

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6387

Chapter 371, Laws of 2002

(partial veto)

57th Legislature
2002 Regular Session

FISCAL MATTERS

EFFECTIVE DATE: 4/5/02

Passed by the Senate March 14, 2002
YEAS 26 NAYS 22

BRAD OWEN

President of the Senate

Passed by the House March 13, 2002
YEAS 50 NAYS 47

FRANK CHOPP

**Speaker of the
House of Representatives**

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6387** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK

Secretary

Approved April 5, 2002, with the exception sections 103, lines 10-11; 113, line 23; 125(31); 125(34); 137(2); 137(4); 204(1)(h); 204(1)(k); 204(5)(c); 205(1)(a); 205(1)(j); 206(11); 207(1)(e); 207(1)(f); 207(1)(g); 207(1)(h); 207(1)(i); 207(1)(j); 207(1)(k); 207(1)(l); 207(1)(m); 207(1)(n); 221(2)(i); 308(18); 502(2)(b)(iii); 604(10); 605(4); 606, lines 31-38, page 204; lines 1-3, page 205; 607(1); 607(2); 608(1); 608(11); 609(2); and 725, which are vetoed.

FILED

April 5, 2002 - 3:09 p.m.

GARY LOCKE

Governor of the State of Washington

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6387

AS AMENDED BY THE HOUSE

Passed Legislature - 2002 Regular Session

State of Washington 57th Legislature 2002 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senator Brown; by request of Governor Locke)

READ FIRST TIME 03/07/2002.

1 AN ACT Relating to fiscal matters; amending RCW 9.46.100,
2 28B.50.837, 38.52.105, 38.52.106, 38.52.540, 41.06.150, 43.10.220,
3 43.30.360, 43.72.900, 43.83B.430, 43.88.030, 43.320.110, 48.02.190,
4 50.20.190, 51.44.170, 66.08.170, 66.08.235, 67.70.260, 70.146.030,
5 70.168.040, 79.24.580, 80.01.080, and 82.29A.080; amending 2001 2nd
6 sp.s. c 7 ss 101, 102, 103, 104, 105, 106, 107, 109, 110, 111, 112,
7 113, 114, 115, 116, 117, 118, 119, 120, 123, 124, 125, 126, 127, 128,
8 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 142, 143, 144,
9 147, 148, 149, 151, 152, 153, 201, 202, 203, 204, 205, 206, 207, 208,
10 209, 210, 211, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223,
11 224, 301, 302, 303, 304, 305, 306, 307, 308, 309, 401, 402, 501, 502,
12 503, 504, 505, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517,
13 519, 521, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612,
14 613, 614, 615, 616, 617, 618, 619, 701, 702, 703, 704, 706, 713, 716,
15 717, 719, 720, 722, 723, 724, 727, 728, 730, 705, 801, and 805
16 (uncodified); reenacting and amending RCW 50.16.010 and 69.50.520;
17 adding new sections to 2001 2nd sp.s. c 7 (uncodified); making
18 appropriations; and declaring an emergency.

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

PART I
GENERAL GOVERNMENT

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

5 **FOR THE HOUSE OF REPRESENTATIVES**

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

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

15 (1) \$25,000 of the general fund--state appropriation is provided
16 solely for allocation to Project Citizen, a program of the national
17 conference of state legislatures to promote student civic involvement.

18 (2) \$15,000 of the general fund--state appropriation for fiscal
19 year 2002 is provided for the legislature to continue the services of
20 expert counsel on legal and policy issues relating to services for
21 persons with developmental disabilities.

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

24 **FOR THE SENATE**

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

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

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

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

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

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

11	General Fund--State Appropriation (FY 2002) . . . \$	((2,436,000))
12		<u>2,131,000</u>
13	<i>General Fund--State Appropriation (FY 2003) . . . \$</i>	<i>((1,938,000))</i>
14		<u>2,150,000</u>
15	TOTAL APPROPRIATION \$	((4,374,000))
16		<u>4,281,000</u>

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

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

1 program and evaluate the adequacy of management processes for
2 measuring, reporting, and monitoring program effectiveness, economy,
3 and efficiency.

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

5 (i) Determines and monitors eligibility;

6 (ii) Determines what types and levels of services are to be
7 provided;

8 (iii) Determines that clients are receiving services;

9 (iv) Tracks client progress and evaluates the benefits of services
10 being provided;

11 (v) Enforces the terms of its contracts with providers; and

12 (vi) Determines it is doing an efficient and effective job of
13 meeting its legislative mandates.

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

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

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

34 (3) (~~(\$35,000 of the general fund--state appropriation for fiscal~~
35 ~~year 2002 is provided solely for)) The joint legislative audit and
36 review committee (~~to~~) shall conduct a review of water conservancy
37 boards. The review shall include an assessment of the operating costs
38 of existing boards; the sources of funding for board operations;
39 sources of in-kind support for board operations; assessment of the~~

1 value of water rights subject to change or transfer decisions; the
2 range of costs of processing water right transfer applications by the
3 boards as well as by the department of ecology for applications filed
4 directly with the department; the costs to the department of training,
5 assistance, and review of board recommendations on applications; board
6 membership and board recordkeeping; and public participation procedures
7 for both the water conservancy boards and the department of ecology.
8 The committee shall submit its review by (~~January 1, 2003~~) December
9 1, 2004, to the appropriate policy and fiscal committees of the
10 legislature.

11 (4) \$40,000 of the general fund--state appropriation for fiscal
12 year 2002 is provided solely for a follow-up review to report number
13 98-3, the performance audit of the department of corrections. The
14 follow-up study shall include but not be limited to a review of:

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

16 (b) The implementation of risk-based classification and community
17 placement models;

18 (c) The early implementation of the offender accountability act;
19 and

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

22 The committee shall consult with the Washington state institute for
23 public policy regarding data and findings from the institute's current
24 studies on these issues. A report of the follow-up study shall be
25 submitted to the relevant policy and fiscal committees of the
26 legislature by December 21, 2001. Upon the completion of the follow-up
27 review, the committee shall make a determination whether an additional
28 phase of study is needed. If further study is indicated, the committee
29 shall submit to the relevant policy and fiscal committees of the
30 legislature its plan and cost estimate for such study by March 29,
31 2002.

32 (5) \$140,000 of the general fund--state appropriation for fiscal
33 year 2002 is provided for a study of children's mental health in
34 Washington. The study shall include but not be limited to:

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

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

1 (c) A review of the availability and reliability of fiscal,
2 program, and outcome data relating to mental health services provided
3 to children; and

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

6 The committee shall make recommendations, as appropriate, for the
7 improvement of services and system performance, including the need for
8 performance and client outcome measures. The committee may contract
9 for consulting services in conducting the study. The committee shall
10 submit a report to the appropriate policy and fiscal committees of the
11 legislature by July 1, 2002.

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

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

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

31 *Sec. 103 was partially vetoed. See message at end of chapter.

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

34 **FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**
35 General Fund--State Appropriation (FY 2002) . . . \$ 1,329,000
36 General Fund--State Appropriation (FY 2003) . . . \$ ~~((1,462,000))~~
37 1,418,000
38 Public Works Assistance Account--State

1	Appropriation	\$	203,000
2	TOTAL APPROPRIATION	\$	((2,994,000))
3			<u>2,950,000</u>

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

6 **FOR THE OFFICE OF THE STATE ACTUARY**

7	Department of Retirement Systems Expense Account--		
8	State Appropriation	\$	((1,923,000))
9			<u>2,054,000</u>

10 The appropriation in this section is subject to the following
11 conditions and limitations: The joint committee on pension policy, in
12 collaboration with various interested parties, shall study issues of
13 pension governance and recommend legislation for consideration in the
14 2002 legislative session.

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

17 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

18	General Fund--State Appropriation (FY 2002) . . .	\$	6,421,000
19	General Fund--State Appropriation (FY 2003) . . .	\$	((7,043,000))
20			<u>6,832,000</u>
21	TOTAL APPROPRIATION	\$	((13,464,000))
22			<u>13,253,000</u>

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

25 **FOR THE STATUTE LAW COMMITTEE**

26	General Fund--State Appropriation (FY 2002) . . .	\$	3,909,000
27	General Fund--State Appropriation (FY 2003) . . .	\$	((4,038,000))
28			<u>3,917,000</u>
29	TOTAL APPROPRIATION	\$	((7,947,000))
30			<u>7,826,000</u>

31 The appropriations in this section are subject to the following
32 conditions and limitations: \$41,000 of the general fund fiscal year
33 2002 appropriation and \$43,000 of the general fund fiscal year 2003

1 appropriation are provided solely for the uniform legislation
2 commission.

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

5 **FOR THE SUPREME COURT**

6	General Fund--State Appropriation (FY 2002) . . . \$	((5,423,000))
7		<u>5,500,000</u>
8	General Fund--State Appropriation (FY 2003) . . . \$	((5,510,000))
9		<u>5,487,000</u>
10	TOTAL APPROPRIATION \$	((10,933,000))
11		<u>10,987,000</u>

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

14 **FOR THE LAW LIBRARY**

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

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

22 **FOR THE COURT OF APPEALS**

23	General Fund--State Appropriation (FY 2002) . . . \$	((12,746,000))
24		<u>12,894,000</u>
25	General Fund--State Appropriation (FY 2003) . . . \$	((12,878,000))
26		<u>12,724,000</u>
27	TOTAL APPROPRIATION \$	((25,624,000))
28		<u>25,618,000</u>

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

31 (1) \$505,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$606,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely for lease increases associated
34 with the division I facility. ~~((Within the funds provided in this
35 subsection, the court of appeals shall conduct a space planning study~~

1 exploring options dealing with remodeling existing space to accommodate
2 needs and evaluating the cost and benefits of moving to another
3 location.))

4 (2) \$168,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$159,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for providing compensation
7 adjustments to nonjudicial staff of the court of appeals. Within the
8 funds provided in this subsection, the court of appeals shall determine
9 the specific positions to receive compensation adjustments based on
10 recruitment and retention difficulties, new duties or responsibilities
11 assigned, and salary inversion or compression within the court of
12 appeals.

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

15 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

16	General Fund--State Appropriation (FY 2002) . . . \$	955,000
17	General Fund--State Appropriation (FY 2003) . . . \$	((969,000))
18		<u>940,000</u>
19	TOTAL APPROPRIATION \$	((1,924,000))
20		<u>1,895,000</u>

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

23 **FOR THE ADMINISTRATOR FOR THE COURTS**

24	General Fund--State Appropriation (FY 2002) . . . \$	((14,247,000))
25		<u>14,900,000</u>
26	General Fund--State Appropriation (FY 2003) . . . \$	((14,386,000))
27		<u>15,388,000</u>
28	Public Safety and Education Account--State	
29	Appropriation \$	((29,634,000))
30		<u>27,468,000</u>
31	Judicial Information Systems Account--State	
32	Appropriation \$	27,758,000
33	TOTAL APPROPRIATION \$	((86,025,000))
34		<u>85,514,000</u>

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

1 (1) Funding provided in the judicial information systems account
2 appropriation shall be used for the operations and maintenance of
3 technology systems that improve services provided by the supreme court,
4 the court of appeals, the office of public defense, and the
5 administrator for the courts.

6 (2) No moneys appropriated in this section may be expended by the
7 administrator for the courts for payments in excess of fifty percent of
8 the employer contribution on behalf of superior court judges for
9 insurance and health care plans and federal social security and
10 medicare and medical aid benefits. As required by Article IV, section
11 13 of the state Constitution and 1996 Attorney General's Opinion No. 2,
12 it is the intent of the legislature that the costs of these employer
13 contributions shall be shared equally between the state and county or
14 counties in which the judges serve. The administrator for the courts
15 shall continue to implement procedures for the collection and
16 disbursement of these employer contributions. During each fiscal year
17 in the 2001-03 biennium, the office of the administrator for the courts
18 shall send written notice to the office of community development in the
19 department of community, trade, and economic development when each
20 county pays its fifty percent share for the year.

21 (3) \$223,000 of the public safety and education account
22 appropriation is provided solely for the gender and justice commission.

23 (4) \$308,000 of the public safety and education account
24 appropriation is provided solely for the minority and justice
25 commission.

26 (5) \$278,000 of the general fund--state appropriation for fiscal
27 year 2002, \$285,000 of the general fund--state appropriation for fiscal
28 year 2003, and \$263,000 of the public safety and education account
29 appropriation are provided solely for the workload associated with tax
30 warrants and other state cases filed in Thurston county.

31 (6) \$750,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$750,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely for court-appointed special
34 advocates in dependency matters. The administrator for the courts,
35 after consulting with the association of juvenile court administrators
36 and the association of court-appointed special advocate/guardian ad
37 litem programs, shall distribute the funds to volunteer court-appointed
38 special advocate/guardian ad litem programs. The distribution of
39 funding shall be based on the number of children who need volunteer

1 court-appointed special advocate representation and shall be equally
2 accessible to all volunteer court-appointed special advocate/guardian
3 ad litem programs. The administrator for the courts shall not retain
4 more than six percent of total funding to cover administrative or any
5 other agency costs.

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

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

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

31 **FOR THE OFFICE OF PUBLIC DEFENSE**

32	General Fund--State Appropriation (FY 2002) . . . \$	600,000
33	<u>General Fund--State Appropriation (FY 2003) . . . \$</u>	<u>500,000</u>
34	Public Safety and Education Account--State	
35	Appropriation \$	((12,626,000))
36		<u>12,344,000</u>
37	TOTAL APPROPRIATION \$	((13,226,000))
38		<u>13,444,000</u>

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

3 (1) (~~(\$233,000)~~) \$204,000 of the public safety and education
4 account appropriation is provided solely to increase the reimbursement
5 for private attorneys providing constitutionally mandated indigent
6 defense in nondeath penalty cases.

7 (2) \$51,000 of the public safety and education account
8 appropriation is provided solely for the implementation of chapter 303,
9 Laws of 1999 (court funding).

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

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

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

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

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

29 (iii) Use of investigative and expert services in appropriate
30 cases; and

31 (iv) Effective implementation of indigency screening of all
32 dependency and termination parents, guardians, and legal custodians
33 represented by appointed counsel.

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

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

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

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

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

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

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

14 (5) \$50,000 of the public safety and education account--state
15 appropriation is provided solely for the evaluation required in chapter
16 92, Laws of 2000 (DNA testing).

17 (6) \$235,000 of the public safety and education account--state
18 appropriation is provided solely for the office of public defense to
19 contract with an existing public defender association to establish a
20 capital defense assistance center.

21 *Sec. 113 was partially vetoed. See message at end of chapter.

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

24 **FOR THE OFFICE OF THE GOVERNOR**

25	General Fund--State Appropriation (FY 2002) . . . \$	((4,537,000))
26		<u>4,497,000</u>
27	General Fund--State Appropriation (FY 2003) . . . \$	((4,524,000))
28		<u>4,028,000</u>
29	General Fund--Federal Appropriation \$	219,000
30	Water Quality Account--State	
31	Appropriation \$	3,908,000
32	TOTAL APPROPRIATION \$	((13,188,000))
33		<u>12,652,000</u>

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

36 (1) \$3,908,000 of the water quality account appropriation and
37 \$219,000 of the general fund--federal appropriation are provided solely

1 for the Puget Sound water quality action team to implement the Puget
2 Sound work plan and agency action items PSAT-01 through PSAT-05.

3 (2) \$100,000 of the general fund--state appropriation for fiscal
4 year 2002 (~~and \$100,000 of the general fund--state appropriation for~~
5 ~~fiscal year 2003 are~~) is provided solely for the salmon recovery
6 office to support the efforts of the independent science panel.

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

9 **FOR THE LIEUTENANT GOVERNOR**

10	General Fund--State Appropriation (FY 2002) . . . \$	449,000
11	General Fund--State Appropriation (FY 2003) . . . \$	((451,000))
12		<u>428,000</u>
13	TOTAL APPROPRIATION \$	((900,000))
14		<u>877,000</u>

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

17 **FOR THE PUBLIC DISCLOSURE COMMISSION**

18	General Fund--State Appropriation (FY 2002) . . . \$	1,910,000
19	General Fund--State Appropriation (FY 2003) . . . \$	((1,903,000))
20		<u>1,846,000</u>
21	TOTAL APPROPRIATION \$	((3,813,000))
22		<u>3,756,000</u>

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

25 **FOR THE SECRETARY OF STATE**

26	General Fund--State Appropriation (FY 2002) . . . \$	((10,513,000))
27		<u>10,485,000</u>
28	General Fund--State Appropriation (FY 2003) . . . \$	((8,707,000))
29		<u>6,446,000</u>
30	Archives and Records Management Account--State	
31	Appropriation \$	((7,295,000))
32		<u>7,877,000</u>
33	Archives and Records Management Account--Private/	
34	Local Appropriation \$	((3,860,000))
35		<u>4,572,000</u>
36	Department of Personnel Service Account	

1	Appropriation	\$	((719,000))
2			<u>701,000</u>
3	TOTAL APPROPRIATION	\$	((31,094,000))
4			<u>30,081,000</u>

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

7 (1) ((~~\$2,296,000~~)) \$2,126,000 of the general fund--state
8 appropriation for fiscal year 2002 is provided solely to reimburse
9 counties for the state's share of primary and general election costs
10 and the costs of conducting mandatory recounts on state measures.
11 Counties shall be reimbursed only for those odd-year election costs
12 that the secretary of state validates as eligible for reimbursement.

13 (2) ((~~\$2,193,000~~)) \$2,143,000 of the general fund--state
14 appropriation for fiscal year 2002 and ((~~\$2,712,000~~)) \$2,578,000 of the
15 general fund--state appropriation for fiscal year 2003 are provided
16 solely for the verification of initiative and referendum petitions,
17 maintenance of related voter registration records, and the publication
18 and distribution of the voters and candidates pamphlet.

19 (3) \$125,000 of the general fund--state appropriation for fiscal
20 year 2002 and ((~~\$125,000~~)) \$118,000 of the general fund--state
21 appropriation for fiscal year 2003 are provided solely for legal
22 advertising of state measures under RCW 29.27.072.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16	General Fund--State Appropriation (FY 2002) . . . \$	269,000
17	General Fund--State Appropriation (FY 2003) . . . \$	((282,000))
18		<u>274,000</u>
19	TOTAL APPROPRIATION \$	((551,000))
20		<u>543,000</u>

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

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

24	General Fund--State Appropriation (FY 2002) . . . \$	233,000
25	General Fund--State Appropriation (FY 2003) . . . \$	((233,000))
26		<u>201,000</u>
27	TOTAL APPROPRIATION \$	((466,000))
28		<u>434,000</u>

29 **Sec. 120.** 2001 2nd sp.s. c 7 s 123 (uncodified) is amended to read
30 as follows:

31 **FOR THE STATE AUDITOR**

32	General Fund--State Appropriation (FY 2002) . . . \$	((1,078,000))
33		<u>901,000</u>
34	General Fund--State Appropriation (FY 2003) . . . \$	((1,324,000))
35		<u>1,051,000</u>
36	State Auditing Services Revolving Account--State	

1	Appropriation	\$	((13,540,000))
2			<u>13,193,000</u>
3	TOTAL APPROPRIATION	\$	((15,942,000))
4			<u>15,145,000</u>

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

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

12 (2) ~~((910,000))~~ \$901,000 of the general fund--state appropriation
13 for fiscal year 2002 and ~~((910,000))~~ \$901,000 of the general fund--
14 state appropriation for fiscal year 2003 are provided solely for staff
15 and related costs to verify the accuracy of reported school district
16 data submitted for state funding purposes; conduct school district
17 program audits of state funded public school programs; establish the
18 specific amount of state funding adjustments whenever audit exceptions
19 occur and the amount is not firmly established in the course of regular
20 public school audits; and to assist the state special education safety
21 net committee when requested.

22 (3) \$150,000 of the general fund--state appropriation for fiscal
23 year 2003 is provided solely for the state auditor to contract for an
24 objective and systematic performance audit of state claims benefits
25 administration.

26 (a) The independent contractor shall use generally accepted
27 government auditing standards. The performance audit shall include,
28 but not be limited to, the following:

- 29 (i) Validity and reliability of management's performance measures;
- 30 (ii) A review of internal controls and internal audits;
- 31 (iii) The adequacy of systems used for measuring, reporting, and
32 monitoring performance;
- 33 (iv) The extent to which legislative, regulatory, and
34 organizational goals and objectives are being achieved; and
- 35 (v) Identification and recognition of best practices.

36 (b) The performance audit on state claims benefits shall include
37 direct grants to clients, direct payments to providers, and workers'
38 compensation payments. The following state agencies, at a minimum,

1 shall be subject to audit sampling: Department of community, trade,
 2 and economic development, the employment security department, the
 3 department of labor and industries, the department of social and health
 4 services, and the Washington state health care authority. The
 5 performance audit shall indicate and grade agencies' performances in
 6 administering state claims benefits. The state auditor shall report
 7 the findings of the performance audit to the appropriate legislative
 8 committees by November 30, 2002.

9 **Sec. 121.** 2001 2nd sp.s. c 7 s 124 (uncodified) is amended to read
 10 as follows:

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

12	General Fund--State Appropriation (FY 2002) . . . \$	80,000
13	General Fund--State Appropriation (FY 2003) . . . \$	((152,000))
14		<u>147,000</u>
15	TOTAL APPROPRIATION \$	((232,000))
16		<u>227,000</u>

17 **Sec. 122.** 2001 2nd sp.s. c 7 s 125 (uncodified) is amended to read
 18 as follows:

19 **FOR THE ATTORNEY GENERAL**

20	General Fund--State Appropriation (FY 2002) . . . \$	4,811,000
21	General Fund--State Appropriation (FY 2003) . . . \$	((4,806,000))
22		<u>4,070,000</u>
23	General Fund--Federal Appropriation \$	2,868,000
24	Public Safety and Education Account--State	
25	Appropriation \$	((1,789,000))
26		<u>1,753,000</u>
27	Tobacco Prevention and Control Account	
28	Appropriation \$	277,000
29	New Motor Vehicle Arbitration Account--State	
30	Appropriation \$	1,163,000
31	Legal Services Revolving Account--State	
32	Appropriation \$	((147,306,000))
33		<u>147,422,000</u>
34	TOTAL APPROPRIATION \$	((163,020,000))
35		<u>162,364,000</u>

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

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

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

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

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

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

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

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

38 (iv) Examine implementation and funding requirements.

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

7 **Sec. 123.** 2001 2nd sp.s. c 7 s 126 (uncodified) is amended to read
 8 as follows:

9 **FOR THE CASELOAD FORECAST COUNCIL**

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

15 NEW SECTION. **Sec. 124.** A new section is added to 2001 2nd sp.s.
 16 c 7 (uncodified) to read as follows:

17 **FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS.** The department of
 18 financial institutions shall reduce its fiscal year 2003 expenditures
 19 from the financial services regulation account by the amount of
 20 \$357,000.

21 ***Sec. 125.** 2001 2nd sp.s. c 7 s 127 (uncodified) is amended to
 22 read as follows:

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

24	General Fund--State Appropriation (FY 2002) . . . \$	((71,083,500))
25		<u>70,893,000</u>
26	General Fund--State Appropriation (FY 2003) . . . \$	((70,873,500))
27		<u>60,499,000</u>
28	General Fund--Federal Appropriation \$	173,342,000
29	General Fund--Private/Local Appropriation \$	7,980,000
30	Public Safety and Education Account--State	
31	Appropriation \$	((10,300,000))
32		<u>10,094,000</u>
33	Public Works Assistance Account--State	
34	Appropriation \$	1,911,000
35	<u>Salmon Recovery Account--State Appropriation . . \$</u>	<u>1,500,000</u>
36	Film and Video Promotion Account--State	

1	Appropriation	\$	25,000
2	Building Code Council Account--State		
3	Appropriation	\$	((1,061,000))
4			<u>1,226,000</u>
5	Administrative Contingency Account--State		
6	Appropriation	\$	1,777,000
7	Low-Income Weatherization Assistance Account--State		
8	Appropriation	\$	3,292,000
9	Violence Reduction and Drug Enforcement Account--		
10	State Appropriation	\$	((6,081,000))
11			<u>7,513,000</u>
12	Manufactured Home Installation Training Account--		
13	State Appropriation	\$	256,000
14	Community Economic Development Account--		
15	State Appropriation	\$	113,000
16	Washington Housing Trust Account--State		
17	Appropriation	\$	((5,597,000))
18			<u>10,368,000</u>
19	Public Facility Construction Loan Revolving		
20	Account--State Appropriation	\$	((550,000))
21			<u>586,000</u>
22	TOTAL APPROPRIATION	\$	((354,242,000))
23			<u>351,375,000</u>

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

26 (1) It is the intent of the legislature that the department of
27 community, trade, and economic development receive separate
28 programmatic allotments for the office of community development and the
29 office of trade and economic development. Any appropriation made to
30 the department of community, trade, and economic development for
31 carrying out the powers, functions, and duties of either office shall
32 be credited to the appropriate office.

33 (2) \$3,085,000 of the general fund--state appropriation for fiscal
34 year 2002 and ((~~\$3,085,000~~)) \$2,838,000 of the general fund--state
35 appropriation for fiscal year 2003 are provided solely for a contract
36 with the Washington technology center. For work essential to the
37 mission of the Washington technology center and conducted in
38 partnership with universities, the center shall not pay any increased

1 indirect rate nor increases in other indirect charges above the
2 absolute amount paid during the 1995-97 fiscal biennium.

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

7 (4) (~~(\$10,403,445)~~) \$10,804,156 of the general fund--federal
8 appropriation is provided solely for the drug control and system
9 improvement formula grant program, to be distributed in state fiscal
10 year 2002 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (n) (~~(\$500,469)~~) \$901,180 to the office of financial management for
6 criminal history records improvement; and

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

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

21 (5) (~~(\$470,000)~~) \$320,000 of the general fund--state appropriation
22 for fiscal year 2002 and (~~(\$470,000)~~) \$320,000 of the general fund--
23 state appropriation for fiscal year 2003 are provided solely for the
24 rural economic (~~development activities including \$200,000 for the~~
25 ~~Washington manufacturing service, and \$100,000 for business retention~~
26 ~~and expansion~~) opportunity fund.

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

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

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

1 (9) \$205,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$205,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for grants to Washington Columbia
4 river gorge counties to implement their responsibilities under the
5 national scenic area management plan. Of this amount, \$390,000 is
6 provided for Skamania county and \$20,000 is provided for Clark county.

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

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

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

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

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

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

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

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

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

12 (18) \$880,000 of the public safety and education account
13 appropriation is provided solely for community-based legal advocates to
14 assist sexual assault victims with both civil and criminal justice
15 issues. If Senate Bill No. 5309 is not enacted by June 30, 2001, the
16 amount provided in this subsection shall lapse.

17 (19) \$65,000 of the general fund--state appropriation for fiscal
18 year 2002 and \$65,000 of the general fund--state appropriation for
19 fiscal year 2003 are provided solely for a contract with a food
20 distribution program for communities in the southwestern portion of the
21 state and for workers impacted by timber and salmon fishing closures
22 and reductions. The department may not charge administrative overhead
23 or expenses to the funds provided in this subsection.

24 (20) \$120,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$120,000 of the (~~general fund--state~~) Washington
26 housing trust account appropriation for fiscal year 2003 are provided
27 solely as one-time pass-through funding to currently licensed overnight
28 youth shelters. If Substitute House Bill No. 2060 (low-income housing)
29 is not enacted by June 30, 2002, the fiscal year 2003 appropriation
30 shall be made from the state general fund.

31 (21) \$1,868,000 of the Washington housing trust account
32 appropriation for fiscal year 2003 is provided solely for emergency
33 shelter assistance. If Substitute House Bill No. 2060 (low-income
34 housing) is not enacted by June 30, 2002, the fiscal year 2003
35 appropriation shall be made from the state general fund.

36 (22) Repayments of outstanding loans granted under RCW 43.63A.600,
37 the mortgage and rental assistance program, shall be remitted to the
38 department, including any current revolving account balances. The
39 department shall contract with a lender or contract collection agent to

1 act as a collection agent of the state. The lender or contract
2 collection agent shall collect payments on outstanding loans, and
3 deposit them into an interest-bearing account. The funds collected
4 shall be remitted to the department quarterly. Interest earned in the
5 account may be retained by the lender or contract collection agent, and
6 shall be considered a fee for processing payments on behalf of the
7 state. Repayments of loans granted under this chapter shall be made to
8 the lender or contract collection agent as long as the loan is
9 outstanding, notwithstanding the repeal of the chapter.

10 ~~((+22))~~ (23) \$75,000 of the general fund--state appropriation for
11 fiscal year 2002 ~~((and \$75,000 of the general fund--state appropriation
12 for fiscal year 2003 are))~~ is provided solely for the community
13 connections program in Walla Walla.

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

28 ~~((+24))~~ (25) \$91,500 of the general fund--state appropriation for
29 fiscal year 2002 and \$91,500 of the general fund--state appropriation
30 for fiscal year 2003 are provided solely for services related to the
31 foreign representative contract for Japan.

32 ~~((+25))~~ (26) \$81,000 of the general fund--state appropriation for
33 fiscal year 2002 ~~((and \$81,000 of the general fund--state appropriation
34 for fiscal year 2003 are))~~ is provided solely for business finance and
35 loan programs.

36 ~~((+26))~~ (27) \$150,000 of the general fund--state appropriation for
37 fiscal year 2002 is provided solely for the quick sites initiative
38 program.

1 (~~(27)~~) (28) \$120,000 of the general fund--state appropriation for
2 fiscal year 2002 (~~and \$120,000 of the general fund state~~
3 ~~appropriation for fiscal year 2003 are~~) is provided solely for
4 operating a business information hotline.

5 (~~(28)~~) (29) \$29,000 of the general fund--state appropriation for
6 fiscal year 2002 (~~and \$29,000 of the general fund state appropriation~~
7 ~~for fiscal year 2003 are~~) is provided solely for travel expenses
8 associated with the office of trade and economic development's
9 provision of outreach and technical assistance services to businesses
10 and local economic development associations.

11 (~~(29)~~) (30) \$100,000 of the general fund--state appropriation for
12 fiscal year 2002 and \$100,000 of the general fund--state appropriation
13 for fiscal year 2003 are provided solely for information technology
14 enhancements designed to improve the delivery of agency services to
15 customers.

16 (31) \$300,000 of the general fund--state appropriation for fiscal
17 year 2003 is provided to reimburse nonprofit associations engaged in
18 the production and performance of musical, dance, artistic, dramatic,
19 or literary works for the benefit of the general public for back
20 leasehold excise taxes assessed by the department of revenue.

21 (32) \$10,111,682 of the general fund--federal appropriation is
22 provided solely for the drug control and system improvement formula
23 grant program, to be distributed in state fiscal year 2003 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (33) \$165,000 of the building code council account appropriation
30 for fiscal year 2003 is provided solely for the state building code
31 council pursuant to Senate Bill No. 5352 (building code council fee
32 increase). If the bill is not enacted by June 30, 2002, the amount
33 provided in this subsection shall lapse.

34 (34) \$202,000 of the mobile home park relocation account
35 appropriation for fiscal year 2003 is provided solely for the
36 department to administer the mobile home relocation assistance program
37 as provided by Second Substitute Senate Bill No. 5354 (mobile home
38 relocation assistance fee). If the bill is not enacted by June 30,
39 2002, the amount provided in this subsection shall lapse.

1 (35) The appropriations in this section reflect a reduction of
2 \$504,000 from the general fund--state appropriation for fiscal year
3 2003. To implement this reduction, the office of trade and economic
4 development shall take actions consistent with its mission, goals, and
5 objectives to reduce operating costs. Such action, to the greatest
6 extent possible, shall maintain direct payments to service providers,
7 grants to other entities, and other pass-through funds. Examples of
8 actions that may be taken to effect this reduction include hiring
9 freezes, employee furloughs, staffing reductions, restricted travel and
10 training, delaying purchases of equipment, and limiting personal
11 service contracts.

12 (36) \$40,000 of the general fund--state appropriation for fiscal
13 year 2003 is provided solely to implement the state task force on
14 funding for community-based services to victims of crime as provided in
15 Senate Bill No. 6763. If the bill is not enacted by June 30, 2002, the
16 amount provided in this subsection shall lapse.

17 (37) The appropriations in this section reflect a reduction of
18 \$1,641,000 from the general fund--state appropriation for fiscal year
19 2003. To implement this reduction, the office of community development
20 shall take actions consistent with its mission, goals, and objectives
21 to reduce operating costs. Such action, to the greatest extent
22 possible, shall maintain direct payments to service providers, grants
23 to other entities, and other pass-through funds. Examples of actions
24 that may be taken to effect this reduction include hiring freezes,
25 employee furloughs, staffing reductions, restricted travel and
26 training, delaying purchases of equipment, and limiting personal
27 service contracts.

28 ***Sec. 125 was partially vetoed. See message at end of chapter.**

29 **Sec. 126.** 2001 2nd sp.s. c 7 s 128 (uncodified) is amended to read
30 as follows:

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

32	General Fund--State Appropriation (FY 2002) . . . \$	512,000
33	General Fund--State Appropriation (FY 2003) . . . \$	((514,000))
34		<u>499,000</u>
35	TOTAL APPROPRIATION \$	((1,026,000))
36		<u>1,011,000</u>

1 **Sec. 127.** 2001 2nd sp.s. c 7 s 129 (uncodified) is amended to read
2 as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

4	General Fund--State Appropriation (FY 2002) . . . \$	12,456,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((12,024,000))
6		<u>12,508,000</u>
7	General Fund--Federal Appropriation \$	23,657,000
8	Violence Reduction and Drug Enforcement	
9	Account--State Appropriation \$	((229,000))
10		<u>226,000</u>
11	State Auditing Services Revolving	
12	Account--State Appropriation \$	25,000
13	TOTAL APPROPRIATION \$	((48,391,000))
14		<u>48,872,000</u>

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

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

27 (2) State agencies that provide services to other state agencies
28 are expected to reduce their expenditures and to share the savings with
29 their clients. The office of financial management shall achieve a
30 reduction of \$339,000 in its billings for financial system services
31 purchased by state agencies in fiscal year 2003. The reduction is
32 expected to result from both reduced demand for services and reduced
33 rates.

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

1 (4) \$350,000 of the general fund--state appropriation for fiscal
2 year 2003 is provided solely for an assessment and performance scoring
3 of state agencies and separate systemwide performance audits of two
4 governmental functions: State capital construction practices and state
5 contracting practices.

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

8 (i) Quality and process management practices;

9 (ii) Independent and internal audit functions;

10 (iii) Internal and external customer satisfaction;

11 (iv) Program effectiveness;

12 (v) Fiscal productivity and efficiency; and

13 (vi) Statutory and regulatory compliance.

14 Each agency shall be graded on the categories selected for the
15 scorecard. The office of financial management shall submit the results
16 of the performance scoring, forward recommendations for legislation to
17 the governor and the appropriate committees of the legislature by
18 November 30, 2002, and release the results of the performance scoring
19 to the public.

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

25 (A) Validity and reliability of management's performance measures;

26 (B) A review of internal controls and internal audits;

27 (C) The adequacy of systems used for measuring, reporting, and
28 monitoring performance;

29 (D) The extent to which legislative, regulatory, and organizational
30 goals and objectives are being achieved; and

31 (E) Identification and recognition of best practices.

32 (ii) The performance audit on state capital construction practices
33 shall include building projects, highway projects, and architectural
34 and engineering services. The following state agencies, at a minimum,
35 shall be subject to audit sampling: Department of transportation,
36 department of general administration, and state higher education
37 agencies.

38 (iii) The performance audit on state contracting practices shall
39 include state agencies with sufficient activity with personal services

1 contracts and other types of contracts to evaluate the state's
2 contracting practices.

3 (iv) The office of financial management shall grade the results of
4 the performance audits to indicate agencies' performance regarding
5 capital construction and contracting practices. The office of
6 financial management shall report findings from the performance audits
7 to the governor and appropriate legislative committees by November 30,
8 2002.

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

11 **Sec. 128.** 2001 2nd sp.s. c 7 s 130 (uncodified) is amended to read
12 as follows:

13 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**
14 Administrative Hearings Revolving Account--State

15	Appropriation	\$	((21,938,000))
16			<u>22,394,000</u>

17 **Sec. 129.** 2001 2nd sp.s. c 7 s 131 (uncodified) is amended to read
18 as follows:

19 **FOR THE DEPARTMENT OF PERSONNEL**
20 Department of Personnel Service Account--State

21	Appropriation	\$	((17,297,000))
22			<u>17,035,000</u>
23	Higher Education Personnel Services Account--State		
24	Appropriation	\$	1,636,000
25	TOTAL APPROPRIATION	\$	((18,933,000))
26			<u>18,671,000</u>

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

29 (1) The department of personnel may charge agencies through the
30 data processing revolving account up to \$561,000 in fiscal year 2002 to
31 study the development of a new personnel and payroll system. The
32 unexpended amount of \$545,000 shall be refunded to agencies in the form
33 of reduced agency billings in fiscal year 2003.

34 (2) Funding to cover ((these)) expenses under subsection (1) of
35 this section shall be realized from agency FICA savings associated with

1 the pretax benefits contributions plans. Funding is subject to section
2 902 of this act.

3 **Sec. 130.** 2001 2nd sp.s. c 7 s 132 (uncodified) is amended to read
4 as follows:

5 **FOR THE WASHINGTON STATE LOTTERY**

6 Lottery Administrative Account--State

7 Appropriation \$ ((22,130,000))
8 21,795,000

9 NEW SECTION. **Sec. 131.** A new section is added to 2001 2nd sp.s.
10 c 7 (uncodified) to read as follows:

11 **STATE GAMBLING COMMISSION.** The state gambling commission is
12 directed to reduce its fiscal year 2003 expenditures from the gambling
13 revolving account by the amount of \$450,000.

14 **Sec. 132.** 2001 2nd sp.s. c 7 s 133 (uncodified) is amended to read
15 as follows:

16 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

17 General Fund--State Appropriation (FY 2002) . . . \$ 226,000
18 General Fund--State Appropriation (FY 2003) . . . \$ ((234,000))
19 210,000
20 TOTAL APPROPRIATION \$ ((460,000))
21 436,000

22 **Sec. 133.** 2001 2nd sp.s. c 7 s 134 (uncodified) is amended to read
23 as follows:

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

25 General Fund--State Appropriation (FY 2002) . . . \$ 211,000
26 General Fund--State Appropriation (FY 2003) . . . \$ ((209,000))
27 207,000
28 TOTAL APPROPRIATION \$ ((420,000))
29 418,000

30 **Sec. 134.** 2001 2nd sp.s. c 7 s 135 (uncodified) is amended to read
31 as follows:

32 **FOR THE PERSONNEL APPEALS BOARD**

33 Department of Personnel Service Account--State

34 Appropriation \$ ((1,679,000))

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

6 **Sec. 135.** 2001 2nd sp.s. c 7 s 136 (uncodified) is amended to read
7 as follows:

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

9	Dependent Care Administrative Account--State	
10	Appropriation	\$ 378,000
11	Department of Retirement Systems Expense Account--	
12	State Appropriation	\$ ((49,562,000))
13		<u>49,183,000</u>
14	TOTAL APPROPRIATION	\$ ((49,940,000))
15		<u>49,561,000</u>

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

18 (1) \$1,000,000 of the department of retirement systems expense
19 account appropriation is provided solely for support of the information
20 systems project known as the electronic document image management
21 system.

22 (2) \$120,000 of the department of retirement systems expense
23 account appropriation is provided solely for locating inactive members
24 entitled to retirement benefits.

25 (3) \$117,000 of the department of retirement systems expense
26 account appropriation is provided solely for modifications to the
27 retirement information systems to accommodate tracking of
28 postretirement employment on an hourly basis.

29 (4) \$440,000 of the department of retirement systems expense
30 account appropriation is provided solely for the implementation of
31 Engrossed Senate Bill No. 5143 (Washington state patrol retirement
32 systems plan 2).

33 (5) \$6,420,000 of the department of retirement systems expense
34 account appropriation is provided solely for the implementation of
35 public employees' retirement system plan 3 (chapter 247, Laws of 2000).

1 (6) (~~(\$101,000 of the department of retirement systems expense~~
2 ~~account state appropriation is provided solely to implement Senate~~
3 ~~Bill No. 5144 (LEOFF survivor benefit). If the bill is not enacted by~~
4 ~~July 31, 2001, the amount provided in this subsection shall lapse.~~

5 (7) ~~\$744,000 of the department of retirement systems expense~~
6 ~~account state appropriation is provided solely to implement Second~~
7 ~~Engrossed Substitute Senate Bill No. 6166 (LEOFF restructuring). If~~
8 ~~the bill is not enacted by July 31, 2001, the amount provided in this~~
9 ~~subsection shall lapse.))~~ \$96,000 of the department of retirement
10 systems expense account appropriation is provided solely for the
11 implementation of Senate Bill No. 6376 (PERS plan 3 transfer payment).
12 If the bill is not enacted by June 30, 2002, the amount provided in
13 this subsection shall lapse.

14 (7) \$9,000 of the department of retirement systems expense account
15 appropriation is provided solely for the implementation of Senate Bill
16 No. 6377 (TRS plan 1 extended school year). If the bill is not enacted
17 by June 30, 2002, the amount provided in this subsection shall lapse.

18 (8) \$12,000 of the department of retirement systems expense account
19 appropriation is provided solely for the implementation of Senate Bill
20 No. 6378 (LEOFF plan 2 part-time leave of absence). If the bill is not
21 enacted by June 30, 2002, the amount provided in this subsection shall
22 lapse.

23 (9) \$122,000 of the department of retirement systems expense
24 account appropriation is provided solely for the implementation of
25 Senate Bill No. 6379 (transferring service credit to WSPRS). If the
26 bill is not enacted by June 30, 2002, the amount provided in this
27 subsection shall lapse.

28 (10) \$651,000 of the department of retirement systems expense
29 account appropriation is provided solely for the implementation of
30 Engrossed Senate Bill No. 6380 (survivor benefits). If the bill is not
31 enacted by June 30, 2002, the amount provided in this subsection shall
32 lapse.

33 (11) \$53,000 of the department of retirement systems expense
34 account appropriation is provided solely for the implementation of
35 Senate Bill No. 6381 (PERS plan 1 terminated vested). If the bill is
36 not enacted by June 30, 2002, the amount provided in this subsection
37 shall lapse.

38 (12) \$130,000 of the department of retirement systems expense
39 account appropriation for fiscal year 2003 is provided solely for the

1 implementation of House Bill No. 2896 (EMT service credit transfer).
2 If the bill is not enacted by June 30, 2002, the amount provided in
3 this subsection shall lapse.

4 (13) The appropriations in this section are reduced to reflect
5 savings resulting from a 0.01 percent reduction of the department of
6 retirement systems administrative expense rate, effective May 1, 2002,
7 from 0.23 to 0.22 for the remainder of the 2001-03 biennium.

8 **Sec. 136.** 2001 2nd sp.s. c 7 s 137 (uncodified) is amended to read
9 as follows:

10 **FOR THE STATE INVESTMENT BOARD**

11 State Investment Board Expense Account--State
12 Appropriation \$ ((12,876,000))
13 13,461,000

14 ***Sec. 137.** 2001 2nd sp.s. c 7 s 138 (uncodified) is amended to
15 read as follows:

16 **FOR THE DEPARTMENT OF REVENUE**

17 General Fund--State Appropriation (FY 2002) . . . \$ ((72,820,000))
18 72,823,000
19 General Fund--State Appropriation (FY 2003) . . . \$ ((72,387,000))
20 78,149,000
21 Timber Tax Distribution Account--State
22 Appropriation \$ 5,131,000
23 Waste Education/Recycling/Litter Control--State
24 Appropriation \$ 101,000
25 State Toxics Control Account--State
26 Appropriation \$ 67,000
27 Oil Spill Administration Account--State
28 Appropriation \$ 14,000
29 Multimodal Transportation Account--State
30 Appropriation \$ 109,000
31 TOTAL APPROPRIATION \$ ((150,520,000))
32 156,394,000

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

35 (1) \$269,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$49,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided solely to establish and provide staff
2 support to a committee on taxation to study the elasticity, equity, and
3 adequacy of the state's tax system.

4 ((+1)) (a) The committee shall consist of eleven members. The
5 department shall appoint six academic scholars from the fields of
6 economics, taxation, business administration, public administration,
7 public policy, and other relevant disciplines as determined by the
8 department, after consulting with the majority and minority leaders in
9 the senate, the co-speakers in the house of representatives, the chair
10 of the ways and means committee in the senate, and the co-chairs of the
11 finance committee in the house of representatives. The governor and
12 the chairs of the majority and minority caucuses in each house of the
13 legislature shall each appoint one member to the committee. These
14 appointments may be legislative members. The members of the committee
15 shall either elect a voting chair from among their membership or a
16 nonvoting chair who is not a member of the committee. Members of the
17 committee shall serve without compensation but shall be reimbursed for
18 travel expenses under RCW 43.03.050 and 43.03.060.

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

38 ((+3)) (c) The department shall create an advisory group to
39 include, but not be limited to, representatives of business, state

1 agencies, local governments, labor, taxpayers, and other advocacy
2 groups. The group shall provide advice and assistance to the
3 committee.

4 ~~((+4))~~ (d) The committee shall present a final report of its
5 findings and alternatives to the ways and means committee in the senate
6 and the finance committee in the house of representatives by November
7 30, 2002.

8 (2) \$90,000 of the general fund--state appropriation for fiscal
9 year 2003 is provided solely for the department to conduct a study of
10 tax incentives.

11 (a) The tax incentives covered by the study shall include the
12 following:

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

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

17 (iii) The business and occupation tax jobs credit under chapter
18 82.62 RCW;

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

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

23 (vi) The high technology business and occupation tax credit under
24 RCW 82.04.4452;

25 (vii) The high technology sales tax deferral/exemption in chapter
26 82.63 RCW; and

27 (viii) The manufacturing, research and development, and testing
28 operations sales and use tax exemptions under RCW 82.08.02565 and
29 82.12.02565.

30 (b) Taxpayer participation in the study is voluntary. Taxpayer
31 information used in the study is confidential under the provisions of
32 chapter 82.32 RCW. Additionally, the identity of any study
33 participants may not be disclosed.

34 (c) The purpose of the study is to allow the legislature to
35 evaluate the success of tax incentives in terms of job creation,
36 product development, and other factors that are considered a return on
37 investment of public funds. The study shall include information such
38 as the amount of the incentive taken, the annual number of net new jobs
39 as a result of the incentive, current employment, number of new

1 products developed, the types and amounts of other taxes paid, whether
2 the business expanded or is located in a certain area as a result of
3 the incentive, and other information determined by the department to be
4 relevant to the study.

5 (d) The department shall report to the appropriate legislative
6 committees of the senate and house of representatives by November 30,
7 2002.

8 (3) \$109,000 of the multimodal transportation account--state
9 appropriation for fiscal year 2003 is provided solely for the
10 department to implement the provisions of House Bill No. 2969
11 (transportation). If the bill is not enacted by January 1, 2003, the
12 amount provided in this subsection shall lapse. Further, the amount
13 provided in this subsection shall lapse to the extent that funds are
14 provided for this purpose in the transportation appropriations act.

15 (4) \$3,000 of the general fund--state appropriation for fiscal year
16 2002 and \$111,000 of the general fund--state appropriation for fiscal
17 year 2003 are provided solely for the department to implement the
18 provisions of House Bill No. 2658 (municipal business and occupation
19 tax). If the bill is not enacted by June 30, 2002, the amount provided
20 in this subsection shall lapse.

21 *Sec. 137 was partially vetoed. See message at end of chapter.

22 **Sec. 138.** 2001 2nd sp.s. c 7 s 139 (uncodified) is amended to read
23 as follows:

24 **FOR THE BOARD OF TAX APPEALS**

25	General Fund--State Appropriation (FY 2002) . . . \$	1,193,000
26	General Fund--State Appropriation (FY 2003) . . . \$	((1,038,000))
27		<u>1,007,000</u>
28	TOTAL APPROPRIATION \$	((2,231,000))
29		<u>2,200,000</u>

30 **Sec. 139.** 2001 2nd sp.s. c 7 s 142 (uncodified) is amended to read
31 as follows:

32 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

33	General Fund--State Appropriation (FY 2002) . . . \$	549,000
34	General Fund--State Appropriation (FY 2003) . . . \$	((630,000))
35		<u>655,000</u>
36	General Fund--Federal Appropriation \$	1,930,000
37	General Fund--Private/Local Appropriation \$	((444,000))

1		<u>223,000</u>
2	State Capitol Vehicle Parking Account--	
3	State Appropriation	\$ 154,000
4	General Administration Services Account--State	
5	Appropriation	\$ ((41,419,000))
6		<u>39,546,000</u>
7	TOTAL APPROPRIATION	\$ ((45,126,000))
8		<u>43,057,000</u>

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

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

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

33 (3) \$44,000 of the general fund--state appropriation for fiscal
34 year 2003 is provided solely for the department to implement the waste
35 management and recycling provisions of Substitute House Bill No. 2308
36 (encouraging recycling and waste reduction). If the bill is not
37 enacted by June 30, 2002, the amount provided in this subsection shall
38 lapse.

1 (4) State agencies that provide services to other state agencies
2 are expected to reduce their expenditures and to share the savings with
3 their clients. The department of general administration shall achieve
4 a reduction of \$1,302,000 in its billings for motor pool, consolidated
5 mail, and other services that state agencies purchase in fiscal year
6 2003. The reduction is expected to result from both reduced demand for
7 services and reduced rates.

8 **Sec. 140.** 2001 2nd sp.s. c 7 s 143 (uncodified) is amended to
9 read as follows:

10 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

11 Data Processing Revolving Account--State

12	Appropriation	\$	((3,706,000))
13			<u>3,610,000</u>

14 The appropriation in this section is subject to the following
15 conditions and limitations:

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

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

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

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

35 (5) State agencies that provide services to other state agencies
36 are expected to reduce their expenditures and to share the savings with
37 their clients. The department of information services shall achieve a

1 reduction of \$1,995,000 in its billings for services purchased by state
2 agencies in fiscal year 2003. The reduction is expected to result from
3 both reduced demand for services and reduced rates.

4 **Sec. 141.** 2001 2nd sp.s. c 7 s 144 (uncodified) is amended to
5 read as follows:

6 **FOR THE INSURANCE COMMISSIONER**

7	General Fund--Federal Appropriation	\$	622,000
8	Insurance Commissioners Regulatory Account--State		
9	Appropriation	\$	((29,053,000))
10			<u>29,928,000</u>
11	TOTAL APPROPRIATION	\$	((29,675,000))
12			<u>30,550,000</u>

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

19 **Sec. 142.** 2001 2nd sp.s. c 7 s 147 (uncodified) is amended to
20 read as follows:

21 **FOR THE HORSE RACING COMMISSION**

22	Horse Racing Commission Account--State		
23	Appropriation	\$	((4,504,000))
24			<u>4,436,000</u>

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

27 **FOR THE LIQUOR CONTROL BOARD**

28	General Fund--State Appropriation (FY 2002)	\$	1,483,000
29	General Fund--State Appropriation (FY 2003)	\$	((1,484,000))
30			<u>1,439,000</u>
31	<u>General Fund--Federal Appropriation (FY 2003)</u>	<u>\$</u>	<u>99,000</u>
32	Liquor Control Board Construction and Maintenance		
33	Account--State Appropriation	\$	((8,114,000))
34			<u>9,684,000</u>
35	Liquor Revolving Account--State		

1	Appropriation	\$	((142,148,000))
2			<u>125,927,000</u>
3	TOTAL APPROPRIATION	\$	((153,229,000))
4			<u>138,632,000</u>

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

7 (1) \$1,573,000 of the liquor revolving account appropriation is
8 provided solely for the agency information technology upgrade. This
9 amount provided in this subsection is conditioned upon satisfying the
10 requirements of section 902 of this act.

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

19 (3) \$84,000 of the liquor control board construction and
20 maintenance account appropriation for fiscal year 2003 is provided
21 solely for the liquor control board to employ additional staff during
22 the holiday season to handle the expected increase in sales volume at
23 the Seattle distribution center.

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

26 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

27 Public Service Revolving Account--State

28	Appropriation	\$	((27,108,000))
29			<u>26,702,000</u>

30 Pipeline Safety Account--State

31	Appropriation	\$	3,305,000
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32 Pipeline Safety Account--Federal

33	Appropriation	\$	822,000
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34	TOTAL APPROPRIATION	\$	((31,235,000))
35			<u>30,829,000</u>

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

3 (1) \$3,011,000 of the pipeline safety account--state appropriation
4 and \$822,000 of the pipeline safety account--federal appropriation are
5 provided solely for the implementation of Substitute Senate Bill No.
6 5182 (pipeline safety). If the bill is not enacted by June 30, 2001,
7 the amount provided in this subsection shall lapse.

8 (2) \$294,000 of the pipeline safety account--state appropriation
9 is provided solely for an interagency agreement with the joint
10 legislative audit and review committee for a report on hazardous liquid
11 and gas pipeline safety programs. The committee shall review staff
12 use, inspection activity, fee methodology, and costs of the hazardous
13 liquid and gas pipeline safety programs and report to the appropriate
14 legislative committees by July 1, 2003. The report shall include a
15 comparison of interstate and intrastate programs, including but not
16 limited to the number and complexity of regular and specialized
17 inspections, mapping requirements for each program, and allocation of
18 administrative costs to each program. If Substitute Senate Bill No.
19 5182 (pipeline safety) is not enacted by June 30, 2001, the amount
20 provided in this section shall lapse.

21 **Sec. 145.** 2001 2nd sp.s. c 7 s 151 (uncodified) is amended to
22 read as follows:

23 **FOR THE MILITARY DEPARTMENT**

24	General Fund--State Appropriation (FY 2002) . . . \$	9,165,000
25	General Fund--State Appropriation (FY 2003) . . . \$	((8,979,000))
26		<u>8,710,000</u>
27	General Fund--Federal Appropriation \$	22,509,000
28	General Fund--Private/Local Appropriation . . . \$	234,000
29	Enhanced 911 Account--State Appropriation . . . \$	((16,544,000))
30		<u>20,269,000</u>
31	Disaster Response Account--State Appropriation \$	((582,000))
32		<u>2,010,000</u>
33	Disaster Response Account--Federal Appropriation \$	((3,392,000))
34		<u>6,510,000</u>
35	Worker and Community Right to Know Fund--State	
36	Appropriation \$	283,000
37	Nisqually Earthquake Account--State	
38	Appropriation \$	((37,884,000))

1		<u>29,027,000</u>
2	Nisqually Earthquake Account--Federal	
3	Appropriation	\$ ((157,795,000))
4		<u>49,641,000</u>
5	TOTAL APPROPRIATION	\$ ((257,367,000))
6		<u>148,358,000</u>

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

9 (1) ((\$582,000)) \$1,906,000 of the disaster response account--
10 state appropriation is provided solely for the state share of response
11 and recovery costs associated with federal emergency management agency
12 (FEMA) disasters approved in the 1999-01 biennium budget. The military
13 department may, upon approval of the director of financial management,
14 use portions of the disaster response account--state appropriation to
15 offset costs of new disasters occurring before June 30, 2003. The
16 military department shall submit a report quarterly to the office of
17 financial management and the legislative fiscal committees detailing
18 disaster costs, including: (a) Estimates of total costs; (b)
19 incremental changes from the previous estimate; (c) actual
20 expenditures; (d) estimates of total remaining costs to be paid; and
21 (d) estimates of future payments by biennium. This information shall
22 be displayed by individual disaster, by fund, and by type of
23 assistance. The military department shall also submit a report
24 quarterly to the office of financial management and the legislative
25 fiscal committees detailing information on the disaster response
26 account, including: (a) The amount and type of deposits into the
27 account; (b) the current available fund balance as of the reporting
28 date; and (c) the projected fund balance at the end of the 2001-03
29 biennium based on current revenue and expenditure patterns.

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

34 (3) \$60,000 of the general fund--state appropriation for fiscal
35 year 2002 and \$60,000 of the general fund--state appropriation for
36 fiscal year 2003 are provided solely for the implementation of Senate
37 Bill No. 5256 (emergency management compact). If the bill is not

1 enacted by June 30, 2001, the amounts provided in this subsection shall
2 lapse.

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

7 (5) (~~(\$1,374,000)~~) \$2,145,000 of the Nisqually earthquake
8 account--state appropriation and (~~(\$3,861,000)~~) \$4,174,000 of the
9 Nisqually earthquake account--federal appropriation are provided solely
10 for the military department's costs associated with coordinating the
11 state's response to the February 28, 2001, earthquake.

12 (6) (~~(\$1,347,000)~~) \$678,000 of the Nisqually earthquake account--
13 state appropriation and (~~(\$5,359,000)~~) \$3,420,000 of the Nisqually
14 earthquake account--federal appropriation are provided solely for
15 mitigation costs associated with the earthquake for state and local
16 agencies. Of the amount from the Nisqually earthquake account--state
17 appropriation, (~~(\$898,000)~~) \$217,000 is provided for the state matching
18 share for state agencies and (~~(\$449,000)~~) \$462,000 is provided for one-
19 half of the local matching share for local entities. The amount
20 provided for the local matching share constitutes a revenue
21 distribution for purposes of RCW 43.135.060(1).

22 (7) (~~(\$35,163,000)~~) \$8,970,000 of the Nisqually earthquake
23 account--state appropriation and (~~(\$148,575,000)~~) \$42,047,000 of the
24 Nisqually earthquake account--federal appropriation are provided solely
25 for public assistance costs associated with the earthquake for state
26 and local agencies. Of the amount from the Nisqually earthquake
27 account--state appropriation, (~~(\$20,801,000)~~) \$3,924,000 is provided
28 for the state matching share for state agencies and (~~(\$14,362,000)~~)
29 \$5,046,000 is provided for one-half of the local matching share for
30 local entities. The amount provided for the local matching share
31 constitutes a revenue distribution for purposes of RCW 43.135.060(1).

32 (~~(Upon approval of the director of financial management, the military
33 department may use portions of the Nisqually earthquake account--state
34 appropriations to cover other response and recovery costs associated
35 with the Nisqually earthquake that are not eligible for federal
36 emergency management agency reimbursement. The military department is
37 to submit a quarterly report detailing the costs authorized under this
38 subsection to the office of financial management and the legislative
39 fiscal committees.))~~)

1 (8) \$17,234,000 of the Nisqually earthquake account--state
2 appropriation is provided solely to cover other response and recovery
3 costs associated with the Nisqually earthquake that are not eligible
4 for federal emergency management agency reimbursement. Prior to
5 expending funds provided in this subsection, the military department
6 shall obtain prior approval of the director of financial management.
7 Prior to approving any single project of over \$1,000,000, the office of
8 financial management shall notify the fiscal committees of the
9 legislature. The military department is to submit a quarterly report
10 detailing the costs authorized under this subsection to the office of
11 financial management and the legislative fiscal committees.

12 (9) \$2,818,000 of the enhanced 911 account--state appropriation is
13 provided solely for the implementation of Engrossed Second Substitute
14 Senate Bill No. 6034 or House Bill No. 2595 (enhanced 911 excise tax).
15 If neither bill is enacted by June 30, 2002, the amount provided in
16 this subsection shall lapse.

17 **Sec. 146.** 2001 2nd sp.s. c 7 s 152 (uncodified) is amended to
18 read as follows:

19 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

20	General Fund--State Appropriation (FY 2002) . . . \$	((2,154,000))
21		<u>2,225,000</u>
22	General Fund--State Appropriation (FY 2003) . . . \$	((2,164,000))
23		<u>2,339,000</u>
24	TOTAL APPROPRIATION \$	((4,318,000))
25		<u>4,564,000</u>

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

28 (1) \$71,000 of the general fund--state appropriation for fiscal
29 year 2002 and \$214,000 of the general fund--state appropriation for
30 fiscal year 2003 are provided solely for the purpose of implementing
31 requirements associated with Initiative Measure No. 775 (home care
32 workers).

33 (2) \$47,000 of the general fund--state appropriation for fiscal
34 year 2003 is provided solely to implement House Bill No. 2403 and House
35 Bill No. 2540 (higher education collective bargaining). If House Bill
36 No. 2403 is not enacted by June 30, 2002, the amount provided in this
37 subsection shall lapse.

1 **Sec. 147.** 2001 2nd sp.s. c 7 s 153 (uncodified) is amended to
2 read as follows:

3 **FOR THE GROWTH PLANNING HEARINGS BOARD**

4	General Fund--State Appropriation (FY 2002) . . . \$	1,497,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((1,506,000))
6		<u>1,461,000</u>
7	TOTAL APPROPRIATION \$	((3,003,000))
8		<u>2,958,000</u>

9 (End of part)

1 PART II
2 HUMAN SERVICES

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

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

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

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

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

1 department shall not transfer state moneys that are provided solely for
2 a specified purpose except as expressly provided in subsection (3)(b)
3 of this section.

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

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

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

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

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

29	General Fund--State Appropriation (FY 2002) . . . \$	((225,789,000))
30		<u>225,104,000</u>
31	General Fund--State Appropriation (FY 2003) . . . \$	((239,013,000))
32		<u>231,042,000</u>
33	General Fund--Federal Appropriation \$	(372,408,000))
34		<u>369,403,000</u>
35	General Fund--Private/Local Appropriation . . . \$	400,000
36	Public Safety and Education Account--	
37	State Appropriation \$	((987,000))
38		<u>964,000</u>

1 Violence Reduction and Drug Enforcement Account--
2 State Appropriation \$ ((5,702,000))
3 5,639,000
4 TOTAL APPROPRIATION \$ ((844,299,000))
5 832,552,000

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

8 (1) \$2,237,000 of the fiscal year 2002 general fund--state
9 appropriation, (~~(\$2,288,000)~~) \$2,271,000 of the fiscal year 2003
10 general fund--state appropriation, and (~~(\$1,590,000)~~) \$1,584,000 of the
11 general fund--federal appropriation are provided solely for the
12 category of services titled "intensive family preservation services."

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

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

1 successfully performed under the existing pediatric interim care
2 program.

3 (4) \$1,260,000 of the fiscal year 2002 general fund--state
4 appropriation, \$1,248,000 of the fiscal year 2003 general fund--state
5 appropriation, and (~~(\$4,196,000)~~) \$4,150,000 of the violence reduction
6 and drug enforcement account appropriation are provided solely for the
7 family policy council and community public health and safety networks.
8 The funding level for the family policy council and community public
9 health and safety networks represents a 25 percent reduction below the
10 funding level for the 1999-2001 biennium. Funding levels shall be
11 reduced 25 percent for both the family policy council and network
12 grants. Reductions to network grants shall be allocated so as to
13 maintain current funding levels, to the greatest extent possible, for
14 projects with the strongest evidence of positive outcomes and for
15 networks with substantial compliance with contracts for network grants.

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

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

1 progress against appropriate baseline measures for foster parent
2 retention and stability of foster placements.

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

18 (8) \$3,386,000 of the fiscal year 2002 general fund--state
19 appropriation, (~~(\$7,671,000)~~) \$5,710,000 of the fiscal year 2003
20 general fund--state appropriation, and (~~(\$20,819,000)~~) \$19,819,000 of
21 the general fund--federal appropriation are provided solely for
22 increases in the cost per case for foster care and adoption support.
23 \$16,000,000 of the general fund--federal amount shall remain unallotted
24 until the office of financial management approves a plan submitted by
25 the department to achieve a higher rate of federal earnings in the
26 foster care program. That plan shall also be submitted to the fiscal
27 committees of the legislature and shall indicate projected federal
28 revenue compared to actual fiscal year 2001 levels. Within the amounts
29 provided for foster care, the department shall increase the basic rate
30 for foster care to an average of \$420 per month on July 1, 2001(~~(, and~~
31 ~~to an average of \$440 per month on July 1, 2002)~~). The department
32 shall use the remaining funds provided in this subsection to pay for
33 increases in the cost per case for foster care and adoption support.
34 The department shall seek to control rate increases and reimbursement
35 decisions for foster care and adoption support cases such that the cost
36 per case for family foster care, group care, receiving homes, and
37 adoption support does not exceed the amount assumed in the projected
38 caseload expenditures plus the amounts provided in this subsection.

1 (9) \$1,767,000 of the general fund--state appropriation for fiscal
 2 year 2002, (~~(\$2,461,000)~~) \$1,767,000 of the general fund--state
 3 appropriation for fiscal year 2003, and (~~(\$1,485,000)~~) \$1,241,000 of
 4 the general fund--federal appropriation are provided solely for rate
 5 and capacity increases for child placing agencies. Child placing
 6 agencies shall increase their capacity by 15 percent in fiscal year
 7 2002 (~~and 30 percent in fiscal year 2003~~).

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

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

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

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

21 (~~(1) COMMUNITY SERVICES~~)

22	General Fund--State Appropriation (FY 2002) . . . \$	((36,625,000))
23		<u>83,151,000</u>
24	General Fund--State Appropriation (FY 2003) . . . \$	((38,125,000))
25		<u>79,107,000</u>
26	General Fund--Federal Appropriation \$	((14,609,000))
27		<u>13,803,000</u>
28	General Fund--Private/Local Appropriation . . . \$	((380,000))
29		<u>1,110,000</u>
30	Juvenile Accountability Incentive	
31	Account--Federal Appropriation \$	((9,361,000))
32		<u>10,461,000</u>
33	Public Safety and Education	
34	Account--State Appropriation \$	((6,196,000))
35		<u>6,047,000</u>
36	Violence Reduction and Drug Enforcement Account--	
37	State Appropriation \$	((21,972,000))
38		<u>37,174,000</u>

1 TOTAL APPROPRIATION \$ ((127,268,000))
2 230,853,000

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

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

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

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

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

1 (~~(e)~~) (5) \$100,000 of the general fund--state appropriation for
2 fiscal year 2002 and \$100,000 of the general fund--state appropriation
3 for fiscal year 2003 are provided solely for juvenile rehabilitation
4 administration to contract with the institute for public policy for
5 responsibilities assigned in chapter 338, Laws of 1997 (juvenile code
6 revisions).

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

11 (~~(g)~~) (7) \$423,000 of the general fund--state appropriation for
12 fiscal year 2002, (~~(\$924,000)~~) \$754,100 of the general fund--state
13 appropriation for fiscal year 2003, (~~(\$174,000)~~) \$152,000 of the
14 general fund--federal appropriation, (~~(\$196,000)~~) \$172,000 of the
15 public safety and education assistance account appropriation, and
16 (~~(\$690,000)~~) \$604,000 of the violence reduction and drug enforcement
17 account appropriation are provided solely to increase payment rates for
18 contracted service providers.

19 (~~(h)~~) (8) \$16,000 of the general fund--state appropriation for
20 fiscal year 2002 and \$16,000 of the general fund--state appropriation
21 for fiscal year 2003 are provided solely for the implementation of
22 chapter 167, Laws of 1999 (firearms on school property). The amounts
23 provided in this subsection are intended to provide funding for county
24 impacts associated with the implementation of chapter 167, Laws of
25 1999, and shall be distributed to counties as prescribed in the current
26 consolidated juvenile services (CJS) formula.

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

1 ~~((+j))~~ (10) \$6,000,000 of the public safety and education
2 account--state appropriation is provided solely for distribution to
3 county juvenile court administrators to fund the costs of processing
4 truancy, children in need of services, and at-risk youth petitions.
5 ~~((To the extent that distributions made under (i) and (j) of this
6 subsection and pursuant to section 801 of this act exceed actual costs
7 of processing truancy, children in need of services, and at risk youth
8 petitions, the department, in consultation with the respective juvenile
9 court administrator and the county, may approve expenditure of funds
10 provided in this subsection on other costs of the civil or criminal
11 justice system. When this occurs, the department shall notify the
12 office of financial management and the legislative fiscal committees.))~~
13 The department shall not retain any portion of these funds to cover
14 administrative or any other departmental costs. The department, in
15 conjunction with the juvenile court administrators, shall develop an
16 equitable funding distribution formula. The formula shall neither
17 reward counties with higher than average per-petition processing costs
18 nor shall it penalize counties with lower than average per-petition
19 processing costs.

20 ~~((+k))~~ (11) The distributions made under ~~((+i))~~ (9) and ~~((+j))~~
21 (10) of this subsection and distributions from the county criminal
22 justice assistance account made pursuant to section 801 of this act
23 constitute appropriate reimbursement for costs for any new programs or
24 increased level of service for purposes of RCW 43.135.060.

25 ~~((+l))~~ (12) Each quarter during the 2001-03 fiscal biennium, each
26 county shall report the number of petitions processed and the total
27 actual costs of processing the petitions in each of the following
28 categories: Truancy, children in need of services, and at-risk youth.
29 Counties shall submit the reports to the department no later than 45
30 days after the end of the quarter. The department shall forward this
31 information to the chair and ranking minority member of the house of
32 representatives appropriations committee and the senate ways and means
33 committee no later than 60 days after a quarter ends. These reports
34 are deemed informational in nature and are not for the purpose of
35 distributing funds.

36 ~~((+m))~~ (13) \$1,692,000 of the juvenile accountability incentive
37 account--federal appropriation is provided solely for the continued
38 implementation of a pilot program to provide for postrelease planning
39 and treatment of juvenile offenders with co-occurring disorders.

1 ~~((n))~~ (14) \$22,000 of the violence reduction and drug
2 enforcement account appropriation is provided solely for the evaluation
3 of the juvenile offender co-occurring disorder pilot program
4 implemented pursuant to (m) of this subsection.

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

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

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

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

27 ~~((2) INSTITUTIONAL SERVICES~~

28	General Fund State Appropriation (FY 2002) . . . \$	46,773,000
29	General Fund State Appropriation (FY 2003) . . . \$	48,735,000
30	General Fund Federal Appropriation \$	14,000
31	General Fund Private/Local Appropriation . . . \$	740,000
32	Violence Reduction and Drug Enforcement Account--	
33	State Appropriation \$	15,280,000
34	TOTAL APPROPRIATION \$	111,542,000

35 ~~The appropriations in this subsection are subject to the following~~
36 ~~conditions and limitations:)~~ (19) \$40,000 of the general fund--state
37 appropriation for fiscal year 2002 and ~~(\$84,000)~~ \$68,000 of the

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

3 ~~((3) PROGRAM SUPPORT~~

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

12 (20) \$945,000 of the general fund--state appropriation for fiscal
13 year 2003 is provided solely for providing additional research-based
14 services to the juvenile parole population. The juvenile
15 rehabilitation administration shall consult with the institute for
16 public policy in deciding which interventions to provide to the parole
17 population.

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

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

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

25 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

26	General Fund--State Appropriation (FY 2002) . . .	\$	((191,089,000))
27			<u>194,566,000</u>
28	General Fund--State Appropriation (FY 2003) . . .	\$	((194,884,000))
29			<u>177,206,000</u>
30	General Fund--Federal Appropriation	\$	((339,077,000))
31			<u>358,377,000</u>
32	General Fund--Local Appropriation	\$	((4,363,000))
33			<u>25,596,000</u>
34	Health Services Account--State		
35	Appropriation	\$	2,450,000
36	TOTAL APPROPRIATION	\$	((731,863,000))

1

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

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

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

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

1 support services for individuals leaving the state hospitals under this
2 subsection. The department shall first seek to contract with regional
3 support networks before offering a contract to any other party. The
4 funds appropriated in this subsection shall not be considered
5 "available resources" as defined in RCW 71.24.025 and are not subject
6 to the standard allocation formula applied in accordance with RCW
7 71.24.035(13)(a).

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

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

1 those percentages under the new formula, and provided that the
2 nonfederal share of the higher medicaid payment rate is provided by the
3 regional support network from 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
39 for funding; and (iii) matched on a one-quarter local, three-quarters

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

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

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

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

33 (k) The department shall cooperate with the department of
34 community, trade, and economic development to develop a proposal to
35 create a structurally and functionally independent mental health
36 ombudsman program. The proposal shall include recommendations about
37 the statutory and administrative changes needed to establish a
38 structurally and functionally independent ombudsman system. The

1 departments shall report to the appropriate policy and fiscal
2 committees of the legislature by November 1, 2002.

3 (2) INSTITUTIONAL SERVICES

4	General Fund--State Appropriation (FY 2002) . . . \$	((85,836,000))
5		<u>84,878,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((83,001,000))
7		<u>80,784,000</u>
8	General Fund--Federal Appropriation \$	(139,098,000))
9		<u>139,821,000</u>
10	General Fund--Private/Local Appropriation . . . \$	((29,289,000))
11		<u>29,532,000</u>
12	TOTAL APPROPRIATION \$	((337,224,000))
13		<u>335,015,000</u>

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

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

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

22 (c) The department shall seek to reduce the census of the two
23 state psychiatric hospitals by ((120)) 178 beds by April 2003 by
24 arranging and providing community residential, mental health, and other
25 support services for long-term state hospital patients whose treatment
26 needs constitute substantial barriers to community placement and who no
27 longer require active psychiatric treatment at an inpatient hospital
28 level of care, no longer meet the criteria for inpatient involuntary
29 commitment, and who are clinically ready for discharge from a state
30 psychiatric hospital. No such patient is to move from the hospital
31 until a team of community professionals has become familiar with the
32 person and their treatment plan; assessed their strengths, preferences,
33 and needs; arranged a safe, clinically-appropriate, and stable place
34 for them to live; assured that other needed medical, behavioral, and
35 social services are in place; and is contracted to monitor the person's
36 progress on an ongoing basis. The department and the regional support
37 networks shall endeavor to assure that hospital patients are able to

1 return to their area of origin, and that placements are not
2 concentrated in proximity to the hospitals.

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

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

13 (3) CIVIL COMMITMENT

14	General Fund--State Appropriation (FY 2002) . . . \$	((20,037,000))
15		<u>18,267,000</u>
16	General Fund--State Appropriation (FY 2003) . . . \$	((22,441,000))
17		<u>20,934,000</u>
18	TOTAL APPROPRIATION \$	((42,478,000))
19		<u>39,201,000</u>

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

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

27 (b) ((\$1,000,000)) \$300,000 of the general fund--state
28 appropriation for fiscal year 2002 and ((\$1,000,000)) \$300,000 of the
29 general fund--state appropriation for fiscal year 2003 are provided
30 solely for mitigation funding for jurisdictions affected by the
31 placement of less restrictive alternative facilities for persons
32 conditionally released from the special commitment center facility
33 being constructed on McNeil Island. Of this amount, up to \$45,000 per
34 year is provided for the city of Lakewood for police protection
35 reimbursement at Western State Hospital and adjacent areas, up to
36 \$45,000 per year is provided for training police personnel on chapter
37 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), up to \$125,000 per year

1 is provided for Pierce county for reimbursement of additional costs,
 2 and the remaining amounts are for other documented costs by
 3 jurisdictions directly impacted by the placement of the secure
 4 community transition facility on McNeil Island. Pursuant to chapter
 5 12, Laws of 2001, 2nd sp. sess (3ESSB 6151), the department shall
 6 continue to work with local jurisdictions towards reaching agreement
 7 for mitigation costs.

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

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

18 (4) SPECIAL PROJECTS

19	General Fund--State Appropriation (FY 2002) . . . \$	444,000
20	General Fund--State Appropriation (FY 2003) . . . \$	443,000
21	General Fund--Federal Appropriation \$	2,082,000
22	TOTAL APPROPRIATION \$	2,969,000

23 (5) PROGRAM SUPPORT

24	General Fund--State Appropriation (FY 2002) . . . \$	3,104,000
25	General Fund--State Appropriation (FY 2003) . . . \$	((3,231,000))
26		<u>3,111,000</u>
27	General Fund--Federal Appropriation \$	((5,796,000))
28		<u>5,659,000</u>
29	TOTAL APPROPRIATION \$	((12,131,000))
30		<u>11,874,000</u>

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

33 (a) \$113,000 of the general fund--state appropriation for fiscal
 34 year 2002, \$125,000 of the general fund--state appropriation for fiscal
 35 year 2003, and \$164,000 of the general fund--federal appropriation are
 36 provided solely for the institute for public policy to evaluate the

1 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
2 217, Laws of 2000 (atypical anti-psychotic medications), chapter 297,
3 Laws of 1998 (commitment of mentally ill persons), and chapter 334,
4 Laws of 2001 (mental health performance audit).

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

19 (c) *\$125,000 of the general fund--state appropriation for fiscal*
20 *year 2002, \$125,000 of the general fund--state appropriation for fiscal*
21 *year 2003, and \$250,000 of the general fund--federal appropriation are*
22 *provided solely for a study of the prevalence of mental illness among*
23 *the state's regional support networks and the appropriate allocation of*
24 *state hospital beds among the networks. The prevalence study shall*
25 *examine how reasonable estimates of the prevalence of mental illness*
26 *relate to the incidence of persons enrolled in medical assistance*
27 *programs in each regional support network area. In conducting ((this))*
28 *the prevalence study, the department shall consult with the joint*
29 *legislative audit and review committee, regional support networks,*
30 *community mental health providers, and mental health consumer*
31 *representatives. The department shall submit a final report on ((its))*
32 *the findings of the prevalence study to the fiscal, health care, and*
33 *human services committees of the legislature by November 1, 2003. In*
34 *preparing the report on allocation of state hospital beds, the*
35 *department shall: (i) Utilize the most current and reliable applicable*
36 *academic research, and shall consult with academic and other national*
37 *experts on mental health inpatient care; (ii) estimate the relative*
38 *need for short-term and long-term inpatient psychiatric care in each of*
39 *the state's regions, based on the factors that the experts identify as*

1 the best predictors of need, including geographic proximity to the
 2 hospitals; and (iii) identify options for changing the current
 3 distribution of state hospital beds among the regional support
 4 networks. This report shall be prepared in consultation with
 5 representatives of people with mental illness and the regional support
 6 networks, and shall be submitted to appropriate committees of the
 7 legislature. The department shall maintain the same relative
 8 allocation of budgeted, nonforensic state hospital beds among the
 9 regional support networks as was in effect during fiscal year 2002
 10 until at least thirty days after adjournment of the first regular
 11 legislative session following submission of the report on the
 12 appropriate allocation of these beds. This subsection does not
 13 prohibit the replacement of current state hospital beds with community
 14 alternatives as provided elsewhere in this section.

15 *Sec. 204 was partially vetoed. See message at end of chapter.

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

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

20 (1) COMMUNITY SERVICES

21	General Fund--State Appropriation (FY 2002) . . . \$	((231,693,000))
22		<u>233,705,000</u>
23	General Fund--State Appropriation (FY 2003) . . . \$	((242,347,000))
24		<u>255,415,000</u>
25	General Fund--Federal Appropriation \$	(396,151,000)
26		<u>405,773,000</u>
27	Health Services Account--State	
28	Appropriation \$	((741,000))
29		<u>903,000</u>
30	TOTAL APPROPRIATION \$	((870,932,000))
31		<u>895,796,000</u>

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

34 (a) The legislature finds that comprehensive reform of the
 35 developmental disabilities program is required. Recent audits and
 36 litigation indicate a need to improve the quality of program data,
 37 strengthen program and fiscal management, and clarify the criteria and

1 determination of eligibility for services. Additional resources are
2 also needed to expand access to community services. The appropriations
3 in this section are intended to address the most urgent needs while
4 strengthening program and fiscal accountability. The department shall
5 provide monthly progress reports to the appropriate committees of the
6 legislature on actions taken in three areas: The implementation of
7 expanded services, the development and implementation of a new home and
8 community based medicaid waiver, and improvements in program and fiscal
9 management.

10 (b) \$10,050,000 of the fiscal year 2003 general fund--state
11 appropriation and \$3,550,000 of the general fund--federal appropriation
12 are provided solely for expanded access to community services. A total
13 of \$7,800,000 is provided for additional residential services for
14 persons on the home and community based waiver. A total of \$3,600,000
15 is provided for family support and high school transition. A total of
16 \$2,700,000 is provided between this subsection and subsection (3) of
17 this section for staffing and other costs to improve oversight of
18 quality of care, program management, and fiscal management. New
19 funding for family support and high school transition along with a
20 portion of existing funding for these programs shall be provided as
21 supplemental security income (SSI) state supplemental payments. The
22 legislature finds that providing cash assistance to individuals and
23 families needing these supports promotes self-determination and
24 independence. It is the intent of the legislature that the department
25 shall comply with federal requirements to maintain aggregate funding
26 for SSI state supplemental payments while promoting self-determination
27 and independence for persons with developmental disabilities in
28 families with taxable incomes at or below 150 percent of median family
29 income. Individuals receiving family support or high school transition
30 payments shall not become eligible for medical assistance under RCW
31 74.09.510 due solely to the receipt of SSI state supplemental payments.
32 These amounts and the specified expansion of community services are
33 intended to be the fiscal component of the negotiated settlement in the
34 pending litigation on developmental disabilities services, ARC v.
35 Quasim.

36 (c) The health services account appropriation and ((\$753,000))
37 \$904,000 of the general fund--federal appropriation are provided solely
38 for health care benefits for home care workers with family incomes
39 below 200 percent of the federal poverty level who are employed through

1 state contracts for twenty hours per week or more. Premium payments
2 for individual provider home care workers shall be made only to the
3 subsidized basic health plan. Home care agencies may obtain coverage
4 either through the basic health plan or through an alternative plan
5 with substantially equivalent benefits.

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

24 ~~((c) \$1,440,000))~~ (e) \$1,153,000 of the general fund--state
25 appropriation for fiscal year 2002, ~~((\$3,041,000))~~ \$3,054,000 of the
26 general fund--state appropriation for fiscal year 2003, and
27 ~~((\$4,311,000))~~ \$4,031,000 of the general fund--federal appropriation
28 are provided solely for expanded community services for persons with
29 developmental disabilities who also have community protection issues or
30 are diverted or discharged from state psychiatric hospitals. The
31 department shall ensure that the average cost per day for all program
32 services other than start-up costs shall not exceed \$275. The
33 department shall report to the appropriate committees of the
34 legislature, within 45 days following each fiscal year quarter, the
35 number of persons served with these additional community services,
36 where they were residing, what kinds of services they were receiving
37 prior to placement, and the actual expenditures for all community
38 services to support these clients.

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

19 ~~((e))~~ (g) \$1,000,000 of the general fund--state appropriation
20 for fiscal year 2002 and \$1,000,000 of the general fund--state
21 appropriation for fiscal year 2003 are provided solely for employment,
22 or other day activities and training programs, for young adults with
23 developmental disabilities who complete their high school curriculum in
24 2001 or 2002. These services are intended to assist with the
25 transition to work and more independent living. Funding shall be used
26 to the greatest extent possible for vocational rehabilitation services
27 matched with federal funding. In recent years, the state general fund
28 appropriation for employment and day programs has been underspent.
29 These surpluses, built into the carry forward level budget, shall be
30 redeployed for high school transition services.

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

35 ~~((g))~~ (i) \$4,049,000 of the general fund--state appropriation
36 for fiscal year 2002, \$1,734,000 of the general fund--state
37 appropriation for fiscal year 2003, and \$5,369,000 of the general
38 fund--federal appropriation are provided solely to increase
39 compensation by an average of fifty cents per hour for low-wage workers

1 providing state-funded services to persons with developmental
 2 disabilities. These funds, along with funding provided for vendor rate
 3 increases, are sufficient to raise wages an average of fifty cents and
 4 cover the employer share of unemployment and social security taxes on
 5 the amount of the wage increase. In consultation with the statewide
 6 associations representing such agencies, the department shall establish
 7 a mechanism for testing the extent to which funds have been used for
 8 this purpose, and report the results to the fiscal committees of the
 9 legislature by February 1, 2002.

10 (j) \$1,310,000 of the general fund--state appropriation for fiscal
 11 year 2003 and \$1,207,000 of the general fund--federal appropriation are
 12 provided solely for an increase of twenty-five cents per hour on
 13 October 1, 2002, for individual and agency home care workers who
 14 provide state-funded services to persons with developmental
 15 disabilities. The amount provided in this section also includes the
 16 funds needed for the employer share of unemployment and social security
 17 taxes on the amount of the wage increase required by this subsection.
 18 The wage increases for individual providers required by this subsection
 19 are subject to the collective bargaining provisions of Initiative
 20 Measure No. I-775 (chapter 3, Laws of 2002).

21 (2) INSTITUTIONAL SERVICES

22	General Fund--State Appropriation (FY 2002) . . . \$	((71,977,000))
23		<u>69,375,000</u>
24	General Fund--State Appropriation (FY 2003) . . . \$	((69,303,000))
25		<u>68,203,000</u>
26	General Fund--Federal Appropriation \$	((145,641,000))
27		<u>145,672,000</u>
28	General Fund--Private/Local Appropriation . . . \$	((10,230,000))
29		<u>11,230,000</u>
30	TOTAL APPROPRIATION \$	((297,151,000))
31		<u>294,480,000</u>

32 The appropriations in this subsection are subject to the following
 33 conditions and limitations: Pursuant to RCW 71A.12.160, if residential
 34 habilitation center capacity is not being used for permanent residents,
 35 the department ((may)) shall make residential habilitation center
 36 vacancies available for respite care and any other services needed to
 37 care for clients who are not currently being served in a residential

1 habilitation center and whose needs require staffing levels similar to
2 current residential habilitation center residents. Providing respite
3 care shall not impede the department's ability to consolidate cottages,
4 and maintain expenditures within allotments, as assumed in the
5 appropriations in this subsection.

6 (3) PROGRAM SUPPORT

7	General Fund--State Appropriation (FY 2002)	\$	((2,601,000))
8			<u>1,711,000</u>
9	General Fund--State Appropriation (FY 2003)	\$	((2,623,000))
10			<u>2,007,000</u>
11	General Fund--Federal Appropriation	\$	((2,413,000))
12			<u>2,612,000</u>
13	<u>Telecommunications Devices for the Hearing and</u>		
14	<u>Speech Impaired Account Appropriation</u>	\$	<u>1,767,000</u>
15	TOTAL APPROPRIATION	\$	((7,637,000))
16			<u>8,097,000</u>

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

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

23 ~~(b) ((\$50,000 of the fiscal year 2002 general fund state~~
24 ~~appropriation and \$50,000 of the fiscal year 2003 general fund state~~
25 ~~appropriation are))~~ \$100,000 of the telecommunications devices for the
26 hearing and speech impaired account appropriation is provided solely
27 for increasing the contract amount for the southeast Washington deaf
28 and hard of hearing services center due to increased workload.

29 (4) SPECIAL PROJECTS

30	General Fund--Federal Appropriation	\$	11,995,000
31	*Sec. 205 was partially vetoed. See message at end of chapter.		

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

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

1	General Fund--State Appropriation (FY 2002) . . . \$	((518,911,000))
2		<u>505,983,000</u>
3	General Fund--State Appropriation (FY 2003) . . . \$	((537,907,000))
4		<u>513,154,000</u>
5	General Fund--Federal Appropriation	((\$,078,417,000))
6		<u>1,053,299,000</u>
7	General Fund--Private/Local Appropriation . . . \$	((4,324,000))
8		<u>11,803,000</u>
9	Health Services Account--State	
10	Appropriation	\$ 4,523,000
11	TOTAL APPROPRIATION	\$ ((2,144,082,000))
12		<u>2,088,762,000</u>

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

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

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

31 (3) For purposes of implementing chapter 74.46 RCW, the weighted
32 average nursing facility payment rate shall be no more than \$128.79 for
33 fiscal year 2002, and no more than ((~~\$~~134.45)) \$132.58 for fiscal year
34 2003. For all facilities, the therapy care, support services, and
35 operations component rates established in accordance with chapter 74.46
36 RCW shall be adjusted for economic trends and conditions by 2.1 percent
37 effective July 1, 2001, and by an additional ((2.3)) 1.5 percent
38 effective July 1, 2002. For case-mix facilities, direct care component

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

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

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

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

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

1 of systems to track the use of psychiatric hospitals by long-term care
2 providers. The aging and adult services program shall report to the
3 health care and fiscal committees of the legislature by November 1,
4 2001, and by November 1, 2002, on the actions it has taken to achieve
5 this objective.

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

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

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

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

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

34 (9) \$50,000 of the general fund--state appropriation for fiscal
35 year 2002 and \$50,000 of the general fund--state appropriation for
36 fiscal year 2003 are provided solely for payments to any nursing
37 facility licensed under chapter 18.51 RCW which meets all of the
38 following criteria: (a) The nursing home entered into an arm's length
39 agreement for a facility lease prior to January 1, 1980; (b) the lessee

1 purchased the leased nursing home after January 1, 1980; and (c) the
2 lessor defaulted on its loan or mortgage for the assets of the home
3 after January 1, 1991, and prior to January 1, 1992. Payments provided
4 pursuant to this subsection shall not be subject to the settlement,
5 audit, or rate-setting requirements contained in chapter 74.46 RCW.

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

14 (11) *From funds appropriated in this section, the department shall*
15 *increase compensation for individual and for agency home care*
16 *providers. Payments to individual home care providers are to be*
17 *increased from \$7.18 per hour to \$7.68 per hour on July 1, 2001, and to*
18 *\$7.93 per hour on October 1, 2002. Payments to agency providers are to*
19 *be increased to \$13.30 per hour on July 1, 2001, and to \$13.44 per hour*
20 *on July 1, 2002, and to \$13.72 on October 1, 2002. All but 18 cents*
21 *per hour of the July 1, 2001, increase to agency providers, and all but*
22 *3 cents per hour of the October 1, 2002, increase, is to be used to*
23 *increase wages for direct care workers. The appropriations in this*
24 *section also include the funds needed for the employer share of*
25 *unemployment and social security taxes on the amount of the wage*
26 *increase required by this subsection. The October 1, 2002, wage*
27 *increases for individual providers are subject to the collective*
28 *bargaining provisions of Initiative Measure No. 775 (chapter 3, Laws of*
29 *2002).*

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

1 and report the results to the fiscal committees of the legislature by
2 February 1, 2002. The amounts in this subsection also include the
3 funds needed for the employer share of unemployment and social security
4 taxes on the amount of the wage increase.

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

21 *Sec. 206 was partially vetoed. See message at end of chapter.

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

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

26	General Fund--State Appropriation (FY 2002) . . . \$	((436,440,000))
27		<u>442,984,000</u>
28	General Fund--State Appropriation (FY 2003) . . . \$	((424,870,000))
29		<u>394,974,000</u>
30	General Fund--Federal Appropriation	((356,351,000))
31		<u>1,359,505,000</u>
32	General Fund--Private/Local Appropriation . . . \$	((31,788,000))
33		<u>33,880,000</u>
34	TOTAL APPROPRIATION \$	((2,249,449,000))
35		<u>2,231,343,000</u>

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

1 (1) (~~(\$282,081,000)~~) \$281,035,000 of the general fund--state
2 appropriation for fiscal year 2002, (~~(\$278,277,000)~~) \$277,231,000 of
3 the general fund--state appropriation for fiscal year 2003,
4 \$1,254,197,000 of the general fund--federal appropriation, and
5 (~~(\$29,352,000)~~) \$31,444,000 of the general fund--local appropriation
6 are provided solely for the WorkFirst program and child support
7 operations. WorkFirst expenditures include TANF grants, diversion
8 services, subsidized child care, employment and training, other
9 WorkFirst related services, allocated field services operating costs,
10 and allocated economic services program administrative costs. Within
11 the amounts provided in this subsection, the department shall:

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

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

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

18 (c) From the amounts provided in this subsection, provide \$50,000
19 from the general fund--state appropriation for fiscal year 2002 and
20 \$50,000 from the general fund--state appropriation for fiscal year 2003
21 to the Washington institute for public policy for continuation of the
22 WorkFirst evaluation database.

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

29 (e) Reduce funding contracted to the department of employment
30 security in order to maintain funding for drug and alcohol treatment
31 services designed to help TANF parents enter the job market and keep
32 their jobs.

33 (f) Provide \$878,000 of the general fund--federal appropriation
34 for the comprehensive alcohol and drug treatment project.

35 (g) Allocate no more than \$5,800,000 of the general fund--federal
36 appropriation for job search and job placement services operated by the
37 department of employment security.

38 (h) Eliminate funding contracted to the department of employment
39 security for the WorkFirst post-employment labor exchange program.

1 (i) Provide \$900,000 of the general fund--federal appropriation
2 for indigent civil legal services.

3 (j) Increase childcare subsidy co-payments by no more than \$2 per
4 co-payment.

5 (k) Provide an additional \$4,500,000 of the general fund--federal
6 appropriation for community and technical colleges to fund parenting
7 and family management skills development, other training programs, and
8 enhanced childcare rates for families in those programs.

9 (l) Provide an additional \$300,000 of the general fund--federal
10 appropriation for after school programs for middle school youth.

11 (m) Provide \$3,400,000 of the general fund--federal appropriation
12 to the department of health for contracted services with local public
13 health nurses to provide consultation and training to childcare
14 providers caring for children with special needs.

15 (n) Provide \$1,000,000 of the general fund--federal appropriation
16 to contract out to a non-profit organization that provides hometown and
17 college mentoring services and programs for low-income youth for the
18 purposes of encouraging long-term self-sufficiency and family
19 formation.

20 (2) ((~~\$48,341,000~~)) \$54,623,000 of the general fund--state
21 appropriation for fiscal year 2002 and ((~~\$48,341,000~~)) \$44,431,000 of
22 the general fund--state appropriation for fiscal year 2003 are provided
23 solely for cash assistance and other services to recipients in the
24 general assistance--unemployable program. Within these amounts, the
25 department may expend funds for services that assist recipients to
26 reduce their dependence on public assistance, provided that
27 expenditures for these services and cash assistance do not exceed the
28 funds provided.

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

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

38 (5) The department shall apply the provisions of RCW 74.04.005(10)
39 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 *Sec. 207 was partially vetoed. See message at end of chapter.

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

11 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
12 **ABUSE PROGRAM**

13	General Fund--State Appropriation (FY 2002) . . . \$	((38,047,000))
14		<u>35,851,000</u>
15	General Fund--State Appropriation (FY 2003) . . . \$	((38,938,000))
16		<u>37,022,000</u>
17	General Fund--Federal Appropriation \$	((91,695,000))
18		<u>91,549,000</u>
19	General Fund--Private/Local Appropriation . . . \$	723,000
20	Public Safety and Education Account--State	
21	Appropriation \$	((13,733,000))
22		<u>13,427,000</u>
23	Violence Reduction and Drug Enforcement Account--	
24	State Appropriation \$	((52,510,000))
25		<u>52,306,000</u>
26	TOTAL APPROPRIATION \$	((235,646,000))
27		<u>230,878,000</u>

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

30 (1) ((\$1,610,000)) \$810,000 of the general fund--state
31 appropriation for fiscal year 2002 and \$1,622,000 of the general fund--
32 state appropriation for fiscal year 2003 are provided solely for
33 expansion of 35 drug and alcohol treatment beds for persons committed
34 under RCW 70.96A.140. Patients meeting the commitment criteria of RCW
35 70.96A.140 but who voluntarily agree to treatment in lieu of commitment
36 shall also be eligible for treatment in these additional treatment
37 beds. The department shall develop specific placement criteria for

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

6 (2) (~~(\$2,800,000)~~) \$1,000,000 of the public safety and education
7 account--state appropriation is provided solely for expansion of
8 treatment for persons gravely disabled by abuse and addiction to
9 alcohol and other drugs including methamphetamine.

10 (3) \$1,083,000 of the public safety and education account--state
11 appropriation (~~(is)~~) and \$75,000 of the violence reduction and drug
12 enforcement account--state appropriation are provided solely for adult
13 and juvenile drug courts that have a net loss of federal grant funding
14 in state fiscal year 2002 and state fiscal year 2003. This
15 appropriation is intended to cover approximately one-half of lost
16 federal funding. (~~(It is the intent of the legislature to provide~~
17 ~~state assistance to counties to cover a part of lost federal funding~~
18 ~~for drug courts for a maximum of three years.)~~)

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

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

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

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

36 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
37 **PROGRAM**

38 General Fund--State Appropriation (FY 2002) . . \$ ((1,028,885,000))

1			<u>1,081,150,000</u>
2	General Fund--State Appropriation (FY 2003) . . . \$	((1,130,904,000))	
3			<u>1,124,758,000</u>
4	General Fund--Federal Appropriation	((1,637,511,000))	
5			<u>3,621,077,000</u>
6	General Fund--Private/Local Appropriation . . . \$	((276,147,000))	
7			<u>211,272,000</u>
8	Emergency Medical Services and Trauma Care Systems		
9	Trust Account--State Appropriation \$		9,200,000
10	Health Services Account--State Appropriation . \$	((1,043,310,000))	
11			<u>1,104,119,000</u>
12	TOTAL APPROPRIATION \$	((7,125,957,000))	
13			<u>7,151,576,000</u>

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

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

30 (2) The department shall continue to extend medicaid eligibility
31 to children through age 18 residing in households with incomes below
32 200 percent of the federal poverty level.

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

37 (4) \$502,000 of the health services account appropriation,
38 \$400,000 of the general fund--private/local appropriation, and

1 \$1,676,000 of the general fund--federal appropriation are provided
2 solely for implementation of Second Substitute House Bill No. 1058
3 (breast and cervical cancer treatment). If the bill is not enacted by
4 June 30, 2001, or if private funding is not contributed equivalent to
5 the general fund--private/local appropriation, the funds appropriated
6 in this subsection shall lapse.

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

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

15 (b) Participants shall participate in the cost of the program by
16 paying (i) a monthly enrollment fee equal to fifty percent of any
17 unearned income in excess of the medicaid medically needy standard; and
18 (ii) a monthly premium equal to 5 percent of all unearned income, plus
19 5 percent of all earned income after disregarding the first sixty-five
20 dollars of monthly earnings, and half the remainder;

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

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

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

36 (6) From funds appropriated in this section, the department shall
37 design, implement, and evaluate pilot projects to assist individuals
38 with at least three different diseases to improve their health, while
39 reducing total medical expenditures. The projects shall involve (a)

1 identifying persons who are seriously or chronically ill due to a
2 combination of medical, social, and functional problems; and (b)
3 working with the individuals and their care providers to improve
4 adherence to state-of-the-art treatment regimens. The department shall
5 report to the health care and the fiscal committees of the legislature
6 by January 1, 2002, on the particular disease states, intervention
7 protocols, and delivery mechanisms it proposes to test.

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

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

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

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

25 (11) In accordance with RCW 74.46.625, (~~(\$376,318,000)~~)
26 \$523,600,000 of the health services account appropriation (~~(for fiscal~~
27 ~~year 2002, \$144,896,000 of the health services account appropriation~~
28 ~~for fiscal year 2003, and \$542,089,000)) and \$530,585,000 of the
29 general fund--federal appropriation are provided solely for
30 supplemental payments to nursing homes operated by rural public
31 hospital districts. The payments shall be conditioned upon (a) a
32 contractual commitment by the association of public hospital districts
33 and participating rural public hospital districts to make an
34 intergovernmental transfer to the state treasurer, for deposit into the
35 health services account, equal to at least 98 percent of the
36 supplemental payments; and (b) a contractual commitment by the
37 participating districts to not allow expenditures covered by the
38 supplemental payments to be used for medicaid nursing home rate-
39 setting. The participating districts shall retain no more than a total~~

1 of \$20,000,000 for the 2001-03 biennium. If the medicare upper payment
2 limit revenues referenced in this subsection are not received in an
3 amount or within a time frame sufficient to support spending from the
4 health services account, the governor shall take actions in accordance
5 with RCW 43.88.110(8).

6 (12) (~~(\$38,690,000)~~) \$38,766,000 of the health services account
7 appropriation for fiscal year 2002, (~~(\$40,189,000)~~) \$40,494,000 of the
8 health services account appropriation for fiscal year 2003, and
9 (~~(\$80,241,000)~~) \$79,839,000 of the general fund--federal appropriation
10 are provided solely for additional disproportionate share and medicare
11 upper payment limit payments to public hospital districts.

12 (~~((a))~~) The payments shall be conditioned upon a contractual
13 commitment by the participating public hospital districts to make an
14 intergovernmental transfer to the health services account equal to at
15 least 91 percent of the additional payments. At least 28 percent of
16 the amounts retained by the participating hospital districts shall be
17 allocated to the state's teaching hospitals.

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

27 (13) \$412,000 of the general fund--state appropriation for fiscal
28 year 2002, \$862,000 of the general fund--state appropriation for fiscal
29 year 2003, and \$730,000 of the general fund--federal appropriation are
30 provided solely for implementation of Substitute House Bill No. 1162
31 (small rural hospitals). If Substitute House Bill No. 1162 is not
32 enacted by June 30, 2001, the amounts provided in this subsection shall
33 lapse.

34 (14) The department may continue to use any federal money
35 available to continue to provide medicaid matching funds for funds
36 contributed by local governments for purposes of conducting eligibility
37 outreach to children and underserved groups. The department shall
38 ensure cooperation with the anticipated audit of the school districts'

1 matchable expenditures for this program and advise the appropriate
2 legislative fiscal committees of the findings.

3 (15) The department shall coordinate with the health care
4 authority and with community and migrant health clinics to actively
5 assist children and immigrant adults not eligible for medicaid to
6 enroll in the basic health plan.

7 (16) \$8,500,000 of the general fund--state appropriation for
8 fiscal year 2002, or so much thereof as may be necessary, is provided
9 solely for settlement of *Providence St. Peter's Hospital et al. vs.*
10 *Department of Social and Health Services.*

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

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

23 (19) Within available resources, the department shall design and
24 initiate a general assistance medical care management project in two
25 counties, one in eastern Washington and one in western Washington. In
26 designing the project, the department shall consult with the mental
27 health division, migrant and community health centers, and any other
28 managed care provider that has the capacity to offer coordinated
29 medical and mental health care. The projects shall be designed in such
30 a way that a designated provider network is established for general
31 assistance clients so that care management can be maximized. The
32 department shall report on the design of the pilot project to the
33 policy and fiscal committees of the legislature by October 15, 2002.

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

36 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**
37 **REHABILITATION PROGRAM**

38 General Fund--State Appropriation (FY 2002) . . \$ ((11,309,000))

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

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

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

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

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

20 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**
21 **SUPPORTING SERVICES PROGRAM**

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

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

33 (1) By November 1, 2001, the secretary shall report to the fiscal
34 committees of the legislature on the actions the secretary has taken,
35 or proposes to take, within current funding levels to resolve the
36 organizational problems identified in the department's February 2001

1 report to the legislature on current systems for billing third-party
2 payers for services delivered by the state psychiatric hospitals. The
3 secretary is authorized to transfer funds from this section to the
4 mental health program to the extent necessary to achieve the
5 organizational improvements recommended in that report.

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

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

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

32 (5) The department shall implement reductions in administrative
33 expenditures assumed in these appropriations that achieve ongoing
34 savings, reduce duplicative and redundant work processes, and, where
35 possible, eliminate entire administrative functions and offices. The
36 department may transfer amounts among sections and programs to achieve
37 these savings provided that reductions in direct services to clients
38 and recipients of the department shall not be counted as administrative
39 reductions. The department shall report to the appropriate committees

1 of the legislature a spending plan to achieve these reductions by July
2 1, 2002, and shall report actual achieved administrative savings and
3 projected saving for the remainder of the biennium by December 1, 2002.

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

6 **FOR THE STATE HEALTH CARE AUTHORITY**

7	General Fund--State Appropriation (FY 2002) . . . \$	6,655,000
8	((General Fund--State Appropriation (FY 2003) . . . \$	6,654,000))
9	State Health Care Authority Administrative	
10	Account--State Appropriation \$	((20,091,000))
11		<u>20,032,000</u>
12	Health Services Account--State Appropriation . \$	((499,148,000))
13		<u>538,828,000</u>
14	General Fund--Federal Appropriation \$	((3,611,000))
15		<u>4,240,000</u>
16	<u>Medical Aid Account--State Appropriation \$</u>	<u>45,000</u>
17	TOTAL APPROPRIATION \$	((536,159,000))
18		<u>569,800,000</u>

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

21 (1) \$6,551,000 of the general fund--state appropriation for fiscal
22 year 2002 and \$6,550,000 of the ~~((general fund))~~ health services
23 account-- state appropriation for fiscal year 2003 are provided solely
24 for health care services provided through local community clinics.

25 (2) Within funds appropriated in this section and sections 205 and
26 206 of this 2001 act, the health care authority shall continue to
27 provide an enhanced basic health plan subsidy option for foster parents
28 licensed under chapter 74.15 RCW and workers in state-funded home care
29 programs. Under this enhanced subsidy option, foster parents and home
30 care workers with family incomes below 200 percent of the federal
31 poverty level shall be allowed to enroll in the basic health plan at a
32 cost of ten dollars per covered worker per month.

33 (3) The health care authority shall require organizations and
34 individuals which are paid to deliver basic health plan services and
35 which choose to sponsor enrollment in the subsidized basic health plan
36 to pay the following: (i) A minimum of fifteen dollars per enrollee
37 per month for persons below 100 percent of the federal poverty level;

1 and (ii) a minimum of twenty dollars per enrollee per month for persons
2 whose family income is 100 percent to 125 percent of the federal
3 poverty level.

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

12 (5) The administrator shall take at least the following actions to
13 assure that persons participating in the basic health plan are eligible
14 for the level of assistance they receive: (a) Require submission of
15 income tax returns and recent pay history from all applicants; (b)
16 check employment security payroll records at least once every twelve
17 months on all enrollees; (c) require enrollees whose income as
18 indicated by payroll records exceeds that upon which their subsidy is
19 based to document their current income as a condition of continued
20 eligibility; (d) require enrollees for whom employment security payroll
21 records cannot be obtained to document their current income at least
22 once every six months; and (e) pursue repayment and civil penalties
23 from persons who have received excessive subsidies, as provided in RCW
24 70.47.060(9).

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

29 (a) \$20,000,000 is provided solely for enrollment in the
30 subsidized basic health plan of persons who, solely by reason of their
31 immigration status, are not eligible for medicaid coverage of their
32 nonemergent medical care needs. From July 2002 to October 2002,
33 opportunities for subsidized coverage will be offered on a phased-in
34 basis to this group of persons. Any entity or organization may sponsor
35 subsidized basic health plan enrollment.

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

1 (7) \$3,000,000 of the health services account--state appropriation
2 for fiscal year 2003 is provided solely to increase the number of
3 persons not eligible for medicaid receiving dental care from nonprofit
4 community clinics, and for interpreter services to support dental and
5 medical services for persons for whom interpreters are not available
6 from any other source.

7 (8) The health care authority shall report to the fiscal
8 committees of the legislature on the costs, benefits, and feasibility
9 of implementing a system no later than January 1, 2004, under which the
10 state's contribution to the cost of employee medical coverage would be
11 graduated according to employee salary. Under the graduated system,
12 employees in higher salary ranges would pay a larger share of the cost
13 of their medical coverage, while those paid lower salaries would pay a
14 smaller percentage of their premium. The report shall be prepared in
15 consultation with the department of personnel and the state-supported
16 colleges and universities, and shall be submitted to the fiscal
17 committees no later than December 1, 2002.

18 (9) In consultation with the department of personnel and with the
19 state-supported colleges and universities, the health care authority
20 shall report to the fiscal committees of the legislature by October 1,
21 2002, a plan for expanding the availability and use of flexible
22 spending account plans under which employees may set aside pretax
23 earnings to cover their out-of-pocket medical costs. The authority is
24 authorized to proceed with implementation of such a plan to the extent
25 it can be accomplished within existing state funding levels.

26 (10) \$685,000 of the health services account appropriation,
27 \$629,000 of the general fund--federal appropriation, and the medical
28 aid account appropriation are provided solely for implementation of
29 Substitute Senate Bill No. 6368 (prescription drug utilization and
30 education). If the bill is not enacted by June 30, 2002, these amounts
31 shall lapse.

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

34 **FOR THE HUMAN RIGHTS COMMISSION**

35	General Fund--State Appropriation (FY 2002) . . . \$	2,688,000
36	General Fund--State Appropriation (FY 2003) . . . \$	((2,700,000))
37		2,619,000
38	General Fund--Federal Appropriation \$	1,544,000

1 General Fund--Private/Local Appropriation . . . \$ 100,000
 2 TOTAL APPROPRIATION \$ ((7,032,000))
 3 6,951,000

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

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

7 Worker and Community Right-to-Know Account--State
 8 Appropriation \$ 20,000
 9 Accident Account--State Appropriation \$ ((14,692,000))
 10 14,798,000
 11 Medical Aid Account--State Appropriation \$((14,694,000))
 12 14,801,000
 13 TOTAL APPROPRIATION \$ ((29,406,000))
 14 29,619,000

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

17 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

18 Municipal Criminal Justice Assistance Account--
 19 Local Appropriation \$ 460,000
 20 Death Investigations Account--State
 21 Appropriation \$ 148,000
 22 Public Safety and Education Account--State
 23 Appropriation \$ ((18,439,000))
 24 18,148,000
 25 TOTAL APPROPRIATION \$ ((19,047,000))
 26 18,756,000

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

29 (1) \$124,000 of the public safety and education account
 30 appropriation is provided solely to allow the Washington association of
 31 sheriffs and police chiefs to increase the technical and training
 32 support provided to the local criminal justice agencies on the new
 33 incident-based reporting system and the national incident-based
 34 reporting system.

35 (2) \$136,000 of the public safety and education account
 36 appropriation is provided solely to allow the Washington association of

1 prosecuting attorneys to enhance the training provided to criminal
2 justice personnel.

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

7 (4) (~~(\$31,000)~~) \$27,000 of the public safety and education account
8 appropriation is provided solely to increase payment rates for the
9 criminal justice training commission's contract with the Washington
10 association of sheriffs and police chiefs.

11 (5) \$65,000 of the public safety and education account
12 appropriation is provided solely for regionalized training programs for
13 school district and local law enforcement officials on school safety
14 issues.

15 (6) (~~(\$233,000 of the public safety and education account~~
16 ~~appropriation is provided solely for training and equipping local law~~
17 ~~enforcement officers to respond to methamphetamine crime.~~

18 (7) ~~\$374,000 of the public safety and education account~~
19 ~~appropriation is provided solely for the implementation of House Bill~~
20 ~~No. 1062 (certification of peace officers). If the bill is not enacted~~
21 ~~by June 30, 2001, the amounts provided in this subsection shall lapse.~~

22 (8)) \$450,000 of the public safety and education account
23 appropriation is provided solely for grants to be distributed by the
24 Washington association of sheriffs and police chiefs for electronic
25 mapping of school facilities.

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

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

29	General Fund--State Appropriation (FY 2002) . . . \$	((7,738,000))
30		<u>5,577,000</u>
31	General Fund--State Appropriation (FY 2003) . . . \$	((7,682,000))
32		<u>5,517,000</u>
33	General Fund--Federal Appropriation \$	1,250,000
34	Public Safety and Education Account--State	
35	Appropriation \$	((19,862,000))
36		<u>18,292,000</u>
37	Public Safety and Education Account--Federal	
38	Appropriation \$	6,950,000

1	Public Safety and Education Account--Private/Local		
2	Appropriation	\$	((4,200,000))
3			<u>5,373,000</u>
4	Asbestos Account--State Appropriation	\$	688,000
5	Electrical License Account--State		
6	Appropriation	\$	28,412,000
7	Farm Labor Revolving Account--Private/Local		
8	Appropriation	\$	28,000
9	Worker and Community Right-to-Know Account--State		
10	Appropriation	\$	2,281,000
11	Public Works Administration Account--State		
12	Appropriation	\$	2,856,000
13	Accident Account--State Appropriation	\$	((179,186,000))
14			<u>184,219,000</u>
15	Accident Account--Federal Appropriation	\$	11,568,000
16	Medical Aid Account--State Appropriation	\$	((176,715,000))
17			<u>183,666,000</u>
18	Medical Aid Account--Federal Appropriation	\$	2,438,000
19	Plumbing Certificate Account--State		
20	Appropriation	\$	((1,015,000))
21			<u>1,111,000</u>
22	Pressure Systems Safety Account--State		
23	Appropriation	\$	((2,274,000))
24			<u>2,525,000</u>
25	TOTAL APPROPRIATION	\$	((455,143,000))
26			<u>462,751,000</u>

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

29 (1) Pursuant to RCW 7.68.015, the department shall operate the
30 crime victims compensation program within the public safety and
31 education account funds appropriated in this section. In the event
32 that cost containment measures are necessary, the department may (a)
33 institute copayments for services; (b) develop preferred provider
34 contracts; or (c) other cost containment measures. Cost containment
35 measures shall not include holding invoices received in one fiscal
36 period for payment from appropriations in subsequent fiscal periods.
37 No more than \$5,248,000 of the public safety and education account

1 appropriation shall be expended for department administration of the
2 crime victims compensation program.

3 (2) (~~(\$1,438,000 of the accident account—state appropriation and~~
4 ~~\$1,438,000 of the medical aid account—state appropriation are provided~~
5 ~~for the one-time cost of implementing a recent state supreme court~~
6 ~~ruling regarding the calculation of workers' compensation benefits.~~
7 ~~This decision significantly increases the complexity of calculating~~
8 ~~benefits and therefore increases the administrative and legal costs of~~
9 ~~the workers' compensation program.—The department shall develop and~~
10 ~~report to appropriate committees of the legislature proposed statutory~~
11 ~~language that provides greater certainty and simplicity in the~~
12 ~~calculation of benefits.—The report shall be submitted by October 1,~~
13 ~~2001.~~

14 (3)) It is the intent of the legislature that elevator inspection
15 fees shall fully cover the cost of the elevator inspection program.
16 Pursuant to RCW 43.135.055, during the 2001-03 fiscal biennium the
17 department may increase fees in excess of the fiscal growth factor, if
18 the increases are necessary to fully fund the cost of the elevator
19 inspection program.

20 (3) \$300,000 of the medical aid account--state appropriation is
21 provided for a second center of occupational health and education to be
22 located on the east side of the state. These centers train physicians
23 on best practices for occupational medicine and work with labor and
24 business to improve the quality and outcomes of medical care provided
25 to injured workers.

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

28 **FOR THE INDETERMINATE SENTENCE REVIEW BOARD**

29	General Fund--State Appropriation (FY 2002) . . . \$	999,000
30	General Fund--State Appropriation (FY 2003) . . . \$	((999,000))
31		<u>969,000</u>
32	TOTAL APPROPRIATION \$	((1,998,000))
33		<u>1,968,000</u>

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

36 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

37 (1) HEADQUARTERS

1	General Fund--State Appropriation (FY 2002)	\$	((1,529,000))
2			<u>1,577,000</u>
3	General Fund--State Appropriation (FY 2003)	\$	1,533,000
4	Charitable, Educational, Penal, and Reformatory		
5	Institutions Account--State		
6	Appropriation	\$	7,000
7	TOTAL APPROPRIATION	\$	((3,069,000))
8			<u>3,117,000</u>

9	(2) FIELD SERVICES		
10	General Fund--State Appropriation (FY 2002)	\$	2,619,000
11	General Fund--State Appropriation (FY 2003)	\$	((2,643,000))
12			<u>2,580,000</u>
13	General Fund--Federal Appropriation	\$	((155,000))
14			<u>310,000</u>
15	General Fund--Private/Local Appropriation	\$	1,663,000
16	TOTAL APPROPRIATION	\$	((7,080,000))
17			<u>7,172,000</u>

18	(3) INSTITUTIONAL SERVICES		
19	General Fund--State Appropriation (FY 2002)	\$	((6,832,000))
20			<u>5,765,000</u>
21	General Fund--State Appropriation (FY 2003)	\$	((4,600,000))
22			<u>5,516,000</u>
23	General Fund--Federal Appropriation	\$	((28,699,000))
24			<u>27,437,000</u>
25	General Fund--Private/Local Appropriation	\$	((25,614,000))
26			<u>22,828,000</u>
27	TOTAL APPROPRIATION	\$	((65,745,000))
28			<u>61,546,000</u>

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

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

3 **FOR THE HOME CARE QUALITY AUTHORITY**

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

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

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

12 **FOR THE DEPARTMENT OF HEALTH**

13 General Fund--State Appropriation (FY 2002) . . \$ ((65,308,000))
14 57,337,000

15 General Fund--State Appropriation (FY 2003) . . \$ ((66,941,000))
16 54,940,000

17 Health Services Account--State Appropriation . \$ ((24,186,000))
18 33,520,000

19 General Fund--Federal Appropriation \$ (276,840,000)
20 297,352,000

21 General Fund--Private/Local Appropriation . . . \$ ((81,526,000))
22 82,912,000

23 Hospital Commission Account--State
24 Appropriation \$ ((1,718,000))
25 2,305,000

26 Health Professions Account--State
27 Appropriation \$ ((38,456,000))
28 39,374,000

29 Emergency Medical Services and Trauma Care Systems
30 Trust Account--State Appropriation . . . \$ 14,858,000

31 Safe Drinking Water Account--State
32 Appropriation \$ ((2,701,000))
33 2,689,000

34 Drinking Water Assistance Account--Federal
35 Appropriation \$ ((13,400,000))
36 13,376,000

37 Waterworks Operator Certification--State

1	Appropriation	\$	622,000
2	<u>Salmon Recovery Account--State Appropriation</u>	\$	182,000
3	Water Quality Account--State Appropriation	\$	((3,328,000))
4			<u>3,304,000</u>
5	Accident Account--State Appropriation	\$	257,000
6	Medical Aid Account--State Appropriation	\$	45,000
7	State toxics Control Account--State		
8	Appropriation	\$	((2,817,000))
9			<u>2,809,000</u>
10	Medical Test Site Licensure Account--State		
11	Appropriation	\$	((1,369,000))
12			<u>1,801,000</u>
13	Youth Tobacco Prevention Account--State		
14	Appropriation	\$	1,797,000
15	Tobacco Prevention and Control Account--State		
16	Appropriation	\$	((34,992,000))
17			<u>43,737,000</u>
18	TOTAL APPROPRIATION	\$	((631,161,000))
19			<u>653,217,000</u>

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

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

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

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

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

22 (5) (~~(\$5,779,000)~~) \$19,778,000 of the health services account--
23 state appropriation (~~(for fiscal year 2002 and \$4,665,000 of the health~~
24 ~~services account--state appropriation for fiscal year 2003 are)~~) is
25 provided solely for (~~(purchase and distribution of the pneumococcal~~
26 ~~conjugate vaccine as part of)~~) the state's program of universal access
27 to essential childhood vaccines. The department shall utilize all
28 available federal funding before expenditure of these funds.

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

35 (7) (~~(\$58,000 of the general fund--state appropriation for fiscal~~
36 ~~year 2002 and \$25,000 of the general fund--state appropriation for~~
37 ~~fiscal year 2003 are provided solely for the implementation of Second~~
38 ~~Substitute House Bill No. 1590 (breastfeeding).~~ If the bill is not

1 enacted by June 30, 2001, the amounts provided in this subsection shall
2 lapse.

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

18 ~~((9))~~) (8) \$533,000 of the general fund--state appropriation for
19 fiscal year 2002 and ~~(((\$1,067,000))~~) \$847,000 of the general fund--state
20 appropriation for fiscal year 2003 are provided solely for performance-
21 based contracts with local jurisdictions to assure the safety of
22 drinking water provided by small "group B" water systems.

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

28 (10) By December 1, 2002, the department shall report to
29 appropriate committees of the legislature with a feasibility analysis
30 of implementing an electronic filing system for death certificates.
31 The study shall be conducted in consultation and cooperation with local
32 and state registrars, funeral directors, and physicians, and shall
33 include an analysis of applying an additional fee to death certificates
34 to cover the cost of developing and operating the electronic system.

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

37 **FOR THE DEPARTMENT OF CORRECTIONS**

1 The appropriations to the department of corrections in this act
 2 shall be expended for the programs and in the amounts specified herein.
 3 However, after May 1, 2002, after approval by the director of financial
 4 management and unless specifically prohibited by this act, the
 5 department may transfer general fund--state appropriations for fiscal
 6 year 2002 between programs. The director of financial management shall
 7 notify the appropriate fiscal committees of the senate and house of
 8 representatives in writing prior to approving any deviations from
 9 appropriation levels.

10	(1) ADMINISTRATION AND SUPPORT SERVICES	
11	General Fund--State Appropriation (FY 2002) . . . \$	((36,156,000))
12		<u>36,786,000</u>
13	General Fund--State Appropriation (FY 2003) . . . \$	((36,365,000))
14		<u>36,434,000</u>
15	Public Safety and Education Account--State	
16	Appropriation \$	1,576,000
17	Violence Reduction and Drug Enforcement	
18	Account Appropriation \$	3,254,000
19	TOTAL APPROPRIATION \$	((77,351,000))
20		<u>78,050,000</u>

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

31 (a) Include a description of any changes to the replacement
 32 project;

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

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

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

5 (2) CORRECTIONAL OPERATIONS

6	General Fund--State Appropriation (FY 2002)	\$	((397,231,000))
7			<u>404,390,000</u>
8	General Fund--State Appropriation (FY 2003)	\$	((407,078,000))
9			<u>412,788,000</u>
10	General Fund--Federal Appropriation	\$	((12,096,000))
11			<u>9,142,000</u>
12	Violence Reduction and Drug Enforcement Account--		
13	State Appropriation	\$	((1,614,000))
14			<u>1,596,000</u>
15	Public Health Services Account Appropriation	\$	1,453,000
16	TOTAL APPROPRIATION	\$	((819,472,000))
17			<u>829,369,000</u>

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

20 (a) The department may expend funds generated by contractual
21 agreements entered into for mitigation of severe overcrowding in local
22 jails. Any funds generated in excess of actual costs shall be
23 deposited in the state general fund. Expenditures shall not exceed
24 revenue generated by such agreements and shall be treated as recovery
25 of costs.

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

29 (c) The department of corrections shall accomplish personnel
30 reductions with the least possible impact on correctional custody
31 staff, community custody staff, and correctional industries. For the
32 purposes of this subsection, correctional custody staff means employees
33 responsible for the direct supervision of offenders.

34 (d) \$553,000 of the general fund--state appropriation for fiscal
35 year 2002 and ((\$1,171,000)) \$956,000 of the general fund--state
36 appropriation for fiscal year 2003 are provided solely to increase

1 payment rates for contracted education providers, contracted chemical
2 dependency providers, and contracted work release facilities.

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

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

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

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

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

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

1	(3) COMMUNITY SUPERVISION		
2	General Fund--State Appropriation (FY 2002)	\$	((61,427,000))
3			<u>68,097,000</u>
4	General Fund--State Appropriation (FY 2003)	\$	((62,934,000))
5			<u>75,720,000</u>
6	General Fund--Federal Appropriation	\$	((1,125,000))
7			<u>870,000</u>
8	Public Safety and Education		
9	Account--State Appropriation	\$	((15,841,000))
10			<u>15,493,000</u>
11	TOTAL APPROPRIATION	\$	((141,327,000))
12			<u>160,180,000</u>

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

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

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

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

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

37 (4) CORRECTIONAL INDUSTRIES

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

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

13 (5) INTERAGENCY PAYMENTS

14	General Fund--State Appropriation (FY 2002) . . . \$	18,568,000
15	General Fund--State Appropriation (FY 2003) . . . \$	18,569,000
16	TOTAL APPROPRIATION \$	37,137,000

17 *Sec. 221 was partially vetoed. See message at end of chapter.

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

20 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

21	General Fund--State Appropriation (FY 2002) . . . \$	((1,693,000))
22		<u>1,652,000</u>
23	General Fund--State Appropriation (FY 2003) . . . \$	((1,628,000))
24		<u>1,588,000</u>
25	General Fund--Federal Appropriation \$	((11,140,000))
26		<u>12,643,000</u>
27	General Fund--Private/Local Appropriation . . . \$	80,000
28	TOTAL APPROPRIATION \$	((14,541,000))
29		<u>15,963,000</u>

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

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

3 **FOR THE SENTENCING GUIDELINES COMMISSION**

4	General Fund--State Appropriation (FY 2002) . . . \$	936,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((857,000))
6		<u>832,000</u>
7	TOTAL APPROPRIATION \$	((1,793,000))
8		<u>1,768,000</u>

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

11 \$78,000 of the general fund--state appropriation for fiscal year
12 2002 is provided solely for the sentencing guidelines commission to
13 conduct a comprehensive review and evaluation of state sentencing
14 policy. The review and evaluation shall include an analysis of whether
15 current sentencing ranges and standards, as well as existing mandatory
16 minimum sentences, existing sentence enhancements, and special
17 sentencing alternatives, are consistent with the purposes of the
18 sentencing reform act as set out in RCW 9.94A.010, including the intent
19 of the legislature to emphasize confinement for the violent offender
20 and alternatives to confinement for the nonviolent offender. The
21 review and evaluation shall also examine whether current sentencing
22 ranges and standards are consistent with existing corrections capacity.

23 The review and evaluation shall consider studies on the cost-
24 effectiveness of sentencing alternatives, as well as the fiscal impact
25 of sentencing policies on state and local government. In conducting
26 the review and evaluation, the commission shall consult with the
27 superior court judges' association, the Washington association of
28 prosecuting attorneys, the Washington defenders' association, the
29 Washington association of criminal defense lawyers, the Washington
30 association of sheriffs and police chiefs, organizations representing
31 crime victims, and other organizations and individuals with expertise
32 and interest in sentencing policy.

33 Not later than December 1, 2001, the commission shall present to
34 the appropriate standing committees of the legislature the report of
35 its comprehensive review and evaluation, together with any
36 recommendations for revisions and modifications to state sentencing
37 policy, including sentencing ranges and standards, mandatory minimum
38 sentences, and sentence enhancements. If implementation of the

1 recommendations of the commission would result in exceeding the
2 capacity of correctional facilities, the commission shall at the same
3 time present to the legislature a list of revised standard sentence
4 ranges which are consistent with currently authorized rated and
5 operational corrections capacity, and consistent with the purposes of
6 the sentencing reform act.

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

9 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

10	General Fund--Federal Appropriation	\$	180,628,000
11	General Fund--Private/Local Appropriation	\$	30,119,000
12	Unemployment Compensation Administration Account--		
13	Federal Appropriation	\$	((181,677,000))
14			<u>194,167,000</u>
15	Administrative Contingency Account--State		
16	Appropriation	\$	((13,914,000))
17			<u>15,514,000</u>
18	Employment Service Administrative Account--State		
19	Appropriation	\$	20,001,000
20	TOTAL APPROPRIATION	\$	((426,339,000))
21			<u>440,429,000</u>

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

24 (1) \$156,000 of the unemployment compensation administration
25 account is provided solely for the implementation of Substitute House
26 Bill No. 2355 (unemployment insurance). If the bill is not enacted by
27 June 30, 2002, the amount provided in this subsection shall lapse.

28 (2) Up to \$1,600,000 of the administrative contingency account--
29 state appropriation is provided solely for administrative costs related
30 to the implementation of Engrossed House Bill No. 2901 (unemployment
31 insurance). If the bill is not enacted by June 30, 2002, the amount
32 provided in this subsection shall lapse.

33 (End of part)

PART III
NATURAL RESOURCES

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

FOR THE COLUMBIA RIVER GORGE COMMISSION

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

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

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

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2002)	\$	((46,633,000))
		<u>39,404,000</u>
General Fund--State Appropriation (FY 2003)	\$	((44,481,000))
		<u>34,283,000</u>
General Fund--Federal Appropriation	\$	56,805,000
General Fund--Private/Local Appropriation	\$	4,351,000
Special Grass Seed Burning Research Account--		
State Appropriation	\$	14,000
Reclamation Revolving Account--State		
Appropriation	\$	((1,810,000))

1			<u>1,935,000</u>
2	Flood Control Assistance Account--		
3	State Appropriation	\$	4,098,000
4	State Emergency Water Projects Revolving Account--		
5	State Appropriation	\$	878,000
6	Waste Reduction/Recycling/Litter Control Account--		
7	State Appropriation	\$	((13,537,000))
8			<u>14,287,000</u>
9	State Drought Preparedness Account--State		
10	Appropriation	\$	((5,325,000))
11			<u>2,575,000</u>
12	<u>Salmon Recovery Account--State Appropriation</u> .	<u>\$</u>	<u>250,000</u>
13	State and Local Improvements Revolving Account		
14	(Water Supply Facilities)--State		
15	Appropriation	\$	587,000
16	Water Quality Account--State Appropriation . .	\$	((12,481,000))
17			<u>22,985,000</u>
18	Wood Stove Education and Enforcement Account--		
19	State Appropriation	\$	353,000
20	Worker and Community Right-to-Know Account--		
21	State Appropriation	\$	3,288,000
22	State Toxics Control Account--State		
23	Appropriation	\$	((68,931,000))
24			<u>70,001,000</u>
25	State Toxics Control Account--Private/Local		
26	Appropriation	\$	350,000
27	Local Toxics Control Account--State		
28	Appropriation	\$	4,751,000
29	Water Quality Permit Account--State		
30	Appropriation	\$	((23,827,000))
31			<u>24,210,000</u>
32	Underground Storage Tank Account--State		
33	Appropriation	\$	2,682,000
34	Environmental Excellence Account--State		
35	Appropriation	\$	504,000
36	Biosolids Permit Account--State Appropriation	\$	((589,000))
37			<u>764,000</u>
38	Hazardous Waste Assistance Account--State		

1	Appropriation	\$	4,308,000
2	Air Pollution Control Account--State		
3	Appropriation	\$	((1,066,000))
4			<u>1,366,000</u>
5	Oil Spill Prevention Account--State		
6	Appropriation	\$	7,921,000
7	Air Operating Permit Account--State		
8	Appropriation	\$	3,608,000
9	Freshwater Aquatic Weeds Account--State		
10	Appropriation	\$	1,898,000
11	Oil Spill Response Account--State		
12	Appropriation	\$	7,078,000
13	Metals Mining Account--State Appropriation . .	\$	5,000
14	Water Pollution Control Revolving Account--		
15	State Appropriation	\$	((467,000))
16			<u>536,000</u>
17	Water Pollution Control Revolving Account--		
18	Federal Appropriation	\$	((2,316,000))
19			<u>2,802,000</u>
20	TOTAL APPROPRIATION	\$	((324,942,000))
21			<u>318,877,000</u>

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

24 (1) \$3,874,000 of the general fund--state appropriation for fiscal
25 year 2002, \$3,874,000 of the general fund--state appropriation for
26 fiscal year 2003, \$394,000 of the general fund--federal appropriation,
27 \$2,070,000 of the oil spill prevention account--state appropriation,
28 and \$3,686,000 of the water quality permit account--state appropriation
29 are provided solely for the implementation of the Puget Sound work plan
30 and agency action items DOE-01, DOE-02, DOE-03, DOE-05, DOE-06, DOE-07,
31 DOE-08, and DOE-09.

32 (2) \$500,000 of the state toxics control account appropriation is
33 provided for an assessment of the financial assurance requirements of
34 hazardous waste management facilities. By September 30, 2002, the
35 department shall provide to the governor and appropriate committees of
36 the legislature a report that: (a) Evaluates current statutes and
37 regulations governing hazardous waste management facilities; (b)
38 analyzes and makes recommendations for improving financial assurance

1 regulatory control; and (c) makes recommendations for funding financial
2 assurance regulatory control of hazardous waste management facilities.

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

12 (4) \$1,000,000 of the state toxics control account appropriation
13 in this section is provided solely for the department to work in
14 cooperation with local jurisdictions to address emerging storm water
15 management requirements. This work shall include developing a storm
16 water manual for eastern Washington, technical assistance to local
17 jurisdictions, and increased implementation of the department's
18 existing storm water program. \$200,000 of this amount is provided
19 solely for implementation of the Puget Sound work plan and agency
20 action item DOE-06.

21 (5) \$383,000 of the general fund--state appropriation for fiscal
22 year 2002 and \$383,000 of the general fund--state appropriation for
23 fiscal year 2003 are provided solely for water conservation plan
24 review, technical assistance, and project review for water conservation
25 and reuse projects. By December 1, 2003, the department in cooperation
26 with the department of health shall report to the governor and
27 appropriate committees of the legislature on the activities and
28 achievements related to water conservation and reuse during the past
29 two biennia. The report shall include an overview of technical
30 assistance provided, reuse project development activities, and water
31 conservation achievements.

32 (6) \$3,424,000 of the state toxics control account appropriation
33 is provided solely for methamphetamine lab clean up activities.

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

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

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

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

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

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

37 (v) The department shall finalize the mercury chemical action plan
38 by December 31, 2002. The final mercury chemical action plan,
39 developed after considering the public comments and the input of the

1 advisory committee, must outline actions for the department to take,
2 including, but not limited to, the development of any rules and
3 recommending any legislation. Implementation must begin no later than
4 February 1, 2003.

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

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

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

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

34 (12) \$1,500,000 of the general fund--state appropriation for
35 fiscal year 2002, \$1,500,000 of the general fund--state appropriation
36 for fiscal year 2003, and \$3,000,000 of the water quality account
37 appropriation are provided solely to implement chapter 237, Laws of
38 2001 (Engrossed Substitute House Bill No. 1832, water resources

1 management) and to support the processing of applications for changes
2 and transfers of existing water rights.

3 (13) (~~(\$4,500,000 of the general fund--state appropriation for~~
4 ~~fiscal year 2002 and \$4,500,000 of the general fund--state~~
5 ~~appropriation for fiscal year 2003 are~~) \$9,000,000 of the water
6 quality account--state appropriation is provided solely for grants to
7 local governments to conduct watershed planning and technical
8 assistance. At least \$7,000,000 shall be distributed as grants and
9 shall include \$200,000 for facilitation of the central Puget Sound
10 regional initiative.

11 (14) \$3,114,000 of the water quality account appropriation is
12 provided solely to implement Engrossed Substitute House Bill No. 1832
13 (water resources management). Of this amount: (a) (~~(\$2,100,000)~~)
14 \$1,200,000 is provided for grants to local governments for targeted
15 watershed assessments consistent with Engrossed Substitute House Bill
16 No. 1832; and (b) the remainder of the funding is provided solely for
17 development of a state environmental policy act template to streamline
18 environmental review, creation of a blue ribbon panel to develop long-
19 term watershed planning implementation funding options, and technical
20 assistance.

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

29 (~~(+19)~~) (16) \$325,000 of the state drought preparedness account--
30 state appropriation is provided solely for an environmental impact
31 statement of the Pine Hollow reservoir project to be conducted in
32 conjunction with the local irrigation district.

33 (~~(+20) \$1,700,000~~) (17) \$1,352,000 of the general fund--state
34 appropriation for fiscal year 2002, \$700,000 of the general fund--state
35 appropriation for fiscal year 2003, \$700,000 of the water quality
36 account appropriation, and \$280,000 of the oil spill prevention account
37 appropriation are provided solely for oil spill prevention measures in
38 Puget Sound. Of these amounts:

1 (a) The general fund appropriation (~~(is)~~) and the water quality
2 account appropriation are provided solely for the department of ecology
3 to provide for charter safety tug services(~~(. Safety tug services~~
4 ~~shall include: (i))~~), including the placement of a dedicated tug at
5 Neah Bay for not less than 200 days in fiscal year 2002(~~(i and (ii)~~
6 ~~other safety tug services that may be released by the department at the~~
7 ~~request of the United States coast guard captain of the port for Puget~~
8 ~~Sound to the areas or incidents that the department deems to be of~~
9 ~~highest concern)) and fiscal year 2003. By January 10, 2002, the
10 department shall report to the appropriate committees of the
11 legislature regarding the number of dispatches, response time and
12 distance, and other factors pertaining to the safety tug services. The
13 general fund--state appropriation in this subsection is provided solely
14 for implementation of the Puget Sound work plan and agency action item
15 DOE-09;~~

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

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

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

27 ~~((+21))~~ (18) \$600,000 of the water quality account--state
28 appropriation is provided solely for setting instream flows in six
29 basins not currently planning under the watershed planning act.

30 (19) \$200,000 of the water quality account appropriation is
31 provided solely for activities associated with development of the
32 Willapa River total maximum daily load (TMDL). The activities shall
33 include but are not limited to: (a) A contract with Pacific county to
34 complete the oxygen/bacteria and temperature model for the TMDL,
35 conduct a technical analysis of local options for waste load
36 allocations, and develop the first draft of the waste load allocation
37 plan; and (b) a contract for facilitation services for a public process
38 for the TMDL, assist in reaching consensus between parties involved in

1 the technical work, help ensure that there is an accurate public
2 record, and provide a forum for the waste load allocation.

3 (20) \$175,000 of the biosolids permit account is provided solely
4 to develop a statewide septage strategy. The department shall work
5 with affected stakeholders to address septage permit requirements,
6 changes to existing rules, clarification of state and local
7 responsibilities, and fee structure changes that are necessary to
8 support the program in future biennia. The department shall report its
9 findings to the governor and appropriate committees of the legislature
10 by June 30, 2003.

11 (21) \$189,000 of the general fund--state appropriation for fiscal
12 year 2003 is provided solely for facilitation services and the
13 following activities:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 the need for grants to counties to assist with recording and
2 information management needs related to water rights ownership and
3 title.

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

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

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

13	General Fund--State Appropriation (FY 2002) . . . \$	((32,298,000))
14		<u>32,198,000</u>
15	General Fund--State Appropriation (FY 2003) . . . \$	((32,866,000))
16		<u>30,340,000</u>
17	General Fund--Federal Appropriation \$	2,690,000
18	General Fund--Private/Local Appropriation . . . \$	60,000
19	Winter Recreation Program Account--State	
20	Appropriation \$	((787,000))
21		<u>1,087,000</u>
22	Off Road Vehicle Account--State Appropriation \$	274,000
23	Snowmobile Account--State Appropriation \$	4,682,000
24	Aquatic Lands Enhancement Account--State	
25	Appropriation \$	337,000
26	Public Safety and Education Account--State	
27	Appropriation \$	((48,000))
28		<u>47,000</u>
29	<u>Salmon Recovery Account--State Appropriation . . . \$</u>	<u>200,000</u>
30	Water Trail Program Account--State	
31	Appropriation \$	24,000
32	Parks Renewal and Stewardship Account--	
33	State Appropriation \$	((26,420,000))
34		<u>27,193,000</u>
35	TOTAL APPROPRIATION \$	((100,486,000))
36		<u>99,132,000</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) ((The appropriation in this section from the off road vehicle~~
12 ~~account--state is provided under RCW 46.09.170(1)(c) and is provided~~
13 ~~solely to bring off road vehicle recreation facilities into compliance~~
14 ~~with the requirements, guidelines, spirit, and intent of the federal~~
15 ~~Americans with disabilities act.~~

16 ~~(4))~~ \$79,000 of the general fund--state appropriation for fiscal
17 year 2002, \$79,000 of the general fund--state appropriation for fiscal
18 year 2003, and \$8,000 of the winter recreation program account--state
19 appropriation are provided solely for a grant for the operation of the
20 Northwest avalanche center.

21 ~~((+5))~~ (4) \$432,000 of the parks renewal and stewardship account
22 appropriation is provided for the operation of the Silver Lake visitor
23 center. If a long-term management agreement is not reached with the
24 U.S. forest service by September 30, 2001, the amount provided in this
25 subsection shall lapse.

26 ~~((+6))~~ (5) \$189,000 of the aquatic lands enhancement account
27 appropriation is provided solely for the implementation of the Puget
28 Sound work plan and agency action item P+RC-02.

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

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

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

27 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

28	General Fund--State Appropriation (FY 2002) . . . \$	((393,000))
29		143,000
30	General Fund--State Appropriation (FY 2003) . . . \$	((395,000))
31		180,000
32	General Fund--Federal Appropriation \$	8,358,000
33	Firearms Range Account--State Appropriation . . . \$	13,000
34	Salmon Recovery Account--State Appropriation . . . \$	500,000
35	Recreation Resources Account--State	
36	Appropriation \$	2,584,000
37	Recreation Resources Account--Federal	
38	Appropriation \$	481,000

1	NOVA Program Account--State Appropriation . . .	\$	611,000
2	Water Quality Account--State Appropriation . .	\$	700,000
3	State toxics Control Account--State		
4	Appropriation	\$	500,000
5	Aquatic Lands Enhancement Account--State		
6	Appropriation	\$	200,000
7	TOTAL APPROPRIATION	\$	((14,235,000))
8			<u>14,270,000</u>

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

11 (1) (~~(\$250,000 of the general fund--state appropriation for fiscal~~
12 ~~year 2002, \$250,000 of the general fund--state appropriation for fiscal~~
13 ~~year 2003)) \$500,000 of the salmon recovery account appropriation,
14 \$500,000 of the water quality account appropriation, and \$500,000 of
15 the state toxics control account appropriation are provided solely to
16 implement chapter 298, Laws of 2001, Substitute Senate Bill No. 5637
17 (watershed health monitoring and assessment) and for the development of
18 a comprehensive salmon recovery and watershed health monitoring
19 strategy and action plan. The strategy and action plan shall address
20 the monitoring recommendations of the independent science panel in its
21 report, *Recommendations for Monitoring Salmonid Recovery in Washington*
22 *State* (December 2000), and of the joint legislative audit and review
23 committee in its report *Investing in the Environment: Environmental*
24 *Quality Grant and Loan Programs Performance Audit* (January 2001). The
25 action plan shall include an assessment of state agency operations
26 related to monitoring, evaluation, and adaptive management of salmon
27 recovery and watershed health; any operational or statutory changes
28 necessary to implement the strategy and action plan; and funding
29 recommendations.~~

30 (2) \$8,000,000 of the general fund--federal appropriation is
31 provided solely for implementation of the forest and fish agreement
32 rules. These funds will be passed through to the department of natural
33 resources and the department of fish and wildlife.

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

1 (4) \$200,000 of the aquatic lands enhancement account--state
 2 appropriation is provided solely to develop and implement a
 3 conservation initiative for Maury Island. The interagency committee
 4 for outdoor recreation shall contract with the Cascade Land Conservancy
 5 to develop and implement the initiative and to provide the following
 6 services: (a) Land and resource appraisal; (b) development of a plan
 7 of finance for acquisition of land or interests in land; and (c)
 8 conduct negotiations among purchasers and willing sellers.

9 (5) \$35,000 of the general fund--state appropriation for fiscal
 10 year 2003 is provided solely to the interagency committee for outdoor
 11 recreation to convene and facilitate a biodiversity conservation
 12 committee to develop recommendations for a state biodiversity program.
 13 Up to \$32,000 of this amount may be granted, on a competitive basis, to
 14 conduct a review of biodiversity programs and develop recommendations.
 15 The grant agreement must be conditioned to require that at least an
 16 amount of funding equal to the state grant be applied to the project
 17 from nonstate sources. The grantee must provide a final report
 18 describing its review and recommendations to the governor and the
 19 appropriate standing committees of the senate and house of
 20 representatives by October 1, 2003.

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

23 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

24	General Fund--State Appropriation (FY 2002)	\$	846,000
25	General Fund--State Appropriation (FY 2003)	\$	((847,000))
26			<u>822,000</u>
27	TOTAL APPROPRIATION	\$	((1,693,000))
28			<u>1,668,000</u>

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

31 **FOR THE CONSERVATION COMMISSION**

32	General Fund--State Appropriation (FY 2002)	\$	((2,207,000))
33			<u>2,141,000</u>
34	General Fund--State Appropriation (FY 2003)	\$	((2,196,000))
35			<u>2,131,000</u>
36	Water Quality Account--State Appropriation	\$	((3,739,000))
37			<u>3,498,000</u>

1 TOTAL APPROPRIATION \$ ((8,142,000))
2 7,770,000

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

5 (1) \$500,000 of the water quality account--state appropriation is
6 provided solely for the agriculture, fish, and water negotiations to
7 develop best management practices that will protect and recover salmon.
8 The commission shall make grants to allow interest groups to
9 participate in the negotiations.

10 (2) (~~(\$1,601,000)~~) \$801,000 of the water quality account--state
11 appropriation is provided solely for the completion of limiting factors
12 analysis for watersheds affected by listings of salmon and bull trout
13 under the federal endangered species act.

14 (3) \$247,000 of the general fund--state appropriation for fiscal
15 year 2002 and \$247,000 of the general fund--state appropriation for
16 fiscal year 2003 are provided solely for the implementation of the
17 Puget Sound work plan and agency action item CC-01.

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

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

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

30 General Fund--State Appropriation (FY 2002) . . \$ ((51,600,000))
31 46,375,000
32 General Fund--State Appropriation (FY 2003) . . \$ ((50,762,000))
33 44,334,000
34 General Fund--Federal Appropriation \$((37,366,000))
35 37,716,000
36 General Fund--Private/Local Appropriation . . . \$ 24,365,000
37 Off Road Vehicle Account--State

1	Appropriation	\$	475,000
2	Aquatic Lands Enhancement Account--State		
3	Appropriation	\$	((6,094,000))
4			<u>5,133,000</u>
5	Public Safety and Education Account--State		
6	Appropriation	\$	((586,000))
7			<u>574,000</u>
8	Recreational Fisheries Enhancement Account--		
9	State Appropriation	\$	((3,032,000))
10			<u>3,354,000</u>
11	<u>Salmon Recovery Account--State Appropriation</u> .	\$	<u>1,612,000</u>
12	Warm Water Game Fish Account--State		
13	Appropriation	\$	2,567,000
14	Eastern Washington Pheasant Enhancement Account--		
15	State Appropriation	\$	750,000
16	Wildlife Account--State Appropriation	\$	((48,518,000))
17			<u>50,680,000</u>
18	Wildlife Account--Federal Appropriation	\$	38,182,000
19	Wildlife Account--Private/Local		
20	Appropriation	\$	15,133,000
21	Game Special Wildlife Account--State		
22	Appropriation	\$	1,941,000
23	Game Special Wildlife Account--Federal		
24	Appropriation	\$	9,591,000
25	Game Special Wildlife Account--Private/Local		
26	Appropriation	\$	350,000
27	((Water Quality Account--State Appropriation	\$	1,000,000))
28	Environmental Excellence Account--State		
29	Appropriation	\$	15,000
30	Regional Fisheries Salmonid Recovery Account--		
31	Federal Appropriation	\$	1,750,000
32	Oil Spill Administration Account--State		
33	Appropriation	\$	963,000
34	Oyster Reserve Land Account--State		
35	Appropriation	\$	135,000
36	TOTAL APPROPRIATION	\$	((295,175,000))
37			<u>285,995,000</u>

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

3 (1) \$1,682,000 of the general fund--state appropriation for fiscal
4 year 2002 and ~~((\$1,682,000))~~ \$1,189,000 of the general fund--state
5 appropriation for fiscal year 2003 are provided solely for the
6 implementation of the Puget Sound work plan and agency action items
7 DFW-01 through DFW-07.

8 (2) \$200,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$200,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely for the department to update the
11 salmon and steelhead stock inventory.

12 ~~(3) ((\$550,000 of the general fund--state appropriation for fiscal
13 year 2002 and \$550,000 of the general fund--state appropriation for
14 fiscal year 2003 are provided solely for salmonid smolt production
15 monitoring.~~

16 ~~(4))~~ \$250,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$250,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for the department to implement a
19 hatchery endangered species act response. The response shall include
20 emergency hatchery responses, production, and retrofitting of
21 hatcheries for salmon recovery.

22 ~~((+5))~~ (4) \$600,000 of the general fund--state appropriation for
23 fiscal year 2002 and \$600,000 of the general fund--state appropriation
24 for fiscal year 2003 are provided solely for local salmon recovery
25 technical assistance.

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

35 ~~(7) \$125,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$125,000 of the general fund--state appropriation for
37 fiscal year 2003 are))~~ (5) \$250,000 of the salmon recovery account
38 appropriation is provided solely for a grant to the lower Skykomish
39 River habitat conservation group for the purpose of developing a salmon

1 recovery plan, in coordination with the lead entity established under
2 chapter 77.85 RCW for that area. The salmon recovery plan must be
3 consistent with the regional recovery plans of the Puget Sound shared
4 strategy and criteria developed by the department for the regional
5 salmon recovery planning program.

6 ~~((8) \$1,000,000 of the water quality state appropriation is~~
7 ~~provided solely to fund grants to lead entities established under~~
8 ~~chapter 77.85 RCW or watershed planning units established under chapter~~
9 ~~90.82 RCW that agree to coordinate the development of comprehensive~~
10 ~~local and regional salmon recovery plans. The department shall~~
11 ~~establish a model for local and regional plans as well as eligibility~~
12 ~~and evaluation criteria for distribution of funds to lead entities and~~
13 ~~watershed planning units. No annual grant shall exceed \$125,000 per~~
14 ~~year.~~

15 ~~(9))~~ (6) \$91,000 of the warm water game fish account
16 appropriation is provided solely for warm water fish culture at the Rod
17 Meseberg warm water fish production facility.

18 ~~((10) \$300,000))~~ (7) \$200,000 of the general fund--state
19 appropriation for fiscal year 2002 and ~~((300,000))~~ \$200,000 of the
20 general fund--state appropriation for fiscal year 2003 are provided
21 solely to fund ~~((four))~~ three cooperative compliance programs, ~~((two))~~
22 both in Western ~~((Washington))~~ and ~~((two in))~~ Eastern Washington. The
23 cooperative compliance program shall conduct fish screen, fish way, and
24 fish passage barrier assessments and correction plans for landowners
25 seeking cooperative compliance agreements with the department.

26 ~~((11) \$1,300,000 of the general fund state appropriation for~~
27 ~~fiscal year 2002))~~ (8) \$1,300,000 of the salmon recovery account
28 appropriation, \$400,000 of the general fund--state appropriation for
29 fiscal year 2003, and \$5,000,000 of the general fund--federal
30 appropriation are provided solely for economic adjustment assistance to
31 fishermen pursuant to the 1999 Pacific salmon treaty agreement.

32 ~~((12) \$2,000,000 of the aquatic lands enhancement account~~
33 ~~appropriation is provided for cooperative volunteer projects.~~

34 ~~(13))~~ (9) \$810,000 of the general fund--state appropriation for
35 fiscal year 2002, \$790,000 of the general fund--state appropriation for
36 fiscal year 2003, and \$250,000 of the wildlife account--state
37 appropriation are provided solely for enforcement and biological staff
38 to respond and take appropriate action to public complaints regarding
39 bear and cougar.

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

4 ~~(15))~~ (10) \$75,000 of the general fund--state appropriation for
5 fiscal 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 ~~((16))~~ (12) The department shall implement a survey of all
33 agency lands to evaluate whether agency lands support the agency's
34 strategic plan and goals. The department shall submit a report to the
35 governor and legislature by September 1, 2002, identifying those lands
36 not conforming with the agency's strategic plan and which should be
37 divested.

38 ~~((17))~~ (13) \$388,000 of the general fund--state appropriation
39 for fiscal year 2002 and \$388,000 of the general fund--state

1 appropriation for fiscal year 2003 are provided solely to implement the
2 forests and fish agreement and includes funding to continue statewide
3 coordination and implementation of the forests and fish rules,
4 integration of portions of the hydraulic code into the forest practices
5 rules to provide permit streamlining, and sharing the responsibility of
6 developing and implementing the required forests and fish agreement
7 monitoring and adaptive management program.

8 ~~((+18+))~~ (14) \$194,000 of the general fund--state appropriation
9 for fiscal year 2002 and \$195,000 of the general fund--state
10 appropriation for fiscal year 2003 are provided solely for staff to
11 represent the state's fish and wildlife interests in hydroelectric
12 project relicensing processes by the federal energy regulatory
13 commission.

14 ~~((+19+))~~ (15) \$156,000 of the wildlife account--state
15 appropriation is provided solely for a youth fishing coordinator to
16 develop partnerships with local communities, and to identify, develop,
17 fund, and promote youth fishing events and opportunities. Event
18 coordination and promotion services shall be contracted to a private
19 consultant.

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

24 ~~((+21+))~~ (17) \$43,000 of the general fund--state appropriation for
25 fiscal year 2002 and \$42,000 of the general fund--state appropriation
26 for fiscal year 2003 are provided solely for staffing and operation of
27 the Tennant Lake interpretive center.

28 ~~((+22+))~~ (18) \$32,000 of the general fund--state appropriation for
29 fiscal year 2002 and \$33,000 of the general fund--state appropriation
30 for fiscal year 2003 are provided solely to support the activities of
31 the aquatic nuisance species coordination committee to foster state,
32 federal, tribal, and private cooperation on aquatic nuisance species
33 issues. The committee shall strive to prevent the introduction of
34 nonnative aquatic species and to minimize the spread of species that
35 are introduced.

36 ~~((+23+))~~ (19) \$25,000 of the wildlife account--state appropriation
37 is provided solely for the WildWatchCam program to provide internet
38 transmission of live views of wildlife.

1 (~~(+24)~~) (20) \$8,000 of the general fund--state appropriation for
2 fiscal year 2002 and \$7,000 of the general fund--state appropriation
3 for 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. 308.** 2001 2nd sp.s. c 7 s 308 (uncodified) is amended to
31 read as follows:

32 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

33	General Fund--State Appropriation (FY 2002)	\$	((36,709,000))
34			<u>35,949,000</u>
35	General Fund--State Appropriation (FY 2003)	\$	((36,266,000))
36			<u>30,465,000</u>
37	General Fund--Federal Appropriation	\$	((3,440,000))
38			<u>10,936,000</u>

1	General Fund--Private/Local Appropriation . . .	\$	((1,865,000))
2			<u>2,265,000</u>
3	Forest Development Account--State		
4	Appropriation	\$	((52,511,000))
5			<u>50,088,000</u>
6	Off Road Vehicle Account--State		
7	Appropriation	\$	3,684,000
8	Surveys and Maps Account--State		
9	Appropriation	\$	2,689,000
10	Aquatic Lands Enhancement Account--State		
11	Appropriation	\$	((4,458,000))
12			<u>3,923,000</u>
13	Resources Management Cost Account--State		
14	Appropriation	\$	((85,979,000))
15			<u>79,156,000</u>
16	Surface Mining Reclamation Account--State		
17	Appropriation	\$	((2,549,000))
18			<u>2,416,000</u>
19	Salmon Recovery Account--State		
20	Appropriation	\$	625,000
21	Water Quality Account--State Appropriation . .	\$	2,900,000
22	Aquatic Land Dredged Material Disposal Site		
23	Account--State Appropriation	\$	1,056,000
24	Natural Resource Conservation Areas Stewardship		
25	Account Appropriation	\$	((34,000))
26			<u>209,000</u>
27	<u>State toxics Account--State Appropriation . . .</u>	\$	<u>1,865,000</u>
28	Air Pollution Control Account--State		
29	Appropriation	\$	629,000
30	Metals Mining Account--State Appropriation . .	\$	64,000
31	Agricultural College Trust Management Account		
32	Appropriation	\$	1,790,000
33	<u>Derelict Vessel Removal Account--State</u>		
34	<u>Appropriation</u>	\$	<u>89,000</u>
35	TOTAL APPROPRIATION	\$	((237,248,000))
36			<u>230,798,000</u>

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

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

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

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

17 (3) \$2,000,000 of the forest development account appropriation is
18 provided solely for road decommissioning, maintenance, and repair in
19 the Lake Whatcom watershed.

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

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

31 (~~((+7))~~) (6) \$4,000 of the general fund--state appropriation for
32 fiscal year 2002 and \$4,000 of the general fund--state appropriation
33 for fiscal year 2003 are provided solely to compensate the forest board
34 trust for a portion of the lease to the Crescent television improvement
35 district consistent with RCW 79.12.055.

36 (~~((+8)~~) ~~The appropriation from the off road vehicle account--state~~
37 ~~is provided under RCW 46.09.170(1)(a)(ii) and is provided solely for~~
38 ~~projects that bring off road vehicle recreation facilities into~~
39 ~~compliance with the requirements, guidelines, spirit, and intent of the~~

1 ~~federal Americans with disabilities act and do not compromise or impair~~
2 ~~sensitive natural resources.~~

3 ~~(9))~~ (7) \$828,000 of the surface mine reclamation account
4 appropriation is provided to implement Engrossed House Bill No. 1845
5 (surface mining fees). If the bill is not enacted by June 30, 2001,
6 the amount provided in this subsection shall lapse.

7 ~~((+10))~~ (8) \$800,000 of the aquatic lands enhancement account
8 appropriation and \$200,000 of the resources management cost account
9 appropriation are provided solely to improve asset management on state-
10 owned aquatic lands. The department shall streamline the use
11 authorization process for businesses operating on state-owned aquatic
12 lands and issue decisions on 325 pending lease applications by June 30,
13 ~~((2002))~~ 2003. The department, in consultation with the attorney
14 general, shall develop a strategic program to resolve claims related to
15 contaminated sediments on state-owned aquatic lands.

16 ~~((+11))~~ (9) \$246,000 of the resource management cost account
17 appropriation is provided to the department for continuing control of
18 spruce budworm.

19 ~~((+12))~~ (10) \$100,000 of the aquatic lands enhancement account is
20 provided solely for the development and initial implementation of a
21 statewide management plan for marine reserves.

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

26 ~~((+14))~~ (12) \$7,216,000 of the general fund--state appropriation
27 for fiscal year 2002 and \$6,584,000 of the general fund--state
28 appropriation for fiscal year 2003 are provided solely for fire
29 protection activities and to implement provisions of the 1997 tridata
30 fire program review.

31 ~~((+15)---\$275,000))~~ (13) \$100,000 of the general fund--state
32 appropriation for fiscal year 2002, ~~(((\$275,000---of---the---general~~
33 ~~fund---state---appropriation---for---fiscal---year---2003,---and))~~ \$550,000 of the
34 aquatic lands enhancement account--state appropriation, and \$209,000 of
35 the natural resources conservation areas stewardship account--state
36 appropriation are provided solely to the department for planning,
37 management, and stewardship of natural area preserves and natural
38 resources conservation areas.

1 ~~((+16))~~ (14) \$187,000 of the general fund--state appropriation
2 for fiscal year 2002(~~(-)~~) and \$188,000 of the general fund--state
3 appropriation for fiscal year 2003(~~(-, and \$375,000 of the aquatic lands~~
4 ~~enhancement account--state appropriation)~~) are provided solely to the
5 department for maintenance and stewardship of public lands.

6 ~~((+17))~~ (15) \$100,000 of the general fund--state appropriation
7 for fiscal year 2002, \$100,000 of the general fund--state appropriation
8 for fiscal year 2003, and \$400,000 of the aquatic lands enhancement
9 account appropriation are provided solely for spartina control.

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

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

17 (18) In managing natural resources conservation areas and
18 recreation sites in the San Juan Islands, the department shall employ
19 cost-recovery methods comparable to those employed at similarly
20 situated state park facilities.

21 (19) \$250,000 of the resource management cost account--state
22 appropriation and \$250,000 of the forest development account--state
23 appropriation are deposited in the contract harvesting revolving
24 account--nonappropriated to implement Substitute Senate Bill No. 6257
25 (contract harvesting). If Substitute Senate Bill No. 6257 is not
26 enacted the deposit in this subsection shall not occur.

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

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

3 (21) \$4,000,000 of the resource management cost account
4 appropriation is provided solely for the purposes of RCW 79.64.020 and
5 is contingent upon the establishment, management, and protection of the
6 following marine reserves: Tidelands and bedlands adjacent to Cherry
7 Point in Whatcom county; tidelands and bedlands surrounding Maury
8 Island in King county; tidelands, bedlands, harbor areas, and waterways
9 adjacent to the Puyallup River delta, within Commencement Bay in Pierce
10 county; tidelands and bedlands surrounding Cypress Island in Skagit
11 county; and tidelands and bedlands within Fidalgo Bay in Skagit county.

12 (22) Within the amounts appropriated in this section, the
13 department shall update the Washington State University asset
14 diversification plan to diversify at least ten percent of the
15 commercial forest land base within ten years and report recommendations
16 for implementing the plan to the appropriate committees of the
17 legislature by December 1, 2002.

18 *Sec. 308 was partially vetoed. See message at end of chapter.

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

21 **FOR THE DEPARTMENT OF AGRICULTURE**

22	General Fund--State Appropriation (FY 2002) . . . \$	((8,165,000))
23		7,815,000
24	General Fund--State Appropriation (FY 2003) . . . \$	((8,024,000))
25		7,434,000
26	General Fund--Federal Appropriation \$	((4,636,000))
27		7,441,000
28	General fund--Private/Local Appropriation . . . \$	1,110,000
29	Aquatic Lands Enhancement Account--State	
30	Appropriation \$	2,304,000
31	State Toxics Control Account--State	
32	Appropriation \$	((2,672,000))
33		2,917,000
34	TOTAL APPROPRIATION \$	((26,911,000))
35		29,021,000

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

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

5 (2) (~~(\$832,000)~~) \$1,077,000 of the state toxics control account
6 appropriation and \$298,000 of the agricultural local account are
7 provided solely to establish a program to monitor pesticides in surface
8 water, sample and analyze surface waters for pesticide residues,
9 evaluate pesticide exposure on salmon species listed under the
10 provisions of the endangered species act, and implement actions needed
11 to protect salmonids.

12 (3) \$1,480,000 of the aquatic lands enhancement account
13 appropriation is provided solely to initiate a (~~four-year~~) plan to
14 eradicate infestations of spartina in Puget Sound, Hood Canal, and
15 Grays Harbor and begin the reduction in spartina infestations in
16 Willapa Bay.

17 (4) \$75,000 of the general fund--state appropriation for fiscal
18 year 2002, \$75,000 of the general fund--state appropriation for fiscal
19 year 2003, and \$150,000 of the general fund--federal appropriation are
20 provided solely to the small farm and direct marketing program to
21 support small farms in complying with federal, state, and local
22 regulations, facilitating access to food processing centers, and
23 assisting with grant funding requests.

24 (5) (~~(\$350,000 of the general fund--state appropriation for fiscal~~
25 ~~year 2002, \$350,000 of the general fund--state appropriation for fiscal~~
26 ~~year 2003,)~~) \$700,000 of the general fund--federal appropriation and
27 \$700,000 of the general fund--private/local appropriation are provided
28 solely to implement chapter 324, Laws of 2001 (Substitute House Bill
29 No. 1891, marketing of agriculture). (~~Of these amounts, \$40,000 of~~
30 ~~the general fund--state appropriation is provided solely to match funds~~
31 ~~provided by the red raspberry commission to address unfair trade~~
32 ~~practices by other countries that result in sales in Washington that~~
33 ~~are below the cost of production in Washington.))~~

34 (6) \$450,000 of the state toxics control account--state
35 appropriation is provided solely for deposit in the agricultural local
36 nonappropriated account for the plant pest account to reimburse county
37 horticultural pest and disease boards for the costs of pest control
38 activities, including tree removal, conducted under their existing
39 authorities in chapters 15.08 and 15.09 RCW.

1 (7) The district manager for district two as defined in WAC 16-
2 458-075 shall transfer four hundred fifty thousand dollars from the
3 fruit and vegetable district fund to the plant pest account within the
4 agricultural local fund. The amount transferred must be derived from
5 fees collected for state inspections of tree fruits and shall be used
6 solely to reimburse county horticultural pest and disease boards in
7 district two for the cost of pest control activities, including tree
8 removal, conducted under their existing authority in chapters 15.08 and
9 15.09 RCW. The transfer of funds shall occur by July 1, 2001. On June
10 30, 2003, any unexpended portion of the four hundred fifty thousand
11 dollars shall be returned to the fruit and vegetable district fund.

12

(End of part)

PART IV
TRANSPORTATION

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

3 **FOR THE DEPARTMENT OF LICENSING**

4	General Fund--State Appropriation (FY 2002) . . . \$	((5,389,000))
5		<u>5,366,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((5,377,000))
7		<u>5,300,000</u>
8	Architects' License Account--State	
9	Appropriation \$	((707,000))
10		<u>684,000</u>
11	Cemetery Account--State Appropriation \$	((214,000))
12		<u>200,000</u>
13	Professional Engineers' Account--State	
14	Appropriation \$	((3,032,000))
15		<u>3,102,000</u>
16	Real Estate Commission--State Appropriation . . . \$	((6,777,000))
17		<u>6,837,000</u>
18	Master License Account--State Appropriation . . . \$	((8,409,000))
19		<u>8,278,000</u>
20	Uniform Commercial Code Account--State	
21	Appropriation \$	((3,104,000))
22		<u>2,900,000</u>
23	Real Estate Education Account--State	
24	Appropriation \$	((301,000))
25		<u>276,000</u>
26	Funeral Directors and Embalmers Account--State	
27	Appropriation \$	((490,000))
28		<u>459,000</u>
29	Washington Real Estate Research Account	
30	Appropriation \$	((316,000))
31		<u>307,000</u>
32	Data Processing Revolving Account--State	
33	Appropriation \$	23,000
34	<u>Derelict Vessel Removal Account--State</u>	

1	Appropriation	\$	86,000
2	TOTAL APPROPRIATION	\$	((34,139,000))
3			<u>33,818,000</u>

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

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

18 **FOR THE STATE PATROL**

19	General Fund--State Appropriation (FY 2002)	\$	((21,890,000))
20			<u>21,567,000</u>
21	General Fund--State Appropriation (FY 2003)	\$	((8,066,000))
22			<u>7,933,000</u>
23	General Fund--Federal Appropriation	\$	4,178,000
24	General Fund--Private/Local Appropriation	\$	369,000
25	Death Investigations Account--State		
26	Appropriation	\$	((3,899,000))
27			<u>4,024,000</u>
28	Public Safety and Education Account--State		
29	Appropriation	\$	((16,070,000))
30			<u>14,769,000</u>
31	County Criminal Justice Assistance Account--State		
32	Appropriation	\$	((2,490,000))
33			<u>2,870,000</u>
34	Municipal Criminal Justice Assistance Account--		
35	State Appropriation	\$	((987,000))
36			<u>1,367,000</u>
37	Fire Service Trust Account--State		

1	Appropriation	\$	125,000
2	Fire Service Training Account--State		
3	Appropriation	\$	6,328,000
4	State toxics Control Account--State		
5	Appropriation	\$	461,000
6	Violence Reduction and Drug Enforcement Account--		
7	State Appropriation	\$	((277,000))
8			<u>274,000</u>
9	Fingerprint Identification Account--State		
10	Appropriation	\$	((3,684,000))
11			<u>5,316,000</u>
12	TOTAL APPROPRIATION	\$	((68,824,000))
13			<u>69,581,000</u>

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

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

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

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

32 (4) \$1,419,000 of the public safety and education account--state
33 appropriation is provided solely for combating the proliferation of
34 methamphetamine labs. The amounts in this subsection are provided
35 solely for the following activities: (a) The establishment of a
36 regional methamphetamine enforcement, training, and education program;
37 (b) additional members for the statewide methamphetamine incident

1 response team; and (c) two forensic scientists with the necessary
2 equipment to perform lab analysis in the crime laboratory division.

3 ~~((6) Beginning in fiscal year 2003, the funding provided in this
4 subsection assumes a transfer of \$12,634,000 of state patrol
5 expenditures from the omnibus operating budget to the transportation
6 budget. If new transportation revenue is not enacted before this time,
7 the omnibus budget will restore this funding in the 2002 legislative
8 session.))~~

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

12 (End of part)

PART V
EDUCATION

*Sec. 501. 2001 2nd sp.s. c 7 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2002)	\$	((12,357,000))
		<u>12,302,000</u>
General Fund--State Appropriation (FY 2003)	\$	((12,266,000))
		<u>12,000,000</u>
General Fund--Federal Appropriation	\$	((23,668,000))
		<u>53,760,000</u>
TOTAL APPROPRIATION	\$	((48,291,000))
		<u>78,062,000</u>

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

(a) \$11,385,000 of the general fund--state appropriation for fiscal year 2002 and ((~~\$11,394,000~~)) \$11,101,000 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) ((~~\$541,000~~)) \$486,000 of the general fund--state appropriation for fiscal year 2002 and ((~~\$441,000~~)) \$481,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities. Of the general fund--state appropriation ((~~for fiscal year 2002~~)), \$100,000 is provided solely for certificate of mastery development and validation.

(c) \$431,000 of the general fund--state appropriation for fiscal year 2002 and ((~~\$431,000~~)) \$418,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the

1 operation and expenses of the Washington professional educator
2 standards board.

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

6 (2) STATEWIDE PROGRAMS

7	General Fund--State Appropriation (FY 2002) . . . \$	((17,274,000))
8		<u>17,280,000</u>
9	General Fund--State Appropriation (FY 2003) . . . \$	((19,407,000))
10		<u>9,990,000</u>
11	General Fund--Federal Appropriation \$	((213,016,000))
12		<u>85,395,000</u>
13	TOTAL APPROPRIATION \$	((249,697,000))
14		<u>112,665,000</u>

15 The appropriations in this subsection are provided solely for the
16 statewide programs specified in this subsection and are subject to the
17 following conditions and limitations:

18 (a) HEALTH AND SAFETY

19 (i) A maximum of \$150,000 of the general fund--state appropriation
20 for fiscal year 2002 (~~and a maximum of \$150,000 of the fiscal year~~
21 ~~2003 appropriation are~~) is provided for alcohol and drug prevention
22 programs pursuant to RCW 66.08.180.

23 (ii) A maximum \$2,621,000 of the general fund--state appropriation
24 for fiscal year 2002 and a maximum of (~~(\$2,621,000))~~ \$2,542,000 of the
25 general fund--state appropriation for fiscal year 2003 are provided for
26 a corps of nurses located at educational service districts, as
27 determined by the superintendent of public instruction, to be
28 dispatched to the most needy schools to provide direct care to
29 students, health education, and training for school staff.

30 (iii) A maximum of \$100,000 of the general fund--state
31 appropriation for fiscal year 2002 and a maximum of (~~(\$100,000))~~
32 \$97,000 of the general fund--state appropriation for fiscal year 2003
33 are provided to create a school safety center subject to the following
34 conditions and limitations.

35 (A) The safety center shall: Disseminate successful models of
36 school safety plans and cooperative efforts; provide assistance to
37 schools to establish a comprehensive safe school plan; select models of

1 cooperative efforts that have been proven successful; act as an
2 information dissemination and resource center when an incident occurs
3 in a school district either in Washington or in another state;
4 coordinate activities relating to school safety; review and approve
5 manuals and curricula used for school safety models and training; and
6 develop and maintain a school safety information web site.

7 (B) The school safety center shall be established in the office of
8 the superintendent of public instruction. The superintendent of public
9 instruction shall participate in a school safety center advisory
10 committee that includes representatives of educators, classified staff,
11 principals, superintendents, administrators, the American society for
12 industrial security, the state criminal justice training commission,
13 and others deemed appropriate and approved by the school safety center
14 advisory committee. Members of the committee shall be chosen by the
15 groups they represent. In addition, the Washington association of
16 sheriffs and police chiefs shall appoint representatives of law
17 enforcement to participate on the school safety center advisory
18 committee. The advisory committee shall select a chair.

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

22 (iv) A maximum of \$113,000 of the general fund--state
23 appropriation for fiscal year 2002 and a maximum of (~~(\$103,000)~~)
24 \$100,000 of the general fund--state appropriation for fiscal year 2003
25 are provided for a school safety training program provided by the
26 criminal justice training commission subject to the following
27 conditions and limitations:

28 (A) The criminal justice training commission with assistance of
29 the school safety center advisory committee established in section
30 2(b)(iii) of this section shall develop manuals and curricula for a
31 training program for all school safety personnel.

32 (B) The Washington state criminal justice training commission, in
33 collaboration with the advisory committee, shall provide the school
34 safety training for all school administrators and school safety
35 personnel, including school safety personnel hired after the effective
36 date of this section.

37 (v) A maximum of \$250,000 of the general fund--state appropriation
38 for fiscal year 2002 and a maximum of (~~(\$250,000)~~) \$243,000 of the
39 general fund--state appropriation for fiscal year 2003 are provided for

1 training in school districts regarding the prevention of bullying and
2 harassment. The superintendent of public instruction shall use the
3 funds to develop a model bullying and harassment prevention policy and
4 training materials for school and educational service districts. The
5 information may be disseminated in a variety of ways, including
6 workshops and other staff development activities such as videotape or
7 broadcasts.

8 (vi) A maximum of (~~(\$6,042,000)~~) \$6,048,000 of the general
9 fund--state appropriation for fiscal year 2002 (~~(and a maximum of~~
10 ~~\$6,028,000 of the general fund--state appropriation for fiscal year~~
11 ~~2003--are))~~ is provided for a safety allocation to districts subject to
12 the following conditions and limitations:

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

16 (B) Districts shall expend funds allocated under this section to
17 develop and implement strategies identified in a comprehensive safe
18 school plan pursuant to House Bill No. 1818 (student safety) or Senate
19 Bill No. 5543 (student safety). If neither bill is enacted by June 30,
20 2001, expenditures of the safety allocation shall be subject to (i),
21 (ii), and (iii) of this subsection (a)(vi)(B).

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

38 (ii) Each school may conduct an evaluation of its comprehensive
39 safe school plan and conduct reviews, drills, or simulated practices in

1 coordination with local fire, law enforcement, and medical emergency
2 management agencies.

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

7 (vii) A maximum of \$200,000 of the general fund--state
8 appropriation for fiscal year 2002, a maximum of (~~(\$200,000)~~) \$194,000
9 of the general fund--state appropriation for fiscal year 2003, and
10 \$400,000 of the general fund--federal appropriation transferred from
11 the department of health are provided for a program that provides
12 grants to school districts for media campaigns promoting sexual
13 abstinence and addressing the importance of delaying sexual activity,
14 pregnancy, and childbearing until individuals are ready to nurture and
15 support their children. Grants to the school districts shall be for
16 projects that are substantially designed and produced by students. The
17 grants shall require a local private sector match equal to one-half of
18 the state grant, which may include in-kind contribution of technical or
19 other assistance from consultants or firms involved in public
20 relations, advertising, broadcasting, and graphics or video production
21 or other related fields.

22 (viii) A maximum of \$150,000 of the general fund--state
23 appropriation for fiscal year 2002 and a maximum of (~~(\$150,000)~~)
24 \$145,000 of the general fund--state appropriation for fiscal year 2003
25 are provided for a nonviolence and leadership training program provided
26 by the institute for community leadership. The program shall provide
27 the following:

28 (A) Statewide nonviolence leadership coaches training program for
29 certification of educational employees and community members in
30 nonviolence leadership workshops;

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

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

37 (ix) A maximum of \$1,500,000 of the general fund--state
38 appropriation for fiscal year 2002 (~~and a maximum of \$1,500,000 of the~~
39 ~~general fund--state appropriation for fiscal year 2003 are~~) is

1 provided for school district petitions to juvenile court for truant
2 students as provided in RCW 28A.225.030 and 28A.225.035. Allocation of
3 this money to school districts shall be based on the number of
4 petitions filed.

5 (b) TECHNOLOGY

6 (i) A maximum of \$2,000,000 of the general fund--state
7 appropriation for fiscal year 2002 and a maximum of (~~(\$2,000,000)~~)
8 \$1,940,000 of the general fund--state appropriation for fiscal year
9 2003 are provided for K-20 telecommunications network technical support
10 in the K-12 sector to prevent system failures and avoid interruptions
11 in school utilization of the data processing and video-conferencing
12 capabilities of the network. These funds may be used to purchase
13 engineering and advanced technical support for the network. A maximum
14 of \$650,000 of this amount may be expended for state-level
15 administration and staff training on the K-20 network.

16 (ii) A maximum of \$617,000 of the general fund--state
17 appropriation for fiscal year 2002 and a maximum of (~~(\$1,112,000)~~)
18 \$1,079,000 of the general fund--state appropriation for fiscal year
19 2003 are provided for the Washington state leadership assistance for
20 science education reform (LASER) regional partnership coordinated at
21 the Pacific Science Center.

22 (iii) \$92,000 of the general fund--state appropriation for fiscal
23 year 2003 is provided solely for a study of technology in the public
24 schools subject to the following conditions and limitations:

25 (A) The superintendent shall convene a technology in education
26 task force to develop recommendations about the use of technology and
27 recommendations about funding technology in the schools after
28 conducting a study. The study shall focus on the application of
29 technology in grades three through twelve. The study shall be
30 completed not later than November 1, 2002, and the recommendations
31 shall be submitted to the education and fiscal committees of the house
32 of representatives and the senate. The study shall include but not be
33 limited to:

34 (1) The technology currently available in schools and school
35 districts. Technology includes but is not limited to computers, local
36 area networks, and access to electronic media on the internet;

37 (2) Methods school districts are using currently to fund
38 technology and recommendations for the future;

1 (3) Plans to update the technology including any replacement
2 schedules;

3 (4) Training in the use of technology;

4 (5) Integration of technology into the curriculum;

5 (6) The different uses of technology in upper elementary grades,
6 middle school, and high school; and

7 (7) Applications of technology in schools in other states and how
8 that technology is funded.

9 (B) The technology in education task force shall consist of the
10 following voting members or their designees: One member from each
11 major caucus of the senate, appointed by the president of the senate;
12 one member from each major caucus of the house of representatives,
13 appointed by the speaker of the house of representatives; the
14 superintendent of public instruction; the chair of the information
15 services board; one representative of the community and technical
16 colleges, appointed by the state board for community and technical
17 colleges; one educational service district superintendent, one school
18 district superintendent, one principal, and one teacher, each appointed
19 by the superintendent of public instruction; two representatives
20 appointed by the higher education coordinating board; and three
21 representatives of the computer or digital technology industry and
22 three members of the general public, each appointed by the
23 superintendent of public instruction. The superintendent of public
24 instruction, or designee, shall chair the task force.

25 (c) GRANTS AND ALLOCATIONS

26 (i) A maximum of \$25,000 of the general fund--state appropriation
27 for fiscal year 2002 and a maximum of ((~~\$1,975,000~~)) \$1,916,000 of the
28 general fund--state appropriation for fiscal year 2003 are provided for
29 Senate Bill No. 5695 (alternative certification routes). If the bill
30 is not enacted by June 30, 2001, the amount provided in this subsection
31 shall lapse. The stipend allocation per teacher candidate and mentor
32 pair shall not exceed ((~~\$28,318~~)) \$28,300. The professional educator
33 standards board shall report to the education committees of the
34 legislature by December 15, 2002, on the districts applying for
35 partnership grants, the districts receiving partnership grants, and the
36 number of interns per route enrolled in each district.

37 (ii) A maximum of \$31,500 of the general fund--state appropriation
38 for fiscal year 2002 and a maximum of ((~~\$31,500~~)) \$31,000 of the

1 general fund--state appropriation for fiscal year 2003 are provided for
2 operation of the Cispus environmental learning center.

3 (iii) A maximum of \$150,000 of the general fund--state
4 appropriation for fiscal year 2002 and a maximum of (~~(\$150,000)~~)
5 \$146,000 of the general fund--state appropriation for fiscal year 2003
6 are provided for the Washington civil liberties education program.

7 (iv) A maximum of \$2,150,000 of the general fund--state
8 appropriation for fiscal year 2002 (~~(and a maximum of \$2,150,000 of the~~
9 ~~general fund state appropriation for fiscal year 2003 are)~~) is
10 provided for complex need grants. The maximum grants for eligible
11 districts are specified in LEAP Document 30C as developed on April 27,
12 1997, at 03:00 hours.

13 (v) A maximum of \$1,377,000 of the general fund--state
14 appropriation for fiscal year 2002 (~~(and a maximum of \$1,377,000 of the~~
15 ~~general fund state appropriation for fiscal year 2003 are)~~) is
16 provided for educational centers, including state support activities.
17 (~~(\$100,000)~~) \$50,000 of this amount for fiscal year 2002 is provided to
18 help stabilize funding through distribution among existing education
19 centers that are currently funded by the state at an amount less than
20 (~~(\$100,000 a biennium)~~) \$50,000 a fiscal year.

21 (vi) A maximum of \$50,000 of the general fund--state appropriation
22 for fiscal year 2002 (~~(and a maximum of \$50,000 of the general fund--~~
23 ~~state appropriation for fiscal year 2003 are)~~) is provided for an
24 organization in southwest Washington that received funding from the
25 Spokane educational center in the 1995-97 biennium and provides
26 educational services to students who have dropped out of school.

27 (vii) A maximum of \$1,262,000 of the general fund--state
28 appropriation for fiscal year 2002 and a maximum of (~~(\$1,262,000)~~)
29 \$1,224,000 of the general fund--state appropriation for fiscal year
30 2003 are provided for in-service training and educational programs
31 conducted by the Pacific Science Center.

32 (viii) A maximum of \$100,000 of the general fund--state
33 appropriation for fiscal year 2002 and a maximum of (~~(\$100,000)~~)
34 \$97,000 of the general fund--state appropriation for fiscal year 2003
35 are provided to support vocational student leadership organizations.

36 (ix) \$9,900,000 of the general fund--federal appropriation is
37 provided for the Washington Reads project to enhance high quality
38 reading instruction and school programs.

1 (x) A maximum of \$150,000 of the general fund--state appropriation
2 for fiscal year 2002 and a maximum of (~~(\$150,000)~~) \$146,000 of the
3 general fund--state appropriation for fiscal year 2003 are provided for
4 the World War II oral history project.

5 (xi) (~~(\$30,700,000)~~) \$13,942,000 of the general fund--federal
6 appropriation is provided for school renovation grants for school
7 districts with urgent school renovation needs, special education-
8 related renovations, and technology related renovations.

9 (xii) (~~(\$1,952,000)~~) \$4,962,000 of the general fund--federal
10 appropriation is provided for LINKS technology challenge grants to
11 integrate educational reform with state technology systems and
12 development of technology products that enhance professional
13 development and classroom instruction.

14 (xiii) (~~(\$423,000)~~) \$536,000 of the general fund--federal
15 appropriation is provided for the advanced placement fee program to
16 increase opportunities for low-income students and under-represented
17 populations to participate in advanced placement courses and to
18 increase the capacity of schools to provide advanced placement courses
19 to students.

20 (xiv) \$12,318,000 of the general fund--federal appropriation is
21 provided for comprehensive school reform demonstration projects to
22 provide grants to low-income schools for improving student achievement
23 through adoption and implementation of research-based curricula and
24 instructional programs.

25 (xv) (~~(\$4,228,000)~~) \$2,612,000 of the general fund--federal
26 appropriation is provided for teacher quality enhancement through
27 provision of consortia grants to school districts and higher education
28 institutions to improve teacher preparation and professional
29 development.

30 *Sec. 501 was partially vetoed. See message at end of chapter.

31 **Sec. 502.** 2001 2nd sp.s. c 7 s 502 (uncodified) is amended to
32 read as follows:

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

34 General Fund--State Appropriation (FY 2002) . . . \$	(3,760,826,000)
	<u>3,786,124,000</u>
36 General Fund--State Appropriation (FY 2003) . . . \$	(3,751,350,000)
	<u>3,711,897,000</u>
38 TOTAL APPROPRIATION \$	(7,512,176,000)

1

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

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

7 (2) Allocations for certificated staff salaries for the 2001-02
8 and 2002-03 school years shall be determined using formula-generated
9 staff units calculated pursuant to this subsection. Staff allocations
10 for small school enrollments in (d) through (f) of this subsection
11 shall be reduced for vocational full-time equivalent enrollments.
12 Staff allocations for small school enrollments in grades K-6 shall be
13 the greater of that generated under (a) of this subsection, or under
14 (d) and (e) of this subsection. Certificated staffing allocations
15 shall be as follows:

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

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

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

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

26 (iv) An additional 4.2 certificated instructional staff units for
27 grades K-3 and an additional 7.2 certificated instructional staff units
28 for grade 4. Any funds allocated for the additional certificated units
29 provided in this subsection (iv) shall not be considered as basic
30 education funding;

31 (v) For class size reduction and expanded learning opportunities
32 under the better schools program, an additional 2.2 certificated
33 instructional staff units for the 2001-02 school year and an additional
34 0.8 certificated instructional staff units for the 2002-03 school year
35 for grades K-4 per thousand full-time equivalent students. Funds
36 allocated for these additional certificated units shall not be
37 considered as basic education funding. The allocation may be used for
38 reducing class sizes in grades K-4 or to provide additional classroom

1 contact hours for kindergarten, before-and-after-school programs,
2 weekend school programs, summer school programs, and intercession
3 opportunities to assist elementary school students in meeting the
4 essential academic learning requirements and student assessment
5 performance standards. For purposes of this subsection, additional
6 classroom contact hours provided by teachers beyond the normal school
7 day under a supplemental contract shall be converted to a certificated
8 full-time equivalent by dividing the classroom contact hours by 900.

9 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
10 excess of the amount required to maintain the statutory minimum ratio
11 established under RCW 28A.150.260(2)(b) shall be allocated only if the
12 district documents an actual ratio in grades K-4 equal to or greater
13 than 55.4 certificated instructional staff per thousand full-time
14 equivalent students (~~((in grades K-4))~~) in the 2001-02 school year and
15 54.0 certificated instructional staff per thousand full-time equivalent
16 students in the 2002-03 school year. For any school district
17 documenting a lower certificated instructional staff ratio, the
18 allocation shall be based on the district's actual grades K-4
19 certificated instructional staff ratio achieved in that school year, or
20 the statutory minimum ratio established under RCW 28A.150.260(2)(b), if
21 greater;

22 (B) Districts at or above 51.0 certificated instructional staff
23 per one thousand full-time equivalent students in grades K-4 may
24 dedicate up to 1.3 of the 55.4 funding ratio in the 2001-02 school
25 year, and up to 1.3 of the 54.0 funding ratio in the 2002-03 school
26 year, to employ additional classified instructional assistants assigned
27 to basic education classrooms in grades K-4. For purposes of
28 documenting a district's staff ratio under this section, funds used by
29 the district to employ additional classified instructional assistants
30 shall be converted to a certificated staff equivalent and added to the
31 district's actual certificated instructional staff ratio. Additional
32 classified instructional assistants, for the purposes of this
33 subsection, shall be determined using the 1989-90 school year as the
34 base year;

35 (C) Any district maintaining a ratio in grades K-4 equal to or
36 greater than 55.4 certificated instructional staff per thousand full-
37 time equivalent students in (~~((grades K-4))~~) the 2001-02 school year, and
38 a ratio equal to or greater than 54.0 certificated instructional staff
39 per thousand full-time equivalent students in the 2002-03 school year,

1 may use allocations generated under this subsection (2)(a)(iv) and (v)
2 in excess of that required to maintain the minimum ratio established
3 under RCW 28A.150.260(2)(b) to employ additional basic education
4 certificated instructional staff or classified instructional assistants
5 in grades 5-6. Funds allocated under this subsection (2)(a)(iv) and
6 (v) shall only be expended to reduce class size in grades K-6. No more
7 than 1.3 of the certificated instructional funding ratio amount may be
8 expended for provision of classified instructional assistants;

9 (b) For school districts with a minimum enrollment of 250 full-
10 time equivalent students whose full-time equivalent student enrollment
11 count in a given month exceeds the first of the month full-time
12 equivalent enrollment count by 5 percent, an additional state
13 allocation of 110 percent of the share that such increased enrollment
14 would have generated had such additional full-time equivalent students
15 been included in the normal enrollment count for that particular month;

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

17 (A) Vocational education programs approved by the superintendent
18 of public instruction, a maximum of 0.92 certificated instructional
19 staff units and 0.08 certificated administrative staff units for each
20 19.5 full-time equivalent vocational students; and

21 (B) Skills center programs meeting the standards for skills center
22 funding established in January 1999 by the superintendent of public
23 instruction, 0.92 certificated instructional staff units and 0.08
24 certificated administrative units for each 16.67 full-time equivalent
25 vocational students; ((and))

26 (ii) Vocational full-time equivalent enrollment shall be reported
27 on the same monthly basis as the enrollment for students eligible for
28 basic support, and payments shall be adjusted for reported vocational
29 enrollments on the same monthly basis as those adjustments for
30 enrollment for students eligible for basic support; and

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

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

1 more than twenty-five average annual full-time equivalent students in
2 grades K-8:

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

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

13 (e) For specified enrollments in districts enrolling more than
14 twenty-five but not more than one hundred average annual full-time
15 equivalent students in grades K-8, and for small school plants within
16 any school district which enroll more than twenty-five average annual
17 full-time equivalent students in grades K-8 and have been judged to be
18 remote and necessary by the state board of education:

19 (i) For enrollment of up to sixty annual average full-time
20 equivalent students in grades K-6, 2.76 certificated instructional
21 staff units and 0.24 certificated administrative staff units; and

22 (ii) For enrollment of up to twenty annual average full-time
23 equivalent students in grades 7 and 8, 0.92 certificated instructional
24 staff units and 0.08 certificated administrative staff units;

25 (f) For districts operating no more than two high schools with
26 enrollments of less than three hundred average annual full-time
27 equivalent students, for enrollment in grades 9-12 in each such school,
28 other than alternative schools:

29 (i) For remote and necessary schools enrolling students in any
30 grades 9-12 but no more than twenty-five average annual full-time
31 equivalent students in grades K-12, four and one-half certificated
32 instructional staff units and one-quarter of a certificated
33 administrative staff unit;

34 (ii) For all other small high schools under this subsection, nine
35 certificated instructional staff units and one-half of a certificated
36 administrative staff unit for the first sixty average annual full time
37 equivalent students, and additional staff units based on a ratio of
38 0.8732 certificated instructional staff units and 0.1268 certificated

1 administrative staff units per each additional forty-three and one-half
2 average annual full time equivalent students.

3 Units calculated under (f)(ii) of this subsection shall be reduced
4 by certificated staff units at the rate of forty-six certificated
5 instructional staff units and four certificated administrative staff
6 units per thousand vocational full-time equivalent students(~~(-)~~);

7 (g) For each nonhigh school district having an enrollment of more
8 than seventy annual average full-time equivalent students and less than
9 one hundred eighty students, operating a grades K-8 program or a grades
10 1-8 program, an additional one-half of a certificated instructional
11 staff unit; and

12 (h) For each nonhigh school district having an enrollment of more
13 than fifty annual average full-time equivalent students and less than
14 one hundred eighty students, operating a grades K-6 program or a grades
15 1-6 program, an additional one-half of a certificated instructional
16 staff unit.

17 (3) Allocations for classified salaries for the 2001-02 and 2002-
18 03 school years shall be calculated using formula-generated classified
19 staff units determined as follows:

20 (a) For enrollments generating certificated staff unit allocations
21 under subsection (2)(d) through (h) of this section, one classified
22 staff unit for each three certificated staff units allocated under such
23 subsections;

24 (b) For all other enrollment in grades K-12, including vocational
25 full-time equivalent enrollments, one classified staff unit for each
26 sixty average annual full-time equivalent students; and

27 (c) For each nonhigh school district with an enrollment of more
28 than fifty annual average full-time equivalent students and less than
29 one hundred eighty students, an additional one-half of a classified
30 staff unit.

31 (4) Fringe benefit allocations shall be calculated at a rate of
32 (~~(11.27)~~) 10.76 percent in the 2001-02 school year and (~~(11.27)~~) 9.57
33 percent in the 2002-03 school year for certificated salary allocations
34 provided under subsection (2) of this section, and a rate of (~~(12.92)~~)
35 12.73 percent in the 2001-02 school year and (~~(12.92)~~) 12.36 percent in
36 the 2002-03 school year for classified salary allocations provided
37 under subsection (3) of this section.

1 (5) Insurance benefit allocations shall be calculated at the
2 maintenance rate specified in section 504(3) of this act, based on the
3 number of benefit units determined as follows:

4 (a) The number of certificated staff units determined in
5 subsection (2) of this section; and

6 (b) The number of classified staff units determined in subsection
7 (3) of this section multiplied by 1.152. This factor is intended to
8 adjust allocations so that, for the purposes of distributing insurance
9 benefits, full-time equivalent classified employees may be calculated
10 on the basis of 1440 hours of work per year, with no individual
11 employee counted as more than one full-time equivalent.

12 (6)(a) For nonemployee-related costs associated with each
13 certificated staff unit allocated under subsection (2)(a), (b), and (d)
14 through (h) of this section, there shall be provided a maximum of
15 \$8,519 per certificated staff unit in the 2001-02 school year and a
16 maximum of (~~(\$8,715))~~ \$8,604 per certificated staff unit in the 2002-03
17 school year.

18 (b) For nonemployee-related costs associated with each vocational
19 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
20 section, there shall be provided a maximum of \$20,920 per certificated
21 staff unit in the 2001-02 school year and a maximum of (~~(\$21,401))~~
22 \$21,129 per certificated staff unit in the 2002-03 school year.

23 (c) For nonemployee-related costs associated with each vocational
24 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
25 section, there shall be provided a maximum of \$16,233 per certificated
26 staff unit in the 2001-02 school year and a maximum of (~~(\$16,606))~~
27 \$16,395 per certificated staff unit in the 2002-03 school year.

28 (7) Allocations for substitute costs for classroom teachers shall
29 be distributed at a maintenance rate of \$494.34 for the 2001-02 and
30 2002-03 school years per allocated classroom teachers exclusive of
31 salary increase amounts provided in section 504 of this act. Solely
32 for the purposes of this subsection, allocated classroom teachers shall
33 be equal to the number of certificated instructional staff units
34 allocated under subsection (2) of this section, multiplied by the ratio
35 between the number of actual basic education certificated teachers and
36 the number of actual basic education certificated instructional staff
37 reported statewide for the prior school year.

38 (8) Any school district board of directors may petition the
39 superintendent of public instruction by submission of a resolution

1 adopted in a public meeting to reduce or delay any portion of its basic
2 education allocation for any school year. The superintendent of public
3 instruction shall approve such reduction or delay if it does not impair
4 the district's financial condition. Any delay shall not be for more
5 than two school years. Any reduction or delay shall have no impact on
6 levy authority pursuant to RCW 84.52.0531 and local effort assistance
7 pursuant to chapter 28A.500 RCW.

8 (9) The superintendent may distribute a maximum of (~~(\$6,510,000)~~)
9 \$6,424,000 outside the basic education formula during fiscal years 2002
10 and 2003 as follows:

11 (a) For fire protection for school districts located in a fire
12 protection district as now or hereafter established pursuant to chapter
13 52.04 RCW, a maximum of \$480,000 may be expended in fiscal year 2002
14 and a maximum of (~~(\$491,000)~~) \$485,000 may be expended in fiscal year
15 2003;

16 (b) For summer vocational programs at skills centers, a maximum of
17 \$2,098,000 may be expended (~~(each)~~) for the 2001-02 fiscal year and a
18 maximum of \$2,035,000 for the 2003 fiscal year;

19 (c) A maximum of (~~(\$343,000)~~) \$341,000 may be expended for school
20 district emergencies; and

21 (d) A maximum of \$500,000 (~~(per)~~) for fiscal year 2002 and
22 \$485,000 for fiscal year 2003 may be expended for programs providing
23 skills training for secondary students who are enrolled in extended day
24 school-to-work programs, as approved by the superintendent of public
25 instruction. The funds shall be allocated at a rate not to exceed \$500
26 per full-time equivalent student enrolled in those programs.

27 (10) For purposes of RCW 84.52.0531, the increase per full-time
28 equivalent student in state basic education appropriations provided
29 under this act, including appropriations for salary and benefits
30 increases, is 2.5 percent from the 2000-01 school year to the 2001-02
31 school year(~~(, and 3.3 percent from the 2000-01 school year to the~~
32 ~~2002-03 school year)).~~

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

37 (12) If two or more school districts consolidate and each district
38 was receiving additional basic education formula staff units pursuant

1 to subsection (2)(b) through (h) of this section, the following shall
2 apply:

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

7 (b) For the fourth through eighth school years following
8 consolidation, the difference between the basic education formula staff
9 units received by the districts for the school year prior to
10 consolidation and the basic education formula staff units after
11 consolidation pursuant to subsection (2)(a) through (h) of this section
12 shall be reduced in increments of twenty percent per year.

13 **Sec. 503.** 2001 2nd sp.s. c 7 s 503 (uncodified) is amended to
14 read as follows:

15 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE**
16 **COMPENSATION.** (1) The following calculations determine the salaries
17 used in the general fund allocations for certificated instructional,
18 certificated administrative, and classified staff units under section
19 502 of this act:

20 (a) For school year 2001-02, salary allocations for certificated
21 instructional staff units shall be determined for each district by
22 multiplying the district's certificated instructional total base salary
23 shown on LEAP Document 12E for the appropriate year, by the district's
24 average staff mix factor for basic education and special education
25 certificated instructional staff in that school year, computed using
26 LEAP Document 1S; ((and))

27 (b) For school year 2002-03, salary allocations for certificated
28 instructional staff units shall be determined for each district by
29 multiplying the district's certificated instructional total base salary
30 shown on LEAP Document 12E for the appropriate year, by the district's
31 average staff mix factor for certificated instructional staff in that
32 school year, computed using LEAP Document 1S; and

33 (c) Salary allocations for certificated administrative staff units
34 and classified staff units for each district shall be based on the
35 district's certificated administrative and classified salary allocation
36 amounts shown on LEAP Document 12E for the appropriate year.

37 (2) For the purposes of this section:

1 (a) "Basic education certificated instructional staff" is defined
2 as provided in RCW 28A.150.100 and "special education certificated
3 staff" means staff assigned to the state-supported special education
4 program pursuant to chapter 28A.155 RCW in positions requiring a
5 certificate;

6 (b) "LEAP Document 1S" means the computerized tabulation
7 establishing staff mix factors for certificated instructional staff
8 according to education and years of experience, as developed by the
9 legislative evaluation and accountability program committee on March
10 25, 1999, at 16:55 hours; and

11 (c) "LEAP Document 12E" means the computerized tabulation of 2001-
12 02 and 2002-03 school year salary allocations for certificated
13 administrative staff and classified staff and derived and total base
14 salaries for certificated instructional staff as developed by the
15 legislative evaluation and accountability program committee on (~~March~~
16 ~~13, 2001, at 16:32 hours~~) March 11, 2002, at 22:32 hours.

17 (3) Incremental fringe benefit factors shall be applied to salary
18 adjustments at a rate of (~~(10.63)~~) 10.12 percent for school year(~~(s)~~)
19 2001-02 and 8.93 percent for school year 2002-03 for certificated staff
20 and (~~(9.42)~~) for classified staff 9.23 percent for school year(~~(s)~~)
21 2001-02 and 8.86 percent for the 2002-03 (~~(for classified staff)~~)
22 school year.

23 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide
24 salary allocation schedules for certificated instructional staff are
25 established for basic education salary allocations:

26 K-12 Salary Schedule for Certificated Instructional Staff
27 2001-02 School Year

28 Years of						
29 Service	BA	BA+15	BA+30	BA+45	BA+90	
30 0	27,467	28,209	28,977	29,746	32,219	
31 1	27,836	28,588	29,366	30,171	32,668	
32 2	28,464	29,231	30,025	30,900	33,414	
33 3	29,401	30,192	31,009	31,931	34,490	
34 4	30,063	30,896	31,727	32,689	35,290	
35 5	30,750	31,595	32,443	33,468	36,085	
36 6	31,147	31,974	32,850	33,928	36,531	

1	7	32,164	33,010	33,909	35,055	37,724
2	8	33,195	34,088	35,008	36,248	38,954
3	9		35,205	36,169	37,455	40,223
4	10			37,344	38,724	41,529
5	11				40,029	42,895
6	12				41,293	44,298
7	13					45,736
8	14					47,181
9	15					48,408
10	16 or more					49,376

11 Years of
12 Service BA+135 MA MA+45 MA+90 or PHD

13	0	33,811	32,931	35,403	36,996
14	1	34,252	33,297	35,793	37,377
15	2	35,030	33,995	36,509	38,124
16	3	36,177	35,027	37,585	39,273
17	4	37,007	35,755	38,355	40,072
18	5	37,853	36,503	39,121	40,889
19	6	38,308	36,904	39,508	41,285
20	7	39,569	38,031	40,700	42,546
21	8	40,867	39,225	41,930	43,843
22	9	42,201	40,430	43,200	45,177
23	10	43,572	41,700	44,505	46,549
24	11	44,979	43,005	45,872	47,956
25	12	46,446	44,362	47,275	49,422
26	13	47,947	45,766	48,712	50,923
27	14	49,505	47,212	50,251	52,481
28	15	50,792	48,439	51,557	53,846
29	16 or more	51,808	49,407	52,589	54,923

30 K-12 Allocation Salary Schedule For Certificated Instructional Staff
31 2002-03 School Year

32 ((Years of
33 Service BA BA+15 BA+30 BA+45 BA+90

34	0	28,318	29,083	29,875	30,668	33,217
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1	1	28,699	29,473	30,276	31,106	33,680
2	2	29,345	30,137	30,955	31,857	34,449
3	3	30,312	31,127	31,970	32,920	35,559
4	4	30,994	31,854	32,710	33,702	36,383
5	5	31,703	32,574	33,448	34,505	37,203
6	6	32,112	32,964	33,868	34,979	37,663
7	7	33,160	34,033	34,959	36,141	38,893
8	8	34,223	35,145	36,092	37,372	40,161
9	9		36,295	37,289	38,616	41,470
10	10			38,501	39,923	42,815
11	11				41,269	44,225
12	12				42,572	45,671
13	13					47,153
14	14					48,642
15	15					49,907
16	16 or more					50,906

17 Years of _____ MA+90
18 Service BA+135 MA MA+45 or PHD

19	0	34,859	33,951	36,500	38,142
20	1	35,313	34,328	36,902	38,535
21	2	36,116	35,048	37,640	39,305
22	3	37,298	36,112	38,750	40,490
23	4	38,153	36,863	39,544	41,314
24	5	39,026	37,634	40,333	42,156
25	6	39,495	38,047	40,732	42,564
26	7	40,795	39,210	41,961	43,864
27	8	42,133	40,440	43,229	45,201
28	9	43,509	41,683	44,538	46,577
29	10	44,922	42,992	45,884	47,991
30	11	46,373	44,337	47,293	49,442
31	12	47,885	45,736	48,739	50,953
32	13	49,432	47,184	50,221	52,501
33	14	51,039	48,675	51,808	54,107
34	15	52,366	49,940	53,155	55,514
35	16 or more	53,413	50,938	54,218	56,624))

36 Years of

1	<u>Service</u>	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>BA+45</u>	<u>BA+90</u>
2	<u>0</u>	28,300	29,064	29,856	30,649	33,196
3	<u>1</u>	28,680	29,455	30,257	31,086	33,659
4	<u>2</u>	29,327	30,117	30,936	31,837	34,428
5	<u>3</u>	30,293	31,107	31,950	32,899	35,536
6	<u>4</u>	30,975	31,833	32,690	33,681	36,360
7	<u>5</u>	31,682	32,553	33,427	34,483	37,179
8	<u>6</u>	32,091	32,943	33,847	34,956	37,639
9	<u>7</u>	33,139	34,012	34,937	36,118	38,868
10	<u>8</u>	34,202	35,122	36,069	37,348	40,135
11	<u>9</u>		36,272	37,266	38,591	41,443
12	<u>10</u>			38,477	39,898	42,788
13	<u>11</u>				41,243	44,196
14	<u>12</u>				42,545	45,642
15	<u>13</u>					47,123
16	<u>14</u>					48,611
17	<u>15</u>					49,876
18	<u>16 or more</u>					50,873

19	<u>Years of</u>			<u>MA+90</u>	
20	<u>Service</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>or PHD</u>
21	<u>0</u>	34,836	33,929	36,476	38,118
22	<u>1</u>	35,291	34,306	36,879	38,510
23	<u>2</u>	36,093	35,025	37,616	39,280
24	<u>3</u>	37,274	36,089	38,725	40,464
25	<u>4</u>	38,129	36,840	39,519	41,288
26	<u>5</u>	39,001	37,610	40,307	42,129
27	<u>6</u>	39,470	38,023	40,706	42,537
28	<u>7</u>	40,769	39,185	41,934	43,836
29	<u>8</u>	42,106	40,414	43,202	45,172
30	<u>9</u>	43,481	41,656	44,510	46,548
31	<u>10</u>	44,894	42,964	45,855	47,960
32	<u>11</u>	46,344	44,309	47,263	49,410
33	<u>12</u>	47,854	45,707	48,708	50,921
34	<u>13</u>	49,401	47,154	50,189	52,467
35	<u>14</u>	51,006	48,644	51,775	54,073
36	<u>15</u>	52,333	49,908	53,121	55,479

1 16 or more 53,379 50,906 54,183 56,588

2 (b) As used in this subsection, the column headings "BA+(N)" refer
3 to the number of credits earned since receiving the baccalaureate
4 degree.

5 (c) For credits earned after the baccalaureate degree but before
6 the masters degree, any credits in excess of forty-five credits may be
7 counted after the masters degree. Thus, as used in this subsection,
8 the column headings "MA+(N)" refer to the total of:

9 (i) Credits earned since receiving the masters degree; and

10 (ii) Any credits in excess of forty-five credits that were earned
11 after the baccalaureate degree but before the masters degree.

12 (5) For the purposes of this section:

13 (a) "BA" means a baccalaureate degree.

14 (b) "MA" means a masters degree.

15 (c) "PHD" means a doctorate degree.

16 (d) "Years of service" shall be calculated under the same rules
17 adopted by the superintendent of public instruction.

18 (e) "Credits" means college quarter hour credits and equivalent in-
19 service credits computed in accordance with RCW 28A.415.020 and
20 28A.415.023.

21 (6) No more than ninety college quarter-hour credits received by
22 any employee after the baccalaureate degree may be used to determine
23 compensation allocations under the state salary allocation schedule and
24 LEAP documents referenced in this act, or any replacement schedules and
25 documents, unless:

26 (a) The employee has a masters degree; or

27 (b) The credits were used in generating state salary allocations
28 before January 1, 1992.

29 (7) The certificated instructional staff base salary specified for
30 each district in LEAP Document 12E and the salary schedules in
31 subsection (4)(a) of this section include three learning improvement
32 days (~~originally added in the 1999-00 school year~~) for the 2001-02
33 school year and two days for the 2002-03 school year. A school
34 district is eligible for the learning improvement day funds for school
35 years 2001-02 and 2002-03, only if (~~three~~) the learning improvement
36 days have been added to the 180-day contract year. If fewer (~~than~~
37 ~~three~~) days are added, the additional learning improvement allocation

1 shall be adjusted accordingly. The additional days shall be for
2 activities related to improving student learning consistent with
3 education reform implementation, and shall not be considered part of
4 basic education. The length of a learning improvement day shall not be
5 less than the length of a full day under the base contract. The
6 superintendent of public instruction shall ensure that school districts
7 adhere to the intent and purposes of this subsection.

8 (8) The salary allocation schedules established in this section are
9 for allocation purposes only except as provided in RCW 28A.400.200(2).

10 **Sec. 504.** 2001 2nd sp.s. c 7 s 504 (uncodified) is amended to read
11 as follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
13 **COMPENSATION ADJUSTMENTS**

14	General Fund--State Appropriation (FY 2002) . . . \$	((124,130,000))
15		<u>124,903,000</u>
16	General Fund--State Appropriation (FY 2003) . . . \$	((274,529,000))
17		<u>255,910,000</u>
18	<u>General Fund--Federal Appropriation (FY 2003) . . . \$</u>	<u>191,000</u>
19	TOTAL APPROPRIATION \$	((398,659,000))
20		<u>381,004,000</u>

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

23 (1) ((~~\$318,024,000~~)) A total of \$329,316,000 is provided for a cost
24 of living adjustment for state formula staff units of 3.7 percent
25 effective September 1, 2001, and ((~~another salary adjustment~~)) 3.6
26 percent effective on September 1, 2002, ((~~in a percentage amount to be~~
27 ~~determined by the 2002 legislature~~)) consistent with the provisions of
28 chapter 4, Laws of 2001 (Initiative Measure No. 732). The
29 appropriations include associated incremental fringe benefit
30 allocations at rates of ((~~10.63~~)) 10.12 percent for school year((~~s~~))
31 2001-02 and 8.93 percent for school year 2002-03 for certificated staff
32 and ((~~9.42~~)) 9.23 percent for school year((~~s~~)) 2001-02 and 8.86 for
33 school year 2002-03 for classified staff.

34 (a) The appropriations in this section include the increased
35 portion of salaries and incremental fringe benefits for all relevant
36 state-funded school programs in part V of this act, in accordance with
37 chapter 4, Laws of 2001 (Initiative Measure No. 732). Salary

1 adjustments for state employees in the office of superintendent of
 2 public instruction and the education reform program are provided in
 3 part VII of this act. Increases for general apportionment (basic
 4 education) are based on the salary allocation schedules and methodology
 5 in section 502 of this act. Increases for special education result
 6 from increases in each district's basic education allocation per
 7 student. Increases for educational service districts and institutional
 8 education programs are determined by the superintendent of public
 9 instruction using the methodology for general apportionment salaries
 10 and benefits in section 502 of this act.

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

	School Year	
	2001-02	2002-03
16 Pupil Transportation (per weighted pupil mile)	\$ 0.77	\$ ((1.44))
17		<u>1.54</u>
18 Highly Capable (per formula student)	\$((8.75))	\$((16.35))
19	<u>8.71</u>	<u>16.70</u>
20 Transitional Bilingual Education (per eligible		
21 bilingual student)	\$((22.73))	\$((42.48))
22	<u>22.63</u>	<u>44.74</u>
23 Learning Assistance (per entitlement unit)	\$((11.23))	\$((20.99))
24	<u>11.19</u>	<u>22.26</u>
25 Substitute Teacher (allocation per teacher,		
26 section 502(7))	\$ 18.29	\$ ((34.18))
27		<u>36.75</u>

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

1 84.52.053 and section 502 of this act, and state discretionary funds
2 provided under this act.

3 (3) (~~(\$80,635,000)~~) \$51,688,000 is provided for adjustments to
4 insurance benefit allocations. The maintenance rate for insurance
5 benefit allocations is \$427.73 per month for the 2001-02 and 2002-03
6 school years. The appropriations in this section provide for a rate
7 increase to \$455.27 per month for the 2001-02 school year and
8 (~~(\$493.59)~~) \$457.07 per month for the 2002-03 school year at the
9 following rates:

	School Year	
	2001-02	2002-03
12 Pupil Transportation (per weighted pupil mile)	\$ 0.25	\$(0.60)
13		<u>0.27</u>
14 Highly Capable (per formula student)	\$ 1.74	\$(4.18)
15		<u>1.81</u>
16 Transitional Bilingual Education (per eligible		
17 bilingual student)	\$ 4.46	\$(10.66)
18		<u>4.75</u>
19 Learning Assistance (per entitlement unit)	\$ 3.51	\$(8.38)
20		<u>3.73</u>

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

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

25 FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION		
26 General Fund--State Appropriation (FY 2002) . . . \$	((193,198,000))	
27		<u>192,402,000</u>
28 General Fund--State Appropriation (FY 2003) . . . \$	((194,293,000))	
29		<u>193,293,000</u>
30 TOTAL APPROPRIATION \$	((387,491,000))	
31		<u>385,695,000</u>

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

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

4 (2) A maximum of \$767,000 of this fiscal year 2002 appropriation
5 and a maximum of (~~(\$785,000)~~) \$752,000 of the fiscal year 2003
6 appropriation may be expended for regional transportation coordinators
7 and related activities. The transportation coordinators shall ensure
8 that data submitted by school districts for state transportation
9 funding shall, to the greatest extent practical, reflect the actual
10 transportation activity of each district.

11 (3) (~~(\$15,000)~~) \$5,000 of the fiscal year 2002 appropriation and
12 (~~(\$20,000)~~) \$5,000 of the fiscal year 2003 appropriation are provided
13 solely for the transportation of students enrolled in "choice"
14 programs. Transportation shall be limited to low-income students who
15 are transferring to "choice" programs solely for educational reasons.

16 (4) Allocations for transportation of students shall be based on
17 reimbursement rates of (~~(\$37.11)~~) \$37.07 per weighted mile in the 2001-
18 02 school year and (~~(\$37.38)~~) \$37.12 per weighted mile in the 2002-03
19 school year exclusive of salary and benefit adjustments provided in
20 section 504 of this act. Allocations for transportation of students
21 transported more than one radius mile shall be based on weighted miles
22 as determined by superintendent of public instruction multiplied by the
23 per mile reimbursement rates for the school year pursuant to the
24 formulas adopted by the superintendent of public instruction.
25 Allocations for transportation of students living within one radius
26 mile shall be based on the number of enrolled students in grades
27 kindergarten through five living within one radius mile of their
28 assigned school multiplied by the per mile reimbursement rate for the
29 school year multiplied by 1.29.

30 **Sec. 506.** 2001 2nd sp.s. c 7 s 507 (uncodified) is amended to read
31 as follows:

32 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
33 **PROGRAMS**

34	General Fund--State Appropriation (FY 2002) . . . \$	((419,264,000))
35		<u>420,165,000</u>
36	General Fund--State Appropriation (FY 2003) . . . \$	((420,644,000))
37		<u>408,761,000</u>
38	General Fund--Federal Appropriation \$	((256,092,000))

256,407,000

TOTAL APPROPRIATION \$ ((1,096,000,000))

1,085,333,000

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

(1) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

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

- (i) Special education students are basic education students first;
- (ii) As a class, special education students are entitled to the full basic education allocation; and
- (iii) Special education students are basic education students for the entire school day.

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

(3) Each ((general fund—state)) fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

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

1 (5)(a) For the 2001-02 and 2002-03 school years, the superintendent
2 shall (~~distribute state funds~~) make allocations to each district
3 based on the sum of:

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

8 (ii) A district's annual average full-time equivalent basic
9 education enrollment multiplied by the funded enrollment percent
10 determined pursuant to subsection (6)(b) of this section, multiplied by
11 the district's average basic education allocation per full-time
12 equivalent student multiplied by 0.9309.

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

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

19 (a) "Annual average full-time equivalent basic education
20 enrollment" means the resident enrollment including students enrolled
21 through choice (RCW 28A.225.225) and students from nonhigh districts
22 (RCW 28A.225.210) and excluding students residing in another district
23 enrolled as part of an interdistrict cooperative program (RCW
24 28A.225.250).

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

29 (i) For the 2001-02 (~~and the 2002-03~~) school year(~~s~~), each
30 district's funded enrollment percent shall be the lesser of the
31 district's actual enrollment percent (~~for the school year for which~~
32 ~~the allocation is being determined~~) or 12.7 percent (~~for the 2001-02~~
33 ~~school year or 13.0 percent for the 2002-03 school year~~).

34 (ii) For the 2002-03 school year, each district's general
35 fund--state funded special education enrollment shall be the lesser of
36 the district's actual enrollment percent or 12.7 percent. Increases in
37 enrollment percent from 12.7 percent to 13.0 percent shall be funded
38 from the general fund--federal appropriation.

1 (7) At the request of any interdistrict cooperative of at least 15
2 districts in which all excess cost services for special education
3 students of the districts are provided by the cooperative, the maximum
4 enrollment percent shall be ~~((12.7 percent for the 2001-02 school year
5 and 13.0 percent for the 2002-03 school year))~~ calculated in accordance
6 with subsection (6)(b) of this section, and shall be calculated in the
7 aggregate rather than individual district units. For purposes of this
8 subsection, the average basic education allocation per full-time
9 equivalent student shall be calculated in the aggregate rather than
10 individual district units.

11 (8) Safety net funding shall be awarded by the state safety net
12 oversight committee subject to the following conditions and
13 limitations:

14 (a) A maximum of ~~((\$12,000,000))~~ \$8,500,000 of the general fund--
15 state appropriation and a maximum of \$3,500,000 of the general fund--
16 federal appropriation for fiscal year 2002 ~~((and a maximum of
17 \$10,623,000 of the general fund state appropriation for fiscal year
18 2003))~~ are provided as safety net funding for districts with
19 demonstrated needs for state special education funding beyond the
20 amounts provided in subsection (5) of this section. ~~((Safety net
21 funding shall be awarded by the state safety net oversight committee.~~

22 ~~(a))~~ (b) The safety net oversight committee shall first consider
23 the needs of districts adversely affected by the 1995 change in the
24 special education funding formula. Awards shall be based on the lesser
25 of the amount required to maintain the 1994-95 state special education
26 excess cost allocation to the school district in aggregate or on a
27 dollar per funded student basis.

28 ~~((b))~~ (c) The committee shall then consider unmet needs for
29 districts that can convincingly demonstrate that all legitimate
30 expenditures for special education exceed all available revenues from
31 state funding formulas. In the determination of need, the committee
32 shall also consider additional available revenues from federal and
33 local sources. Differences in program costs attributable to district
34 philosophy, service delivery choice, or accounting practices are not a
35 legitimate basis for safety net awards.

36 ~~((c))~~ (d) The maximum allowable indirect cost for calculating
37 safety net eligibility may not exceed the federal restricted indirect
38 cost rate for the district plus one percent.

1 ~~((d))~~ (e) Safety net awards shall be adjusted based on the
2 percent of potential medicaid eligible students billed as calculated by
3 the superintendent in accordance with chapter 318, Laws of 1999.

4 ~~((e))~~ (f) Safety net awards must be adjusted for any audit
5 findings or exceptions related to special education funding.

6 ~~((f))~~ (g) The superintendent may expend up to \$120,000 (~~(per~~
7 year)) of the amounts provided in this subsection (8) to provide staff
8 assistance to the committee in analyzing applications for safety net
9 funds received by the committee.

10 (9) For fiscal year 2003 to the extent necessary, \$12,873,000 of
11 the general fund--federal appropriation is provided for safety net
12 awards for districts with demonstrated needs for state special
13 education funding beyond the amounts provided in subsection (5) of this
14 section. If safety net awards exceed the amount appropriated in this
15 subsection (9), the superintendent shall expend all available federal
16 discretionary funds necessary to meet this need. Safety net funds
17 shall be awarded by the state safety net oversight committee subject to
18 the following conditions and limitations:

19 (a) The committee shall consider unmet needs for districts that can
20 convincingly demonstrate that all legitimate expenditures for special
21 education exceed all available revenues from state funding formulas.
22 In the determination of need, the committee shall also consider
23 additional available revenues from federal and local sources.
24 Differences in program costs attributable to district philosophy,
25 service delivery choice, or accounting practices are not a legitimate
26 basis for safety net awards.

27 (b) The committee shall then consider the extraordinary high cost
28 needs of one or more individual special education students.
29 Differences in costs attributable to district philosophy, service
30 delivery choice, or accounting practices are not a legitimate basis for
31 safety net awards.

32 (c) The maximum allowable indirect cost for calculating safety net
33 eligibility may not exceed the federal restricted indirect cost rate
34 for the district plus one percent.

35 (d) Safety net awards shall be adjusted based on the percent of
36 potential medicaid eligible students billed as calculated by the
37 superintendent in accordance with chapter 318, Laws of 1999.

38 (e) Safety net awards must be adjusted for any audit findings or
39 exceptions related to special education funding.

1 (f) The superintendent may expend up to \$120,000 of the amount
2 provided from the general fund--federal appropriation in this
3 subsection (9) to provide staff assistance to the committee in
4 analyzing applications for safety net funds received by the committee.

5 (~~(9)~~) (10) The superintendent of public instruction may adopt
6 such rules and procedures as are necessary to administer the special
7 education funding and safety net award process. Prior to revising any
8 standards, procedures, or rules, the superintendent shall consult with
9 the office of financial management and the fiscal committees of the
10 legislature.

11 (~~(10)~~) (11) The safety net oversight committee appointed by the
12 superintendent of public instruction shall consist of:

13 (a) One staff from the office of superintendent of public
14 instruction;

15 (b) Staff of the office of the state auditor;

16 (c) Staff of the office of the financial management; and

17 (d) One or more representatives from school districts or
18 educational service districts knowledgeable of special education
19 programs and funding.

20 (~~(11)~~) (12) To the extent necessary, (~~(\$5,500,000)~~) in fiscal
21 year 2002, \$2,250,000 of the general fund--federal appropriation shall
22 be expended for safety net funding to meet the extraordinary needs of
23 one or more individual special education students. If safety net
24 awards to meet the extraordinary needs exceed (~~(\$5,500,000)~~) \$2,250,000
25 of the general fund--federal appropriation, the superintendent shall
26 expend all available federal discretionary funds necessary to meet this
27 need. General fund--state funds shall not be expended for this
28 purpose.

29 (~~(12)~~) (13) A maximum of \$678,000 may be expended from the
30 general fund--state appropriations to fund 5.43 full-time equivalent
31 teachers and 2.1 full-time equivalent aides at children's orthopedic
32 hospital and medical center. This amount is in lieu of money provided
33 through the home and hospital allocation and the special education
34 program.

35 (~~(13)~~) (14) \$1,000,000 of the general fund--federal appropriation
36 is provided for projects to provide special education students with
37 appropriate job and independent living skills, including work
38 experience where possible, to facilitate their successful transition

1 out of the public school system. The funds provided by this subsection
2 shall be from federal discretionary grants.

3 ~~((14))~~ (15) The superintendent shall maintain the percentage of
4 federal flow-through to school districts at 85 percent for the 2001-02
5 school year. For the 2002-03 school year, the superintendent shall
6 allocate the federal funds as specified in this section and shall
7 adjust federal flow-through funds accordingly. In addition to other
8 purposes, school districts may use increased federal funds for high-
9 cost students, for purchasing regional special education services from
10 educational service districts, and for staff development activities
11 particularly relating to inclusion issues.

12 ~~((15))~~ (16) A maximum of \$1,200,000 of the general fund--federal
13 appropriation may be expended by the superintendent for projects
14 related to use of inclusion strategies by school districts for
15 provision of special education services. The superintendent shall
16 prepare an information database on laws, best practices, examples of
17 programs, and recommended resources. The information may be
18 disseminated in a variety of ways, including workshops and other staff
19 development activities.

20 ~~((16))~~ (17) A school district may carry over from one year to the
21 next year up to 10 percent of general fund--state funds allocated under
22 this program; however, carry over funds shall be expended in the
23 special education program.

24 (18) The superintendent of public instruction shall implement the
25 recommendations of the joint legislative audit and review committee
26 study on special education (report 01-11) only to the extent that funds
27 have been specifically provided therefor.

28 **Sec. 507.** 2001 2nd sp.s. c 7 s 508 (uncodified) is amended to read
29 as follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY**
31 **EDUCATION PROGRAMS**

32	General Fund--State Appropriation (FY 2002) . . . \$	((3,595,000))
33		<u>3,765,000</u>
34	General Fund--State Appropriation (FY 2003) . . . \$	((2,588,000))
35		<u>512,000</u>
36	<u>Public Safety and Education Account</u>	
37	<u>Appropriation</u>	<u>\$ 6,567,000</u>
38	TOTAL APPROPRIATION	((6,183,000))

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(1) The general fund--state appropriations in this section are subject to the following conditions and limitations:

~~((1))~~ (a) The appropriations include such funds as are necessary to complete the school year ending in each fiscal year and for prior fiscal year adjustments.

~~((2))~~ (b) A maximum of \$253,000 of the fiscal year 2002 general fund appropriation ~~((and a maximum of \$254,000 of the fiscal year 2003 general fund appropriation))~~ may be expended for regional traffic safety education coordinators.

~~((3))~~ (c) Allocations to provide tuition assistance for students eligible for free and reduced price lunch who complete the program shall be a maximum of \$203.97 per eligible student in the 2001-02 ~~((and 2002-03))~~ school ~~((years))~~ year.

(2) The public safety and education account appropriation in this section is subject to the following conditions and limitations:

(a) The public safety and education account appropriation shall lapse if House Bill No. 2573 (traffic safety education) is not enacted by June 30, 2002.

(b) If House Bill No. 2573 is enacted by June 30, 2002, districts shall receive the following allocations:

(i) The maximum basic state allocation per student completing the program shall be \$148.00 in the 2002-03 school year.

(ii) Additional allocations to provide tuition assistance for students eligible for free and reduced price lunch who complete the program shall be a maximum of \$71.00 per eligible student in the 2002-03 school year.

(c) A maximum of \$254,000 may be expended for regional traffic safety education coordinators.

Sec. 508. 2001 2nd sp.s. c 7 s 509 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund--State Appropriation (FY 2002) . . . \$	((4,768,000))
	<u>4,757,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((4,768,000))
	<u>4,571,000</u>

1 TOTAL APPROPRIATION \$ ((9,536,000))
 2 9,328,000

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

5 (1) The educational service districts shall continue to furnish
 6 financial services required by the superintendent of public instruction
 7 and RCW 28A.310.190 (3) and (4).

8 (2) \$250,000 of the general fund appropriation for fiscal year
 9 ((2000)) 2002 and (((\$250,000)) \$243,000 of the general fund
 10 appropriation for fiscal year ((2001)) 2003 are provided solely for
 11 student teaching centers as provided in RCW 28A.415.100.

12 (3) A maximum of \$250,000 of the fiscal year 2002 general fund
 13 appropriation and a maximum of (((\$250,000)) \$243,000 of the fiscal year
 14 2003 general fund appropriation are provided for centers for the
 15 improvement of teaching pursuant to RCW 28A.415.010.

16 **Sec. 509.** 2001 2nd sp.s. c 7 s 510 (uncodified) is amended to read
 17 as follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
 19 **ASSISTANCE**

20 General Fund--State Appropriation (FY 2002) . . . \$ ((136,315,000))
 21 140,932,000
 22 General Fund--State Appropriation (FY 2003) . . . \$ ((148,329,000))
 23 154,931,000
 24 TOTAL APPROPRIATION \$ ((284,644,000))
 25 295,863,000

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

28 Calendar year 2003 local effort assistance calculations under
 29 chapter 28A.500 RCW shall be adjusted by multiplying allocations and
 30 maximum eligibility for each district by 0.99 as authorized by House
 31 Bill No. 3011.

32 **Sec. 510.** 2001 2nd sp.s. c 7 s 511 (uncodified) is amended to read
 33 as follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
 35 **EDUCATION PROGRAMS**

1	General Fund--State Appropriation (FY 2002) . . . \$	((19,133,000))
2		<u>19,073,000</u>
3	General Fund--State Appropriation (FY 2003) . . . \$	((19,115,000))
4		<u>18,658,000</u>
5	General Fund--Federal Appropriation \$	8,548,000
6	TOTAL APPROPRIATION \$	((46,796,000))
7		<u>46,279,000</u>

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

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

13 (2) State funding provided under this section is based on salaries
14 and other expenditures for a 220-day school year. The superintendent
15 of public instruction shall monitor school district expenditure plans
16 for institutional education programs to ensure that districts plan for
17 a full-time summer program.

18 (3) State funding for each institutional education program shall be
19 based on the institution's annual average full-time equivalent student
20 enrollment. Staffing ratios for each category of institution shall
21 remain the same as those funded in the 1995-97 biennium.

22 (4) The funded staffing ratios for education programs for juveniles
23 age 18 or less in department of corrections facilities shall be the
24 same as those provided in the 1997-99 biennium.

25 (5) \$141,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$139,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely to maintain at least one
28 certificated instructional staff and related support services at an
29 institution whenever the K-12 enrollment is not sufficient to support
30 one full-time equivalent certificated instructional staff to furnish
31 the educational program. The following types of institutions are
32 included: Residential programs under the department of social and
33 health services for developmentally disabled juveniles, programs for
34 juveniles under the department of corrections, and programs for
35 juveniles under the juvenile rehabilitation administration.

36 (6) Ten percent of the funds allocated for each institution may be
37 carried over from one year to the next.

1 **Sec. 511.** 2001 2nd sp.s. c 7 s 512 (uncodified) is amended to read
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
4 **CAPABLE STUDENTS**

5	General Fund--State Appropriation (FY 2002) . . . \$	((6,443,000))
6		<u>6,470,000</u>
7	General Fund--State Appropriation (FY 2003) . . . \$	((6,397,000))
8		<u>6,229,000</u>
9	TOTAL APPROPRIATION \$	((12,840,000))
10		<u>12,699,000</u>

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

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

16 (2) Allocations for school district programs for highly capable
17 students shall be distributed at a maximum rate of ((~~\$328.10~~)) \$327.22
18 per funded student for the 2001-02 school year and ((~~\$328.05~~)) \$313.07
19 per funded student for the 2002-03 school year, exclusive of salary and
20 benefit adjustments pursuant to section 504 of this act. The number of
21 funded students shall be a maximum of two percent of each district's
22 full-time equivalent basic education enrollment.

23 (3) \$175,000 of the fiscal year 2002 appropriation and ((~~\$175,000~~))
24 \$170,000 of the fiscal year 2003 appropriation are provided for the
25 centrum program at Fort Worden state park.

26 (4) \$93,000 of the fiscal year 2002 appropriation and ((~~\$93,000~~))
27 \$90,000 of the fiscal year 2003 appropriation are provided for the
28 Washington imagination network and future problem-solving programs.

29 **Sec. 512.** 2001 2nd sp.s. c 7 s 513 (uncodified) is amended to read
30 as follows:

31 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
32 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
33 **THE NO CHILD LEFT BEHIND ACT**

34	General Fund--Federal Appropriation \$	((288,166,000))
35		<u>201,737,000</u>

1 **Sec. 513.** 2001 2nd sp.s. c 7 s 514 (uncodified) is amended to read
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS**

4	General Fund--State Appropriation (FY 2002) . . . \$	((35,882,000))
5		<u>36,880,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((36,363,000))
7		<u>30,150,000</u>
8	General Fund--Federal Appropriation \$	((3,000,000))
9		<u>60,571,000</u>
10	TOTAL APPROPRIATION \$	((75,245,000))
11		<u>127,601,000</u>

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

14 (1) \$322,000 of the general fund--state appropriation for fiscal
15 year 2002 and ((~~\$322,000~~)) \$312,000 of the general fund--state
16 appropriation for fiscal year 2003 are provided solely for the academic
17 achievement and accountability commission.

18 (2) ((~~\$11,209,000~~)) \$12,209,000 of the general fund--state
19 appropriation for fiscal year 2002, ((~~\$10,872,000~~)) \$8,872,000 of the
20 general fund--state appropriation for fiscal year 2003, and
21 ((~~\$3,000,000~~)) \$4,000,000 of the general fund--federal appropriation
22 are provided for development and implementation of the Washington
23 assessments of student learning. Up to \$689,000 of the appropriation
24 may be expended for data analysis and data management of test results.

25 (3) \$1,095,000 of the fiscal year 2002 general fund--state
26 appropriation and ((~~\$1,095,000~~)) \$548,000 of the fiscal year 2003
27 general fund--state appropriation are provided solely for training of
28 paraprofessional classroom assistants and certificated staff who work
29 with classroom assistants as provided in RCW 28A.415.310.

30 (4) \$4,695,000 of the general fund--state appropriation for fiscal
31 year 2002 and ((~~\$4,695,000~~)) \$2,348,000 of the general fund--state
32 appropriation for fiscal year 2003 are provided solely for mentor
33 teacher assistance, including state support activities, under RCW
34 28A.415.250 and 28A.415.260, and for a mentor academy. Up to \$200,000
35 of the amount in this subsection may be used each fiscal year to
36 operate a mentor academy to help districts provide effective training
37 for peer mentors. Funds for the teacher assistance program shall be

1 allocated to school districts based on the number of first year
2 beginning teachers.

3 (a) A teacher assistance program is a program that provides to a
4 first year beginning teacher peer mentor services that include but are
5 not limited to:

6 (i) An orientation process and individualized assistance to help
7 beginning teachers who have been hired prior to the start of the school
8 year prepare for the start of a school year;

9 (ii) The assignment of a peer mentor whose responsibilities to the
10 beginning teacher include but are not limited to constructive feedback,
11 the modeling of instructional strategies, and frequent meetings and
12 other forms of contact;

13 (iii) The provision by peer mentors of strategies, training, and
14 guidance in critical areas such as classroom management, student
15 discipline, curriculum management, instructional skill, assessment,
16 communication skills, and professional conduct. A district may provide
17 these components through a variety of means including one-on-one
18 contact and workshops offered by peer mentors to groups, including
19 cohort groups, of beginning teachers;

20 (iv) The provision of release time, substitutes, mentor training in
21 observation techniques, and other measures for both peer mentors and
22 beginning teachers, to allow each an adequate amount of time to observe
23 the other and to provide the classroom experience that each needs to
24 work together effectively;

25 (v) Assistance in the incorporation of the essential academic
26 learning requirements into instructional plans and in the development
27 of complex teaching strategies, including strategies to raise the
28 achievement of students with diverse learning styles and backgrounds;
29 and

30 (vi) Guidance and assistance in the development and implementation
31 of a professional growth plan. The plan shall include a professional
32 self-evaluation component and one or more informal performance
33 assessments. A peer mentor may not be involved in any evaluation under
34 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
35 assisted through this program.

36 (b) In addition to the services provided in (a) of this subsection,
37 an eligible peer mentor program shall include but is not limited to the
38 following components:

1 (i) Strong collaboration among the peer mentor, the beginning
2 teacher's principal, and the beginning teacher;
3 (ii) Stipends for peer mentors and, at the option of a district,
4 for beginning teachers. The stipends shall not be deemed compensation
5 for the purposes of salary lid compliance under RCW 28A.400.200 and are
6 not subject to the continuing contract provisions of Title 28A RCW; and
7 (iii) To the extent that resources are available for this purpose
8 and that assistance to beginning teachers is not adversely impacted,
9 the program may serve second year and more experienced teachers who
10 request the assistance of peer mentors.

11 (5) \$2,025,000 of the general fund--state appropriation for fiscal
12 year 2002 and (~~(\$2,025,000)~~) \$1,964,000 of the general fund--state
13 appropriation for fiscal year 2003 are provided for improving
14 technology infrastructure, monitoring and reporting on school district
15 technology development, promoting standards for school district
16 technology, promoting statewide coordination and planning for
17 technology development, and providing regional educational technology
18 support centers, including state support activities, under chapter
19 28A.650 RCW. The superintendent of public instruction shall coordinate
20 a process to facilitate the evaluation and provision of online
21 curriculum courses to school districts which includes the following:
22 Creation of a general listing of the types of available online
23 curriculum courses; a survey conducted by each regional educational
24 technology support center of school districts in its region regarding
25 the types of online curriculum courses desired by school districts; a
26 process to evaluate and recommend to school districts the best online
27 courses in terms of curriculum, student performance, and cost; and
28 assistance to school districts in procuring and providing the courses
29 to students.

30 (6) \$3,600,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$3,600,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided for grants to school districts to provide
33 a continuum of care for children and families to help children become
34 ready to learn. Grant proposals from school districts shall contain
35 local plans designed collaboratively with community service providers.
36 If a continuum of care program exists in the area in which the school
37 district is located, the local plan shall provide for coordination with
38 existing programs to the greatest extent possible. Grant funds shall
39 be allocated pursuant to RCW 70.190.040.

1 (7) \$2,500,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$2,500,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for the meals for kids program
4 under RCW 28A.235.145 through 28A.235.155.

5 (8) \$1,409,000 of the general fund--state appropriation for fiscal
6 year 2002 and (~~(\$1,409,000)~~) \$705,000 of the general fund--state
7 appropriation for fiscal year 2003 are provided solely for the
8 leadership internship program for superintendents, principals, and
9 program administrators.

10 (9) \$1,828,000 of the general fund--state appropriation for fiscal
11 year 2002 and (~~(\$1,828,000)~~) \$1,773,000 of the general fund--state
12 appropriation for fiscal year 2003 are provided solely for the
13 mathematics helping corps subject to the following conditions and
14 limitations:

15 (a) In order to increase the availability and quality of technical
16 mathematics assistance statewide, the superintendent of public
17 instruction shall employ mathematics school improvement specialists to
18 provide assistance to schools and districts. The specialists shall be
19 hired by and work under the direction of a statewide school improvement
20 coordinator. The mathematics improvement specialists shall serve on a
21 rotating basis from one to three years and shall not be permanent
22 employees of the superintendent of public instruction.

23 (b) The school improvement specialists shall provide the following:

24 (i) Assistance to schools to disaggregate student performance data
25 and develop improvement plans based on those data;

26 (ii) Consultation with schools and districts concerning their
27 performance on the Washington assessment of student learning and other
28 assessments emphasizing the performance on the mathematics assessments;

29 (iii) Consultation concerning curricula that aligns with the
30 essential academic learning requirements emphasizing the academic
31 learning requirements for mathematics, the Washington assessment of
32 student learning, and meets the needs of diverse learners;

33 (iv) Assistance in the identification and implementation of
34 research-based instructional practices in mathematics;

35 (v) Staff training that emphasizes effective instructional
36 strategies and classroom-based assessment for mathematics;

37 (vi) Assistance in developing and implementing family and community
38 involvement programs emphasizing mathematics; and

1 (vii) Other assistance to schools and school districts intended to
2 improve student mathematics learning.

3 (10) A maximum of \$500,000 of the general fund--state appropriation
4 for fiscal year 2002 and a maximum of (~~(\$500,000)~~) \$485,000 of the
5 general fund--state appropriation for fiscal year 2003 are provided for
6 summer accountability institutes offered by the superintendent of
7 public instruction and the academic achievement and accountability
8 commission. The institutes shall provide school district staff with
9 training in the analysis of student assessment data, information
10 regarding successful district and school teaching models, research on
11 curriculum and instruction, and planning tools for districts to improve
12 instruction in reading, mathematics, language arts, and guidance and
13 counseling.

14 (11) \$3,930,000 of the general fund--state appropriation for fiscal
15 year 2002 and (~~(\$3,829,000)~~) \$3,714,000 of the general fund--state
16 appropriation for fiscal year 2003 are provided solely for the
17 Washington reading corps subject to the following conditions and
18 limitations:

19 (a) Grants shall be allocated to schools and school districts to
20 implement proven, research-based mentoring and tutoring programs in
21 reading for low-performing students in grades K-6. If the grant is
22 made to a school district, the principals of schools enrolling targeted
23 students shall be consulted concerning design and implementation of the
24 program.

25 (b) The programs may be implemented before, after, or during the
26 regular school day, or on Saturdays, summer, intercessions, or other
27 vacation periods.

28 (c) Two or more schools may combine their Washington reading corps
29 programs.

30 (d) A program is eligible for a grant if it meets the following
31 conditions:

32 (i) The program employs methods of teaching and student learning
33 based on reliable reading/literacy research and effective practices;

34 (ii) The program design is comprehensive and includes instruction,
35 on-going student assessment, professional development,
36 parental/community involvement, and program management aligned with the
37 school's reading curriculum;

38 (iii) It provides quality professional development and training for
39 teachers, staff, and volunteer mentors and tutors;

1 (iv) It has measurable goals for student reading aligned with the
2 essential academic learning requirements; and

3 (v) It contains an evaluation component to determine the
4 effectiveness of the program.

5 (e) Funding priority shall be given to low-performing schools.

6 (f) Beginning and end-of-program testing data shall be available to
7 determine the effectiveness of funded programs and practices. Common
8 evaluative criteria across programs, such as grade-level improvements
9 shall be available for each reading corps program. The superintendent
10 of public instruction shall provide program evaluations to the governor
11 and the appropriate committees of the legislature. Administrative and
12 evaluation costs may be assessed from the annual appropriation for the
13 program.

14 (g) Grants provided under this section may be used by schools and
15 school districts for expenditures from September 2001 through August
16 31, 2003.

17 (12) (~~(\$377,000)~~) \$375,000 of the general fund--state appropriation
18 for fiscal year 2002 and (~~(\$701,000)~~) \$725,000 of the general fund--
19 state appropriation for fiscal year 2003 are provided solely for salary
20 bonuses for teachers who attain certification by the national board for
21 professional teaching standards(~~(-)~~), subject to the following
22 conditions and limitations:

23 (~~((b) In the 2002-03 school year,)~~) (a) Teachers who have attained
24 certification by the national board (~~((in the 2000-01 school year or the~~
25 ~~2001-02 school year or the 2002-03 school year))~~) shall receive an
26 annual bonus not to exceed \$3,500.

27 (~~((e))~~) (b) The annual bonus shall be paid in a lump sum amount and
28 shall not be included in the definition of "earnable compensation"
29 under RCW 41.32.010(10).

30 (~~((d))~~) (c) It is the intent of the legislature that teachers
31 achieving certification by the national board of professional teaching
32 standards will receive no more than (~~(three)~~) four annual bonus
33 payments for attaining certification by the national board.

34 (13) \$625,000 of the general fund--state appropriation for fiscal
35 year 2002 and (~~(\$625,000)~~) \$313,000 of the general fund--state
36 appropriation for fiscal year 2003 are provided for a principal support
37 program. The office of the superintendent of public instruction may
38 contract with an independent organization to administer the program.
39 The program shall include: (a) Development of an individualized

1 professional growth plan for a new principal or principal candidate;
2 and (b) participation of a mentor principal who works over a period of
3 between one and three years with the new principal or principal
4 candidate to help him or her build the skills identified as critical to
5 the success of the professional growth plan.

6 (14) \$71,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$71,000 of the general fund--state appropriation for
8 fiscal year 2003 are provided solely for the second grade reading test.
9 The funds shall be expended for assessment training for new second
10 grade teachers and replacement of assessment materials.

11 (15) \$384,000 of the general fund--state appropriation for fiscal
12 year 2002 and (~~(\$384,000)~~) \$372,000 of the general fund--state
13 appropriation for fiscal year 2003 are provided for the superintendent
14 to assist schools in implementing high academic standards, aligning
15 curriculum with these standards, and training teachers to use
16 assessments to improve student learning. Funds may also be used to
17 increase community and parental awareness of education reform.

18 (16) \$130,000 of the general fund--state appropriation for fiscal
19 year 2002 and (~~(\$130,000)~~) \$126,000 of the general fund--state
20 appropriation for fiscal year 2003 are provided for the development and
21 posting of web-based instructional tools, assessment data, and other
22 information that assists schools and teachers implementing higher
23 academic standards.

24 (17) \$1,000,000 of the general fund--state appropriation for fiscal
25 year 2002 and (~~(\$1,800,000)~~) \$1,746,000 of the general fund--state
26 appropriation for fiscal year 2003 are provided solely to the office of
27 the superintendent of public instruction for focused assistance. The
28 office of the superintendent of public instruction shall conduct
29 educational audits of low-performing schools and enter into performance
30 agreements between school districts and the office to implement the
31 recommendations of the audit and the community. Of the amounts
32 provided, \$219,000 of the fiscal year 2002 appropriation and
33 (~~(\$207,000)~~) \$201,000 of the fiscal year 2003 appropriation are
34 provided to the office of the superintendent of public instruction for
35 the administrative duties arising under this subsection. Each
36 educational audit shall include recommendations for best practices and
37 ways to address identified needs and shall be presented to the
38 community in a public meeting to seek input on ways to implement the
39 audit and its recommendations.

1 (18) \$100,000 of the general fund--state appropriation for fiscal
2 year 2002 is provided solely for grants to school districts to adopt or
3 revise district-wide and school-level plans to achieve performance
4 improvement goals established under RCW 28A.655.030, and to post a
5 summary of the improvement plans on district websites using a common
6 format provided by the office of the superintendent of public
7 instruction.

8 (19) \$100,000 of the general fund--state appropriation for fiscal
9 year 2002 is provided solely for recognition plaques for schools that
10 successfully met the fourth grade reading improvement goal established
11 under RCW 28A.655.050.

12 (20) \$46,554,000 of the general fund--federal appropriation is
13 provided for preparing, training, and recruiting high quality teachers
14 and principals under Title II of the no child left behind act.

15 (21) \$6,591,000 of the general fund--federal appropriation is
16 provided for the reading first program under Title I of the no child
17 left behind act.

18 (22) In addition to amounts provided in subsection (2) of this
19 section, \$3,426,000 of the general fund--federal appropriation is
20 provided for the development of state assessments as required under
21 Title VI of the no child left behind act.

22 **Sec. 514.** 2001 2nd sp.s. c 7 s 515 (uncodified) is amended to read
23 as follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
25 **BILINGUAL PROGRAMS**

26	General Fund--State Appropriation (FY 2002) . . . \$	((43,044,000))
27		<u>42,767,000</u>
28	General Fund--State Appropriation (FY 2003) . . . \$	((45,171,000))
29		<u>44,734,000</u>
30	<u>General Fund--Federal Appropriation (FY 2003) . . \$</u>	<u>20,280,000</u>
31	TOTAL APPROPRIATION \$	((88,215,000))
32		<u>107,781,000</u>

33 (1) The general fund--state appropriations in this section are
34 subject to the following conditions and limitations:

35 ((+1)) (a) Each general fund fiscal year appropriation includes
36 such funds as are necessary to complete the school year ending in the
37 fiscal year and for prior fiscal year adjustments.

1 (~~(2)~~) (b) The superintendent shall distribute a maximum of
2 (~~(\$687.19)~~) \$684.36 per eligible bilingual student in the 2001-02
3 school year and (~~(\$687.19)~~) \$674.69 in the 2002-03 school year,
4 exclusive of salary and benefit adjustments provided in section 504 of
5 this act.

6 (~~(3)~~) (c) The superintendent may withhold up to \$295,000 in
7 school year 2001-02 and up to (~~(\$268,000)~~) \$700,000 in school year
8 2002-03, and adjust the per eligible pupil rates in subsection (2) of
9 this section accordingly, for the central provision of assessments as
10 provided in section 2(1) and (2) of Engrossed Second Substitute House
11 Bill No. 2025.

12 (~~(4)~~) (d) \$70,000 of the amounts appropriated in this section are
13 provided solely to develop a system for the tracking of current and
14 former transitional bilingual program students.

15 (~~(5)~~) (e) Sufficient funding is provided to implement Engrossed
16 Second Substitute House Bill No. 2025 (schools/bilingual instruction).

17 (2) The general fund--federal appropriation in this section is
18 provided for migrant education, English language acquisition, and
19 language enhancement grants under Title III of the no child left behind
20 act.

21 **Sec. 515.** 2001 2nd sp.s. c 7 s 516 (uncodified) is amended to read
22 as follows:

23 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
24 **ASSISTANCE PROGRAM**

25	General Fund--State Appropriation (FY 2002) . . . \$	((70,593,000))
26		<u>71,342,000</u>
27	General Fund--State Appropriation (FY 2003) . . . \$	((68,817,000))
28		<u>64,614,000</u>
29	<u>General Fund--Federal Appropriation (FY 2003) . . \$</u>	<u>130,631,000</u>
30	TOTAL APPROPRIATION \$	((139,410,000))
31		<u>266,587,000</u>

32 (1) The general fund--state appropriations in this section are
33 subject to the following conditions and limitations:

34 (~~(1)~~) (a) Each general fund--state fiscal year appropriation
35 includes such funds as are necessary to complete the school year ending
36 in the fiscal year and for prior fiscal year adjustments.

1 (~~(2)~~) (b) Funding for school district learning assistance
2 programs shall be allocated at maximum rates of (~~(\$408.38)~~) \$407.39 per
3 funded unit for the 2001-02 school year and (~~(\$409.41)~~) \$404.78 per
4 funded unit for the 2002-03 school year exclusive of salary and benefit
5 adjustments provided under section 504 of this act.

6 (~~(3)~~) (c) For purposes of this section, "test results" refers to
7 the district results from the norm-referenced test administered in the
8 specified grade level. The norm-referenced test results used for the
9 third and sixth grade calculations shall be consistent with the third
10 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

11 (~~(4)~~) (d) A school district's general fund--state funded units
12 for the 2001-02 (~~and 2002-03~~) school year(~~s~~) shall be the sum of
13 the following:

14 (~~(a)~~) (i) The district's full-time equivalent enrollment in
15 grades K-6, multiplied by the 5-year average 4th grade lowest quartile
16 test results as adjusted for funding purposes in the school years prior
17 to 1999-2000, multiplied by 0.92. As the 3rd grade test becomes
18 available, it shall be phased into the 5-year average on a 1-year lag;
19 and

20 (~~(b)~~) (ii) The district's full-time equivalent enrollment in
21 grades 7-9, multiplied by the 5-year average 8th grade lowest quartile
22 test results as adjusted for funding purposes in the school years prior
23 to 1999-2000, multiplied by 0.92. As the 6th grade test becomes
24 available, it shall be phased into the 5-year average for these grades
25 on a 1-year lag; and

26 (~~(c)~~) (iii) The district's full-time equivalent enrollment in
27 grades 10-11 multiplied by the 5-year average 11th grade lowest
28 quartile test results, multiplied by 0.92. As the 9th grade test
29 becomes available, it shall be phased into the 5-year average for these
30 grades on a 1-year lag; and

31 (~~(d)~~) (iv) If, in the prior school year, the district's
32 percentage of October headcount enrollment in grades K-12 eligible for
33 free and reduced price lunch exceeded the state average, subtract the
34 state average percentage of students eligible for free and reduced
35 price lunch from the district's percentage and multiply the result by
36 the district's K-12 annual average full-time equivalent enrollment for
37 the current school year multiplied by 22.3 percent.

38 (~~(5)~~) (e)(i) A school district's general fund--state funded units
39 for the 2002-03 school year shall be the sum of the following:

1 (A) The district's full-time equivalent enrollment in grades K-6,
2 multiplied by the 5-year average 4th grade lowest quartile test results
3 as adjusted for funding purposes in the school years prior to
4 1999-2000, multiplied by 0.82. As the 3rd grade test becomes
5 available, it shall be phased into the 5-year average on a 1-year lag;

6 (B) The district's full-time equivalent enrollment in grades 7-9,
7 multiplied by the 5-year average 8th grade lowest quartile test results
8 as adjusted for funding purposes in the school years prior to
9 1999-2000, multiplied by 0.82. As the 6th grade test becomes
10 available, it shall be phased into the 5-year average for these grades
11 on a 1-year lag; and

12 (C) The district's full-time equivalent enrollment in grades 10-11
13 multiplied by the 5-year average 11th grade lowest quartile test
14 results, multiplied by 0.82. As the 9th grade test becomes available,
15 it shall be phased into the 5-year average for these grades on a 1-year
16 lag; and

17 (D) If, in the prior school year, the district's percentage of
18 October headcount enrollment in grades K-12 eligible for free and
19 reduced price lunch exceeded the state average, subtract the state
20 average percentage of students eligible for free and reduced price
21 lunch from the district's percentage and multiply the result by the
22 district's K-12 annual average full-time equivalent enrollment for the
23 current school year multiplied by 22.3 percent.

24 (ii) In addition to amounts allocated under (a) of this subsection,
25 the superintendent shall provide additional amounts as follows:

26 (A) For school districts receiving less than a 3.0 percent increase
27 in federal Title I Part A (basic program) funds, the multiplier in
28 (i)(A), (B), and (C) of this subsection (e) shall be .92;

29 (B) For school districts not eligible for additional funds under
30 (b)(i) of this subsection, and whose effective increase in federal
31 Title I Part A (basic program) funds is less than 3.0 percent after
32 taking into account the change in the multiplier from .92 to .82, an
33 additional amount to provide a 3.0 percent increase.

34 (f) School districts may carry over from one year to the next up to
35 10 percent of general fund--state funds allocated under this program;
36 however, carryover funds shall be expended for the learning assistance
37 program.

(2) The general fund--federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

Sec. 516. 2001 2nd sp.s. c 7 s 517 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS		
General Fund--State Appropriation (FY 2002) . . . \$	((19,515,000))	
		<u>19,663,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((17,516,000))	
		<u>3,541,000</u>
TOTAL APPROPRIATION \$	((37,031,000))	
		<u>23,204,000</u>

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

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

(2) Funds are provided for local education program enhancements to meet educational needs as identified by the school district, including alternative education programs.

(3) Allocations for the 2001-02 school year shall be at a maximum annual rate of \$18.48 per full-time equivalent student (~~and \$18.48 per full-time equivalent student for the 2002-03 school year~~). Allocations shall be made on the monthly apportionment payment schedule provided in RCW 28A.510.250 and shall be based on school district annual average full-time equivalent enrollment in grades kindergarten through twelve: PROVIDED, That for school districts enrolling not more than one hundred average annual full-time equivalent students, and for small school plants within any school district designated as remote and necessary schools, the allocations shall be as follows:

(a) Enrollment of not more than sixty average annual full-time equivalent students in grades kindergarten through six shall generate funding based on sixty full-time equivalent students;

(b) Enrollment of not more than twenty average annual full-time equivalent students in grades seven and eight shall generate funding based on twenty full-time equivalent students; and

1 (c) Enrollment of not more than sixty average annual full-time
2 equivalent students in grades nine through twelve shall generate
3 funding based on sixty full-time equivalent students.

4 (4) Funding provided pursuant to this section does not fall within
5 the definition of basic education for purposes of Article IX of the
6 state Constitution and the state's funding duty thereunder.

7 (5) The superintendent shall not allocate up to one-fourth of a
8 district's funds under this section if:

9 (a) The district is not maximizing federal matching funds for
10 medical services provided through special education programs, pursuant
11 to RCW 74.09.5241 through 74.09.5256 (Title XIX funding); or

12 (b) The district is not in compliance in filing truancy petitions
13 as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

14 NEW SECTION. **Sec. 517.** A new section is added to 2001 2nd sp.s.
15 c 7 (uncodified) to read as follows:

16 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--STATE FLEXIBLE EDUCATION**
17 **FUNDS**

18 General Fund--State Appropriation (FY 2003) . . . \$ 20,612,000

19 The appropriation in this section is subject to the following
20 conditions and limitations:

21 (1) State flexible education funds for the 2002-03 school year
22 shall be allocated at a maximum rate of \$21.55 per full-time equivalent
23 student in grades K-12. For the purpose of this section, "FTE student"
24 refers to the annual average full-time equivalent enrollment of the
25 school district in grades kindergarten through twelve for the prior
26 school year. The funds shall be distributed to school districts at ten
27 percent per month for the months of September through June.

28 (2) Funds are provided for local education program enhancements to
29 improve student learning as identified by each school district,
30 including the following programs: Paraprofessional training;
31 mentor/beginning teacher assistance; principal assessment and
32 mentorships; superintendent and principal internships; school safety;
33 truancy; contracting with educational centers; and complex needs.

34 (3) Funds provided under this section shall not be used for salary
35 increases or additional compensation for existing teaching duties.

1 (4) Funding provided under this section does not fall within the
2 definition of basic education for purposes of Article IX of the state
3 Constitution.

4 **Sec. 518.** 2001 2nd sp.s. c 7 s 519 (uncodified) is amended to read
5 as follows:

6 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
7 **PROGRAM**

8 Student Achievement Fund--State	
9 Appropriation (FY 2002)	\$ ((184,232,000))
10	<u>180,837,000</u>
11 Student Achievement Fund--State	
12 Appropriation (FY 2003)	\$ ((209,068,000))
13	<u>210,312,000</u>
14 TOTAL APPROPRIATION	\$ ((393,300,000))
15	<u>391,149,000</u>

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

18 (1) The appropriation is allocated for the following uses as
19 specified in chapter 28A.505 RCW as amended by chapter 3, Laws of 2001
20 (Initiative Measure No. 728):

21 (a) To reduce class size by hiring certificated elementary
22 classroom teachers in grades K-4 and paying nonemployee-related costs
23 associated with those new teachers;

24 (b) To make selected reductions in class size in grades 5-12, such
25 as small high school writing classes;

26 (c) To provide extended learning opportunities to improve student
27 academic achievement in grades K-12, including, but not limited to,
28 extended school year, extended school day, before-and-after-school
29 programs, special tutoring programs, weekend school programs, summer
30 school, and all-day kindergarten;

31 (d) To provide additional professional development for educators
32 including additional paid time for curriculum and lesson redesign and
33 alignment, training to ensure that instruction is aligned with state
34 standards and student needs, reimbursement for higher education costs
35 related to enhancing teaching skills and knowledge, and mentoring
36 programs to match teachers with skilled, master teachers. The funding
37 shall not be used for salary increases or additional compensation for

1 existing teaching duties, but may be used for extended year and extend
2 day teaching contracts;

3 (e) To provide early assistance for children who need
4 prekindergarten support in order to be successful in school; or

5 (f) To provide improvements or additions to school building
6 facilities which are directly related to the class size reductions and
7 extended learning opportunities under (a) through (c) of this
8 subsection.

9 (2) Funding for school district student achievement programs shall
10 be allocated at a maximum rate of (~~(\$193.92)~~) \$190.19 per FTE student
11 for the 2001-02 school year and (~~(\$220.59)~~) \$219.84 per FTE student for
12 the 2002-03 school year. For the purposes of this section and in
13 accordance with (~~(RCW 84.52.---(section 5 of Initiative Measure No.~~
14 ~~728))~~) RCW 84.52.068, FTE student refers to the annual average full-
15 time equivalent enrollment of the school district in grades
16 kindergarten through twelve for the prior school year.

17 (3) The office of the superintendent of public instruction shall
18 distribute ten percent of the annual allocation to districts each month
19 for the months of September through June.

20 **Sec. 519.** 2001 2nd sp.s. c 7 s 521 (uncodified) is amended to read
21 as follows:

22 **FOR THE STATE BOARD OF EDUCATION**

23 Education Savings Account--State

24 Appropriation \$ ((36,720,000))
25 36,656,000

26 Education Construction Account--State

27 Appropriation \$ ((154,500,000))
28 111,800,000

29 TOTAL APPROPRIATION \$ ((191,220,000))
30 148,456,000

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

33 (1) (~~(\$18,000,000)~~) \$17,936,000 in fiscal year 2002 and \$18,720,000
34 in fiscal year 2003 of the education savings account appropriation
35 shall be deposited in the common school construction account.

1 **PART VI**
2 **HIGHER EDUCATION**

3 **Sec. 601.** 2001 2nd sp.s. c 7 s 601 (uncodified) is amended to read
4 as follows:

5 The appropriations in sections 603 through 609 of this act are
6 subject to the following conditions and limitations:

7 (1) "Institutions" means the institutions of higher education
8 receiving appropriations under sections 603 through 609 of this act.

9 (2)(a) The salary increases provided or referenced in this
10 subsection shall be the only allowable salary increases provided at
11 institutions of higher education, excluding increases associated with
12 normally occurring promotions and increases related to faculty and
13 professional staff retention, and excluding increases associated with
14 employees under the jurisdiction of chapter 41.56 RCW pursuant to the
15 provisions of RCW 28B.16.015 and 28B.50.874(1).

16 (b) Each institution of higher education shall provide to each
17 classified staff employee as defined by the office of financial
18 management, except for classified staff at the technical colleges, a
19 salary increase of 3.7 percent on July 1, 2001. The technical colleges
20 shall provide to classified employees under chapter 41.56 RCW an
21 average salary increase of 3.7 percent on July 1, 2001, and 3.6 percent
22 on July 1, 2002. (~~Funds are also provided for salary increases for~~
23 ~~all classified employees on July 1, 2002, in a percentage amount to be~~
24 ~~determined by the 2002 legislature and, in the case of technical~~
25 ~~college classified staff, consistent with the provisions of Initiative~~
26 ~~732-))~~

27 (c) Each institution of higher education, except for the community
28 and technical colleges, shall provide to state-funded instructional and
29 research faculty, exempt professional staff, academic administrators,
30 academic librarians, counselors, teaching and research assistants as
31 classified by the office of financial management, and all other state-
32 funded nonclassified staff, including those employees under RCW
33 28B.16.015, an average salary increase of 3.7 percent on July 1, 2001.
34 (~~Funds are also provided for salary increases for these employee~~
35 ~~groups on July 1, 2002, in a percentage amount to be determined by the~~

1 2002 legislature.)) Each institution may provide the same average
2 increases to similar positions that are not state-funded.

3 (d) The community and technical colleges shall provide to academic
4 employees, (~~exempt professional staff, and academic administrators~~)
5 as defined in RCW 28B.52.020 pursuant to the provisions of Initiative
6 Measure No. 732, an average salary increase of 3.7 percent on July 1,
7 2001, and 3.6 percent on July 1, 2002. ((Funds are also provided for
8 salary increases for these groups on July 1, 2002, in a percentage
9 amount to be determined by the 2002 legislature and, in the case of
10 community college academic employees and technical college employees,
11 consistent with the provisions of Initiative 732.))

12 (e) For employees under the jurisdiction of chapter 41.56 RCW
13 pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1),
14 distribution of the salary increases will be in accordance with the
15 applicable collective bargaining agreement. However, an increase shall
16 not be provided to any classified employee whose salary is above the
17 approved salary range maximum for the class to which the employee's
18 position is allocated.

19 (f) Each institution of higher education receiving appropriations
20 for salary increases under sections 604 through 609 of this act may
21 provide additional salary increases from other sources to instructional
22 and research faculty, exempt professional staff, academic
23 administrators, academic librarians, counselors, teaching and research
24 assistants, as classified by the office of financial management, and
25 all other nonclassified staff, but not including employees under RCW
26 28B.16.015. Any additional salary increase granted under the authority
27 of this subsection (2)(f) shall not be included in an institution's
28 salary base for future state funding. It is the intent of the
29 legislature that general fund--state support for an institution shall
30 not increase during the current or any future biennium as a result of
31 any salary increases authorized under this subsection (2)(f) or under
32 rights granted to award additional compensation with local, nonstate
33 funds under the collective bargaining provisions of Second Substitute
34 House Bill No. 2403 (faculty collective bargaining) or Engrossed Second
35 Substitute House Bill No. 2540 (collective bargaining/University of
36 Washington).

37 (g) To collect consistent data for use by the legislature, the
38 office of financial management, and other state agencies for policy and
39 planning purposes, institutions of higher education shall report

1 personnel data to be used in the department of personnel's human
2 resource data warehouse in compliance with uniform reporting procedures
3 established by the department of personnel.

4 (h) Specific salary increases authorized in sections 603 through
5 609 of this act are in addition to any salary increase provided in this
6 subsection.

7 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to
8 full-time students at the state's institutions of higher education for
9 the 2001-02 and 2002-03 academic years, other than the summer term, may
10 be adjusted by the governing boards of the state universities, regional
11 universities, The Evergreen State College, and the state board for
12 community and technical colleges as provided in this subsection.

13 (a) For the 2001-02 academic year, the governing boards and the
14 state board may implement an increase no greater than six and seven-
15 tenths percent over tuition fees charged to full-time students for the
16 2000-01 academic year.

17 (b)(i) For the 2002-03 academic year, the governing boards ((and
18 the state board may implement an increase no greater than six and one-
19 tenth percent over the tuition fees charged to full-time students for
20 the 2001-02 academic year.)) of the state universities may implement an
21 increase no greater than sixteen percent over tuition fees charged to
22 full-time resident undergraduate students for the 2001-02 academic
23 year.

24 (ii) For the 2002-03 academic year, the governing boards of the
25 regional universities and The Evergreen State College may implement an
26 increase no greater than fourteen percent over tuition fees charged to
27 full-time resident undergraduate students for the 2001-02 academic
28 year.

29 (iii) For the 2002-03 academic year, the state board for community
30 and technical colleges may implement an increase no greater than twelve
31 percent over tuition fees charged to full-time resident undergraduate
32 students for the 2001-02 academic year.

33 (iv) Pursuant to RCW 43.135.055, for the 2002-03 academic year, the
34 governing boards of the state universities, the regional universities,
35 The Evergreen State College, and the state board for community and
36 technical colleges may implement an increase in excess of the fiscal
37 growth factor over tuition fees charged to nonresident undergraduate
38 students for the 2001-02 academic year.

1 (c) For the 2001-02 academic year, the governing boards may
2 implement an increase for law and graduate business programs no greater
3 than twelve percent over tuition fees charged to law and graduate
4 business students for the 2000-01 academic year, except as provided in
5 (e) of this subsection.

6 (d) Pursuant to RCW 43.135.055, for the 2002-03 academic year, the
7 governing boards ((may implement an increase for law and graduate
8 business programs no greater than twelve percent over tuition fees
9 charged to law and graduate business students for the 2001-02 academic
10 year, except as provided in (f) of this subsection.)) of the state
11 universities, the regional universities, and The Evergreen State
12 College may implement an increase in excess of the fiscal growth factor
13 over tuition fees charged to graduate, law, and professional students
14 for the 2001-02 academic year.

15 (e) For the 2001-02 academic year, the governing boards of the
16 University of Washington may implement an increase for graduate
17 business programs no greater than 15 percent over tuition fees charged
18 to graduate business students for the 2000-01 academic year.

19 (f) ~~((For the 2002-03 academic year, the governing boards of the~~
20 ~~University of Washington may implement an increase for graduate~~
21 ~~business programs no greater than 20 percent over tuition fees charged~~
22 ~~to graduate business students for the 2001-02 academic year.~~

23 ~~(g))~~ (i) For the 2001-02 ~~((and the 2002-03))~~ academic year~~((s))~~,
24 the state board for community and technical colleges may increase
25 tuition fees differentially based on student credit hour load, but the
26 average percentage increase for students taking fifteen or fewer
27 credits shall not exceed ~~((the limits in subsection (3)(a) and (b) of~~
28 ~~this section))~~ twelve percent.

29 (ii) For the 2002-03 academic year, the state board for community
30 and technical colleges may increase tuition fees differentially at
31 their discretion.

32 ~~((h))~~ (g) For the 2001-03 biennium, the governing boards and the
33 state board may adjust full-time operating fees for factors that may
34 include time of day and day of week, as well as delivery method and
35 campus, to encourage full use of the state's educational facilities and
36 resources.

37 ~~((i))~~ (h) The tuition increases adopted under (a), (b), ~~((g))~~
38 ~~(f)~~, and ~~((h))~~ (g) of this subsection need not apply uniformly across
39 student categories as defined in chapter 28B.15 RCW so long as the

1 increase for each student category does not exceed the percentages
2 specified in this subsection.

3 (4) ~~((In addition to waivers granted under the authority of RCW
4 28B.15.910, the governing boards and the state board may waive all or
5 a portion of the operating fees for any student.))~~ For the remainder of
6 the 2001-03 biennium, the governing boards and the state board are
7 encouraged to reduce waiver activity in recognition of the need to
8 retain available resources to preserve the educational quality of
9 higher education institutions. State general fund appropriations shall
10 not be provided to replace tuition and fee revenue foregone as a result
11 of waivers granted under ~~((this subsection))~~ authority of RCW
12 28B.15.915.

13 (5) Pursuant to RCW ~~((43.15.055))~~ 43.135.055, institutions of
14 higher education receiving appropriations under sections 603 through
15 609 of this act are authorized to increase summer term tuition in
16 excess of the fiscal growth factor during the 2001-03 biennium.
17 Tuition levels increased pursuant to this subsection shall not exceed
18 the per credit hour rate calculated from the academic year tuition
19 levels adopted under this act.

20 (6) Community colleges may increase services and activities fee
21 charges in excess of the fiscal growth factor up to the maximum level
22 authorized by the state board for community and technical colleges.

23 (7) Each institution receiving appropriations under sections 604
24 through 609 of this act shall submit a biennial plan to achieve
25 measurable and specific improvements each academic year as part of a
26 continuing effort to make meaningful and substantial progress towards
27 the achievement of long-term performance goals. The plans, to be
28 prepared at the direction of the higher education coordinating board,
29 shall be submitted by August 15, 2001. The higher education
30 coordinating board shall set biennial performance targets for each
31 institution and shall review actual achievements annually.
32 Institutions shall track their actual performance on the statewide
33 measures as well as faculty productivity, the goals and targets for
34 which may be unique to each institution. A report on progress towards
35 statewide and institution-specific goals, with recommendations for the
36 ensuing biennium, shall be submitted to the fiscal and higher education
37 committees of the legislature by November 15, 2003.

38 (8) The state board for community and technical colleges shall
39 develop a biennial plan to achieve measurable and specific improvements

1 each academic year as part of a continuing effort to make meaningful
 2 and substantial progress to achieve long-term performance goals. The
 3 board shall set biennial performance targets for each college or
 4 district, where appropriate, and shall review actual achievements
 5 annually. Colleges shall track their actual performance on the
 6 statewide measures. A report on progress towards the statewide goals,
 7 with recommendations for the ensuing biennium, shall be submitted to
 8 the fiscal and higher education committees of the legislature by
 9 November 15, 2003.

10 **Sec. 602.** 2001 2nd sp.s. c 7 s 602 (uncodified) is amended to read
 11 as follows:

12 The appropriations in sections 603 through 609 of this act provide
 13 state general fund support for full-time equivalent student enrollments
 14 at each institution of higher education. Listed below are the annual
 15 full-time equivalent student enrollments by institutions assumed in
 16 this act.

	2001-2002	2002-2003
	Annual	Annual
	Average	Average
20 University of Washington		
21 Main campus	32,321	32,427
22 Bothell branch	1,169	1,235
23 Tacoma branch	1,330	1,484
24 Washington State University		
25 Main campus	17,332	17,332
26 Spokane branch	551	593
27 Tri-Cities branch	616	616
28 Vancouver branch	1,071	1,153
29 Central Washington University	7,470	7,470
30 Eastern Washington University	7,933	8,017
31 The Evergreen State College	3,754	3,837
32 Western Washington University	10,976	11,126

1 State Board for Community and
 2 Technical Colleges 125,082 ((126,902))
 3 128,222

4 When allocating newly budgeted enrollments, each institution of
 5 higher education shall give priority to high demand fields, including
 6 but not limited to technology, health professions, and education. At
 7 the end of each fiscal year, each institution of higher education and
 8 the state board for community and technical colleges shall submit a
 9 report to the higher education coordinating board detailing how newly
 10 budgeted enrollments have been allocated.

11 **Sec. 603.** 2001 2nd sp.s. c 7 s 603 (uncodified) is amended to read
 12 as follows:

13 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

14	General Fund--State Appropriation (FY 2002) . . . \$	((514,399,000))
15		<u>514,141,000</u>
16	General Fund--State Appropriation (FY 2003) . . . \$	((543,731,000))
17		<u>533,500,000</u>
18	General Fund--Federal Appropriation \$	11,404,000
19	<u>Administrative Contingency Account--State</u>	
20	<u>Appropriation</u> \$	<u>2,600,000</u>
21	<u>College Faculty Awards Trust Account--State</u>	
22	<u>Appropriation</u> \$	<u>2,500,000</u>
23	Education Savings Account--State	
24	Appropriation \$	4,500,000
25	TOTAL APPROPRIATION \$	((1,074,034,000))
26		<u>1,068,645,000</u>

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

29 (1) The technical colleges may increase tuition and fees in excess
 30 of the fiscal growth factor to conform with the percentage increase in
 31 community college operating fees.

32 (2) \$2,475,000 of the general fund--state appropriation for fiscal
 33 year 2002 and \$5,025,000 of the general fund--state appropriation for
 34 fiscal year 2003 are provided solely to increase salaries and related
 35 benefits for part-time faculty. The board shall report by December 1
 36 of each fiscal year to the office of financial management and

1 legislative fiscal and higher education committees on (a) the
2 distribution of state funds; (b) wage adjustments for part-time
3 faculty; and (c) progress to achieve the long-term performance targets
4 for each district, with respect to use of part-time faculty, pursuant
5 to the faculty mix study conducted under section 603, chapter 309, Laws
6 of 1999.

7 (3) \$1,155,000 of the general fund--state appropriation for fiscal
8 year 2002 and (~~(\$2,345,000)~~) \$1,155,000 of the general fund--state
9 appropriation for fiscal year 2003 are provided solely for faculty
10 salary increments and associated benefits and may be used in
11 combination with salary and benefit savings from faculty turnover to
12 provide faculty salary increments and associated benefits. To the
13 extent general salary increase funding is used to pay faculty
14 increments, the general salary increase shall be reduced by the same
15 amount.

16 (4) \$1,000,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$1,000,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided for a program to fund the start-up of new
19 community and technical college programs in rural counties as defined
20 under RCW 43.160.020(12) and in communities impacted by business
21 closures and job reductions. Successful proposals must respond to
22 local economic development strategies and must include a plan to
23 continue programs developed with this funding.

24 (5) \$326,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$640,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided solely for allocation to twelve college
27 districts identified in (a) through (l) of this subsection to prepare
28 students for transfer to the state technology institute at the Tacoma
29 branch campus of the University of Washington. The appropriations in
30 this section are intended to supplement, not supplant, general
31 enrollment allocations by the board to the districts under (a) through
32 (l) of this subsection:

- 33 (a) Bates Technical College;
- 34 (b) Bellevue Community College;
- 35 (c) Centralia Community College;
- 36 (d) Clover Park Community College;
- 37 (e) Grays Harbor Community College;
- 38 (f) Green River Community College;
- 39 (g) Highline Community College;

1 (h) Tacoma Community College;
2 (i) Olympic Community College;
3 (j) Pierce District;
4 (k) Seattle District; and
5 (l) South Puget Sound Community College.

6 (6) \$28,761,000 of the general fund--state appropriation for fiscal
7 year 2002 (~~and \$28,761,000~~), \$32,761,000 of the general fund--state
8 appropriation for fiscal year 2003, and the entire administrative
9 contingency account appropriation are provided solely as special funds
10 for training and related support services, including financial aid, as
11 specified in chapter 226, Laws of 1993 (employment and training for
12 unemployed workers).

13 (a) Funding is provided to support up to 7,200 full-time equivalent
14 students in (~~each~~) fiscal year 2002 and up to 8,520 full-time
15 equivalent students in fiscal year 2003.

16 (b) In directing these resources during the 2001-03 biennium, the
17 state board for community and technical colleges shall give
18 considerable attention to the permanent dislocation of workers from
19 industries facing rapidly rising energy costs, such as direct service
20 industries.

21 (7) \$1,000,000 of the general fund--state appropriation for fiscal
22 year 2002 and \$1,000,000 of the general fund--state appropriation for
23 fiscal year 2003 are provided solely for tuition support for students
24 enrolled in work-based learning programs.

25 (8) \$567,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$568,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely for administration and customized
28 training contracts through the job skills program.

29 (9) \$50,000 of the general fund--state appropriation for fiscal
30 year 2002 and \$50,000 of the general fund--state appropriation for
31 fiscal year 2003 are solely for higher education student child care
32 matching grants under chapter 28B.135 RCW.

33 (10) \$212,000 of the general fund--state appropriation for fiscal
34 year 2002 and \$212,000 of the general fund--state appropriation for
35 fiscal year 2003 are provided for allocation to Olympic college. The
36 college shall contract with accredited baccalaureate institution(s) to
37 bring a program of upper-division courses to Bremerton. Funds provided
38 are sufficient to support at least 30 additional annual full-time
39 equivalent students. The state board for community and technical

1 colleges shall report to the office of financial management and the
2 fiscal and higher education committees of the legislature on the
3 implementation of this subsection by December 1st of each fiscal year.

4 (11) The entire education savings account appropriation is provided
5 solely to support the development of a multicollege student-centered
6 online service center for distance learners, including self-service
7 internet applications and staff support 24 hours per day. Moneys may
8 be allocated by the office of financial management upon certification
9 that sufficient cash is available beyond the appropriations made for
10 the 2001-03 biennium for the purposes of common school construction.

11 (12) \$9,500,000 of the general fund--state appropriation for fiscal
12 year 2003 and the entire college faculty awards trust account
13 appropriation are provided solely for the purposes of the settlement
14 costs of Mader v. State litigation regarding retirement contributions
15 on behalf of part-time faculty.

16 *Sec. 604. 2001 2nd sp.s. c 7 s 604 (uncodified) is amended to
17 read as follows:

18 **FOR UNIVERSITY OF WASHINGTON**

19	General Fund--State Appropriation (FY 2002) . . . \$	((345,974,000))
20		<u>345,904,000</u>
21	General Fund--State Appropriation (FY 2003) . . . \$	((361,114,000))
22		<u>336,544,000</u>
23	Death Investigations Account--State	
24	Appropriation \$	((259,000))
25		<u>258,000</u>
26	University of Washington Building Account--	
27	State Appropriation \$	1,103,000
28	Accident Account--State Appropriation \$	((5,891,000))
29		<u>5,881,000</u>
30	Medical Aid Account--State Appropriation \$	((5,945,000))
31		<u>5,937,000</u>
32	TOTAL APPROPRIATION \$	((720,286,000))
33		<u>695,627,000</u>

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

36 (1) The university may reallocate 10 percent of newly budgeted
37 enrollments to campuses other than as specified by the legislature in

1 section 602 of this act in order to focus on high demand areas. The
2 university shall report the details of these reallocations to the
3 office of financial management and the fiscal and higher education
4 committees of the legislature for monitoring purposes by the 10th day
5 of the academic quarter that follows the reallocation actions. The
6 report shall provide details of undergraduate and graduate enrollments
7 at the main campus and each of the branch campuses.

8 (2) \$2,000,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$2,000,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely to create a state resource for
11 technology education in the form of an institute located at the
12 University of Washington, Tacoma. It is the intent of the legislature
13 that at least ninety-nine of the full-time equivalent enrollments
14 allocated to the university's Tacoma branch campus for the 2002-03
15 academic year may be used to establish the technology institute. The
16 university will expand undergraduate and graduate degree programs
17 meeting regional technology needs including, but not limited to,
18 computing and software systems. As a condition of these
19 appropriations:

20 (a) The university will work with the state board for community and
21 technical colleges, or individual colleges where necessary, to
22 establish articulation agreements in addition to the existing associate
23 of arts and associate of science transfer degrees. Such agreements
24 shall improve the transferability of students and in particular,
25 students with substantial applied information technology credits.

26 (b) The university will establish performance measures for
27 recruiting, retaining and graduating students, including nontraditional
28 students, and report back to the governor and legislature by September
29 2002 as to its progress and future steps.

30 (3) \$150,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$150,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided solely for research faculty clusters in
33 the advanced technology initiative program.

34 (4) The department of environmental health shall report to the
35 legislature the historical, current, and anticipated use of funds
36 provided from the accident and medical aid accounts. The report shall
37 be submitted prior to the convening of the 2002 legislative session.

1 (5) (~~(\$259,000)~~) \$258,000 of the death investigations account
2 appropriation is provided solely for the forensic pathologist
3 fellowship program.

4 (6) \$150,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$150,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for the implementation of the
7 Puget Sound work plan and agency action item UW-01.

8 (7) \$75,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$75,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely for the Olympic natural resource
11 center.

12 (8) \$50,000 of the general fund--state appropriations are provided
13 solely for the school of medicine to conduct a survey designed to
14 evaluate characteristics, factors and probable causes for the high
15 incidence of multiple sclerosis cases in Washington state.

16 (9) \$1,103,000 of the University of Washington building account--
17 state appropriation is provided solely for the repair and
18 reconstruction of the Urban Horticulture Center (Merrill Hall).

19 (10) \$2,774,000 of the general fund--state appropriation for fiscal
20 year 2003 is provided solely for competitively offered recruitment and
21 retention salary adjustments for instructional and research faculty,
22 exempt professional staff, academic administrators, academic
23 librarians, counselors, teaching and research assistants, as classified
24 by the office of financial management, and all other nonclassified
25 staff, but not including employees under RCW 28B.16.015. Tuition
26 revenues may be expended in addition to those required by this section
27 to further provide recruitment and retention salary adjustments.

28 *Sec. 604 was partially vetoed. See message at end of chapter.

29 *Sec. 605. 2001 2nd sp.s. c 7 s 605 (uncodified) is amended to
30 read as follows:

31 **FOR WASHINGTON STATE UNIVERSITY**

32	General Fund--State Appropriation (FY 2002) . . . \$	((201,416,000))
33		<u>201,362,000</u>
34	General Fund--State Appropriation (FY 2003) . . . \$	((209,939,000))
35		<u>195,533,000</u>
36	TOTAL APPROPRIATION \$	((411,355,000))
37		<u>396,895,000</u>

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

3 (1) The university may reallocate 10 percent of newly budgeted
4 enrollments to campuses other than specified by the legislature in
5 section 602 of this act in order to focus on high demand areas. The
6 university will report the details of these reallocations to the office
7 of financial management and the fiscal and higher education committees
8 of the legislature for monitoring purposes by the 10th day of the
9 academic quarter that follows the reallocation actions. The report
10 will provide details of undergraduate and graduate enrollments at the
11 main campus and each of the branch campuses.

12 (2) \$150,000 of the general fund--state appropriation for fiscal
13 year 2002 and \$150,000 of the general fund--state appropriation for
14 fiscal year 2003 are provided solely for research faculty clusters in
15 the advanced technology initiative program.

16 (3) \$165,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$166,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for the implementation of the
19 Puget Sound work plan and agency action item WSU-01.

20 (4) \$1,726,000 of the general fund--state appropriation for fiscal
21 year 2003 is provided solely for competitively offered recruitment and
22 retention salary adjustments for instructional and research faculty,
23 exempt professional staff, academic administrators, academic
24 librarians, counselors, teaching and research assistants, as classified
25 by the office of financial management, and all other nonclassified
26 staff, but not including employees under RCW 28B.16.015. Tuition
27 revenues may be expended in addition to those required by this section
28 to further provide recruitment and retention salary adjustments.

29 *Sec. 605 was partially vetoed. See message at end of chapter.

30 *Sec. 606. 2001 2nd sp.s. c 7 s 606 (uncodified) is amended to
31 read as follows:

32 **FOR EASTERN WASHINGTON UNIVERSITY**

33	General Fund--State Appropriation (FY 2002) . . . \$	((45,532,000))
34		<u>45,517,000</u>
35	General Fund--State Appropriation (FY 2003) . . . \$	((47,382,000))
36		<u>44,174,000</u>
37	TOTAL APPROPRIATION \$	((92,914,000))
38		<u>89,691,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations: \$450,000 of the general fund--state
3 appropriation for fiscal year 2003 is provided solely for competitively
4 offered recruitment and retention salary adjustments for instructional
5 and research faculty, exempt professional staff, academic
6 administrators, academic librarians, counselors, teaching and research
7 assistants, as classified by the office of financial management, and
8 all other nonclassified staff, but not including employees under RCW
9 28B.16.015. Tuition revenues may be expended in addition to those
10 required by this section to further provide recruitment and retention
11 salary adjustments.

12 *Sec. 606 was partially vetoed. See message at end of chapter.

13 *Sec. 607. 2001 2nd sp.s. c 7 s 607 (uncodified) is amended to
14 read as follows:

15 **FOR CENTRAL WASHINGTON UNIVERSITY**

16	General Fund--State Appropriation (FY 2002) . . . \$	((44,164,000))
17		<u>44,147,000</u>
18	General Fund--State Appropriation (FY 2003) . . . \$	((44,976,000))
19		<u>42,149,000</u>
20	TOTAL APPROPRIATION \$	((89,140,000))
21		<u>86,296,000</u>

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

24 (1) \$700,000 of the general fund--state appropriation for fiscal
25 year 2002 ((is)) and \$350,000 of the general fund--state appropriation
26 for fiscal year 2003 are provided solely for the development and
27 implementation of the university's enrollment stabilization recovery
28 and growth plan. The university shall report back to the fiscal
29 committees of the legislature, the office of financial management, and
30 the higher education coordinating board at the end of each fiscal year
31 with details of its actions and progress.

32 (2) \$374,000 of the general fund--state appropriation for fiscal
33 year 2003 is provided solely for competitively offered recruitment and
34 retention salary adjustments for instructional and research faculty,
35 exempt professional staff, academic administrators, academic
36 librarians, counselors, teaching and research assistants, as classified
37 by the office of financial management, and all other nonclassified

1 staff, but not including employees under RCW 28B.16.015. Tuition
2 revenues may be expended in addition to those required by this section
3 to further provide recruitment and retention salary adjustments.

4 *Sec. 607 was partially vetoed. See message at end of chapter.

5 *Sec. 608. 2001 2nd sp.s. c 7 s 608 (uncodified) is amended to
6 read as follows:

7 **FOR THE EVERGREEN STATE COLLEGE**

8	General Fund--State Appropriation (FY 2002) . . . \$	((25,334,000))
9		<u>25,325,000</u>
10	General Fund--State Appropriation (FY 2003) . . . \$	((26,260,000))
11		<u>24,474,000</u>
12	TOTAL APPROPRIATION \$	((51,594,000))
13		<u>49,799,000</u>

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

16 (1) \$226,000 of the general fund--state appropriation for fiscal
17 year 2003 is provided solely for competitively offered recruitment and
18 retention salary adjustments for instructional and research faculty,
19 exempt professional staff, academic administrators, academic
20 librarians, counselors, teaching and research assistants, as classified
21 by the office of financial management, and all other nonclassified
22 staff, but not including employees under RCW 28B.16.015. Tuition
23 revenues may be expended in addition to those required by this section
24 to further provide recruitment and retention salary adjustments.

25 (2) \$75,000 of the general fund--state appropriation for fiscal
26 year 2002 is provided solely for the institute for public policy to
27 complete studies of services described in section 202(1), chapter 1,
28 Laws of 2000 2nd sp. sess.

29 ((+2)) (3) \$11,000 of the general fund--state appropriation for
30 fiscal year 2002 and \$54,000 of the general fund--state appropriation
31 for fiscal year 2003 are provided solely for the institute for public
32 policy to conduct an outcome evaluation pursuant to Substitute Senate
33 Bill No. 5416 (drug-affected infants). The institute shall provide a
34 report to the fiscal, health, and human services committees of the
35 legislature by December 1, 2003. If the bill is not enacted by June
36 30, 2001, the amounts provided in this subsection shall be used to
37 evaluate outcomes across state health and social service pilot projects

1 and other national models involving women who have given birth to a
2 drug-affected infant, comparing gains in positive birth outcomes for
3 resources invested, in which case the institute's findings and
4 recommendations will be provided by November 15, 2002.

5 ~~((+3))~~ (4) \$11,000 of the general fund--state appropriation for
6 fiscal year 2002 and \$33,000 of the general fund--state appropriation
7 for fiscal year 2003 are provided solely for the institute for public
8 policy to evaluate partnership grant programs for alternative teacher
9 certification pursuant to Engrossed Second Substitute Senate Bill No.
10 5695. An interim report shall be provided to the fiscal and education
11 committees of the legislature by December 1, 2002, and a final report
12 by December 1, 2004.

13 ~~((+4))~~ (5) \$60,000 of the general fund--state appropriation for
14 fiscal year 2002 is provided solely for the institute for public policy
15 to examine options for revising the state's funding formula for the
16 learning assistance program to enhance accountability for school
17 performance in meeting education reform goals. The institute shall
18 submit its report to the appropriate legislative fiscal and policy
19 committees by June 30, 2002.

20 ~~((+5))~~ (6) \$50,000 of the general fund--state appropriation for
21 fiscal year 2002 is provided solely for the institute for public policy
22 to study the prevalence and needs of families who are raising related
23 children. The study shall compare services and policies of Washington
24 state with other states that have a high rate of kinship care
25 placements in lieu of foster care placements. The study shall identify
26 possible changes in services and policies that are likely to increase
27 appropriate kinship care placements. A report shall be provided to the
28 fiscal and human services committees of the legislature by June 1,
29 2002.

30 ~~((+6))~~ (7) \$35,000 of the general fund--state appropriation for
31 fiscal year 2002 and \$15,000 of the general fund--state appropriation
32 for fiscal year 2003 are provided solely for the institute for public
33 policy to examine various educational delivery models for providing
34 services and education for students through the Washington state school
35 for the deaf. The institute's report, in conjunction with the capacity
36 planning study from the joint legislative audit and review committee,
37 shall be submitted to the fiscal committees of the legislature by
38 September 30, 2002.

1 ~~((+7))~~ (8) \$30,000 of the general fund--state appropriation for
2 fiscal year 2002 is provided solely for the institute for public policy
3 to examine the structure, policies, and recent experience in states
4 where welfare recipients may attend college full-time as their required
5 TANF work activity. The institute will provide findings and recommend
6 how Washington could consider adding this feature in a targeted, cost-
7 neutral manner that would complement the present-day WorkFirst efforts
8 and caseload. The institute shall provide a report to the human
9 services, higher education, and fiscal committees of the legislature by
10 November 15, 2001.

11 ~~((+8))~~ (9) \$75,000 of the general fund--state appropriation for
12 fiscal year 2002 and \$75,000 of the general fund--state appropriation
13 for fiscal year 2003 are provided solely for the institute for public
14 policy to research and evaluate strategies for constraining the growth
15 in state health expenditures. Specific research topics, approaches,
16 and timelines shall be identified in consultation with the fiscal
17 committees of the legislature.

18 ~~((+9))~~ (10) \$100,000 of the general fund--state appropriation for
19 fiscal year 2002 is provided solely for the institute for public policy
20 to conduct a comprehensive review of the costs and benefits of existing
21 juvenile crime prevention and intervention programs. This evaluation
22 shall also consider what changes could result in more cost-effective
23 and efficient funding for juvenile crime prevention and intervention
24 programs presently supported with state funds. The institute for
25 public policy shall report its findings and recommendations to the
26 appropriate legislative fiscal and policy committees by October 1,
27 2002.

28 (11) \$60,000 of the general fund--state appropriation for fiscal
29 year 2003 is provided solely for the institute for public policy to
30 conduct the studies listed in (a), (b), (c), and (d) of this
31 subsection.

32 (a) The institute for public policy shall conduct a review of
33 branch campuses of the state's higher education research universities.
34 The study shall examine: (a) The original mission of branch campuses;
35 (b) the extent branch campuses are meeting their original mission; and
36 (c) the extent key factors that led to the creation of branch campuses
37 have changed, including student demographics, demand for and
38 availability of upper division higher education, and local or state
39 labor markets. The study shall also include a range of policy options

1 the legislature could consider regarding branch campuses. The
2 institute shall submit an interim report by December 12, 2002, and a
3 final report by June 30, 2003, to appropriate legislative committees.

4 (b) The institute for public policy shall conduct a study to review
5 the mission and operations of the higher education coordinating board.
6 The study shall include evaluation of the board's role and current
7 practices in policy setting, evaluation, review and approval of higher
8 education programs and budgets, and administration of financial aid
9 programs. In conducting the study, the institute shall work with
10 legislative staff of the house of representatives and senate. The
11 institute shall submit its findings to the higher education and fiscal
12 committees of the legislature by December 12, 2002.

13 (c) The institute for public policy shall conduct a study to
14 research at-risk youth programs. The institute for public policy shall
15 conduct the necessary research in order to recommend to the legislature
16 the criteria, processes, and institutional arrangements under which
17 proven best practices could be identified, the reductions in the state
18 justice system caseloads estimated, and the unit cost and total cost
19 savings estimated for the intervention and prevention programs focused
20 on youth at high risk for involvement with the juvenile and adult
21 justice systems. The development of criteria, processes, and
22 institutional arrangements for the limited purposes of this study shall
23 not be construed to define best practices for all programs. The
24 institute for public policy shall report its findings and
25 recommendations to the appropriate committees of the legislature by
26 December 12, 2002.

27 (d) The institute for public policy shall carry out the research
28 tasks assigned to it in Second Substitute House Bill No. 2338 or
29 Substitute Senate Bill No. 6361 (drug offender sentencing). The board
30 may adjust reporting dates based on available data and required
31 analysis.

32 *Sec. 608 was partially vetoed. See message at end of chapter.

33 *Sec. 609. 2001 2nd sp.s. c 7 s 609 (uncodified) is amended to
34 read as follows:

35 **FOR WESTERN WASHINGTON UNIVERSITY**

36	General Fund--State Appropriation (FY 2002) . . . \$	((59,755,000))
37		59,732,000
38	General Fund--State Appropriation (FY 2003) . . . \$	((62,881,000))

1		58,418,000
2	TOTAL APPROPRIATION	\$ ((122,636,000))
3		<u>118,150,000</u>

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

6 (1) \$753,000 of the general fund--state appropriation for fiscal
7 year 2002 and ((~~\$1,032,000~~)) \$980,400 of the general fund--state
8 appropriation for fiscal year 2003 are provided solely for the
9 operations of the North Snohomish, Island, Skagit (NSIS) higher
10 education consortium.

11 (2) \$450,000 of the general fund--state appropriation for fiscal
12 year 2003 is provided solely for competitively offered recruitment and
13 retention salary adjustments for instructional and research faculty,
14 exempt professional staff, academic administrators, academic
15 librarians, counselors, teaching and research assistants, as classified
16 by the office of financial management, and all other nonclassified
17 staff, but not including employees under RCW 28B.16.015. Tuition
18 revenues may be expended in addition to those required by this section
19 to further provide recruitment and retention salary adjustments.

20 *Sec. 609 was partially vetoed. See message at end of chapter.

21 **Sec. 610.** 2001 2nd sp.s. c 7 s 610 (uncodified) is amended to read
22 as follows:

23 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
24 **ADMINISTRATION**

25	General Fund--State Appropriation (FY 2002)	\$ 2,345,000
26	General Fund--State Appropriation (FY 2003)	\$ ((2,408,000))
27		<u>2,288,000</u>
28	General Fund--Federal Appropriation	\$ 636,000
29	TOTAL APPROPRIATION	\$ ((5,389,000))
30		<u>5,269,000</u>

31 The appropriations in this section are provided to carry out the
32 policy coordination, planning, studies and administrative functions of
33 the board and are subject to the following conditions and limitations:

34 (1) \$150,000 of the general fund--state appropriation for fiscal
35 year 2002 and \$150,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided solely to continue the teacher training
2 pilot program pursuant to chapter 177, Laws of 1999.

3 (2) \$105,000 of the general fund--state appropriation for fiscal
4 year 2002 and \$245,000 of the general fund--state appropriation for
5 fiscal year 2003 are provided solely to continue a demonstration
6 project to improve rural access to post-secondary education by bringing
7 distance learning technologies into Jefferson county.

8 **Sec. 611.** 2001 2nd sp.s. c 7 s 611 (uncodified) is amended to read
9 as follows:

10 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
11 **PROGRAMS**

12	General Fund--State Appropriation (FY 2002) . . . \$	123,645,000
13	General Fund--State Appropriation (FY 2003) . . . \$	((136,205,000))
14		<u>135,880,000</u>
15	General Fund--Federal Appropriation \$	7,511,000
16	Advanced College Tuition Payment Program Account--	
17	State Appropriation \$	((3,604,000))
18		<u>1,803,000</u>
19	TOTAL APPROPRIATION \$	((270,965,000))
20		<u>268,839,000</u>

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

23 (1) \$534,000 of the general fund--state appropriation for fiscal
24 year 2002 and \$529,000 of the general fund--state appropriation for
25 fiscal year 2003 are provided solely for the displaced homemakers
26 program.

27 (2) \$234,000 of the general fund--state appropriation for fiscal
28 year 2002 and \$240,000 of the general fund--state appropriation for
29 fiscal year 2003 are provided solely for the western interstate
30 commission for higher education.

31 (3) \$1,000,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$1,000,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely for the health professional
34 conditional scholarship and loan program under chapter 28B.115 RCW.
35 This amount shall be deposited to the health professional loan
36 repayment and scholarship trust fund to carry out the purposes of the
37 program.

1 (4) \$1,000,000 of the general fund--state appropriations is
2 provided solely to continue a demonstration project that enables
3 classified public K-12 employees to become future teachers, subject to
4 the following conditions and limitations:

5 (a) Within available funds, the board may renew and offer
6 conditional scholarships of up to \$4,000 per year for full or part-time
7 studies that may be forgiven in exchange for teaching service in
8 Washington's public K-12 schools. In selecting loan recipients, the
9 board shall take into account the applicant's demonstrated academic
10 ability and commitment to serve as a teacher within the state of
11 Washington.

12 (b) Loans shall be forgiven at the rate of one year of loan for two
13 years of teaching service. Recipients who teach in geographic or
14 subject-matter shortage areas, as specified by the office of the
15 superintendent for public instruction, may have their loans forgiven at
16 the rate of one year of loan for one year of teaching service;

17 (c) Recipients who fail to fulfill the required teaching service
18 shall be required to repay the conditional loan with interest. The
19 board shall define the terms for repayment, including applicable
20 interest rates, fees and deferments, and may adopt other rules as
21 necessary to implement this demonstration project.

22 (d) The board may deposit this appropriation and all collections
23 into the student loan account authorized in RCW 28B.102.060.

24 (e) The board will provide the legislature and governor with
25 findings about the impact of this demonstration project on persons
26 entering the teaching profession in shortage areas by no later than
27 January of 2002.

28 (5) \$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 higher education student child
31 care matching grants under chapter 28B.135 RCW.

32 (6) \$25,000 of the general fund--state appropriation for fiscal
33 year 2002 and \$25,000 of the general fund--state appropriation for
34 fiscal year 2003 are provided solely for the benefit of students who
35 participate in college assistance migrant programs (CAMP) operating in
36 Washington state. To ensure timely state aid, the board may establish
37 a date after which no additional grants would be available for the
38 2001-02 and 2002-03 academic years. The board shall disperse grants in

1 equal amounts to eligible post-secondary institutions so that state
2 money in all cases supplements federal CAMP awards.

3 (7) \$120,156,000 of the general fund--state appropriation for
4 fiscal year 2002 and (~~(\$133,965,000)~~) \$133,761,000 of the general
5 fund--state appropriation for fiscal year 2003 are provided solely for
6 student financial aid, including all administrative costs. Of these
7 amounts:

8 (a) \$90,566,000 of the general fund--state appropriation for fiscal
9 year 2002 and (~~(\$102,667,000)~~) \$104,913,000 of the general fund--state
10 appropriation for fiscal year 2003 are provided solely for the state
11 need grant program. After April 1 of each fiscal year, up to one
12 percent of the annual appropriation for the state need grant program
13 may be transferred to the state work study program. For the remainder
14 of the 2001-03 biennium, the higher education coordinating board shall
15 limit or suspend growth to individual state need grant levels to the
16 extent necessary to ensure that students who meet the financial
17 eligibility requirements of fifty-five percent of median family income
18 are served;

19 (b) \$16,340,000 of the general fund--state appropriation for fiscal
20 year 2002 and \$17,360,000 of the general fund--state appropriation for
21 fiscal year 2003 are provided solely for the state work study program.
22 After April 1 of each fiscal year, up to one percent of the annual
23 appropriation for the state work study program may be transferred to
24 the state need grant program. Four percent of the general fund--state
25 amount in this subsection for fiscal year 2003 may be expended for
26 state work study program administration;

27 (c) \$2,920,000 of the general fund--state appropriation for fiscal
28 year 2002 and \$2,920,000 of the general fund--state appropriation for
29 fiscal year 2003 are provided solely for educational opportunity
30 grants. The board may deposit sufficient funds from its appropriation
31 into the state education trust fund as established in RCW 28B.10.821 to
32 provide a one-year renewal of the grant for each new recipient of the
33 educational opportunity grant award. For the purpose of establishing
34 eligibility for the equal opportunity grant program for placebound
35 students under RCW 28B.101.020, Thurston county lies within the branch
36 campus service area of the Tacoma branch campus of the University of
37 Washington;

38 (d) A maximum of 2.1 percent of the general fund--state
39 appropriation for fiscal year 2002 and (~~(2.1)~~) 1.8 percent of the

1 general fund--state appropriation for fiscal year 2003 may be expended
2 for financial aid administration, excluding the 4 percent state work
3 study program administrative allowance provision;

4 (e) \$1,241,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$1,428,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely to implement the Washington
7 scholars program. Any Washington scholars program moneys not awarded
8 by April 1st of each year may be transferred by the board to the
9 Washington award for vocational excellence;

10 (f) \$588,000 of the general fund--state appropriation for fiscal
11 year 2002 and \$589,000 of the general fund--state appropriation for
12 fiscal year 2003 are provided solely to implement Washington award for
13 vocational excellence program. Any Washington award for vocational
14 program moneys not awarded by April 1st of each year may be transferred
15 by the board to the Washington scholars program;

16 (g) \$251,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$251,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for community scholarship matching
19 grants of \$2,000 each. Of the amounts provided, no more than \$5,200
20 each year is for the administration of the community scholarship
21 matching grant program. To be eligible for the matching grant, a
22 nonprofit community organization organized under section 501(c)(3) of
23 the internal revenue code must demonstrate that it has raised \$2,000 in
24 new moneys for college scholarships after the effective date of this
25 act. An organization may receive more than one \$2,000 matching grant
26 and preference shall be given to organizations affiliated with the
27 citizens' scholarship foundation; and

28 (h) \$8,250,000 of the general fund--state appropriation for fiscal
29 year 2002 and (~~(\$8,750,000)~~) \$6,300,000 of the general fund--state
30 appropriation for fiscal year 2003 are provided solely for the
31 Washington promise scholarship program subject to the following
32 conditions and limitations:

33 (i) Within available funds, the higher education coordinating board
34 shall award scholarships for use at accredited institutions of higher
35 education in the state of Washington to as many students as possible
36 from among those qualifying under (iv) of this subsection. Each
37 qualifying student will receive two consecutive annual installments,
38 the value of each not to exceed the full-time annual resident tuition
39 rates charged by community colleges. Scholarships awarded to new

1 recipients for the 2002-03 academic year shall not exceed one-thousand
2 dollars per student.

3 (ii) Of the amounts provided, no more than \$260,000 (~~each year~~
4 ~~is~~) in fiscal year 2002 and no more than \$250,000 in fiscal year 2003
5 are for administration of the Washington promise scholarship program.

6 (iii) Other than funds provided for program administration, the
7 higher education coordinating board shall deposit all money received
8 for the program in the Washington promise scholarship account, a
9 nonappropriated fund in the custody of the state treasurer. The
10 account shall be self-sustaining and consist of funds appropriated by
11 the legislature for these scholarships, private contributions, and
12 receipts from refunds of tuition and fees.

13 (iv) Scholarships in the (~~2001-03 biennium~~) 2001-02 academic year
14 shall be awarded to students (~~who graduate from high school or its~~
15 equivalent) whose family income does not exceed one hundred thirty-
16 five percent of the state's median family income, adjusted for family
17 size, if they meet any of the following academic criteria:

18 (A) Students graduating from public and approved private high
19 schools under chapter 28A.195 RCW must be in the top fifteen percent of
20 their graduating class, or must equal or exceed a cumulative scholastic
21 assessment test score of 1200 on their first attempt;

22 (B) Students participating in home-based instruction as provided in
23 chapter 28A.200 RCW must equal or exceed a cumulative scholastic
24 assessment test score of 1200 on their first attempt.

25 (v) For students eligible under (iv) of this subsection, the
26 superintendent of public instruction shall provide the higher education
27 coordinating board with the names, addresses, and unique numeric
28 identifiers of students in the top fifteen percent or who meet the
29 scholastic aptitude test score requirement, as appropriate in each of
30 the respective high school senior or home based instruction classes in
31 Washington state. This shall be provided no later than October 1 of
32 each year.

33 (vi) Scholarships awarded under this section may only be used at
34 accredited institutions of higher education in the state of Washington
35 for college-related expenses, including but not limited to, tuition,
36 room and board, books, materials, and transportation. The Washington
37 promise scholarship award shall not supplant other scholarship awards,
38 financial aid, or tax programs related to postsecondary education.
39 Scholarships may not be transferred or refunded to students.

1 (vii) The higher education coordinating board shall evaluate the
2 impact and effectiveness of the Washington promise scholarship program.
3 The evaluation shall include, but not be limited to: (A) An analysis
4 of other financial assistance promise scholarship recipients are
5 receiving through other federal, state, and institutional programs,
6 including grants, work study, tuition waivers, tax credits, and loan
7 programs; (B) an analysis of whether the implementation of the promise
8 scholarship program has had an impact on student indebtedness; and (C)
9 an evaluation of what types of students are successfully completing
10 high school but do not have the financial ability to attend college
11 because they cannot obtain financial aid or the financial aid is
12 insufficient. The board shall report its findings to the governor and
13 the legislature by December 1, 2002.

14 (viii) The higher education coordinating board may adopt rules as
15 necessary to implement this program.

16 **Sec. 612.** 2001 2nd sp.s. c 7 s 612 (uncodified) is amended to read
17 as follows:

18 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

19	General Fund--State Appropriation (FY 2002) . . . \$	1,762,000
20	General Fund--State Appropriation (FY 2003) . . . \$	((1,720,000))
21		<u>1,633,000</u>
22	General Fund--Federal Appropriation \$	44,987,000
23	TOTAL APPROPRIATION \$	((48,469,000))
24		<u>48,382,000</u>

25 The appropriations in this section are subject to the following
26 conditions and limitations: \$500,000 of the general fund--state
27 appropriation for fiscal year 2002 and \$500,000 of the general fund--
28 state appropriation for fiscal year 2003 are provided solely for the
29 operations and development of the inland northwest technology education
30 center (INTEC) as a regional resource and model for the rapid
31 deployment of skilled workers trained in the latest technologies for
32 Washington. The board shall serve as an advisor to and fiscal agent
33 for INTEC, and will report back to the governor and legislature by
34 September 2002 as to the progress and future steps for INTEC as this
35 new public-private partnership evolves.

1 **Sec. 613.** 2001 2nd sp.s. c 7 s 613 (uncodified) is amended to read
2 as follows:

3 **FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE**

4	General Fund--State Appropriation (FY 2002) . . . \$	((1,500,000))
5		<u>1,499,000</u>
6	General Fund--State Appropriation (FY 2003) . . . \$	((1,500,000))
7		<u>1,397,000</u>
8	TOTAL APPROPRIATION \$	((3,000,000))
9		<u>2,896,000</u>

10 **Sec. 614.** 2001 2nd sp.s. c 7 s 614 (uncodified) is amended to read
11 as follows:

12 **FOR WASHINGTON STATE LIBRARY**

13	General Fund--State Appropriation (FY 2002) . . . \$	8,791,000
14	General Fund--State Appropriation (FY 2003) . . . \$	((8,786,000))
15		<u>3,209,000</u>
16	General Fund--Federal Appropriation \$	6,976,000
17	TOTAL APPROPRIATION \$	((24,553,000))
18		<u>18,976,000</u>

19 The appropriations in this section are subject to the following
20 conditions and limitations: At least \$2,700,000 shall be expended for
21 a contract with the Seattle public library for library services for the
22 Washington book and braille library.

23 **Sec. 615.** 2001 2nd sp.s. c 7 s 615 (uncodified) is amended to read
24 as follows:

25 **FOR THE WASHINGTON STATE ARTS COMMISSION**

26	General Fund--State Appropriation (FY 2002) . . . \$	2,873,000
27	General Fund--State Appropriation (FY 2003) . . . \$	((2,874,000))
28		<u>2,788,000</u>
29	General Fund--Federal Appropriation \$	1,000,000
30	<u>General Fund--Private/Local Appropriation</u> \$	<u>3,000</u>
31	TOTAL APPROPRIATION \$	((6,747,000))
32		<u>6,664,000</u>

33 **Sec. 616.** 2001 2nd sp.s. c 7 s 616 (uncodified) is amended to read
34 as follows:

35 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

1	General Fund--State Appropriation (FY 2002) . . . \$	2,899,000
2	General Fund--State Appropriation (FY 2003) . . . \$	((3,129,000))
3		<u>3,035,000</u>
4	TOTAL APPROPRIATION \$	((6,028,000))
5		<u>5,934,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations: \$90,000 of the general fund--state
8 appropriation for fiscal year 2002 and \$285,000 of the general fund--
9 state appropriation for fiscal year 2003 are provided solely for
10 activities related to the Lewis and Clark Bicentennial.

11 **Sec. 617.** 2001 2nd sp.s. c 7 s 617 (uncodified) is amended to read
12 as follows:

13	FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY	
14	General Fund--State Appropriation (FY 2002) . . . \$	1,674,000
15	General Fund--State Appropriation (FY 2003) . . . \$	((1,535,000))
16		<u>1,489,000</u>
17	TOTAL APPROPRIATION \$	((3,209,000))
18		<u>3,163,000</u>

19 **Sec. 618.** 2001 2nd sp.s. c 7 s 618 (uncodified) is amended to read
20 as follows:

21	FOR THE STATE SCHOOL FOR THE BLIND	
22	General Fund--State Appropriation (FY 2002) . . . \$	4,520,000
23	General Fund--State Appropriation (FY 2003) . . . \$	((4,591,000))
24		<u>4,654,000</u>
25	General Fund--Private/Local Appropriation \$	((1,173,000))
26		<u>1,254,000</u>
27	TOTAL APPROPRIATION \$	((10,284,000))
28		<u>10,428,000</u>

29 **Sec. 619.** 2001 2nd sp.s. c 7 s 619 (uncodified) is amended to read
30 as follows:

31	FOR THE STATE SCHOOL FOR THE DEAF	
32	General Fund--State Appropriation (FY 2002) . . . \$	7,395,000
33	General Fund--State Appropriation (FY 2003) . . . \$	((7,439,000))
34		<u>7,751,000</u>
35	General Fund--Private/Local Appropriation \$	232,000

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2001 2nd sp.s. c 7 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2002)	\$	((629,097,000))
		<u>576,097,000</u>
General Fund--State Appropriation (FY 2003)	\$	((567,290,000))
		<u>622,540,000</u>
State Building Construction Account--State Appropriation	\$	((11,351,000))
		<u>7,999,000</u>
Debt-Limit Reimbursable Bond Retire Account-- State Appropriation	\$	2,591,000
<u>State Taxable Building Construction Account-- State Appropriation</u>	\$	<u>496,000</u>
TOTAL APPROPRIATION	\$	((1,210,329,000))
		<u>1,209,723,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2002 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2002.

Sec. 702. 2001 2nd sp.s. c 7 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

State Convention and Trade Center Account-- State Appropriation	\$	((39,950,000))
		<u>29,249,000</u>
Accident Account--State Appropriation	\$	((5,590,000))
		<u>5,096,000</u>

1	Medical Aid Account--State Appropriation	\$	((5,590,000))
2			<u>5,096,000</u>
3	TOTAL APPROPRIATION	\$	((51,130,000))
4			<u>39,441,000</u>

5 **Sec. 703.** 2001 2nd sp.s. c 7 s 703 (uncodified) is amended to read
6 as follows:

7 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
8 **REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE**
9 **REIMBURSED AS PRESCRIBED BY STATUTE**

10	General Fund--State Appropriation (FY 2002)	\$	24,542,000
11	General Fund--State Appropriation (FY 2003)	\$	26,706,000
12	Capitol Historic District Construction		
13	Account--State Appropriation	\$	454,000
14	Higher Education Construction Account--State		
15	Appropriation	\$	((815,000))
16			<u>499,000</u>
17	State Higher Education Construction Account--		
18	State Appropriation	\$	((348,000))
19			<u>50,000</u>
20	State Vehicle Parking Account--State		
21	Appropriation	\$	((35,000))
22			<u>100,000</u>
23	Nondebt-Limit Reimbursable Bond Retirement Account--		
24	State Appropriation	\$	128,043,000
25	TOTAL APPROPRIATION	\$	((180,943,000))
26			<u>180,394,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations: The general fund appropriation is for
29 deposit into the nondebt-limit general fund bond retirement account.

30 **Sec. 704.** 2001 2nd sp.s. c 7 s 704 (uncodified) is amended to read
31 as follows:

32 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
33 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

34	General Fund--State Appropriation (FY 2002)	\$	567,000
35	General Fund--State Appropriation (FY 2003)	\$	((568,000))
36			<u>658,000</u>

1	Higher Education Construction Account--State	
2	Appropriation	\$ 77,000
3	State Higher Education Construction Account--	
4	State Appropriation	\$ 42,000
5	State Building Construction Account--State	
6	Appropriation	\$ 1,488,000
7	State Vehicle Parking Account--State	
8	Appropriation	\$ ((5,000))
9		<u>10,000</u>
10	Capitol Historic District Construction	
11	Account--State Appropriation	\$ 130,000
12	<u>State Taxable Building Construction Account--</u>	
13	<u>State Appropriation</u>	<u>\$ 50,000</u>
14	TOTAL APPROPRIATION	\$ ((2,877,000))
15		<u>3,022,000</u>

16 **Sec. 705.** 2001 2nd sp.s. c 7 s 706 (uncodified) is amended to read
17 as follows:

18 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--FIRE CONTINGENCY POOL.** The
19 sum of ~~((three million dollars))~~ \$39,487,000, or so much thereof as may
20 be available on June 30, 2001, from the total amount of unspent fiscal
21 year 2001 fire contingency funding in the disaster response account and
22 the moneys appropriated to the disaster response account in section 707
23 of this act, is appropriated for the purpose of making allocations to
24 the military department for fire mobilizations costs or to the
25 department of natural resources for fire suppression costs. Of this
26 amount, \$27,513,000 shall be provided to the department of natural
27 resources, \$135,000 shall be provided to the state parks and recreation
28 commission, and \$60,000 shall be provided to the department of fish and
29 wildlife, for costs of fire suppression during the 2001 fire season.

30 **NEW SECTION. Sec. 706.** A new section is added to 2001 2nd sp.s.
31 c 7 (uncodified) to read as follows:

32 **REVOLVING FUND REDUCTIONS.** (1) The 2001-2003 supplemental
33 appropriations in this act reflect reduced appropriations from the
34 specified funds and accounts in the following amounts:

35	Administrative Hearings Revolving Account	\$ 330,000
36	Legal Services Revolving Account	\$ 1,543,000

1	Data Processing Revolving Account (DIS 419-6) . . .	\$	1,995,000
2	Data Processing Revolving Account (DIS 419-1) . . .	\$	96,000
3	Data Processing Revolving Account (OFM 419-6) . . .	\$	339,000
4	Data Processing Revolving Account (DOP 419-6) . . .	\$	545,000
5	Department of Personnel Service Account (DOP) . . .	\$	262,000
6	Department of Personnel Service Account		
7	(Sec State)	\$	18,000
8	Department of Retirement Systems Expense		
9	Account	\$	732,000
10	General Administration Services Account (422-1) . . .	\$	642,000
11	General Administration Services Account (422-6) . . .	\$	1,302,000
12	Auditing Services Revolving Account	\$	347,000
13	Archives & Records Management Account	\$	177,000

14 (2) The director of financial management shall distribute these
15 revolving fund savings by uniformly reducing state agencies' allotments
16 accordingly. The distribution of the savings shall reduce general
17 fund--state allotments for fiscal year 2003 by \$3,743,000 and other
18 fund allotments by \$4,241,000. The amount of the allotment reduction
19 shall be placed in reserve status.

20 NEW SECTION. **Sec. 707.** A new section is added to 2001 2nd sp.s.
21 c 7 (uncodified) to read as follows:

22 **EQUIPMENT PURCHASE REDUCTION.** The director of financial management
23 shall reduce allotments from general fund--state appropriations in this
24 act for the 2001-2003 biennium by \$2,300,000 to reflect a freeze on
25 state agency equipment purchases for the remainder of the 2001-03
26 biennium. The amount of the allotment reduction shall be placed in
27 reserve status. Equipment purchase reductions for the house of
28 representatives and senate are made in sections 101 and 102 of this act
29 and not in this section.

30 NEW SECTION. **Sec. 708.** A new section is added to 2001 2nd sp.s.
31 c 7 (uncodified) to read as follows:

32 **EMPLOYEE TRAVEL REDUCTION.** The director of financial management
33 shall reduce allotments from general fund--state appropriations in this
34 act for the 2001-2003 biennium by \$3,000,000 to reflect the elimination
35 of nonessential travel by state employees and officials. The amount of
36 the allotment reduction shall be placed in reserve status. Employee

1 travel reductions for the house of representatives and senate are made
2 in sections 101 and 102 of this act and not in this section.

3 NEW SECTION. **Sec. 709.** A new section is added to 2001 2nd sp.s.
4 c 7 (uncodified) to read as follows:

5 **CONTINGENCY POOL.** (1) With the prior approval of the office of
6 financial management, agencies may reduce allotments for fiscal year
7 2002 to reflect all or a portion of, and not to exceed, the
8 administrative, travel, and equipment reductions and efficiency savings
9 enacted in this 2002 supplemental appropriations act as an alternative
10 to allotment reductions for fiscal year 2003.

11 (2) The sum of one million five hundred thousand dollars from the
12 general fund--state for fiscal year 2003 is appropriated to the
13 governor for providing assistance to state agencies that are unable to
14 effectively absorb the administrative, travel, and equipment reductions
15 and efficiency savings enacted in this 2002 supplemental appropriations
16 act. Allocations to state agencies from this appropriation shall be
17 reported to the legislative fiscal committees by the office of
18 financial management within five days of the allocation.

19 **Sec. 710.** 2001 2nd sp.s. c 7 s 713 (uncodified) is amended to read
20 as follows:

21 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--DIGITAL GOVERNMENT REVOLVING**
22 **ACCOUNT**

23	General Fund--State Appropriation (FY 2002) . . . \$	2,050,000
24	General Fund--State Appropriation (FY 2003) . . . \$	((2,050,000))
25		<u>1,050,000</u>
26	TOTAL APPROPRIATION \$	((4,100,000))
27		<u>3,100,000</u>

28 The appropriations in this section are subject to the following
29 conditions and limitations: The appropriations in this section are
30 provided solely for deposit in the digital government revolving
31 account.

32 **Sec. 711.** 2001 2nd sp.s. c 7 s 716 (uncodified) is amended to read
33 as follows:

34 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

35	General Fund--State Appropriation (FY 2002) . . . \$	7,218,000
----	--	-----------

1	General Fund--State Appropriation (FY 2003)	\$	((19,947,000))
2			<u>14,803,000</u>
3	General Fund--Federal Appropriation	\$	((8,692,000))
4			<u>7,374,000</u>
5	General Fund--Private/Local Appropriation	\$	((456,000))
6			<u>331,000</u>
7	Salary and Insurance Increase Revolving Account		
8	Appropriation	\$	((19,468,000))
9			<u>15,969,000</u>
10	TOTAL APPROPRIATION	\$	((55,781,000))
11			<u>45,695,000</u>

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

14 (1)(a) The monthly employer funding rate for insurance benefit
15 premiums, public employees' benefits board administration, and the
16 uniform medical plan, shall not exceed \$457.29 per eligible employee
17 for fiscal year 2002, and ((~~\$497.69~~)) \$482.38 for fiscal year 2003.

18 (b) Within the rates in (a) of this subsection, \$2.02 per eligible
19 employee shall be included in the employer funding rate for fiscal year
20 2002, and \$4.10 per eligible employee shall be included in the employer
21 funding rate for fiscal year 2003, solely to increase life insurance
22 coverage in accordance with a court approved settlement in *Burbage et*
23 *al. v. State of Washington* (Thurston county superior court cause no.
24 94-2-02560-8).

25 (c) In order to achieve the level of funding provided for health
26 benefits, the public employees' benefits board shall require any or all
27 of the following: Employee premium copayments, increases in point-of-
28 service cost sharing, the implementation of managed competition, or
29 make other changes to benefits consistent with RCW 41.05.065.

30 (d) The health care authority shall deposit any moneys received on
31 behalf of the uniform medical plan as a result of rebates on
32 prescription drugs, audits of hospitals, subrogation payments, or any
33 other moneys recovered as a result of prior uniform medical plan claims
34 payments, into the public employees' and retirees' insurance account to
35 be used for insurance benefits. Such receipts shall not be used for
36 administrative expenditures.

37 (2) To facilitate the transfer of moneys from dedicated funds and
38 accounts, the state treasurer is directed to transfer sufficient moneys

1 from each dedicated fund or account to the special fund salary and
2 insurance contribution increase revolving fund in accordance with
3 schedules provided by the office of financial management.

4 (3) The health care authority, subject to the approval of the
5 public employees' benefits board, shall provide subsidies for health
6 benefit premiums to eligible retired or disabled public employees and
7 school district employees who are eligible for parts A and B of
8 medicare, pursuant to RCW 41.05.085. From January 1, 2002, through
9 December 31, 2002, the subsidy shall be \$85.84. Starting January 1,
10 2003, the subsidy shall be (~~(\$102.55)~~) \$92.74 per month.

11 (4) Technical colleges, school districts, and educational service
12 districts shall remit to the health care authority for deposit into the
13 public employees' and retirees' insurance account established in RCW
14 41.05.120 the following amounts:

15 (a) For each full-time employee, \$32.41 per month beginning
16 September 1, 2001, and (~~(\$37.48)~~) \$36.36 beginning September 1, 2002;

17 (b) For each part-time employee who, at the time of the remittance,
18 is employed in an eligible position as defined in RCW 41.32.010 or
19 41.40.010 and is eligible for employer fringe benefit contributions for
20 basic benefits, \$32.41 each month beginning September 1, 2001, and
21 (~~(\$37.48)~~) \$36.36 beginning September 1, 2002, prorated by the
22 proportion of employer fringe benefit contributions for a full-time
23 employee that the part-time employee receives.

24 The remittance requirements specified in this subsection shall not
25 apply to employees of a technical college, school district, or
26 educational service district who purchase insurance benefits through
27 contracts with the health care authority.

28 (5) The salary and insurance increase revolving account
29 appropriation includes amounts sufficient to fund health benefits for
30 ferry workers at the premium levels specified in subsection (1) of this
31 section, consistent with the 2001-2003 transportation appropriations
32 act.

33 **Sec. 712.** 2001 2nd sp.s. c 7 s 717 (uncodified) is amended to read
34 as follows:

35 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO**
36 **RETIREMENT SYSTEMS.** The appropriations in this section are subject to
37 the following conditions and limitations: The appropriations for the
38 law enforcement officers' and firefighters' retirement system shall be

1 made on a monthly basis beginning July 1, 2001, consistent with chapter
2 41.45 RCW, and the appropriations for the judges and judicial
3 retirement systems shall be made on a quarterly basis consistent with
4 chapters 2.10 and 2.12 RCW.

5 (1) There is appropriated for state contributions to the law
6 enforcement officers' and fire fighters' retirement system:

7	General Fund--State Appropriation (FY 2002) . . . \$	((15,552,000))
8		<u>15,437,000</u>
9	General Fund--State Appropriation (FY 2003) . . . \$	((16,668,000))
10		<u>16,208,000</u>

11 The appropriations in this subsection are subject to the following
12 conditions and limitations: The appropriations include reductions to
13 reflect savings resulting from the implementation of state pension
14 contribution rates effective ((July 1, 2001, as provided in Senate Bill
15 No. 6167 or House Bill No. 2236)) April 1, 2002, as provided in House
16 Bill No. 2782.

17 (2) There is appropriated for contributions to the judicial
18 retirement system:

19	General Fund--State Appropriation (FY 2002) . . . \$	6,000,000
20	General Fund--State Appropriation (FY 2003) . . . \$	6,000,000

21 (3) There is appropriated for contributions to the judges
22 retirement system:

23	General Fund--State Appropriation (FY 2002) . . . \$	250,000
24	General Fund--State Appropriation (FY 2003) . . . \$	250,000
25	TOTAL APPROPRIATION \$	((44,720,000))
26		<u>44,145,000</u>

27 NEW SECTION. Sec. 713. A new section is added to 2001 2nd sp.s.
28 c 7 (uncodified) to read as follows:

29 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--PENSION SAVINGS.** The
30 office of financial management shall reduce allotments from the
31 appropriations for agencies of the state by \$1,208,000 from the general
32 fund--state fiscal year 2002 appropriations, \$4,929,000 from the
33 general fund--state fiscal year 2003 appropriations, \$1,606,000 from
34 the general fund--federal 2001-03 appropriations, \$148,000 from the

1 general fund--private/local 2001-03 appropriations, and \$4,326,000 from
2 other funds 2001-03 appropriations to reflect savings from pension
3 contribution rate reductions, effective April 1, 2002, as provided in
4 House Bill No. 2782.

5 **Sec. 714.** 2001 2nd sp.s. c 7 s 719 (uncodified) is amended to read
6 as follows:

7 **SALARY COST OF LIVING ADJUSTMENT**

8	General Fund--State Appropriation (FY 2002) . . . \$	41,712,000
9	General Fund--State Appropriation (FY 2003) . . . \$	((73,358,000))
10		<u>44,469,000</u>
11	General Fund--Federal Appropriation \$	((37,955,000))
12		<u>25,629,000</u>
13	General Fund--Private/Local Appropriation \$	((2,325,000))
14		<u>1,876,000</u>
15	Salary and Insurance Increase Revolving Account	
16	Appropriation \$	((92,156,000))
17		<u>68,224,000</u>
18	TOTAL APPROPRIATION \$	((247,506,000))
19		<u>181,910,000</u>

20 The appropriations in this section shall be expended solely for the
21 purposes designated in this section and are subject to the following
22 conditions and limitations:

23 (1) In addition to the purposes set forth in subsections (2) and
24 (3) of this section, appropriations in this section are provided solely
25 for a 3.7 percent salary increase effective July 1, 2001, for all
26 classified employees, except the certificated employees of the state
27 schools for the deaf and blind, and including those employees in the
28 Washington management service, and exempt employees under the
29 jurisdiction of the personnel resources board. ((Funds are also
30 provided for salary increases for classified employees on July 1, 2002,
31 in a percentage amount to be determined by the 2002 legislature.))

32 (2) The appropriations in this section are sufficient to fund a 3.7
33 percent salary increase effective July 1, 2001, for general government,
34 legislative, and judicial employees exempt from merit system rules
35 whose maximum salaries are not set by the commission on salaries for
36 elected officials. ((Funds are also provided for salary increases for

1 ~~these employees on July 1, 2002, in a percentage amount to be~~
2 ~~determined by the 2002 legislature.))~~

3 (3) The salary and insurance increase revolving account
4 appropriation in this section includes funds sufficient to fund a 3.7
5 percent salary increase effective July 1, 2001, for ferry workers
6 consistent with the 2001-03 transportation appropriations act. ~~((Funds~~
7 ~~are also provided for salary increases for ferry workers on July 1,~~
8 ~~2002, in a percentage amount to be determined by the 2002~~
9 ~~legislature.))~~

10 (4)(a) No salary increase may be paid under this section to any
11 person whose salary has been Y-rated pursuant to rules adopted by the
12 personnel resources board.

13 (b) The average salary increases paid under this section to agency
14 officials whose maximum salaries are established by the committee on
15 agency official salaries shall not exceed the average increases
16 provided by subsection (2) of this section.

17 **Sec. 715.** 2001 2nd sp.s. c 7 s 720 (uncodified) is amended to read
18 as follows:

19 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY REVOLVING**
20 **ACCOUNT**

21	General Fund--State Appropriation (FY 2002) . . . \$	11,264,000
22	((General Fund--State Appropriation (FY 2003) . . . \$	11,264,000
23	TOTAL APPROPRIATION \$	22,528,000))

24 The appropriation((s)) in this section ((are)) is subject to the
25 following conditions and limitations:

26 (1) The appropriation((s)) in this section ((are)) is for
27 appropriation to the education technology revolving account for the
28 purpose of covering operational and transport costs incurred by the K-
29 20 educational network program in providing telecommunication services
30 to network participants.

31 (2) Use of these moneys to connect public libraries are limited to
32 public libraries which have in place a policy of internet safety
33 applied to publicly available computers with internet access via the K-
34 20 educational network that protects against access to visual
35 depictions that are (a) obscene under chapter 9.68 RCW; or (b) sexual
36 exploitation of children under chapter 9.68A RCW.

1 **Sec. 716.** 2001 2nd sp.s. c 7 s 722 (uncodified) is amended to read
2 as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--COMPENSATION ACTIONS OF**
4 **PERSONNEL RESOURCES BOARD**

5	General Fund--State Appropriation (FY 2002) . . . \$	((9,179,000))
6		<u>9,183,000</u>
7	General Fund--State Appropriation (FY 2003) . . . \$	((18,359,000))
8		<u>18,369,000</u>
9	General Fund--Federal Appropriation \$	10,392,000
10	Salary and Insurance Increase Revolving Account	
11	Appropriation \$	((2,735,000))
12		<u>2,809,000</u>
13	TOTAL APPROPRIATION \$	((40,665,000))
14		<u>40,753,000</u>

15 The appropriations in this section shall be expended solely for the
16 purposes designated in this section and are subject to the following
17 conditions and limitations: Funding is provided to implement the
18 salary increase recommendations of the Washington personnel resources
19 board for the priority classes identified through item 8B pursuant to
20 RCW 41.06.152. The salary increases shall be effective January 1,
21 2002.

22 NEW SECTION. **Sec. 717.** A new section is added to 2001 2nd sp.s.
23 c 7 (uncodified) to read as follows:

24 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--STATE EMPLOYEE HEALTH**
25 **BENEFITS**

26	General Fund--State Appropriation (FY 2003) . . . \$	6,000,000
27	General Fund--Federal Appropriation (FY 2003) . . \$	2,000,000
28	TOTAL APPROPRIATION \$	8,000,000

29 The appropriations in this section shall be expended solely for the
30 purposes designated in this section and are subject to the following
31 conditions and limitations: Funding is provided solely for state
32 employee health benefits.

33 **Sec. 718.** 2001 2nd sp.s. c 7 s 723 (uncodified) is amended to read
34 as follows:

1 **INCENTIVE SAVINGS--FY 2002.** The sum of one hundred million dollars
2 or so much thereof as may be available on June 30, 2002, from the total
3 amount of unspent fiscal year 2002 state general fund appropriations is
4 appropriated for the purposes of RCW 43.79.460 in the manner provided
5 in this section.

6 (1) Of the total appropriated amount, one-half of that portion that
7 is attributable to incentive savings, not to exceed twenty-five million
8 dollars, is appropriated to the savings incentive account for the
9 purpose of improving the quality, efficiency, and effectiveness of
10 agency services, and credited to the agency that generated the savings.

11 (2) Of the total appropriated amount, any amount attributable to
12 unspent general fund--state appropriations in the state need grant
13 program, the state work study program, the Washington scholars program,
14 and the Washington award for vocational excellence program is
15 appropriated to the state financial aid account pursuant to Substitute
16 House Bill No. 2914 (state financial aid account).

17 (3) The remainder of the total amount, not to exceed seventy-five
18 million dollars, is appropriated to the education savings account.

19 ~~((3))~~ (4) For purposes of this section, the total amount of
20 unspent state general fund appropriations does not include the
21 appropriations made in this section, amounts included in allotment
22 reductions in sections 706, 707, 708, and 713 of this act, or any
23 amounts included in across-the-board allotment reductions under RCW
24 43.88.110.

25 **Sec. 719.** 2001 2nd sp.s. c 7 s 724 (uncodified) is amended to read
26 as follows:

27 **INCENTIVE SAVINGS--FY 2003.** The sum of one hundred million dollars
28 or so much thereof as may be available on June 30, 2003, from the total
29 amount of unspent fiscal year 2003 state general fund appropriations is
30 appropriated for the purposes of RCW 43.79.460 in the manner provided
31 in this section.

32 (1) Of the total appropriated amount, one-half of that portion that
33 is attributable to incentive savings, not to exceed twenty-five million
34 dollars, is appropriated to the savings incentive account for the
35 purpose of improving the quality, efficiency, and effectiveness of
36 agency services, and credited to the agency that generated the savings.

37 (2) Of the total appropriated amount, any amount attributable to
38 unspent general fund--state appropriations in the state need grant

1 program, the state work study program, the Washington scholars program,
2 and the Washington award for vocational excellence program is
3 appropriated to the state financial aid account pursuant to Substitute
4 House Bill No. 2914 (state financial aid account).

5 (3) The remainder of the total amount, not to exceed seventy-five
6 million dollars, is appropriated to the education savings account.

7 ((+3)) (4) For purposes of this section, the total amount of
8 unspent state general fund appropriations does not include the
9 appropriations made in this section, amounts included in allotment
10 reductions in sections 706, 707, 708, and 713 of this act, or any
11 amounts included in across-the-board allotment reductions under RCW
12 43.88.110.

13 NEW SECTION. Sec. 720. A new section is added to 2001 2nd sp.s.
14 c 7 (uncodified) to read as follows:

15 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL**
16 **JUSTICE COSTS**

17 Public Safety and Education Account--State
18 Appropriation \$ 394,000

19 The appropriation in this section is subject to the following
20 conditions and limitations: The director of financial management shall
21 distribute the appropriation to the following counties in the amounts
22 designated for extraordinary criminal justice costs:

23 Franklin \$ 312,000
24 Stevens \$ 82,000

25 NEW SECTION. Sec. 721. A new section is added to 2001 2nd sp.s.
26 c 7 (uncodified) to read as follows:

27 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
28 **COUNTY ASSISTANCE**

29 General Fund--State Appropriation (FY 2003) . . . \$ 5,000,000

30 The appropriation in this section is subject to the following
31 conditions and limitations: The director of community, trade, and
32 economic development shall distribute the appropriation in this section
33 to the following counties in the amounts designated:

34 Adams \$ 51,000

1	Asotin	\$	366,000
2	Benton	\$	68,000
3	Chelan	\$	250,000
4	Columbia	\$	516,000
5	Douglas	\$	212,000
6	Ferry	\$	358,000
7	Franklin	\$	75,000
8	Garfield	\$	524,000
9	Lincoln	\$	121,000
10	Mason	\$	353,000
11	Okanogan	\$	495,000
12	Pacific	\$	122,000
13	Pend Oreille	\$	179,000
14	Stevens	\$	382,000
15	Wahkiakum	\$	391,000
16	Walla Walla	\$	195,000
17	Yakima	\$	342,000
18	TOTAL	\$	5,000,000

19 **Sec. 722.** 2001 2nd sp.s. c 7 s 727 (uncodified) is amended to read
20 as follows:

21 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
22 **COUNTY CORPORATION ASSISTANCE**

23	General Fund--State Appropriation (FY 2002) . . .	\$	24,410,534
24	((General Fund--State Appropriation (FY 2003) . . .	\$	25,137,970
25	TOTAL APPROPRIATION	\$	49,548,504)

26 The appropriation((s)) in this section ((are)) is subject to the
27 following conditions and limitations:

28 (1)(a) The department shall withhold distributions under subsection
29 (2) of this section to any county that has not paid its fifty percent
30 share of the employer contribution on behalf of superior court judges
31 for insurance and health care plans and federal social security and
32 medicare and medical aid benefits for the fiscal year. As required by
33 Article IV, section 13 of the state Constitution and 1996 Attorney
34 General's Opinion No. 2, it is the intent of the legislature that the
35 costs of these employer contributions shall be shared equally between
36 the state and county or counties in which the judges serve.

1 (b) After receiving written notification from the office of the
 2 administrator for the courts that a county has paid its fifty percent
 3 share as required under (a) of this subsection, the department shall
 4 distribute the amount designated for the fiscal year under subsection
 5 (2) of this section.

6 (2) The director of community, trade, and economic development
 7 shall distribute the appropriations to the following counties in the
 8 amounts designated:

		((2001-03))	
County	FY 2002	((FY 2003	Biennium))
11 Adams	290,303	((295,993	586,296))
12 Asotin	422,074	((434,598	856,672))
13 Benton	966,480	((999,163	1,965,643))
14 Chelan	637,688	((651,982	1,289,670))
15 Clallam	444,419	((454,391	898,810))
16 Clark	641,571	((678,997	1,320,568))
17 Columbia	561,888	((572,901	1,134,789))
18 Cowlitz	771,879	((795,808	1,567,687))
19 Douglas	505,585	((528,184	1,033,769))
20 Ferry	389,909	((397,551	787,460))
21 Franklin	442,624	((464,018	906,642))
22 Garfield	571,303	((582,501	1,153,804))
23 Grant	579,631	((604,072	1,183,703))
24 Grays Harbor	540,315	((550,905	1,091,220))
25 Island	483,589	((503,205	986,794))
26 Jefferson	239,914	((249,924	489,838))
27 King	2,661,862	((2,720,716	5,382,578))
28 Kitsap	469,992	((480,178	950,170))
29 Kittitas	366,971	((383,027	749,998))
30 Klickitat	204,726	((217,555	422,281))
31 Lewis	583,702	((598,004	1,181,706))
32 Lincoln	290,754	((302,151	592,905))
33 Mason	905,060	((930,959	1,836,019))
34 Okanogan	548,848	((560,332	1,109,180))
35 Pacific	344,047	((350,790	694,837))
36 Pend Oreille	280,342	((285,837	566,179))
37 Pierce	1,246,530	((1,284,087	2,530,617))
38 San Juan	85,712	((91,859	177,571))
39 Skagit	911,491	((944,914	1,856,405))
40 Skamania	172,840	((176,228	349,068))
41 Snohomish	1,017,209	((1,058,571	2,075,780))
42 Spokane	804,124	((823,359	1,627,483))
43 Stevens	811,482	((835,598	1,647,080))
44 Thurston	1,031,888	((1,061,579	2,093,467))
45 Wahkiakum	507,528	((517,476	1,025,004))

1	Walla Walla	241,341	((247,105	488,446))
2	Whatcom	408,025	((429,069	837,094))
3	Whitman	134,870	((138,191	273,061))
4	Yakima	1,892,018	((1,936,192	3,828,210))
5	TOTAL APPROPRIATIONS	24,410,534	((25,137,970	49,548,504))

6 **Sec. 723.** 2001 2nd sp.s. c 7 s 728 (uncodified) is amended to read
7 as follows:

8 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
9 **MUNICIPAL CORPORATION ASSISTANCE**

10	General Fund--State Appropriation (FY 2002) . . . \$	45,884,610
11	((General Fund--State Appropriation (FY 2003) . . \$	47,251,839
12	TOTAL APPROPRIATION \$	93,136,449))

13 The appropriation((s)) in this section ((are)) is subject to the
14 following conditions and limitations:

15 (1) The director of community, trade, and economic development
16 shall distribute the appropriation to the following cities and
17 municipalities in the amounts designated:

18			((2001-03))
19	City	FY 2002	((FY 2003 Biennium))
20	Aberdeen	119,986	((123,562 243,548))
21	Airway Heights	111,259	((114,575 225,834))
22	Albion	66,339	((68,316 134,655))
23	Algona	32,672	((33,646 66,318))
24	Almira	12,519	((12,892 25,411))
25	Anacortes	70,930	((73,044 143,974))
26	Arlington	42,344	((43,606 85,950))
27	Asotin	57,623	((59,340 116,963))
28	Auburn	192,405	((198,139 390,544))
29	Bainbridge Island	293,851	((302,608 596,459))
30	Battle Ground	118,303	((121,828 240,131))
31	Beaux Arts	1,784	((1,837 3,621))
32	Bellevue	524,203	((539,824 1,064,027))
33	Bellingham	369,121	((380,121 749,242))
34	Benton City	111,380	((114,699 226,079))
35	Bingen	6,602	((6,799 13,401))
36	Black Diamond	254,698	((262,288 516,986))
37	Blaine	20,853	((21,474 42,327))
38	Bonney Lake	158,738	((163,468 322,206))
39	Bothell	137,270	((141,361 278,631))
40	Bremerton	214,020	((220,398 434,418))

1	Brewster	11,250	((11,585	22,835))
2	Bridgeport	188,216	((193,825	382,041))
3	Brier	532,011	((547,865	1,079,876))
4	Buckley	68,227	((70,260	138,487))
5	Bucoda	52,876	((54,452	107,328))
6	Burien	284,265	((292,736	577,001))
7	Burlington	27,407	((28,224	55,631))
8	Camas	53,654	((55,253	108,907))
9	Carbonado	56,785	((58,477	115,262))
10	Carnation	9,593	((9,879	19,472))
11	Cashmere	120,801	((124,401	245,202))
12	Castle Rock	29,980	((30,873	60,853))
13	Cathlamet	6,265	((6,452	12,717))
14	Centralia	101,426	((104,448	205,874))
15	Chehalis	34,601	((35,632	70,233))
16	Chelan	19,515	((20,097	39,612))
17	Cheney	314,316	((323,683	637,999))
18	Chewelah	66,731	((68,720	135,451))
19	Clarkston	83,910	((86,411	170,321))
20	Cle Elum	8,692	((8,951	17,643))
21	Clyde Hill	136,778	((140,854	277,632))
22	Colfax	74,672	((76,897	151,569))
23	College Place	526,480	((542,169	1,068,649))
24	Colton	27,473	((28,292	55,765))
25	Colville	23,389	((24,086	47,475))
26	Conconully	13,675	((14,083	27,758))
27	Concrete	27,006	((27,811	54,817))
28	Connell	164,950	((169,866	334,816))
29	Cosmopolis	15,395	((15,854	31,249))
30	Coulee City	2,804	((2,888	5,692))
31	Coulee Dam	61,408	((63,238	124,646))
32	Coupeville	7,708	((7,938	15,646))
33	Covington	690,851	((711,438	1,402,289))
34	Creston	12,905	((13,290	26,195))
35	Cusick	9,341	((9,619	18,960))
36	Darrington	59,838	((61,621	121,459))
37	Davenport	66,350	((68,327	134,677))
38	Dayton	92,685	((95,447	188,132))
39	Deer Park	16,059	((16,538	32,597))
40	Des Moines	1,482,120	((1,526,287	3,008,407))
41	Dupont	8,109	((8,351	16,460))
42	Duvall	66,128	((68,099	134,227))
43	East Wenatchee	30,678	((31,592	62,270))
44	Eatonville	8,848	((9,112	17,960))
45	Edgewood	901,766	((928,639	1,830,405))
46	Edmonds	456,336	((469,935	926,271))
47	Electric City	87,243	((89,843	177,086))

1	Ellensburg	81,982	((84,425 ————— 166,407))
2	Elma	84,676	((87,199 ————— 171,875))
3	Elmer City	29,811	((30,699 ————— 60,510))
4	Endicott	28,758	((29,615 ————— 58,373))
5	Entiat	58,244	((59,980 ————— 118,224))
6	Enumclaw	53,013	((54,593 ————— 107,606))
7	Ephrata	59,987	((61,775 ————— 121,762))
8	Everett	495,428	((510,192 ————— 1,005,620))
9	Everson	67,517	((69,529 ————— 137,046))
10	Fairfield	18,540	((19,092 ————— 37,632))
11	Farmington	12,072	((12,432 ————— 24,504))
12	Federal Way	470,179	((484,190 ————— 954,369))
13	Ferndale	74,669	((76,894 ————— 151,563))
14	Fife	25,411	((26,168 ————— 51,579))
15	Fircrest	386,146	((397,653 ————— 783,799))
16	Forks	110,712	((114,011 ————— 224,723))
17	Friday Harbor	9,791	((10,083 ————— 19,874))
18	Garfield	45,263	((46,612 ————— 91,875))
19	George	19,319	((19,895 ————— 39,214))
20	Gig Harbor	31,615	((32,557 ————— 64,172))
21	Gold Bar	134,531	((138,540 ————— 273,071))
22	Goldendale	49,519	((50,995 ————— 100,514))
23	Grand Coulee	5,805	((5,978 ————— 11,783))
24	Grandview	256,347	((263,986 ————— 520,333))
25	Granger	173,094	((178,252 ————— 351,346))
26	Granite Falls	10,946	((11,272 ————— 22,218))
27	Hamilton	17,437	((17,957 ————— 35,394))
28	Harrah	46,947	((48,346 ————— 95,293))
29	Harrington	18,107	((18,647 ————— 36,754))
30	Hartline	11,392	((11,731 ————— 23,123))
31	Hatton	12,176	((12,539 ————— 24,715))
32	Hoquiam	374,903	((386,075 ————— 760,978))
33	Hunts Point	2,432	((2,504 ————— 4,936))
34	Ilwaco	13,150	((13,542 ————— 26,692))
35	Index	4,181	((4,306 ————— 8,487))
36	Ione	17,566	((18,089 ————— 35,655))
37	Issaquah	50,002	((51,492 ————— 101,494))
38	Kahlotus	20,210	((20,812 ————— 41,022))
39	Kalama	7,892	((8,127 ————— 16,019))
40	Kelso	68,904	((70,957 ————— 139,861))
41	Kenmore	1,099,395	((1,132,157 ————— 2,231,552))
42	Kennewick	293,534	((302,281 ————— 595,815))
43	Kent	360,624	((371,371 ————— 731,995))
44	Kettle Falls	64,422	((66,342 ————— 130,764))
45	Kirkland	221,429	((228,028 ————— 449,457))
46	Kittitas	72,698	((74,864 ————— 147,562))
47	Krupp	4,445	((4,577 ————— 9,022))

1	La Center	34,415	((35,441 69,856))
2	La Conner	3,817	((3,931 7,748))
3	La Crosse	20,141	((20,741 40,882))
4	Lacey	143,243	((147,512 290,755))
5	Lake Forest Park	897,932	((924,690 1,822,622))
6	Lake Stevens	142,295	((146,535 288,830))
7	Lakewood	2,955,109	((3,043,171 5,998,280))
8	Lamont	7,492	((7,715 15,207))
9	Langley	5,303	((5,461 10,764))
10	Latah	11,962	((12,318 24,280))
11	Leavenworth	12,189	((12,552 24,741))
12	Lind	2,217	((2,283 4,500))
13	Long Beach	10,269	((10,575 20,844))
14	Longview	249,836	((257,281 507,117))
15	Lyman	16,741	((17,240 33,981))
16	Lynden	42,717	((43,990 86,707))
17	Lynnwood	163,579	((168,454 332,033))
18	Mabton	142,491	((146,737 289,228))
19	Malden	21,588	((22,231 43,819))
20	Mansfield	26,744	((27,541 54,285))
21	Maple Valley	359,478	((370,190 729,668))
22	Marcus	14,126	((14,547 28,673))
23	Marysville	102,028	((105,068 207,096))
24	Mattawa	100,064	((103,046 203,110))
25	McCleary	105,807	((108,960 214,767))
26	Medical Lake	114,323	((117,730 232,053))
27	Medina	14,355	((14,783 29,138))
28	Mercer Island	383,527	((394,956 778,483))
29	Mesa	16,835	((17,337 34,172))
30	Metaline	14,150	((14,572 28,722))
31	Metaline Falls	7,718	((7,948 15,666))
32	Mill Creek	174,495	((179,695 354,190))
33	Millwood	22,619	((23,293 45,912))
34	Milton	28,030	((28,865 56,895))
35	Monroe	56,517	((58,201 114,718))
36	Montesano	60,229	((62,024 122,253))
37	Morton	5,891	((6,067 11,958))
38	Moses Lake	105,670	((108,819 214,489))
39	Mossyrock	16,545	((17,038 33,583))
40	Mount Vernon	130,780	((134,677 265,457))
41	Mountlake Terrace	711,188	((732,381 1,443,569))
42	Moxee	40,448	((41,653 82,101))
43	Mukilteo	274,482	((282,662 557,144))
44	Naches	7,632	((7,859 15,491))
45	Napavine	96,030	((98,892 194,922))
46	Nespelem	17,614	((18,139 35,753))
47	Newcastle	290,801	((299,467 590,268))

1	Newport	13,223	((13,617 ————— 26,840))
2	Nooksack	58,178	((59,912 ————— 118,090))
3	Normandy Park	489,113	((503,689 ————— 992,802))
4	North Bend	20,754	((21,372 ————— 42,126))
5	North Bonneville	30,574	((31,485 ————— 62,059))
6	Northport	23,489	((24,189 ————— 47,678))
7	Oak Harbor	278,157	((286,446 ————— 564,603))
8	Oakesdale	31,060	((31,986 ————— 63,046))
9	Oakville	43,411	((44,705 ————— 88,116))
10	Ocean Shores	64,837	((66,769 ————— 131,606))
11	Odessa	4,721	((4,862 ————— 9,583))
12	Okanogan	12,323	((12,690 ————— 25,013))
13	Olympia	198,476	((204,391 ————— 402,867))
14	Omak	26,117	((26,895 ————— 53,012))
15	Oroville	12,506	((12,879 ————— 25,385))
16	Orting	191,211	((196,909 ————— 388,120))
17	Othello	26,808	((27,607 ————— 54,415))
18	Pacific	69,124	((71,184 ————— 140,308))
19	Palouse	55,067	((56,708 ————— 111,775))
20	Pasco	131,298	((135,211 ————— 266,509))
21	Pateros	28,021	((28,856 ————— 56,877))
22	Pe Ell	54,800	((56,433 ————— 111,233))
23	Pomeroy	52,485	((54,049 ————— 106,534))
24	Port Angeles	124,595	((128,308 ————— 252,903))
25	Port Orchard	41,797	((43,043 ————— 84,840))
26	Port Townsend	47,126	((48,530 ————— 95,656))
27	Poulsbo	31,812	((32,760 ————— 64,572))
28	Prescott	12,349	((12,717 ————— 25,066))
29	Prosser	24,137	((24,856 ————— 48,993))
30	Pullman	584,659	((602,082 ————— 1,186,741))
31	Puyallup	151,732	((156,254 ————— 307,986))
32	Quincy	20,244	((20,847 ————— 41,091))
33	Rainier	111,521	((114,844 ————— 226,365))
34	Raymond	85,311	((87,853 ————— 173,164))
35	Reardan	38,184	((39,322 ————— 77,506))
36	Redmond	215,259	((221,674 ————— 436,933))
37	Renton	235,053	((242,058 ————— 477,111))
38	Republic	25,085	((25,833 ————— 50,918))
39	Richland	441,733	((454,897 ————— 896,630))
40	Ridgefield	55,637	((57,295 ————— 112,932))
41	Ritzville	8,498	((8,751 ————— 17,249))
42	Riverside	27,204	((28,015 ————— 55,219))
43	Rock Island	36,527	((37,616 ————— 74,143))
44	Rockford	18,965	((19,530 ————— 38,495))
45	Rosalia	36,719	((37,813 ————— 74,532))
46	Roslyn	64,571	((66,495 ————— 131,066))
47	Roy	1,709	((1,760 ————— 3,469))

1	Royal City	66,657	((68,643	135,300))
2	Ruston	50,309	((51,808	102,117))
3	Sammamish	2,361,433	((2,431,804	4,793,237))
4	Seatac	132,183	((136,122	268,305))
5	Seattle	3,189,346	((3,284,389	6,473,735))
6	Sedro-Woolley	54,896	((56,532	111,428))
7	Selah	80,704	((83,109	163,813))
8	Sequim	21,867	((22,519	44,386))
9	Shelton	58,160	((59,893	118,053))
10	Shoreline	1,485,138	((1,529,395	3,014,533))
11	Skykomish	1,417	((1,459	2,876))
12	Snohomish	40,722	((41,936	82,658))
13	Snoqualmie	9,587	((9,873	19,460))
14	Soap Lake	102,783	((105,846	208,629))
15	South Bend	75,826	((78,086	153,912))
16	South Cle Elum	46,847	((48,243	95,090))
17	South Prairie	18,788	((19,348	38,136))
18	Spangle	1,397	((1,439	2,836))
19	Spokane	1,116,419	((1,149,688	2,266,107))
20	Sprague	22,930	((23,613	46,543))
21	Springdale	11,080	((11,410	22,490))
22	St. John	4,245	((4,372	8,617))
23	Stanwood	21,141	((21,771	42,912))
24	Starbuck	8,949	((9,216	18,165))
25	Steilacoom	285,807	((294,324	580,131))
26	Stevenson	11,673	((12,021	23,694))
27	Sultan	63,199	((65,082	128,281))
28	Sumas	7,885	((8,120	16,005))
29	Sumner	41,931	((43,181	85,112))
30	Sunnyside	70,805	((72,915	143,720))
31	Tacoma	1,384,646	((1,425,908	2,810,554))
32	Tekoa	49,373	((50,844	100,217))
33	Tenino	68,820	((70,871	139,691))
34	Tieton	74,506	((76,726	151,232))
35	Toledo	8,084	((8,325	16,409))
36	Tonasket	5,500	((5,664	11,164))
37	Toppenish	443,488	((456,704	900,192))
38	Tukwila	75,320	((77,565	152,885))
39	Tumwater	61,848	((63,691	125,539))
40	Twisp	4,793	((4,936	9,729))
41	Union Gap	27,129	((27,937	55,066))
42	Uniontown	19,805	((20,395	40,200))
43	University Place	1,889,912	((1,946,231	3,836,143))
44	Vader	40,643	((41,854	82,497))
45	Vancouver	1,177,584	((1,212,676	2,390,260))
46	Waitsburg	81,097	((83,514	164,611))
47	Walla Walla	318,679	((328,176	646,855))

1	Wapato	230,783	((237,660	468,443))
2	Warden	105,612	((108,759	214,371))
3	Washougal	177,022	((182,297	359,319))
4	Washtucna	20,654	((21,269	41,923))
5	Waterville	72,880	((75,052	147,932))
6	Waverly	10,256	((10,562	20,818))
7	Wenatchee	147,602	((152,001	299,603))
8	West Richland	489,752	((504,347	994,099))
9	Westport	13,715	((14,124	27,839))
10	White Salmon	53,746	((55,348	109,094))
11	Wilbur	23,614	((24,318	47,932))
12	Wilkeson	18,762	((19,321	38,083))
13	Wilson Creek	18,403	((18,951	37,354))
14	Winlock	35,212	((36,261	71,473))
15	Winthrop	1,756	((1,808	3,564))
16	Woodinville	56,052	((57,722	113,774))
17	Woodland	17,960	((18,495	36,455))
18	Woodway	12,513	((12,886	25,399))
19	Yacolt	36,636	((37,728	74,364))
20	Yakima	487,766	((502,301	990,067))
21	Yarrow Point	32,121	((33,078	65,199))
22	Yelm	15,677	((16,144	31,821))
23	Zillah	100,818	((103,822	204,640))
24	TOTAL APPROPRIATIONS	45,545,942	((46,903,217	92,449,159))

25 (2) \$338,668 for fiscal year 2002 (~~and \$348,622 for fiscal year~~
26 ~~2003~~) from this appropriation (~~are~~) is provided solely to address
27 the contingencies listed in this subsection. The department shall
28 distribute the moneys no later than March 31, 2002, (~~and March 31,~~
29 ~~2003,~~) for the respective appropriations. Moneys shall be distributed
30 for the following purposes, ranked in order of priority:

31 (a) To correct for data errors in the determination of
32 distributions in subsection (1) of this section;

33 (b) To distribute to newly qualifying jurisdictions as if the
34 jurisdiction had been in existence prior to November 1999;

35 (c) To allocate under emergency situations as determined by the
36 director of the department of community, trade, and economic
37 development in consultation with the association of Washington cities;
38 and

39 (d) After April 1 (~~st of each year in the fiscal biennium ending~~
40 ~~June 30, 2003~~), 2001, any moneys remaining from the amounts provided
41 in this subsection shall be prorated and distributed to cities and
42 towns on the basis of the amounts distributed for emergency

1 considerations in November 2000 as provided in section 729, chapter 1,
2 Laws of 2000, 2nd sp. sess.

3 NEW SECTION. **Sec. 724.** A new section is added to 2001 2nd sp.s.
4 c 7 (uncodified) to read as follows:

5 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
6 **MUNICIPAL ASSISTANCE**

7 General Fund--State Appropriation (FY 2003) \$ 8,000,000

8 The appropriation in this section is subject to the following
9 conditions and limitations: The director of community, trade, and
10 economic development shall distribute the appropriation in this section
11 to the following cities in the amounts designated:

1	Airway Heights	\$	10,000
2	Albion	\$	55,000
3	Almira	\$	2,000
4	Asotin	\$	22,000
5	Benton City	\$	35,000
6	Black Diamond	\$	42,000
7	Bridgeport	\$	155,000
8	Brier	\$	294,000
9	Bucoda	\$	34,000
10	Carbonado	\$	34,000
11	Cashmere	\$	30,000
12	Cheney	\$	44,000
13	Chewelah	\$	3,000
14	Colfax	\$	2,000
15	College Place	\$	314,000
16	Colton	\$	12,000
17	Conconully	\$	9,000
18	Concrete	\$	3,000
19	Connell	\$	62,000
20	Coulee Dam	\$	13,000
21	Covington	\$	268,000
22	Creston	\$	4,000
23	Cusick	\$	1,000
24	Darrington	\$	13,000

1	Davenport	\$	10,000
2	Dayton	\$	3,000
3	Des Moines	\$	367,000
4	Edgewood	\$	622,000
5	Electric City	\$	61,000
6	Elma	\$	4,000
7	Elmer City	\$	25,000
8	Endicott	\$	24,000
9	Entiat	\$	23,000
10	Everson	\$	11,000
11	Fairfield	\$	3,000
12	Farmington	\$	6,000
13	Fircrest	\$	114,000
14	Forks	\$	11,000
15	Garfield	\$	28,000
16	George	\$	5,000
17	Gold Bar	\$	66,000
18	Grandview	\$	35,000
19	Granger	\$	64,000
20	Hamilton	\$	9,000
21	Harrah	\$	36,000
22	Harrington	\$	2,000
23	Hartline	\$	7,000
24	Hatton	\$	10,000
25	Hoquiam	\$	44,000
26	Index	\$	1,000
27	Ione	\$	4,000
28	Kahlotus	\$	13,000
29	Kenmore	\$	301,000
30	Kettle Falls	\$	9,000
31	Kittitas	\$	38,000
32	Krupp	\$	2,000
33	Lacrosse	\$	6,000
34	Lake Forest Park	\$	311,000
35	Lake Stevens	\$	10,000
36	Lakewood	\$	808,000
37	Lamont	\$	6,000
38	Latah	\$	6,000
39	Lyman	\$	8,000

1	Mabton	\$	117,000
2	Malden	\$	18,000
3	Mansfield	\$	18,000
4	Maple Valley	\$	38,000
5	Marcus	\$	8,000
6	Mattawa	\$	39,000
7	McCleary	\$	33,000
8	Medical Lake	\$	22,000
9	Mesa	\$	4,000
10	Metaline	\$	5,000
11	Metaline Falls	\$	2,000
12	Mossyrock	\$	1,000
13	Mountlake Terrace	\$	72,000
14	Moxee	\$	5,000
15	Napavine	\$	44,000
16	Nespelem	\$	15,000
17	Newcastle	\$	4,000
18	Nooksack	\$	29,000
19	Normandy Park	\$	187,000
20	North Bonneville	\$	4,000
21	Northport	\$	16,000
22	Oakesdale	\$	7,000
23	Oakville	\$	16,000
24	Orting	\$	27,000
25	Palouse	\$	17,000
26	Pateros	\$	1,000
27	Pe Ell	\$	45,000
28	Pomeroy	\$	6,000
29	Prescott	\$	3,000
30	Pullman	\$	49,000
31	Rainier	\$	61,000
32	Raymond	\$	1,000
33	Reardan	\$	19,000
34	Republic	\$	3,000
35	Riverside	\$	16,000
36	Rock Island	\$	13,000
37	Rockford	\$	4,000
38	Rosalia	\$	15,000
39	Roslyn	\$	26,000

1	Royal City	\$ 27,000
2	Ruston	\$ 18,000
3	Sammamish	\$ 737,000
4	Shoreline	\$ 148,000
5	Soap Lake	\$ 43,000
6	South Bend	\$ 12,000
7	South Cle Elum	\$ 25,000
8	South Prairie	\$ 4,000
9	Sprague	\$ 3,000
10	Springdale	\$ 2,000
11	Starbuck	\$ 6,000
12	Steilacoom	\$ 44,000
13	Tekoa	\$ 11,000
14	Tenino	\$ 15,000
15	Tieton	\$ 28,000
16	Toppenish	\$ 143,000
17	Uniontown	\$ 7,000
18	University Place	\$ 700,000
19	Vader	\$ 28,000
20	Waitsburg	\$ 35,000
21	Wapato	\$ 80,000
22	Warden	\$ 22,000
23	Washtucna	\$ 17,000
24	Waterville	\$ 29,000
25	Waverly	\$ 8,000
26	West Richland	\$ 191,000
27	White Salmon	\$ 2,000
28	Wilbur	\$ 1,000
29	Wilkeson	\$ 2,000
30	Wilson Creek	\$ 8,000
31	Yacolt	\$ 8,000
32	Zillah	\$ 12,000
33	TOTAL	\$8,000,000

34 **Sec. 725. 2001 2nd sp.s. c 7 s 730 (uncodified) is amended to*
35 *read as follows:*

36 **FOR THE LIABILITY ACCOUNT**

37 General Fund--State Appropriation (FY 2002) \$ 12,000,000

1 *General Fund--State Appropriation (FY 2003)* \$((~~6,392,000~~))
2 19,392,000
3 ~~((State Surplus Assets Reserve Fund--State~~
4 ~~Appropriation~~ ~~\$ 25,000,000))~~
5 **TOTAL APPROPRIATION** **\$ 31,392,000**

6 *The appropriations in this section are provided solely for deposit*
7 *in the liability account.*

8 *Sec. 725 was vetoed. See message at end of chapter.

9 NEW SECTION. **Sec. 726.** A new section is added to 2001 2nd sp.s.
10 c 7 (uncodified) to read as 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, except as
16 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 (2) Payment from the state wildlife account for damage to crops by
35 wildlife, pursuant to RCW 77.36.050:

- 36 (a) Ronald Palmer, claim number SCG 02-01 \$ 1,522
- 37 (b) Keith Morris, claim number SCG 02-02 \$ 1,315

1 (c) Edgar Roush, claim number SCG 02-03 \$ 1,459

2 **Sec. 727.** 2001 2nd sp.s. c 7 s 705 (uncodified) is amended to read
3 as follows:

4 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EMERGENCY FUND**

5	General Fund--State Appropriation (FY 2002) . . . \$	850,000
6	General Fund--State Appropriation (FY 2003) . . . \$	((850,000))
7		<u>8,010,000</u>
8	TOTAL APPROPRIATION \$	((1,700,000))
9		<u>8,860,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations: The appropriations in this section are for
12 the governor's emergency fund for the critically necessary work of any
13 agency. Up to \$5,298,000 of the fiscal year 2003 appropriation is
14 provided for costs associated with implementing House Bill No. 2926
15 (transferring the state library to the office of secretary of state.)

16 (End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

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Sec. 801. 2001 2nd sp.s. c 7 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance		
premium distributions	\$	((6,528,600))
		<u>7,526,700</u>
General Fund Appropriation for public utility		
district excise tax distributions	\$	((36,427,306))
		<u>34,754,723</u>
General Fund Appropriation for prosecuting		
attorney distributions	\$	((3,090,000))
		<u>3,110,000</u>
General Fund Appropriation for boating safety/		
education and law enforcement		
distributions	\$	3,780,000
General Fund Appropriation for other tax		
distributions	\$	((39,566))
		<u>1,951,556</u>
Death Investigations Account Appropriation for		
distribution to counties for publicly		
funded autopsies	\$	1,621,537
Aquatic Lands Enhancement Account Appropriation		
for harbor improvement revenue		
distribution	\$	147,500
Timber Tax Distribution Account Appropriation for		
distribution to "timber" counties	\$	((68,562,000))
		<u>57,405,032</u>
County Criminal Justice Assistance		
Appropriation	\$	49,835,213
Municipal Criminal Justice Assistance		
Appropriation	\$	19,988,097
Liquor Excise Tax Account Appropriation for		
liquor excise tax distribution	\$	28,659,331
Liquor Revolving Account Appropriation for		

1	liquor profits distribution	\$	55,344,817
2	TOTAL APPROPRIATION	\$	((274,023,967))
3			<u>264,124,506</u>

4 The total expenditures from the state treasury under the
5 appropriations in this section shall not exceed the funds available
6 under statutory distributions for the stated purposes.

7 **Sec. 802.** 2001 2nd sp.s. c 7 s 805 (uncodified) is amended to read
8 as follows:

9 **FOR THE STATE TREASURER--TRANSFERS**

10 For transfers in this section to the state general fund, pursuant
11 to RCW 43.135.035(5), the state expenditure limit shall be increased by
12 the amount of the transfer. The increase shall occur in the fiscal
13 year in which the transfer occurs.

14	Public Facilities Construction Loan and		
15	Grant Revolving Account: For transfer		
16	to the digital government revolving account		
17	on or before December 31, 2001	\$	1,418,456
18	Financial Services Regulation Fund: To be		
19	transferred from the financial services		
20	regulation fund to the digital government		
21	revolving account during the period		
22	between July 1, 2001, and December 31,		
23	2001	\$	2,000,000
24	Local Toxics Control Account: For transfer		
25	to the state toxics control account.		
26	Transferred funds will be utilized		
27	for methamphetamine lab cleanup, to		
28	address areawide soil contamination		
29	problems, and clean up contaminated		
30	sites as part of the clean sites		
31	initiative	\$	6,000,000
32	State Toxics Control Account: For transfer		
33	to the water quality account for water		
34	quality related projects funded in the		
35	capital budget	\$	9,000,000

1	General Fund: For transfer to the flood	
2	control assistance account	\$ 4,000,000
3	Water Quality Account: For transfer to the	
4	water pollution control account. Transfers	
5	shall be made at intervals coinciding with	
6	deposits of federal capitalization grant	
7	money into the account. The amounts	
8	transferred shall not exceed the match	
9	required for each federal deposit	\$ 12,564,487
10	<u>Health Services Account: For transfer</u>	
11	<u>to the water quality account</u>	<u>\$ 6,447,500</u>
12	State Treasurer's Service Account: For	
13	transfer to the general fund on or	
14	before June 30, 2003, an amount in excess	
15	of the cash requirements of the state	
16	treasurer's service account. Pursuant to	
17	RCW 43.135.035(5), the state expenditure	
18	limit shall be increased <u>by \$4,000,000 in</u>	
19	<u>fiscal year 2002 and by \$8,393,000 in fiscal</u>	
20	<u>year 2003 to reflect this transfer</u>	<u>\$ ((8,000,000))</u>
21		<u>12,393,000</u>
22	Public Works Assistance Account: For	
23	transfer to the drinking water	
24	assistance account	\$ 7,700,000
25	Tobacco Settlement Account: For transfer	
26	to the health services account, in an	
27	amount not to exceed the actual balance	
28	of the tobacco settlement account	\$ ((310,000,000))
29		<u>256,700,000</u>
30	General Fund: For transfer to the water quality	
31	account	\$ ((60,325,000))
32		<u>60,821,172</u>
33	Health Services 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	\$ ((130,000,000))
39		<u>150,000,000</u>

1 ((~~Health Services Account: For~~
2 ~~transfer to the state general fund~~
3 ~~by June 30, 2003. Pursuant~~
4 ~~to RCW 43.135.035(5), the state expenditure~~
5 ~~limit shall be increased in fiscal~~
6 ~~year 2003 to reflect this transfer \$ 20,000,000~~
7 ~~State Surplus Assets Reserve Fund: For~~
8 ~~transfer to the multimodal transportation~~
9 ~~account by June 30, 2002 \$ 70,000,000))
10 Multimodal Transportation Account: For
11 transfer to the state general fund
12 by June 30, 2002. Pursuant to RCW
13 43.135.035(5), the state expenditure
14 limit shall be increased in fiscal
15 year 2002 to reflect this transfer \$ 70,000,000
16 Health Service Account: For transfer
17 to the violence reduction and drug
18 enforcement account \$ 6,497,500
19 Gambling Revolving Account: For transfer
20 to the state general fund, \$2,000,000
21 for fiscal year 2002 and \$450,000 for
22 fiscal year 2003 \$ 2,450,000
23 Horticultural Districts Account: For transfer
24 to the fruit and vegetable inspection
25 account \$ 11,075,000
26 Agricultural Local Account: For
27 transfer to the fruit and vegetable
28 inspection account \$ 605,000
29 Nisqually Earthquake Account: For transfer to
30 the disaster response account for fire
31 suppression and mobilization costs \$ 32,802,000
32 Enhanced 911 Account: For transfer to
33 the state general fund for fiscal
34 year 2003 \$ 6,000,000
35 Clarke-McNary Fund: For transfer to the
36 state general fund for fiscal year 2002 . . . \$ 4,000,000
37 State Drought Preparedness Account: For
38 transfer to the state general fund for
39 fiscal year 2002 \$ 3,000,000~~

1	<u>Financial Services Regulation Fund: For</u>	
2	<u>transfer to the state general fund,</u>	
3	<u>\$2,250,000 for fiscal year 2002 and</u>	
4	<u>\$357,000 for fiscal year 2003</u>	<u>\$ 2,607,000</u>
5	<u>Industrial Insurance Premium Refund Account:</u>	
6	<u>For transfer to the state general fund</u>	
7	<u>for fiscal year 2002</u>	<u>\$ 1,000,000</u>
8	<u>Liquor Control Board Construction and</u>	
9	<u>Maintenance Account: For transfer</u>	
10	<u>to the state general fund for fiscal</u>	
11	<u>year 2003</u>	<u>\$ 504,000</u>
12	<u>Liquor Revolving Account: For transfer</u>	
13	<u>to the state general fund for fiscal</u>	
14	<u>year 2003</u>	<u>\$ 2,059,000</u>
15	<u>Lottery Administrative Account: For transfer</u>	
16	<u>to the state general fund for fiscal</u>	
17	<u>year 2003</u>	<u>\$ 335,000</u>
18	<u>Emergency Medical Services and Trauma Care</u>	
19	<u>System Trust Account: For transfer</u>	
20	<u>to the state general fund for fiscal</u>	
21	<u>year 2002</u>	<u>\$ 6,000,000</u>
22	<u>Public Service Revolving Account: For transfer</u>	
23	<u>to the state general fund for fiscal</u>	
24	<u>year 2003</u>	<u>\$ 406,000</u>
25	<u>Local Leasehold Excise Tax Account: For transfer</u>	
26	<u>of interest to the state general fund by</u>	
27	<u>June 1, 2002, for fiscal year 2002</u>	<u>\$ 1,000,000</u>
28	<u>Insurance Commissioner's Regulatory Account:</u>	
29	<u>For transfer to the state general fund</u>	
30	<u>for fiscal year 2003</u>	<u>\$ 366,000</u>
31	<u>Health Services Account: For transfer to the</u>	
32	<u>tobacco prevention and control account . . .</u>	<u>\$ 21,980,000</u>
33	<u>From the Emergency Reserve Fund: For transfer</u>	
34	<u>to the state general fund:</u>	
35	<u>On June 28, 2002</u>	<u>\$ 300,000,000</u>
36	<u>On June 28, 2003</u>	<u>\$ 25,000,000</u>
37	<u>Tobacco Securitization Trust Account: For</u>	
38	<u>transfer to the state general fund for</u>	

1 (2) Funds appropriated by the legislature for the community and
2 technical college exceptional faculty awards program shall be deposited
3 in the college faculty awards trust fund. At the request of the
4 college board, the treasurer shall release the state matching funds to
5 the local endowment fund of the college or its foundation. No
6 appropriation is necessary for the expenditure of moneys from the fund.
7 During the 2001-2003 fiscal biennium, the legislature may appropriate
8 funds from the college faculty awards trust fund for the purposes of
9 the settlement costs of the *Mader v. State* litigation regarding
10 retirement contributions on behalf of part-time faculty.

11 **Sec. 903.** RCW 38.52.105 and 1997 c 251 s 1 are each amended to
12 read as follows:

13 The disaster response account is created in the state treasury.
14 Moneys may be placed in the account from legislative appropriations and
15 transfers, federal appropriations, or any other lawful source. Moneys
16 in the account may be spent only after appropriation. Expenditures
17 from the account may be used only for support of state agency and local
18 government disaster response and recovery efforts. During the 2001-03
19 biennium, funds from the account may also be used for costs associated
20 with national security preparedness activities.

21 **Sec. 904.** RCW 38.52.106 and 2001 c 5 s 2 are each amended to read
22 as follows:

23 The Nisqually earthquake account is created in the state treasury.
24 Moneys may be placed in the account from tax revenues, budget transfers
25 or appropriations, federal appropriations, gifts, or any other lawful
26 source. Moneys in the account may be spent only after appropriation.
27 Moneys in the account shall be used only to support state and local
28 government disaster response and recovery efforts associated with the
29 Nisqually earthquake. During the 2001-2003 fiscal biennium, the
30 legislature may transfer moneys from the Nisqually earthquake account
31 to the disaster response account for fire suppression and mobilization
32 costs, and costs associated with national security preparedness
33 activities.

34 **Sec. 905.** RCW 38.52.540 and 2001 c 128 s 2 are each amended to
35 read as follows:

1 The enhanced 911 account is created in the state treasury. All
2 receipts from the state enhanced 911 excise tax imposed by RCW
3 82.14B.030 shall be deposited into the account. Moneys in the account
4 shall be used only to support the statewide coordination and management
5 of the enhanced 911 system and to help supplement, within available
6 funds, the operational costs of the system. Funds shall not be
7 distributed to any county that has not imposed the maximum county
8 enhanced 911 taxes allowed under RCW 82.14B.030 (1) and (2). The state
9 enhanced 911 coordinator, with the advice and assistance of the
10 enhanced 911 advisory committee, is authorized to enter into statewide
11 agreements to improve the efficiency of enhanced 911 services for all
12 counties and shall specify by rule the additional purposes for which
13 moneys, if available, may be expended from this account. During the
14 2001-2003 fiscal biennium, the legislature may transfer from the
15 enhanced 911 account to the state general fund such amounts as reflect
16 the excess fund balance of the account.

17 **Sec. 906.** RCW 41.06.150 and 1999 c 297 s 3 are each amended to
18 read as follows:

19 The board shall adopt rules, consistent with the purposes and
20 provisions of this chapter, as now or hereafter amended, and with the
21 best standards of personnel administration, regarding the basis and
22 procedures to be followed for:

23 (1) The reduction, dismissal, suspension, or demotion of an
24 employee;

25 (2) Certification of names for vacancies, including departmental
26 promotions, with the number of names equal to six more names than there
27 are vacancies to be filled, such names representing applicants rated
28 highest on eligibility lists: PROVIDED, That when other applicants
29 have scores equal to the lowest score among the names certified, their
30 names shall also be certified;

31 (3) Examinations for all positions in the competitive and
32 noncompetitive service;

33 (4) Appointments;

34 (5) Training and career development;

35 (6) Probationary periods of six to twelve months and rejections of
36 probationary employees, depending on the job requirements of the class,
37 except that entry level state park rangers shall serve a probationary
38 period of twelve months;

1 (7) Transfers;

2 (8) Sick leaves and vacations;

3 (9) Hours of work;

4 (10) Layoffs when necessary and subsequent reemployment, both
5 according to seniority;

6 (11) Determination of appropriate bargaining units within any
7 agency: PROVIDED, That in making such determination the board shall
8 consider the duties, skills, and working conditions of the employees,
9 the history of collective bargaining by the employees and their
10 bargaining representatives, the extent of organization among the
11 employees, and the desires of the employees;

12 (12) Certification and decertification of exclusive bargaining
13 representatives: PROVIDED, That after certification of an exclusive
14 bargaining representative and upon the representative's request, the
15 director shall hold an election among employees in a bargaining unit to
16 determine by a majority whether to require as a condition of employment
17 membership in the certified exclusive bargaining representative on or
18 after the thirtieth day following the beginning of employment or the
19 date of such election, whichever is the later, and the failure of an
20 employee to comply with such a condition of employment constitutes
21 cause for dismissal: PROVIDED FURTHER, That no more often than once in
22 each twelve-month period after expiration of twelve months following
23 the date of the original election in a bargaining unit and upon
24 petition of thirty percent of the members of a bargaining unit the
25 director shall hold an election to determine whether a majority wish to
26 rescind such condition of employment: PROVIDED FURTHER, That for
27 purposes of this clause, membership in the certified exclusive
28 bargaining representative is satisfied by the payment of monthly or
29 other periodic dues and does not require payment of initiation,
30 reinstatement, or any other fees or fines and includes full and
31 complete membership rights: AND PROVIDED FURTHER, That in order to
32 safeguard the right of nonassociation of public employees, based on
33 bona fide religious tenets or teachings of a church or religious body
34 of which such public employee is a member, such public employee shall
35 pay to the union, for purposes within the program of the union as
36 designated by such employee that would be in harmony with his or her
37 individual conscience, an amount of money equivalent to regular union
38 dues minus any included monthly premiums for union-sponsored insurance

1 programs, and such employee shall not be a member of the union but is
2 entitled to all the representation rights of a union member;

3 (13) Agreements between agencies and certified exclusive bargaining
4 representatives providing for grievance procedures and collective
5 negotiations on all personnel matters over which the appointing
6 authority of the appropriate bargaining unit of such agency may
7 lawfully exercise discretion;

8 (14) Written agreements may contain provisions for payroll
9 deductions of employee organization dues upon authorization by the
10 employee member and for the cancellation of such payroll deduction by
11 the filing of a proper prior notice by the employee with the appointing
12 authority and the employee organization: PROVIDED, That nothing
13 contained herein permits or grants to any employee the right to strike
14 or refuse to perform his or her official duties;

15 (15) Adoption and revision of a comprehensive classification plan
16 for all positions in the classified service, based on investigation and
17 analysis of the duties and responsibilities of each such position.

18 (a) The board shall not adopt job classification revisions or class
19 studies unless implementation of the proposed revision or study will
20 result in net cost savings, increased efficiencies, or improved
21 management of personnel or services, and the proposed revision or study
22 has been approved by the director of financial management in accordance
23 with chapter 43.88 RCW.

24 (b) Beginning July 1, 1995, through June 30, 1997, in addition to
25 the requirements of (a) of this subsection:

26 (i) The board may approve the implementation of salary increases
27 resulting from adjustments to the classification plan during the 1995-
28 97 fiscal biennium only if:

29 (A) The implementation will not result in additional net costs and
30 the proposed implementation has been approved by the director of
31 financial management in accordance with chapter 43.88 RCW;

32 (B) The implementation will take effect on July 1, 1996, and the
33 total net cost of all such actions approved by the board for
34 implementation during the 1995-97 fiscal biennium does not exceed the
35 amounts specified by the legislature specifically for this purpose; or

36 (C) The implementation is a result of emergent conditions.
37 Emergent conditions are defined as emergency situations requiring the
38 establishment of positions necessary for the preservation of the public
39 health, safety, or general welfare, which do not exceed \$250,000 of the

1 moneys identified in section 718(2), chapter 18, Laws of 1995 2nd sp.
2 sess.

3 (ii) The board shall approve only those salary increases resulting
4 from adjustments to the classification plan if they are due to
5 documented recruitment and retention difficulties, salary compression
6 or inversion, increased duties and responsibilities, or inequities.
7 For these purposes, inequities are defined as similar work assigned to
8 different job classes with a salary disparity greater than 7.5 percent.

9 (iii) Adjustments made to the higher education hospital special pay
10 plan are exempt from (b)(i) through (ii) of this subsection.

11 (c) Reclassifications, class studies, and salary adjustments to be
12 implemented during the 1997-99 and subsequent fiscal biennia are
13 governed by (a) of this subsection and RCW 41.06.152;

14 (16) Allocation and reallocation of positions within the
15 classification plan;

16 (17) Adoption and revision of a state salary schedule to reflect
17 the prevailing rates in Washington state private industries and other
18 governmental units but the rates in the salary schedules or plans shall
19 be increased if necessary to attain comparable worth under an
20 implementation plan under RCW 41.06.155 and that, for institutions of
21 higher education and related boards, shall be competitive for positions
22 of a similar nature in the state or the locality in which an
23 institution of higher education or related board is located, such
24 adoption and revision subject to approval by the director of financial
25 management in accordance with the provisions of chapter 43.88 RCW;

26 (18) Increment increases within the series of steps for each pay
27 grade based on length of service for all employees whose standards of
28 performance are such as to permit them to retain job status in the
29 classified service;

30 (19) Optional lump sum relocation compensation approved by the
31 agency director, whenever it is reasonably necessary that a person make
32 a domiciliary move in accepting a transfer or other employment with the
33 state. An agency must provide lump sum compensation within existing
34 resources. If the person receiving the relocation payment terminates
35 or causes termination with the state, for reasons other than layoff,
36 disability separation, or other good cause as determined by an agency
37 director, within one year of the date of the employment, the state is
38 entitled to reimbursement of the lump sum compensation from the person;

1 (20) Providing for veteran's preference as required by existing
2 statutes, with recognition of preference in regard to layoffs and
3 subsequent reemployment for veterans and their surviving spouses by
4 giving such eligible veterans and their surviving spouses additional
5 credit in computing their seniority by adding to their unbroken state
6 service, as defined by the board, the veteran's service in the military
7 not to exceed five years. For the purposes of this section, "veteran"
8 means any person who has one or more years of active military service
9 in any branch of the armed forces of the United States or who has less
10 than one year's service and is discharged with a disability incurred in
11 the line of duty or is discharged at the convenience of the government
12 and who, upon termination of such service has received an honorable
13 discharge, a discharge for physical reasons with an honorable record,
14 or a release from active military service with evidence of service
15 other than that for which an undesirable, bad conduct, or dishonorable
16 discharge shall be given: PROVIDED, HOWEVER, That the surviving spouse
17 of a veteran is entitled to the benefits of this section regardless of
18 the veteran's length of active military service: PROVIDED FURTHER,
19 That for the purposes of this section "veteran" does not include any
20 person who has voluntarily retired with twenty or more years of active
21 military service and whose military retirement pay is in excess of five
22 hundred dollars per month;

23 (21) Permitting agency heads to delegate the authority to appoint,
24 reduce, dismiss, suspend, or demote employees within their agencies if
25 such agency heads do not have specific statutory authority to so
26 delegate: PROVIDED, That the board may not authorize such delegation
27 to any position lower than the head of a major subdivision of the
28 agency;

29 (22) Assuring persons who are or have been employed in classified
30 positions before July 1, 1993, will be eligible for employment,
31 reemployment, transfer, and promotion in respect to classified
32 positions covered by this chapter;

33 (23) Affirmative action in appointment, promotion, transfer,
34 recruitment, training, and career development; development and
35 implementation of affirmative action goals and timetables; and
36 monitoring of progress against those goals and timetables.

37 The board shall consult with the human rights commission in the
38 development of rules pertaining to affirmative action. The department
39 of personnel shall transmit a report annually to the human rights

1 commission which states the progress each state agency has made in
2 meeting affirmative action goals and timetables.

3 Notwithstanding this section and rules of the board adopted under
4 this section, agencies may place employees on temporary unpaid leave
5 during the 2001-2003 fiscal biennium for the purpose of implementing
6 appropriations reductions enacted in the 2002 supplemental
7 appropriations act. Mandatory unpaid leave must be approved by the
8 agency director, and must be, to the greatest extent possible, mutually
9 agreeable to the employee and employer. Employees taking mandatory
10 temporary unpaid leave will not lose seniority, leave accrual, or
11 health insurance benefits.

12 **Sec. 907.** RCW 43.10.220 and 1999 c 309 s 916 are each amended to
13 read as follows:

14 The attorney general is authorized to expend from the antitrust
15 revolving fund, created by RCW 43.10.210 through 43.10.220, such funds
16 as are necessary for the payment of costs, expenses and charges
17 incurred in the preparation, institution and maintenance of antitrust
18 actions under the state and federal antitrust acts. During the ((1999-
19 01)) 2001-03 fiscal biennium, the attorney general may expend ((up to
20 one million three hundred thousand dollars)) from the antitrust
21 revolving fund for the purposes of ((implementing a case management
22 data processing system for the centralized management of cases and
23 workload, including antitrust and other complex litigation)) the
24 consumer protection activities of the office.

25 **Sec. 908.** RCW 43.30.360 and 1986 c 100 s 46 are each amended to
26 read as follows:

27 The department and Washington State University may each receive
28 funds from the federal government in connection with cooperative work
29 with the United States department of agriculture, authorized by
30 sections 4 and 5 of the Clarke-McNary act of congress, approved June 7,
31 1924, providing for the procurement, protection, and distribution of
32 forestry seed and plants for the purpose of establishing windbreaks,
33 shelter belts, and farm wood lots and to assist the owners of farms in
34 establishing, improving, and renewing wood lots, shelter belts, and
35 windbreaks; and are authorized to disburse such funds as needed.
36 During the 2001-2003 fiscal biennium, the legislature may transfer from

1 the Clarke-McNary fund to the state general fund such amounts as
2 reflect the excess fund balance of the Clarke-McNary fund.

3 **Sec. 909.** RCW 43.72.900 and 2002 c 2 s 2 (Initiative Measure No.
4 773) are each amended to read as follows:

5 (1) The health services account is created in the state treasury.
6 Moneys in the account may be spent only after appropriation. Subject
7 to the transfers described in subsection (3) of this section, moneys in
8 the account may be expended only for maintaining and expanding health
9 services access for low-income residents, maintaining and expanding the
10 public health system, maintaining and improving the capacity of the
11 health care system, containing health care costs, and the regulation,
12 planning, and administering of the health care system.

13 (2) Funds deposited into the health services account under RCW
14 82.24.028 and 82.26.028 shall be used solely as follows:

15 (a) Five million dollars for the state fiscal year beginning July
16 1, 2002, and five million dollars for the state fiscal year beginning
17 July 1, 2003, shall be appropriated by the legislature for programs
18 that effectively improve the health of low-income persons, including
19 efforts to reduce diseases and illnesses that harm low-income persons.
20 The department of health shall submit a report to the legislature on
21 March 1, 2002, evaluating the cost-effectiveness of programs that
22 improve the health of low-income persons and address diseases and
23 illnesses that disproportionately affect low-income persons, and making
24 recommendations to the legislature on which of these programs could
25 most effectively utilize the funds appropriated under this subsection.

26 (b) Ten percent of the funds deposited into the health services
27 account under RCW 82.24.028 and 82.26.028 remaining after the
28 appropriation under (a) of this subsection shall be transferred no less
29 frequently than annually by the treasurer to the tobacco prevention and
30 control account established by RCW 43.79.480. The funds transferred
31 shall be used exclusively for implementation of the Washington state
32 tobacco prevention and control plan and shall be used only to
33 supplement, and not supplant, funds in the tobacco prevention and
34 control account as of January 1, 2001, however, these funds may be used
35 to replace funds appropriated by the legislature for further
36 implementation of the Washington state tobacco prevention and control
37 plan for the biennium beginning July 1, 2001. For each state fiscal
38 year beginning on and after July 1, 2002, the legislature shall

1 appropriate no less than twenty-six million two hundred forty thousand
2 dollars from the tobacco prevention and control account for
3 implementation of the Washington state tobacco prevention and control
4 plan.

5 (c) Because of its demonstrated effectiveness in improving the
6 health of low-income persons and addressing illnesses and diseases that
7 harm low-income persons, the remainder of the funds deposited into the
8 health services account under RCW 82.24.028 and 82.26.028 shall be
9 appropriated solely for Washington basic health plan enrollment as
10 provided in chapter 70.47 RCW. Funds appropriated pursuant to this
11 subsection (2)(c) must supplement, and not supplant, the level of state
12 funding needed to support enrollment of a minimum of one hundred
13 twenty-five thousand persons for the fiscal year beginning July 1,
14 2002, and every fiscal year thereafter. The health care authority may
15 enroll up to twenty thousand additional persons in the basic health
16 plan during the biennium beginning July 1, 2001, above the base level
17 of one hundred twenty-five thousand enrollees. The health care
18 authority may enroll up to fifty thousand additional persons in the
19 basic health plan during the biennium beginning July 1, 2003, above the
20 base level of one hundred twenty-five thousand enrollees. For each
21 biennium beginning on and after July 1, 2005, the health care authority
22 may enroll up to at least one hundred seventy-five thousand enrollees.
23 Funds appropriated under this subsection may be used to support
24 outreach and enrollment activities only to the extent necessary to
25 achieve the enrollment goals described in this section.

26 (3) Prior to expenditure for the purposes described in subsection
27 (2) of this section, funds deposited into the health services account
28 under RCW 82.24.028 and 82.26.028 shall first be transferred to the
29 following accounts to ensure the continued availability of previously
30 dedicated revenues for certain existing programs:

31 (a) To the violence reduction and drug enforcement account under
32 RCW 69.50.520, two million two hundred forty-nine thousand five hundred
33 dollars for the state fiscal year beginning July 1, 2001, four million
34 two hundred forty-eight thousand dollars for the state fiscal year
35 beginning July 1, 2002, seven million seven hundred eighty-nine
36 thousand dollars for the biennium beginning July 1, 2003, six million
37 nine hundred thirty-two thousand dollars for the biennium beginning
38 July 1, 2005, and six million nine hundred thirty-two thousand dollars
39 for each biennium thereafter, as required by RCW 82.24.020(2);

1 (b) To the health services account under this section, nine million
2 seventy-seven thousand dollars for the state fiscal year beginning July
3 1, 2001, seventeen million one hundred eighty-eight thousand dollars
4 for the state fiscal year beginning July 1, 2002, thirty-one million
5 seven hundred fifty-five thousand dollars for the biennium beginning
6 July 1, 2003, twenty-eight million six hundred twenty-two thousand
7 dollars for the biennium beginning July 1, 2005, and twenty-eight
8 million six hundred twenty-two thousand dollars for each biennium
9 thereafter, as required by RCW 82.24.020(3); and

10 (c) To the water quality account under RCW 70.146.030, two million
11 two hundred three thousand five hundred dollars for the state fiscal
12 year beginning July 1, 2001, four million two hundred forty-four
13 thousand dollars for the state fiscal year beginning July 1, 2002,
14 eight million one hundred eighty-two thousand dollars for the biennium
15 beginning July 1, 2003, seven million eight hundred eighty-five
16 thousand dollars for the biennium beginning July 1, 2005, and seven
17 million eight hundred eighty-five thousand dollars for each biennium
18 thereafter, as required by RCW 82.24.027(2)(a).

19 During the 2001-2003 fiscal biennium, the legislature may transfer
20 from the health services account such amounts as reflect the excess
21 fund balance of the account.

22 **Sec. 910.** RCW 43.83B.430 and 1999 c 379 s 921 are each amended to
23 read as follows:

24 The state drought preparedness account is created in the state
25 treasury. All receipts from appropriated funds designated for the
26 account and funds transferred from the state emergency water projects
27 revolving account must be deposited into the account. Moneys in the
28 account may be spent only after appropriation. Expenditures from the
29 account may be used only for drought preparedness. During the 2001-
30 2003 fiscal biennium, the legislature may transfer from the state
31 drought preparedness account to the state general fund such amounts as
32 reflect the excess fund balance of the account.

33 **Sec. 911.** RCW 43.88.030 and 2000 2nd sp.s. c 4 s 12 are each
34 amended to read as follows:

35 (1) The director of financial management shall provide all agencies
36 with a complete set of instructions for submitting biennial budget
37 requests to the director at least three months before agency budget

1 documents are due into the office of financial management. The
2 director shall provide agencies and committees that are required under
3 RCW 44.40.070 to develop comprehensive six-year program and financial
4 plans with a complete set of instructions for submitting these program
5 and financial plans at the same time that instructions for submitting
6 other budget requests are provided. The budget document or documents
7 shall consist of the governor's budget message which shall be
8 explanatory of the budget and shall contain an outline of the proposed
9 financial policies of the state for the ensuing fiscal period, as well
10 as an outline of the proposed six-year financial policies where
11 applicable, and shall describe in connection therewith the important
12 features of the budget. The message shall set forth the reasons for
13 salient changes from the previous fiscal period in expenditure and
14 revenue items and shall explain any major changes in financial policy.
15 Attached to the budget message shall be such supporting schedules,
16 exhibits and other explanatory material in respect to both current
17 operations and capital improvements as the governor shall deem to be
18 useful to the legislature. The budget document or documents shall set
19 forth a proposal for expenditures in the ensuing fiscal period, or six-
20 year period where applicable, based upon the estimated revenues and
21 caseloads as approved by the economic and revenue forecast council and
22 caseload forecast council or upon the estimated revenues and caseloads
23 of the office of financial management for those funds, accounts,
24 sources, and programs for which the forecast councils do not prepare an
25 official forecast, including those revenues anticipated to support the
26 six-year programs and financial plans under RCW 44.40.070. In
27 estimating revenues to support financial plans under RCW 44.40.070, the
28 office of financial management shall rely on information and advice
29 from the transportation revenue forecast council. Revenues shall be
30 estimated for such fiscal period from the source and at the rates
31 existing by law at the time of submission of the budget document,
32 including the supplemental budgets submitted in the even-numbered years
33 of a biennium. However, the estimated revenues and caseloads for use
34 in the governor's budget document may be adjusted to reflect budgetary
35 revenue transfers and revenue and caseload estimates dependent upon
36 budgetary assumptions of enrollments, workloads, and caseloads. All
37 adjustments to the approved estimated revenues and caseloads must be
38 set forth in the budget document. The governor may additionally
39 submit, as an appendix to each supplemental, biennial, or six-year

1 agency budget or to the budget document or documents, a proposal for
2 expenditures in the ensuing fiscal period from revenue sources derived
3 from proposed changes in existing statutes.

4 Supplemental and biennial documents shall reflect a six-year
5 expenditure plan consistent with estimated revenues from existing
6 sources and at existing rates for those agencies required to submit
7 six-year program and financial plans under RCW 44.40.070. Any
8 additional revenue resulting from proposed changes to existing statutes
9 shall be separately identified within the document as well as related
10 expenditures for the six-year period.

11 The budget document or documents shall also contain:

12 (a) Revenues classified by fund and source for the immediately past
13 fiscal period, those received or anticipated for the current fiscal
14 period, those anticipated for the ensuing biennium, and those
15 anticipated for the ensuing six-year period to support the six-year
16 programs and financial plans required under RCW 44.40.070;

17 (b) The undesignated fund balance or deficit, by fund;

18 (c) Such additional information dealing with expenditures,
19 revenues, workload, performance, and personnel as the legislature may
20 direct by law or concurrent resolution;

21 (d) Such additional information dealing with revenues and
22 expenditures as the governor shall deem pertinent and useful to the
23 legislature;

24 (e) Tabulations showing expenditures classified by fund, function,
25 activity, and agency. However, documents submitted for the 2003-05
26 biennial budget request need not show expenditures by activity;

27 (f) A delineation of each agency's activities, including those
28 activities funded from nonbudgeted, nonappropriated sources, including
29 funds maintained outside the state treasury;

30 (g) Identification of all proposed direct expenditures to implement
31 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
32 agency and in total; and

33 (h) Tabulations showing each postretirement adjustment by
34 retirement system established after fiscal year 1991, to include, but
35 not be limited to, estimated total payments made to the end of the
36 previous biennial period, estimated payments for the present biennium,
37 and estimated payments for the ensuing biennium.

38 (2) The budget document or documents shall include detailed
39 estimates of all anticipated revenues applicable to proposed operating

1 or capital expenditures and shall also include all proposed operating
2 or capital expenditures. The total of beginning undesignated fund
3 balance and estimated revenues less working capital and other reserves
4 shall equal or exceed the total of proposed applicable expenditures.
5 The budget document or documents shall further include:

6 (a) Interest, amortization and redemption charges on the state
7 debt;

8 (b) Payments of all reliefs, judgments, and claims;

9 (c) Other statutory expenditures;

10 (d) Expenditures incident to the operation for each agency;

11 (e) Revenues derived from agency operations;

12 (f) Expenditures and revenues shall be given in comparative form
13 showing those incurred or received for the immediately past fiscal
14 period and those anticipated for the current biennium and next ensuing
15 biennium, as well as those required to support the six-year programs
16 and financial plans required under RCW 44.40.070;

17 (g) A showing and explanation of amounts of general fund and other
18 funds obligations for debt service and any transfers of moneys that
19 otherwise would have been available for appropriation;

20 (h) Common school expenditures on a fiscal-year basis;

21 (i) A showing, by agency, of the value and purpose of financing
22 contracts for the lease/purchase or acquisition of personal or real
23 property for the current and ensuing fiscal periods; and

24 (j) A showing and explanation of anticipated amounts of general
25 fund and other funds required to amortize the unfunded actuarial
26 accrued liability of the retirement system specified under chapter
27 41.45 RCW, and the contributions to meet such amortization, stated in
28 total dollars and as a level percentage of total compensation.

29 (3) A separate capital budget document or schedule shall be
30 submitted that will contain the following:

31 (a) A statement setting forth a long-range facilities plan for the
32 state that identifies and includes the highest priority needs within
33 affordable spending levels;

34 (b) A capital program consisting of proposed capital projects for
35 the next biennium and the two biennia succeeding the next biennium
36 consistent with the long-range facilities plan. Inasmuch as is
37 practical, and recognizing emergent needs, the capital program shall
38 reflect the priorities, projects, and spending levels proposed in
39 previously submitted capital budget documents in order to provide a

1 reliable long-range planning tool for the legislature and state
2 agencies;

3 (c) A capital plan consisting of proposed capital spending for at
4 least four biennia succeeding the next biennium;

5 (d) A strategic plan for reducing backlogs of maintenance and
6 repair projects. The plan shall include a prioritized list of specific
7 facility deficiencies and capital projects to address the deficiencies
8 for each agency, cost estimates for each project, a schedule for
9 completing projects over a reasonable period of time, and
10 identification of normal maintenance activities to reduce future
11 backlogs;

12 (e) A statement of the reason or purpose for a project;

13 (f) Verification that a project is consistent with the provisions
14 set forth in chapter 36.70A RCW;

15 (g) A statement about the proposed site, size, and estimated life
16 of the project, if applicable;

17 (h) Estimated total project cost;

18 (i) For major projects valued over five million dollars, estimated
19 costs for the following project components: Acquisition, consultant
20 services, construction, equipment, project management, and other costs
21 included as part of the project. Project component costs shall be
22 displayed in a standard format defined by the office of financial
23 management to allow comparisons between projects;

24 (j) Estimated total project cost for each phase of the project as
25 defined by the office of financial management;

26 (k) Estimated ensuing biennium costs;

27 (l) Estimated costs beyond the ensuing biennium;

28 (m) Estimated construction start and completion dates;

29 (n) Source and type of funds proposed;

30 (o) Estimated ongoing operating budget costs or savings resulting
31 from the project, including staffing and maintenance costs;

32 (p) For any capital appropriation requested for a state agency for
33 the acquisition of land or the capital improvement of land in which the
34 primary purpose of the acquisition or improvement is recreation or
35 wildlife habitat conservation, the capital budget document, or an
36 omnibus list of recreation and habitat acquisitions provided with the
37 governor's budget document, shall identify the projected costs of
38 operation and maintenance for at least the two biennia succeeding the
39 next biennium. Omnibus lists of habitat and recreation land

1 acquisitions shall include individual project cost estimates for
2 operation and maintenance as well as a total for all state projects
3 included in the list. The document shall identify the source of funds
4 from which the operation and maintenance costs are proposed to be
5 funded;

6 (q) Such other information bearing upon capital projects as the
7 governor deems to be useful;

8 (r) Standard terms, including a standard and uniform definition of
9 normal maintenance, for all capital projects;

10 (s) Such other information as the legislature may direct by law or
11 concurrent resolution.

12 For purposes of this subsection (3), the term "capital project"
13 shall be defined subsequent to the analysis, findings, and
14 recommendations of a joint committee comprised of representatives from
15 the house capital appropriations committee, senate ways and means
16 committee, legislative transportation committee, legislative evaluation
17 and accountability program committee, and office of financial
18 management.

19 (4) No change affecting the comparability of agency or program
20 information relating to expenditures, revenues, workload, performance
21 and personnel shall be made in the format of any budget document or
22 report presented to the legislature under this section or RCW
23 43.88.160(1) relative to the format of the budget document or report
24 which was presented to the previous regular session of the legislature
25 during an odd-numbered year without prior legislative concurrence.
26 Prior legislative concurrence shall consist of (a) a favorable majority
27 vote on the proposal by the standing committees on ways and means of
28 both houses if the legislature is in session or (b) a favorable
29 majority vote on the proposal by members of the legislative evaluation
30 and accountability program committee if the legislature is not in
31 session.

32 **Sec. 912.** RCW 43.320.110 and 2001 2nd sp.s. c 7 s 911 are each
33 amended to read as follows:

34 There is created a local fund known as the "financial services
35 regulation fund" which shall consist of all moneys received by the
36 divisions of the department of financial institutions, except for the
37 division of securities which shall deposit thirteen percent of all
38 moneys received, and which shall be used for the purchase of supplies

1 and necessary equipment; the payment of salaries, wages, and utilities;
2 the establishment of reserves; and other incidental costs required for
3 the proper regulation of individuals and entities subject to regulation
4 by the department. The state treasurer shall be the custodian of the
5 fund. Disbursements from the fund shall be on authorization of the
6 director of financial institutions or the director's designee. In
7 order to maintain an effective expenditure and revenue control, the
8 fund shall be subject in all respects to chapter 43.88 RCW, but no
9 appropriation is required to permit expenditures and payment of
10 obligations from the fund.

11 Between July 1, 2001, and December 31, 2001, the legislature may
12 transfer up to two million dollars from the financial services
13 regulation fund to the (~~state general fund~~) digital government
14 revolving account. During the 2001-2003 fiscal biennium, the
15 legislature may transfer from the financial services regulation fund to
16 the state general fund such amounts as reflect the excess fund balance
17 of the fund and appropriations reductions made by the 2002 supplemental
18 appropriations act for administrative efficiencies and savings.

19 **Sec. 913.** RCW 48.02.190 and 1987 c 505 s 54 are each amended to
20 read as follows:

21 (1) As used in this section:

22 (a) "Organization" means every insurer, as defined in RCW
23 48.01.050, having a certificate of authority to do business in this
24 state and every health care service contractor registered to do
25 business in this state. "Class one" organizations shall consist of all
26 insurers as defined in RCW 48.01.050. "Class two" organizations shall
27 consist of all organizations registered under provisions of chapter
28 48.44 RCW.

29 (b) "Receipts" means (i) net direct premiums consisting of direct
30 gross premiums, as defined in RCW 48.18.170, paid for insurance written
31 or renewed upon risks or property resident, situated, or to be
32 performed in this state, less return premiums and premiums on policies
33 not taken, dividends paid or credited to policyholders on direct
34 business, and premiums received from policies or contracts issued in
35 connection with qualified plans as defined in RCW 48.14.021, and (ii)
36 prepayments to health care service contractors as set forth in RCW
37 48.44.010(3) less experience rating credits, dividends, prepayments
38 returned to subscribers, and payments for contracts not taken.

1 (2) The annual cost of operating the office of insurance
2 commissioner shall be determined by legislative appropriation. A pro
3 rata share of the cost shall be charged to all organizations. Each
4 class of organization shall contribute sufficient in fees to the
5 insurance commissioner's regulatory account to pay the reasonable
6 costs, including overhead, of regulating that class of organization.

7 (3) Fees charged shall be calculated separately for each class of
8 organization. The fee charged each organization shall be that portion
9 of the cost of operating the insurance commissioner's office, for that
10 class of organization, for the ensuing fiscal year that is represented
11 by the organization's portion of the receipts collected or received by
12 all organizations within that class on business in this state during
13 the previous calendar year: PROVIDED, That the fee shall not exceed
14 one-eighth of one percent of receipts: PROVIDED FURTHER, That the
15 minimum fee shall be one thousand dollars.

16 (4) The commissioner shall annually, on or before June 1, calculate
17 and bill each organization for the amount of its fee. Fees shall be
18 due and payable no later than June 15 of each year: PROVIDED, That if
19 the necessary financial records are not available or if the amount of
20 the legislative appropriation is not determined in time to carry out
21 such calculations and bill such fees within the time specified, the
22 commissioner may use the fee factors for the prior year as the basis
23 for the fees and, if necessary, the commissioner may impose
24 supplemental fees to fully and properly charge the organizations. The
25 penalties for failure to pay fees when due shall be the same as the
26 penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees
27 required by this section are in addition to all other taxes and fees
28 now imposed or that may be subsequently imposed.

29 (5) All moneys collected shall be deposited in the insurance
30 commissioner's regulatory account in the state treasury which is hereby
31 created.

32 (6) Unexpended funds in the insurance commissioner's regulatory
33 account at the close of a fiscal year shall be carried forward in the
34 insurance commissioner's regulatory account to the succeeding fiscal
35 year and shall be used to reduce future fees. During the 2001-2003
36 fiscal biennium, the legislature may transfer from the insurance
37 commissioner's regulatory account to the state general fund such
38 amounts as reflect excess fund balance in the account.

1 **Sec. 914.** RCW 50.16.010 and 1993 c 483 s 7 and 1993 c 226 s 10 are
2 each reenacted and amended to read as follows:

3 There shall be maintained as special funds, separate and apart from
4 all public moneys or funds of this state an unemployment compensation
5 fund, an administrative contingency fund, and a federal interest
6 payment fund, which shall be administered by the commissioner
7 exclusively for the purposes of this title, and to which RCW 43.01.050
8 shall not be applicable.

9 The unemployment compensation fund shall consist of

10 (1) all contributions and payments in lieu of contributions
11 collected pursuant to the provisions of this title,

12 (2) any property or securities acquired through the use of moneys
13 belonging to the fund,

14 (3) all earnings of such property or securities,

15 (4) any moneys received from the federal unemployment account in
16 the unemployment trust fund in accordance with Title XII of the social
17 security act, as amended,

18 (5) all money recovered on official bonds for losses sustained by
19 the fund,

20 (6) all money credited to this state's account in the unemployment
21 trust fund pursuant to section 903 of the social security act, as
22 amended,

23 (7) all money received from the federal government as reimbursement
24 pursuant to section 204 of the federal-state extended compensation act
25 of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

26 (8) all moneys received for the fund from any other source.

27 All moneys in the unemployment compensation fund shall be
28 commingled and undivided.

29 The administrative contingency fund shall consist of all interest
30 on delinquent contributions collected pursuant to this title, all fines
31 and penalties collected pursuant to the provisions of this title, all
32 sums recovered on official bonds for losses sustained by the fund, and
33 revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,
34 forfeitures and penalties collected or assessed by a district court
35 because of the violation of a state law shall be remitted as provided
36 in chapter 3.62 RCW as now exists or is later amended.

37 Moneys available in the administrative contingency fund, other than
38 money in the special account created under RCW 50.24.014, shall be
39 expended upon the direction of the commissioner, with the approval of

1 the governor, whenever it appears to him or her that such expenditure
2 is necessary for:

3 (a) The proper administration of this title and no federal funds
4 are available for the specific purpose to which such expenditure is to
5 be made, provided, the moneys are not substituted for appropriations
6 from federal funds which, in the absence of such moneys, would be made
7 available.

8 (b) The proper administration of this title for which purpose
9 appropriations from federal funds have been requested but not yet
10 received, provided, the administrative contingency fund will be
11 reimbursed upon receipt of the requested federal appropriation.

12 (c) The proper administration of this title for which compliance
13 and audit issues have been identified that establish federal claims
14 requiring the expenditure of state resources in resolution. Claims
15 must be resolved in the following priority: First priority is to
16 provide services to eligible participants within the state; second
17 priority is to provide substitute services or program support; and last
18 priority is the direct payment of funds to the federal government.

19 (d) During the 2001-2003 fiscal biennium, the cost of worker
20 retraining programs at community and technical colleges as appropriated
21 by the legislature.

22 Money in the special account created under RCW 50.24.014 may only
23 be expended, after appropriation, for the purposes specified in RCW
24 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
25 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

26 **Sec. 915.** RCW 50.20.190 and 2001 c 146 s 7 are each amended to
27 read as follows:

28 (1) An individual who is paid any amount as benefits under this
29 title to which he or she is not entitled shall, unless otherwise
30 relieved pursuant to this section, be liable for repayment of the
31 amount overpaid. The department shall issue an overpayment assessment
32 setting forth the reasons for and the amount of the overpayment. The
33 amount assessed, to the extent not collected, may be deducted from any
34 future benefits payable to the individual: PROVIDED, That in the
35 absence of a back pay award, a settlement affecting the allowance of
36 benefits, fraud, misrepresentation, or willful nondisclosure, every
37 determination of liability shall be mailed or personally served not
38 later than two years after the close of or final payment made on the

1 individual's applicable benefit year for which the purported
2 overpayment was made, whichever is later, unless the merits of the
3 claim are subjected to administrative or judicial review in which event
4 the period for serving the determination of liability shall be extended
5 to allow service of the determination of liability during the six-month
6 period following the final decision affecting the claim.

7 (2) The commissioner may waive an overpayment if the commissioner
8 finds that the overpayment was not the result of fraud,
9 misrepresentation, willful nondisclosure, or fault attributable to the
10 individual and that the recovery thereof would be against equity and
11 good conscience: PROVIDED, HOWEVER, That the overpayment so waived
12 shall be charged against the individual's applicable entitlement for
13 the eligibility period containing the weeks to which the overpayment
14 was attributed as though such benefits had been properly paid.

15 (3) Any assessment herein provided shall constitute a determination
16 of liability from which an appeal may be had in the same manner and to
17 the same extent as provided for appeals relating to determinations in
18 respect to claims for benefits: PROVIDED, That an appeal from any
19 determination covering overpayment only shall be deemed to be an appeal
20 from the determination which was the basis for establishing the
21 overpayment unless the merits involved in the issue set forth in such
22 determination have already been heard and passed upon by the appeal
23 tribunal. If no such appeal is taken to the appeal tribunal by the
24 individual within thirty days of the delivery of the notice of
25 determination of liability, or within thirty days of the mailing of the
26 notice of determination, whichever is the earlier, the determination of
27 liability shall be deemed conclusive and final. Whenever any such
28 notice of determination of liability becomes conclusive and final, the
29 commissioner, upon giving at least twenty days notice by certified mail
30 return receipt requested to the individual's last known address of the
31 intended action, may file with the superior court clerk of any county
32 within the state a warrant in the amount of the notice of determination
33 of liability plus a filing fee under RCW 36.18.012(10). The clerk of
34 the county where the warrant is filed shall immediately designate a
35 superior court cause number for the warrant, and the clerk shall cause
36 to be entered in the judgment docket under the superior court cause
37 number assigned to the warrant, the name of the person(s) mentioned in
38 the warrant, the amount of the notice of determination of liability,
39 and the date when the warrant was filed. The amount of the warrant as

1 docketed shall become a lien upon the title to, and any interest in,
2 all real and personal property of the person(s) against whom the
3 warrant is issued, the same as a judgment in a civil case duly docketed
4 in the office of such clerk. A warrant so docketed shall be sufficient
5 to support the issuance of writs of execution and writs of garnishment
6 in favor of the state in the manner provided by law for a civil
7 judgment. A copy of the warrant shall be mailed to the person(s)
8 mentioned in the warrant by certified mail to the person's last known
9 address within five days of its filing with the clerk.

10 (4) On request of any agency which administers an employment
11 security law of another state, the United States, or a foreign
12 government and which has found in accordance with the provisions of
13 such law that a claimant is liable to repay benefits received under
14 such law, the commissioner may collect the amount of such benefits from
15 the claimant to be refunded to the agency. In any case in which under
16 this section a claimant is liable to repay any amount to the agency of
17 another state, the United States, or a foreign government, such amounts
18 may be collected without interest by civil action in the name of the
19 commissioner acting as agent for such agency if the other state, the
20 United States, or the foreign government extends such collection rights
21 to the employment security department of the state of Washington, and
22 provided that the court costs be paid by the governmental agency
23 benefiting from such collection.

24 (5) Any employer who is a party to a back pay award or settlement
25 due to loss of wages shall, within thirty days of the award or
26 settlement, report to the department the amount of the award or
27 settlement, the name and social security number of the recipient of the
28 award or settlement, and the period for which it is awarded. When an
29 individual has been awarded or receives back pay, for benefit purposes
30 the amount of the back pay shall constitute wages paid in the period
31 for which it was awarded. For contribution purposes, the back pay
32 award or settlement shall constitute wages paid in the period in which
33 it was actually paid. The following requirements shall also apply:

34 (a) The employer shall reduce the amount of the back pay award or
35 settlement by an amount determined by the department based upon the
36 amount of unemployment benefits received by the recipient of the award
37 or settlement during the period for which the back pay award or
38 settlement was awarded;

1 (b) The employer shall pay to the unemployment compensation fund,
2 in a manner specified by the commissioner, an amount equal to the
3 amount of such reduction;

4 (c) The employer shall also pay to the department any taxes due for
5 unemployment insurance purposes on the entire amount of the back pay
6 award or settlement notwithstanding any reduction made pursuant to (a)
7 of this subsection;

8 (d) If the employer fails to reduce the amount of the back pay
9 award or settlement as required in (a) of this subsection, the
10 department shall issue an overpayment assessment against the recipient
11 of the award or settlement in the amount that the back pay award or
12 settlement should have been reduced; and

13 (e) If the employer fails to pay to the department an amount equal
14 to the reduction as required in (b) of this subsection, the department
15 shall issue an assessment of liability against the employer which shall
16 be collected pursuant to the procedures for collection of assessments
17 provided herein and in RCW 50.24.110.

18 (6) When an individual fails to repay an overpayment assessment
19 that is due and fails to arrange for satisfactory repayment terms, the
20 commissioner shall impose an interest penalty of one percent per month
21 of the outstanding balance. Interest shall accrue immediately on
22 overpayments assessed pursuant to RCW 50.20.070 and shall be imposed
23 when the assessment becomes final. For any other overpayment, interest
24 shall accrue when the individual has missed two or more of their
25 monthly payments either partially or in full. The interest penalty
26 shall be used to fund detection and recovery of overpayment and
27 collection activities and, during the 2001-2003 fiscal biennium, the
28 cost of worker retraining programs at community and technical colleges
29 as appropriated by the legislature.

30 **Sec. 916.** RCW 51.44.170 and 1997 c 327 s 1 are each amended to
31 read as follows:

32 The industrial insurance premium refund account is created in the
33 custody of the state treasurer. All industrial insurance refunds
34 earned by state agencies or institutions of higher education under the
35 state fund retrospective rating program shall be deposited into the
36 account. The account is subject to the allotment procedures under
37 chapter 43.88 RCW, but no appropriation is required for expenditures
38 from the account. Only the executive head of the agency or institution

1 of higher education, or designee, may authorize expenditures from the
2 account. No agency or institution of higher education may make an
3 expenditure from the account for an amount greater than the refund
4 earned by the agency. If the agency or institution of higher education
5 has staff dedicated to workers' compensation claims management,
6 expenditures from the account must be used to pay for that staff, but
7 additional expenditure from the account may be used for any program
8 within an agency or institution of higher education that promotes or
9 provides incentives for employee workplace safety and health and early,
10 appropriate return-to-work for injured employees. During the 2001-2003
11 fiscal biennium, the legislature may transfer from the industrial
12 insurance premium refund account to the state general fund such amounts
13 as reflect the reductions made by the 2002 supplemental appropriations
14 act for administrative efficiencies and savings.

15 **Sec. 917.** RCW 66.08.170 and 1961 ex.s. c 6 s 1 are each amended to
16 read as follows:

17 There shall be a fund, known as the "liquor revolving fund", which
18 shall consist of all license fees, permit fees, penalties, forfeitures,
19 and all other moneys, income, or revenue received by the board. The
20 state treasurer shall be custodian of the fund. All moneys received by
21 the board or any employee thereof, except for change funds and an
22 amount of petty cash as fixed by the board within the authority of law
23 shall be deposited each day in a depository approved by the state
24 treasurer and transferred to the state treasurer to be credited to the
25 liquor revolving fund. During the 2001-2003 fiscal biennium, the
26 legislature may transfer from the liquor revolving account to the state
27 general fund such amounts as reflect the excess fund balance of the
28 fund and reductions made by the 2002 supplemental appropriations act
29 for administrative efficiencies and savings. Disbursements from the
30 revolving fund shall be on authorization of the board or a duly
31 authorized representative thereof. In order to maintain an effective
32 expenditure and revenue control the liquor revolving fund shall be
33 subject in all respects to chapter 43.88 RCW but no appropriation shall
34 be required to permit expenditures and payment of obligations from such
35 fund.

36 **Sec. 918.** RCW 66.08.235 and 1997 c 75 s 1 are each amended to read
37 as follows:

1 The liquor control board construction and maintenance account is
2 created within the state treasury. The liquor control board shall
3 deposit into this account a portion of the board's markup, as
4 authorized by chapter 66.16 RCW, placed upon liquor as determined by
5 the board. Moneys in the account may be spent only after
6 appropriation. The liquor control board shall use deposits to this
7 account to fund construction and maintenance of a centralized
8 distribution center for liquor products intended for sale through the
9 board's liquor store and vendor system. During the 2001-2003 fiscal
10 biennium, the legislature may transfer from the liquor control board
11 construction and maintenance account to the state general fund such
12 amounts as reflect the appropriations reductions made by the 2002
13 supplemental appropriations act for administrative efficiencies and
14 savings.

15 **Sec. 919.** RCW 67.70.260 and 1985 c 375 s 6 are each amended to
16 read as follows:

17 There is hereby created the lottery administrative account in the
18 state treasury. The account shall be managed, controlled, and
19 maintained by the director. The legislature may appropriate from the
20 account for the payment of costs incurred in the operation and
21 administration of the lottery. During the 2001-2003 fiscal biennium,
22 the legislature may transfer from the lottery administrative account to
23 the state general fund such amounts as reflect the appropriations
24 reductions made by the 2002 supplemental appropriations act for
25 administrative efficiencies and savings.

26 **Sec. 920.** RCW 69.50.520 and 2001 2nd sp.s. c 7 s 920 and 2001 c
27 168 s 3 are each reenacted and amended to read as follows:

28 The violence reduction and drug enforcement account is created in
29 the state treasury. All designated receipts from RCW 9.41.110(8),
30 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),
31 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
32 shall be deposited into the account. Expenditures from the account may
33 be used only for funding services and programs under chapter 271, Laws
34 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
35 incarceration costs. Funds from the account may also be appropriated
36 to reimburse local governments for costs associated with implementing
37 criminal justice legislation including chapter 338, Laws of 1997.

1 During the 2001-2003 biennium, funds from the account may also be used
2 for costs associated with providing grants to local governments in
3 accordance with chapter 338, Laws of 1997, the replacement of the
4 department of corrections' offender-based tracking system, maintenance
5 and operating costs of the Washington association of sheriffs and
6 police chiefs jail reporting system, civil indigent legal
7 representation, and for multijurisdictional narcotics task forces.
8 After July 1, 2003, at least seven and one-half percent of expenditures
9 from the account shall be used for providing grants to community
10 networks under chapter 70.190 RCW by the family policy council.

11 **Sec. 921.** RCW 70.146.030 and 2001 2nd sp.s. c 7 s 922 are each
12 amended to read as follows:

13 (1) The water quality account is hereby created in the state
14 treasury. Moneys in the account may be used only in a manner
15 consistent with this chapter. Moneys deposited in the account shall be
16 administered by the department of ecology and shall be subject to
17 legislative appropriation. Moneys placed in the account shall include
18 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
19 principal and interest from the repayment of any loans granted pursuant
20 to this chapter, and any other moneys appropriated to the account by
21 the legislature.

22 (2) The department may use or permit the use of any moneys in the
23 account to make grants or loans to public bodies, including grants to
24 public bodies as cost-sharing moneys in any case where federal, local,
25 or other funds are made available on a cost-sharing basis, for water
26 pollution control facilities and activities, or for purposes of
27 assisting a public body to obtain an ownership interest in water
28 pollution control facilities and/or to defray a part of the payments
29 made by a public body to a service provider under a service agreement
30 entered into pursuant to RCW 70.150.060, within the purposes of this
31 chapter and for related administrative expenses. For the period July
32 1, 2001, to June 30, 2003, moneys in the account may be used to process
33 applications received by the department that seek to make changes to or
34 transfer existing water rights and for grants and technical assistance
35 to public bodies for watershed planning under chapter 90.82 RCW. No
36 more than three percent of the moneys deposited in the account may be
37 used by the department to pay for the administration of the grant and
38 loan program authorized by this chapter.

1 (3) Beginning with the biennium ending June 30, 1997, the
2 department shall present a biennial progress report on the use of
3 moneys from the account to the chairs of the senate committee on ways
4 and means and the house of representatives committee on appropriations.
5 The first report is due June 30, 1996, and the report for each
6 succeeding biennium is due December 31 of the odd-numbered year. The
7 report shall consist of a list of each recipient, project description,
8 and amount of the grant, loan, or both.

9 ~~((4) During the fiscal biennium ending June 30, 1997, moneys in
10 the account may be transferred by the legislature to the water right
11 permit processing account.))~~

12 **Sec. 922.** RCW 70.168.040 and 1997 c 331 s 2 are each amended to
13 read as follows:

14 The emergency medical services and trauma care system trust account
15 is hereby created in the state treasury. Moneys shall be transferred
16 to the emergency medical services and trauma care system trust account
17 from the public safety education account or other sources as
18 appropriated, and as collected under RCW 46.63.110(6) and 46.12.042.
19 Disbursements shall be made by the department subject to legislative
20 appropriation. Expenditures may be made only for the purposes of the
21 state trauma care system under this chapter, including emergency
22 medical services, trauma care services, rehabilitative services, and
23 the planning and development of related services under this chapter and
24 for reimbursement by the department of social and health services for
25 trauma care services provided by designated trauma centers. During the
26 2001-2003 fiscal biennium, the legislature may transfer from the
27 emergency medical services and trauma care system trust account to the
28 state general fund such amounts as reflect the excess fund balance of
29 the account.

30 **Sec. 923.** RCW 79.24.580 and 2001 c 227 s 7 are each amended to
31 read as follows:

32 After deduction for management costs as provided in RCW 79.64.040
33 and payments to towns under RCW 79.92.110(2), all moneys received by
34 the state from the sale or lease of state-owned aquatic lands and from
35 the sale of valuable material from state-owned aquatic lands shall be
36 deposited in the aquatic lands enhancement account which is hereby
37 created in the state treasury. After appropriation, these funds shall

1 be used solely for aquatic lands enhancement projects; for the
2 purchase, improvement, or protection of aquatic lands for public
3 purposes; for providing and improving access to such lands; and for
4 volunteer cooperative fish and game projects.

5 In providing grants for aquatic lands enhancement projects, the
6 department shall require grant recipients to incorporate the
7 environmental benefits of the project into their grant applications,
8 and the department shall utilize the statement of environmental
9 benefits in its prioritization and selection process. The department
10 shall also develop appropriate outcome-focused performance measures to
11 be used both for management and performance assessment of the grants.
12 To the extent possible, the department should coordinate its
13 performance measure system with other natural resource-related agencies
14 as defined in RCW 43.41.270. The department shall consult with
15 affected interest groups in implementing this section.

16 During the fiscal biennium ending June 30, ~~((2001))~~ 2003, the funds
17 may be appropriated for boating safety~~((7))~~ and shellfish management,
18 enforcement, and enhancement ~~((and for developing and implementing~~
19 ~~plans for population monitoring and restoration of native wild salmon~~
20 ~~stock))~~.

21 **Sec. 924.** RCW 80.01.080 and 2001 c 238 s 8 are each amended to
22 read as follows:

23 ~~((The transportation revolving fund and the public utilities~~
24 ~~revolving fund are abolished as of April 1, 1949, and as of such date))~~
25 There is created in the state treasury a ~~((¹))~~public service revolving
26 fund~~((¹ to which shall be transferred all moneys which then remain on~~
27 hand to the credit of the transportation revolving fund and the public
28 utilities revolving fund, subject, however, to outstanding warrants and
29 other obligations chargeable to appropriations made from such funds.
30 From and after April 1, 1949,)). Regulatory fees payable by all types
31 of public service companies shall be deposited to the credit of the
32 public service revolving fund. Except for expenses payable out of the
33 pipeline safety account, all expense of operation of the Washington
34 utilities and transportation commission shall be payable out of the
35 public service revolving fund.

36 During the 2001-2003 fiscal biennium, the legislature may transfer
37 from the public service revolving fund to the state general fund such
38 amounts as reflect the appropriations reductions made by the 2002

1 supplemental appropriations act for administrative efficiencies and
2 savings.

3 **Sec. 925.** RCW 82.29A.080 and 1985 c 57 s 84 are each amended to
4 read as follows:

5 The counties and cities shall contract, prior to the effective date
6 of an ordinance imposing a leasehold excise tax, with the department of
7 revenue for administration and collection. The department of revenue
8 shall deduct a percentage amount, as provided by such contract, not to
9 exceed two percent of the taxes collected, for administration and
10 collection expenses incurred by the department. The remainder of any
11 portion of any tax authorized by RCW 82.29A.040 which is collected by
12 the department of revenue shall be deposited by the state department of
13 revenue in the local leasehold excise tax account hereby created in the
14 state treasury. Moneys in the local leasehold excise tax account may
15 be spent only for distribution to counties and cities imposing a
16 leasehold excise tax.

17 During the 2001-2003 fiscal biennium, the legislature may transfer
18 from the local leasehold excise tax account to the state general fund
19 such amounts as reflect the interest earnings of the account.

20 NEW SECTION. **Sec. 926.** If any provision of this act or its
21 application to any person or circumstance is held invalid, the
22 remainder of the act or the application of the provision to other
23 persons or circumstances is not affected.

24 NEW SECTION. **Sec. 927.** This act is necessary for the immediate
25 preservation of the public peace, health, or safety, or support of the
26 state government and its existing public institutions, and takes effect
27 immediately.

28 (End of part)

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Passed the Senate March 14, 2002.

Passed the House March 13, 2002.

Approved by the Governor April 5, 2002, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State April 5, 2002.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval the following
3 appropriation items and sections 103, lines 10-11; 113, line 23;
4 subsections 125(31); 125(34); 137(2); 137(4); 204(1)(h); 204(1)(k);
5 204(5)(c); 205(1)(a); 205(1)(j); 206(11); 207(1)(e); 207(1)(f);
6 207(1)(g); 207(1)(h); 207(1)(i); 207(1)(j); 207(1)(k); 207(1)(l);
7 207(1)(m); 207(1)(n); 221(2)(i); 308(18); 501(2)(b)(iii); 604(10);
8 605(4); section 606, lines 31-38, page 204; lines 1-3, page 205;
9 subsections 607(1); 607(2); 608(1); 608(11); 609(2); and section 725 of
10 Engrossed Substitute Senate Bill No. 6387 entitled:

1 "AN ACT Relating to fiscal matters;"

2 Engrossed Substitute Senate Bill No. 6387 is the state
3 supplemental operating budget for the 2001-2003 Biennium. I have
4 vetoed several provisions as described below:

5 **Subsection 125(34), Page 29, Mobile Home Relocation Assistance**
6 **(Department of Community, Trade, and Economic Development (CTED))**

7 This subsection designated \$202,000 from the nonappropriated Mobile
8 Home Park Relocation Account for implementation of Second Substitute
9 Senate Bill 5354, the Mobile Home Relocation Assistance Fee Act. Since
10 the account is nonappropriated, CTED will still be able to spend the
11 funds in a manner that will accomplish the intent of the policy bill.

12 **Subsection 204(1)(h), Page 63, Restrictions on Administration Costs for**
13 **Regional Support Networks (RSNs) (Department of Social and Health**
14 **Services (DSHS) - Mental Health Program)**

15 The 8 percent administrative cap in this proviso may not be appropriate
16 for all RSNs. In response to the Joint Legislative Audit and Review
17 Committee recommendations, DSHS is currently conducting a review of
18 existing RSN administration levels. That review is expected to be
19 finished within a month. Until this review is complete, it is
20 premature to set an administrative cap for each individual RSN. The
21 budget contains other language and savings requirements that will
22 impose sufficient restraints on RSN administrative spending without the
23 necessity of this proviso.

24 **Subsection 204(1)(k), Page 63, Mental Health Ombudsman Proposal**
25 **Development (Department of Social and Health Services (DSHS) - Mental**
26 **Health Program)**

27 This proviso would have required the Department of Community, Trade,
28 and Economic Development and DSHS to develop a proposal to create a
29 structurally and functionally independent mental health ombudsman
30 program. This requirement increases the workload for both departments
31 without providing additional funding during a time of increasing fiscal
32 constraints.

33 **Subsection 204(5)(c), Pages 67-68, State Hospital Bed Allocation**
34 **(Department of Social and Health Services (DSHS) - Mental Health**
35 **Program)**

36 Beginning this year, DSHS implemented a new state hospital bed
37 allocation plan based on a more equitable distribution methodology than
38 was previously used. The plan also addressed potential legal issues
39 related to historical allocations. To minimize impacts, the new
40 allocation formula has been phased in and Regional Support Networks
41 signed their contracts based on the new bed formula. In light of this,
42 it is inappropriate to substitute the allocation method mandated in
43 Subsection 204(5)(c). I have vetoed this proviso in order to maintain
44 the current approach.

45 **Subsection 205(1)(a), Page 68, Monthly Progress Reports (Department of**
46 **Social and Health Services (DSHS) - Developmental Disabilities Program)**

47 This requirement for additional monthly reports is excessive, and there
48 are alternative means to effectively provide the information needed by
49 the Legislature. I have directed DSHS to keep the Legislature fully
50 informed of actions taken by the Division of Developmental Disabilities
51 regarding the implementation of expanded services, the development and
52 implementation of new home and community-based waivers, and
53 improvements in program and fiscal management. DSHS will coordinate

1 with the Legislature to adjust the agency's existing reporting
2 mechanisms to ensure that necessary information is communicated on an
3 appropriate and timely schedule.

4 **Subsection 207(1)(e), Page 80, Drug and Alcohol Treatment Services**
5 **(Department of Social and Health Services (DSHS) - Economic Services**
6 **Program)**

7 This proviso would have reduced funding for DSHS to contract with the
8 Employment Security Department to maintain support for drug and alcohol
9 treatment services designated to help parents receiving Temporary
10 Assistance to Needy Families (TANF) benefits. Funding for employment
11 services is central in assisting TANF recipients to find work and leave
12 welfare. If families remain on TANF, the funding for alcohol and drug
13 treatment, as well as other needed support services, will not be
14 available.

15 **Subsection 207(1)(f), Page 80, Comprehensive Drug and Alcohol Treatment**
16 **Project (Department of Social and Health Services (DSHS) - Economic**
17 **Services Program)**

18 This subsection would have provided an additional \$878,000 of the
19 federal appropriation for the comprehensive alcohol and drug treatment
20 project. I have vetoed this item, but will dedicate \$878,000 of
21 existing General Fund-State appropriations to match federal Medicaid
22 funds. This action will increase the funds available for these
23 projects to \$1,756,000 and allow the evaluation of these projects to be
24 completed.

25 **Subsection 207(1)(g), Page 80, Job Search and Job Placement Activities**
26 **(Department of Social and Health Services (DSHS) - Economic Services**
27 **Program)**

28 This proviso would have limited the funds available for job search and
29 job placement activities to \$5.8 million for the biennium. DSHS cannot
30 comply with this proviso since it has already expended over \$19 million
31 on these activities.

32 **Subsection 207(1)(h), Page 80, WorkFirst Post-Employment Labor Exchange**
33 **Program (Department of Social and Health Services (DSHS) - Economic**
34 **Services Program)**

35 This proviso would have eliminated the WorkFirst Post-Employment Labor
36 Exchange program. This program is the only post-employment service
37 available to WorkFirst participants and needs to be retained. These
38 services aid participants in job retention, lower the number of clients
39 returning to TANF, and support wage progression. A thorough evaluation
40 of the program will be completed this summer, and the program's
41 effectiveness will be reviewed again at that time.

42 **Subsection 207(1)(i), Page 80, Indigent Civil Legal Services**
43 **(Department of Social and Health Services (DSHS) - Economic Services**
44 **Program)**

45 I am pleased that the Legislature restored \$1.5 million (in the
46 Department of Community, Trade, and Economic Development budget) of the
47 \$2.4 million in legal services funding that was eliminated from the
48 program in February. However, there are not sufficient funds in the
49 WorkFirst budget to continue to provide these services, so I have
50 vetoed the proviso appropriating \$900,000 in federal funds to DSHS.

51 **Subsection 207(1)(j), Page 80, Limit on Child Care Subsidy Co-payment**
52 **(Department of Social and Health Services (DSHS) - Economic Services**
53 **Program)**

1 This proviso would have limited the increase in co-payments for
2 childcare to no more than two dollars per month. However, an increase
3 of five dollars in the current co-pay must be implemented to keep
4 program expenditures within available funds. The proviso also
5 restricts the agency's future flexibility by forcing the childcare
6 program to reduce eligible clients rather than increasing co-pay rates.

7 **Subsection 207(1)(k), Page 80, Parenting Skills Funding (Department of**
8 **Social and Health Services (DSHS) - Economic Services Program)**

9 This proviso would have restored funding for parenting and family
10 management skills development, enhanced childcare rates, and other
11 programs provided at the community colleges. While these are valuable
12 services, there are insufficient funds in the WorkFirst budget to
13 restore these programs to the level required by the proviso. The
14 community and technical colleges are currently reviewing the best way
15 to serve clients being referred to them, and need flexibility in their
16 expenditure plan.

17 **Subsection 207(1)(l), Page 80, After-school Programs for Middle School**
18 **Youth (Department of Social and Health Services (DSHS) - Economic**
19 **Services Program)**

20 The Legislature restored \$300,000 for after-school programs for middle
21 school youth by assuming use of federal funding. Although this is an
22 innovative program that benefits middle school students by providing
23 out-of-school care, it is not core to the goals of WorkFirst and cannot
24 be achieved without displacing other programs.

25 **Subsection 207(1)(m), Page 80, Consultation and Training for Child Care**
26 **Providers Caring for Children with Special Needs (Department of Social**
27 **and Health Services (DSHS) - Economic Services Program)**

28 By this proviso, the Legislature would have restored \$3.4 million to
29 the Department of Health for services by local public health nurses to
30 provide consultation and training to child care providers caring for
31 children with special needs. This is a worthy program, but there are
32 insufficient funds in the WorkFirst budget to continue to provide these
33 services, so I have vetoed this item.

34 **Subsection 207(1)(n), Page 80, Hometown and College Mentoring Services**
35 **and Programs for Low-Income Youth (Department of Social and Health**
36 **Services (DSHS) - Economic Services Program)**

37 This proviso would have dedicated \$1 million of WorkFirst federal funds
38 to the Hometown and College Mentoring Services and Programs (Community
39 in Schools Program). Funding for this program has already been
40 provided, thus there is no need for this proviso.

41 **Subsection 308(18), Page 135, Cost Recovery for Conservation Areas and**
42 **Recreational Sites in the San Juan Islands (Department of Natural**
43 **Resources (DNR))**

44 This proviso would have directed DNR to employ cost recovery methods at
45 its Natural Resource Conservation Areas and recreation sites in the San
46 Juan Islands comparable to those used by State Parks. This approach
47 could result in the imposition of fees for use of the DNR sites. A
48 task force is created elsewhere in the budget (Subsection 303(6)) to
49 give all users and agencies an opportunity to discuss funding options
50 for the state's outdoor recreation facilities. Implementing a fee
51 solely for the San Juan Islands Natural Resource Conservation Areas and
52 recreation sites before the task force has begun is premature. Given
53 the current state budget outlook, I encourage all interested parties to

1 provide suggestions to the task force for funding the ongoing
2 maintenance and operations of outdoor recreational facilities.

3 **Multiple Sections**

4 In order to maintain a more responsible reserve and because additional
5 revenues were assumed but not enacted, I have eliminated a number of
6 General Fund-State supplemental items. While many of these additions
7 are worthwhile, I have vetoed the following items to save the state
8 General Fund-State \$37.008 million.

- 9 ∅ Section 103, lines 10-11, page 3, Second Year Funding
10 Increase (Joint Legislative Audit and Review Committee)
- 11 ∅ Section 113, line 23, page 11, Dependency and Termination
12 Pilot (Office of Public Defense)
- 13 ∅ Subsection 125(31), page 28, Artistic Organization Support
14 (Department of Community, Trade, and Economic Development)
- 15 ∅ Subsection 137(2), pages 38-39, Tax Incentives Study
16 (Department of Revenue)
- 17 ∅ Subsection 137(4), page 39, Municipal Business and Occupation
18 Tax Uniformity (Department of Revenue)
- 19 ∅ Subsection 205(1)(j), pages 71-72, Home Care Worker Wage
20 Increase (Department of Social and Health Services -
21 Developmental Disabilities Program)
- 22 ∅ Subsection 206(11), pages 76-77, Home Care Worker Wage
23 Increase (Department of Social and Health Services - Long-
24 Term Care). I am asking DSHS to put \$2,927,000 of General
25 Fund-State in allotment reserve status to reflect this veto.
- 26 ∅ Subsection 221(2)(i), page 104, Motor Vehicle Theft
27 (Department of Corrections)
- 28 ∅ Subsection 501(2)(b)(iii), pages 147-148, Technology Task
29 Force (Office of the Superintendent of Public Instruction
30 Statewide Programs)
- 31 ∅ Subsection 604(10), page 203, Recruitment and Retention
32 (University of Washington)
- 33 ∅ Subsection 605(4), page 204, Recruitment and Retention
34 (Washington State University)
- 35 ∅ Section 606, lines 31-38, page 204; lines 1-3, page 205,
36 Recruitment and Retention (Eastern Washington University)
- 37 ∅ Subsection 607(1), page 205, Enrollment Recovery (Central
38 Washington University)
- 39 ∅ Subsection 607(2), page 205, Recruitment and Retention
40 (Central Washington University)
- 41 ∅ Subsection 608(1), page 206, Recruitment and Retention (The
42 Evergreen State College)

- 1 ∅ Subsection 608(11), pages 208-209, Washington State Institute
2 for Public Policy Studies (The Evergreen State College)
- 3 ∅ Subsection 609(2), pages 209-210, Recruitment and Retention
4 (Western Washington University)
- 5 ∅ Section 725, page 244, Tort Liability Account

6 I also have concerns about two provisos of this bill that I did
7 not veto:

8 Subsection 204(1)(j) requires that DSHS reduce funding to the
9 Regional Support Networks based on an excess of specified reserves.
10 Recognizing legislative interests, I am directing DSHS to work with the
11 Regional Support Networks to develop an implementation plan that
12 identifies and best addresses any unintended consequences, were the
13 reserves to be liquidated as planned. The implementation plan will
14 ensure that the total reserve spend-down will result in the necessary
15 general fund savings as required by the appropriations bill.

16 Subsection 205(1)(b) is an essential component of the settlement
17 in the Arc v. State of Washington case. Although there have been
18 concerns expressed to me regarding the program implications, vetoing
19 this proviso would eliminate the funding needed to phase in service
20 expansions agreed upon in the settlement and would risk continued
21 litigation. The funding assumptions in this subsection, though
22 complicated, will expand services. This subsection also requires a
23 redesign of some elements of the family support, and employment and day
24 programs. Given the complexity of these changes, I am requiring DSHS
25 to work with clients, client advocates, and service providers to
26 develop a plan that best implements these changes and program
27 expansions.

28 For these reasons, I have vetoed sections 103, lines 10-11; 113,
29 line 23; subsections 125(31); 125(34); 137(2); 137(4); 204(1)(h);
30 204(1)(k); 204(5)(c); 205(1)(a); 205(1)(j); 206(11); 207(1)(e);
31 207(1)(f); 207(1)(g); 207(1)(h); 207(1)(i); 207(1)(j); 207(1)(k);
32 207(1)(l); 207(1)(m); 207(1)(n); 221(2)(i); 308(18); 501(2)(b)(iii);
33 604(10); 605(4); section 606, lines 31-38, page 204; lines 1-3, page
34 205; subsections 607(1); 607(2); 608(1); 608(11); 609(2); and section
35 725; of Engrossed Substitute Senate Bill No. 6387.

36 With the exception of sections 103, lines 10-11; 113, line 23;
37 subsections 125(31); 125(34); 137(2); 137(4); 204(1)(h); 204(1)(k);
38 204(5)(c); 205(1)(a); 205(1)(j); 206(11); 207(1)(e); 207(1)(f);
39 207(1)(g); 207(1)(h); 207(1)(i); 207(1)(j); 207(1)(k); 207(1)(l);
40 207(1)(m); 207(1)(n); 221(2)(i); 308(18); 501(2)(b)(iii); 604(10);
41 605(4); section 606, lines 31-38, page 204; lines 1-3, page 205;
42 subsections 607(1); 607(2); 608(1); 608(11); 609(2); and section 725,
43 Engrossed Substitute Senate Bill No. 6387 is approved."