12) \$375,000 of the general fund--state appropriation for fiscal
5 year 2002 and (~~(\$725,000)~~) \$844,000 of the general fund--state
6 appropriation for fiscal year 2003 are provided solely for salary
7 bonuses for teachers who attain certification by the national board for
8 professional teaching standards, subject to the following conditions
9 and limitations:

10 (a) Teachers who have attained certification by the national board
11 shall receive an annual bonus not to exceed \$3,500.

12 (b) The annual bonus shall be paid in a lump sum amount and shall
13 not be included in the definition of "earnable compensation" under RCW
14 41.32.010(10).

15 (c) It is the intent of the legislature that teachers achieving
16 certification by the national board of professional teaching standards
17 will receive no more than four annual bonus payments for attaining
18 certification by the national board.

19 (13) \$625,000 of the general fund--state appropriation for fiscal
20 year 2002 and \$313,000 of the general fund--state appropriation for
21 fiscal year 2003 are provided for a principal support program. The
22 office of the superintendent of public instruction may contract with an
23 independent organization to administer the program. The program shall
24 include: (a) Development of an individualized professional growth plan
25 for a new principal or principal candidate; and (b) participation of a
26 mentor principal who works over a period of between one and three years
27 with the new principal or principal candidate to help him or her build
28 the skills identified as critical to the success of the professional
29 growth plan.

30 (14) \$71,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$71,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided solely for the second grade reading test.
33 The funds shall be expended for assessment training for new second
34 grade teachers and replacement of assessment materials.

35 (15) \$384,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$372,000 of the general fund--state appropriation for
37 fiscal year 2003 are provided for the superintendent to assist schools
38 in implementing high academic standards, aligning curriculum with these

1 standards, and training teachers to use assessments to improve student
2 learning. Funds may also be used to increase community and parental
3 awareness of education reform.

4 (16) \$130,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$126,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided for the development and posting of web-
7 based instructional tools, assessment data, and other information that
8 assists schools and teachers implementing higher academic standards.

9 (17) \$1,000,000 of the general fund--state appropriation for fiscal
10 year 2002 and \$1,746,000 of the general fund--state appropriation for
11 fiscal year 2003 are provided solely to the office of the
12 superintendent of public instruction for focused assistance. The
13 office of the superintendent of public instruction shall conduct
14 educational audits of low-performing schools and enter into performance
15 agreements between school districts and the office to implement the
16 recommendations of the audit and the community. Of the amounts
17 provided, \$219,000 of the fiscal year 2002 appropriation and \$201,000
18 of the fiscal year 2003 appropriation are provided to the office of the
19 superintendent of public instruction for the administrative duties
20 arising under this subsection. Each educational audit shall include
21 recommendations for best practices and ways to address identified needs
22 and shall be presented to the community in a public meeting to seek
23 input on ways to implement the audit and its recommendations.

24 (18) \$100,000 of the general fund--state appropriation for fiscal
25 year 2002 is provided solely for grants to school districts to adopt or
26 revise district-wide and school-level plans to achieve performance
27 improvement goals established under RCW 28A.655.030, and to post a
28 summary of the improvement plans on district websites using a common
29 format provided by the office of the superintendent of public
30 instruction.

31 (19) \$100,000 of the general fund--state appropriation for fiscal
32 year 2002 is provided solely for recognition plaques for schools that
33 successfully met the fourth grade reading improvement goal established
34 under RCW 28A.655.050.

35 (20) \$46,554,000 of the general fund--federal appropriation is
36 provided for preparing, training, and recruiting high quality teachers
37 and principals under Title II of the no child left behind act.

1 (21) \$6,591,000 of the general fund--federal appropriation is
2 provided for the reading first program under Title I of the no child
3 left behind act.

4 (22) In addition to amounts provided in subsection (2) of this
5 section, \$3,426,000 of the general fund--federal appropriation is
6 provided for the development of state assessments as required under
7 Title VI of the no child left behind act.

8 **Sec. 513.** 2002 c 371 s 514 (uncodified) is amended to read as
9 follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
11 **BILINGUAL PROGRAMS**

| | | |
|----|---|----------------------------|
| 12 | General Fund--State Appropriation (FY 2002) | \$42,767,000 |
| 13 | General Fund--State Appropriation (FY 2003) | (\$44,734,000) |
| 14 | | <u>\$44,142,000</u> |
| 15 | General Fund--Federal Appropriation (FY 2003) | (\$20,280,000) |
| 16 | | <u>\$19,755,000</u> |
| 17 | TOTAL APPROPRIATION | (\$107,781,000) |
| 18 | | <u>\$106,664,000</u> |

19 (1) The general fund--state appropriations in this section are
20 subject to the following conditions and limitations:

21 (a) Each general fund fiscal year appropriation includes such funds
22 as are necessary to complete the school year ending in the fiscal year
23 and for prior fiscal year adjustments.

24 (b) The superintendent shall distribute a maximum of \$684.36 per
25 eligible bilingual student in the 2001-02 school year and \$674.69 in
26 the 2002-03 school year, exclusive of salary and benefit adjustments
27 provided in section 504 of this act.

28 (c) The superintendent may withhold up to \$295,000 in school year
29 2001-02 and up to \$700,000 in school year 2002-03, and adjust the per
30 eligible pupil rates in subsection (2) of this section accordingly, for
31 the central provision of assessments as provided in section 2(1) and
32 (2) of Engrossed Second Substitute House Bill No. 2025.

33 (d) \$70,000 of the amounts appropriated in this section are
34 provided solely to develop a system for the tracking of current and
35 former transitional bilingual program students.

36 (e) Sufficient funding is provided to implement Engrossed Second
37 Substitute House Bill No. 2025 (schools/bilingual instruction).

1 (2) The general fund--federal appropriation in this section is
2 provided for migrant education, English language acquisition, and
3 language enhancement grants under Title III of the no child left behind
4 act.

5 **Sec. 514.** 2002 c 371 s 515 (uncodified) is amended to read as
6 follows:

7 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
8 **ASSISTANCE PROGRAM**

| | | |
|----|---|----------------------------|
| 9 | General Fund--State Appropriation (FY 2002) | \$71,342,000 |
| 10 | General Fund--State Appropriation (FY 2003) | (\$64,614,000) |
| 11 | | <u>\$63,981,000</u> |
| 12 | General Fund--Federal Appropriation (FY 2003) | \$130,631,000 |
| 13 | TOTAL APPROPRIATION | (\$266,587,000) |
| 14 | | <u>\$265,954,000</u> |

15 (1) The general fund--state appropriations in this section are
16 subject to the following conditions and limitations:

17 (a) Each general fund--state fiscal year appropriation includes
18 such funds as are necessary to complete the school year ending in the
19 fiscal year and for prior fiscal year adjustments.

20 (b) Funding for school district learning assistance programs shall
21 be allocated at maximum rates of \$407.39 per funded unit for the 2001-
22 02 school year and \$404.78 per funded unit for the 2002-03 school year
23 exclusive of salary and benefit adjustments provided under section 504
24 of this act.

25 (c) For purposes of this section, "test results" refers to the
26 district results from the norm-referenced test administered in the
27 specified grade level. The norm-referenced test results used for the
28 third and sixth grade calculations shall be consistent with the third
29 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

30 (d) A school district's general fund--state funded units for the
31 2001-02 school year shall be the sum of the following:

32 (i) The district's full-time equivalent enrollment in grades K-6,
33 multiplied by the 5-year average 4th grade lowest quartile test results
34 as adjusted for funding purposes in the school years prior to 1999-
35 2000, multiplied by 0.92. As the 3rd grade test becomes available, it
36 shall be phased into the 5-year average on a 1-year lag; and

1 (ii) The district's full-time equivalent enrollment in grades 7-9,
2 multiplied by the 5-year average 8th grade lowest quartile test results
3 as adjusted for funding purposes in the school years prior to 1999-
4 2000, multiplied by 0.92. As the 6th grade test becomes available, it
5 shall be phased into the 5-year average for these grades on a 1-year
6 lag; and

7 (iii) The district's full-time equivalent enrollment in grades 10-
8 11 multiplied by the 5-year average 11th grade lowest quartile test
9 results, multiplied by 0.92. As the 9th grade test becomes available,
10 it shall be phased into the 5-year average for these grades on a 1-year
11 lag; and

12 (iv) If, in the prior school year, the district's percentage of
13 October headcount enrollment in grades K-12 eligible for free and
14 reduced price lunch exceeded the state average, subtract the state
15 average percentage of students eligible for free and reduced price
16 lunch from the district's percentage and multiply the result by the
17 district's K-12 annual average full-time equivalent enrollment for the
18 current school year multiplied by 22.3 percent.

19 (e)(i) A school district's general fund--state funded units for the
20 2002-03 school year shall be the sum of the following:

21 (A) The district's full-time equivalent enrollment in grades K-6,
22 multiplied by the 5-year average 4th grade lowest quartile test results
23 as adjusted for funding purposes in the school years prior to 1999-
24 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
25 shall be phased into the 5-year average on a 1-year lag;

26 (B) The district's full-time equivalent enrollment in grades 7-9,
27 multiplied by the 5-year average 8th grade lowest quartile test results
28 as adjusted for funding purposes in the school years prior to 1999-
29 2000, multiplied by 0.82. As the 6th grade test becomes available, it
30 shall be phased into the 5-year average for these grades on a 1-year
31 lag; and

32 (C) The district's full-time equivalent enrollment in grades 10-11
33 multiplied by the 5-year average 11th grade lowest quartile test
34 results, multiplied by 0.82. As the 9th grade test becomes available,
35 it shall be phased into the 5-year average for these grades on a 1-year
36 lag; and

37 (D) If, in the prior school year, the district's percentage of
38 October headcount enrollment in grades K-12 eligible for free and

1 reduced price lunch exceeded the state average, subtract the state
2 average percentage of students eligible for free and reduced price
3 lunch from the district's percentage and multiply the result by the
4 district's K-12 annual average full-time equivalent enrollment for the
5 current school year multiplied by 22.3 percent.

6 (ii) In addition to amounts allocated under (a) of this subsection,
7 the superintendent shall provide additional amounts as follows:

8 (A) For school districts receiving less than a 3.0 percent increase
9 in federal Title I Part A (basic program) funds, the multiplier in
10 (i)(A), (B), and (C) of this subsection (e) shall be .92;

11 (B) For school districts not eligible for additional funds under
12 (b)(i) of this subsection, and whose effective increase in federal
13 Title I Part A (basic program) funds is less than 3.0 percent after
14 taking into account the change in the multiplier from .92 to .82, an
15 additional amount to provide a 3.0 percent increase.

16 (f) School districts may carry over from one year to the next up to
17 10 percent of general fund--state funds allocated under this program;
18 however, carryover funds shall be expended for the learning assistance
19 program.

20 (2) The general fund--federal appropriation in this section is
21 provided for Title I Part A allocations of the no child left behind act
22 of 2001.

23 **Sec. 515.** 2002 c 371 s 516 (uncodified) is amended to read as
24 follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS**

| | | |
|----|---|-------------------------------|
| 26 | General Fund--State Appropriation (FY 2002) | \$19,663,000 |
| 27 | General Fund--State Appropriation (FY 2003) | ((\$3,541,000)) |
| 28 | | <u>\$3,532,000</u> |
| 29 | TOTAL APPROPRIATION | ((\$23,204,000)) |
| 30 | | <u>\$23,195,000</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

1 meet educational needs as identified by the school district, including
2 alternative education programs.

3 (3) Allocations for the 2001-02 school year shall be at a maximum
4 annual rate of \$18.48 per full-time equivalent student. Allocations
5 shall be made on the monthly apportionment payment schedule provided in
6 RCW 28A.510.250 and shall be based on school district annual average
7 full-time equivalent enrollment in grades kindergarten through twelve:
8 PROVIDED, That for school districts enrolling not more than one hundred
9 average annual full-time equivalent students, and for small school
10 plants within any school district designated as remote and necessary
11 schools, the allocations shall be as follows:

12 (a) Enrollment of not more than sixty average annual full-time
13 equivalent students in grades kindergarten through six shall generate
14 funding based on sixty full-time equivalent students;

15 (b) Enrollment of not more than twenty average annual full-time
16 equivalent students in grades seven and eight shall generate funding
17 based on twenty full-time equivalent students; and

18 (c) Enrollment of not more than sixty average annual full-time
19 equivalent students in grades nine through twelve shall generate
20 funding based on sixty full-time equivalent students.

21 (4) Funding provided pursuant to this section does not fall within
22 the definition of basic education for purposes of Article IX of the
23 state Constitution and the state's funding duty thereunder.

24 (5) The superintendent shall not allocate up to one-fourth of a
25 district's funds under this section if:

26 (a) The district is not maximizing federal matching funds for
27 medical services provided through special education programs, pursuant
28 to RCW 74.09.5241 through 74.09.5256 (Title XIX funding); or

29 (b) The district is not in compliance in filing truancy petitions
30 as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

31 **Sec. 516.** 2002 c 371 s 518 (uncodified) is amended to read as
32 follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
34 **PROGRAM**

| | |
|--------------------------------------|---------------|
| 35 Student Achievement Fund--State | |
| 36 Appropriation (FY 2002) | \$180,837,000 |
| 37 Student Achievement Fund--State | |

| | | |
|---|-----------------------------------|--------------------------------|
| 1 | Appropriation (FY 2003) | ((\$210,312,000)) |
| 2 | | <u>\$210,376,000</u> |
| 3 | TOTAL APPROPRIATION | ((\$391,149,000)) |
| 4 | | <u>\$391,213,000</u> |

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

7 (1) The appropriation is allocated for the following uses as
8 specified in chapter 28A.505 RCW as amended by chapter 3, Laws of 2001
9 (Initiative Measure No. 728):

10 (a) To reduce class size by hiring certificated elementary
11 classroom teachers in grades K-4 and paying nonemployee-related costs
12 associated with those new teachers;

13 (b) To make selected reductions in class size in grades 5-12, such
14 as small high school writing classes;

15 (c) To provide extended learning opportunities to improve student
16 academic achievement in grades K-12, including, but not limited to,
17 extended school year, extended school day, before-and-after-school
18 programs, special tutoring programs, weekend school programs, summer
19 school, and all-day kindergarten;

20 (d) To provide additional professional development for educators
21 including additional paid time for curriculum and lesson redesign and
22 alignment, training to ensure that instruction is aligned with state
23 standards and student needs, reimbursement for higher education costs
24 related to enhancing teaching skills and knowledge, and mentoring
25 programs to match teachers with skilled, master teachers. The funding
26 shall not be used for salary increases or additional compensation for
27 existing teaching duties, but may be used for extended year and extend
28 day teaching contracts;

29 (e) To provide early assistance for children who need
30 prekindergarten support in order to be successful in school; or

31 (f) To provide improvements or additions to school building
32 facilities which are directly related to the class size reductions and
33 extended learning opportunities under (a) through (c) of this
34 subsection.

35 (2) Funding for school district student achievement programs shall
36 be allocated at a maximum rate of \$190.19 per FTE student for the 2001-
37 02 school year and ((~~\$219.84~~)) \$220.00 per FTE student for the 2002-03
38 school year. For the purposes of this section and in accordance with

1 RCW 84.52.068, FTE student refers to the annual average full-time
2 equivalent enrollment of the school district in grades kindergarten
3 through twelve for the prior school year.

4 (3) The office of the superintendent of public instruction shall
5 distribute ten percent of the annual allocation to districts each month
6 for the months of September through June.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2002 c 371 s 604 (uncodified) is amended to read as follows:

FOR UNIVERSITY OF WASHINGTON

| | |
|---|----------------------------|
| General Fund--State Appropriation (FY 2002) | \$345,904,000 |
| General Fund--State Appropriation (FY 2003) | (\$336,544,000) |
| | <u>\$333,770,000</u> |
| Death Investigations Account--State | |
| Appropriation | \$258,000 |
| University of Washington Building Account-- | |
| State Appropriation | \$1,103,000 |
| Accident Account--State Appropriation | \$5,881,000 |
| Medical Aid Account--State Appropriation | \$5,937,000 |
| TOTAL APPROPRIATION | (\$695,627,000) |
| | <u>\$692,853,000</u> |

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

(1) The university may reallocate 10 percent of newly budgeted enrollments to campuses other than as specified by the legislature in section 602 of this act in order to focus on high demand areas. The university shall report the details of these reallocations to the office of financial management and the fiscal and higher education committees of the legislature for monitoring purposes by the 10th day of the academic quarter that follows the reallocation actions. The report shall provide details of undergraduate and graduate enrollments at the main campus and each of the branch campuses.

(2) \$2,000,000 of the general fund--state appropriation for fiscal year 2002 and \$2,000,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to create a state resource for technology education in the form of an institute located at the University of Washington, Tacoma. It is the intent of the legislature that at least ninety-nine of the full-time equivalent enrollments allocated to the university's Tacoma branch campus for the 2002-03 academic year may be used to establish the technology institute. The university will expand undergraduate and graduate degree programs

1 meeting regional technology needs including, but not limited to,
2 computing and software systems. As a condition of these
3 appropriations:

4 (a) The university will work with the state board for community and
5 technical colleges, or individual colleges where necessary, to
6 establish articulation agreements in addition to the existing associate
7 of arts and associate of science transfer degrees. Such agreements
8 shall improve the transferability of students and in particular,
9 students with substantial applied information technology credits.

10 (b) The university will establish performance measures for
11 recruiting, retaining and graduating students, including nontraditional
12 students, and report back to the governor and legislature by September
13 2002 as to its progress and future steps.

14 (3) \$150,000 of the general fund--state appropriation for fiscal
15 year 2002 and \$150,000 of the general fund--state appropriation for
16 fiscal year 2003 are provided solely for research faculty clusters in
17 the advanced technology initiative program.

18 (4) The department of environmental health shall report to the
19 legislature the historical, current, and anticipated use of funds
20 provided from the accident and medical aid accounts. The report shall
21 be submitted prior to the convening of the 2002 legislative session.

22 (5) \$258,000 of the death investigations account appropriation is
23 provided solely for the forensic pathologist fellowship program.

24 (6) \$150,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$150,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided solely for the implementation of the
27 Puget Sound work plan and agency action item UW-01.

28 (7) \$75,000 of the general fund--state appropriation for fiscal
29 year 2002 and \$75,000 of the general fund--state appropriation for
30 fiscal year 2003 are provided solely for the Olympic natural resource
31 center.

32 (8) \$50,000 of the general fund--state appropriations are provided
33 solely for the school of medicine to conduct a survey designed to
34 evaluate characteristics, factors and probable causes for the high
35 incidence of multiple sclerosis cases in Washington state.

36 (9) \$1,103,000 of the University of Washington building account--
37 state appropriation is provided solely for the repair and
38 reconstruction of the Urban Horticulture Center (Merrill Hall).

1 **Sec. 602.** 2002 c 371 s 605 (uncodified) is amended to read as
2 follows:

3 **FOR WASHINGTON STATE UNIVERSITY**

| | | |
|---|---|----------------------------|
| 4 | General Fund--State Appropriation (FY 2002) | \$201,362,000 |
| 5 | General Fund--State Appropriation (FY 2003) | (\$195,533,000) |
| 6 | | <u>\$193,807,000</u> |
| 7 | TOTAL APPROPRIATION | (\$396,895,000) |
| 8 | | <u>\$395,169,000</u> |

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

11 (1) The university may reallocate 10 percent of newly budgeted
12 enrollments to campuses other than specified by the legislature in
13 section 602 of this act in order to focus on high demand areas. The
14 university will report the details of these reallocations to the office
15 of financial management and the fiscal and higher education committees
16 of the legislature for monitoring purposes by the 10th day of the
17 academic quarter that follows the reallocation actions. The report
18 will provide details of undergraduate and graduate enrollments at the
19 main campus and each of the branch campuses.

20 (2) \$150,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$150,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for research faculty clusters in
23 the advanced technology initiative program.

24 (3) \$165,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$166,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided solely for the implementation of the
27 Puget Sound work plan and agency action item WSU-01.

28 **Sec. 603.** 2002 c 371 s 606 (uncodified) is amended to read as
29 follows:

30 **FOR EASTERN WASHINGTON UNIVERSITY**

| | | |
|----|---|---------------------------|
| 31 | General Fund--State Appropriation (FY 2002) | \$45,517,000 |
| 32 | General Fund--State Appropriation (FY 2003) | (\$44,174,000) |
| 33 | | <u>\$43,724,000</u> |
| 34 | TOTAL APPROPRIATION | (\$89,691,000) |
| 35 | | <u>\$89,241,000</u> |

1 **Sec. 604.** 2002 c 371 s 607 (uncodified) is amended to read as
2 follows:

3 **FOR CENTRAL WASHINGTON UNIVERSITY**

| | | |
|---|---|---------------------------|
| 4 | General Fund--State Appropriation (FY 2002) | \$44,147,000 |
| 5 | General Fund--State Appropriation (FY 2003) | (\$42,149,000) |
| 6 | | <u>\$41,425,000</u> |
| 7 | TOTAL APPROPRIATION | (\$86,296,000) |
| 8 | | <u>\$85,572,000</u> |

9 The appropriations in this section are subject to the following
10 conditions and limitations: \$700,000 of the general fund--state
11 appropriation for fiscal year 2002 is provided solely for the
12 development and implementation of the university's enrollment
13 stabilization recovery and growth plan. The university shall report
14 back to the fiscal committees of the legislature, the office of
15 financial management, and the higher education coordinating board at
16 the end of each fiscal year with details of its actions and progress.

17 **Sec. 605.** 2002 c 371 s 608 (uncodified) is amended to read as
18 follows:

19 **FOR THE EVERGREEN STATE COLLEGE**

| | | |
|----|---|---------------------------|
| 20 | General Fund--State Appropriation (FY 2002) | \$25,325,000 |
| 21 | General Fund--State Appropriation (FY 2003) | (\$24,474,000) |
| 22 | | <u>\$24,188,000</u> |
| 23 | TOTAL APPROPRIATION | (\$49,799,000) |
| 24 | | <u>\$49,513,000</u> |

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

27 (1) ~~((+2))~~ \$75,000 of the general fund--state appropriation for
28 fiscal year 2002 is provided solely for the institute for public policy
29 to complete studies of services described in section 202(1), chapter 1,
30 Laws of 2000 2nd sp. sess.

31 ~~((+3))~~ (2) \$11,000 of the general fund--state appropriation for
32 fiscal year 2002 and \$54,000 of the general fund--state appropriation
33 for fiscal year 2003 are provided solely for the institute for public
34 policy to conduct an outcome evaluation pursuant to Substitute Senate
35 Bill No. 5416 (drug-affected infants). The institute shall provide a
36 report to the fiscal, health, and human services committees of the
37 legislature by December 1, 2003. If the bill is not enacted by June

1 30, 2001, the amounts provided in this subsection shall be used to
2 evaluate outcomes across state health and social service pilot projects
3 and other national models involving women who have given birth to a
4 drug-affected infant, comparing gains in positive birth outcomes for
5 resources invested, in which case the institute's findings and
6 recommendations will be provided by November 15, 2002.

7 ~~((4))~~ (3) \$11,000 of the general fund--state appropriation for
8 fiscal year 2002 and \$33,000 of the general fund--state appropriation
9 for fiscal year 2003 are provided solely for the institute for public
10 policy to evaluate partnership grant programs for alternative teacher
11 certification pursuant to Engrossed Second Substitute Senate Bill No.
12 5695. An interim report shall be provided to the fiscal and education
13 committees of the legislature by December 1, 2002, and a final report
14 by December 1, 2004.

15 ~~((5))~~ (4) \$60,000 of the general fund--state appropriation for
16 fiscal year 2002 is provided solely for the institute for public policy
17 to examine options for revising the state's funding formula for the
18 learning assistance program to enhance accountability for school
19 performance in meeting education reform goals. The institute shall
20 submit its report to the appropriate legislative fiscal and policy
21 committees by June 30, 2002.

22 ~~((6))~~ (5) \$50,000 of the general fund--state appropriation for
23 fiscal year 2002 is provided solely for the institute for public policy
24 to study the prevalence and needs of families who are raising related
25 children. The study shall compare services and policies of Washington
26 state with other states that have a high rate of kinship care
27 placements in lieu of foster care placements. The study shall identify
28 possible changes in services and policies that are likely to increase
29 appropriate kinship care placements. A report shall be provided to the
30 fiscal and human services committees of the legislature by June 1,
31 2002.

32 ~~((7))~~ (6) \$35,000 of the general fund--state appropriation for
33 fiscal year 2002 and \$15,000 of the general fund--state appropriation
34 for fiscal year 2003 are provided solely for the institute for public
35 policy to examine various educational delivery models for providing
36 services and education for students through the Washington state school
37 for the deaf. The institute's report, in conjunction with the capacity

1 planning study from the joint legislative audit and review committee,
2 shall be submitted to the fiscal committees of the legislature by
3 September 30, 2002.

4 ~~((+8))~~ (7) \$30,000 of the general fund--state appropriation for
5 fiscal year 2002 is provided solely for the institute for public policy
6 to examine the structure, policies, and recent experience in states
7 where welfare recipients may attend college full-time as their required
8 TANF work activity. The institute will provide findings and recommend
9 how Washington could consider adding this feature in a targeted, cost-
10 neutral manner that would complement the present-day WorkFirst efforts
11 and caseload. The institute shall provide a report to the human
12 services, higher education, and fiscal committees of the legislature by
13 November 15, 2001.

14 ~~((+9))~~ (8) \$75,000 of the general fund--state appropriation for
15 fiscal year 2002 and \$75,000 of the general fund--state appropriation
16 for fiscal year 2003 are provided solely for the institute for public
17 policy to research and evaluate strategies for constraining the growth
18 in state health expenditures. Specific research topics, approaches,
19 and timelines shall be identified in consultation with the fiscal
20 committees of the legislature.

21 ~~((+10))~~ (9) \$100,000 of the general fund--state appropriation for
22 fiscal year 2002 is provided solely for the institute for public policy
23 to conduct a comprehensive review of the costs and benefits of existing
24 juvenile crime prevention and intervention programs. This evaluation
25 shall also consider what changes could result in more cost-effective
26 and efficient funding for juvenile crime prevention and intervention
27 programs presently supported with state funds. The institute for
28 public policy shall report its findings and recommendations to the
29 appropriate legislative fiscal and policy committees by October 1,
30 2002.

31 **Sec. 606.** 2002 c 371 s 609 (uncodified) is amended to read as
32 follows:

33 **FOR WESTERN WASHINGTON UNIVERSITY**

| | | |
|----|---|--------------------------------|
| 34 | General Fund--State Appropriation (FY 2002) | \$59,732,000 |
| 35 | General Fund--State Appropriation (FY 2003) | ((\$58,418,000)) |
| 36 | | <u>\$57,968,000</u> |
| 37 | TOTAL APPROPRIATION | ((\$118,150,000)) |

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

((+1)) \$753,000 of the general fund--state appropriation for fiscal year 2002 and \$980,400 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operations of the North Snohomish, Island, Skagit (NSIS) higher education consortium.

Sec. 607. 2002 c 371 s 610 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION

| | | |
|---|-----------|------------------------------|
| General Fund--State Appropriation (FY 2002) | | \$2,345,000 |
| General Fund--State Appropriation (FY 2003) | | ((\$2,288,000)) |
| | | <u>\$2,259,000</u> |
| General Fund--Federal Appropriation | | \$636,000 |
| TOTAL APPROPRIATION | | ((\$5,269,000)) |
| | | <u>\$5,240,000</u> |

The appropriations in this section are provided to carry out the policy coordination, planning, studies and administrative functions of the board and are subject to the following conditions and limitations:

(1) \$150,000 of the general fund--state appropriation for fiscal year 2002 and \$150,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to continue the teacher training pilot program pursuant to chapter 177, Laws of 1999.

(2) \$105,000 of the general fund--state appropriation for fiscal year 2002 and \$245,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to continue a demonstration project to improve rural access to post-secondary education by bringing distance learning technologies into Jefferson county.

Sec. 608. 2002 c 371 s 612 (uncodified) is amended to read as follows:

FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

| | | |
|---|-----------|------------------------------|
| General Fund--State Appropriation (FY 2002) | | \$1,762,000 |
| General Fund--State Appropriation (FY 2003) | | ((\$1,633,000)) |
| | | <u>\$1,629,000</u> |
| General Fund--Federal Appropriation | | \$44,987,000 |

1 TOTAL APPROPRIATION ((~~\$48,382,000~~))
2 \$48,378,000

3 The appropriations in this section are subject to the following
4 conditions and limitations: \$500,000 of the general fund--state
5 appropriation for fiscal year 2002 and \$500,000 of the general fund--
6 state appropriation for fiscal year 2003 are provided solely for the
7 operations and development of the inland northwest technology education
8 center (INTEC) as a regional resource and model for the rapid
9 deployment of skilled workers trained in the latest technologies for
10 Washington. The board shall serve as an advisor to and fiscal agent
11 for INTEC, and will report back to the governor and legislature by
12 September 2002 as to the progress and future steps for INTEC as this
13 new public-private partnership evolves.

14 **Sec. 609.** 2002 c 371 s 616 (uncodified) is amended to read as
15 follows:

16 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**
17 General Fund--State Appropriation (FY 2002) \$2,899,000
18 General Fund--State Appropriation (FY 2003) ((~~\$3,035,000~~))
19 \$2,952,000
20 TOTAL APPROPRIATION ((~~\$5,934,000~~))
21 \$5,851,000

22 The appropriations in this section are subject to the following
23 conditions and limitations: \$90,000 of the general fund--state
24 appropriation for fiscal year 2002 and \$285,000 of the general fund--
25 state appropriation for fiscal year 2003 are provided solely for
26 activities related to the Lewis and Clark Bicentennial.

27 **Sec. 610.** 2002 c 371 s 617 (uncodified) is amended to read as
28 follows:

29 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**
30 General Fund--State Appropriation (FY 2002) \$1,674,000
31 General Fund--State Appropriation (FY 2003) ((~~\$1,489,000~~))
32 \$1,447,000
33 TOTAL APPROPRIATION ((~~\$3,163,000~~))
34 \$3,121,000

1 **Sec. 611.** 2002 c 371 s 619 (uncodified) is amended to read as
2 follows:

3 **FOR THE STATE SCHOOL FOR THE DEAF**

| | | |
|---|---|---------------------------|
| 4 | General Fund--State Appropriation (FY 2002) | \$7,395,000 |
| 5 | General Fund--State Appropriation (FY 2003) | (\$7,751,000) |
| 6 | | <u>\$7,698,000</u> |
| 7 | General Fund--Private/Local Appropriation | \$232,000 |
| 8 | TOTAL APPROPRIATION | (\$15,378,000) |
| 9 | | <u>\$15,325,000</u> |

10 The appropriations in this section are subject to the following
11 conditions and limitations: \$250,000 of the general fund--state
12 appropriation for fiscal year 2003 is provided solely for additional
13 staffing and other student safety measures at the school. The school
14 will hire six additional staff, increase staff communications and
15 accessibility, and implement a training program to enhance staff
16 members' abilities to work with at-risk youth.

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2002 c 371 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) | \$576,097,000 |
| General Fund--State Appropriation (FY 2003) | ((\$622,540,000)) |
| | <u>\$582,500,000</u> |
| State Building Construction Account--State | |
| Appropriation | ((\$7,999,000)) |
| | <u>\$3,882,000</u> |
| <u>Debt-Limit General Fund Bond Retirement Account--</u> | |
| <u>State Appropriation</u> | <u>\$400,000</u> |
| Debt-Limit Reimbursable Bond Retire Account-- | |
| State Appropriation | \$2,591,000 |
| State Taxable Building Construction Account-- | |
| State Appropriation | ((\$496,000)) |
| | <u>\$59,000</u> |
| TOTAL APPROPRIATION | ((\$1,209,723,000)) |
| | <u>\$1,165,529,000</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))~~ 2003 shall be deposited in the debt-limit general fund bond retirement account by June 30, ~~((2002))~~ 2003.

Sec. 702. 2002 c 371 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

| | |
|---|--------------|
| General Fund--State Appropriation (FY 2002) | \$24,542,000 |
| General Fund--State Appropriation (FY 2003) | \$26,706,000 |
| Capitol Historic District Construction | |

| | | |
|----|--|--------------------------------|
| 1 | Account--State Appropriation | ((\$454,000)) |
| 2 | | <u>\$136,000</u> |
| 3 | Higher Education Construction Account--State | |
| 4 | Appropriation | ((\$499,000)) |
| 5 | | <u>\$330,000</u> |
| 6 | State Higher Education Construction Account-- | |
| 7 | State Appropriation | ((\$50,000)) |
| 8 | | <u>\$33,000</u> |
| 9 | State Vehicle Parking Account--State | |
| 10 | Appropriation | ((\$100,000)) |
| 11 | | <u>\$1,000</u> |
| 12 | Nondebt-Limit Reimbursable Bond Retirement Account-- | |
| 13 | State Appropriation | ((\$128,043,000)) |
| 14 | | <u>\$124,199,000</u> |
| 15 | TOTAL APPROPRIATION | ((\$180,394,000)) |
| 16 | | <u>\$175,947,000</u> |

17 The appropriations in this section are subject to the following
18 conditions and limitations: The general fund appropriation is for
19 deposit into the nondebt-limit general fund bond retirement account.

20 **Sec. 703.** 2002 c 371 s 704 (uncodified) is amended to read as
21 follows:

22 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
23 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

| | | |
|----|---|------------------------------|
| 24 | General Fund--State Appropriation (FY 2002) | \$567,000 |
| 25 | General Fund--State Appropriation (FY 2003) | \$658,000 |
| 26 | Higher Education Construction Account--State | |
| 27 | Appropriation | ((\$77,000)) |
| 28 | | <u>\$54,000</u> |
| 29 | State Higher Education Construction Account-- | |
| 30 | State Appropriation | ((\$42,000)) |
| 31 | | <u>\$5,000</u> |
| 32 | State Building Construction Account--State | |
| 33 | Appropriation | ((\$1,488,000)) |
| 34 | | <u>\$667,000</u> |
| 35 | State Vehicle Parking Account--State | |
| 36 | Appropriation | ((\$10,000)) |
| 37 | | <u>\$1,000</u> |

| | | |
|---|---|------------------------------|
| 1 | Capitol Historic District Construction | |
| 2 | Account--State Appropriation | ((\$130,000)) |
| 3 | | <u>\$22,000</u> |
| 4 | State Taxable Building Construction Account-- | |
| 5 | State Appropriation | ((\$50,000)) |
| 6 | | <u>\$51,000</u> |
| 7 | TOTAL APPROPRIATION | ((\$3,022,000)) |
| 8 | | <u>\$2,025,000</u> |

9 **Sec. 704.** 2002 c 371 s 712 (uncodified) is amended to read as
10 follows:

11 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO**
12 **RETIREMENT SYSTEMS.** The appropriations in this section are subject to
13 the following conditions and limitations: The appropriations for the
14 law enforcement officers' and fire fighters' retirement system shall be
15 made on a monthly basis beginning July 1, 2001, consistent with chapter
16 41.45 RCW, and the appropriations for the judges and judicial
17 retirement systems shall be made on a quarterly basis consistent with
18 chapters 2.10 and 2.12 RCW.

19 (1) There is appropriated for state contributions to the law
20 enforcement officers' and fire fighters' retirement system:
21 General Fund--State Appropriation (FY 2002) \$15,437,000
22 General Fund--State Appropriation (FY 2003) ((~~\$16,208,000~~))
23 \$16,440,000

24 The appropriations in this subsection are subject to the following
25 conditions and limitations: The appropriations include reductions to
26 reflect savings resulting from the implementation of state pension
27 contribution rates effective April 1, 2002, as provided in House Bill
28 No. 2782.

29 (2) There is appropriated for contributions to the judicial
30 retirement system:
31 General Fund--State Appropriation (FY 2002) \$6,000,000
32 General Fund--State Appropriation (FY 2003) \$6,000,000

33 (3) There is appropriated for contributions to the judges
34 retirement system:
35 General Fund--State Appropriation (FY 2002) \$250,000
36 General Fund--State Appropriation (FY 2003) \$250,000

1 TOTAL APPROPRIATION ((~~\$44,145,000~~))
2 \$44,377,000

3 NEW SECTION. **Sec. 705.** A new section is added to 2001 2nd sp.s.
4 c 7 (uncodified) to read as follows:

5 **FOR THE LIABILITY ACCOUNT**

6 General Fund--State Appropriation (FY 2003) \$3,000,000

7 *NEW SECTION. **Sec. 706.** A new section is added to 2001 2nd sp.s.
8 c 7 (uncodified) to read as follows:

9 **AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT, AND PERSONAL SERVICE**
10 **CONTRACTS.** *The office of financial management shall reduce allotments*
11 *for all agencies for personal service contracts, equipment, and travel*
12 *by \$6,000,000 from 2001-03 biennial general fund appropriations and*
13 *\$6,000,000 from appropriations from other funds. \$5,000,000 of the*
14 *general fund allotment reduction and \$5,000,000 of the other funds*
15 *allotment reduction shall be placed in unallotted status and remain*
16 *unexpended. \$1,000,000 of the general fund allotment reduction and*
17 *\$1,000,000 of the other funds allotment reduction is hereby*
18 *appropriated to the governor to be used on an emergency basis to*
19 *allocate to state agencies to fund critically necessary travel,*
20 *equipment, and personal service contracts that cannot be funded from an*
21 *agency's existing expenditure authority. Prior to receiving an*
22 *allocation, an agency must demonstrate that the reductions cannot be*
23 *achieved from the items listed in this section (equipment, contracts,*
24 *and travel) nor from any other items in its budget (such as personnel*
25 *and goods and services).*

**Sec. 706 was vetoed. See message at end of chapter.*

26 *NEW SECTION. **Sec. 707.** A new section is added to 2001 2nd sp.s.
27 c 7 (uncodified) to read as follows:

28 **STATE EMPLOYMENT.** (1) *From the effective date of this act until*
29 *the conclusion of the fiscal biennium ending June 30, 2003, and*
30 *consistent with the governor's Executive Directive No. 02-04, state*
31 *agencies of the executive branch shall not establish new staff*
32 *positions except as specifically authorized by this supplemental*
33 *appropriations act or fill vacant existing staff positions except as*
34 *specifically authorized by this section.*

1 (2) *Public safety agencies may fill two-thirds of staff positions*
2 *becoming vacant; all other agencies may fill two-fifths of vacant*
3 *positions. In filling vacant positions pursuant to this subsection,*
4 *agencies shall place the highest priority on front-line positions*
5 *engaged in service delivery to the public.*

6 (3) *Exceptions to subsections (1) and (2) of this section may be*
7 *granted only by the governor and only for critical or emergent*
8 *situations that threaten public health or safety, as determined by the*
9 *governor. The governor shall notify the legislative fiscal committees*
10 *within ten days of the granting of any exception under this subsection.*

11 (4) *This section applies to all agencies of the executive branch,*
12 *including all boards, commissions, and agencies headed by elected*
13 *officials. This section does not apply to the institutions of higher*
14 *education and state institutional programs. It is the intent of the*
15 *legislature that agencies of the legislative and judicial branches of*
16 *state government shall also observe the employment policies established*
17 *by this section, subject to such procedures as may be adopted by the*
18 *legislative and judicial branches, respectively.*

**Sec. 707 was vetoed. See message at end of chapter.*

19 **Sec. 708.** 2002 c 371 s 719 (uncodified) is amended to read as
20 follows:

21 **INCENTIVE SAVINGS--FY 2003.** The sum of one hundred million
22 dollars or so much thereof as may be available on June 30, 2003, from
23 the total amount of unspent fiscal year 2003 state general fund
24 appropriations is appropriated for the purposes of RCW 43.79.460 in the
25 manner provided in this section.

26 (1) Of the total appropriated amount, one-half of that portion that
27 is attributable to incentive savings, not to exceed twenty-five million
28 dollars, is appropriated to the savings incentive account for the
29 purpose of improving the quality, efficiency, and effectiveness of
30 agency services, and credited to the agency that generated the savings.

31 (2) Of the total appropriated amount, any amount attributable to
32 unspent general fund--state appropriations in the state need grant
33 program, the state work study program, the Washington scholars program,
34 and the Washington award for vocational excellence program is
35 appropriated to the state financial aid account pursuant to Substitute
36 House Bill No. 2914 (state financial aid account).

1 (3) The remainder of the total amount, not to exceed seventy-five
2 million dollars, is appropriated to the education savings account.

3 (4) For purposes of this section, the total amount of unspent state
4 general fund appropriations does not include the appropriations made in
5 this section, amounts included in allotment reductions in sections 706,
6 707, 708, and 713 of this act and section 706 of this act, or any
7 amounts included in across-the-board allotment reductions under RCW
8 43.88.110.

9 **Sec. 709.** 2002 c 371 s 726 (uncodified) is amended to read as
10 follows:

11 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
12 be necessary, are appropriated from the general fund, unless otherwise
13 indicated, for relief of various individuals, firms, and corporations
14 for sundry claims. These appropriations are to be disbursed on
15 vouchers approved by the director of (~~general administration~~)
16 financial management, except as otherwise provided, as follows:

17 (1) Reimbursement of criminal defendants acquitted on the basis of
18 self-defense, pursuant to RCW 9A.16.110:

- | | | |
|----|---|----------------|
| 19 | (a) Eythor Westman, claim number SCJ 02-01 | \$7,000 |
| 20 | (b) Stacey Julian, claim number SCJ 02-02 | \$59,136 |
| 21 | (c) Christopher Denney, claim number SCJ 02-03 | \$11,598 |
| 22 | (d) Onofre Vazquez, claim number SCJ 02-04 | \$200 |
| 23 | (e) William Voorhies, claim number SCJ 02-05 | \$3,694 |
| 24 | (f) Glenn Rowlison, claim number SCJ 02-06 | \$14,395 |
| 25 | (g) Frankie Doerr, claim number SCJ 02-07 | \$9,100 |
| 26 | (h) Ralph Howard, claim number SCJ 00-09 | \$99,497 |
| 27 | (i) Johnny Adams, claim number SCJ 01-17 | \$11,916 |
| 28 | (j) Shane Mathus, claim number SCJ 02-08 | \$13,043 |
| 29 | (k) Timothy Farnam, claim number SCJ 02-09 | \$21,822 |
| 30 | (l) Rebecca Williams, claim number SCJ 02-10 | \$2,241 |
| 31 | (m) Stewart Bailey, claim number SCJ 02-11 | \$4,186 |
| 32 | (n) Aaron Knaack, claim number SCJ 02-13 | \$4,330 |
| 33 | (o) Jacob Clark, claim number SCJ 02-14 | \$11,613 |
| 34 | <u>(p) Victor Stanculescu, claim number SCJ 03-01</u> | <u>\$6,696</u> |
| 35 | <u>(q) Darin Tidball, claim number SCJ 03-02</u> | <u>\$4,125</u> |
| 36 | <u>(r) Keith Dusky, claim number SCJ 03-03</u> | <u>\$2,065</u> |
| 37 | <u>(s) Carmen Cornell, claim number SCJ 03-04</u> | <u>\$8,128</u> |

| | | |
|----|--|-------------------|
| 1 | <u>(t) Wesley Roggenkamp, claim number SCJ 03-05</u> | <u>\$3,918</u> |
| 2 | <u>(u) Philip Athanas, claim number SCJ 03-06</u> | <u>\$5,810</u> |
| 3 | <u>(v) Thomas Tollifson, claim number SCJ 03-07</u> | <u>\$2,500</u> |
| 4 | (2) Payment from the state wildlife account for damage to crops by | |
| 5 | wildlife, pursuant to RCW 77.36.050: | |
| 6 | <u>(a) Ronald Palmer, claim number SCG 02-01</u> | <u>\$1,522</u> |
| 7 | <u>(b) Keith Morris, claim number SCG 02-02</u> | <u>\$1,315</u> |
| 8 | <u>(c) Edgar Roush, claim number SCG 02-03</u> | <u>\$1,459</u> |
| 9 | <u>(d) Keith Nelson, claim number SCG 03-01</u> | <u>\$2,765</u> |
| 10 | <u>(e) Alton Haymaker, claim number SCG 03-02</u> | <u>\$40</u> |
| 11 | <u>(f) Circle S Landscape Supplies, SCG 03-04</u> | <u>\$12,944</u> |
| 12 | <u>(3) Payment from the state general fund for death benefit claims to</u> | |
| 13 | <u>the estate of an employee of any state agency or higher education</u> | |
| 14 | <u>institution not otherwise provided a death benefit through coverage</u> | |
| 15 | <u>under their enrolled retirement system, pursuant to section 715,</u> | |
| 16 | <u>chapter 7, Laws of 2001:</u> | |
| 17 | <u>(a) Ok Chin Erdman, claim number SCO 03-08</u> | <u>\$150,000</u> |
| 18 | <u>(b) Baardson Estate, claim number SCO 03-10</u> | <u>\$150,000</u> |
| 19 | <u>(c) Lori Coss, claim number SCO 03-22</u> | <u>\$150,000</u> |
| 20 | <u>(4) Payment from the general fund pursuant to RCW 27.44.040(1), Jan</u> | |
| 21 | <u>Deeds, claim number SCO 03-12</u> | <u>\$6,580.75</u> |

22 **Sec. 710.** 2002 c 371 s 727 (uncodified) is amended to read as
23 follows:

| | | |
|----|---|------------------------------|
| 24 | FOR THE OFFICE OF FINANCIAL MANAGEMENT--EMERGENCY FUND | |
| 25 | General Fund--State Appropriation (FY 2002) | \$850,000 |
| 26 | General Fund--State Appropriation (FY 2003) | ((\$8,010,000)) |
| 27 | | <u>\$9,010,000</u> |
| 28 | TOTAL APPROPRIATION | ((\$8,860,000)) |
| 29 | | <u>\$9,860,000</u> |

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

32 (1) The appropriations in this section are for the governor's
33 emergency fund for the critically necessary work of any agency.

34 (2) Up to \$5,298,000 of the fiscal year 2003 appropriation is
35 provided for costs associated with implementing House Bill No. 2926
36 (transferring the state library to the office of secretary of state.)

1 (3) \$1,000,000 of the general fund--state appropriation for fiscal
2 year 2003 is provided solely for assistance to state agencies that are
3 unable to effectively absorb the FTE reductions reflected in this 2003
4 supplemental appropriations act. Allocations to state agencies from
5 this appropriation shall be reported to the legislative fiscal
6 committees by the office of financial management within five days of
7 the allocation.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2002 c 371 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

For transfers in this section to the state general fund, pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased by the amount of the transfer. The increase shall occur in the fiscal year in which the transfer occurs.

Public Facilities Construction Loan and

Grant Revolving Account: For transfer

to the digital government revolving account

on or before December 31, 2001 \$1,418,456

Financial Services Regulation Fund: To be

transferred from the financial services

regulation fund to the digital government

revolving account during the period

between July 1, 2001, and December 31,

2001 \$2,000,000

Local Toxics Control Account: For transfer

to the state toxics control account.

Transferred funds will be utilized

for methamphetamine lab cleanup, to

address areawide soil contamination

problems, and clean up contaminated

sites as part of the clean sites

initiative \$6,000,000

State Toxics Control Account: For transfer

to the water quality account for water

quality related projects funded in the

capital budget \$9,000,000

General Fund: For transfer to the flood

control assistance account \$4,000,000

Water Quality Account: For transfer to the

water pollution control account. Transfers

shall be made at intervals coinciding with

1 deposits of federal capitalization grant
2 money into the account. The amounts
3 transferred shall not exceed the match
4 required for each federal deposit \$12,564,487
5 Health Services Account: For transfer
6 to the water quality account \$6,447,500
7 State Treasurer's Service Account: For
8 transfer to the general fund on or
9 before June 30, 2003, an amount in excess
10 of the cash requirements of the state
11 treasurer's service account. Pursuant to
12 RCW 43.135.035(5), the state expenditure
13 limit shall be increased by \$4,000,000 in
14 fiscal year 2002 and by (~~\$8,393,000~~)
15 \$17,393,000 in fiscal year 2003 to reflect
16 this transfer (~~(\$12,393,000)~~)
17 \$21,393,000
18 Public Works Assistance Account: For
19 transfer to the drinking water
20 assistance account \$7,700,000
21 Tobacco Settlement Account: For transfer
22 to the health services account, in an
23 amount not to exceed the actual balance
24 of the tobacco settlement account \$256,700,000
25 General Fund: For transfer to the water quality
26 account \$60,821,172
27 Health Services Account: For
28 transfer to the state general fund
29 by June 30, 2002. Pursuant to RCW
30 43.135.035(5), the state expenditure
31 limit shall be increased in fiscal
32 year 2002 to reflect this transfer \$150,000,000
33 Multimodal Transportation Account: For
34 transfer to the state general fund
35 by June 30, 2002. Pursuant to RCW
36 43.135.035(5), the state expenditure
37 limit shall be increased in fiscal
38 year 2002 to reflect this transfer \$70,000,000

1 Health Service Account: For transfer
2 to the violence reduction and drug
3 enforcement account \$6,497,500
4 Gambling Revolving Account: For transfer
5 to the state general fund, \$2,000,000
6 for fiscal year 2002 and \$450,000 for
7 fiscal year 2003 \$2,450,000
8 (~~Horticultural Districts Account: For transfer~~
9 ~~to the fruit and vegetable inspection~~
10 ~~account \$11,075,000~~
11 ~~Agricultural Local Account: For~~
12 ~~transfer to the fruit and vegetable~~
13 ~~inspection account \$605,000~~)
14 Nisqually Earthquake Account: For transfer to
15 the disaster response account for fire
16 suppression and mobilization costs \$32,802,000
17 Enhanced 911 Account: For transfer to
18 the state general fund for fiscal
19 year 2003 \$6,000,000
20 Clarke-McNary Fund: For transfer to the
21 state general fund for fiscal year 2002 \$4,000,000
22 State Drought Preparedness Account: For
23 transfer to the state general fund for
24 fiscal year 2002 \$3,000,000
25 Financial Services Regulation Fund: For
26 transfer to the state general fund,
27 \$2,250,000 for fiscal year 2002 and
28 \$357,000 for fiscal year 2003 \$2,607,000
29 Industrial Insurance Premium Refund Account:
30 For transfer to the state general fund
31 for fiscal year 2002 \$1,000,000
32 Liquor Control Board Construction and
33 Maintenance Account: For transfer
34 to the state general fund for fiscal
35 year 2003 \$504,000
36 Liquor Revolving Account: For transfer
37 to the state general fund for fiscal
38 year 2003 \$2,059,000

| | | |
|----|--|---------------------------|
| 1 | Lottery Administrative Account: For transfer | |
| 2 | to the state general fund for fiscal | |
| 3 | year 2003 | \$335,000 |
| 4 | Emergency Medical Services and Trauma Care | |
| 5 | System Trust Account: For transfer | |
| 6 | to the state general fund for fiscal | |
| 7 | year 2002 | \$6,000,000 |
| 8 | Public Service Revolving Account: For transfer | |
| 9 | to the state general fund for fiscal | |
| 10 | year 2003 | \$406,000 |
| 11 | Local Leasehold Excise Tax Account: For transfer | |
| 12 | of interest to the state general fund by | |
| 13 | June 1, 2002, for fiscal year 2002 | \$1,000,000 |
| 14 | Insurance Commissioner's Regulatory Account: | |
| 15 | For transfer to the state general fund | |
| 16 | for fiscal year 2003 | \$366,000 |
| 17 | Health Services Account: For transfer to the | |
| 18 | tobacco prevention and control account | (\$21,980,000) |
| 19 | | <u>\$18,920,000</u> |
| 20 | From the Emergency Reserve Fund: For transfer | |
| 21 | to the state general fund: | |
| 22 | On June 28, 2002 | \$300,000,000 |
| 23 | On June 28, 2003 | \$25,000,000 |
| 24 | Tobacco Securitization Trust Account: For | |
| 25 | transfer to the state general fund for | |
| 26 | fiscal year 2003 | \$450,000,000 |

(End of part)

PART IX

CAPITAL EXPENDITURES

Sec. 901. 2002 c 238 s 202 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT

Local/Community Projects (2002-S-005): Job Creation and Infrastructure Projects

The following projects are eligible for funding:

| Projects | Amount |
|--|-------------|
| Asia Pacific center | \$50,000 |
| Benton county jail | \$2,000,000 |
| Bremerton maritime park | \$500,000 |
| Edmonds waterfront park | \$300,000 |
| Grace Cole memorial park/Brookside creek | \$400,000 |
| Kent station infrastructure improvements | \$900,000 |
| Mill creek active use ball fields | \$1,000,000 |
| Nathan Chapman trail | \$300,000 |
| Penny creek/9th Avenue crossing | \$400,000 |
| Port Angeles skills center/skills consortium | \$3,000,000 |
| Puget Sound environmental learning center | \$2,000,000 |
| Ridgefield wastewater treatment | \$585,000 |
| Sammamish surface water treatment | \$1,500,000 |
| Shoreline historical museum | \$28,000 |
| Snohomish county children's museum | \$300,000 |
| Soundview park/playground | \$200,000 |
| Stewart heights pool project | \$500,000 |
| Sundome seating expansion - Yakima | \$1,250,000 |
| West central community center childcare project | \$500,000 |
| William H. Factory small business incubator | \$250,000 |
| <u>((Yakima ballfields)) For the transfer of property,</u> | |
| <u>commonly known as Larson park field No. 4 and</u> | |
| <u>Dunbar field, of the city of Yakima to the</u> | |
| <u>Yakima Valley Community College and for the</u> | |
| <u>creation of new ball fields by and for the</u> | |
| <u>city of Yakima.</u> | \$1,250,000 |

| | | |
|---|--|--------------|
| 1 | TOTAL | \$17,213,000 |
| 2 | Appropriation: | |
| 3 | State Building Construction Account--State | \$17,213,000 |
| 4 | Prior Biennia (Expenditures) | \$0 |
| 5 | Future Biennia (Projected Costs) | \$0 |
| 6 | TOTAL | \$17,213,000 |

7 **Sec. 902.** 2001 2nd sp.s. c 8 s 158 (uncodified) is amended to read
8 as follows:

9 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

10 Legislative Buildings - O'Brien and Newhouse Building Improvements
11 (01-H-021)

| | | |
|----|---|-----------------------------|
| 12 | Appropriation: | |
| 13 | ((Capitol Building Construction Account--State | \$1,000,000)) |
| 14 | Thurston County Capital Facilities | |
| 15 | Account--State | (((\$1,000,000)) |
| 16 | | <u>\$2,000,000</u> |
| 17 | ((Subtotal Appropriation | \$2,000,000)) |
| 18 | Prior Biennia (Expenditures) | \$0 |
| 19 | Future Biennia (Projected Costs) | \$0 |
| 20 | TOTAL | \$2,000,000 |

21 **Sec. 903.** 2001 2nd sp.s. c 8 s 172 (uncodified) is amended to read
22 as follows:

23 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

24 Tumwater Office Building 1 (01-S-003)

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

27 (1) Planning funds are provided to lease/develop a state office
28 building of 150,000 to 200,000 square feet on state-owned property in
29 Tumwater according to the terms of the agreement with the Port of
30 Olympia when the property was acquired or within the preferred
31 development/leasing areas in Thurston county. The building shall be
32 constructed and financed so that agency occupancy costs will not exceed
33 comparable private market rental rates. The comparable general office
34 space rate shall be calculated based on the three latest Thurston

1 county leases of new space of at least 100,000 rentable square feet
2 adjusted for inflation as determined by the department of general
3 administration. The department of general administration shall
4 coordinate with potential state agency tenants whose current lease
5 expire near the time of occupancy so that buyout of current leases do
6 not add to state expense.

7 (2) The department shall finance this project using a financing
8 contract as authorized in section 907(2)(c), chapter 8, Laws of 2001
9 2nd sp. sess., with title passing to the state if all payments are made
10 as provided in the contract. Should the department choose to use a
11 financing contract that does not provide for the issuance of
12 certificates of participation, the financing contract shall be subject
13 to approval by the state finance committee as required by RCW
14 39.94.010. In approving a financing contract not providing for the use
15 of certificates of participation, the state finance committee should be
16 reasonably certain that the contract is excluded from the computation
17 of indebtedness, particularly that the contract is not backed by the
18 full faith and credit of the state and the legislature is expressly not
19 obligated to appropriate funds to make payments. For purposes of this
20 section, "financing contract" includes but is not limited to a
21 certificate of participation and tax exempt financing similar to that
22 authorized in RCW 47.79.140.

23 Appropriation:

| | | |
|----|--|-----------|
| 24 | State Building Construction Account--State | \$200,000 |
| 25 | Prior Biennia (Expenditures) | \$0 |
| 26 | Future Biennia (Projected Costs) | \$0 |
| 27 | TOTAL | \$200,000 |

28 **Sec. 904.** 2002 c 238 s 109 (uncodified) is amended to read as
29 follows:

30 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

31 Legislative Building: Rehabilitation (01-1-008)

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

34 (1) The appropriations in this section are subject to the
35 conditions and limitations of sections 902 and 903 of this act.

1 (2) The department of general administration, in consultation with
2 the legislature, the governor, and the state capitol committee, shall
3 immediately begin planning and initiate an accelerated
4 design/construction schedule for the renovation of the state
5 legislative building as follows:

6 (a) No new permanent buildings shall be constructed, and the
7 department shall follow standards for historic preservation;

8 (b) The goal shall be to reoccupy the building in time for the 2005
9 legislative session;

10 (c) The department shall make temporary accommodations for the
11 displacement of legislators and legislative staff in the John L.
12 O'Brien building, the Pritchard building, the Cherberg building, and
13 the Newhouse building, and may use modular space. Decisions on the use
14 of space for the Pritchard building will be made by legislative
15 leadership by July 1, 2001, to make it available for use by the
16 legislature by April 1, 2002;

17 (d) The department shall temporarily move the state library from
18 the Pritchard building by October 1, 2001, and, if needed, the
19 department shall lease storage facilities in Thurston county for books
20 and other library assets;

21 (e) The department shall make temporary accommodations for other
22 tenants of the state legislative building as follows:

23 (i) The office of the insurance commissioner shall be temporarily
24 moved to leased space in Thurston county;

25 (ii) The office of the governor shall be moved to the Insurance
26 building;

27 (iii) The primary office of the code reviser and the lieutenant
28 governor shall be moved to a location on the west capitol campus; and

29 (iv) The other tenants, including the office of the state
30 treasurer, the office of the state auditor, and the office of the
31 secretary of state shall be moved to leased space in Thurston county;

32 (f) The state legislative building shall be completely vacated by
33 the office of the governor, the office of the secretary of state, the
34 office of treasurer, and the office of the state auditor by November 1,
35 2001, and by the legislature fourteen days after the end of the 2002
36 legislative session to make it available for renovation by the
37 contractor; and

1 (g) State contracts for the legislative building renovation,
2 Nisqually earthquake repair, and future earthquake mitigation shall
3 conform to all rules, regulations, and requirements of the federal
4 emergency management agency.

5 (3) The state capitol committee, in conjunction with a legislative
6 building renovation oversight committee consisting of two members from
7 both the house of representatives and senate, each appointed by
8 legislative leadership, shall periodically advise the department
9 regarding the rehabilitation, the receipt and use of private funds, and
10 other issues that may arise.

11 (4) The department shall report on the progress of accelerated
12 planning, design, and relocations related to the renovation of the
13 state legislative building to the legislature and the governor by July
14 15, 2001, and November 15, 2001, and shall consult with the legislature
15 and governor on major decisions including placement of the cafeteria
16 and exiting stairs in the legislative building by August 31, 2001.

17 (5) In the event of any conflicts between the conditions and
18 limitations in this section and section 3, chapter 123, Laws of 2001,
19 the conditions and limitations of this section shall apply.

20 (6) (~~(\$154,000 of the capitol historic district construction~~
21 ~~account appropriation is provided solely for the department of general~~
22 ~~administration to contract for fund raising services for the~~
23 ~~solicitation of charitable gifts, grants, or donations specifically for~~
24 ~~the purpose of preservation and restoration of the state legislative~~
25 ~~building and related educational exhibits and programs. By June 30,~~
26 ~~2004, the amount provided by this subsection shall be reinvested to the~~
27 ~~capitol historic district construction account from the proceeds of the~~
28 ~~gifts, grants, and donations.)) The state building construction
29 account appropriation is for estimated cost increases due to the
30 unforeseen construction obstacles and code requirements discovered in
31 design and early construction activities.~~

32 Reappropriation:

| | | |
|----|--|-------------|
| 33 | Capitol Building Construction Account--State | \$2,000,000 |
| 34 | Thurston County Capital Facilities | |
| 35 | Account--State | \$2,500,000 |
| 36 | Subtotal Reappropriation | \$4,500,000 |

37 Appropriation:

38 Capitol Historic District Construction

| | | |
|----|---|-------------------------------|
| 1 | Account--State | \$81,681,000 |
| 2 | Thurston County Capital Facilities | |
| 3 | Account--State | \$1,300,000 |
| 4 | <u>State Building Construction Account--State</u> | <u>\$6,000,000</u> |
| 5 | Subtotal Appropriation | ((\$82,981,000)) |
| 6 | | <u>\$88,981,000</u> |
| 7 | Prior Biennia (Expenditures) | \$1,000,000 |
| 8 | Future Biennia (Projected Costs) | \$2,300,000 |
| 9 | TOTAL | ((\$90,781,000)) |
| 10 | | <u>\$96,781,000</u> |

11 **Sec. 905.** 2002 c 238 s 223 (uncodified) is amended to read as
12 follows:

13 **FOR WESTERN WASHINGTON UNIVERSITY**

14 Job Creation and Infrastructure Projects (03-1-001)

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

17 (1) The following projects are eligible for funding:

| 18 | Project | Amount |
|----|---|--------------------|
| 19 | Miller hall | \$1,650,000 |
| 20 | Steam plant | \$1,000,000 |
| 21 | Air quality | \$743,000 |
| 22 | Utilities | \$501,000 |
| 23 | Viking substation | \$103,000 |
| 24 | Storm water detention | \$75,000 |
| 25 | Old main restoration | \$582,000 |
| 26 | Fire safety | \$435,000 |
| 27 | <u>Parks hall fire damage</u> | <u>\$1,500,000</u> |

28 (2) The university shall implement the eligible projects pursuant
29 to sections 225 through 227 of this act and shall prioritize these
30 projects to not exceed the amount appropriated in this section.

31 Appropriation:

| | | |
|----|---|--------------------|
| 32 | Education Construction Account--State | \$3,000,000 |
| 33 | <u>State Building Construction Account--State</u> | <u>\$1,500,000</u> |
| 34 | <u>Subtotal Appropriation</u> | <u>\$4,500,000</u> |
| 35 | Prior Biennia (Expenditures) | \$0 |

| | | |
|---|--|------------------------------|
| 1 | Future Biennia (Projected Costs) | \$0 |
| 2 | TOTAL | ((\$3,000,000)) |
| 3 | | <u>\$4,500,000</u> |

4 **Sec. 906.** 2001 2nd sp.s. c 8 s 658 (uncodified) is amended to read
5 as follows:

6 **FOR WASHINGTON STATE UNIVERSITY**

7 WSU Pullman - Energy Plant - Heat: Renovation (02-1-501)

8 The appropriation in this section is subject to the following
9 conditions and limitations:

10 (1) The appropriation in this section is subject to the conditions
11 and limitations of sections 902 and 903 of this act.

12 (2)(a) Any agreement or contract for the modernization or
13 replacement of the existing steam generation plant currently located on
14 the Pullman campus must comply with chapter 39.35C RCW. Prior to
15 entering into an agreement or contract obligating itself on this
16 project, the university shall have the project reviewed by the
17 appropriate staff of the energy division of the department of
18 community, trade, and economic development and the department of
19 general administration, and shall consider any comments and suggestions
20 made by these departments. If the project involves a private energy
21 development firm, the following issues shall be considered in the
22 development and implementation of the project:

- 23 (i) Regional and local utility needs for power;
- 24 (ii) Cost and certainty of fuel supplies;
- 25 (iii) Value of electricity produced and options for sale of surplus
26 electricity;
- 27 (iv) The capability of the university to own and operate the
28 facility should the private party terminate its involvement;
- 29 (v) Costs associated with interconnection with the local electric
30 utility's transmission system;
- 31 (vi) Capability of the local electric utility to wheel electricity
32 generated by the facility and the costs associated with wheeling;
- 33 (vii) Potential financial risks to the state or the university and
34 measures to mitigate any risks; and
- 35 (viii) Benefits to the state and the university from the project
36 including design configuration, ownership arrangement, operations, and

1 financial arrangements for the project based on the selection of
2 project participants.

3 (b) The university shall report to the office of financial
4 management and the energy and fiscal committees of the legislature on
5 the development and implementation of this project, including
6 consideration of the issues and the agency suggestions under subsection
7 (2)(a) of this section, in December of 2001 and 2002.

8 Appropriation:

| | | |
|----|--|-------------------------------|
| 9 | State Building Construction Account--State | ((\$23,000,000)) |
| 10 | | <u>\$24,539,000</u> |
| 11 | Prior Biennia (Expenditures) | \$0 |
| 12 | Future Biennia (Projected Costs) | \$0 |
| 13 | TOTAL | ((\$23,000,000)) |
| 14 | | <u>\$24,539,000</u> |

15 **Sec. 907.** 2001 2nd sp.s. c 8 s 668 (uncodified) is amended to read
16 as follows:

17 **FOR WASHINGTON STATE UNIVERSITY**

18 WSU Pullman - Teaching and Learning Center: New Facility (98-2-
19 062)

20 The reappropriation in this section is subject to the conditions
21 and limitations of section 906 of this act.

22 Reappropriation:

| | | |
|----|--|-------------------------------|
| 23 | State Building Construction Account--State | ((\$8,000,000)) |
| 24 | | <u>\$6,461,000</u> |
| 25 | Prior Biennia (Expenditures) | \$22,870,175 |
| 26 | Future Biennia (Projected Costs) | \$0 |
| 27 | TOTAL | ((\$30,870,175)) |
| 28 | | <u>\$29,331,175</u> |

29 **Sec. 908.** 2001 2nd sp.s. c 8 s 352 (uncodified) is amended to read
30 as follows:

31 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

32 National Recreation Trails (NRTP) (02-4-006)

33 Appropriation:

| | | |
|----|---|------------------------------|
| 34 | Recreation Resources Account--Federal | ((\$2,132,936)) |
|----|---|------------------------------|

| | | |
|---|--|------------------------------|
| 1 | | <u>\$2,332,936</u> |
| 2 | Prior Biennia (Expenditures) | \$0 |
| 3 | Future Biennia (Projected Costs) | \$977,000 |
| 4 | TOTAL | ((\$3,109,936)) |
| 5 | | <u>\$3,309,936</u> |

6 NEW SECTION. **Sec. 909. INLAND NORTHWEST REGIONAL SPORTS PROJECT.**

7 2002 c 238 s 204 (uncodified) is repealed.

(End of part)

| | |
|--|--------------|
| AGENCY EXPENDITURES | 165 |
| ATTORNEY GENERAL | 6 |
| CENTRAL WASHINGTON UNIVERSITY | 156 |
| COMMISSION ON AFRICAN-AMERICAN AFFAIRS | 20 |
| COMMISSION ON ASIAN-AMERICAN AFFAIRS | 6 |
| COMMISSION ON HISPANIC AFFAIRS | 19 |
| DEPARTMENT OF AGRICULTURE | 105 |
| DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT | 174, 8 |
| DEPARTMENT OF CORRECTIONS | 78 |
| DEPARTMENT OF ECOLOGY | 84 |
| DEPARTMENT OF FISH AND WILDLIFE | 95 |
| DEPARTMENT OF GENERAL ADMINISTRATION | 175, 176, 24 |
| DEPARTMENT OF HEALTH | 75 |
| DEPARTMENT OF LABOR AND INDUSTRIES | 71 |
| DEPARTMENT OF LICENSING | 107 |
| DEPARTMENT OF NATURAL RESOURCES | 100 |
| DEPARTMENT OF RETIREMENT SYSTEMS | |
| CONTRIBUTIONS TO RETIREMENT SYSTEMS | 164 |
| OPERATIONS | 20 |
| DEPARTMENT OF REVENUE | 22 |
| DEPARTMENT OF SERVICES FOR THE BLIND | 82 |
| DEPARTMENT OF SOCIAL AND HEALTH SERVICES | 30 |
| ADMINISTRATION AND SUPPORTING SERVICES PROGRAM | 67 |
| AGING AND ADULT SERVICES PROGRAM | 51 |
| ALCOHOL AND SUBSTANCE ABUSE PROGRAM | 59 |
| CHILDREN AND FAMILY SERVICES PROGRAM | 31 |
| DEVELOPMENTAL DISABILITIES PROGRAM | 47 |
| ECONOMIC SERVICES PROGRAM | 56 |
| JUVENILE REHABILITATION PROGRAM | 35 |
| MEDICAL ASSISTANCE PROGRAM | 61 |
| MENTAL HEALTH PROGRAM | 39 |
| VOCATIONAL REHABILITATION PROGRAM | 66 |
| DEPARTMENT OF VETERANS AFFAIRS | 73 |
| EASTERN WASHINGTON STATE HISTORICAL SOCIETY | 160 |
| EASTERN WASHINGTON UNIVERSITY | 155 |
| EMPLOYMENT SECURITY DEPARTMENT | 82 |
| GOVERNOR'S OFFICE OF INDIAN AFFAIRS | 6 |

HIGHER EDUCATION COORDINATING BOARD

| | |
|--|----------|
| POLICY COORDINATION AND ADMINISTRATION | 159 |
| HOME CARE QUALITY AUTHORITY | 74 |
| HUMAN RIGHTS COMMISSION | 71 |
| INCENTIVE SAVINGS | |
| FY 2003 | 166 |
| INLAND NORTHWEST REGIONAL SPORTS PROJECT | 182 |
| INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION | 181 |
| LIABILITY ACCOUNT | 165 |
| LIQUOR CONTROL BOARD | 25 |
| MILITARY DEPARTMENT | 26 |
| OFFICE OF ADMINISTRATIVE HEARINGS | 19 |
| OFFICE OF FINANCIAL MANAGEMENT | 17 |
| EMERGENCY FUND | 168 |
| OFFICE OF THE GOVERNOR | 5 |
| STATE EMPLOYMENT | 165 |
| STATE HEALTH CARE AUTHORITY | 68 |
| STATE PARKS AND RECREATION COMMISSION | 93 |
| STATE PATROL | 108 |
| STATE SCHOOL FOR THE DEAF | 161 |
| STATE TREASURER | |
| BOND RETIREMENT AND INTEREST | 162, 163 |
| TRANSFERS | 170 |
| SUNDRY CLAIMS | 167 |
| SUPERINTENDENT OF PUBLIC INSTRUCTION | 111 |
| EDUCATION REFORM PROGRAMS | 138 |
| GENERAL APPORTIONMENT | 118 |
| INSTITUTIONAL EDUCATION PROGRAMS | 136 |
| LEARNING ASSISTANCE PROGRAM | 147 |
| LOCAL EFFORT ASSISTANCE | 136 |
| LOCAL ENHANCEMENT FUNDS | 149 |
| MISCELLANEOUS PURPOSES | 138 |
| PROGRAMS FOR HIGHLY CAPABLE STUDENTS | 137 |
| PUPIL TRANSPORTATION | 128 |
| SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS | 126 |
| SCHOOL FOOD SERVICE PROGRAMS | 129 |
| SPECIAL EDUCATION PROGRAMS | 129 |
| STUDENT ACHIEVEMENT PROGRAM | 150 |
| TRAFFIC SAFETY EDUCATION PROGRAMS | 135 |
| TRANSITIONAL BILINGUAL PROGRAMS | 146 |

| | |
|--|---------------|
| THE EVERGREEN STATE COLLEGE | 156 |
| UNIVERSITY OF WASHINGTON | 153 |
| WASHINGTON STATE HISTORICAL SOCIETY | 160 |
| WASHINGTON STATE UNIVERSITY | 155, 180, 181 |
| WESTERN WASHINGTON UNIVERSITY | 158, 179 |
| WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD | 159 |

Passed by the Senate April 2, 2003.

Passed by the House March 31, 2003.

Approved by the Governor April 9, 2003, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State April 9, 2003.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to sections 202, lines 31 and 32; 305, lines 14 and 15; 706; and 707 of Substitute Senate Bill No. 5403 entitled:

"AN ACT Relating to fiscal matters;"

My reasons for vetoing these sections are as follows:

Section 202, Lines 31-32, Page 31, Appropriation Reduction for the Children and Family Services Program (Department of Social and Health Services)

This appropriation item would have reduced the appropriation to the Department of Social and Health Services' (DSHS) Children and Family Services Program by \$3,804,000. DSHS has already adopted numerous measures to contain costs and achieve the savings assumed for this fiscal year. Equipment purchases and out-of-state travel have long ago been frozen and hiring has been delayed. However, a number of unanticipated, unavoidable costs will need to be covered between now and June 30, 2003, the conclusion of the fiscal year. Possible federal funding changes and additional expenses related to pending litigation are examples of these costs. Meanwhile, current budget estimates for the department indicate no ending fund balance with which to assure the agency can meet its obligations through the end of the biennium. I am directing the department to continue to aggressively cut costs wherever it can. This item veto provides the department a small amount of necessary budget flexibility so that they can properly close out the fiscal year.

Section 305, Lines 14-15, Page 105, Appropriation Reduction for the State Toxics Control Account (Department of Agriculture)

This appropriation item would have reduced the State Toxics Control Account appropriation to the Department of Agriculture by \$433,000. However, this reduction is not similarly reflected in the proviso. Thus, there is a technical error. In order to correct it, I am vetoing the entire reduction. However, I am instructing the director of the Department of Agriculture to place \$433,000 of the agency's provisoed State Toxics Control Account authority in reserve.

Section 706, Page 165, Allotment Reduction for Travel, Equipment, and Personal Service Contracts

This section would have directed the Office of Financial Management to reduce agency allotments for travel, equipment and personal service contracts by \$10 million dollars. Without this veto, the Office of the Superintendent of Public Instruction's committed

contracts to conduct the Washington Assessment of Student Learning and Iowa Test of Basic Skills assessments in the state's K-12 schools this year are jeopardized. This section also jeopardizes the contracts the Attorney General employs with expert witnesses to defend the state's interests in major lawsuits; the Department of Social and Health Services' ability to travel allowing Child Protective Service workers to safeguard vulnerable children on a daily basis; the Department of Corrections' essential ability to transport dangerous prisoners; and the Department of Transportation's construction contracts in place with the private sector.

State agencies need to do everything in their power to control discretionary expenditures in these difficult financial times. However, essential travel, equipment and personal services contracts are often critical in delivering direct services to Washington citizens, and cannot be stopped without affecting those services.

The \$10 million cut in this provision would have been added to employee-related savings and program reductions already implemented in most agencies. Many agencies simply cannot absorb the cumulative effect of these multiple reductions in the three months remaining in the 2001-03 Biennium.

I agree with the general intent of this provision, therefore I am directing agencies to continue to closely monitor and control discretionary expenditures in preparation for the significant program cuts that will need to be part of the new budget that begins on July 1.

Section 707, Pages 165-166, State Employment Restrictions

This section would have prohibited executive branch agencies from establishing new staff positions and would have restricted agencies' ability to fill vacancies. In the recently passed budget proposal for 2003-05, the Senate has already recognized that this restriction is far too limiting. However, there are no assurances that a budget for the next biennium will pass the Legislature in time to cure this problem, so I am vetoing this section.

Directive No. 02-04, which I issued in December of 2002, set in motion the key provisions of this section of the supplemental budget by directing executive agencies to limit hiring and meet specific employee reduction targets. If this section were implemented, natural resource agencies like State Parks, the Department of Ecology, the Department of Agriculture and the Department of Natural Resources would have been unable to hire the essential spring and summer temporary employees to manage and safeguard our parks, campgrounds and recreational areas. The Consumer Advocacy program in the Insurance Commissioner's Office would have been unduly limited by this provision.

Agency budgets and employment levels have already been reduced in separate actions in this supplemental budget bill. In keeping with the intent of this section, agencies will continue to limit hiring to meet the employment reduction targets pursuant to my directive.

For these reasons, I have vetoed sections 202, lines 31 and 32; 305, lines 14 and 15; 706; and 707 of Substitute Senate Bill No. 5403.

With the exception of sections 202, lines 31 and 32; 305, lines 14 and 15; 706; and 707, Substitute Senate Bill No. 5403 is approved."