

SSB 5403 - H COMM AMD
By Committee on Appropriations

ADOPTED 02/21/2003

1 Strike everything after the enacting clause and insert the
2 following:

3 "PART I
4 GENERAL GOVERNMENT

5 **Sec. 101.** 2002 c 371 s 108 (uncodified) is amended to read as
6 follows:

7 **FOR THE SUPREME COURT**

8	General Fund--State Appropriation (FY 2002)	\$5,500,000
9	General Fund--State Appropriation (FY 2003)	((\$5,487,000))
10		<u>\$5,507,000</u>
11	TOTAL APPROPRIATION	((\$10,987,000))
12		<u>\$11,007,000</u>

13 **Sec. 102.** 2002 c 371 s 109 (uncodified) is amended to read as
14 follows:

15 **FOR THE LAW LIBRARY**

16	General Fund--State Appropriation (FY 2002)	\$1,982,000
17	General Fund--State Appropriation (FY 2003)	((\$1,924,000))
18		<u>\$1,929,000</u>
19	TOTAL APPROPRIATION	((\$3,906,000))
20		<u>\$3,911,000</u>

21 **Sec. 103.** 2002 c 371 s 110 (uncodified) is amended to read as
22 follows:

23 **FOR THE COURT OF APPEALS**

24	General Fund--State Appropriation (FY 2002)	\$12,894,000
25	General Fund--State Appropriation (FY 2003)	((\$12,724,000))
26		<u>\$12,743,000</u>

1 TOTAL APPROPRIATION ((~~\$25,618,000~~))
2 \$25,637,000

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

5 (1) \$505,000 of the general fund--state appropriation for fiscal
6 year 2002 and \$606,000 of the general fund--state appropriation for
7 fiscal year 2003 are provided solely for lease increases associated
8 with the division I facility.

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

18 **Sec. 104.** 2002 c 371 s 112 (uncodified) is amended to read as
19 follows:

20 **FOR THE ADMINISTRATOR FOR THE COURTS**

21 General Fund--State Appropriation (FY 2002) \$14,900,000
22 General Fund--State Appropriation (FY 2003) ((~~\$15,388,000~~))
23 \$17,501,000
24 Public Safety and Education Account--State
25 Appropriation \$27,468,000
26 Judicial Information Systems Account--State
27 Appropriation \$27,758,000
28 TOTAL APPROPRIATION ((~~\$85,514,000~~))
29 \$87,627,000

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

32 (1) Funding provided in the judicial information systems account
33 appropriation shall be used for the operations and maintenance of
34 technology systems that improve services provided by the supreme court,
35 the court of appeals, the office of public defense, and the
36 administrator for the courts.

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

16 (3)) \$223,000 of the public safety and education account
17 appropriation is provided solely for the gender and justice commission.

18 ((4)) (3) \$308,000 of the public safety and education account
19 appropriation is provided solely for the minority and justice
20 commission.

21 ((5)) (4) \$278,000 of the general fund--state appropriation for
22 fiscal year 2002, \$285,000 of the general fund--state appropriation for
23 fiscal year 2003, and \$263,000 of the public safety and education
24 account appropriation are provided solely for the workload associated
25 with tax warrants and other state cases filed in Thurston county.

26 ((6)) (5) \$750,000 of the general fund--state appropriation for
27 fiscal year 2002 and \$750,000 of the general fund--state appropriation
28 for fiscal year 2003 are provided solely for court-appointed special
29 advocates in dependency matters. The administrator for the courts,
30 after consulting with the association of juvenile court administrators
31 and the association of court-appointed special advocate/guardian ad
32 litem programs, shall distribute the funds to volunteer court-appointed
33 special advocate/guardian ad litem programs. The distribution of
34 funding shall be based on the number of children who need volunteer
35 court-appointed special advocate representation and shall be equally
36 accessible to all volunteer court-appointed special advocate/guardian
37 ad litem programs. The administrator for the courts shall not retain

1 more than six percent of total funding to cover administrative or any
2 other agency costs.

3 ((+7)) (6) \$750,000 of the public safety and education account--
4 state appropriation is provided solely for judicial program
5 enhancements. Within the funding provided in this subsection, the
6 administrator for the courts, in consultation with the supreme court,
7 shall determine the program or programs to receive an enhancement.
8 Among the programs that may be funded from the amount provided in this
9 subsection are unified family courts.

10 ((+8)) (7) \$1,800,000 of the judicial information systems
11 account--state appropriation is provided solely for improvements and
12 enhancements to the judicial information systems. This funding shall
13 only be expended after the office of the administrator for the courts
14 certifies to the office of financial management that there will be at
15 least a \$1,000,000 ending fund balance in the judicial information
16 systems account at the end of the 2001-03 biennium.

17 **Sec. 105.** 2002 c 371 s 113 (uncodified) is amended to read as
18 follows:

19 **FOR THE OFFICE OF PUBLIC DEFENSE**

20	General Fund--State Appropriation (FY 2002)	\$600,000
21	<u>General Fund--State Appropriation (FY 2003)</u>	<u>\$170,000</u>
22	Public Safety and Education Account--State	
23	Appropriation	\$12,344,000
24	TOTAL APPROPRIATION	((\$13,444,000))
25		<u>\$13,114,000</u>

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

28 (1) \$204,000 of the public safety and education account
29 appropriation is provided solely to increase the reimbursement for
30 private attorneys providing constitutionally mandated indigent defense
31 in nondeath penalty cases.

32 (2) \$51,000 of the public safety and education account
33 appropriation is provided solely for the implementation of chapter 303,
34 Laws of 1999 (court funding).

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

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

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

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

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

17 (iii) Use of investigative and expert services in appropriate
18 cases; and

19 (iv) Effective implementation of indigency screening of all
20 dependency and termination parents, guardians, and legal custodians
21 represented by appointed counsel.

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

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

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

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

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

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

36 If sufficient funds are available, the office of public defense
37 shall contract with the Washington state institute for public policy to

1 research how reducing dependency and termination case delays affects
2 foster care and to identify factors that are reducing the number of
3 family reunifications that occur in dependency and termination cases.

4 (5) \$50,000 of the public safety and education account--state
5 appropriation is provided solely for the evaluation required in chapter
6 92, Laws of 2000 (DNA testing).

7 (6) \$235,000 of the public safety and education account--state
8 appropriation is provided solely for the office of public defense to
9 contract with an existing public defender association to establish a
10 capital defense assistance center.

11 **Sec. 106.** 2002 c 371 s 114 (uncodified) is amended to read as
12 follows:

13 **FOR THE OFFICE OF THE GOVERNOR**

14	General Fund--State Appropriation (FY 2002)	\$4,497,000
15	General Fund--State Appropriation (FY 2003)	(\$4,028,000)
16		<u>\$3,970,000</u>
17	General Fund--Federal Appropriation	\$219,000
18	Water Quality Account--State	
19	Appropriation	\$3,908,000
20	TOTAL APPROPRIATION	(\$12,652,000)
21		<u>\$12,594,000</u>

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

24 (1) \$3,908,000 of the water quality account appropriation and
25 \$219,000 of the general fund--federal appropriation are provided solely
26 for the Puget Sound water quality action team to implement the Puget
27 Sound work plan and agency action items PSAT-01 through PSAT-05.

28 (2) \$100,000 of the general fund--state appropriation for fiscal
29 year 2002 is provided solely for the salmon recovery office to support
30 the efforts of the independent science panel.

31 **Sec. 107.** 2002 c 371 s 118 (uncodified) is amended to read as
32 follows:

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

34	General Fund--State Appropriation (FY 2002)	\$269,000
35	General Fund--State Appropriation (FY 2003)	(\$274,000)
36		<u>\$279,000</u>

1 TOTAL APPROPRIATION ((~~\$543,000~~))
2 \$548,000

3 **Sec. 108.** 2002 c 371 s 119 (uncodified) is amended to read as
4 follows:

5 **FOR THE COMMISSION ON ASIAN-AMERICAN AFFAIRS**
6 General Fund--State Appropriation (FY 2002) \$233,000
7 General Fund--State Appropriation (FY 2003) ((~~\$201,000~~))
8 \$184,000
9 TOTAL APPROPRIATION ((~~\$434,000~~))
10 \$417,000

11 **Sec. 109.** 2002 c 371 s 122 (uncodified) is amended to read as
12 follows:

13 **FOR THE ATTORNEY GENERAL**
14 General Fund--State Appropriation (FY 2002) \$4,811,000
15 General Fund--State Appropriation (FY 2003) ((~~\$4,070,000~~))
16 \$4,073,000
17 General Fund--Federal Appropriation \$2,868,000
18 Public Safety and Education Account--State
19 Appropriation \$1,753,000
20 Tobacco Prevention and Control Account
21 Appropriation \$277,000
22 New Motor Vehicle Arbitration Account--State
23 Appropriation \$1,163,000
24 Legal Services Revolving Account--State
25 Appropriation \$147,422,000
26 TOTAL APPROPRIATION ((~~\$162,364,000~~))
27 \$162,367,000

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

30 (1) The attorney general shall report each fiscal year on actual
31 legal services expenditures and actual attorney staffing levels for
32 each agency receiving legal services. The report shall be submitted to
33 the office of financial management and the fiscal committees of the
34 senate and house of representatives no later than ninety days after the
35 end of each fiscal year.

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

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

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

23 (i) Examine and characterize the types of water rights issues
24 involved;

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

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

30 (iv) Examine implementation and funding requirements.

31 (b) Following receipt of the report, the standing committees of the
32 legislature having jurisdiction over water resources shall seek and
33 consider the recommendations of the relevant departments and agencies
34 of the United States, the federally recognized Indian tribes with
35 water-related interests in the state, and water users in the state and
36 shall develop recommendations.

1 **Sec. 110.** 2002 c 371 s 125 (uncodified) is amended to read as
2 follows:

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

4	General Fund--State Appropriation (FY 2002)	\$70,893,000
5	General Fund--State Appropriation (FY 2003)	(\$60,499,000)
6		<u>\$59,723,000</u>
7	General Fund--Federal Appropriation	(\$173,342,000)
8		<u>\$201,965,000</u>
9	General Fund--Private/Local Appropriation	\$7,980,000
10	Public Safety and Education Account--State	
11	Appropriation	\$10,094,000
12	Public Works Assistance Account--State	
13	Appropriation	\$1,911,000
14	Salmon Recovery Account--State Appropriation	\$1,500,000
15	Film and Video Promotion Account--State	
16	Appropriation	\$25,000
17	Building Code Council Account--State	
18	Appropriation	(\$1,226,000)
19		<u>\$1,061,000</u>
20	Administrative Contingency Account--State	
21	Appropriation	\$1,777,000
22	Low-Income Weatherization Assistance Account--State	
23	Appropriation	\$3,292,000
24	Violence Reduction and Drug Enforcement Account--	
25	State Appropriation	\$7,513,000
26	Manufactured Home Installation Training Account--	
27	State Appropriation	\$256,000
28	Community Economic Development Account--	
29	State Appropriation	\$113,000
30	Washington Housing Trust Account--State	
31	Appropriation	\$10,368,000
32	Public Facility Construction Loan Revolving	
33	Account--State Appropriation	\$586,000
34	TOTAL APPROPRIATION	(\$351,375,000)
35		<u>\$379,057,000</u>

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

1 (1) It is the intent of the legislature that the department of
2 community, trade, and economic development receive separate
3 programmatic allotments for the office of community development and the
4 office of trade and economic development. Any appropriation made to
5 the department of community, trade, and economic development for
6 carrying out the powers, functions, and duties of either office shall
7 be credited to the appropriate office.

8 (2) \$3,085,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$2,838,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely for a contract with the Washington
11 technology center. For work essential to the mission of the Washington
12 technology center and conducted in partnership with universities, the
13 center shall not pay any increased indirect rate nor increases in other
14 indirect charges above the absolute amount paid during the 1995-97
15 fiscal biennium.

16 (3) \$61,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$62,000 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 OCD-01.

20 (4) \$10,804,156 of the general fund--federal appropriation is
21 provided solely for the drug control and system improvement formula
22 grant program, to be distributed in state fiscal year 2002 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (n) \$901,180 to the office of financial management for criminal
20 history records improvement; and

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

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

35 (5) \$320,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$320,000 of the general fund--state appropriation for
37 fiscal year 2003 are provided solely for the rural economic opportunity
38 fund.

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

5 (7) \$2,500,000 of the general fund--state appropriation for fiscal
6 year 2002 and \$2,500,000 of the general fund--state appropriation for
7 fiscal year 2003 are provided solely for grants to operate transitional
8 housing for homeless families with children. The grants may also be
9 used to make partial payments for rental assistance.

10 (8) \$1,250,000 of the general fund--state appropriation for fiscal
11 year 2002 and \$1,250,000 of the general fund--state appropriation for
12 fiscal year 2003 are provided solely for consolidated emergency
13 assistance to homeless families with children.

14 (9) \$205,000 of the general fund--state appropriation for fiscal
15 year 2002 and \$205,000 of the general fund--state appropriation for
16 fiscal year 2003 are provided solely for grants to Washington Columbia
17 river gorge counties to implement their responsibilities under the
18 national scenic area management plan. Of this amount, \$390,000 is
19 provided for Skamania county and \$20,000 is provided for Clark county.

20 (10) \$698,000 of the general fund--state appropriation for fiscal
21 year 2002, \$698,000 of the general fund--state appropriation for fiscal
22 year 2003, and \$1,101,000 of the administrative contingency account
23 appropriation are provided solely for contracting with associate
24 development organizations to maintain existing programs.

25 (11) \$600,000 of the public safety and education account
26 appropriation is provided solely for sexual assault prevention and
27 treatment programs.

28 (12) \$680,000 of the Washington housing trust account appropriation
29 is provided solely to conduct a pilot project designed to lower
30 infrastructure costs for residential development.

31 (13) \$50,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$50,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided to the department solely for providing
34 technical assistance to developers of housing for farmworkers.

35 (14) \$370,000 of the general fund--state appropriation for fiscal
36 year 2002, \$371,000 of the general fund--state appropriation for fiscal
37 year 2003, and \$25,000 of the film and video promotion account

1 appropriation are provided solely for the film office to bring film and
2 video production to Washington state.

3 (15) \$22,000 of the general fund--state appropriation for fiscal
4 year 2002 is provided solely as a matching grant to support the
5 Washington state senior games. State funding shall be matched with at
6 least an equal amount of private or local governmental funds.

7 (16) \$500,000 of the general fund--state appropriation for fiscal
8 year 2002 and \$500,000 of the general fund--state appropriation for
9 fiscal year 2003 are provided solely for grants to food banks and food
10 distribution centers to increase their ability to accept, store, and
11 deliver perishable food.

12 (17) \$230,000 of the general fund--state appropriation for fiscal
13 year 2002, \$230,000 of the general fund--state appropriation for fiscal
14 year 2003, and the entire community economic development account
15 appropriation are provided solely for support of the developmental
16 disabilities endowment governing board and startup costs of the
17 endowment program. Startup costs are a loan from the state general
18 fund and will be repaid from funds within the program as determined by
19 the governing board. The governing board may use state appropriations
20 to implement a sliding-scale fee waiver for families earning below 150
21 percent of the state median family income. The director of the
22 department, or the director of the subsequent department of community
23 development, may implement fees to support the program as provided
24 under RCW 43.330.152.

25 (18) \$880,000 of the public safety and education account
26 appropriation is provided solely for community-based legal advocates to
27 assist sexual assault victims with both civil and criminal justice
28 issues. If Senate Bill No. 5309 is not enacted by June 30, 2001, the
29 amount provided in this subsection shall lapse.

30 (19) \$65,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$65,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided solely for a contract with a food
33 distribution program for communities in the southwestern portion of the
34 state and for workers impacted by timber and salmon fishing closures
35 and reductions. The department may not charge administrative overhead
36 or expenses to the funds provided in this subsection.

37 (20) \$120,000 of the general fund--state appropriation for fiscal
38 year 2002 and \$120,000 of the Washington housing trust account

1 appropriation for fiscal year 2003 are provided solely as one-time
2 pass-through funding to currently licensed overnight youth shelters.
3 If Substitute House Bill No. 2060 (low-income housing) is not enacted
4 by June 30, 2002, the fiscal year 2003 appropriation shall be made from
5 the state general fund.

6 (21) \$1,868,000 of the Washington housing trust account
7 appropriation for fiscal year 2003 is provided solely for emergency
8 shelter assistance. If Substitute House Bill No. 2060 (low-income
9 housing) is not enacted by June 30, 2002, the fiscal year 2003
10 appropriation shall be made from the state general fund.

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

24 (23) \$75,000 of the general fund--state appropriation for fiscal
25 year 2002 is provided solely for the community connections program in
26 Walla Walla.

27 (24) \$100,000 of the general fund--state appropriation for fiscal
28 year 2002 and \$100,000 of the general fund--state appropriation for
29 fiscal year 2003 are provided to the office of community development
30 solely for the purposes of providing assistance to industrial workers
31 who have been displaced by energy cost-related industrial plant
32 closures in rural counties. For purposes of this subsection, "rural
33 county" is as defined in RCW 82.14.370(5). The office of community
34 development shall distribute the amount in this subsection to community
35 agencies that assist the displaced industrial workers in meeting basic
36 needs including, but not limited to, emergency medical and dental
37 services, family and mental health counseling, food, energy costs,

1 mortgage, and rental costs. The department shall not retain more than
2 two percent of the amount provided in this subsection for
3 administrative costs.

4 (25) \$91,500 of the general fund--state appropriation for fiscal
5 year 2002 and \$91,500 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for services related to the
7 foreign representative contract for Japan.

8 (26) \$81,000 of the general fund--state appropriation for fiscal
9 year 2002 is provided solely for business finance and loan programs.

10 (27) \$150,000 of the general fund--state appropriation for fiscal
11 year 2002 is provided solely for the quick sites initiative program.

12 (28) \$120,000 of the general fund--state appropriation for fiscal
13 year 2002 is provided solely for operating a business information
14 hotline.

15 (29) \$29,000 of the general fund--state appropriation for fiscal
16 year 2002 is provided solely for travel expenses associated with the
17 office of trade and economic development's provision of outreach and
18 technical assistance services to businesses and local economic
19 development associations.

20 (30) \$100,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$100,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for information technology
23 enhancements designed to improve the delivery of agency services to
24 customers.

25 (~~(+32)~~) (31) \$10,111,682 of the general fund--federal
26 appropriation is provided solely for the drug control and system
27 improvement formula grant program, to be distributed in state fiscal
28 year 2003 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 ~~((33) \$165,000 of the building code council account appropriation~~
35 ~~for fiscal year 2003 is provided solely for the state building code~~
36 ~~council pursuant to Senate Bill No. 5352 (building code council fee~~
37 ~~increase). If the bill is not enacted by June 30, 2002, the amount~~
38 ~~provided in this subsection shall lapse.~~

1 ~~(35)~~) (32) The appropriations in this section reflect a reduction
 2 of \$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))~~) (33) \$40,000 of the general fund--state appropriation for
 13 fiscal year 2003 is provided solely to implement the state task force
 14 on funding for community-based services to victims of crime as provided
 15 in Senate Bill No. 6763. If the bill is not enacted by June 30, 2002,
 16 the amount provided in this subsection shall lapse.

17 ~~((37))~~) (34) The appropriations in this section reflect a
 18 reduction of \$1,641,000 from the general fund--state appropriation for
 19 fiscal year 2003. To implement this reduction, the office of community
 20 development shall take actions consistent with its mission, goals, and
 21 objectives to reduce operating costs. Such action, to the greatest
 22 extent possible, shall maintain direct payments to service providers,
 23 grants to other entities, and other pass-through funds. Examples of
 24 actions that may be taken to effect this reduction include hiring
 25 freezes, employee furloughs, staffing reductions, restricted travel and
 26 training, delaying purchases of equipment, and limiting personal
 27 service contracts.

28 **Sec. 111.** 2002 c 371 s 127 (uncodified) is amended to read as
 29 follows:

30 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

31	General Fund--State Appropriation (FY 2002)	\$12,456,000
32	General Fund--State Appropriation (FY 2003)	(\$12,508,000)
33		<u>\$12,488,000</u>
34	General Fund--Federal Appropriation	(\$23,657,000)
35		<u>\$35,657,000</u>
36	Violence Reduction and Drug Enforcement	
37	Account--State Appropriation	\$226,000

1	State Auditing Services Revolving	
2	Account--State Appropriation	\$25,000
3	TOTAL APPROPRIATION	(\$48,872,000)
4		<u>\$60,852,000</u>

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

7 (1) The office of financial management shall review policies and
8 procedures regarding purchasing of information technology upgrades by
9 state agencies. Information technology upgrades include replacement
10 workstations, network equipment, operating systems and application
11 software. The review shall document existing policies and procedures,
12 and shall compare alternative upgrade policies that reduce the overall
13 cost to state government for maintaining adequate information
14 technology to meet the existing business needs of state agencies.
15 Findings and recommendations from this review shall be reported to
16 appropriate committees of the legislature by December 1, 2001.

17 (2) State agencies that provide services to other state agencies
18 are expected to reduce their expenditures and to share the savings with
19 their clients. The office of financial management shall achieve a
20 reduction of \$339,000 in its billings for financial system services
21 purchased by state agencies in fiscal year 2003. The reduction is
22 expected to result from both reduced demand for services and reduced
23 rates.

24 (3) \$500,000 of the general fund--state appropriation for fiscal
25 year 2003 is provided solely for implementation of Engrossed Second
26 Substitute House Bill No. 2671 (permit assistance center). If the bill
27 is not enacted by June 30, 2002, the amount provided in this subsection
28 shall lapse.

29 (4) \$350,000 of the general fund--state appropriation for fiscal
30 year 2003 is provided solely for an assessment and performance scoring
31 of state agencies and separate systemwide performance audits of two
32 governmental functions: State capital construction practices and state
33 contracting practices.

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

- 36 (i) Quality and process management practices;
- 37 (ii) Independent and internal audit functions;
- 38 (iii) Internal and external customer satisfaction;

- 1 (iv) Program effectiveness;
- 2 (v) Fiscal productivity and efficiency; and
- 3 (vi) Statutory and regulatory compliance.

4 Each agency shall be graded on the categories selected for the
5 scorecard. The office of financial management shall submit the results
6 of the performance scoring, forward recommendations for legislation to
7 the governor and the appropriate committees of the legislature by
8 November 30, 2002, and release the results of the performance scoring
9 to the public.

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

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

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

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

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

21 (E) Identification and recognition of best practices.

22 (ii) The performance audit on state capital construction practices
23 shall include building projects, highway projects, and architectural
24 and engineering services. The following state agencies, at a minimum,
25 shall be subject to audit sampling: Department of transportation,
26 department of general administration, and state higher education
27 agencies.

28 (iii) The performance audit on state contracting practices shall
29 include state agencies with sufficient activity with personal services
30 contracts and other types of contracts to evaluate the state's
31 contracting practices.

32 (iv) The office of financial management shall grade the results of
33 the performance audits to indicate agencies' performance regarding
34 capital construction and contracting practices. The office of
35 financial management shall report findings from the performance audits
36 to the governor and appropriate legislative committees by November 30,
37 2002.

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

3 **Sec. 112.** 2002 c 371 s 128 (uncodified) is amended to read as
4 follows:

5 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

6	Administrative Hearings Revolving Account--State	
7	Appropriation	((\$22,394,000))
8		<u>\$23,473,000</u>

9 **Sec. 113.** 2002 c 371 s 132 (uncodified) is amended to read as
10 follows:

11 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

12	General Fund--State Appropriation (FY 2002)	\$226,000
13	General Fund--State Appropriation (FY 2003)	((\$210,000))
14		<u>\$215,000</u>
15	TOTAL APPROPRIATION	((\$436,000))
16		<u>\$441,000</u>

17 **Sec. 114.** 2002 c 371 s 133 (uncodified) is amended to read as
18 follows:

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

20	General Fund--State Appropriation (FY 2002)	\$211,000
21	General Fund--State Appropriation (FY 2003)	((\$207,000))
22		<u>\$212,000</u>
23	TOTAL APPROPRIATION	((\$418,000))
24		<u>\$423,000</u>

25 **Sec. 115.** 2002 c 371 s 135 (uncodified) is amended to read as
26 follows:

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

28	Dependent Care Administrative Account--State	
29	Appropriation	\$378,000
30	Department of Retirement Systems Expense Account--	
31	State Appropriation	((\$49,183,000))
32		<u>\$49,044,000</u>
33	TOTAL APPROPRIATION	((\$49,561,000))
34		<u>\$49,422,000</u>

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

3 (1) \$1,000,000 of the department of retirement systems expense
4 account appropriation is provided solely for support of the information
5 systems project known as the electronic document image management
6 system.

7 (2) \$120,000 of the department of retirement systems expense
8 account appropriation is provided solely for locating inactive members
9 entitled to retirement benefits.

10 (3) \$117,000 of the department of retirement systems expense
11 account appropriation is provided solely for modifications to the
12 retirement information systems to accommodate tracking of
13 postretirement employment on an hourly basis.

14 (4) \$440,000 of the department of retirement systems expense
15 account appropriation is provided solely for the implementation of
16 Engrossed Senate Bill No. 5143 (Washington state patrol retirement
17 systems plan 2).

18 (5) \$6,420,000 of the department of retirement systems expense
19 account appropriation is provided solely for the implementation of
20 public employees' retirement system plan 3 (chapter 247, Laws of 2000).

21 (6) \$96,000 of the department of retirement systems expense account
22 appropriation is provided solely for the implementation of Senate Bill
23 No. 6376 (PERS plan 3 transfer payment). If the bill is not enacted by
24 June 30, 2002, the amount provided in this subsection shall lapse.

25 ~~((9,000 of the department of retirement systems expense~~
26 ~~account appropriation is provided solely for the implementation of~~
27 ~~Senate Bill No. 6377 (TRS plan 1 extended school year). If the bill is~~
28 ~~not enacted by June 30, 2002, the amount provided in this subsection~~
29 ~~shall lapse.~~

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

35 ~~((9))~~ (8) \$122,000 of the department of retirement systems
36 expense account appropriation is provided solely for the implementation
37 of Senate Bill No. 6379 (transferring service credit to WSPRS). If the

1 bill is not enacted by June 30, 2002, the amount provided in this
2 subsection shall lapse.

3 ~~((10))~~ (9) \$651,000 of the department of retirement systems
4 expense account appropriation is provided solely for the implementation
5 of Engrossed Senate Bill No. 6380 (survivor benefits). If the bill is
6 not enacted by June 30, 2002, the amount provided in this subsection
7 shall lapse.

8 ~~((11))~~ (10) \$53,000 of the department of retirement systems
9 expense account appropriation is provided solely for the implementation
10 of Senate Bill No. 6381 (PERS plan 1 terminated vested). If the bill
11 is not enacted by June 30, 2002, the amount provided in this subsection
12 shall lapse.

13 ~~((12) \$130,000 of the department of retirement systems expense
14 account appropriation for fiscal year 2003 is provided solely for the
15 implementation of House Bill No. 2896 (EMT service credit transfer).
16 If the bill is not enacted by June 30, 2002, the amount provided in
17 this subsection shall lapse.~~

18 ~~(13))~~ (11) The appropriations in this section are reduced to
19 reflect savings resulting from a 0.01 percent reduction of the
20 department of retirement systems administrative expense rate, effective
21 May 1, 2002, from 0.23 to 0.22 for the remainder of the 2001-03
22 biennium.

23 **Sec. 116.** 2002 c 371 s 137 (uncodified) is amended to read as
24 follows:

25 **FOR THE DEPARTMENT OF REVENUE**

26	General Fund--State Appropriation (FY 2002)	((\$72,823,000))
27		<u>\$72,820,000</u>
28	General Fund--State Appropriation (FY 2003)	((\$78,149,000))
29		<u>\$77,118,000</u>
30	Timber Tax Distribution Account--State	
31	Appropriation	\$5,131,000
32	Waste Education/Recycling/Litter Control--State	
33	Appropriation	\$101,000
34	State Toxics Control Account--State	
35	Appropriation	\$67,000
36	Oil Spill Administration Account--State	
37	Appropriation	\$14,000

1	Multimodal Transportation Account--State	
2	Appropriation	((\$109,000))
3		<u>\$9,000</u>
4	TOTAL APPROPRIATION	((\$156,394,000))
5		<u>\$155,260,000</u>

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

8 (1) \$269,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$49,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely to establish and provide staff
11 support to a committee on taxation to study the elasticity, equity, and
12 adequacy of the state's tax system.

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

28 (b) The purpose of the study is to determine how well the current
29 tax system functions and how it might be changed to better serve the
30 citizens of the state in the twenty-first century. In reviewing
31 options for changes to the tax system, the committee shall develop
32 multiple alternatives to the existing tax system. To the extent
33 possible, the alternatives shall be designed to increase the harmony
34 between the tax system of this state and the surrounding states,
35 encourage commerce and business creation, and encourage home ownership.
36 In developing alternatives, the committee shall examine and consider
37 the effects of tax incentives, including exemptions, deferrals, and
38 credits. The alternatives shall range from incremental improvements in

1 the current tax structure to complete replacement of the tax structure.
2 In conducting the study, the committee shall examine the tax structures
3 of other states and review previous studies regarding tax reform in
4 this state. In developing alternatives, the committee shall be guided
5 by administrative simplicity, economic neutrality, fairness, stability,
6 and transparency. Most of the alternatives presented by the committee
7 to the legislature shall be revenue neutral and contain no income tax.

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

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

15 ((~~3~~)\$109,000)) (2) \$9,000 of the multimodal transportation
16 account--state appropriation for fiscal year 2003 is provided solely
17 for the department to implement the provisions of House Bill No. 2969
18 (transportation). If the bill is not enacted by January 1, 2003, the
19 amount provided in this subsection shall lapse. Further, the amount
20 provided in this subsection shall lapse to the extent that funds are
21 provided for this purpose in the transportation appropriations act.

22 **Sec. 117.** 2002 c 371 s 139 (uncodified) is amended to read as
23 follows:

24 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

25	General Fund--State Appropriation (FY 2002)	\$549,000
26	General Fund--State Appropriation (FY 2003)	((\$655,000))
27		<u>\$646,000</u>
28	General Fund--Federal Appropriation	\$1,930,000
29	General Fund--Private/Local Appropriation	\$223,000
30	State Capitol Vehicle Parking Account--	
31	State Appropriation	\$154,000
32	General Administration Services Account--State	
33	Appropriation	\$39,546,000
34	TOTAL APPROPRIATION	((\$43,057,000))
35		<u>\$43,048,000</u>

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

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

17 (2) \$60,000 of the general administration services account
18 appropriation is provided solely for costs associated with the
19 development of the information technology architecture to link the risk
20 management information system and the tort division's case management
21 system, and the reconciliation of defense cost reimbursement
22 information.

23 (3) \$44,000 of the general fund--state appropriation for fiscal
24 year 2003 is provided solely for the department to implement the waste
25 management and recycling provisions of Substitute House Bill No. 2308
26 (encouraging recycling and waste reduction). If the bill is not
27 enacted by June 30, 2002, the amount provided in this subsection shall
28 lapse.

29 (4) State agencies that provide services to other state agencies
30 are expected to reduce their expenditures and to share the savings with
31 their clients. The department of general administration shall achieve
32 a reduction of \$1,302,000 in its billings for motor pool, consolidated
33 mail, and other services that state agencies purchase in fiscal year
34 2003. The reduction is expected to result from both reduced demand for
35 services and reduced rates.

36 **Sec. 118.** 2002 c 371 s 143 (uncodified) is amended to read as
37 follows:

1	FOR THE LIQUOR CONTROL BOARD	
2	General Fund--State Appropriation (FY 2002)	\$1,483,000
3	General Fund--State Appropriation (FY 2003)	\$1,439,000
4	General Fund--Federal Appropriation (FY 2003)	\$99,000
5	Liquor Control Board Construction and Maintenance	
6	Account--State Appropriation	\$9,684,000
7	Liquor Revolving Account--State	
8	Appropriation	(\$125,927,000)
9		<u>\$126,407,000</u>
10	TOTAL APPROPRIATION	(\$138,632,000)
11		<u>\$139,112,000</u>

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

14 (1) \$1,573,000 of the liquor revolving account appropriation is
15 provided solely for the agency information technology upgrade. This
16 amount provided in this subsection is conditioned upon satisfying the
17 requirements of section 902 of this act.

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

26 (3) \$84,000 of the liquor control board construction and
27 maintenance account appropriation for fiscal year 2003 is provided
28 solely for the liquor control board to employ additional staff during
29 the holiday season to handle the expected increase in sales volume at
30 the Seattle distribution center.

31 **Sec. 119.** 2002 c 371 s 145 (uncodified) is amended to read as
32 follows:

33	FOR THE MILITARY DEPARTMENT	
34	General Fund--State Appropriation (FY 2002)	\$9,165,000
35	General Fund--State Appropriation (FY 2003)	(\$8,710,000)
36		<u>\$8,740,000</u>
37	General Fund--Federal Appropriation	(\$22,509,000)

1		<u>\$28,003,000</u>
2	General Fund--Private/Local Appropriation	\$234,000
3	Enhanced 911 Account--State Appropriation	\$20,269,000
4	Disaster Response Account--State Appropriation	((\$2,010,000))
5		<u>\$1,531,000</u>
6	Disaster Response Account--Federal Appropriation	((\$6,510,000))
7		<u>\$3,243,000</u>
8	Worker and Community Right to Know Fund--State	
9	Appropriation	\$283,000
10	Nisqually Earthquake Account--State	
11	Appropriation	((\$29,027,000))
12		<u>\$24,101,000</u>
13	Nisqually Earthquake Account--Federal	
14	Appropriation	((\$49,641,000))
15		<u>\$48,153,000</u>
16	TOTAL APPROPRIATION	((\$148,358,000))
17		<u>\$143,722,000</u>

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

20 (1) ((~~\$1,906,000~~)) \$1,427,000 of the disaster response account--
21 state appropriation is provided solely for the state share of response
22 and recovery costs associated with federal emergency management agency
23 (FEMA) disasters approved in the 1999-01 biennium budget. The military
24 department may, upon approval of the director of financial management,
25 use portions of the disaster response account--state appropriation to
26 offset costs of new disasters occurring before June 30, 2003. The
27 military department shall submit a report quarterly to the office of
28 financial management and the legislative fiscal committees detailing
29 disaster costs, including: (a) Estimates of total costs; (b)
30 incremental changes from the previous estimate; (c) actual
31 expenditures; (d) estimates of total remaining costs to be paid; and
32 (d) estimates of future payments by biennium. This information shall
33 be displayed by individual disaster, by fund, and by type of
34 assistance. The military department shall also submit a report
35 quarterly to the office of financial management and the legislative
36 fiscal committees detailing information on the disaster response
37 account, including: (a) The amount and type of deposits into the

1 account; (b) the current available fund balance as of the reporting
2 date; and (c) the projected fund balance at the end of the 2001-03
3 biennium based on current revenue and expenditure patterns.

4 (2) \$100,000 of the general fund--state fiscal year 2002
5 appropriation and \$100,000 of the general fund--state fiscal year 2003
6 appropriation are provided solely for implementation of the conditional
7 scholarship program pursuant to chapter 28B.103 RCW.

8 (3) \$60,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$60,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely for the implementation of Senate
11 Bill No. 5256 (emergency management compact). If the bill is not
12 enacted by June 30, 2001, the amounts provided in this subsection shall
13 lapse.

14 (4) \$35,000 of the general fund--state fiscal year 2002
15 appropriation and \$35,000 of the general fund--state fiscal year 2003
16 appropriation are provided solely for the north county emergency
17 medical service.

18 (5) (~~(\$2,145,000)~~) \$1,967,000 of the Nisqually earthquake account--
19 state appropriation and (~~(\$4,174,000)~~) \$3,305,000 of the Nisqually
20 earthquake account--federal appropriation are provided solely for the
21 military department's costs associated with coordinating the state's
22 response to the February 28, 2001, earthquake.

23 (6) (~~(\$678,000)~~) \$641,000 of the Nisqually earthquake account--
24 state appropriation and (~~(\$3,420,000)~~) \$3,797,000 of the Nisqually
25 earthquake account--federal appropriation are provided solely for
26 mitigation costs associated with the earthquake for state and local
27 agencies. Of the amount from the Nisqually earthquake account--state
28 appropriation, (~~(\$217,000)~~) \$227,000 is provided for the state matching
29 share for state agencies and (~~(\$462,000)~~) \$414,000 is provided for one-
30 half of the local matching share for local entities. The amount
31 provided for the local matching share constitutes a revenue
32 distribution for purposes of RCW 43.135.060(1).

33 (7) (~~(\$8,970,000)~~) \$10,493,000 of the Nisqually earthquake
34 account--state appropriation and (~~(\$42,047,000)~~) \$41,051,000 of the
35 Nisqually earthquake account--federal appropriation are provided solely
36 for public assistance costs associated with the earthquake for state
37 and local agencies. Of the amount from the Nisqually earthquake
38 account--state appropriation, (~~(\$3,924,000)~~) \$5,237,000 is provided for

1 the state matching share for state agencies and (~~(\$5,046,000)~~)
2 \$5,256,000 is provided for one-half of the local matching share for
3 local entities. The amount provided for the local matching share
4 constitutes a revenue distribution for purposes of RCW 43.135.060(1).

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

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

(End of part)

PART II
HUMAN SERVICES

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

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

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

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

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

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

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

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

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

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

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

31	General Fund--State Appropriation (FY 2002)	\$225,104,000
32	General Fund--State Appropriation (FY 2003)	((\$231,042,000))
33		<u>\$227,756,000</u>
34	General Fund--Federal Appropriation	((\$369,403,000))
35		<u>\$376,403,000</u>
36	General Fund--Private/Local Appropriation	\$400,000
37	Public Safety and Education Account--	

1	State Appropriation	\$964,000
2	Violence Reduction and Drug Enforcement Account--	
3	State Appropriation	\$5,639,000
4	TOTAL APPROPRIATION	(\$832,552,000)
5		<u>\$836,266,000</u>

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, \$2,271,000 of the fiscal year 2003 general fund--state
10 appropriation, and \$1,584,000 of the general fund--federal
11 appropriation are provided solely for the category of services titled
12 "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, \$375,000 of the general fund--state fiscal year 2003
29 appropriation, and \$161,000 of the general fund--federal appropriation
30 are provided for up to three nonfacility-based programs for the
31 training, consultation, support, and recruitment of biological, foster,
32 and adoptive parents of children through age three in need of special
33 care as a result of substance abuse by their mothers, except that each
34 program may serve up to three medically fragile nonsubstance-abuse-
35 affected children. In selecting nonfacility-based programs, preference
36 shall be given to programs whose federal or private funding sources
37 have expired or that have successfully performed under the existing
38 pediatric interim care program.

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

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

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

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

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

36 (9) \$1,767,000 of the general fund--state appropriation for fiscal
37 year 2002, \$1,767,000 of the general fund--state appropriation for
38 fiscal year 2003, and \$1,241,000 of the general fund--federal

1 appropriation are provided solely for rate and capacity increases for
2 child placing agencies. Child placing agencies shall increase their
3 capacity by 15 percent in fiscal year 2002.

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

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

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

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

17	General Fund--State Appropriation (FY 2002)	\$83,151,000
18	General Fund--State Appropriation (FY 2003)	(\$79,107,000)
19		<u>\$79,172,000</u>
20	General Fund--Federal Appropriation	(\$13,803,000)
21		<u>\$13,763,000</u>
22	General Fund--Private/Local Appropriation	\$1,110,000
23	Juvenile Accountability Incentive	
24	Account--Federal Appropriation	\$10,461,000
25	Public Safety and Education	
26	Account--State Appropriation	\$6,047,000
27	Violence Reduction and Drug Enforcement Account--	
28	State Appropriation	\$37,174,000
29	TOTAL APPROPRIATION	(\$230,853,000)
30		<u>\$230,878,000</u>

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

33 (1) \$686,000 of the violence reduction and drug enforcement account
34 appropriation is provided solely for deposit in the county criminal
35 justice assistance account for costs to the criminal justice system
36 associated with the implementation of chapter 338, Laws of 1997
37 (juvenile code revisions). The amounts provided in this subsection are

1 intended to provide funding for county adult court costs associated
2 with the implementation of chapter 338, Laws of 1997 and shall be
3 distributed in accordance with RCW 82.14.310.

4 (2) \$5,980,000 of the violence reduction and drug enforcement
5 account appropriation is provided solely for the implementation of
6 chapter 338, Laws of 1997 (juvenile code revisions). The amounts
7 provided in this subsection are intended to provide funding for county
8 impacts associated with the implementation of chapter 338, Laws of 1997
9 and shall be distributed to counties as prescribed in the current
10 consolidated juvenile services (CJS) formula.

11 (3) \$1,161,000 of the general fund--state appropriation for fiscal
12 year 2002, \$1,162,000 of the general fund--state appropriation for
13 fiscal year 2003, and \$5,190,000 of the violence reduction and drug
14 enforcement account appropriation are provided solely to implement
15 community juvenile accountability grants pursuant to chapter 338, Laws
16 of 1997 (juvenile code revisions). Funds provided in this subsection
17 may be used solely for community juvenile accountability grants,
18 administration of the grants, and evaluations of programs funded by the
19 grants.

20 (4) \$2,515,000 of the violence reduction and drug enforcement
21 account appropriation is provided solely to implement alcohol and
22 substance abuse treatment programs for locally committed offenders.
23 The juvenile rehabilitation administration shall award these moneys on
24 a competitive basis to counties that submitted a plan for the provision
25 of services approved by the division of alcohol and substance abuse.
26 The juvenile rehabilitation administration shall develop criteria for
27 evaluation of plans submitted and a timeline for awarding funding and
28 shall assist counties in creating and submitting plans for evaluation.

29 (5) \$100,000 of the general fund--state appropriation for fiscal
30 year 2002 and \$100,000 of the general fund--state appropriation for
31 fiscal year 2003 are provided solely for juvenile rehabilitation
32 administration to contract with the institute for public policy for
33 responsibilities assigned in chapter 338, Laws of 1997 (juvenile code
34 revisions).

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

1 (7) \$423,000 of the general fund--state appropriation for fiscal
2 year 2002, \$754,100 of the general fund--state appropriation for fiscal
3 year 2003, \$152,000 of the general fund--federal appropriation,
4 \$172,000 of the public safety and education assistance account
5 appropriation, and \$604,000 of the violence reduction and drug
6 enforcement account appropriation are provided solely to increase
7 payment rates for contracted service providers.

8 (8) \$16,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$16,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely for the implementation of chapter
11 167, Laws of 1999 (firearms on school property). The amounts provided
12 in this subsection are intended to provide funding for county impacts
13 associated with the implementation of chapter 167, Laws of 1999, and
14 shall be distributed to counties as prescribed in the current
15 consolidated juvenile services (CJS) formula.

16 (9) \$3,441,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$3,441,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for distribution to county
19 juvenile court administrators to fund the costs of processing truancy,
20 children in need of services, and at-risk youth petitions. The
21 department shall not retain any portion of these funds to cover
22 administrative or any other departmental costs. The department, in
23 conjunction with the juvenile court administrators, shall develop an
24 equitable funding distribution formula. The formula shall neither
25 reward counties with higher than average per-petition processing costs
26 nor shall it penalize counties with lower than average per-petition
27 processing costs.

28 (10) \$6,000,000 of the public safety and education account--state
29 appropriation is provided solely for distribution to county juvenile
30 court administrators to fund the costs of processing truancy, children
31 in need of services, and at-risk youth petitions. The department shall
32 not retain any portion of these funds to cover administrative or any
33 other departmental costs. The department, in conjunction with the
34 juvenile court administrators, shall develop an equitable funding
35 distribution formula. The formula shall neither reward counties with
36 higher than average per-petition processing costs nor shall it penalize
37 counties with lower than average per-petition processing costs.

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

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

17 (13) \$1,692,000 of the juvenile accountability incentive account--
18 federal appropriation is provided solely for the continued
19 implementation of a pilot program to provide for postrelease planning
20 and treatment of juvenile offenders with co-occurring disorders.

21 (14) \$22,000 of the violence reduction and drug enforcement account
22 appropriation is provided solely for the evaluation of the juvenile
23 offender co-occurring disorder pilot program implemented pursuant to
24 (m) of this subsection.

25 (15) \$900,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$900,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely for the continued implementation
28 of the juvenile violence prevention grant program established in
29 section 204, chapter 309, Laws of 1999.

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

36 (17) \$21,000 of the general fund--state appropriation for fiscal
37 year 2002 and \$42,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided solely for the implementation of Senate
2 Bill No. 5468 (chemical dependency). If the bill is not enacted by
3 June 30, 2001, the amounts provided in this subsection shall lapse.

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

10 (19) \$40,000 of the general fund--state appropriation for fiscal
11 year 2002 and \$68,000 of the general fund--state appropriation for
12 fiscal year 2003 are provided solely to increase payment rates for
13 contracted service providers.

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

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

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

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

28 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

29	General Fund--State Appropriation (FY 2002)	\$194,566,000
30	General Fund--State Appropriation (FY 2003)	((\$177,206,000))
31		<u>\$178,848,000</u>
32	General Fund--Federal Appropriation	((\$358,377,000))
33		<u>\$360,025,000</u>
34	General Fund--Local Appropriation	\$25,596,000
35	Health Services Account--State	
36	Appropriation	\$2,450,000
37	TOTAL APPROPRIATION	((\$758,195,000))

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

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

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

(c) \$388,000 of the general fund--state appropriation for fiscal year 2002, \$2,829,000 of the general fund--state appropriation for fiscal year 2003, and \$3,157,000 of the general fund--federal appropriation are provided solely for development and operation of community residential and support services for persons whose treatment needs constitute substantial barriers to community placement and who no longer require active psychiatric treatment at an inpatient hospital level of care, no longer meet the criteria for inpatient involuntary commitment, and who are clinically ready for discharge from a state psychiatric hospital. In the event that enough patients are not transitioned or diverted from the state hospitals to close at least two hospital wards by July 2002, and four additional wards by April 2003, a proportional share of these funds shall be transferred to the appropriations in subsection (2) of this section to support continued care of the patients in the state hospitals. Primary responsibility and accountability for provision of appropriate community support for persons placed with these funds shall reside with the mental health program and the regional support networks, with partnership and active support from the alcohol and substance abuse and from the aging and adult services programs. The department shall negotiate performance-based incentive contracts to provide appropriate community support services for individuals leaving the state hospitals under this subsection. The department shall first seek to contract with regional support networks before offering a contract to any other party. The funds appropriated in this subsection shall not be considered

1 "available resources" as defined in RCW 71.24.025 and are not subject
2 to the standard allocation formula applied in accordance with RCW
3 71.24.035(13)(a).

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

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

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

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

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

10 ((+i)) (h) The department shall assure that each regional support
 11 network increases spending on direct client services in fiscal years
 12 2002 and 2003 by at least the same percentage as the total state,
 13 federal, and local funds allocated to the regional support network in
 14 those years exceeds the amounts allocated to it in fiscal year 2001.

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

27 (2) INSTITUTIONAL SERVICES

28	General Fund--State Appropriation (FY 2002)	\$84,878,000
29	General Fund--State Appropriation (FY 2003)	(\$80,784,000)
30		<u>\$88,187,000</u>
31	General Fund--Federal Appropriation	(\$139,821,000)
32		<u>\$134,120,000</u>
33	General Fund--Private/Local Appropriation	(\$29,532,000)
34		<u>\$29,680,000</u>
35	TOTAL APPROPRIATION	(\$335,015,000)
36		<u>\$336,865,000</u>

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

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

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

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

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

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

35 (3) CIVIL COMMITMENT

36	General Fund--State Appropriation (FY 2002)	\$18,267,000
37	General Fund--State Appropriation (FY 2003)	(\$20,934,000)
38		<u>\$21,320,000</u>

1 TOTAL APPROPRIATION ((~~\$39,201,000~~))
2 \$39,587,000

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

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

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

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

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

36 (4) SPECIAL PROJECTS

37 General Fund--State Appropriation (FY 2002) \$444,000
38 General Fund--State Appropriation (FY 2003) \$443,000

1	General Fund--Federal Appropriation	\$2,082,000
2	TOTAL APPROPRIATION	\$2,969,000
3	(5) PROGRAM SUPPORT	
4	General Fund--State Appropriation (FY 2002)	\$3,104,000
5	General Fund--State Appropriation (FY 2003)	(\$3,111,000)
6		<u>\$4,527,000</u>
7	General Fund--Federal Appropriation	(\$5,659,000)
8		<u>\$7,077,000</u>
9	TOTAL APPROPRIATION	(\$11,874,000)
10		<u>\$14,708,000</u>

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

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

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

35 (c) \$125,000 of the general fund--state appropriation for fiscal
36 year 2002, \$125,000 of the general fund--state appropriation for fiscal
37 year 2003, and \$250,000 of the general fund--federal appropriation are
38 provided solely for a study of the prevalence of mental illness among

1 the state's regional support networks. The study shall examine how
2 reasonable estimates of the prevalence of mental illness relate to the
3 incidence of persons enrolled in medical assistance programs in each
4 regional support network area. In conducting this study, the
5 department shall consult with the joint legislative audit and review
6 committee, regional support networks, community mental health
7 providers, and mental health consumer representatives. The department
8 shall submit a final report on its findings to the fiscal, health care,
9 and human services committees of the legislature by November 1, 2003.

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

12 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**
13 **DISABILITIES PROGRAM**

14 (1) COMMUNITY SERVICES

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

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

26 (a) ((~~(b) \$10,050,000 of the fiscal year 2003 general fund state~~
27 ~~appropriation and \$3,550,000 of the general fund federal appropriation~~
28 ~~are provided solely for expanded access to community services. A total~~
29 ~~of \$7,800,000 is provided for additional residential services for~~
30 ~~persons on the home and community based waiver. A total of \$3,600,000~~
31 ~~is provided for family support and high school transition. A total of~~
32 ~~\$2,700,000 is provided between this subsection and subsection (3) of~~
33 ~~this section for staffing and other costs to improve oversight of~~
34 ~~quality of care, program management, and fiscal management.)) New
35 funding for family support and high school transition along with a
36 portion of existing funding for these programs shall be provided as
37 supplemental security income (SSI) state supplemental payments. The~~

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

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

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

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

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

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

30 ~~((g))~~ (f) \$1,000,000 of the general fund--state appropriation for
31 fiscal year 2002 and \$1,000,000 of the general fund--state
32 appropriation for fiscal year 2003 are provided solely for employment,
33 or other day activities and training programs, for young adults with
34 developmental disabilities who complete their high school curriculum in
35 2001 or 2002. These services are intended to assist with the
36 transition to work and more independent living. Funding shall be used
37 to the greatest extent possible for vocational rehabilitation services
38 matched with federal funding. In recent years, the state general fund

1 appropriation for employment and day programs has been underspent.
2 These surpluses, built into the carry forward level budget, shall be
3 redeployed for high school transition services.

4 ~~((h))~~ (g) \$369,000 of the fiscal year 2002 general fund--state
5 appropriation and \$369,000 of the fiscal year 2003 general fund--state
6 appropriation are provided solely for continuation of the autism pilot
7 project started in 1999.

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

22 (2) INSTITUTIONAL SERVICES

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

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

1 care shall not impede the department's ability to consolidate cottages,
2 and maintain expenditures within allotments, as assumed in the
3 appropriations in this subsection.

4 (3) PROGRAM SUPPORT

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

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

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

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

24 (4) SPECIAL PROJECTS

25	General Fund--Federal Appropriation	\$11,995,000
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26 **Sec. 206.** 2002 c 371 s 206 (uncodified) is amended to read as
27 follows:

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

30	General Fund--State Appropriation (FY 2002)	\$505,983,000
31	General Fund--State Appropriation (FY 2003)	((\$513,154,000))
32		<u>\$516,349,000</u>
33	General Fund--Federal Appropriation	((\$1,053,299,000))
34		<u>\$1,055,673,000</u>
35	General Fund--Private/Local Appropriation	((\$11,803,000))
36		<u>\$11,387,000</u>

1	Health Services Account--State	
2	Appropriation	((\$4,523,000))
3		<u>\$5,087,000</u>
4	TOTAL APPROPRIATION	((\$2,088,762,000))
5		<u>\$2,094,479,000</u>

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

8 (1) The entire health services account appropriation, \$1,210,000 of
9 the general fund--state appropriation for fiscal year 2002,
10 ((~~\$1,423,000~~)) \$1,458,000 of the general fund--state appropriation for
11 fiscal year 2003, and ((~~\$6,794,000~~)) \$7,346,000 of the general fund--
12 federal appropriation are provided solely for health care benefits for
13 home care workers who are employed through state contracts for at least
14 twenty hours per week. Premium payments for individual provider home
15 care workers shall be made only to the subsidized basic health plan,
16 and only for persons with incomes below 200 percent of the federal
17 poverty level. Home care agencies may obtain coverage either through
18 the basic health plan or through an alternative plan with substantially
19 equivalent benefits.

20 (2) \$1,706,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$1,706,000 of the general fund--state appropriation for
22 fiscal year 2003, plus the associated vendor rate increase for each
23 year, are provided solely for operation of the volunteer chore services
24 program.

25 (3) For purposes of implementing chapter 74.46 RCW, the weighted
26 average nursing facility payment rate shall be no more than \$128.79 for
27 fiscal year 2002, and no more than \$132.58 for fiscal year 2003. For
28 all facilities, the therapy care, support services, and operations
29 component rates established in accordance with chapter 74.46 RCW shall
30 be adjusted for economic trends and conditions by 2.1 percent effective
31 July 1, 2001, and by an additional 1.5 percent effective July 1, 2002.
32 For case-mix facilities, direct care component rates established in
33 accordance with chapter 74.46 RCW shall also be adjusted for economic
34 trends and conditions by 2.1 percent effective July 1, 2001, and by an
35 additional 2.3 percent effective July 1, 2002. Additionally, to
36 facilitate the transition to a fully case-mix based direct care payment
37 system, the median price per case-mix unit for each of the applicable

1 direct care peer groups shall be increased on a one-time basis by 2.64
2 percent effective July 1, 2002.

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

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

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

23 (7) Within funds appropriated in this section and in section 204 of
24 this act, the aging and adult services program shall devise and
25 implement strategies in partnership with the mental health program and
26 the regional support networks to reduce the use of state and local
27 psychiatric hospitals for the short-term stabilization of persons with
28 dementia and traumatic brain injuries. Such strategies may include
29 training and technical assistance to help long-term care providers
30 avoid and manage behaviors which might otherwise result in psychiatric
31 hospitalizations; monitoring long-term care facilities to assure
32 residents are receiving appropriate mental health care and are not
33 being inappropriately medicated or hospitalized; the development of
34 diversion beds and stabilization support teams; and the establishment
35 of systems to track the use of psychiatric hospitals by long-term care
36 providers. The aging and adult services program shall report to the
37 health care and fiscal committees of the legislature by November 1,

1 2001, and by November 1, 2002, on the actions it has taken to achieve
2 this objective.

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

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

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

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

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

26 (9) \$50,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$50,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely for payments to any nursing
29 facility licensed under chapter 18.51 RCW which meets all of the
30 following criteria: (a) The nursing home entered into an arm's length
31 agreement for a facility lease prior to January 1, 1980; (b) the lessee
32 purchased the leased nursing home after January 1, 1980; and (c) the
33 lessor defaulted on its loan or mortgage for the assets of the home
34 after January 1, 1991, and prior to January 1, 1992. Payments provided
35 pursuant to this subsection shall not be subject to the settlement,
36 audit, or rate-setting requirements contained in chapter 74.46 RCW.

37 (10) \$364,000 of the general fund--state appropriation for fiscal
38 year 2002, \$364,000 of the general fund--state appropriation for fiscal

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

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

18 (12) \$2,507,000 of the general fund--state appropriation for fiscal
19 year 2002, \$2,595,000 of the general fund--state appropriation for
20 fiscal year 2003, and \$5,100,000 of the general fund--federal
21 appropriation are provided solely for prospective rate increases
22 intended to increase compensation by an average of fifty cents per hour
23 for low-wage workers in agencies which contract with the state to
24 provide community residential services for persons with functional
25 disabilities. In consultation with the statewide associations
26 representing such agencies, the department shall establish a mechanism
27 for testing the extent to which funds have been used for this purpose,
28 and report the results to the fiscal committees of the legislature by
29 February 1, 2002. The amounts in this subsection also include the
30 funds needed for the employer share of unemployment and social security
31 taxes on the amount of the wage increase.

32 (13) \$1,082,000 of the general fund--state appropriation for fiscal
33 year 2002, \$1,082,000 of the general fund--state appropriation for
34 fiscal year 2003, and \$2,204,000 of the general fund--federal
35 appropriation are provided solely for prospective rate increases
36 intended to increase compensation for low-wage workers in nursing homes
37 which contract with the state. For fiscal year 2002, the department
38 shall add forty-five cents per patient day to the direct care rate

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

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

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

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

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

24 (1) \$281,035,000 of the general fund--state appropriation for
 25 fiscal year 2002, ~~((\$277,231,000))~~ \$281,089,000 of the general fund--
 26 state appropriation for fiscal year 2003, ~~((\$1,254,197,000))~~
 27 \$1,258,165,000 of the general fund--federal appropriation, and
 28 \$31,444,000 of the general fund--local appropriation are provided
 29 solely for the WorkFirst program and child support operations.
 30 WorkFirst expenditures include TANF grants, diversion services,
 31 subsidized child care, employment and training, other WorkFirst related
 32 services, allocated field services operating costs, and allocated
 33 economic services program administrative costs. Within the amounts
 34 provided in this subsection, the department shall:

35 (a) Continue to implement WorkFirst program improvements that are
 36 designed to achieve progress against outcome measures specified in RCW
 37 74.08A.410. Valid outcome measures of job retention and wage

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

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

1 ineligible by each substantive reason code. A substantive reason code
2 shall not be "other." The report shall identify barriers to informing
3 families about work support benefits and describe existing and future
4 actions to overcome such barriers.

5 (c) From the amounts provided in this subsection, provide \$50,000
6 from the general fund--state appropriation for fiscal year 2002 and
7 \$50,000 from the general fund--state appropriation for fiscal year 2003
8 to the Washington institute for public policy for continuation of the
9 WorkFirst evaluation database.

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

16 (2) \$54,623,000 of the general fund--state appropriation for fiscal
17 year 2002 and (~~(\$44,431,000)~~) \$51,147,000 of the general fund--state
18 appropriation for fiscal year 2003 are provided solely for cash
19 assistance and other services to recipients in the general assistance--
20 unemployable program. Within these amounts, the department may expend
21 funds for services that assist recipients to reduce their dependence on
22 public assistance, provided that expenditures for these services and
23 cash assistance do not exceed the funds provided.

24 (3) \$5,632,000 of the general fund--state appropriation for fiscal
25 year 2002 and (~~(\$4,032,000)~~) \$6,852,000 of the general fund--state
26 appropriation for fiscal year 2003 are provided solely for the food
27 assistance program for legal immigrants. The level of benefits shall
28 be equivalent to the benefits provided by the federal food stamp
29 program.

30 (4) \$48,000 of the general fund--state appropriation for fiscal
31 year 2002 is provided solely to implement chapter 111, Laws of 2001
32 (veterans/Philippines).

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

37 (6) It is the intent of the legislature that the department shall
38 comply with federal requirements to maintain aggregate funding for

1 supplemental security income (SSI) supplemental payments. Within the
2 amount remaining in this section, SSI supplemental payments shall be
3 used for current SSI recipients who have ineligible spouses.

4 (7) \$311,000 of the fiscal year 2003 general fund--state
5 appropriation and \$255,000 of the general fund--federal appropriation
6 are provided solely for the department to: (a) Increase and improve
7 efforts to verify that children and pregnant women are in fact eligible
8 for the medical assistance services they receive; and (b) review their
9 continued eligibility for medical assistance services every six months.
10 The improved income verification efforts shall be implemented no later
11 than April 1, 2003, and shall include review of recipient documentation
12 and employer contacts to verify that the income declared by applicants
13 and recipients is accurate. These efforts will be supplemented by
14 electronic records checks that will be in place by July 1, 2003. The
15 six-month rather than annual review of continued eligibility is to be
16 implemented no later than October 1, 2003. All administrative rules,
17 guidelines, and procedures; staffing levels and training; and changes
18 to electronic systems necessary to implement the six-month review of
19 continued eligibility shall be in place as required to timely implement
20 the six-month reviews beginning October 1, 2003.

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

23 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
24 **ABUSE PROGRAM**

25	General Fund--State Appropriation (FY 2002)	\$35,851,000
26	General Fund--State Appropriation (FY 2003)	((\$37,022,000))
27		<u>\$36,548,000</u>
28	General Fund--Federal Appropriation	((\$91,549,000))
29		<u>\$91,539,000</u>
30	General Fund--Private/Local Appropriation	\$723,000
31	Public Safety and Education Account--State	
32	Appropriation	\$13,427,000
33	Violence Reduction and Drug Enforcement Account--	
34	State Appropriation	\$52,306,000
35	TOTAL APPROPRIATION	((\$230,878,000))
36		<u>\$230,394,000</u>

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

3 (1) \$810,000 of the general fund--state appropriation for fiscal
4 year 2002 and \$1,622,000 of the general fund--state appropriation for
5 fiscal year 2003 are provided solely for expansion of 35 drug and
6 alcohol treatment beds for persons committed under RCW 70.96A.140.
7 Patients meeting the commitment criteria of RCW 70.96A.140 but who
8 voluntarily agree to treatment in lieu of commitment shall also be
9 eligible for treatment in these additional treatment beds. The
10 department shall develop specific placement criteria for these expanded
11 treatment beds to ensure that this new treatment capacity is
12 prioritized for persons incapacitated as a result of chemical
13 dependency and who are also high utilizers of hospital services. These
14 additional treatment beds shall be located in the eastern part of the
15 state.

16 (2) \$1,000,000 of the public safety and education account--state
17 appropriation is provided solely for expansion of treatment for persons
18 gravely disabled by abuse and addiction to alcohol and other drugs
19 including methamphetamine.

20 (3) \$1,083,000 of the public safety and education account--state
21 appropriation and \$75,000 of the violence reduction and drug
22 enforcement account--state appropriation are provided solely for adult
23 and juvenile drug courts that have a net loss of federal grant funding
24 in state fiscal year 2002 and state fiscal year 2003. This
25 appropriation is intended to cover approximately one-half of lost
26 federal funding.

27 (4) \$1,993,000 of the public safety and education account--state
28 appropriation and \$951,000 of the general fund--federal appropriation
29 are provided solely for drug and alcohol treatment for SSI clients.
30 The department shall continue research and post-program evaluation of
31 these clients to further determine the post-treatment utilization of
32 medical services and the service effectiveness of consolidation.

33 (5) \$500,000 of the violence reduction and drug enforcement account
34 appropriation for fiscal year 2003 is provided solely for the
35 department to provide treatment for pathological gambling or training
36 for the treatment of pathological gambling under Second Substitute
37 Senate Bill No. 6560 (shared game lottery). If the bill is not enacted
38 by June 30, 2002, the amount provided in this subsection shall lapse.

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

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

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

8	General Fund--State Appropriation (FY 2002)	\$1,081,150,000
9	General Fund--State Appropriation (FY 2003)	((\$1,124,758,000))
10		<u>\$1,186,072,000</u>
11	General Fund--Federal Appropriation	((\$3,621,077,000))
12		<u>\$3,310,906,000</u>
13	General Fund--Private/Local Appropriation	((\$211,272,000))
14		<u>\$216,822,000</u>
15	Emergency Medical Services and Trauma Care Systems	
16	Trust Account--State Appropriation	((\$9,200,000))
17		<u>\$16,300,000</u>
18	Health Services Account--State Appropriation	((\$1,104,119,000))
19		<u>\$723,784,000</u>
20	TOTAL APPROPRIATION	((\$7,151,576,000))
21		<u>\$6,535,034,000</u>

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

24 (1) The department shall increase its efforts to restrain the
25 growth of health care costs. The appropriations in this section
26 anticipate that the department implements a combination of cost
27 containment and utilization strategies sufficient to reduce general
28 fund--state costs by approximately 3 percent below the level projected
29 for the 2001-03 biennium in the March 2001 forecast. The department
30 shall report to the fiscal committees of the legislature by October 1,
31 2001, on its specific plans and semiannual targets for accomplishing
32 these savings. The department shall report again to the fiscal
33 committees by March 1, 2002, and by September 1, 2002, on actual
34 performance relative to the semiannual targets. If satisfactory
35 progress is not being made to achieve the targeted savings, the reports
36 shall include recommendations for additional or alternative measures to
37 control costs.

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

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

8 (4) \$502,000 of the health services account appropriation, \$400,000
9 of the general fund--private/local appropriation, and \$1,676,000 of the
10 general fund--federal appropriation are provided solely for
11 implementation of Second Substitute House Bill No. 1058 (breast and
12 cervical cancer treatment). If the bill is not enacted by June 30,
13 2001, or if private funding is not contributed equivalent to the
14 general fund--private/local appropriation, the funds appropriated in
15 this subsection shall lapse.

16 (5) \$620,000 of the health services account appropriation for
17 fiscal year 2002, (~~(\$1,380,000)~~) \$337,000 of the health services
18 account appropriation for fiscal year 2003, and (~~(\$2,000,000)~~) \$960,000
19 of the general fund--federal appropriation are provided solely for
20 implementation of a "ticket to work" medicaid buy-in program for
21 working persons with disabilities, operated in accordance with the
22 following conditions:

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

25 (b) Participants shall participate in the cost of the program by
26 paying (i) a monthly enrollment fee equal to fifty percent of any
27 unearned income in excess of the medicaid medically needy standard; and
28 (ii) a monthly premium equal to 5 percent of all unearned income, plus
29 5 percent of all earned income after disregarding the first sixty-five
30 dollars of monthly earnings, and half the remainder;

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

34 (d) The department may require point-of-service copayments as
35 appropriate, except that copayments shall not be so high as to
36 discourage appropriate service utilization, particularly of
37 prescription drugs needed for the treatment of psychiatric conditions;
38 and

1 (e) The department shall establish systems for tracking and
2 reporting enrollment and expenditures in this program, and the prior
3 medical assistance eligibility status of new program enrollees. The
4 department shall additionally survey the prior and current employment
5 status and approximate hours worked of program enrollees, and report
6 the results to the fiscal and health care committees of the legislature
7 by January 15, 2003.

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

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

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

25 (9) \$80,000 of the general fund--state appropriation for fiscal
26 year 2002, \$80,000 of the general fund--state appropriation for fiscal
27 year 2003, and \$160,000 of the general fund--federal appropriation are
28 provided solely for the newborn referral program to provide access and
29 outreach to reduce infant mortality.

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

36 (11) In accordance with RCW 74.46.625, (~~(\$523,600,000)~~)
37 \$197,189,000 of the health services account appropriation and
38 (~~(\$530,585,000)~~) \$198,447,000 of the general fund--federal

1 appropriation are provided solely for supplemental payments to nursing
2 homes operated by rural public hospital districts. The payments shall
3 be conditioned upon (a) a contractual commitment by the association of
4 public hospital districts and participating rural public hospital
5 districts to make an intergovernmental transfer to the state treasurer,
6 for deposit into the health services account, equal to at least ((98))
7 95 percent of the supplemental payments; and (b) a contractual
8 commitment by the participating districts to not allow expenditures
9 covered by the supplemental payments to be used for medicaid nursing
10 home rate-setting. The participating districts shall retain no more
11 than a total of \$20,000,000 for the 2001-03 biennium. If the medicare
12 upper payment limit revenues referenced in this subsection are not
13 received in an amount or within a time frame sufficient to support
14 spending from the health services account, the governor shall take
15 actions in accordance with RCW 43.88.110(8).

16 (12) (~~(\$38,766,000)~~) \$40,071,000 of the health services account
17 appropriation (~~(for fiscal year 2002, \$40,494,000 of the health~~
18 ~~services account appropriation for fiscal year 2003, and \$79,839,000)~~)
19 and \$40,452,000 of the general fund--federal appropriation are provided
20 solely for additional disproportionate share and medicare upper payment
21 limit payments to public hospital districts.

22 The payments shall be conditioned upon a contractual commitment by
23 the participating public hospital districts to make an
24 intergovernmental transfer to the health services account equal to at
25 least 91 percent of the additional payments. At least 28 percent of
26 the amounts retained by the participating hospital districts shall be
27 allocated to the state's teaching hospitals.

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

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

1 cooperation with the anticipated audit of the school districts'
2 matchable expenditures for this program and advise the appropriate
3 legislative fiscal committees of the findings.

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

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

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

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

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

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

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

3	General Fund--State Appropriation (FY 2002)	\$11,135,000
4	General Fund--State Appropriation (FY 2003)	(\$9,385,000)
5		<u>\$9,371,000</u>
6	General Fund--Federal Appropriation	(\$82,235,000)
7		<u>\$82,185,000</u>
8	General Fund--Private/Local Appropriation	\$360,000
9	TOTAL APPROPRIATION	(\$103,115,000)
10		<u>\$103,051,000</u>

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

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

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

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

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

24	General Fund--State Appropriation (FY 2002)	\$30,419,000
25	General Fund--State Appropriation (FY 2003)	(\$22,419,000)
26		<u>\$24,788,000</u>
27	General Fund--Federal Appropriation	(\$47,135,000)
28		<u>\$48,147,000</u>
29	General Fund--Private/Local Appropriation	\$810,000
30	TOTAL APPROPRIATION	(\$100,783,000)
31		<u>\$104,164,000</u>

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

34 (1) By November 1, 2001, the secretary shall report to the fiscal
35 committees of the legislature on the actions the secretary has taken,
36 or proposes to take, within current funding levels to resolve the
37 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 program
15 to place greater emphasis upon the prevention of future billing errors,
16 ensure billing and administrative errors are treated in a manner
17 distinct from allegations of fraud and abuse, and shall rename the
18 program. In keeping with this revised focus, the department shall also
19 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 fiscal
22 committees of the legislature results from the payment review program.
23 The report shall include actual costs recovered and estimated costs
24 avoided for fiscal year 2001 and the costs incurred by the department
25 to administer the program. The report shall document criteria and
26 methodology used for determining avoided costs. In addition, the
27 department shall seek input from health care providers and consumer
28 organizations on modifications to the program. The department shall
29 provide annual updates to the report to the fiscal committees of the
30 legislature by September 1st of each year for the preceding fiscal
31 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

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

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

7 **FOR THE STATE HEALTH CARE AUTHORITY**

8	General Fund--State Appropriation (FY 2002)	\$6,655,000
9	State Health Care Authority Administrative	
10	Account--State Appropriation	((\$20,032,000))
11		<u>\$20,215,000</u>
12	Health Services Account--State Appropriation	((\$538,828,000))
13		<u>\$503,733,000</u>
14	General Fund--Federal Appropriation	((\$4,240,000))
15		<u>\$3,496,000</u>
16	((Medical Aid Account--State Appropriation \$45,000))	
17	TOTAL APPROPRIATION	((\$569,800,000))
18		<u>\$534,099,000</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 health services account--state
23 appropriation for fiscal year 2003 are provided solely for health care
24 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 subsidized~~
30 ~~basic health plan of persons who, solely by reason of their immigration~~
31 ~~status, are not eligible for medicaid coverage of their nonemergent~~
32 ~~medical care needs. From July 2002 to October 2002, opportunities for~~
33 ~~subsidized coverage will be offered on a phased in basis to this group~~
34 ~~of persons. Any entity or organization may sponsor subsidized basic~~
35 ~~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
2 appropriation for fiscal year 2003 is provided solely to increase the
3 number of persons not eligible for medicaid receiving dental care from
4 nonprofit community clinics, and for interpreter services to support
5 dental and medical services for persons for whom interpreters are not
6 available from any other source.

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

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

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

35 **FOR THE HUMAN RIGHTS COMMISSION**

36	General Fund--State Appropriation (FY 2002)	\$2,688,000
37	General Fund--State Appropriation (FY 2003)	((2,619,000))

1		<u>\$2,483,000</u>
2	General Fund--Federal Appropriation	((\$1,544,000))
3		<u>\$1,794,000</u>
4	General Fund--Private/Local Appropriation	\$100,000
5	TOTAL APPROPRIATION	((\$6,951,000))
6		<u>\$7,065,000</u>

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

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

10	General Fund--State Appropriation (FY 2002)	\$5,577,000
11	General Fund--State Appropriation (FY 2003)	\$5,517,000
12	General Fund--Federal Appropriation	\$1,250,000
13	Public Safety and Education Account--State	
14	Appropriation	\$18,292,000
15	Public Safety and Education Account--Federal	
16	Appropriation	\$6,950,000
17	Public Safety and Education Account--Private/Local	
18	Appropriation	((\$5,373,000))
19		<u>\$4,200,000</u>
20	Asbestos Account--State Appropriation	\$688,000
21	Electrical License Account--State	
22	Appropriation	\$28,412,000
23	Farm Labor Revolving Account--Private/Local	
24	Appropriation	\$28,000
25	Worker and Community Right-to-Know Account--State	
26	Appropriation	\$2,281,000
27	Public Works Administration Account--State	
28	Appropriation	\$2,856,000
29	Accident Account--State Appropriation	\$184,219,000
30	Accident Account--Federal Appropriation	\$11,568,000
31	Medical Aid Account--State Appropriation	((\$183,666,000))
32		<u>\$178,666,000</u>
33	Medical Aid Account--Federal Appropriation	\$2,438,000
34	Plumbing Certificate Account--State	
35	Appropriation	\$1,111,000
36	Pressure Systems Safety Account--State	
37	Appropriation	\$2,525,000

1 TOTAL APPROPRIATION ((~~\$462,751,000~~))
2 \$456,578,000

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

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

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

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

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

30 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

31 (1) HEADQUARTERS

32 General Fund--State Appropriation (FY 2002) \$1,577,000
33 General Fund--State Appropriation (FY 2003) ((~~\$1,533,000~~))
34 \$1,540,000

35 Charitable, Educational, Penal, and Reformatory

36 Institutions Account--State

37 Appropriation \$7,000

1	TOTAL APPROPRIATION	((\$3,117,000))
2		<u>\$3,124,000</u>
3	(2) FIELD SERVICES	
4	General Fund--State Appropriation (FY 2002)	\$2,619,000
5	General Fund--State Appropriation (FY 2003)	((\$2,580,000))
6		<u>\$2,596,000</u>
7	General Fund--Federal Appropriation	\$310,000
8	General Fund--Private/Local Appropriation	\$1,663,000
9	TOTAL APPROPRIATION	((\$7,172,000))
10		<u>\$7,188,000</u>
11	(3) INSTITUTIONAL SERVICES	
12	General Fund--State Appropriation (FY 2002)	\$5,765,000
13	General Fund--State Appropriation (FY 2003)	((\$5,516,000))
14		<u>\$5,909,000</u>
15	General Fund--Federal Appropriation	((\$27,437,000))
16		<u>\$27,411,000</u>
17	General Fund--Private/Local Appropriation	((\$22,828,000))
18		<u>\$22,526,000</u>
19	TOTAL APPROPRIATION	((\$61,546,000))
20		<u>\$61,611,000</u>

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

23 (1) \$2,886,000 of the general fund--federal appropriation and
24 \$5,639,000 of the general fund--local appropriation are provided solely
25 for the department to acquire, establish, and operate a nursing
26 facility dedicated to serving men and women from Washington who have
27 served in the nation's armed forces.

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

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

1	Appropriation	\$2,809,000
2	Medical Test Site Licensure Account--State	
3	Appropriation	\$1,801,000
4	Youth Tobacco Prevention Account--State	
5	Appropriation	\$1,797,000
6	Tobacco Prevention and Control Account--State	
7	Appropriation	\$43,737,000
8	TOTAL APPROPRIATION	(\$653,217,000)
9		<u>\$649,483,000</u>

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

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

24 (2) \$339,000 of the general fund--state appropriation for fiscal
25 year 2002, \$157,000 of the general fund--state appropriation for fiscal
26 year 2003, and the salmon recovery account appropriation are provided
27 solely for technical assistance to local governments and special
28 districts on water conservation and reuse.

29 (3) \$1,675,000 of the general fund--state fiscal year 2002
30 appropriation and \$1,676,000 of the general fund--state fiscal year
31 2003 appropriation are provided solely for the implementation of the
32 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
33 DOH-03, and DOH-04.

34 (4) The department of health shall not initiate any services that
35 will require expenditure of state general fund moneys unless expressly
36 authorized in this act or other law. The department may seek, receive,
37 and spend, under RCW 43.79.260 through 43.79.282, federal moneys not
38 anticipated in this act as long as the federal funding does not require

1 expenditure of state moneys for the program in excess of amounts
2 anticipated in this act. If the department receives unanticipated
3 unrestricted federal moneys, those moneys shall be spent for services
4 authorized in this act or in any other legislation that provides
5 appropriation authority, and an equal amount of appropriated state
6 moneys shall lapse. Upon the lapsing of any moneys under this
7 subsection, the office of financial management shall notify the
8 legislative fiscal committees. As used in this subsection,
9 "unrestricted federal moneys" includes block grants and other funds
10 that federal law does not require to be spent on specifically defined
11 projects or matched on a formula basis by state funds.

12 (5) (~~(\$19,778,000)~~) \$14,718,000 of the health services account--
13 state appropriation is provided solely for the state's program of
14 universal access to essential childhood vaccines. The department shall
15 utilize all available federal funding before expenditure of these
16 funds.

17 (6) \$85,000 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 the implementation of
20 Substitute House Bill No. 1365 (infant and child products). If the
21 bill is not enacted by June 30, 2001, the amounts provided in this
22 subsection shall lapse.

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

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

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

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

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

20 **FOR THE DEPARTMENT OF CORRECTIONS.** The appropriations to the
21 department of corrections in this act shall be expended for the
22 programs and in the amounts specified herein. However, after May 1,
23 ((2002)) 2003, after approval by the director of financial management
24 and unless specifically prohibited by this act, the department may
25 transfer general fund--state appropriations for fiscal year ((2002))
26 2003 between programs. The director of financial management shall
27 notify the appropriate fiscal committees of the senate and house of
28 representatives in writing prior to approving any deviations from
29 appropriation levels.

30 (1) ADMINISTRATION AND SUPPORT SERVICES

31 General Fund--State Appropriation (FY 2002)	\$36,786,000
32 General Fund--State Appropriation (FY 2003)	((\$36,434,000))
33	<u>\$36,239,000</u>
34 Public Safety and Education Account--State	
35 Appropriation	\$1,576,000
36 Violence Reduction and Drug Enforcement	
37 Account Appropriation	\$3,254,000

1 TOTAL APPROPRIATION ((~~\$78,050,000~~))
 2 \$77,855,000

3 The appropriations in this subsection are subject to the following
 4 conditions and limitations: \$4,623,000 of the general fund--state
 5 appropriation for fiscal year 2002, \$4,623,000 of the general fund--
 6 state appropriation for fiscal year 2003, and \$3,254,000 of the
 7 violence reduction and drug enforcement account appropriation are
 8 provided solely for the replacement of the department's offender-based
 9 tracking system. This amount is conditioned on the department
 10 satisfying the requirements of section 902 of this act. The department
 11 shall prepare an assessment of the fiscal impact of any changes to the
 12 replacement project. The assessment shall:

- 13 (a) Include a description of any changes to the replacement
 14 project;
- 15 (b) Provide the estimated costs for each component in the 2001-03
 16 and subsequent biennia;
- 17 (c) Include a schedule that provides the time estimated to complete
 18 changes to each component of the replacement project; and
- 19 (d) Be provided to the office of financial management, the
 20 department of information services, the information services board, and
 21 the staff of the fiscal committees of the senate and the house of
 22 representatives no later than November 1, 2002.

23 (2) CORRECTIONAL OPERATIONS

24 General Fund--State Appropriation (FY 2002) \$404,390,000
 25 General Fund--State Appropriation (FY 2003) ((~~\$412,788,000~~))
 26 \$434,369,000
 27 General Fund--Federal Appropriation ((~~\$9,142,000~~))
 28 \$9,936,000
 29 Violence Reduction and Drug Enforcement Account--
 30 State Appropriation \$1,596,000
 31 Public Health Services Account Appropriation \$1,453,000
 32 TOTAL APPROPRIATION ((~~\$829,369,000~~))
 33 \$851,744,000

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

- 36 (a) The department may expend funds generated by contractual
 37 agreements entered into for mitigation of severe overcrowding in local

1 jails. Any funds generated in excess of actual costs shall be
2 deposited in the state general fund. Expenditures shall not exceed
3 revenue generated by such agreements and shall be treated as recovery
4 of costs.

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

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

13 (d) \$553,000 of the general fund--state appropriation for fiscal
14 year 2002 and \$956,000 of the general fund--state appropriation for
15 fiscal year 2003 are provided solely to increase payment rates for
16 contracted education providers, contracted chemical dependency
17 providers, and contracted work release facilities.

18 (e) During the 2001-03 biennium, when contracts are established or
19 renewed for offender pay phone and other telephone services provided to
20 inmates, the department shall select the contractor or contractors
21 primarily based on the following factors: (i) The lowest rate charged
22 to both the inmate and the person paying for the telephone call; and
23 (ii) the lowest commission rates paid to the department, while
24 providing reasonable compensation to cover the costs of the department
25 to provide the telephone services to inmates and provide sufficient
26 revenues for the activities funded from the institutional welfare
27 betterment account (~~as of January 1, 2000~~)).

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

36 (g) \$22,000 of the general fund--state appropriation for fiscal
37 year 2002 and \$76,000 of the general fund--state appropriation for
38 fiscal year 2003 are provided solely for the implementation of Second

1 Substitute Senate Bill No. 6151 (high risk sex offenders in the civil
2 commitment and criminal justice systems). If the bill is not enacted
3 by June 30, 2001, the amounts provided in this subsection shall lapse.

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

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

12 (3) COMMUNITY SUPERVISION

13	General Fund--State Appropriation (FY 2002)	\$68,097,000
14	General Fund--State Appropriation (FY 2003)	(\$75,720,000)
15		<u>\$77,964,000</u>
16	General Fund--Federal Appropriation	\$870,000
17	Public Safety and Education	
18	Account--State Appropriation	\$15,493,000
19	TOTAL APPROPRIATION	(\$160,180,000)
20		<u>\$162,424,000</u>

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

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

28 (b) \$75,000 of the general fund--state appropriation for fiscal
29 year 2002 and \$75,000 of the general fund--state appropriation for
30 fiscal year 2003 are provided solely for the department of corrections
31 to contract with the institute for public policy for responsibilities
32 assigned in chapter 196, Laws of 1999 (offender accountability act) and
33 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
34 sentencing).

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

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

7 (4) CORRECTIONAL INDUSTRIES

8 General Fund--State Appropriation (FY 2002)	\$631,000
9 General Fund--State Appropriation (FY 2003)	\$629,000
10 TOTAL APPROPRIATION	\$1,260,000

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

20 (5) INTERAGENCY PAYMENTS

21 General Fund--State Appropriation (FY 2002)	\$18,568,000
22 General Fund--State Appropriation (FY 2003)	\$18,569,000
23 TOTAL APPROPRIATION	\$37,137,000

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

26 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

27 General Fund--State Appropriation (FY 2002)	\$1,652,000
28 General Fund--State Appropriation (FY 2003)	((\$1,588,000))
29	<u>\$1,582,000</u>
30 General Fund--Federal Appropriation	((\$12,643,000))
31	<u>\$13,186,000</u>
32 General Fund--Private/Local Appropriation	\$80,000
33 TOTAL APPROPRIATION	((\$15,963,000))
34	<u>\$16,500,000</u>

35 The appropriations in this section are subject to the following
36 conditions and limitations: \$50,000 of the general fund--state

1 appropriation for fiscal year 2002 and \$50,000 of the general fund--
2 state appropriation for fiscal year 2003 are provided solely to
3 increase state assistance for a comprehensive program of training and
4 support services for persons who are both deaf and blind.

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

7 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

8	General Fund--Federal Appropriation	\$180,628,000
9	General Fund--Private/Local Appropriation	\$30,119,000
10	Unemployment Compensation Administration Account--	
11	Federal Appropriation	((\$194,167,000))
12		<u>\$194,011,000</u>
13	Administrative Contingency Account--State	
14	Appropriation	((\$15,514,000))
15		<u>\$13,914,000</u>
16	Employment Service Administrative Account--State	
17	Appropriation	((\$20,001,000))
18		<u>\$20,851,000</u>
19	TOTAL APPROPRIATION	((\$440,429,000))
20		<u>\$439,523,000</u>

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

23 (1) \$156,000 of the unemployment compensation administration
24 account is provided solely for the implementation of Substitute House
25 Bill No. 2355 (unemployment insurance). If the bill is not enacted by
26 June 30, 2002, the amount provided in this subsection shall lapse.

27 (2) ((~~Up to \$1,600,000~~)) \$850,000 of the ((~~administrative~~
28 ~~contingency account~~)) employment service administrative account--state
29 appropriation is provided solely for administrative costs related to
30 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.

(End of part)

PART III
NATURAL RESOURCES

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

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2002)	\$39,404,000
General Fund--State Appropriation (FY 2003)	(\$34,283,000)
	<u>\$34,225,000</u>
General Fund--Federal Appropriation	\$56,805,000
General Fund--Private/Local Appropriation	\$4,351,000
Special Grass Seed Burning Research Account--	
State Appropriation	\$14,000
Reclamation Revolving Account--State	
Appropriation	\$1,935,000
Flood Control Assistance Account--	
State Appropriation	\$4,098,000
State Emergency Water Projects Revolving Account--	
State Appropriation	\$878,000
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation	\$14,287,000
State Drought Preparedness Account--State	
Appropriation	\$2,575,000
Salmon Recovery Account--State Appropriation	\$250,000
State and Local Improvements Revolving Account	
(Water Supply Facilities)--State	
Appropriation	\$587,000
Water Quality Account--State Appropriation	\$22,985,000
Wood Stove Education and Enforcement Account--	
State Appropriation	\$353,000
Worker and Community Right-to-Know Account--	
State Appropriation	\$3,288,000
State Toxics Control Account--State	
Appropriation	\$70,001,000
State Toxics Control Account--Private/Local	
Appropriation	\$350,000

1	Local Toxics Control Account--State	
2	Appropriation	\$4,751,000
3	Water Quality Permit Account--State	
4	Appropriation	\$24,210,000
5	Underground Storage Tank Account--State	
6	Appropriation	\$2,682,000
7	Environmental Excellence Account--State	
8	Appropriation	\$504,000
9	Biosolids Permit Account--State Appropriation	\$764,000
10	Hazardous Waste Assistance Account--State	
11	Appropriation	\$4,308,000
12	Air Pollution Control Account--State	
13	Appropriation	\$1,366,000
14	Oil Spill Prevention Account--State	
15	Appropriation	\$7,921,000
16	Air Operating Permit Account--State	
17	Appropriation	\$3,608,000
18	Freshwater Aquatic Weeds Account--State	
19	Appropriation	\$1,898,000
20	Oil Spill Response Account--State	
21	Appropriation	\$7,078,000
22	Metals Mining Account--State Appropriation	\$5,000
23	Water Pollution Control Revolving Account--	
24	State Appropriation	((\$536,000))
25		<u>\$564,000</u>
26	Water Pollution Control Revolving Account--	
27	Federal Appropriation	\$2,802,000
28	TOTAL APPROPRIATION	((\$318,877,000))
29		<u>\$318,847,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1	Recreational Fisheries Enhancement Account--	
2	State Appropriation	\$3,354,000
3	Salmon Recovery Account--State Appropriation	\$1,612,000
4	Warm Water Game Fish Account--State	
5	Appropriation	\$2,567,000
6	Eastern Washington Pheasant Enhancement Account--	
7	State Appropriation	\$750,000
8	Wildlife Account--State Appropriation	(\$50,680,000)
9		<u>\$50,879,000</u>
10	Wildlife Account--Federal Appropriation	(\$38,182,000)
11		<u>\$29,656,000</u>
12	Wildlife Account--Private/Local	
13	Appropriation	(\$15,133,000)
14		<u>\$10,459,000</u>
15	Game Special Wildlife Account--State	
16	Appropriation	\$1,941,000
17	Game Special Wildlife Account--Federal	
18	Appropriation	\$9,591,000
19	Game Special Wildlife Account--Private/Local	
20	Appropriation	\$350,000
21	Environmental Excellence Account--State	
22	Appropriation	\$15,000
23	Regional Fisheries Salmonid Recovery Account--	
24	Federal Appropriation	\$1,750,000
25	Oil Spill Administration Account--State	
26	Appropriation	\$963,000
27	Oyster Reserve Land Account--State	
28	Appropriation	\$135,000
29	TOTAL APPROPRIATION	(\$285,995,000)
30		<u>\$286,439,000</u>

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

33 (1) \$1,682,000 of the general fund--state appropriation for fiscal
34 year 2002 and \$1,189,000 of the general fund--state appropriation for
35 fiscal year 2003 are provided solely for the implementation of the
36 Puget Sound work plan and agency action items DFW-01 through DFW-07.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

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

1	General Fund--Private/Local Appropriation	\$2,265,000
2	Forest Development Account--State	
3	Appropriation	\$50,088,000
4	Off Road Vehicle Account--State	
5	Appropriation	\$3,684,000
6	Surveys and Maps Account--State	
7	Appropriation	\$2,689,000
8	Aquatic Lands Enhancement Account--State	
9	Appropriation	\$3,923,000
10	Resources Management Cost Account--State	
11	Appropriation	\$79,156,000
12	Surface Mining Reclamation Account--State	
13	Appropriation	\$2,416,000
14	Salmon Recovery Account--State	
15	Appropriation	\$625,000
16	Water Quality Account--State Appropriation	\$2,900,000
17	Aquatic Land Dredged Material Disposal Site	
18	Account--State Appropriation	\$1,056,000
19	Natural Resource Conservation Areas Stewardship	
20	Account Appropriation	\$209,000
21	State Toxics Account--State Appropriation	\$1,865,000
22	Air Pollution Control Account--State	
23	Appropriation	\$629,000
24	Metals Mining Account--State Appropriation	\$64,000
25	Agricultural College Trust Management Account	
26	Appropriation	\$1,790,000
27	Derelict Vessel Removal Account--State	
28	Appropriation	(\$89,000)
29		<u>\$289,000</u>
30	TOTAL APPROPRIATION	(\$230,798,000)
31		<u>\$258,196,000</u>

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

34 (1) \$18,000 of the general fund--state appropriation for fiscal
35 year 2002, \$18,000 of the general fund--state appropriation for fiscal
36 year 2003, and \$998,000 of the aquatic lands enhancement account
37 appropriation are provided solely for the implementation of the Puget
38 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

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

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

12 (3) \$2,000,000 of the forest development account appropriation is
13 provided solely for road decommissioning, maintenance, and repair in
14 the Lake Whatcom watershed.

15 (4) \$543,000 of the forest fire protection assessment account
16 appropriation, \$22,000 of the forest development account appropriation,
17 and \$76,000 of the resource management cost account appropriation are
18 provided solely to implement chapter 279, Laws of 2001, Substitute
19 House Bill No. 2104, (modifying forest fire protection assessments).

20 (5) \$354,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$895,000 of the general fund--state appropriation for
22 fiscal year 2003 shall be transferred to the agricultural college trust
23 management account and are provided solely to manage approximately
24 70,700 acres of Washington State University's agricultural college
25 trust lands.

26 (6) \$4,000 of the general fund--state appropriation for fiscal year
27 2002 and \$4,000 of the general fund--state appropriation for fiscal
28 year 2003 are provided solely to compensate the forest board trust for
29 a portion of the lease to the Crescent television improvement district
30 consistent with RCW 79.12.055.

31 (7) \$828,000 of the surface mine reclamation account appropriation
32 is provided to implement Engrossed House Bill No. 1845 (surface mining
33 fees). If the bill is not enacted by June 30, 2001, the amount
34 provided in this subsection shall lapse.

35 (8) \$800,000 of the aquatic lands enhancement account appropriation
36 and \$200,000 of the resources management cost account appropriation are
37 provided solely to improve asset management on state-owned aquatic
38 lands. The department shall streamline the use authorization process

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

6 (9) \$246,000 of the resource management cost account appropriation
7 is provided to the department for continuing control of spruce budworm.

8 (10) \$100,000 of the aquatic lands enhancement account is provided
9 solely for the development and initial implementation of a statewide
10 management plan for marine reserves.

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

15 (12) \$7,216,000 of the general fund--state appropriation for fiscal
16 year 2002 and \$6,584,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for fire protection activities and
18 to implement provisions of the 1997 tridata fire program review.

19 (13) \$100,000 of the general fund--state appropriation for fiscal
20 year 2002, \$550,000 of the aquatic lands enhancement account--state
21 appropriation, and \$209,000 of the natural resources conservation areas
22 stewardship account--state appropriation are provided solely to the
23 department for planning, management, and stewardship of natural area
24 preserves and natural resources conservation areas.

25 (14) \$187,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$188,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely to the department for maintenance
28 and stewardship of public lands.

29 (15) \$100,000 of the general fund--state appropriation for fiscal
30 year 2002, \$100,000 of the general fund--state appropriation for fiscal
31 year 2003, and \$400,000 of the aquatic lands enhancement account
32 appropriation are provided solely for spartina control.

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

36 (17) The entire state toxics control account appropriation is
37 provided solely for the department to meet its settlement obligation

1 with the U.S. Environmental Protection Agency for the clean-up of the
2 Thea Foss Waterway.

3 ~~((+19+))~~ (18) \$250,000 of the resource management cost account--
4 state appropriation and \$250,000 of the forest development account--
5 state appropriation are deposited in the contract harvesting revolving
6 account--nonappropriated to implement Substitute Senate Bill No. 6257
7 (contract harvesting). If Substitute Senate Bill No. 6257 is not
8 enacted the deposit in this subsection shall not occur.

9 ~~((+20+))~~ (19) Within the amounts appropriated in this section, the
10 department shall review the current procedures used to mobilize
11 resources to fight forest fires under the state mobilization plan and
12 through the department of natural resources. The review must include
13 recommendations to ensure that the people closest to a fire are called
14 first, to allow private contractors to be mobilized under the state
15 mobilization plan, and to identify other efficiencies. The department
16 shall review recent studies regarding ways to improve forest fire
17 fighting in the state. The department shall consult with
18 representatives of private contractors, fire districts, municipal fire
19 departments, the state fire marshal, appropriate federal agencies, and
20 other interested groups in developing the recommendations. The
21 department shall report their findings and recommendations to the
22 appropriate committees of the legislature by January 1, 2003.

23 ~~((+21+))~~ (20) \$4,000,000 of the resource management cost account
24 appropriation is provided solely for the purposes of RCW 79.64.020 and
25 is contingent upon the establishment, management, and protection of the
26 following marine reserves: Tidelands and bedlands adjacent to Cherry
27 Point in Whatcom county; tidelands and bedlands surrounding Maury
28 Island in King county; tidelands, bedlands, harbor areas, and waterways
29 adjacent to the Puyallup River delta, within Commencement Bay in Pierce
30 county; tidelands and bedlands surrounding Cypress Island in Skagit
31 county; and tidelands and bedlands within Fidalgo Bay in Skagit county.

32 ~~((+22+))~~ (21) Within the amounts appropriated in this section, the
33 department shall update the Washington State University asset
34 diversification plan to diversify at least ten percent of the
35 commercial forest land base within ten years and report recommendations
36 for implementing the plan to the appropriate committees of the
37 legislature by December 1, 2002.

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

3 **FOR THE DEPARTMENT OF AGRICULTURE**

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

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

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

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

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

33 (4) \$75,000 of the general fund--state appropriation for fiscal
34 year 2002, \$75,000 of the general fund--state appropriation for fiscal
35 year 2003, and \$150,000 of the general fund--federal appropriation are
36 provided solely to the small farm and direct marketing program to
37 support small farms in complying with federal, state, and local

1 regulations, facilitating access to food processing centers, and
2 assisting with grant funding requests.

3 (5) \$700,000 of the general fund--federal appropriation and
4 \$700,000 of the general fund--private/local appropriation are provided
5 solely to implement chapter 324, Laws of 2001 (Substitute House Bill
6 No. 1891, marketing of agriculture).

7 (6) (~~(\$450,000)~~) \$242,000 of the state toxics control account--
8 state appropriation is provided solely for deposit in the agricultural
9 local nonappropriated account for the plant pest account to reimburse
10 county horticultural pest and disease boards for the costs of pest
11 control activities, including tree removal, conducted under their
12 existing authorities in chapters 15.08 and 15.09 RCW.

13 (7) The district manager for district two as defined in WAC 16-458-
14 075 shall transfer four hundred fifty thousand dollars from the fruit
15 and vegetable district fund to the plant pest account within the
16 agricultural local fund. The amount transferred must be derived from
17 fees collected for state inspections of tree fruits and shall be used
18 solely to reimburse county horticultural pest and disease boards in
19 district two for the cost of pest control activities, including tree
20 removal, conducted under their existing authority in chapters 15.08 and
21 15.09 RCW. The transfer of funds shall occur by July 1, 2001. On June
22 30, 2003, any unexpended portion of the four hundred fifty thousand
23 dollars shall be returned to the fruit and vegetable district fund.

(End of part)

PART IV
TRANSPORTATION

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

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2002)	\$5,366,000
General Fund--State Appropriation (FY 2003)	(\$5,300,000)
	<u>\$5,352,000</u>
Architects' License Account--State	
Appropriation	(\$684,000)
	<u>\$687,000</u>
Cemetery Account--State Appropriation	(\$200,000)
	<u>\$203,000</u>
Professional Engineers' Account--State	
Appropriation	(\$3,102,000)
	<u>\$3,116,000</u>
Real Estate Commission--State Appropriation	(\$6,837,000)
	<u>\$6,868,000</u>
Master License Account--State Appropriation	(\$8,278,000)
	<u>\$8,310,000</u>
Uniform Commercial Code Account--State	
Appropriation	(\$2,900,000)
	<u>\$2,915,000</u>
Real Estate Education Account--State	
Appropriation	\$276,000
Funeral Directors and Embalmers Account--State	
Appropriation	(\$459,000)
	<u>\$460,000</u>
Washington Real Estate Research Account	
Appropriation	\$307,000
Data Processing Revolving Account--State	
Appropriation	\$23,000
Derelict Vessel Removal Account--State	
Appropriation	\$86,000
TOTAL APPROPRIATION	(\$33,818,000)

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

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

FOR THE STATE PATROL

General Fund--State Appropriation (FY 2002)	\$21,567,000
General Fund--State Appropriation (FY 2003)	(\$7,933,000)
	<u>\$8,271,000</u>
General Fund--Federal Appropriation	(\$4,178,000)
	<u>\$4,818,000</u>
General Fund--Private/Local Appropriation	\$369,000
Death Investigations Account--State	
Appropriation	\$4,024,000
Public Safety and Education Account--State	
Appropriation	\$14,769,000
County Criminal Justice Assistance Account--State	
Appropriation	\$2,870,000
Municipal Criminal Justice Assistance Account--	
State Appropriation	\$1,367,000
Fire Service Trust Account--State	
Appropriation	\$125,000
Fire Service Training Account--State	
Appropriation	\$6,328,000
State Toxics Control Account--State	
Appropriation	\$461,000
Violence Reduction and Drug Enforcement Account--	

1	State Appropriation	\$274,000
2	Fingerprint Identification Account--State	
3	Appropriation	((\$5,316,000))
4		<u>\$6,028,000</u>
5	TOTAL APPROPRIATION	((\$69,581,000))
6		<u>\$71,271,000</u>

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

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

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

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

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

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

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

(End of part)

PART V
EDUCATION

Sec. 501. 2002 c 371 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2002)	\$12,302,000
General Fund--State Appropriation (FY 2003)	\$12,000,000
General Fund--Federal Appropriation	(\$53,760,000)
	<u>\$15,248,000</u>
TOTAL APPROPRIATION	(\$78,062,000)
	<u>\$39,550,000</u>

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

(a) \$11,385,000 of the general fund--state appropriation for fiscal year 2002 and \$11,101,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Of this amount, a maximum of \$350,000 is provided in each fiscal year for upgrading information systems including the general apportionment and student information systems.

(b) \$486,000 of the general fund--state appropriation for fiscal year 2002 and \$481,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities. Of the general fund--state appropriation, \$100,000 is provided solely for certificate of mastery development and validation.

(c) \$431,000 of the general fund--state appropriation for fiscal year 2002 and \$418,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the Washington professional educator standards board.

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

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

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

12 (a) HEALTH AND SAFETY

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

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

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

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

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

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

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

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

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

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

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

1 (vi) A maximum of \$6,048,000 of the general fund--state
2 appropriation for fiscal year 2002 is provided for a safety allocation
3 to districts subject to the following conditions and limitations:

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

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

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

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

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

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

1 general fund--state appropriation for fiscal year 2003, and \$400,000 of
2 the general fund--federal appropriation transferred from the department
3 of health are provided for a program that provides grants to school
4 districts for media campaigns promoting sexual abstinence and
5 addressing the importance of delaying sexual activity, pregnancy, and
6 childbearing until individuals are ready to nurture and support their
7 children. Grants to the school districts shall be for projects that
8 are substantially designed and produced by students. The grants shall
9 require a local private sector match equal to one-half of the state
10 grant, which may include in-kind contribution of technical or other
11 assistance from consultants or firms involved in public relations,
12 advertising, broadcasting, and graphics or video production or other
13 related fields.

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

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

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

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

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

33 (b) TECHNOLOGY

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

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

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

11 (c) GRANTS AND ALLOCATIONS

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

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

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

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

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

1 year 2002 is provided to help stabilize funding through distribution
2 among existing education centers that are currently funded by the state
3 at an amount less than \$50,000 a fiscal year.

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

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

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

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

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

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

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

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

1 increase the capacity of schools to provide advanced placement courses
2 to students.

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

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

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

15 FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT	
16 General Fund--State Appropriation (FY 2002)	\$3,786,124,000
17 General Fund--State Appropriation (FY 2003)	((\$3,711,897,000))
18	<u>\$3,719,663,000</u>
19 TOTAL APPROPRIATION	((\$7,498,021,000))
20	<u>\$7,505,787,000</u>

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

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

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

35 (a) On the basis of each 1,000 average annual full-time equivalent
36 enrollments, excluding full-time equivalent enrollment otherwise

1 recognized for certificated staff unit allocations under (c) through
2 (f) of this subsection:

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

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

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

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

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

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

1 on the district's actual grades K-4 certificated instructional staff
2 ratio achieved in that school year, or the statutory minimum ratio
3 established under RCW 28A.150.260(2)(b), if greater;

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

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

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

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

1 (A) Vocational education programs approved by the superintendent of
2 public instruction, a maximum of 0.92 certificated instructional staff
3 units and 0.08 certificated administrative staff units for each 19.5
4 full-time equivalent vocational students; and

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

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

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

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

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

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

35 (e) For specified enrollments in districts enrolling more than
36 twenty-five but not more than one hundred average annual full-time
37 equivalent students in grades K-8, and for small school plants within

1 any school district which enroll more than twenty-five average annual
2 full-time equivalent students in grades K-8 and have been judged to be
3 remote and necessary by the state board of education:

4 (i) For enrollment of up to sixty annual average full-time
5 equivalent students in grades K-6, 2.76 certificated instructional
6 staff units and 0.24 certificated administrative staff units; and

7 (ii) For enrollment of up to twenty annual average full-time
8 equivalent students in grades 7 and 8, 0.92 certificated instructional
9 staff units and 0.08 certificated administrative staff units;

10 (f) For districts operating no more than two high schools with
11 enrollments of less than three hundred average annual full-time
12 equivalent students, for enrollment in grades 9-12 in each such school,
13 other than alternative schools:

14 (i) For remote and necessary schools enrolling students in any
15 grades 9-12 but no more than twenty-five average annual full-time
16 equivalent students in grades K-12, four and one-half certificated
17 instructional staff units and one-quarter of a certificated
18 administrative staff unit;

19 (ii) For all other small high schools under this subsection, nine
20 certificated instructional staff units and one-half of a certificated
21 administrative staff unit for the first sixty average annual full time
22 equivalent students, and additional staff units based on a ratio of
23 0.8732 certificated instructional staff units and 0.1268 certificated
24 administrative staff units per each additional forty-three and one-half
25 average annual full time equivalent students.

26 Units calculated under (f)(ii) of this subsection shall be reduced
27 by certificated staff units at the rate of forty-six certificated
28 instructional staff units and four certificated administrative staff
29 units per thousand vocational full-time equivalent students;

30 (g) For each nonhigh school district having an enrollment of more
31 than seventy annual average full-time equivalent students and less than
32 one hundred eighty students, operating a grades K-8 program or a grades
33 1-8 program, an additional one-half of a certificated instructional
34 staff unit; and

35 (h) For each nonhigh school district having an enrollment of more
36 than fifty annual average full-time equivalent students and less than
37 one hundred eighty students, operating a grades K-6 program or a grades

1 1-6 program, an additional one-half of a certificated instructional
2 staff unit.

3 (3) Allocations for classified salaries for the 2001-02 and 2002-03
4 school years shall be calculated using formula-generated classified
5 staff units determined as follows:

6 (a) For enrollments generating certificated staff unit allocations
7 under subsection (2)(d) through (h) of this section, one classified
8 staff unit for each three certificated staff units allocated under such
9 subsections;

10 (b) For all other enrollment in grades K-12, including vocational
11 full-time equivalent enrollments, one classified staff unit for each
12 sixty average annual full-time equivalent students; and

13 (c) For each nonhigh school district with an enrollment of more
14 than fifty annual average full-time equivalent students and less than
15 one hundred eighty students, an additional one-half of a classified
16 staff unit.

17 (4) Fringe benefit allocations shall be calculated at a rate of
18 10.76 percent in the 2001-02 school year and 9.57 percent in the 2002-
19 03 school year for certificated salary allocations provided under
20 subsection (2) of this section, and a rate of 12.73 percent in the
21 2001-02 school year and 12.36 percent in the 2002-03 school year for
22 classified salary allocations provided under subsection (3) of this
23 section.

24 (5) Insurance benefit allocations shall be calculated at the
25 maintenance rate specified in section 504(3) of this act, based on the
26 number of benefit units determined as follows:

27 (a) The number of certificated staff units determined in subsection
28 (2) of this section; and

29 (b) The number of classified staff units determined in subsection
30 (3) of this section multiplied by 1.152. This factor is intended to
31 adjust allocations so that, for the purposes of distributing insurance
32 benefits, full-time equivalent classified employees may be calculated
33 on the basis of 1440 hours of work per year, with no individual
34 employee counted as more than one full-time equivalent.

35 (6)(a) For nonemployee-related costs associated with each
36 certificated staff unit allocated under subsection (2)(a), (b), and (d)
37 through (h) of this section, there shall be provided a maximum of

1 \$8,519 per certificated staff unit in the 2001-02 school year and a
2 maximum of \$8,604 per certificated staff unit in the 2002-03 school
3 year.

4 (b) For nonemployee-related costs associated with each vocational
5 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
6 section, there shall be provided a maximum of \$20,920 per certificated
7 staff unit in the 2001-02 school year and a maximum of \$21,129 per
8 certificated staff unit in the 2002-03 school year.

9 (c) For nonemployee-related costs associated with each vocational
10 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
11 section, there shall be provided a maximum of \$16,233 per certificated
12 staff unit in the 2001-02 school year and a maximum of \$16,395 per
13 certificated staff unit in the 2002-03 school year.

14 (7) Allocations for substitute costs for classroom teachers shall
15 be distributed at a maintenance rate of \$494.34 for the 2001-02 and
16 2002-03 school years per allocated classroom teachers exclusive of
17 salary increase amounts provided in section 504 of this act. Solely
18 for the purposes of this subsection, allocated classroom teachers shall
19 be equal to the number of certificated instructional staff units
20 allocated under subsection (2) of this section, multiplied by the ratio
21 between the number of actual basic education certificated teachers and
22 the number of actual basic education certificated instructional staff
23 reported statewide for the prior school year.

24 (8) Any school district board of directors may petition the
25 superintendent of public instruction by submission of a resolution
26 adopted in a public meeting to reduce or delay any portion of its basic
27 education allocation for any school year. The superintendent of public
28 instruction shall approve such reduction or delay if it does not impair
29 the district's financial condition. Any delay shall not be for more
30 than two school years. Any reduction or delay shall have no impact on
31 levy authority pursuant to RCW 84.52.0531 and local effort assistance
32 pursuant to chapter 28A.500 RCW.

33 (9) The superintendent may distribute a maximum of \$6,424,000
34 outside the basic education formula during fiscal years 2002 and 2003
35 as follows:

36 (a) For fire protection for school districts located in a fire
37 protection district as now or hereafter established pursuant to chapter

1 52.04 RCW, a maximum of \$480,000 may be expended in fiscal year 2002
2 and a maximum of \$485,000 may be expended in fiscal year 2003;

3 (b) For summer vocational programs at skills centers, a maximum of
4 \$2,098,000 may be expended for the 2001-02 fiscal year and a maximum of
5 \$2,035,000 for the 2003 fiscal year;

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

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

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

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

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

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

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

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

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
4 **COMPENSATION ADJUSTMENTS**

5	General Fund--State Appropriation (FY 2002)	\$124,903,000
6	General Fund--State Appropriation (FY 2003)	(\$255,910,000)
7		<u>\$255,997,000</u>
8	General Fund--Federal Appropriation (FY 2003)	(\$191,000)
9		<u>\$257,000</u>
10	TOTAL APPROPRIATION	(\$381,004,000)
11		<u>\$381,157,000</u>

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

14 (1) A total of ~~(\$329,316,000)~~ \$329,457,000 is provided for a cost
15 of living adjustment for state formula staff units of 3.7 percent
16 effective September 1, 2001, and 3.6 percent effective on September 1,
17 2002, consistent with the provisions of chapter 4, Laws of 2001
18 (Initiative Measure No. 732). The appropriations include associated
19 incremental fringe benefit allocations at rates of 10.12 percent for
20 school year 2001-02 and 8.93 percent for school year 2002-03 for
21 certificated staff and 9.23 percent for school year 2001-02 and 8.86
22 for school year 2002-03 for classified staff.

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

37 (b) The appropriations in this section provide cost-of-living and

1 incremental fringe benefit allocations based on formula adjustments as
2 follows:

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

11 (2) This act appropriates general fund--state funds and other funds
12 for the purpose of providing the annual salary cost-of-living increase
13 required by section 2, chapter 4, Laws of 2001 (Initiative Measure No.
14 732) for teachers and other school district employees in the state-
15 funded salary base. For employees not included in the state-funded
16 salary base, the annual salary cost-of-living increase may be provided
17 by school districts from the federal funds appropriated in this act and
18 local revenues, including the adjusted levy base as provided in RCW
19 84.52.053 and section 502 of this act, and state discretionary funds
20 provided under this act.

21 (3) (~~(\$51,688,000)~~) \$51,700,000 is provided for adjustments to
22 insurance benefit allocations. The maintenance rate for insurance
23 benefit allocations is \$427.73 per month for the 2001-02 and 2002-03
24 school years. The appropriations in this section provide for a rate
25 increase to \$455.27 per month for the 2001-02 school year and \$457.07
26 per month for the 2002-03 school year at the following rates:

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

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

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

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

6 General Fund--State Appropriation (FY 2002)	\$192,402,000
7 General Fund--State Appropriation (FY 2003)	((\$193,293,000))
8	<u>\$209,831,000</u>
9 TOTAL APPROPRIATION	((\$385,695,000))
10	<u>\$402,233,000</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) A maximum of \$767,000 of this fiscal year 2002 appropriation
17 and a maximum of \$752,000 of the fiscal year 2003 appropriation may be
18 expended for regional transportation coordinators and related
19 activities. The transportation coordinators shall ensure that data
20 submitted by school districts for state transportation funding shall,
21 to the greatest extent practical, reflect the actual transportation
22 activity of each district.

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

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

1 on the number of enrolled students in grades kindergarten through five
2 living within one radius mile of their assigned school multiplied by
3 the per mile reimbursement rate for the school year multiplied by 1.29.

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

6 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
7 **PROGRAMS**

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

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

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

20 (2) \$100,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$100,000 of the 2003 fiscal year appropriation are
22 provided for summer food programs for children in low-income areas.

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

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
26 **PROGRAMS**

27	General Fund--State Appropriation (FY 2002)	\$420,165,000
28	General Fund--State Appropriation (FY 2003)	(\$408,761,000)
29		<u>\$408,933,000</u>
30	General Fund--Federal Appropriation	(\$256,407,000)
31		<u>\$295,188,000</u>
32	TOTAL APPROPRIATION	(\$1,085,333,000)
33		<u>\$1,124,286,000</u>

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

1 (1) Funding for special education programs is provided on an excess
2 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
3 that special education students as a class receive their full share of
4 the general apportionment allocation accruing through sections 502 and
5 504 of this act. To the extent a school district cannot provide an
6 appropriate education for special education students under chapter
7 28A.155 RCW through the general apportionment allocation, it shall
8 provide services through the special education excess cost allocation
9 funded in this section.

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

- 13 (i) Special education students are basic education students first;
- 14 (ii) As a class, special education students are entitled to the
15 full basic education allocation; and
- 16 (iii) Special education students are basic education students for
17 the entire school day.

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

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

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

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

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

1 (ii) A district's annual average full-time equivalent basic
2 education enrollment multiplied by the funded enrollment percent
3 determined pursuant to subsection (6)(b) of this section, multiplied by
4 the district's average basic education allocation per full-time
5 equivalent student multiplied by 0.9309.

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

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

12 (a) "Annual average full-time equivalent basic education
13 enrollment" means the resident enrollment including students enrolled
14 through choice (RCW 28A.225.225) and students from nonhigh districts
15 (RCW 28A.225.210) and excluding students residing in another district
16 enrolled as part of an interdistrict cooperative program (RCW
17 28A.225.250).

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

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

25 (ii) For the 2002-03 school year, each district's general fund--
26 state funded special education enrollment shall be the lesser of the
27 district's actual enrollment percent or 12.7 percent. Increases in
28 enrollment percent from 12.7 percent to 13.0 percent shall be funded
29 from the general fund--federal appropriation.

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

1 (8) Safety net funding shall be awarded by the state safety net
2 oversight committee subject to the following conditions and
3 limitations:

4 (a) A maximum of \$8,500,000 of the general fund--state
5 appropriation and a maximum of \$3,500,000 of the general fund--federal
6 appropriation for fiscal year 2002 are provided as safety net funding
7 for districts with demonstrated needs for state special education
8 funding beyond the amounts provided in subsection (5) of this section.

9 (b) The safety net oversight committee shall first consider the
10 needs of districts adversely affected by the 1995 change in the special
11 education funding formula. Awards shall be based on the lesser of the
12 amount required to maintain the 1994-95 state special education excess
13 cost allocation to the school district in aggregate or on a dollar per
14 funded student basis.

15 (c) The committee shall then consider unmet needs for districts
16 that can convincingly demonstrate that all legitimate expenditures for
17 special education exceed all available revenues from state funding
18 formulas. In the determination of need, the committee shall also
19 consider additional available revenues from federal and local sources.
20 Differences in program costs attributable to district philosophy,
21 service delivery choice, or accounting practices are not a legitimate
22 basis for safety net awards.

23 (d) The maximum allowable indirect cost for calculating safety net
24 eligibility may not exceed the federal restricted indirect cost rate
25 for the district plus one percent.

26 (e) Safety net awards shall be adjusted based on the percent of
27 potential medicaid eligible students billed as calculated by the
28 superintendent in accordance with chapter 318, Laws of 1999.

29 (f) Safety net awards must be adjusted for any audit findings or
30 exceptions related to special education funding.

31 (g) The superintendent may expend up to \$120,000 of the amounts
32 provided in this subsection (8) to provide staff assistance to the
33 committee in analyzing applications for safety net funds received by
34 the committee.

35 (9) For fiscal year 2003 to the extent necessary, \$12,873,000 of
36 the general fund--federal appropriation is provided for safety net
37 awards for districts with demonstrated needs for state special
38 education funding beyond the amounts provided in subsection (5) of this

1 section. If safety net awards exceed the amount appropriated in this
2 subsection (9), the superintendent shall expend all available federal
3 discretionary funds necessary to meet this need. Safety net funds
4 shall be awarded by the state safety net oversight committee subject to
5 the following conditions and limitations:

6 (a) The committee shall consider unmet needs for districts that can
7 convincingly demonstrate that all legitimate expenditures for special
8 education exceed all available revenues from state funding formulas.
9 In the determination of need, the committee shall also consider
10 additional available revenues from federal and local sources.
11 Differences in program costs attributable to district philosophy,
12 service delivery choice, or accounting practices are not a legitimate
13 basis for safety net awards.

14 (b) The committee shall then consider the extraordinary high cost
15 needs of one or more individual special education students.
16 Differences in costs attributable to district philosophy, service
17 delivery choice, or accounting practices are not a legitimate basis for
18 safety net awards.

19 (c) The maximum allowable indirect cost for calculating safety net
20 eligibility may not exceed the federal restricted indirect cost rate
21 for the district plus one percent.

22 (d) Safety net awards shall be adjusted based on the percent of
23 potential medicaid eligible students billed as calculated by the
24 superintendent in accordance with chapter 318, Laws of 1999.

25 (e) Safety net awards must be adjusted for any audit findings or
26 exceptions related to special education funding.

27 (f) The superintendent may expend up to \$120,000 of the amount
28 provided from the general fund--federal appropriation in this
29 subsection (9) to provide staff assistance to the committee in
30 analyzing applications for safety net funds received by the committee.

31 (10) The superintendent of public instruction may adopt such rules
32 and procedures as are necessary to administer the special education
33 funding and safety net award process. Prior to revising any standards,
34 procedures, or rules, the superintendent shall consult with the office
35 of financial management and the fiscal committees of the legislature.

36 (11) The safety net oversight committee appointed by the
37 superintendent of public instruction shall consist of:

1 (a) One staff from the office of superintendent of public
2 instruction;

3 (b) Staff of the office of the state auditor;

4 (c) Staff of the office of the financial management; and

5 (d) One or more representatives from school districts or
6 educational service districts knowledgeable of special education
7 programs and funding.

8 (12) To the extent necessary, in fiscal year 2002, \$2,250,000 of
9 the general fund--federal appropriation shall be expended for safety
10 net funding to meet the extraordinary needs of one or more individual
11 special education students. If safety net awards to meet the
12 extraordinary needs exceed \$2,250,000 of the general fund--federal
13 appropriation, the superintendent shall expend all available federal
14 discretionary funds necessary to meet this need. General fund--state
15 funds shall not be expended for this purpose.

16 (13) A maximum of \$678,000 may be expended from the general fund--
17 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
18 full-time equivalent aides at children's orthopedic hospital and
19 medical center. This amount is in lieu of money provided through the
20 home and hospital allocation and the special education program.

21 (14) \$1,000,000 of the general fund--federal appropriation is
22 provided for projects to provide special education students with
23 appropriate job and independent living skills, including work
24 experience where possible, to facilitate their successful transition
25 out of the public school system. The funds provided by this subsection
26 shall be from federal discretionary grants.

27 (15) The superintendent shall maintain the percentage of federal
28 flow-through to school districts at 85 percent for the 2001-02 school
29 year. For the 2002-03 school year, the superintendent shall allocate
30 the federal funds as specified in this section and shall adjust federal
31 flow-through funds accordingly. In addition to other purposes, school
32 districts may use increased federal funds for high-cost students, for
33 purchasing regional special education services from educational service
34 districts, and for staff development activities particularly relating
35 to inclusion issues.

36 (16) A maximum of \$1,200,000 of the general fund--federal
37 appropriation may be expended by the superintendent for projects
38 related to use of inclusion strategies by school districts for

1 provision of special education services. The superintendent shall
2 prepare an information database on laws, best practices, examples of
3 programs, and recommended resources. The information may be
4 disseminated in a variety of ways, including workshops and other staff
5 development activities.

6 (17) A school district may carry over from one year to the next
7 year up to 10 percent of general fund--state funds allocated under this
8 program; however, carry over funds shall be expended in the special
9 education program.

10 (18) The superintendent of public instruction shall implement the
11 recommendations of the joint legislative audit and review committee
12 study on special education (report 01-11) only to the extent that funds
13 have been specifically provided therefor.

14 **Sec. 507.** 2002 c 371 s 507 (uncodified) is amended to read as
15 follows:

16 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY**
17 **EDUCATION PROGRAMS**

18	General Fund--State Appropriation (FY 2002)	\$3,765,000
19	General Fund--State Appropriation (FY 2003)	((\$512,000))
20		<u>\$613,000</u>
21	((Public Safety and Education Account	
22	Appropriation	\$6,567,000))
23	TOTAL APPROPRIATION	((\$10,844,000))
24		<u>\$4,378,000</u>

25 ((~~1~~)) The general fund--state appropriations in this section are
26 subject to the following conditions and limitations:

27 ((~~a~~)) (1) The appropriations include such funds as are necessary
28 to complete the school year ending in each fiscal year and for prior
29 fiscal year adjustments.

30 ((~~b~~)) (2) A maximum of \$253,000 of the fiscal year 2002 general
31 fund appropriation may be expended for regional traffic safety
32 education coordinators.

33 ((~~c~~)) (3) Allocations to provide tuition assistance for students
34 eligible for free and reduced price lunch who complete the program
35 shall be a maximum of \$203.97 per eligible student in the 2001-02
36 school year.

1 ((2) The public safety and education account appropriation in this
2 section is subject to the following conditions and limitations:

3 (a) The public safety and education account appropriation shall
4 lapse if House Bill No. 2573 (traffic safety education) is not enacted
5 by June 30, 2002.

6 (b) If House Bill No. 2573 is enacted by June 30, 2002, districts
7 shall receive the following allocations:

8 (i) The maximum basic state allocation per student completing the
9 program shall be \$148.00 in the 2002-03 school year.

10 (ii) Additional allocations to provide tuition assistance for
11 students eligible for free and reduced price lunch who complete the
12 program shall be a maximum of \$71.00 per eligible student in the 2002-
13 03 school year.

14 (c) A maximum of \$254,000 may be expended for regional traffic
15 safety education coordinators.))

16 **Sec. 508.** 2002 c 371 s 509 (uncodified) is amended to read as
17 follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
19 **ASSISTANCE**

20	General Fund--State Appropriation (FY 2002)	\$140,932,000
21	General Fund--State Appropriation (FY 2003)	((\$154,931,000))
22		<u>\$155,788,000</u>
23	TOTAL APPROPRIATION	((\$295,863,000))
24		<u>\$296,720,000</u>

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

27 Calendar year 2003 local effort assistance calculations under
28 chapter 28A.500 RCW shall be adjusted by multiplying allocations and
29 maximum eligibility for each district by 0.99 as authorized by House
30 Bill No. 3011.

31 **Sec. 509.** 2002 c 371 s 510 (uncodified) is amended to read as
32 follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
34 **EDUCATION PROGRAMS**

35	General Fund--State Appropriation (FY 2002)	\$19,073,000
36	General Fund--State Appropriation (FY 2003)	((\$18,658,000))

1		<u>\$17,986,000</u>
2	General Fund--Federal Appropriation	\$8,548,000
3	TOTAL APPROPRIATION	((\$46,279,000))
4		<u>\$45,607,000</u>

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

7 (1) Each general fund--state fiscal year appropriation includes
8 such funds as are necessary to complete the school year ending in the
9 fiscal year and for prior fiscal year adjustments.

10 (2) State funding provided under this section is based on salaries
11 and other expenditures for a 220-day school year. The superintendent
12 of public instruction shall monitor school district expenditure plans
13 for institutional education programs to ensure that districts plan for
14 a full-time summer program.

15 (3) State funding for each institutional education program shall be
16 based on the institution's annual average full-time equivalent student
17 enrollment. Staffing ratios for each category of institution shall
18 remain the same as those funded in the 1995-97 biennium.

19 (4) The funded staffing ratios for education programs for juveniles
20 age 18 or less in department of corrections facilities shall be the
21 same as those provided in the 1997-99 biennium.

22 (5) \$141,000 of the general fund--state appropriation for fiscal
23 year 2002 and ((~~\$139,000~~)) \$182,000 of the general fund--state
24 appropriation for fiscal year 2003 are provided solely to maintain at
25 least one certificated instructional staff and related support services
26 at an institution whenever the K-12 enrollment is not sufficient to
27 support one full-time equivalent certificated instructional staff to
28 furnish the educational program. The following types of institutions
29 are included: Residential programs under the department of social and
30 health services for developmentally disabled juveniles, programs for
31 juveniles under the department of corrections, and programs for
32 juveniles under the juvenile rehabilitation administration.

33 (6) Ten percent of the funds allocated for each institution may be
34 carried over from one year to the next.

35 **Sec. 510.** 2002 c 371 s 511 (uncodified) is amended to read as
36 follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
2 **CAPABLE STUDENTS**

3	General Fund--State Appropriation (FY 2002)	\$6,470,000
4	General Fund--State Appropriation (FY 2003)	((\$6,229,000))
5		<u>\$6,244,000</u>
6	TOTAL APPROPRIATION	((\$12,699,000))
7		<u>\$12,714,000</u>

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

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

13 (2) Allocations for school district programs for highly capable
14 students shall be distributed at a maximum rate of \$327.22 per funded
15 student for the 2001-02 school year and ((~~\$313.07~~)) \$313.11 per funded
16 student for the 2002-03 school year, exclusive of salary and benefit
17 adjustments pursuant to section 504 of this act. The number of funded
18 students shall be a maximum of two percent of each district's full-time
19 equivalent basic education enrollment.

20 (3) \$175,000 of the fiscal year 2002 appropriation and \$170,000 of
21 the fiscal year 2003 appropriation are provided for the centrum program
22 at Fort Worden state park.

23 (4) \$93,000 of the fiscal year 2002 appropriation and \$90,000 of
24 the fiscal year 2003 appropriation are provided for the Washington
25 imagination network and future problem-solving programs.

26 **Sec. 511.** 2002 c 371 s 512 (uncodified) is amended to read as
27 follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
29 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
30 **THE NO CHILD LEFT BEHIND ACT**

31	General Fund--Federal Appropriation	((\$201,737,000))
32		<u>\$199,660,000</u>

33 **Sec. 512.** 2002 c 371 s 513 (uncodified) is amended to read as
34 follows:

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**

1 **PROGRAMS**

2	General Fund--State Appropriation (FY 2002)	\$36,880,000
3	General Fund--State Appropriation (FY 2003)	(\$30,150,000)
4		<u>\$30,269,000</u>
5	General Fund--Federal Appropriation	\$60,571,000
6	TOTAL APPROPRIATION	(\$127,601,000)
7		<u>\$127,720,000</u>

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

10 (1) \$322,000 of the general fund--state appropriation for fiscal
11 year 2002 and \$312,000 of the general fund--state appropriation for
12 fiscal year 2003 are provided solely for the academic achievement and
13 accountability commission.

14 (2) \$12,209,000 of the general fund--state appropriation for fiscal
15 year 2002, \$8,872,000 of the general fund--state appropriation for
16 fiscal year 2003, and \$4,000,000 of the general fund--federal
17 appropriation are provided for development and implementation of the
18 Washington assessments of student learning. Up to \$689,000 of the
19 appropriation may be expended for data analysis and data management of
20 test results.

21 (3) \$1,095,000 of the fiscal year 2002 general fund--state
22 appropriation and \$548,000 of the fiscal year 2003 general fund--state
23 appropriation are provided solely for training of paraprofessional
24 classroom assistants and certificated staff who work with classroom
25 assistants as provided in RCW 28A.415.310.

26 (4) \$4,695,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$2,348,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely for mentor teacher assistance,
29 including state support activities, under RCW 28A.415.250 and
30 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
31 this subsection may be used each fiscal year to operate a mentor
32 academy to help districts provide effective training for peer mentors.
33 Funds for the teacher assistance program shall be allocated to school
34 districts based on the number of first year beginning teachers.

35 (a) A teacher assistance program is a program that provides to a
36 first year beginning teacher peer mentor services that include but are
37 not limited to:

1 (i) An orientation process and individualized assistance to help
2 beginning teachers who have been hired prior to the start of the school
3 year prepare for the start of a school year;

4 (ii) The assignment of a peer mentor whose responsibilities to the
5 beginning teacher include but are not limited to constructive feedback,
6 the modeling of instructional strategies, and frequent meetings and
7 other forms of contact;

8 (iii) The provision by peer mentors of strategies, training, and
9 guidance in critical areas such as classroom management, student
10 discipline, curriculum management, instructional skill, assessment,
11 communication skills, and professional conduct. A district may provide
12 these components through a variety of means including one-on-one
13 contact and workshops offered by peer mentors to groups, including
14 cohort groups, of beginning teachers;

15 (iv) The provision of release time, substitutes, mentor training in
16 observation techniques, and other measures for both peer mentors and
17 beginning teachers, to allow each an adequate amount of time to observe
18 the other and to provide the classroom experience that each needs to
19 work together effectively;

20 (v) Assistance in the incorporation of the essential academic
21 learning requirements into instructional plans and in the development
22 of complex teaching strategies, including strategies to raise the
23 achievement of students with diverse learning styles and backgrounds;
24 and

25 (vi) Guidance and assistance in the development and implementation
26 of a professional growth plan. The plan shall include a professional
27 self-evaluation component and one or more informal performance
28 assessments. A peer mentor may not be involved in any evaluation under
29 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
30 assisted through this program.

31 (b) In addition to the services provided in (a) of this subsection,
32 an eligible peer mentor program shall include but is not limited to the
33 following components:

34 (i) Strong collaboration among the peer mentor, the beginning
35 teacher's principal, and the beginning teacher;

36 (ii) Stipends for peer mentors and, at the option of a district,
37 for beginning teachers. The stipends shall not be deemed compensation

1 for the purposes of salary lid compliance under RCW 28A.400.200 and are
2 not subject to the continuing contract provisions of Title 28A RCW; and

3 (iii) To the extent that resources are available for this purpose
4 and that assistance to beginning teachers is not adversely impacted,
5 the program may serve second year and more experienced teachers who
6 request the assistance of peer mentors.

7 (5) \$2,025,000 of the general fund--state appropriation for fiscal
8 year 2002 and \$1,964,000 of the general fund--state appropriation for
9 fiscal year 2003 are provided for improving technology infrastructure,
10 monitoring and reporting on school district technology development,
11 promoting standards for school district technology, promoting statewide
12 coordination and planning for technology development, and providing
13 regional educational technology support centers, including state
14 support activities, under chapter 28A.650 RCW. The superintendent of
15 public instruction shall coordinate a process to facilitate the
16 evaluation and provision of online curriculum courses to school
17 districts which includes the following: Creation of a general listing
18 of the types of available online curriculum courses; a survey conducted
19 by each regional educational technology support center of school
20 districts in its region regarding the types of online curriculum
21 courses desired by school districts; a process to evaluate and
22 recommend to school districts the best online courses in terms of
23 curriculum, student performance, and cost; and assistance to school
24 districts in procuring and providing the courses to students.

25 (6) \$3,600,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$3,600,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided for grants to school districts to provide
28 a continuum of care for children and families to help children become
29 ready to learn. Grant proposals from school districts shall contain
30 local plans designed collaboratively with community service providers.
31 If a continuum of care program exists in the area in which the school
32 district is located, the local plan shall provide for coordination with
33 existing programs to the greatest extent possible. Grant funds shall
34 be allocated pursuant to RCW 70.190.040.

35 (7) \$2,500,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$2,500,000 of the general fund--state appropriation for
37 fiscal year 2003 are provided solely for the meals for kids program
38 under RCW 28A.235.145 through 28A.235.155.

1 (8) \$1,409,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$705,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for the leadership internship
4 program for superintendents, principals, and program administrators.

5 (9) \$1,828,000 of the general fund--state appropriation for fiscal
6 year 2002 and \$1,773,000 of the general fund--state appropriation for
7 fiscal year 2003 are provided solely for the mathematics helping corps
8 subject to the following conditions and limitations:

9 (a) In order to increase the availability and quality of technical
10 mathematics assistance statewide, the superintendent of public
11 instruction shall employ mathematics school improvement specialists to
12 provide assistance to schools and districts. The specialists shall be
13 hired by and work under the direction of a statewide school improvement
14 coordinator. The mathematics improvement specialists shall serve on a
15 rotating basis from one to three years and shall not be permanent
16 employees of the superintendent of public instruction.

17 (b) The school improvement specialists shall provide the following:

18 (i) Assistance to schools to disaggregate student performance data
19 and develop improvement plans based on those data;

20 (ii) Consultation with schools and districts concerning their
21 performance on the Washington assessment of student learning and other
22 assessments emphasizing the performance on the mathematics assessments;

23 (iii) Consultation concerning curricula that aligns with the
24 essential academic learning requirements emphasizing the academic
25 learning requirements for mathematics, the Washington assessment of
26 student learning, and meets the needs of diverse learners;

27 (iv) Assistance in the identification and implementation of
28 research-based instructional practices in mathematics;

29 (v) Staff training that emphasizes effective instructional
30 strategies and classroom-based assessment for mathematics;

31 (vi) Assistance in developing and implementing family and community
32 involvement programs emphasizing mathematics; and

33 (vii) Other assistance to schools and school districts intended to
34 improve student mathematics learning.

35 (10) A maximum of \$500,000 of the general fund--state appropriation
36 for fiscal year 2002 and a maximum of \$485,000 of the general fund--
37 state appropriation for fiscal year 2003 are provided for summer
38 accountability institutes offered by the superintendent of public

1 instruction and the academic achievement and accountability commission.
2 The institutes shall provide school district staff with training in the
3 analysis of student assessment data, information regarding successful
4 district and school teaching models, research on curriculum and
5 instruction, and planning tools for districts to improve instruction in
6 reading, mathematics, language arts, and guidance and counseling.

7 (11) \$3,930,000 of the general fund--state appropriation for fiscal
8 year 2002 and \$3,714,000 of the general fund--state appropriation for
9 fiscal year 2003 are provided solely for the Washington reading corps
10 subject to the following conditions and limitations:

11 (a) Grants shall be allocated to schools and school districts to
12 implement proven, research-based mentoring and tutoring programs in
13 reading for low-performing students in grades K-6. If the grant is
14 made to a school district, the principals of schools enrolling targeted
15 students shall be consulted concerning design and implementation of the
16 program.

17 (b) The programs may be implemented before, after, or during the
18 regular school day, or on Saturdays, summer, intercessions, or other
19 vacation periods.

20 (c) Two or more schools may combine their Washington reading corps
21 programs.

22 (d) A program is eligible for a grant if it meets the following
23 conditions:

24 (i) The program employs methods of teaching and student learning
25 based on reliable reading/literacy research and effective practices;

26 (ii) The program design is comprehensive and includes instruction,
27 on-going student assessment, professional development,
28 parental/community involvement, and program management aligned with the
29 school's reading curriculum;

30 (iii) It provides quality professional development and training for
31 teachers, staff, and volunteer mentors and tutors;

32 (iv) It has measurable goals for student reading aligned with the
33 essential academic learning requirements; and

34 (v) It contains an evaluation component to determine the
35 effectiveness of the program.

36 (e) Funding priority shall be given to low-performing schools.

37 (f) Beginning and end-of-program testing data shall be available to
38 determine the effectiveness of funded programs and practices. Common

1 evaluative criteria across programs, such as grade-level improvements
2 shall be available for each reading corps program. The superintendent
3 of public instruction shall provide program evaluations to the governor
4 and the appropriate committees of the legislature. Administrative and
5 evaluation costs may be assessed from the annual appropriation for the
6 program.

7 (g) Grants provided under this section may be used by schools and
8 school districts for expenditures from September 2001 through August
9 31, 2003.

10 (12) \$375,000 of the general fund--state appropriation for fiscal
11 year 2002 and (~~(\$725,000)~~) \$844,000 of the general fund--state
12 appropriation for fiscal year 2003 are provided solely for salary
13 bonuses for teachers who attain certification by the national board for
14 professional teaching standards, subject to the following conditions
15 and limitations:

16 (a) Teachers who have attained certification by the national board
17 shall receive an annual bonus not to exceed \$3,500.

18 (b) The annual bonus shall be paid in a lump sum amount and shall
19 not be included in the definition of "earnable compensation" under RCW
20 41.32.010(10).

21 (c) It is the intent of the legislature that teachers achieving
22 certification by the national board of professional teaching standards
23 will receive no more than four annual bonus payments for attaining
24 certification by the national board.

25 (13) \$625,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$313,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided for a principal support program. The
28 office of the superintendent of public instruction may contract with an
29 independent organization to administer the program. The program shall
30 include: (a) Development of an individualized professional growth plan
31 for a new principal or principal candidate; and (b) participation of a
32 mentor principal who works over a period of between one and three years
33 with the new principal or principal candidate to help him or her build
34 the skills identified as critical to the success of the professional
35 growth plan.

36 (14) \$71,000 of the general fund--state appropriation for fiscal
37 year 2002 and \$71,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided solely for the second grade reading test.
2 The funds shall be expended for assessment training for new second
3 grade teachers and replacement of assessment materials.

4 (15) \$384,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$372,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided for the superintendent to assist schools
7 in implementing high academic standards, aligning curriculum with these
8 standards, and training teachers to use assessments to improve student
9 learning. Funds may also be used to increase community and parental
10 awareness of education reform.

11 (16) \$130,000 of the general fund--state appropriation for fiscal
12 year 2002 and \$126,000 of the general fund--state appropriation for
13 fiscal year 2003 are provided for the development and posting of web-
14 based instructional tools, assessment data, and other information that
15 assists schools and teachers implementing higher academic standards.

16 (17) \$1,000,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$1,746,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely to the office of the
19 superintendent of public instruction for focused assistance. The
20 office of the superintendent of public instruction shall conduct
21 educational audits of low-performing schools and enter into performance
22 agreements between school districts and the office to implement the
23 recommendations of the audit and the community. Of the amounts
24 provided, \$219,000 of the fiscal year 2002 appropriation and \$201,000
25 of the fiscal year 2003 appropriation are provided to the office of the
26 superintendent of public instruction for the administrative duties
27 arising under this subsection. Each educational audit shall include
28 recommendations for best practices and ways to address identified needs
29 and shall be presented to the community in a public meeting to seek
30 input on ways to implement the audit and its recommendations.

31 (18) \$100,000 of the general fund--state appropriation for fiscal
32 year 2002 is provided solely for grants to school districts to adopt or
33 revise district-wide and school-level plans to achieve performance
34 improvement goals established under RCW 28A.655.030, and to post a
35 summary of the improvement plans on district websites using a common
36 format provided by the office of the superintendent of public
37 instruction.

1 (19) \$100,000 of the general fund--state appropriation for fiscal
2 year 2002 is provided solely for recognition plaques for schools that
3 successfully met the fourth grade reading improvement goal established
4 under RCW 28A.655.050.

5 (20) \$46,554,000 of the general fund--federal appropriation is
6 provided for preparing, training, and recruiting high quality teachers
7 and principals under Title II of the no child left behind act.

8 (21) \$6,591,000 of the general fund--federal appropriation is
9 provided for the reading first program under Title I of the no child
10 left behind act.

11 (22) In addition to amounts provided in subsection (2) of this
12 section, \$3,426,000 of the general fund--federal appropriation is
13 provided for the development of state assessments as required under
14 Title VI of the no child left behind act.

15 **Sec. 513.** 2002 c 371 s 514 (uncodified) is amended to read as
16 follows:

17 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
18 **BILINGUAL PROGRAMS**

19	General Fund--State Appropriation (FY 2002)	\$42,767,000
20	General Fund--State Appropriation (FY 2003)	(\$44,734,000)
21		<u>\$44,083,000</u>
22	General Fund--Federal Appropriation (FY 2003)	(\$20,280,000)
23		<u>\$19,755,000</u>
24	TOTAL APPROPRIATION	(\$107,781,000)
25		<u>\$106,605,000</u>

26 (1) The general fund--state appropriations in this section are
27 subject to the following conditions and limitations:

28 (a) Each general fund fiscal year appropriation includes such funds
29 as are necessary to complete the school year ending in the fiscal year
30 and for prior fiscal year adjustments.

31 (b) The superintendent shall distribute a maximum of \$684.36 per
32 eligible bilingual student in the 2001-02 school year and \$674.69 in
33 the 2002-03 school year, exclusive of salary and benefit adjustments
34 provided in section 504 of this act.

35 (c) The superintendent may withhold up to \$295,000 in school year
36 2001-02 and up to \$700,000 in school year 2002-03, and adjust the per

1 eligible pupil rates in subsection (2) of this section accordingly, for
2 the central provision of assessments as provided in section 2(1) and
3 (2) of Engrossed Second Substitute House Bill No. 2025.

4 (d) \$70,000 of the amounts appropriated in this section are
5 provided solely to develop a system for the tracking of current and
6 former transitional bilingual program students.

7 (e) Sufficient funding is provided to implement Engrossed Second
8 Substitute House Bill No. 2025 (schools/bilingual instruction).

9 (2) The general fund--federal appropriation in this section is
10 provided for migrant education, English language acquisition, and
11 language enhancement grants under Title III of the no child left behind
12 act.

13 **Sec. 514.** 2002 c 371 s 515 (uncodified) is amended to read as
14 follows:

15 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
16 **ASSISTANCE PROGRAM**

17	General Fund--State Appropriation (FY 2002)	\$71,342,000
18	General Fund--State Appropriation (FY 2003)	(\$64,614,000)
19		<u>\$63,694,000</u>
20	General Fund--Federal Appropriation (FY 2003)	\$130,631,000
21	TOTAL APPROPRIATION	(\$266,587,000)
22		<u>\$265,667,000</u>

23 (1) The general fund--state appropriations in this section are
24 subject to the following conditions and limitations:

25 (a) Each general fund--state fiscal year appropriation includes
26 such funds as are necessary to complete the school year ending in the
27 fiscal year and for prior fiscal year adjustments.

28 (b) Funding for school district learning assistance programs shall
29 be allocated at maximum rates of \$407.39 per funded unit for the 2001-
30 02 school year and \$404.78 per funded unit for the 2002-03 school year
31 exclusive of salary and benefit adjustments provided under section 504
32 of this act.

33 (c) For purposes of this section, "test results" refers to the
34 district results from the norm-referenced test administered in the
35 specified grade level. The norm-referenced test results used for the
36 third and sixth grade calculations shall be consistent with the third
37 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

1 (d) A school district's general fund--state funded units for the
2 2001-02 school year shall be the sum of the following:

3 (i) The district's full-time equivalent enrollment in grades K-6,
4 multiplied by the 5-year average 4th grade lowest quartile test results
5 as adjusted for funding purposes in the school years prior to 1999-
6 2000, multiplied by 0.92. As the 3rd grade test becomes available, it
7 shall be phased into the 5-year average on a 1-year lag; and

8 (ii) The district's full-time equivalent enrollment in grades 7-9,
9 multiplied by the 5-year average 8th grade lowest quartile test results
10 as adjusted for funding purposes in the school years prior to 1999-
11 2000, multiplied by 0.92. As the 6th grade test becomes available, it
12 shall be phased into the 5-year average for these grades on a 1-year
13 lag; and

14 (iii) The district's full-time equivalent enrollment in grades 10-
15 11 multiplied by the 5-year average 11th grade lowest quartile test
16 results, multiplied by 0.92. As the 9th grade test becomes available,
17 it shall be phased into the 5-year average for these grades on a 1-year
18 lag; and

19 (iv) If, in the prior school year, the district's percentage of
20 October headcount enrollment in grades K-12 eligible for free and
21 reduced price lunch exceeded the state average, subtract the state
22 average percentage of students eligible for free and reduced price
23 lunch from the district's percentage and multiply the result by the
24 district's K-12 annual average full-time equivalent enrollment for the
25 current school year multiplied by 22.3 percent.

26 (e)(i) A school district's general fund--state funded units for the
27 2002-03 school year shall be the sum of the following:

28 (A) The district's full-time equivalent enrollment in grades K-6,
29 multiplied by the 5-year average 4th grade lowest quartile test results
30 as adjusted for funding purposes in the school years prior to 1999-
31 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
32 shall be phased into the 5-year average on a 1-year lag;

33 (B) The district's full-time equivalent enrollment in grades 7-9,
34 multiplied by the 5-year average 8th grade lowest quartile test results
35 as adjusted for funding purposes in the school years prior to 1999-
36 2000, multiplied by 0.82. As the 6th grade test becomes available, it
37 shall be phased into the 5-year average for these grades on a 1-year
38 lag; and

1 (C) The district's full-time equivalent enrollment in grades 10-11
2 multiplied by the 5-year average 11th grade lowest quartile test
3 results, multiplied by 0.82. As the 9th grade test becomes available,
4 it shall be phased into the 5-year average for these grades on a 1-year
5 lag; and

6 (D) If, in the prior school year, the district's percentage of
7 October headcount enrollment in grades K-12 eligible for free and
8 reduced price lunch exceeded the state average, subtract the state
9 average percentage of students eligible for free and reduced price
10 lunch from the district's percentage and multiply the result by the
11 district's K-12 annual average full-time equivalent enrollment for the
12 current school year multiplied by 22.3 percent.

13 (ii) In addition to amounts allocated under (a) of this subsection,
14 the superintendent shall provide additional amounts as follows:

15 (A) For school districts receiving less than a 3.0 percent increase
16 in federal Title I Part A (basic program) funds, the multiplier in
17 (i)(A), (B), and (C) of this subsection (e) shall be .92;

18 (B) For school districts not eligible for additional funds under
19 (b)(i) of this subsection, and whose effective increase in federal
20 Title I Part A (basic program) funds is less than 3.0 percent after
21 taking into account the change in the multiplier from .92 to .82, an
22 additional amount to provide a 3.0 percent increase.

23 (f) School districts may carry over from one year to the next up to
24 10 percent of general fund--state funds allocated under this program;
25 however, carryover funds shall be expended for the learning assistance
26 program.

27 (2) The general fund--federal appropriation in this section is
28 provided for Title I Part A allocations of the no child left behind act
29 of 2001.

30 **Sec. 515.** 2002 c 371 s 516 (uncodified) is amended to read as
31 follows:

32 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS**

33	General Fund--State Appropriation (FY 2002)	\$19,663,000
34	General Fund--State Appropriation (FY 2003)	(\$3,541,000)
35		<u>\$3,534,000</u>
36	TOTAL APPROPRIATION	(\$23,204,000)
37		<u>\$23,197,000</u>

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

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

6 (2) Funds are provided for local education program enhancements to
7 meet educational needs as identified by the school district, including
8 alternative education programs.

9 (3) Allocations for the 2001-02 school year shall be at a maximum
10 annual rate of \$18.48 per full-time equivalent student. Allocations
11 shall be made on the monthly apportionment payment schedule provided in
12 RCW 28A.510.250 and shall be based on school district annual average
13 full-time equivalent enrollment in grades kindergarten through twelve:
14 PROVIDED, That for school districts enrolling not more than one hundred
15 average annual full-time equivalent students, and for small school
16 plants within any school district designated as remote and necessary
17 schools, the allocations shall be as follows:

18 (a) Enrollment of not more than sixty average annual full-time
19 equivalent students in grades kindergarten through six shall generate
20 funding based on sixty full-time equivalent students;

21 (b) Enrollment of not more than twenty average annual full-time
22 equivalent students in grades seven and eight shall generate funding
23 based on twenty full-time equivalent students; and

24 (c) Enrollment of not more than sixty average annual full-time
25 equivalent students in grades nine through twelve shall generate
26 funding based on sixty full-time equivalent students.

27 (4) Funding provided pursuant to this section does not fall within
28 the definition of basic education for purposes of Article IX of the
29 state Constitution and the state's funding duty thereunder.

30 (5) The superintendent shall not allocate up to one-fourth of a
31 district's funds under this section if:

32 (a) The district is not maximizing federal matching funds for
33 medical services provided through special education programs, pursuant
34 to RCW 74.09.5241 through 74.09.5256 (Title XIX funding); or

35 (b) The district is not in compliance in filing truancy petitions
36 as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

1 **Sec. 516.** 2002 c 371 s 518 (uncodified) is amended to read as
2 follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
4 **PROGRAM**

5	Student Achievement Fund--State	
6	Appropriation (FY 2002)	\$180,837,000
7	Student Achievement Fund--State	
8	Appropriation (FY 2003)	(\$210,312,000)
9		<u>\$210,376,000</u>
10	TOTAL APPROPRIATION	(\$391,149,000)
11		<u>\$391,213,000</u>

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

14 (1) The appropriation is allocated for the following uses as
15 specified in chapter 28A.505 RCW as amended by chapter 3, Laws of 2001
16 (Initiative Measure No. 728):

17 (a) To reduce class size by hiring certificated elementary
18 classroom teachers in grades K-4 and paying nonemployee-related costs
19 associated with those new teachers;

20 (b) To make selected reductions in class size in grades 5-12, such
21 as small high school writing classes;

22 (c) To provide extended learning opportunities to improve student
23 academic achievement in grades K-12, including, but not limited to,
24 extended school year, extended school day, before-and-after-school
25 programs, special tutoring programs, weekend school programs, summer
26 school, and all-day kindergarten;

27 (d) To provide additional professional development for educators
28 including additional paid time for curriculum and lesson redesign and
29 alignment, training to ensure that instruction is aligned with state
30 standards and student needs, reimbursement for higher education costs
31 related to enhancing teaching skills and knowledge, and mentoring
32 programs to match teachers with skilled, master teachers. The funding
33 shall not be used for salary increases or additional compensation for
34 existing teaching duties, but may be used for extended year and extend
35 day teaching contracts;

36 (e) To provide early assistance for children who need
37 prekindergarten support in order to be successful in school; or

1 (f) To provide improvements or additions to school building
2 facilities which are directly related to the class size reductions and
3 extended learning opportunities under (a) through (c) of this
4 subsection.

5 (2) Funding for school district student achievement programs shall
6 be allocated at a maximum rate of \$190.19 per FTE student for the 2001-
7 02 school year and (~~(\$219.84)~~) \$220.00 per FTE student for the 2002-03
8 school year. For the purposes of this section and in accordance with
9 RCW 84.52.068, FTE student refers to the annual average full-time
10 equivalent enrollment of the school district in grades kindergarten
11 through twelve for the prior school year.

12 (3) The office of the superintendent of public instruction shall
13 distribute ten percent of the annual allocation to districts each month
14 for the months of September through June.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2002 c 371 s 604 (uncodified) is amended to read as follows:

FOR UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2002)	\$345,904,000
General Fund--State Appropriation (FY 2003)	(\$336,544,000)
	<u>\$333,770,000</u>
Death Investigations Account--State	
Appropriation	\$258,000
University of Washington Building Account--	
State Appropriation	\$1,103,000
Accident Account--State Appropriation	\$5,881,000
Medical Aid Account--State Appropriation	\$5,937,000
TOTAL APPROPRIATION	(\$695,627,000)
	<u>\$692,853,000</u>

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

(1) The university may reallocate 10 percent of newly budgeted enrollments to campuses other than as specified by the legislature in section 602 of this act in order to focus on high demand areas. The university shall report the details of these reallocations to the office of financial management and the fiscal and higher education committees of the legislature for monitoring purposes by the 10th day of the academic quarter that follows the reallocation actions. The report shall provide details of undergraduate and graduate enrollments at the main campus and each of the branch campuses.

(2) \$2,000,000 of the general fund--state appropriation for fiscal year 2002 and \$2,000,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to create a state resource for technology education in the form of an institute located at the University of Washington, Tacoma. It is the intent of the legislature that at least ninety-nine of the full-time equivalent enrollments allocated to the university's Tacoma branch campus for the 2002-03 academic year may be used to establish the technology institute. The

1 university will expand undergraduate and graduate degree programs
2 meeting regional technology needs including, but not limited to,
3 computing and software systems. As a condition of these
4 appropriations:

5 (a) The university will work with the state board for community and
6 technical colleges, or individual colleges where necessary, to
7 establish articulation agreements in addition to the existing associate
8 of arts and associate of science transfer degrees. Such agreements
9 shall improve the transferability of students and in particular,
10 students with substantial applied information technology credits.

11 (b) The university will establish performance measures for
12 recruiting, retaining and graduating students, including nontraditional
13 students, and report back to the governor and legislature by September
14 2002 as to its progress and future steps.

15 (3) \$150,000 of the general fund--state appropriation for fiscal
16 year 2002 and \$150,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for research faculty clusters in
18 the advanced technology initiative program.

19 (4) The department of environmental health shall report to the
20 legislature the historical, current, and anticipated use of funds
21 provided from the accident and medical aid accounts. The report shall
22 be submitted prior to the convening of the 2002 legislative session.

23 (5) \$258,000 of the death investigations account appropriation is
24 provided solely for the forensic pathologist fellowship program.

25 (6) \$150,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$150,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely for the implementation of the
28 Puget Sound work plan and agency action item UW-01.

29 (7) \$75,000 of the general fund--state appropriation for fiscal
30 year 2002 and \$75,000 of the general fund--state appropriation for
31 fiscal year 2003 are provided solely for the Olympic natural resource
32 center.

33 (8) \$50,000 of the general fund--state appropriations are provided
34 solely for the school of medicine to conduct a survey designed to
35 evaluate characteristics, factors and probable causes for the high
36 incidence of multiple sclerosis cases in Washington state.

37 (9) \$1,103,000 of the University of Washington building account--

1 state appropriation is provided solely for the repair and
2 reconstruction of the Urban Horticulture Center (Merrill Hall).

3 **Sec. 602.** 2002 c 371 s 605 (uncodified) is amended to read as
4 follows:

5 **FOR WASHINGTON STATE UNIVERSITY**

6	General Fund--State Appropriation (FY 2002)	\$201,362,000
7	General Fund--State Appropriation (FY 2003)	(\$195,533,000)
8		<u>\$193,807,000</u>
9	TOTAL APPROPRIATION	(\$396,895,000)
10		<u>\$395,169,000</u>

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

13 (1) The university may reallocate 10 percent of newly budgeted
14 enrollments to campuses other than specified by the legislature in
15 section 602 of this act in order to focus on high demand areas. The
16 university will report the details of these reallocations to the office
17 of financial management and the fiscal and higher education committees
18 of the legislature for monitoring purposes by the 10th day of the
19 academic quarter that follows the reallocation actions. The report
20 will provide details of undergraduate and graduate enrollments at the
21 main campus and each of the branch campuses.

22 (2) \$150,000 of the general fund--state appropriation for fiscal
23 year 2002 and \$150,000 of the general fund--state appropriation for
24 fiscal year 2003 are provided solely for research faculty clusters in
25 the advanced technology initiative program.

26 (3) \$165,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$166,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely for the implementation of the
29 Puget Sound work plan and agency action item WSU-01.

30 **Sec. 603.** 2002 c 371 s 606 (uncodified) is amended to read as
31 follows:

32 **FOR EASTERN WASHINGTON UNIVERSITY**

33	General Fund--State Appropriation (FY 2002)	\$45,517,000
34	General Fund--State Appropriation (FY 2003)	(\$44,174,000)
35		<u>\$43,724,000</u>
36	TOTAL APPROPRIATION	(\$89,691,000)

1 \$89,241,000

2 **Sec. 604.** 2002 c 371 s 607 (uncodified) is amended to read as
3 follows:

4 **FOR CENTRAL WASHINGTON UNIVERSITY**

General Fund--State Appropriation (FY 2002)	\$44,147,000
General Fund--State Appropriation (FY 2003)	(\$42,149,000)
	<u>\$41,425,000</u>
TOTAL APPROPRIATION	(\$86,296,000)
	<u>\$85,572,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations: \$700,000 of the general fund--state
12 appropriation for fiscal year 2002 is provided solely for the
13 development and implementation of the university's enrollment
14 stabilization recovery and growth plan. The university shall report
15 back to the fiscal committees of the legislature, the office of
16 financial management, and the higher education coordinating board at
17 the end of each fiscal year with details of its actions and progress.

18 **Sec. 605.** 2002 c 371 s 608 (uncodified) is amended to read as
19 follows:

20 **FOR THE EVERGREEN STATE COLLEGE**

General Fund--State Appropriation (FY 2002)	\$25,325,000
General Fund--State Appropriation (FY 2003)	(\$24,474,000)
	<u>\$24,188,000</u>
TOTAL APPROPRIATION	(\$49,799,000)
	<u>\$49,513,000</u>

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

28 (1) ~~((+2))~~ \$75,000 of the general fund--state appropriation for
29 fiscal year 2002 is provided solely for the institute for public policy
30 to complete studies of services described in section 202(1), chapter 1,
31 Laws of 2000 2nd sp. sess.

32 ~~((+3))~~ (2) \$11,000 of the general fund--state appropriation for
33 fiscal year 2002 and \$54,000 of the general fund--state appropriation
34 for fiscal year 2003 are provided solely for the institute for public
35 policy to conduct an outcome evaluation pursuant to Substitute Senate
36 Bill No. 5416 (drug-affected infants). The institute shall provide a

1 report to the fiscal, health, and human services committees of the
2 legislature by December 1, 2003. If the bill is not enacted by June
3 30, 2001, the amounts provided in this subsection shall be used to
4 evaluate outcomes across state health and social service pilot projects
5 and other national models involving women who have given birth to a
6 drug-affected infant, comparing gains in positive birth outcomes for
7 resources invested, in which case the institute's findings and
8 recommendations will be provided by November 15, 2002.

9 ~~((4))~~ (3) \$11,000 of the general fund--state appropriation for
10 fiscal year 2002 and \$33,000 of the general fund--state appropriation
11 for fiscal year 2003 are provided solely for the institute for public
12 policy to evaluate partnership grant programs for alternative teacher
13 certification pursuant to Engrossed Second Substitute Senate Bill No.
14 5695. An interim report shall be provided to the fiscal and education
15 committees of the legislature by December 1, 2002, and a final report
16 by December 1, 2004.

17 ~~((5))~~ (4) \$60,000 of the general fund--state appropriation for
18 fiscal year 2002 is provided solely for the institute for public policy
19 to examine options for revising the state's funding formula for the
20 learning assistance program to enhance accountability for school
21 performance in meeting education reform goals. The institute shall
22 submit its report to the appropriate legislative fiscal and policy
23 committees by June 30, 2002.

24 ~~((6))~~ (5) \$50,000 of the general fund--state appropriation for
25 fiscal year 2002 is provided solely for the institute for public policy
26 to study the prevalence and needs of families who are raising related
27 children. The study shall compare services and policies of Washington
28 state with other states that have a high rate of kinship care
29 placements in lieu of foster care placements. The study shall identify
30 possible changes in services and policies that are likely to increase
31 appropriate kinship care placements. A report shall be provided to the
32 fiscal and human services committees of the legislature by June 1,
33 2002.

34 ~~((7))~~ (6) \$35,000 of the general fund--state appropriation for
35 fiscal year 2002 and \$15,000 of the general fund--state appropriation
36 for fiscal year 2003 are provided solely for the institute for public
37 policy to examine various educational delivery models for providing
38 services and education for students through the Washington state school

1 for the deaf. The institute's report, in conjunction with the capacity
2 planning study from the joint legislative audit and review committee,
3 shall be submitted to the fiscal committees of the legislature by
4 September 30, 2002.

5 ~~((+8))~~ (7) \$30,000 of the general fund--state appropriation for
6 fiscal year 2002 is provided solely for the institute for public policy
7 to examine the structure, policies, and recent experience in states
8 where welfare recipients may attend college full-time as their required
9 TANF work activity. The institute will provide findings and recommend
10 how Washington could consider adding this feature in a targeted, cost-
11 neutral manner that would complement the present-day WorkFirst efforts
12 and caseload. The institute shall provide a report to the human
13 services, higher education, and fiscal committees of the legislature by
14 November 15, 2001.

15 ~~((+9))~~ (8) \$75,000 of the general fund--state appropriation for
16 fiscal year 2002 and \$75,000 of the general fund--state appropriation
17 for fiscal year 2003 are provided solely for the institute for public
18 policy to research and evaluate strategies for constraining the growth
19 in state health expenditures. Specific research topics, approaches,
20 and timelines shall be identified in consultation with the fiscal
21 committees of the legislature.

22 ~~((+10))~~ (9) \$100,000 of the general fund--state appropriation for
23 fiscal year 2002 is provided solely for the institute for public policy
24 to conduct a comprehensive review of the costs and benefits of existing
25 juvenile crime prevention and intervention programs. This evaluation
26 shall also consider what changes could result in more cost-effective
27 and efficient funding for juvenile crime prevention and intervention
28 programs presently supported with state funds. The institute for
29 public policy shall report its findings and recommendations to the
30 appropriate legislative fiscal and policy committees by October 1,
31 2002.

32 **Sec. 606.** 2002 c 371 s 609 (uncodified) is amended to read as
33 follows:

34 **FOR WESTERN WASHINGTON UNIVERSITY**

35	General Fund--State Appropriation (FY 2002)	\$59,732,000
36	General Fund--State Appropriation (FY 2003)	((58,418,000))
37		<u>\$57,968,000</u>

1 TOTAL APPROPRIATION ((~~\$118,150,000~~))
2 \$117,700,000

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

5 ((~~1~~)) \$753,000 of the general fund--state appropriation for
6 fiscal year 2002 and \$980,400 of the general fund--state appropriation
7 for fiscal year 2003 are provided solely for the operations of the
8 North Snohomish, Island, Skagit (NSIS) higher education consortium.

9 **Sec. 607.** 2002 c 371 s 610 (uncodified) is amended to read as
10 follows:

11 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
12 **ADMINISTRATION**

13 General Fund--State Appropriation (FY 2002) \$2,345,000
14 General Fund--State Appropriation (FY 2003) ((~~\$2,288,000~~))
15 \$2,259,000
16 General Fund--Federal Appropriation \$636,000
17 TOTAL APPROPRIATION ((~~\$5,269,000~~))
18 \$5,240,000

19 The appropriations in this section are provided to carry out the
20 policy coordination, planning, studies and administrative functions of
21 the board and are subject to the following conditions and limitations:

22 (1) \$150,000 of the general fund--state appropriation for fiscal
23 year 2002 and \$150,000 of the general fund--state appropriation for
24 fiscal year 2003 are provided solely to continue the teacher training
25 pilot program pursuant to chapter 177, Laws of 1999.

26 (2) \$105,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$245,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely to continue a demonstration
29 project to improve rural access to post-secondary education by bringing
30 distance learning technologies into Jefferson county.

31 **Sec. 608.** 2002 c 371 s 612 (uncodified) is amended to read as
32 follows:

33 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

34 General Fund--State Appropriation (FY 2002) \$1,762,000
35 General Fund--State Appropriation (FY 2003) ((~~\$1,633,000~~))
36 \$1,629,000

1 General Fund--Federal Appropriation \$44,987,000
 2 TOTAL APPROPRIATION (~~(\$48,382,000)~~)
 3 \$48,378,000

4 The appropriations in this section are subject to the following
 5 conditions and limitations: \$500,000 of the general fund--state
 6 appropriation for fiscal year 2002 and \$500,000 of the general fund--
 7 state appropriation for fiscal year 2003 are provided solely for the
 8 operations and development of the inland northwest technology education
 9 center (INTEC) as a regional resource and model for the rapid
 10 deployment of skilled workers trained in the latest technologies for
 11 Washington. The board shall serve as an advisor to and fiscal agent
 12 for INTEC, and will report back to the governor and legislature by
 13 September 2002 as to the progress and future steps for INTEC as this
 14 new public-private partnership evolves.

15 **Sec. 609.** 2002 c 371 s 616 (uncodified) is amended to read as
 16 follows:

17 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

18 General Fund--State Appropriation (FY 2002) \$2,899,000
 19 General Fund--State Appropriation (FY 2003) (~~(\$3,035,000)~~)
 20 \$2,952,000
 21 TOTAL APPROPRIATION (~~(\$5,934,000)~~)
 22 \$5,851,000

23 The appropriations in this section are subject to the following
 24 conditions and limitations: \$90,000 of the general fund--state
 25 appropriation for fiscal year 2002 and \$285,000 of the general fund--
 26 state appropriation for fiscal year 2003 are provided solely for
 27 activities related to the Lewis and Clark Bicentennial.

28 **Sec. 610.** 2002 c 371 s 617 (uncodified) is amended to read as
 29 follows:

30 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

31 General Fund--State Appropriation (FY 2002) \$1,674,000
 32 General Fund--State Appropriation (FY 2003) (~~(\$1,489,000)~~)
 33 \$1,447,000
 34 TOTAL APPROPRIATION (~~(\$3,163,000)~~)
 35 \$3,121,000

1 **Sec. 611.** 2002 c 371 s 619 (uncodified) is amended to read as
2 follows:

3 **FOR THE STATE SCHOOL FOR THE DEAF**

4	General Fund--State Appropriation (FY 2002)	\$7,395,000
5	General Fund--State Appropriation (FY 2003)	(\$7,751,000)
6		<u>\$7,698,000</u>
7	General Fund--Private/Local Appropriation	\$232,000
8	TOTAL APPROPRIATION	(\$15,378,000)
9		<u>\$15,325,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations: \$250,000 of the general fund--state
12 appropriation for fiscal year 2003 is provided solely for additional
13 staffing and other student safety measures at the school. The school
14 will hire six additional staff, increase staff communications and
15 accessibility, and implement a training program to enhance staff
16 members' abilities to work with at-risk youth.

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2002 c 371 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2002)	\$576,097,000
General Fund--State Appropriation (FY 2003)	((\$622,540,000))
	<u>\$582,500,000</u>
State Building Construction Account--State	
Appropriation	((\$7,999,000))
	<u>\$3,882,000</u>
<u>Debt-Limit General Fund Bond Retirement Account--</u>	
<u>State Appropriation</u>	<u>\$400,000</u>
Debt-Limit Reimbursable Bond Retire Account--	
State Appropriation	\$2,591,000
State Taxable Building Construction Account--	
State Appropriation	((\$496,000))
	<u>\$59,000</u>
TOTAL APPROPRIATION	((\$1,209,723,000))
	<u>\$1,165,529,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year ~~((2002))~~ 2003 shall be deposited in the debt-limit general fund bond retirement account by June 30, ~~((2002))~~ 2003.

Sec. 702. 2002 c 371 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund--State Appropriation (FY 2002)	\$24,542,000
General Fund--State Appropriation (FY 2003)	\$26,706,000

1	Capitol Historic District Construction	
2	Account--State Appropriation	((\$454,000))
3		<u>\$136,000</u>
4	Higher Education Construction Account--State	
5	Appropriation	((\$499,000))
6		<u>\$330,000</u>
7	State Higher Education Construction Account--	
8	State Appropriation	((\$50,000))
9		<u>\$33,000</u>
10	State Vehicle Parking Account--State	
11	Appropriation	((\$100,000))
12		<u>\$1,000</u>
13	Nondebt-Limit Reimbursable Bond Retirement Account--	
14	State Appropriation	((\$128,043,000))
15		<u>\$124,199,000</u>
16	TOTAL APPROPRIATION	((\$180,394,000))
17		<u>\$175,947,000</u>

18 The appropriations in this section are subject to the following
19 conditions and limitations: The general fund appropriation is for
20 deposit into the nondebt-limit general fund bond retirement account.

21 **Sec. 703.** 2002 c 371 s 704 (uncodified) is amended to read as
22 follows:

23 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
24 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

25	General Fund--State Appropriation (FY 2002)	\$567,000
26	General Fund--State Appropriation (FY 2003)	\$658,000
27	Higher Education Construction Account--State	
28	Appropriation	((\$77,000))
29		<u>\$54,000</u>
30	State Higher Education Construction Account--	
31	State Appropriation	((\$42,000))
32		<u>\$5,000</u>
33	State Building Construction Account--State	
34	Appropriation	((\$1,488,000))
35		<u>\$667,000</u>
36	State Vehicle Parking Account--State	
37	Appropriation	((\$10,000))

1		<u>\$1,000</u>
2	Capitol Historic District Construction	
3	Account--State Appropriation	((\$130,000))
4		<u>\$22,000</u>
5	State Taxable Building Construction Account--	
6	State Appropriation	((\$50,000))
7		<u>\$51,000</u>
8	TOTAL APPROPRIATION	((\$3,022,000))
9		<u>\$2,025,000</u>

10 **Sec. 704.** 2002 c 371 s 712 (uncodified) is amended to read as
11 follows:

12 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO**
13 **RETIREMENT SYSTEMS.** The appropriations in this section are subject to
14 the following conditions and limitations: The appropriations for the
15 law enforcement officers' and fire fighters' retirement system shall be
16 made on a monthly basis beginning July 1, 2001, consistent with chapter
17 41.45 RCW, and the appropriations for the judges and judicial
18 retirement systems shall be made on a quarterly basis consistent with
19 chapters 2.10 and 2.12 RCW.

20 (1) There is appropriated for state contributions to the law
21 enforcement officers' and fire fighters' retirement system:

22	General Fund--State Appropriation (FY 2002)	\$15,437,000
23	General Fund--State Appropriation (FY 2003)	((\$16,208,000))
24		<u>\$16,440,000</u>

25 The appropriations in this subsection are subject to the following
26 conditions and limitations: The appropriations include reductions to
27 reflect savings resulting from the implementation of state pension
28 contribution rates effective April 1, 2002, as provided in House Bill
29 No. 2782.

30 (2) There is appropriated for contributions to the judicial
31 retirement system:

32	General Fund--State Appropriation (FY 2002)	\$6,000,000
33	General Fund--State Appropriation (FY 2003)	\$6,000,000

34 (3) There is appropriated for contributions to the judges
35 retirement system:

36	General Fund--State Appropriation (FY 2002)	\$250,000
----	-------------------------------------------------------	-----------

1 General Fund--State Appropriation (FY 2003) \$250,000
2 TOTAL APPROPRIATION (~~(\$44,145,000)~~)
3 \$44,377,000

4 NEW SECTION. **Sec. 705.** A new section is added to 2001 2nd sp.s.
5 c 7 (uncodified) to read as follows:

6 **FOR THE LIABILITY ACCOUNT**

7 General Fund--State Appropriation (FY 2003) \$3,000,000

8 NEW SECTION. **Sec. 706.** A new section is added to 2001 2nd sp.s.
9 c 7 (uncodified) to read as follows:

10 **AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT, AND PERSONAL SERVICE**
11 **CONTRACTS.** The office of financial management shall uniformly reduce
12 allotments for all agencies for personal service contracts, equipment,
13 and travel by \$6,000,000 from 2001-03 biennial general fund
14 appropriations. \$5,000,000 of the general fund allotment reduction
15 shall be placed in unallotted status and remain unexpended. \$1,000,000
16 of the general fund allotment reduction is hereby appropriated to the
17 governor to be used on an emergency basis to allocate to state agencies
18 to fund critically necessary travel, equipment, and personal service
19 contracts that cannot be funded from an agency's existing expenditure
20 authority.

21 **Sec. 707.** 2002 c 371 s 719 (uncodified) is amended to read as
22 follows:

23 **INCENTIVE SAVINGS--FY 2003.** The sum of one hundred million
24 dollars or so much thereof as may be available on June 30, 2003, from
25 the total amount of unspent fiscal year 2003 state general fund
26 appropriations is appropriated for the purposes of RCW 43.79.460 in the
27 manner provided in this section.

28 (1) Of the total appropriated amount, one-half of that portion that
29 is attributable to incentive savings, not to exceed twenty-five million
30 dollars, is appropriated to the savings incentive account for the
31 purpose of improving the quality, efficiency, and effectiveness of
32 agency services, and credited to the agency that generated the savings.

33 (2) Of the total appropriated amount, any amount attributable to
34 unspent general fund--state appropriations in the state need grant
35 program, the state work study program, the Washington scholars program,

1 and the Washington award for vocational excellence program is
2 appropriated to the state financial aid account pursuant to Substitute
3 House Bill No. 2914 (state financial aid account).

4 (3) The remainder of the total amount, not to exceed seventy-five
5 million dollars, is appropriated to the education savings account.

6 (4) For purposes of this section, the total amount of unspent state
7 general fund appropriations does not include the appropriations made in
8 this section, amounts included in allotment reductions in sections 706,
9 707, 708, and 713 of this act and section 706 of this act, or any
10 amounts included in across-the-board allotment reductions under RCW
11 43.88.110.

12 **Sec. 708.** 2002 c 371 s 726 (uncodified) is amended to read as
13 follows:

14 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
15 be necessary, are appropriated from the general fund, unless otherwise
16 indicated, for relief of various individuals, firms, and corporations
17 for sundry claims. These appropriations are to be disbursed on
18 vouchers approved by the director of (~~general administration~~)
19 financial management, except as otherwise provided, as follows:

20 (1) Reimbursement of criminal defendants acquitted on the basis of
21 self-defense, pursuant to RCW 9A.16.110:

- 22 (a) Eythor Westman, claim number SCJ 02-01 \$7,000
- 23 (b) Stacey Julian, claim number SCJ 02-02 \$59,136
- 24 (c) Christopher Denney, claim number SCJ 02-03 \$11,598
- 25 (d) Onofre Vazquez, claim number SCJ 02-04 \$200
- 26 (e) William Voorhies, claim number SCJ 02-05 \$3,694
- 27 (f) Glenn Rowlison, claim number SCJ 02-06 \$14,395
- 28 (g) Frankie Doerr, claim number SCJ 02-07 \$9,100
- 29 (h) Ralph Howard, claim number SCJ 00-09 \$99,497
- 30 (i) Johnny Adams, claim number SCJ 01-17 \$11,916
- 31 (j) Shane Mathus, claim number SCJ 02-08 \$13,043
- 32 (k) Timothy Farnam, claim number SCJ 02-09 \$21,822
- 33 (l) Rebecca Williams, claim number SCJ 02-10 \$2,241
- 34 (m) Stewart Bailey, claim number SCJ 02-11 \$4,186
- 35 (n) Aaron Knaack, claim number SCJ 02-13 \$4,330
- 36 (o) Jacob Clark, claim number SCJ 02-14 \$11,613
- 37 (p) Victor Stanculescu, claim number SCJ 03-01 \$6,696

1	<u>(q) Darin Tidball, claim number SCJ 03-02</u>	<u>\$4,125</u>
2	<u>(r) Keith Dusky, claim number SCJ 03-03</u>	<u>\$2,065</u>
3	<u>(s) Carmen Cornell, claim number SCJ 03-04</u>	<u>\$8,128</u>
4	<u>(t) Wesley Roggenkamp, claim number SCJ 03-05</u>	<u>\$3,918</u>
5	<u>(u) Philip Athanas, claim number SCJ 03-06</u>	<u>\$5,810</u>
6	<u>(v) Thomas Tollifson, claim number SCJ 03-07</u>	<u>\$2,500</u>
7	(2) Payment from the state wildlife account for damage to crops by	
8	wildlife, pursuant to RCW 77.36.050:	
9	<u>(a) Ronald Palmer, claim number SCG 02-01</u>	<u>\$1,522</u>
10	<u>(b) Keith Morris, claim number SCG 02-02</u>	<u>\$1,315</u>
11	<u>(c) Edgar Roush, claim number SCG 02-03</u>	<u>\$1,459</u>
12	<u>(d) Kieth Nelson, claim number SCG 03-01</u>	<u>\$2,765</u>
13	<u>(e) Alton Haymaker, claim number SCG 03-02</u>	<u>\$40</u>
14	<u>(f) Circle S Landscape Supplies, SCG 03-04</u>	<u>\$12,944</u>
15	<u>(3) Payment from the state general fund for death benefit claims to</u>	
16	<u>the estate of an employee of any state agency or higher education</u>	
17	<u>institution not otherwise provided a death benefit through coverage</u>	
18	<u>under their enrolled retirement system, pursuant to section 715,</u>	
19	<u>chapter 7, Laws of 2001:</u>	
20	<u>(a) Ok Chin Erdman, claim number SCO 03-08</u>	<u>\$150,000</u>
21	<u>(b) Baardson Estate, claim number SCO 03-10</u>	<u>\$150,000</u>
22	<u>(c) Lori Coss, claim number SCO 03-22</u>	<u>\$150,000</u>
23	<u>(4) Payment from the general fund pursuant to RCW 27.44.040(1), Jan</u>	
24	<u>Deeds, claim number SCO 03-12</u>	<u>\$6,580.75</u>

25 NEW SECTION. Sec. 709. A new section is added to 2001 2nd sp.s.
26 c 7 (uncodified) to read as follows:

27 **FOR THE EMERGENCY MEDICAL SERVICES AND TRAUMA CARE SYSTEM TRUST**
28 **ACCOUNT**
29 General Fund--State Appropriation (FY 2003) \$5,600,000

30 The appropriation in this section is provided solely for deposit in
31 the emergency medical services and trauma care system trust account.

32 NEW SECTION. Sec. 710. A new section is added to 2001 2nd sp.s.
33 c 7 (uncodified) to read as follows:

34 **FOR THE HEALTH SERVICES ACCOUNT**
35 General Fund--State Appropriation (FY 2003) \$3,600,000

1 The appropriation in this section is provided solely for deposit in
2 the health services account.

3 **Sec. 711.** 2002 c 371 s 727 (uncodified) is amended to read as
4 follows:

5 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EMERGENCY FUND**

6	General Fund--State Appropriation (FY 2002)	\$850,000
7	General Fund--State Appropriation (FY 2003)	(\$8,010,000)
8		<u>\$9,010,000</u>
9	TOTAL APPROPRIATION	(\$8,860,000)
10		<u>\$9,860,000</u>

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

13 (1) The appropriations in this section are for the governor's
14 emergency fund for the critically necessary work of any agency.

15 (2) Up to \$5,298,000 of the fiscal year 2003 appropriation is
16 provided for costs associated with implementing House Bill No. 2926
17 (transferring the state library to the office of secretary of state.)

18 (3) \$1,000,000 of the general fund--state appropriation for fiscal
19 year 2003 is provided solely for assistance to state agencies that are
20 unable to effectively absorb the FTE reductions reflected in this 2003
21 supplemental appropriations act. Allocations to state agencies from
22 this appropriation shall be reported to the legislative fiscal
23 committees by the office of financial management within five days of
24 the allocation.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2002 c 371 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

For transfers in this section to the state general fund, pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased by the amount of the transfer. The increase shall occur in the fiscal year in which the transfer occurs.

Public Facilities Construction Loan and Grant Revolving Account: For transfer to the digital government revolving account on or before December 31, 2001 \$1,418,456

Financial Services Regulation Fund: To be transferred from the financial services regulation fund to the digital government revolving account during the period between July 1, 2001, and December 31, 2001 \$2,000,000

Local Toxics Control Account: For transfer to the state toxics control account. Transferred funds will be utilized for methamphetamine lab cleanup, to address areawide soil contamination problems, and clean up contaminated sites as part of the clean sites initiative \$6,000,000

State Toxics Control Account: For transfer to the water quality account for water quality related projects funded in the capital budget \$9,000,000

General Fund: For transfer to the flood control assistance account \$4,000,000

Water Quality Account: For transfer to the water pollution control account. Transfers

1 shall be made at intervals coinciding with
2 deposits of federal capitalization grant
3 money into the account. The amounts
4 transferred shall not exceed the match
5 required for each federal deposit \$12,564,487
6 Health Services Account: For transfer
7 to the water quality account \$6,447,500
8 State Treasurer's Service Account: For
9 transfer to the general fund on or
10 before June 30, 2003, an amount in excess
11 of the cash requirements of the state
12 treasurer's service account. Pursuant to
13 RCW 43.135.035(5), the state expenditure
14 limit shall be increased by \$4,000,000 in
15 fiscal year 2002 and by (~~\$8,393,000~~)
16 \$17,393,000 in fiscal year 2003 to reflect
17 this transfer (~~\$12,393,000~~)
18 \$21,393,000
19 Public Works Assistance Account: For
20 transfer to the drinking water
21 assistance account \$7,700,000
22 Tobacco Settlement Account: For transfer
23 to the health services account, in an
24 amount not to exceed the actual balance
25 of the tobacco settlement account \$256,700,000
26 General Fund: For transfer to the water quality
27 account \$60,821,172
28 Health Services Account: For
29 transfer to the state general fund
30 by June 30, 2002. Pursuant to RCW
31 43.135.035(5), the state expenditure
32 limit shall be increased in fiscal
33 year 2002 to reflect this transfer \$150,000,000
34 Multimodal Transportation Account: For
35 transfer to the state general fund
36 by June 30, 2002. Pursuant to RCW
37 43.135.035(5), the state expenditure
38 limit shall be increased in fiscal

1	year 2002 to reflect this transfer	\$70,000,000
2	Health Service Account: For transfer	
3	to the violence reduction and drug	
4	enforcement account	\$6,497,500
5	Gambling Revolving Account: For transfer	
6	to the state general fund,	\$2,000,000
7	for fiscal year 2002 and \$450,000 for	
8	fiscal year 2003	\$2,450,000
9	((Horticultural Districts Account: For transfer	
10	to the fruit and vegetable inspection	
11	account	\$11,075,000
12	Agricultural Local Account: For	
13	transfer to the fruit and vegetable	
14	inspection account	\$605,000))
15	Nisqually Earthquake Account: For transfer to	
16	the disaster response account for fire	
17	suppression and mobilization costs	\$32,802,000
18	Enhanced 911 Account: For transfer to	
19	the state general fund for fiscal	
20	year 2003	\$6,000,000
21	Clarke-McNary Fund: For transfer to the	
22	state general fund for fiscal year 2002	\$4,000,000
23	State Drought Preparedness Account: For	
24	transfer to the state general fund for	
25	fiscal year 2002	\$3,000,000
26	Financial Services Regulation Fund: For	
27	transfer to the state general fund,	
28	\$2,250,000 for fiscal year 2002 and	
29	\$357,000 for fiscal year 2003	\$2,607,000
30	Industrial Insurance Premium Refund Account:	
31	For transfer to the state general fund	
32	for fiscal year 2002	\$1,000,000
33	Liquor Control Board Construction and	
34	Maintenance Account: For transfer	
35	to the state general fund for fiscal	
36	year 2003	\$504,000
37	Liquor Revolving Account: For transfer	
38	to the state general fund for fiscal	

1	year 2003	\$2,059,000
2	Lottery Administrative Account: For transfer	
3	to the state general fund for fiscal	
4	year 2003	\$335,000
5	Emergency Medical Services and Trauma Care	
6	System Trust Account: For transfer	
7	to the state general fund for fiscal	
8	year 2002	\$6,000,000
9	Public Service Revolving Account: For transfer	
10	to the state general fund for fiscal	
11	year 2003	\$406,000
12	Local Leasehold Excise Tax Account: For transfer	
13	of interest to the state general fund by	
14	June 1, 2002, for fiscal year 2002	\$1,000,000
15	Insurance Commissioner's Regulatory Account:	
16	For transfer to the state general fund	
17	for fiscal year 2003	\$366,000
18	Health Services Account: For transfer to the	
19	tobacco prevention and control account	(\$21,980,000)
20	<u>\$18,920,000</u>
21	From the Emergency Reserve Fund: For transfer	
22	to the state general fund:	
23	On June 28, 2002	\$300,000,000
24	On June 28, 2003	\$25,000,000
25	Tobacco Securitization Trust Account: For	
26	transfer to the state general fund for	
27	fiscal year 2003	\$450,000,000

(End of part)

PART IX
CAPITAL EXPENDITURES

Sec. 901. 2002 c 238 s 202 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT

Local/Community Projects (2002-S-005): Job Creation and Infrastructure Projects

The following projects are eligible for funding:

Projects	Amount
Asia Pacific center	\$50,000
Benton county jail	\$2,000,000
Bremerton maritime park	\$500,000
Edmonds waterfront park	\$300,000
Grace Cole memorial park/Brookside creek	\$400,000
Kent station infrastructure improvements	\$900,000
Mill creek active use ball fields	\$1,000,000
Nathan Chapman trail	\$300,000
Penny creek/9th Avenue crossing	\$400,000
Port Angeles skills center/skills consortium	\$3,000,000
Puget Sound environmental learning center	\$2,000,000
Ridgefield wastewater treatment	\$585,000
Sammamish surface water treatment	\$1,500,000
Shoreline historical museum	\$28,000
Snohomish county children's museum	\$300,000
Soundview park/playground	\$200,000
Stewart heights pool project	\$500,000
Sundome seating expansion - Yakima	\$1,250,000
West central community center childcare project	\$500,000
William H. Factory small business incubator	\$250,000
((Yakima ballfields)) <u>For the transfer of property,</u>	
<u>commonly known as Larson park field No. 4 and</u>	
<u>Dunbar field, of the city of Yakima to the</u>	
<u>Yakima Valley Community College and for the</u>	
<u>creation of new ball fields by and for the</u>	

1	city of Yakima	\$1,250,000
2	TOTAL	\$17,213,000
3	Appropriation:	
4	State Building Construction Account--State	\$17,213,000
5	Prior Biennia (Expenditures)	\$0
6	Future Biennia (Projected Costs)	\$0
7	TOTAL	\$17,213,000

8 **Sec. 902.** 2001 2nd sp.s. c 8 s 158 (uncodified) is amended to read
9 as follows:

10 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

11 Legislative Buildings - O'Brien and Newhouse Building Improvements
12 (01-H-021)

13 Appropriation:

14	((Capitol Building Construction Account--State	\$1,000,000))
15	Thurston County Capital Facilities	
16	Account--State	(((\$1,000,000))
17		<u>\$2,000,000</u>
18	((Subtotal Appropriation	\$2,000,000))
19	Prior Biennia (Expenditures)	\$0
20	Future Biennia (Projected Costs)	\$0
21	TOTAL	\$2,000,000

22 **Sec. 903.** 2001 2nd sp.s. c 8 s 172 (uncodified) is amended to read
23 as follows:

24 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

25 Tumwater Office Building 1 (01-S-003)

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

28 (1) Planning funds are provided to lease/develop a state office
29 building of 150,000 to 200,000 square feet on state-owned property in
30 Tumwater according to the terms of the agreement with the Port of
31 Olympia when the property was acquired or within the preferred
32 development/leasing areas in Thurston county. The building shall be
33 constructed and financed so that agency occupancy costs will not exceed
34 comparable private market rental rates. The comparable general office

1 space rate shall be calculated based on the three latest Thurston
2 county leases of new space of at least 100,000 rentable square feet
3 adjusted for inflation as determined by the department of general
4 administration. The department of general administration shall
5 coordinate with potential state agency tenants whose current lease
6 expire near the time of occupancy so that buyout of current leases do
7 not add to state expense.

8 (2) The department shall finance this project using a financing
9 contract as authorized in section 907(2)(c), chapter 8, Laws of 2001
10 2nd sp. sess., with title passing to the state if all payments are made
11 as provided in the contract. Should the department choose to use a
12 financing contract that does not provide for the issuance of
13 certificates of participation, the financing contract shall be subject
14 to approval by the state finance committee as required by RCW
15 39.94.010. In approving a financing contract not providing for the use
16 of certificates of participation, the state finance committee should be
17 reasonably certain that the contract is excluded from the computation
18 of indebtedness, particularly that the contract is not backed by the
19 full faith and credit of the state and the legislature is expressly not
20 obligated to appropriate funds to make payments. For purposes of this
21 section, "financing contract" includes but is not limited to a
22 certificate of participation and tax exempt financing similar to that
23 authorized in RCW 47.79.140.

24 Appropriation:

25	State Building Construction Account--State	\$200,000
26	Prior Biennia (Expenditures)	\$0
27	Future Biennia (Projected Costs)	\$0
28	TOTAL	\$200,000

29 **Sec. 904.** 2002 c 238 s 109 (uncodified) is amended to read as
30 follows:

31 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

32 Legislative Building: Rehabilitation (01-1-008)

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

35 (1) The appropriations in this section are subject to the
36 conditions and limitations of sections 902 and 903 of this act.

1 (2) The department of general administration, in consultation with
2 the legislature, the governor, and the state capitol committee, shall
3 immediately begin planning and initiate an accelerated
4 design/construction schedule for the renovation of the state
5 legislative building as follows:

6 (a) No new permanent buildings shall be constructed, and the
7 department shall follow standards for historic preservation;

8 (b) The goal shall be to reoccupy the building in time for the 2005
9 legislative session;

10 (c) The department shall make temporary accommodations for the
11 displacement of legislators and legislative staff in the John L.
12 O'Brien building, the Pritchard building, the Cherberg building, and
13 the Newhouse building, and may use modular space. Decisions on the use
14 of space for the Pritchard building will be made by legislative
15 leadership by July 1, 2001, to make it available for use by the
16 legislature by April 1, 2002;

17 (d) The department shall temporarily move the state library from
18 the Pritchard building by October 1, 2001, and, if needed, the
19 department shall lease storage facilities in Thurston county for books
20 and other library assets;

21 (e) The department shall make temporary accommodations for other
22 tenants of the state legislative building as follows:

23 (i) The office of the insurance commissioner shall be temporarily
24 moved to leased space in Thurston county;

25 (ii) The office of the governor shall be moved to the Insurance
26 building;

27 (iii) The primary office of the code reviser and the lieutenant
28 governor shall be moved to a location on the west capitol campus; and

29 (iv) The other tenants, including the office of the state
30 treasurer, the office of the state auditor, and the office of the
31 secretary of state shall be moved to leased space in Thurston county;

32 (f) The state legislative building shall be completely vacated by
33 the office of the governor, the office of the secretary of state, the
34 office of treasurer, and the office of the state auditor by November 1,
35 2001, and by the legislature fourteen days after the end of the 2002
36 legislative session to make it available for renovation by the
37 contractor; and

1 (g) State contracts for the legislative building renovation,
2 Nisqually earthquake repair, and future earthquake mitigation shall
3 conform to all rules, regulations, and requirements of the federal
4 emergency management agency.

5 (3) The state capitol committee, in conjunction with a legislative
6 building renovation oversight committee consisting of two members from
7 both the house of representatives and senate, each appointed by
8 legislative leadership, shall periodically advise the department
9 regarding the rehabilitation, the receipt and use of private funds, and
10 other issues that may arise.

11 (4) The department shall report on the progress of accelerated
12 planning, design, and relocations related to the renovation of the
13 state legislative building to the legislature and the governor by July
14 15, 2001, and November 15, 2001, and shall consult with the legislature
15 and governor on major decisions including placement of the cafeteria
16 and exiting stairs in the legislative building by August 31, 2001.

17 (5) In the event of any conflicts between the conditions and
18 limitations in this section and section 3, chapter 123, Laws of 2001,
19 the conditions and limitations of this section shall apply.

20 ~~((6) \$154,000 of the capitol historic district construction
21 account appropriation is provided solely for the department of general
22 administration to contract for fund raising services for the
23 solicitation of charitable gifts, grants, or donations specifically for
24 the purpose of preservation and restoration of the state legislative
25 building and related educational exhibits and programs. By June 30,
26 2004, the amount provided by this subsection shall be reinvested to the
27 capitol historic district construction account from the proceeds of the
28 gifts, grants, and donations.))~~

29 Reappropriation:

30	Capitol Building Construction Account--State	\$2,000,000
31	Thurston County Capital Facilities	
32	Account--State	\$2,500,000
33	Subtotal Reappropriation	\$4,500,000

34 Appropriation:

35	Capitol Historic District Construction	
36	Account--State	\$81,681,000
37	Thurston County Capital Facilities	
38	Account--State	\$1,300,000

1	Subtotal Appropriation	\$82,981,000
2	Prior Biennia (Expenditures)	\$1,000,000
3	Future Biennia (Projected Costs)	\$2,300,000
4	TOTAL	\$90,781,000

5 **Sec. 905.** 2002 c 238 s 223 (uncodified) is amended to read as
6 follows:

7 **FOR WESTERN WASHINGTON UNIVERSITY**

8 Job Creation and Infrastructure Projects (03-1-001)

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

11 (1) The following projects are eligible for funding:

12	Project	Amount
13	Miller hall	\$1,650,000
14	Steam plant	\$1,000,000
15	Air quality	\$743,000
16	Utilities	\$501,000
17	Viking substation	\$103,000
18	Storm water detention	\$75,000
19	Old main restoration	\$582,000
20	Fire safety	\$435,000
21	<u>Parks hall fire damage</u>	<u>\$1,500,000</u>

22 (2) The university shall implement the eligible projects pursuant
23 to sections 225 through 227 of this act and shall prioritize these
24 projects to not exceed the amount appropriated in this section.

25 Appropriation:

26	Education Construction Account--State	\$3,000,000
27	<u>State Building Construction Account--State</u>	<u>\$1,500,000</u>
28	<u>Subtotal Appropriation</u>	<u>\$4,500,000</u>
29	Prior Biennia (Expenditures)	\$0
30	Future Biennia (Projected Costs)	\$0
31	TOTAL	((\$3,000,000))
32		<u>\$4,500,000</u>

33 **Sec. 906.** 2001 2nd sp.s. c 8 s 658 (uncodified) is amended to read
34 as follows:

1 **FOR WASHINGTON STATE UNIVERSITY**

2 WSU Pullman - Energy Plant - Heat: Renovation (02-1-501)

3 The appropriation in this section is subject to the following
4 conditions and limitations:

5 (1) The appropriation in this section is subject to the conditions
6 and limitations of sections 902 and 903 of this act.

7 (2)(a) Any agreement or contract for the modernization or
8 replacement of the existing steam generation plant currently located on
9 the Pullman campus must comply with chapter 39.35C RCW. Prior to
10 entering into an agreement or contract obligating itself on this
11 project, the university shall have the project reviewed by the
12 appropriate staff of the energy division of the department of
13 community, trade, and economic development and the department of
14 general administration, and shall consider any comments and suggestions
15 made by these departments. If the project involves a private energy
16 development firm, the following issues shall be considered in the
17 development and implementation of the project:

18 (i) Regional and local utility needs for power;

19 (ii) Cost and certainty of fuel supplies;

20 (iii) Value of electricity produced and options for sale of surplus
21 electricity;

22 (iv) The capability of the university to own and operate the
23 facility should the private party terminate its involvement;

24 (v) Costs associated with interconnection with the local electric
25 utility's transmission system;

26 (vi) Capability of the local electric utility to wheel electricity
27 generated by the facility and the costs associated with wheeling;

28 (vii) Potential financial risks to the state or the university and
29 measures to mitigate any risks; and

30 (viii) Benefits to the state and the university from the project
31 including design configuration, ownership arrangement, operations, and
32 financial arrangements for the project based on the selection of
33 project participants.

34 (b) The university shall report to the office of financial
35 management and the energy and fiscal committees of the legislature on
36 the development and implementation of this project, including
37 consideration of the issues and the agency suggestions under subsection
38 (2)(a) of this section, in December of 2001 and 2002.

1 Appropriation:

2	State Building Construction Account--State	((\$23,000,000))
3		<u>\$24,539,000</u>
4	Prior Biennia (Expenditures)	\$0
5	Future Biennia (Projected Costs)	\$0
6	TOTAL	((\$23,000,000))
7		<u>\$24,539,000</u>

8 **Sec. 907.** 2001 2nd sp.s. c 8 s 668 (uncodified) is amended to read
9 as follows:

10 **FOR WASHINGTON STATE UNIVERSITY**

11 WSU Pullman - Teaching and Learning Center: New Facility (98-2-
12 062)

13 The reappropriation in this section is subject to the conditions
14 and limitations of section 906 of this act.

15 Reappropriation:

16	State Building Construction Account--State	((\$8,000,000))
17		<u>\$6,461,000</u>
18	Prior Biennia (Expenditures)	\$22,870,175
19	Future Biennia (Projected Costs)	\$0
20	TOTAL	((\$30,870,175))
21		<u>\$29,331,175</u>

22 **Sec. 908.** 2001 2nd sp.s. c 8 s 352 (uncodified) is amended to read
23 as follows:

24 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

25 National Recreation Trails (NRTP) (02-4-006)

26 Appropriation:

27	Recreation Resources Account--Federal	((\$2,132,936))
28		<u>\$2,332,936</u>
29	Prior Biennia (Expenditures)	\$0
30	Future Biennia (Projected Costs)	\$977,000
31	TOTAL	((\$3,109,936))
32		<u>\$3,309,936</u>

1 NEW SECTION. **Sec. 909. INLAND NORTHWEST REGIONAL SPORTS PROJECT.**
2 2002 c 238 s 204 (uncodified) is repealed.

(End of part)

1 **PART X**
2 **MISCELLANEOUS**

3 NEW SECTION. **Sec. 1001.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

7 NEW SECTION. **Sec. 1002.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of the
9 state government and its existing public institutions, and takes effect
10 immediately.

(End of part)

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1 Correct the title.

--- END ---