
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: AMH-4900.3/02 3rd draft

ATTY/TYPIST: LL:rmh

BRIEF DESCRIPTION:

1 6387-S.E AMH AMH-4900.3

2 **ESSB 6387** - H AMD
3 By Representative

4 ADOPTED AS AMENDED 03/13/02

5 Strike everything after the enacting clause and insert the
6 following:

7 "PART I
8 GENERAL GOVERNMENT

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

11 **FOR THE HOUSE OF REPRESENTATIVES**

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

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

21 (1) \$25,000 of the general fund--state appropriation is provided
22 solely for allocation to Project Citizen, a program of the national
23 conference of state legislatures to promote student civic involvement.

24 (2) \$15,000 of the general fund--state appropriation for fiscal
25 year 2002 is provided for the legislature to continue the services of
26 expert counsel on legal and policy issues relating to services for
27 persons with developmental disabilities.

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

30 **FOR THE SENATE**

31	General Fund--State Appropriation (FY 2002) . . . \$	22,863,000
32	General Fund--State Appropriation (FY 2003) . . . \$	((23,999,000))
33		<u>22,799,000</u>

1	Department of Retirement Systems Expense Account--	
2	State Appropriation	\$ 45,000
3	TOTAL APPROPRIATION	\$ ((46,907,000))
4		<u>45,707,000</u>

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

7 (1) \$25,000 of the general fund--state appropriation is provided
8 solely for allocation to Project Citizen, a program of the national
9 conference of state legislatures to promote student civic involvement.

10 (2) \$15,000 of the general fund--state appropriation for fiscal
11 year 2002 is provided for the legislature to continue the services of
12 expert counsel on legal and policy issues relating to services for
13 persons with developmental disabilities.

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

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

17	General Fund--State Appropriation (FY 2002) . . .	\$ ((2,436,000))
18		<u>2,131,000</u>
19	General Fund--State Appropriation (FY 2003) . . .	\$ ((1,938,000))
20		<u>2,150,000</u>
21	TOTAL APPROPRIATION	\$ ((4,374,000))
22		<u>4,281,000</u>

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

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

1 \$130,000 of the general fund--state appropriation for fiscal year 2002
2 and \$470,000 of the general fund--state appropriation for fiscal year
3 2003 are provided solely for conducting a performance audit of the
4 department of social and health services division of developmental
5 disabilities. The audit shall determine whether the division has
6 complied with significant laws and regulations applicable to the
7 program and evaluate the adequacy of management processes for
8 measuring, reporting, and monitoring program effectiveness, economy,
9 and efficiency.

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

11 (i) Determines and monitors eligibility;

12 (ii) Determines what types and levels of services are to be
13 provided;

14 (iii) Determines that clients are receiving services;

15 (iv) Tracks client progress and evaluates the benefits of services
16 being provided;

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

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

20 (b) The audit shall also include a comparison among the division of
21 developmental disabilities and other program areas in the department of
22 social and health services that deliver similar client services. This
23 comparison shall cover eligibility assessment, functional needs
24 assessment, service requirements assessment, and the linkage between
25 assessed client needs and the agency services authorized and delivered.

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

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

1 (3) (~~(\$35,000 of the general fund--state appropriation for fiscal~~
2 ~~year 2002 is provided solely for)~~) The joint legislative audit and
3 review committee (~~(to)~~) shall conduct a review of water conservancy
4 boards. The review shall include an assessment of the operating costs
5 of existing boards; the sources of funding for board operations;
6 sources of in-kind support for board operations; assessment of the
7 value of water rights subject to change or transfer decisions; the
8 range of costs of processing water right transfer applications by the
9 boards as well as by the department of ecology for applications filed
10 directly with the department; the costs to the department of training,
11 assistance, and review of board recommendations on applications; board
12 membership and board recordkeeping; and public participation procedures
13 for both the water conservancy boards and the department of ecology.
14 The committee shall submit its review by (~~(January 1, 2003)~~) December
15 1, 2004, to the appropriate policy and fiscal committees of the
16 legislature.

17 (4) \$40,000 of the general fund--state appropriation for fiscal
18 year 2002 is provided solely for a follow-up review to report number
19 98-3, the performance audit of the department of corrections. The
20 follow-up study shall include but not be limited to a review of:

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

22 (b) The implementation of risk-based classification and community
23 placement models;

24 (c) The early implementation of the offender accountability act;
25 and

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

28 The committee shall consult with the Washington state institute for
29 public policy regarding data and findings from the institute's current
30 studies on these issues. A report of the follow-up study shall be
31 submitted to the relevant policy and fiscal committees of the
32 legislature by December 21, 2001. Upon the completion of the follow-up
33 review, the committee shall make a determination whether an additional
34 phase of study is needed. If further study is indicated, the committee
35 shall submit to the relevant policy and fiscal committees of the
36 legislature its plan and cost estimate for such study by March 29,
37 2002.

1 (5) \$140,000 of the general fund--state appropriation for fiscal
2 year 2002 is provided for a study of children's mental health in
3 Washington. The study shall include but not be limited to:

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

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

7 (c) A review of the availability and reliability of fiscal,
8 program, and outcome data relating to mental health services provided
9 to children; and

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

12 The committee shall make recommendations, as appropriate, for the
13 improvement of services and system performance, including the need for
14 performance and client outcome measures. The committee may contract
15 for consulting services in conducting the study. The committee shall
16 submit a report to the appropriate policy and fiscal committees of the
17 legislature by July 1, 2002.

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

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

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

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

1 The appropriations in this section are subject to the following
2 conditions and limitations: \$41,000 of the general fund fiscal year
3 2002 appropriation and \$43,000 of the general fund fiscal year 2003
4 appropriation are provided solely for the uniform legislation
5 commission.

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

8 **FOR THE SUPREME COURT**

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

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

17 **FOR THE LAW LIBRARY**

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

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

25 **FOR THE COURT OF APPEALS**

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

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

34 (1) \$505,000 of the general fund--state appropriation for fiscal
35 year 2002 and \$606,000 of the general fund--state appropriation for
36 fiscal year 2003 are provided solely for lease increases associated

1 with the division I facility. ((Within the funds provided in this
2 subsection, the court of appeals shall conduct a space planning study
3 exploring options dealing with remodeling existing space to accommodate
4 needs and evaluating the cost and benefits of moving to another
5 location.))

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

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

17 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

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

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

25 **FOR THE ADMINISTRATOR FOR THE COURTS**

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

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

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

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

23 (3) \$223,000 of the public safety and education account
24 appropriation is provided solely for the gender and justice commission.

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

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

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

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

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

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

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

33 **FOR THE OFFICE OF PUBLIC DEFENSE**

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

1 TOTAL APPROPRIATION \$ ((13,226,000))
2 13,444,000

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

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

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

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

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

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

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

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

31 (iii) Use of investigative and expert services in appropriate
32 cases; and

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

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

38 (c) The director shall contract for an independent evaluation of
39 the pilot program benefits and costs. A final evaluation shall be

1 submitted to the governor and the fiscal committees of the legislature
2 no later than February 1, 2002.

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

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

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

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

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

16 (5) \$50,000 of the public safety and education account--state
17 appropriation is provided solely for the evaluation required in chapter
18 92, Laws of 2000 (DNA testing).

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

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

25 **FOR THE OFFICE OF THE GOVERNOR**

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

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

37 (1) \$3,908,000 of the water quality account appropriation and
38 \$219,000 of the general fund--federal appropriation are provided solely

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

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

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

9 **FOR THE LIEUTENANT GOVERNOR**

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

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

17 **FOR THE PUBLIC DISCLOSURE COMMISSION**

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

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

25 **FOR THE SECRETARY OF STATE**

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

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

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

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

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

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

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

1 all criteria in (a) and (b) of this subsection have been satisfactorily
2 documented.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 **FOR THE STATE AUDITOR**

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

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

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

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

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

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

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

29 (i) Validity and reliability of management's performance measures;

30 (ii) A review of internal controls and internal audits;

31 (iii) The adequacy of systems used for measuring, reporting, and
32 monitoring performance;

33 (iv) The extent to which legislative, regulatory, and
34 organizational goals and objectives are being achieved; and

35 (v) Identification and recognition of best practices.

36 (b) The performance audit on state claims benefits shall include
37 direct grants to clients, direct payments to providers, and workers'
38 compensation payments. The following state agencies, at a minimum,
39 shall be subject to audit sampling: Department of community, trade,

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

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

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

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

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

18 **FOR THE ATTORNEY GENERAL**

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

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

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

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

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

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

29 (i) Examine and characterize the types of water rights issues
30 involved;

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

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

36 (iv) Examine implementation and funding requirements.

37 (b) Following receipt of the report, the standing committees of the
38 legislature having jurisdiction over water resources shall seek and
39 consider the recommendations of the relevant departments and agencies

1 of the United States, the federally recognized Indian tribes with
2 water-related interests in the state, and water users in the state and
3 shall develop recommendations.

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

6 **FOR THE CASELOAD FORECAST COUNCIL**

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

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

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

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

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

21	General Fund--State Appropriation (FY 2002) . . . \$	((71,083,500))
22		<u>70,893,000</u>
23	General Fund--State Appropriation (FY 2003) . . . \$	((70,873,500))
24		<u>60,499,000</u>
25	General Fund--Federal Appropriation \$	173,342,000
26	General Fund--Private/Local Appropriation \$	7,980,000
27	Public Safety and Education Account--State	
28	Appropriation \$	((10,300,000))
29		<u>10,094,000</u>
30	Public Works Assistance Account--State	
31	Appropriation \$	1,911,000
32	<u>Salmon Recovery Account--State Appropriation</u> . . \$	<u>1,500,000</u>
33	Film and Video Promotion Account--State	
34	Appropriation \$	25,000
35	Building Code Council Account--State	
36	Appropriation \$	((1,061,000))

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

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

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

30 (2) \$3,085,000 of the general fund--state appropriation for fiscal
31 year 2002 and ((~~\$3,085,000~~)) \$2,838,000 of the general fund--state
32 appropriation for fiscal year 2003 are provided solely for a contract
33 with the Washington technology center. For work essential to the
34 mission of the Washington technology center and conducted in
35 partnership with universities, the center shall not pay any increased
36 indirect rate nor increases in other indirect charges above the
37 absolute amount paid during the 1995-97 fiscal biennium.

38 (3) \$61,000 of the general fund--state appropriation for fiscal
39 year 2002 and \$62,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided solely for the implementation of the
2 Puget Sound work plan and agency action item OCD-01.

3 (4) (~~(\$10,403,445)~~) \$10,804,156 of the general fund--federal
4 appropriation is provided solely for the drug control and system
5 improvement formula grant program, to be distributed in state fiscal
6 year 2002 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (5) (~~(\$470,000)~~) \$320,000 of the general fund--state appropriation
18 for fiscal year 2002 and (~~(\$470,000)~~) \$320,000 of the general fund--
19 state appropriation for fiscal year 2003 are provided solely for the
20 rural economic (~~development activities including \$200,000 for the~~
21 ~~Washington manufacturing service, and \$100,000 for business retention~~
22 ~~and expansion~~) opportunity fund.

23 (6) \$1,250,000 of the general fund--state appropriation for fiscal
24 year 2002 and \$1,250,000 of the general fund--state appropriation for
25 fiscal year 2003 are provided solely for grants to operate, repair, and
26 staff shelters for homeless families with children.

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

32 (8) \$1,250,000 of the general fund--state appropriation for fiscal
33 year 2002 and \$1,250,000 of the general fund--state appropriation for
34 fiscal year 2003 are provided solely for consolidated emergency
35 assistance to homeless families with children.

36 (9) \$205,000 of the general fund--state appropriation for fiscal
37 year 2002 and \$205,000 of the general fund--state appropriation for
38 fiscal year 2003 are provided solely for grants to Washington Columbia
39 river gorge counties to implement their responsibilities under the

1 national scenic area management plan. Of this amount, \$390,000 is
2 provided for Skamania county and \$20,000 is provided for Clark county.

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

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

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

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

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

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

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

34 (17) \$230,000 of the general fund--state appropriation for fiscal
35 year 2002, \$230,000 of the general fund--state appropriation for fiscal
36 year 2003, and the entire community economic development account
37 appropriation are provided solely for support of the developmental
38 disabilities endowment governing board and startup costs of the
39 endowment program. Startup costs are a loan from the state general

1 fund and will be repaid from funds within the program as determined by
2 the governing board. The governing board may use state appropriations
3 to implement a sliding-scale fee waiver for families earning below 150
4 percent of the state median family income. The director of the
5 department, or the director of the subsequent department of community
6 development, may implement fees to support the program as provided
7 under RCW 43.330.152.

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

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

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

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

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

1 account may be retained by the lender or contract collection agent, and
2 shall be considered a fee for processing payments on behalf of the
3 state. Repayments of loans granted under this chapter shall be made to
4 the lender or contract collection agent as long as the loan is
5 outstanding, notwithstanding the repeal of the chapter.

6 ~~((+22))~~ (23) \$75,000 of the general fund--state appropriation for
7 fiscal year 2002 ~~((and \$75,000 of the general fund--state appropriation
8 for fiscal year 2003 are))~~ is provided solely for the community
9 connections program in Walla Walla.

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

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

28 ~~((+25))~~ (26) \$81,000 of the general fund--state appropriation for
29 fiscal year 2002 ~~((and \$81,000 of the general fund--state appropriation
30 for fiscal year 2003 are))~~ is provided solely for business finance and
31 loan programs.

32 ~~((+26))~~ (27) \$150,000 of the general fund--state appropriation for
33 fiscal year 2002 is provided solely for the quick sites initiative
34 program.

35 ~~((+27))~~ (28) \$120,000 of the general fund--state appropriation for
36 fiscal year 2002 ~~((and \$120,000 of the general fund--state
37 appropriation for fiscal year 2003 are))~~ is provided solely for
38 operating a business information hotline.

1 ~~((28))~~ (29) \$29,000 of the general fund--state appropriation for
2 fiscal year 2002 ~~((and \$29,000 of the general fund--state appropriation~~
3 ~~for fiscal year 2003 are))~~ is provided solely for travel expenses
4 associated with the office of trade and economic development's
5 provision of outreach and technical assistance services to businesses
6 and local economic development associations.

7 ~~((29))~~ (30) \$100,000 of the general fund--state appropriation for
8 fiscal year 2002 and \$100,000 of the general fund--state appropriation
9 for fiscal year 2003 are provided solely for information technology
10 enhancements designed to improve the delivery of agency services to
11 customers.

12 (31) \$300,000 of the general fund--state appropriation for fiscal
13 year 2003 is provided to reimburse nonprofit associations engaged in
14 the production and performance of musical, dance, artistic, dramatic,
15 or literary works for the benefit of the general public for back
16 leasehold excise taxes assessed by the department of revenue.

17 (32) \$10,111,682 of the general fund--federal appropriation is
18 provided solely for the drug control and system improvement formula
19 grant program, to be distributed in state fiscal year 2003 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (33) \$165,000 of the building code council account appropriation
25 for fiscal year 2003 is provided solely for the state building code
26 council pursuant to Senate Bill No. 5352 (building code council fee
27 increase). If the bill is not enacted by June 30, 2002, the amount
28 provided in this subsection shall lapse.

29 (34) \$202,000 of the mobile home park relocation account
30 appropriation for fiscal year 2003 is provided solely for the
31 department to administer the mobile home relocation assistance program
32 as provided by Second Substitute Senate Bill No. 5354 (mobile home
33 relocation assistance fee). If the bill is not enacted by June 30,
34 2002, the amount provided in this subsection shall lapse.

35 (35) The appropriations in this section reflect a reduction of
36 \$504,000 from the general fund--state appropriation for fiscal year
37 2003. To implement this reduction, the office of trade and economic
38 development shall take actions consistent with its mission, goals, and
39 objectives to reduce operating costs. Such action, to the greatest

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

7 (36) \$40,000 of the general fund--state appropriation for fiscal
8 year 2003 is provided solely to implement the state task force on
9 funding for community-based services to victims of crime as provided in
10 Senate Bill No. 6763. If the bill is not enacted by June 30, 2002, the
11 amount provided in this subsection shall lapse.

12 (37) The appropriations in this section reflect a reduction of
13 \$1,641,000 from the general fund--state appropriation for fiscal year
14 2003. To implement this reduction, the office of community development
15 shall take actions consistent with its mission, goals, and objectives
16 to reduce operating costs. Such action, to the greatest extent
17 possible, shall maintain direct payments to service providers, grants
18 to other entities, and other pass-through funds. Examples of actions
19 that may be taken to effect this reduction include hiring freezes,
20 employee furloughs, staffing reductions, restricted travel and
21 training, delaying purchases of equipment, and limiting personal
22 service contracts.

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

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

26	General Fund--State Appropriation (FY 2002) . . . \$	512,000
27	General Fund--State Appropriation (FY 2003) . . . \$	((514,000))
28		<u>499,000</u>
29	TOTAL APPROPRIATION \$	((1,026,000))
30		<u>1,011,000</u>

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

33 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

34	General Fund--State Appropriation (FY 2002) . . . \$	12,456,000
35	General Fund--State Appropriation (FY 2003) . . . \$	((12,024,000))
36		<u>12,508,000</u>
37	General Fund--Federal Appropriation \$	23,657,000

1	Violence Reduction and Drug Enforcement	
2	Account--State Appropriation	\$ ((229,000))
3		<u>226,000</u>
4	State Auditing Services Revolving	
5	Account--State Appropriation	\$ 25,000
6	TOTAL APPROPRIATION	\$ ((48,391,000))
7		<u>48,872,000</u>

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

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

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

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

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

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

39 (i) Quality and process management practices;

- 1 (ii) Independent and internal audit functions;
- 2 (iii) Internal and external customer satisfaction;
- 3 (iv) Program effectiveness;
- 4 (v) Fiscal productivity and efficiency; and
- 5 (vi) Statutory and regulatory compliance.

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

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

- 17 (A) Validity and reliability of management's performance measures;
- 18 (B) A review of internal controls and internal audits;
- 19 (C) The adequacy of systems used for measuring, reporting, and
20 monitoring performance;
- 21 (D) The extent to which legislative, regulatory, and organizational
22 goals and objectives are being achieved; and
- 23 (E) Identification and recognition of best practices.

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

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

34 (iv) The office of financial management shall grade the results of
35 the performance audits to indicate agencies' performance regarding
36 capital construction and contracting practices. The office of
37 financial management shall report findings from the performance audits
38 to the governor and appropriate legislative committees by November 30,
39 2002.

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

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

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

8 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

9	General Fund--State Appropriation (FY 2002) . . . \$	226,000
10	General Fund--State Appropriation (FY 2003) . . . \$	((234,000))
11		<u>210,000</u>
12	TOTAL APPROPRIATION \$	((460,000))
13		<u>436,000</u>

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

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

17	General Fund--State Appropriation (FY 2002) . . . \$	211,000
18	General Fund--State Appropriation (FY 2003) . . . \$	((209,000))
19		<u>207,000</u>
20	TOTAL APPROPRIATION \$	((420,000))
21		<u>418,000</u>

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

24 **FOR THE PERSONNEL APPEALS BOARD**

25	Department of Personnel Service Account--State	
26	Appropriation \$	((1,679,000))
27		<u>1,705,000</u>

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

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

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

35 Dependent Care Administrative Account--State

1	Appropriation	\$	378,000
2	Department of Retirement Systems Expense Account--		
3	State Appropriation	\$	((49,562,000))
4			<u>49,183,000</u>
5	TOTAL APPROPRIATION	\$	((49,940,000))
6			<u>49,561,000</u>

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

9 (1) \$1,000,000 of the department of retirement systems expense
10 account appropriation is provided solely for support of the information
11 systems project known as the electronic document image management
12 system.

13 (2) \$120,000 of the department of retirement systems expense
14 account appropriation is provided solely for locating inactive members
15 entitled to retirement benefits.

16 (3) \$117,000 of the department of retirement systems expense
17 account appropriation is provided solely for modifications to the
18 retirement information systems to accommodate tracking of
19 postretirement employment on an hourly basis.

20 (4) \$440,000 of the department of retirement systems expense
21 account appropriation is provided solely for the implementation of
22 Engrossed Senate Bill No. 5143 (Washington state patrol retirement
23 systems plan 2).

24 (5) \$6,420,000 of the department of retirement systems expense
25 account appropriation is provided solely for the implementation of
26 public employees' retirement system plan 3 (chapter 247, Laws of 2000).

27 (6) ~~((\$101,000 of the department of retirement systems expense
28 account--state appropriation is provided solely to implement Senate
29 Bill No. 5144 (LEOFF survivor benefit). If the bill is not enacted by
30 July 31, 2001, the amount provided in this subsection shall lapse.~~

31 ~~(7) \$744,000 of the department of retirement systems expense
32 account--state appropriation is provided solely to implement Second
33 Engrossed Substitute Senate Bill No. 6166 (LEOFF restructuring). If
34 the bill is not enacted by July 31, 2001, the amount provided in this
35 subsection shall lapse.))~~ \$96,000 of the department of retirement
36 systems expense account appropriation is provided solely for the
37 implementation of Senate Bill No. 6376 (PERS plan 3 transfer payment).
38 If the bill is not enacted by June 30, 2002, the amount provided in
39 this subsection shall lapse.

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

5 (8) \$12,000 of the department of retirement systems expense account
6 appropriation is provided solely for the implementation of Senate Bill
7 No. 6378 (LEOFF plan 2 part-time leave of absence). If the bill is not
8 enacted by June 30, 2002, the amount provided in this subsection shall
9 lapse.

10 (9) \$122,000 of the department of retirement systems expense
11 account appropriation is provided solely for the implementation of
12 Senate Bill No. 6379 (transferring service credit to WSPRS). If the
13 bill is not enacted by June 30, 2002, the amount provided in this
14 subsection shall lapse.

15 (10) \$651,000 of the department of retirement systems expense
16 account appropriation is provided solely for the implementation of
17 Engrossed Senate Bill No. 6380 (survivor benefits). If the bill is not
18 enacted by June 30, 2002, the amount provided in this subsection shall
19 lapse.

20 (11) \$53,000 of the department of retirement systems expense
21 account appropriation is provided solely for the implementation of
22 Senate Bill No. 6381 (PERS plan 1 terminated vested). If the bill is
23 not enacted by June 30, 2002, the amount provided in this subsection
24 shall lapse.

25 (12) \$130,000 of the department of retirement systems expense
26 account appropriation for fiscal year 2003 is provided solely for the
27 implementation of House Bill No. 2896 (EMT service credit transfer).
28 If the bill is not enacted by June 30, 2002, the amount provided in
29 this subsection shall lapse.

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

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

36 **FOR THE STATE INVESTMENT BOARD**

37 State Investment Board Expense Account--State

38 Appropriation \$ ((12,876,000))

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

FOR THE DEPARTMENT OF REVENUE

General Fund--State Appropriation (FY 2002) . . . \$	((72,820,000))
	<u>72,823,000</u>
General Fund--State Appropriation (FY 2003) . . . \$	((72,387,000))
	<u>78,149,000</u>
Timber Tax Distribution Account--State	
Appropriation \$	5,131,000
Waste Education/Recycling/Litter Control--State	
Appropriation \$	101,000
State Toxics Control Account--State	
Appropriation \$	67,000
Oil Spill Administration Account--State	
Appropriation \$	14,000
<u>Multimodal Transportation Account--State</u>	
<u>Appropriation</u> \$	<u>109,000</u>
TOTAL APPROPRIATION \$	((150,520,000))
	<u>156,394,000</u>

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

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

((+1)) (a) The committee shall consist of eleven members. The department shall appoint six academic scholars from the fields of economics, taxation, business administration, public administration, public policy, and other relevant disciplines as determined by the department, after consulting with the majority and minority leaders in the senate, the co-speakers in the house of representatives, the chair of the ways and means committee in the senate, and the co-chairs of the finance committee in the house of representatives. The governor and the chairs of the majority and minority caucuses in each house of the legislature shall each appoint one member to the committee. These appointments may be legislative members. The members of the committee

1 shall either elect a voting chair from among their membership or a
2 nonvoting chair who is not a member of the committee. Members of the
3 committee shall serve without compensation but shall be reimbursed for
4 travel expenses under RCW 43.03.050 and 43.03.060.

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

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

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

33 (2) \$90,000 of the general fund--state appropriation for fiscal
34 year 2003 is provided solely for the department to conduct a study of
35 tax incentives.

36 (a) The tax incentives covered by the study shall include the
37 following:

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

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

3 (iii) The business and occupation tax jobs credit under chapter
4 82.62 RCW;

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

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

9 (vi) The high technology business and occupation tax credit under
10 RCW 82.04.4452;

11 (vii) The high technology sales tax deferral/exemption in chapter
12 82.63 RCW; and

13 (viii) The manufacturing, research and development, and testing
14 operations sales and use tax exemptions under RCW 82.08.02565 and
15 82.12.02565.

16 (b) Taxpayer participation in the study is voluntary. Taxpayer
17 information used in the study is confidential under the provisions of
18 chapter 82.32 RCW. Additionally, the identity of any study
19 participants may not be disclosed.

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

30 (d) The department shall report to the appropriate legislative
31 committees of the senate and house of representatives by November 30,
32 2002.

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

1 (4) \$3,000 of the general fund--state appropriation for fiscal year
 2 2002 and \$111,000 of the general fund--state appropriation for fiscal
 3 year 2003 are provided solely for the department to implement the
 4 provisions of House Bill No. 2658 (municipal business and occupation
 5 tax). If the bill is not enacted by June 30, 2002, the amount provided
 6 in this subsection shall lapse.

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

9 **FOR THE BOARD OF TAX APPEALS**

10	General Fund--State Appropriation (FY 2002) . . . \$	1,193,000
11	General Fund--State Appropriation (FY 2003) . . . \$	((1,038,000))
12		<u>1,007,000</u>
13	TOTAL APPROPRIATION \$	((2,231,000))
14		<u>2,200,000</u>

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

17 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

18	General Fund--State Appropriation (FY 2002) . . . \$	549,000
19	General Fund--State Appropriation (FY 2003) . . . \$	((630,000))
20		<u>655,000</u>
21	General Fund--Federal Appropriation \$	1,930,000
22	General Fund--Private/Local Appropriation \$	((444,000))
23		<u>223,000</u>
24	State Capitol Vehicle Parking Account--	
25	State Appropriation \$	154,000
26	General Administration Services Account--State	
27	Appropriation \$	((41,419,000))
28		<u>39,546,000</u>
29	TOTAL APPROPRIATION \$	((45,126,000))
30		<u>43,057,000</u>

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

- 33 (1) The department shall conduct a review of the ultimate
 34 purchasing system to evaluate the following: (a) The degree to which
 35 program objectives and assumptions were achieved; (b) the degree to
 36 which planned schedule of phases, tasks, and activities were
 37 accomplished; (c) an assessment of estimated and actual costs of each

1 phase; (d) an assessment of project cost recovery/cost avoidance,
2 return on investment, and measurable outcomes as each relate to the
3 agency's business functions and other agencies' business functions; and
4 (e) the degree to which integration with the agency and state
5 information technology infrastructure was achieved. The department
6 will receive written input from participating pilot agencies that
7 describes measurable organizational benefits and cost avoidance
8 opportunities derived from use of the ultimate purchasing system. The
9 performance review shall be submitted to the office of financial
10 management and the appropriate legislative fiscal committees by July 1,
11 2002.

12 (2) \$60,000 of the general administration services account
13 appropriation is provided solely for costs associated with the
14 development of the information technology architecture to link the risk
15 management information system and the tort division's case management
16 system, and the reconciliation of defense cost reimbursement
17 information.

18 (3) \$44,000 of the general fund--state appropriation for fiscal
19 year 2003 is provided solely for the department to implement the waste
20 management and recycling provisions of Substitute House Bill No. 2308
21 (encouraging recycling and waste reduction). If the bill is not
22 enacted by June 30, 2002, the amount provided in this subsection shall
23 lapse.

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

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

33 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

34 Data Processing Revolving Account--State

35 Appropriation \$ ((3,706,000))
36 3,610,000

37 The appropriation in this section is subject to the following
38 conditions and limitations:

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

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

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

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

20 (5) State agencies that provide services to other state agencies
21 are expected to reduce their expenditures and to share the savings with
22 their clients. The department of information services shall achieve a
23 reduction of \$1,995,000 in its billings for services purchased by state
24 agencies in fiscal year 2003. The reduction is expected to result from
25 both reduced demand for services and reduced rates.

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

28 **FOR THE INSURANCE COMMISSIONER**

29	General Fund--Federal Appropriation	\$	622,000
30	Insurance Commissioners Regulatory Account--State		
31	Appropriation	\$	((29,053,000))
32			<u>29,928,000</u>
33	TOTAL APPROPRIATION	\$	((29,675,000))
34			<u>30,550,000</u>

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

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

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

5 **FOR THE HORSE RACING COMMISSION**

6 Horse Racing Commission Account--State

7 Appropriation \$ ((~~4,504,000~~))
8 4,436,000

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

11 **FOR THE LIQUOR CONTROL BOARD**

12 General Fund--State Appropriation (FY 2002) . . \$ 1,483,000

13 General Fund--State Appropriation (FY 2003) . . \$ ((~~1,484,000~~))

14 1,439,000

15 General Fund--Federal Appropriation (FY 2003) \$ 99,000

16 Liquor Control Board Construction and Maintenance

17 Account--State Appropriation \$ ((~~8,114,000~~))

18 9,684,000

19 Liquor Revolving Account--State

20 Appropriation \$ ((~~142,148,000~~))

21 125,927,000

22 TOTAL APPROPRIATION \$ ((~~153,229,000~~))

23 138,632,000

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

26 (1) \$1,573,000 of the liquor revolving account appropriation is
27 provided solely for the agency information technology upgrade. This
28 amount provided in this subsection is conditioned upon satisfying the
29 requirements of section 902 of this act.

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

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

3 **FOR THE MILITARY DEPARTMENT**

4	General Fund--State Appropriation (FY 2002) . . . \$	9,165,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((8,979,000))
6		<u>8,710,000</u>
7	General Fund--Federal Appropriation \$	22,509,000
8	General Fund--Private/Local Appropriation . . . \$	234,000
9	Enhanced 911 Account--State Appropriation . . . \$	((16,544,000))
10		<u>20,269,000</u>
11	Disaster Response Account--State Appropriation \$	((582,000))
12		<u>2,010,000</u>
13	Disaster Response Account--Federal Appropriation \$	((3,392,000))
14		<u>6,510,000</u>
15	Worker and Community Right to Know Fund--State	
16	Appropriation \$	283,000
17	Nisqually Earthquake Account--State	
18	Appropriation \$	((37,884,000))
19		<u>29,027,000</u>
20	Nisqually Earthquake Account--Federal	
21	Appropriation \$	((157,795,000))
22		<u>49,641,000</u>
23	TOTAL APPROPRIATION \$	((257,367,000))
24		<u>148,358,000</u>

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

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

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

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

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

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

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

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

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

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

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

28 (9) \$2,818,000 of the enhanced 911 account--state appropriation is
29 provided solely for the implementation of Engrossed Second Substitute
30 Senate Bill No. 6034 or House Bill No. 2595 (enhanced 911 excise tax).
31 If neither bill is enacted by June 30, 2002, the amount provided in
32 this subsection shall lapse.

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

35 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

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

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

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

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

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

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

18 **FOR THE GROWTH PLANNING HEARINGS BOARD**

19	General Fund--State Appropriation (FY 2002)	\$	1,497,000
20	General Fund--State Appropriation (FY 2003)	\$	((1,506,000))
21			<u>1,461,000</u>
22	TOTAL APPROPRIATION	\$	((3,003,000))
23			<u>2,958,000</u>

24 (End of part)

1
2

PART II
HUMAN SERVICES

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

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

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

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

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

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

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

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

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

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

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

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

1	Violence Reduction and Drug Enforcement Account--	
2	State Appropriation	\$ ((5,702,000))
3		<u>5,639,000</u>
4	TOTAL APPROPRIATION	\$ ((844,299,000))
5		<u>832,552,000</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, ((~~\$2,288,000~~)) \$2,271,000 of the fiscal year 2003
10 general fund--state appropriation, and ((~~\$1,590,000~~)) \$1,584,000 of the
11 general fund--federal appropriation are provided solely for the
12 category of services titled "intensive family preservation services."

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

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

1 (4) \$1,260,000 of the fiscal year 2002 general fund--state
2 appropriation, \$1,248,000 of the fiscal year 2003 general fund--state
3 appropriation, and (~~(\$4,196,000)~~) \$4,150,000 of the violence reduction
4 and drug enforcement account appropriation are provided solely for the
5 family policy council and community public health and safety networks.
6 The funding level for the family policy council and community public
7 health and safety networks represents a 25 percent reduction below the
8 funding level for the 1999-2001 biennium. Funding levels shall be
9 reduced 25 percent for both the family policy council and network
10 grants. Reductions to network grants shall be allocated so as to
11 maintain current funding levels, to the greatest extent possible, for
12 projects with the strongest evidence of positive outcomes and for
13 networks with 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, (~~(\$7,671,000)~~) \$5,710,000 of the fiscal year 2003
18 general fund--state appropriation, and (~~(\$20,819,000)~~) \$19,819,000 of
19 the general fund--federal appropriation are provided solely for
20 increases in the cost per case for foster care and adoption support.
21 \$16,000,000 of the general fund--federal amount shall remain unallotted
22 until the office of financial management approves a plan submitted by
23 the department to achieve a higher rate of federal earnings in the
24 foster care program. That plan shall also be submitted to the fiscal
25 committees of the legislature and shall indicate projected federal
26 revenue compared to actual fiscal year 2001 levels. Within the amounts
27 provided for foster care, the department shall increase the basic rate
28 for foster care to an average of \$420 per month on July 1, 2001(~~(, and~~
29 ~~to an average of \$440 per month on July 1, 2002)~~). The department
30 shall use the remaining funds provided in this subsection to pay for
31 increases in the cost per case for foster care and adoption support.
32 The department shall seek to control rate increases and reimbursement
33 decisions for foster care and adoption support cases such that the cost
34 per case for family foster care, group care, receiving homes, and
35 adoption support does not exceed the amount assumed in the projected
36 caseload expenditures plus the amounts provided in this subsection.

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

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

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

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

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

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

18 (~~(1) COMMUNITY SERVICES~~)

19	General Fund--State Appropriation (FY 2002) . . . \$	((36,625,000))
20		<u>83,151,000</u>
21	General Fund--State Appropriation (FY 2003) . . . \$	((38,125,000))
22		<u>79,107,000</u>
23	General Fund--Federal Appropriation \$	((14,609,000))
24		<u>13,803,000</u>
25	General Fund--Private/Local Appropriation . . . \$	((380,000))
26		<u>1,110,000</u>
27	Juvenile Accountability Incentive	
28	Account--Federal Appropriation \$	((9,361,000))
29		<u>10,461,000</u>
30	Public Safety and Education	
31	Account--State Appropriation \$	((6,196,000))
32		<u>6,047,000</u>
33	Violence Reduction and Drug Enforcement Account--	
34	State Appropriation \$	((21,972,000))
35		<u>37,174,000</u>
36	TOTAL APPROPRIATION \$	((127,268,000))
37		<u>230,853,000</u>

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

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

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

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

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

37 ~~((e))~~ (5) \$100,000 of the general fund--state appropriation for
38 fiscal year 2002 and \$100,000 of the general fund--state appropriation
39 for fiscal year 2003 are provided solely for juvenile rehabilitation

1 administration to contract with the institute for public policy for
2 responsibilities assigned in chapter 338, Laws of 1997 (juvenile code
3 revisions).

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

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

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

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

36 ~~((+j))~~ (10) \$6,000,000 of the public safety and education
37 account--state appropriation is provided solely for distribution to
38 county juvenile court administrators to fund the costs of processing
39 truancy, children in need of services, and at-risk youth petitions.

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

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

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

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

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

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

7 (20) \$945,000 of the general fund--state appropriation for fiscal
8 year 2003 is provided solely for providing additional research-based
9 services to the juvenile parole population. The juvenile
10 rehabilitation administration shall consult with the institute for
11 public policy in deciding which interventions to provide to the parole
12 population.

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

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

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

20 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

21	General Fund--State Appropriation (FY 2002)	\$	((191,089,000))
22			<u>194,566,000</u>
23	General Fund--State Appropriation (FY 2003)	\$	((194,884,000))
24			<u>177,206,000</u>
25	General Fund--Federal Appropriation	\$	(339,077,000))
26			<u>358,377,000</u>
27	General Fund--Local Appropriation	\$	((4,363,000))
28			<u>25,596,000</u>
29	Health Services Account--State		
30	Appropriation	\$	2,450,000
31	TOTAL APPROPRIATION	\$	((731,863,000))
32			<u>758,195,000</u>

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

35 (a) Regional support networks shall use portions of the general
36 fund--state appropriation for implementation of working agreements with

1 the vocational rehabilitation program which will maximize the use of
2 federal funding for vocational programs.

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

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

1 to the standard allocation formula applied in accordance with RCW
2 71.24.035(13)(a).

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

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

38 (f) Within funds appropriated in this subsection, the department
39 shall contract with the Clark county regional support network for

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

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

1 established against, or any settlement that may be agreed to by the
2 state, regarding the rate of state reimbursement for inpatient
3 psychiatric care. The funds provided in this subsection shall not be
4 considered "available resources" as defined in RCW 71.24.025 and are
5 not subject to the distribution formula established pursuant to RCW
6 71.24.035.

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

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

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

28 (k) The department shall cooperate with the department of
29 community, trade, and economic development to develop a proposal to
30 create a structurally and functionally independent mental health
31 ombudsman program. The proposal shall include recommendations about
32 the statutory and administrative changes needed to establish a
33 structurally and functionally independent ombudsman system. The
34 departments shall report to the appropriate policy and fiscal
35 committees of the legislature by November 1, 2002.

36 (2) INSTITUTIONAL SERVICES

37	General Fund--State Appropriation (FY 2002) . . . \$	((85,836,000))
38		84,878,000
39	General Fund--State Appropriation (FY 2003) . . . \$	((83,001,000))

1		<u>80,784,000</u>
2	General Fund--Federal Appropriation	\$(139,098,000)
3		<u>139,821,000</u>
4	General Fund--Private/Local Appropriation . . . \$	((29,289,000))
5		<u>29,532,000</u>
6	TOTAL APPROPRIATION	\$ ((337,224,000))
7		<u>335,015,000</u>

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

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

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

16 (c) The department shall seek to reduce the census of the two
17 state psychiatric hospitals by ((~~120~~)) 178 beds by April 2003 by
18 arranging and providing community residential, mental health, and other
19 support services for long-term state hospital patients whose treatment
20 needs constitute substantial barriers to community placement and who no
21 longer require active psychiatric treatment at an inpatient hospital
22 level of care, no longer meet the criteria for inpatient involuntary
23 commitment, and who are clinically ready for discharge from a state
24 psychiatric hospital. No such patient is to move from the hospital
25 until a team of community professionals has become familiar with the
26 person and their treatment plan; assessed their strengths, preferences,
27 and needs; arranged a safe, clinically-appropriate, and stable place
28 for them to live; assured that other needed medical, behavioral, and
29 social services are in place; and is contracted to monitor the person's
30 progress on an ongoing basis. The department and the regional support
31 networks shall endeavor to assure that hospital patients are able to
32 return to their area of origin, and that placements are not
33 concentrated in proximity to the hospitals.

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

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

5 (3) CIVIL COMMITMENT

6	General Fund--State Appropriation (FY 2002) . . . \$	((20,037,000))
7		<u>18,267,000</u>
8	General Fund--State Appropriation (FY 2003) . . . \$	((22,441,000))
9		<u>20,934,000</u>
10	TOTAL APPROPRIATION \$	((42,478,000))
11		<u>39,201,000</u>

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

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

19 (b) ((~~\$1,000,000~~)) \$300,000 of the general fund--state
20 appropriation for fiscal year 2002 and ((~~\$1,000,000~~)) \$300,000 of the
21 general fund--state appropriation for fiscal year 2003 are provided
22 solely for mitigation funding for jurisdictions affected by the
23 placement of less restrictive alternative facilities for persons
24 conditionally released from the special commitment center facility
25 being constructed on McNeil Island. Of this amount, up to \$45,000 per
26 year is provided for the city of Lakewood for police protection
27 reimbursement at Western State Hospital and adjacent areas, up to
28 \$45,000 per year is provided for training police personnel on chapter
29 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), up to \$125,000 per year
30 is provided for Pierce county for reimbursement of additional costs,
31 and the remaining amounts are for other documented costs by
32 jurisdictions directly impacted by the placement of the secure
33 community transition facility on McNeil Island. Pursuant to chapter
34 12, Laws of 2001, 2nd sp. sess (3ESSB 6151), the department shall
35 continue to work with local jurisdictions towards reaching agreement
36 for mitigation costs.

37 (c) By October 1, 2001, the department shall report to the office
38 of financial management and the fiscal committees of the house of

1 representatives and senate detailing information on plans for
2 increasing the efficiency of staffing patterns at the new civil
3 commitment center facility being constructed on McNeil Island.

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

9 (4) SPECIAL PROJECTS

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

14 (5) PROGRAM SUPPORT

15	General Fund--State Appropriation (FY 2002) . . . \$	3,104,000
16	General Fund--State Appropriation (FY 2003) . . . \$	((3,231,000))
17		<u>3,111,000</u>
18	General Fund--Federal Appropriation \$	((5,796,000))
19		<u>5,659,000</u>
20	TOTAL APPROPRIATION \$	((12,131,000))
21		<u>11,874,000</u>

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

24 (a) \$113,000 of the general fund--state appropriation for fiscal
25 year 2002, \$125,000 of the general fund--state appropriation for fiscal
26 year 2003, and \$164,000 of the general fund--federal appropriation are
27 provided solely for the institute for public policy to evaluate the
28 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
29 217, Laws of 2000 (atypical anti-psychotic medications), chapter 297,
30 Laws of 1998 (commitment of mentally ill persons), and chapter 334,
31 Laws of 2001 (mental health performance audit).

32 (b) \$168,000 of the general fund--state appropriation for fiscal
33 year 2002, \$243,000 of the general fund--state appropriation for fiscal
34 year 2003, and \$411,000 of the general fund--federal appropriation are
35 provided solely for the development and implementation of a uniform
36 outcome-oriented performance measurement system to be used in
37 evaluating and managing the community mental health service delivery
38 system consistent with the recommendations contained in the joint

1 legislative audit and review committee's audit of the public mental
2 health system. Once implemented, the use of performance measures will
3 allow comparison of measurement results to established standards and
4 benchmarks among regional support networks, service providers, and
5 against other states. The department shall provide a report to the
6 appropriate committees of the legislature on the development and
7 implementation of the use of performance measures by October 2002.

8 (c) \$125,000 of the general fund--state appropriation for fiscal
9 year 2002, \$125,000 of the general fund--state appropriation for fiscal
10 year 2003, and \$250,000 of the general fund--federal appropriation are
11 provided solely for a study of the prevalence of mental illness among
12 the state's regional support networks and the appropriate allocation of
13 state hospital beds among the networks. The prevalence study shall
14 examine how reasonable estimates of the prevalence of mental illness
15 relate to the incidence of persons enrolled in medical assistance
16 programs in each regional support network area. In conducting ((this))
17 the prevalence study, the department shall consult with the joint
18 legislative audit and review committee, regional support networks,
19 community mental health providers, and mental health consumer
20 representatives. The department shall submit a final report on ((its))
21 the findings of the prevalence study to the fiscal, health care, and
22 human services committees of the legislature by November 1, 2003. In
23 preparing the report on allocation of state hospital beds, the
24 department shall: (i) Utilize the most current and reliable applicable
25 academic research, and shall consult with academic and other national
26 experts on mental health inpatient care; (ii) estimate the relative
27 need for short-term and long-term inpatient psychiatric care in each of
28 the state's regions, based on the factors that the experts identify as
29 the best predictors of need, including geographic proximity to the
30 hospitals; and (iii) identify options for changing the current
31 distribution of state hospital beds among the regional support
32 networks. This report shall be prepared in consultation with
33 representatives of people with mental illness and the regional support
34 networks, and shall be submitted to appropriate committees of the
35 legislature. The department shall maintain the same relative
36 allocation of budgeted, nonforensic state hospital beds among the
37 regional support networks as was in effect during fiscal year 2002
38 until at least thirty days after adjournment of the first regular
39 legislative session following submission of the report on the

1 appropriate allocation of these beds. This subsection does not
2 prohibit the replacement of current state hospital beds with community
3 alternatives as provided elsewhere in this section.

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

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

8 (1) COMMUNITY SERVICES

9	General Fund--State Appropriation (FY 2002) . . . \$	((231,693,000))
10		<u>233,705,000</u>
11	General Fund--State Appropriation (FY 2003) . . . \$	((242,347,000))
12		<u>255,415,000</u>
13	General Fund--Federal Appropriation \$	(396,151,000))
14		<u>405,773,000</u>
15	Health Services Account--State	
16	Appropriation \$	((741,000))
17		<u>903,000</u>
18	TOTAL APPROPRIATION \$	((870,932,000))
19		<u>895,796,000</u>

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

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

35 (b) \$10,050,000 of the fiscal year 2003 general fund--state
36 appropriation and \$3,550,000 of the general fund--federal appropriation
37 are provided solely for expanded access to community services. A total
38 of \$7,800,000 is provided for additional residential services for

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

23 (c) The health services account appropriation and (~~(\$753,000)~~)
24 \$904,000 of the general fund--federal appropriation are provided solely
25 for health care benefits for home care workers with family incomes
26 below 200 percent of the federal poverty level who are employed through
27 state contracts for twenty hours per week or more. Premium payments
28 for individual provider home care workers shall be made only to the
29 subsidized basic health plan. Home care agencies may obtain coverage
30 either through the basic health plan or through an alternative plan
31 with substantially equivalent benefits.

32 (~~((+))~~) (d) \$902,000 of the general fund--state appropriation for
33 fiscal year 2002, \$3,372,000 of the general fund--state appropriation
34 for fiscal year 2003, and \$4,056,000 of the general fund--federal
35 appropriation are provided solely for community services for residents
36 of residential habilitation centers (RHCs) who are able to be
37 adequately cared for in community settings and who choose to live in
38 those community settings. The department shall ensure that the average
39 cost per day for all program services other than start-up costs shall

1 not exceed \$280. If the number and timing of residents choosing to
2 move into community settings is not sufficient to achieve the RHC
3 cottage consolidation plan assumed in the appropriations in subsection
4 (2) of this section, the department shall transfer sufficient
5 appropriations from this subsection to subsection (2) of this section
6 to cover the added costs incurred in the RHCs. The department shall
7 report to the appropriate committees of the legislature, within 45 days
8 following each fiscal year quarter, the number of residents moving into
9 community settings and the actual expenditures for all community
10 services to support those residents.

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

26 ~~((d) \$1,005,000 of the general fund--state appropriation for
27 fiscal year 2002, \$2,262,000 of the general fund--state appropriation
28 for fiscal year 2003, and \$2,588,000 of the general fund--federal
29 appropriation are provided solely for increasing case/resource
30 management resources to improve oversight and quality of care for
31 persons enrolled in the medicaid home and community services waiver for
32 persons with developmental disabilities.))~~ (f) The department shall not
33 increase total enrollment in home and community based waivers for
34 persons with developmental disabilities except for ~~((increases))~~
35 changes assumed in additional funding provided in subsections (b) ~~((and
36 (e)))~~, (d), and (e) of this section. Prior to submitting to the health
37 care financing authority any additional home and community based waiver
38 request for persons with developmental disabilities, the department
39 shall submit a summary of the waiver request to the appropriate

1 committees of the legislature. The summary shall include eligibility
2 criteria, program description, enrollment projections and limits, and
3 budget and cost effectiveness projections that distinguish the
4 requested waiver from other existing or proposed waivers.

5 ~~((e))~~ (g) \$1,000,000 of the general fund--state appropriation
6 for fiscal year 2002 and \$1,000,000 of the general fund--state
7 appropriation for fiscal year 2003 are provided solely for employment,
8 or other day activities and training programs, for young adults with
9 developmental disabilities who complete their high school curriculum in
10 2001 or 2002. These services are intended to assist with the
11 transition to work and more independent living. Funding shall be used
12 to the greatest extent possible for vocational rehabilitation services
13 matched with federal funding. In recent years, the state general fund
14 appropriation for employment and day programs has been underspent.
15 These surpluses, built into the carry forward level budget, shall be
16 redeployed for high school transition services.

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

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

35 (j) \$1,310,000 of the general fund--state appropriation for fiscal
36 year 2003 and \$1,207,000 of the general fund--federal appropriation are
37 provided solely for an increase of twenty-five cents per hour on
38 October 1, 2002, for individual and agency home care workers who
39 provide state-funded services to persons with developmental

1 disabilities. The amount provided in this section also includes the
 2 funds needed for the employer share of unemployment and social security
 3 taxes on the amount of the wage increase required by this subsection.
 4 The wage increases for individual providers required by this subsection
 5 are subject to the collective bargaining provisions of Initiative
 6 Measure No. I-775 (chapter 3, Laws of 2002).

7 (2) INSTITUTIONAL SERVICES

8	General Fund--State Appropriation (FY 2002) . . . \$	((71,977,000))
9		<u>69,375,000</u>
10	General Fund--State Appropriation (FY 2003) . . . \$	((69,303,000))
11		<u>68,203,000</u>
12	General Fund--Federal Appropriation \$	((145,641,000))
13		<u>145,672,000</u>
14	General Fund--Private/Local Appropriation . . . \$	((10,230,000))
15		<u>11,230,000</u>
16	TOTAL APPROPRIATION \$	((297,151,000))
17		<u>294,480,000</u>

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

29 (3) PROGRAM SUPPORT

30	General Fund--State Appropriation (FY 2002) . . . \$	((2,601,000))
31		<u>1,711,000</u>
32	General Fund--State Appropriation (FY 2003) . . . \$	((2,623,000))
33		<u>2,007,000</u>
34	General Fund--Federal Appropriation \$	((2,413,000))
35		<u>2,612,000</u>
36	<u>Telecommunications Devices for the Hearing and</u>	
37	<u>Speech Impaired Account Appropriation . . . \$</u>	<u>1,767,000</u>
38	TOTAL APPROPRIATION \$	((7,637,000))

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

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

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

(4) SPECIAL PROJECTS

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

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

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

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

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

(1) The entire health services account appropriation, \$1,210,000 of the general fund--state appropriation for fiscal year 2002, \$1,423,000 of the general fund--state appropriation for fiscal year 2003, and \$6,794,000 of the general fund--federal appropriation are

1 provided solely for health care benefits for home care workers who are
2 employed through state contracts for at least twenty hours per week.
3 Premium payments for individual provider home care workers shall be
4 made only to the subsidized basic health plan, and only for persons
5 with incomes below 200 percent of the federal poverty level. Home care
6 agencies may obtain coverage either through the basic health plan or
7 through an alternative plan with substantially equivalent benefits.

8 (2) \$1,706,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$1,706,000 of the general fund--state appropriation for
10 fiscal year 2003, plus the associated vendor rate increase for each
11 year, are provided solely for operation of the volunteer chore services
12 program.

13 (3) For purposes of implementing chapter 74.46 RCW, the weighted
14 average nursing facility payment rate shall be no more than \$128.79 for
15 fiscal year 2002, and no more than (~~(\$134.45)~~) \$132.58 for fiscal year
16 2003. For all facilities, the therapy care, support services, and
17 operations component rates established in accordance with chapter 74.46
18 RCW shall be adjusted for economic trends and conditions by 2.1 percent
19 effective July 1, 2001, and by an additional (~~(2.3)~~) 1.5 percent
20 effective July 1, 2002. For case-mix facilities, direct care component
21 rates established in accordance with chapter 74.46 RCW shall also be
22 adjusted for economic trends and conditions by 2.1 percent effective
23 July 1, 2001, and by an additional 2.3 percent effective July 1, 2002.
24 Additionally, to facilitate the transition to a fully case-mix based
25 direct care payment system, the median price per case-mix unit for each
26 of the applicable direct care peer groups shall be increased on a one-
27 time basis by 2.64 percent effective July 1, 2002.

28 (4) In accordance with Substitute House Bill No. 2242 (nursing
29 home rates), the department shall issue certificates of capital
30 authorization which result in up to \$10 million of increased asset
31 value completed and ready for occupancy in fiscal year 2003; in up to
32 \$27 million of increased asset value completed and ready for occupancy
33 in fiscal year 2004; and in up to \$27 million of increased asset value
34 completed and ready for occupancy in fiscal year 2005.

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

38 (6) Within funds appropriated in this section and in section 204
39 of this act, the aging and adult services program shall coordinate with

1 and actively support the efforts of the mental health program and of
2 the regional support networks to provide stable community living
3 arrangements for persons with dementia and traumatic brain injuries who
4 have been long-term residents of the state psychiatric hospitals. The
5 aging and adult services program shall report to the health care and
6 fiscal committees of the legislature by November 1, 2001, and by
7 November 1, 2002, on the actions it has taken to achieve this
8 objective.

9 (7) Within funds appropriated in this section and in section 204
10 of this act, the aging and adult services program shall devise and
11 implement strategies in partnership with the mental health program and
12 the regional support networks to reduce the use of state and local
13 psychiatric hospitals for the short-term stabilization of persons with
14 dementia and traumatic brain injuries. Such strategies may include
15 training and technical assistance to help long-term care providers
16 avoid and manage behaviors which might otherwise result in psychiatric
17 hospitalizations; monitoring long-term care facilities to assure
18 residents are receiving appropriate mental health care and are not
19 being inappropriately medicated or hospitalized; the development of
20 diversion beds and stabilization support teams; and the establishment
21 of systems to track the use of psychiatric hospitals by long-term care
22 providers. The aging and adult services program shall report to the
23 health care and fiscal committees of the legislature by November 1,
24 2001, and by November 1, 2002, on the actions it has taken to achieve
25 this objective.

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

31 (a) ~~((One))~~ The waiver program shall include coverage of ~~((home-~~
32 ~~based services, and the second shall include coverage of))~~ care in
33 community residential facilities. ~~((Enrollment in the waiver covering~~
34 ~~home-based services shall not exceed 150 persons by the end of fiscal~~
35 ~~year 2002, nor 200 persons by the end of fiscal year 2003.))~~
36 Enrollment in the waiver ~~((covering community residential services))~~
37 shall not exceed ~~((500))~~ 50 persons by the end of fiscal year 2002, nor
38 ~~((900))~~ 600 persons by the end of fiscal year 2003.

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

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

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

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

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

35 (11) From funds appropriated in this section, the department shall
36 increase compensation for individual and for agency home care
37 providers. Payments to individual home care providers are to be
38 increased from \$7.18 per hour to \$7.68 per hour on July 1, 2001, and to
39 \$7.93 per hour on October 1, 2002. Payments to agency providers are to

1 be increased to \$13.30 per hour on July 1, 2001, and to \$13.44 per hour
2 on July 1, 2002, and to \$13.72 on October 1, 2002. All but 18 cents
3 per hour of the July 1, 2001, increase to agency providers, and all but
4 3 cents per hour of the October 1, 2002, increase, is to be used to
5 increase wages for direct care workers. The appropriations in this
6 section also include the funds needed for the employer share of
7 unemployment and social security taxes on the amount of the wage
8 increase required by this subsection. The October 1, 2002, wage
9 increases for individual providers are subject to the collective
10 bargaining provisions of Initiative Measure No. 775 (chapter 3, Laws of
11 2002).

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

26 (13) \$1,082,000 of the general fund--state appropriation for
27 fiscal year 2002, \$1,082,000 of the general fund--state appropriation
28 for fiscal year 2003, and \$2,204,000 of the general fund--federal
29 appropriation are provided solely for prospective rate increases
30 intended to increase compensation for low-wage workers in nursing homes
31 which contract with the state. For fiscal year 2002, the department
32 shall add forty-five cents per patient day to the direct care rate
33 which would otherwise be paid to each nursing facility in accordance
34 with chapter 74.46 RCW. For fiscal year 2003, the department shall
35 increase the median price per case-mix unit for each of the applicable
36 peer groups by six-tenths of one percent in order to distribute the
37 available funds. In consultation with the statewide associations
38 representing nursing facilities, the department shall establish a
39 mechanism for testing the extent to which funds have been used for this

1 purpose, and report the results to the fiscal committees of the
2 legislature by February 1, 2002, and by December 1, 2002.

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

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

7	General Fund--State Appropriation (FY 2002) . . . \$	((436,440,000))
8		<u>442,984,000</u>
9	General Fund--State Appropriation (FY 2003) . . . \$	((424,870,000))
10		<u>394,974,000</u>
11	General Fund--Federal Appropriation	((\$,356,351,000))
12		<u>1,359,505,000</u>
13	General Fund--Private/Local Appropriation . . . \$	((31,788,000))
14		<u>33,880,000</u>
15	TOTAL APPROPRIATION \$	((2,249,449,000))
16		<u>2,231,343,000</u>

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

19 (1) ((~~\$282,081,000~~)) \$281,035,000 of the general fund--state
20 appropriation for fiscal year 2002, ((~~\$278,277,000~~)) \$277,231,000 of
21 the general fund--state appropriation for fiscal year 2003,
22 \$1,254,197,000 of the general fund--federal appropriation, and
23 ((~~\$29,352,000~~)) \$31,444,000 of the general fund--local appropriation
24 are provided solely for the WorkFirst program and child support
25 operations. WorkFirst expenditures include TANF grants, diversion
26 services, subsidized child care, employment and training, other
27 WorkFirst related services, allocated field services operating costs,
28 and allocated economic services program administrative costs. Within
29 the amounts provided in this subsection, the department shall:

30 (a) Continue to implement WorkFirst program improvements that are
31 designed to achieve progress against outcome measures specified in RCW
32 74.08A.410. Valid outcome measures of job retention and wage
33 progression shall be developed and reported quarterly to appropriate
34 fiscal and policy committees of the legislature for families who leave
35 assistance, measured after 12 months, 24 months, and 36 months. An
36 increased attention to job retention and wage progression is necessary
37 to emphasize the legislature's goal that the WorkFirst program succeed
38 in helping recipients gain long-term economic independence and not

1 cycle on and off public assistance. The wage progression measure shall
2 report the median percentage increase in quarterly earnings and hourly
3 wage after 12 months, 24 months, and 36 months. The wage progression
4 report shall also report the percent with earnings above one hundred
5 percent and two hundred percent of the federal poverty level. The
6 report shall compare former WorkFirst participants with similar workers
7 who did not participate in WorkFirst. The department shall also report
8 the percentage of families who have returned to temporary assistance
9 for needy families after 12 months, 24 months, and 36 months.

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

37 (c) From the amounts provided in this subsection, provide \$50,000
38 from the general fund--state appropriation for fiscal year 2002 and
39 \$50,000 from the general fund--state appropriation for fiscal year 2003

1 to the Washington institute for public policy for continuation of the
2 WorkFirst evaluation database.

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

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

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

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

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

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

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

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

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

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

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

1 (2) (~~(\$48,341,000)~~) \$54,623,000 of the general fund--state
2 appropriation for fiscal year 2002 and (~~(\$48,341,000)~~) \$44,431,000 of
3 the general fund--state appropriation for fiscal year 2003 are provided
4 solely for cash assistance and other services to recipients in the
5 general assistance--unemployable program. Within these amounts, the
6 department may expend funds for services that assist recipients to
7 reduce their dependence on public assistance, provided that
8 expenditures for these services and cash assistance do not exceed the
9 funds provided.

10 (3) \$5,632,000 of the general fund--state appropriation for fiscal
11 year 2002 and (~~(\$5,632,000)~~) \$4,032,000 of the general fund--state
12 appropriation for fiscal year 2003 are provided solely for the food
13 assistance program for legal immigrants. The level of benefits shall
14 be equivalent to the benefits provided by the federal food stamp
15 program.

16 (4) \$48,000 of the general fund--state appropriation for fiscal
17 year 2002 is provided solely to implement chapter 111, Laws of 2001
18 (veterans/Philippines).

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

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

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

30 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
31 **ABUSE PROGRAM**

32	General Fund--State Appropriation (FY 2002) . . . \$	((38,047,000))
33		<u>35,851,000</u>
34	General Fund--State Appropriation (FY 2003) . . . \$	((38,938,000))
35		<u>37,022,000</u>
36	General Fund--Federal Appropriation	\$((91,695,000))
37		<u>91,549,000</u>
38	General Fund--Private/Local Appropriation . . . \$	723,000

1	Public Safety and Education Account--State		
2	Appropriation	\$	((13,733,000))
3			<u>13,427,000</u>
4	Violence Reduction and Drug Enforcement Account--		
5	State Appropriation	\$	((52,510,000))
6			<u>52,306,000</u>
7	TOTAL APPROPRIATION	\$	((235,646,000))
8			<u>230,878,000</u>

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

11 (1) ((~~\$1,610,000~~)) \$810,000 of the general fund--state
12 appropriation for fiscal year 2002 and \$1,622,000 of the general fund--
13 state appropriation for fiscal year 2003 are provided solely for
14 expansion of 35 drug and alcohol treatment beds for persons committed
15 under RCW 70.96A.140. Patients meeting the commitment criteria of RCW
16 70.96A.140 but who voluntarily agree to treatment in lieu of commitment
17 shall also be eligible for treatment in these additional treatment
18 beds. The department shall develop specific placement criteria for
19 these expanded treatment beds to ensure that this new treatment
20 capacity is prioritized for persons incapacitated as a result of
21 chemical dependency and who are also high utilizers of hospital
22 services. These additional treatment beds shall be located in the
23 eastern part of the state.

24 (2) ((~~\$2,800,000~~)) \$1,000,000 of the public safety and education
25 account--state appropriation is provided solely for expansion of
26 treatment for persons gravely disabled by abuse and addiction to
27 alcohol and other drugs including methamphetamine.

28 (3) \$1,083,000 of the public safety and education account--state
29 appropriation ((~~is~~)) and \$75,000 of the violence reduction and drug
30 enforcement account--state appropriation are provided solely for adult
31 and juvenile drug courts that have a net loss of federal grant funding
32 in state fiscal year 2002 and state fiscal year 2003. This
33 appropriation is intended to cover approximately one-half of lost
34 federal funding. ((~~It is the intent of the legislature to provide~~
35 ~~state assistance to counties to cover a part of lost federal funding~~
36 ~~for drug courts for a maximum of three years.~~))

37 (4) \$1,993,000 of the public safety and education account--state
38 appropriation and \$951,000 of the general fund--federal appropriation
39 are provided solely for drug and alcohol treatment for SSI clients.

1 The department shall continue research and post-program evaluation of
2 these clients to further determine the post-treatment utilization of
3 medical services and the service effectiveness of consolidation.

4 (5) \$500,000 of the violence reduction and drug enforcement
5 account appropriation for fiscal year 2003 is provided solely for the
6 department to provide treatment for pathological gambling or training
7 for the treatment of pathological gambling under Second Substitute
8 Senate Bill No. 6560 (shared game lottery). If the bill is not enacted
9 by June 30, 2002, the amount provided in this subsection shall lapse.

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

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

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

17	General Fund--State Appropriation (FY 2002) . . . \$	((1,028,885,000))
18		<u>1,081,150,000</u>
19	General Fund--State Appropriation (FY 2003) . . . \$	((1,130,904,000))
20		<u>1,124,758,000</u>
21	General Fund--Federal Appropriation	((637,511,000))
22		<u>3,621,077,000</u>
23	General Fund--Private/Local Appropriation . . . \$	((276,147,000))
24		<u>211,272,000</u>
25	Emergency Medical Services and Trauma Care Systems	
26	Trust Account--State Appropriation \$	9,200,000
27	Health Services Account--State Appropriation . \$	((1,043,310,000))
28		<u>1,104,119,000</u>
29	TOTAL APPROPRIATION \$	((7,125,957,000))
30		<u>7,151,576,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (11) In accordance with RCW 74.46.625, (~~(\$376,318,000)~~)
6 \$523,600,000 of the health services account appropriation (~~(for fiscal~~
7 ~~year 2002, \$144,896,000 of the health services account appropriation~~
8 ~~for fiscal year 2003, and \$542,089,000)) and \$530,585,000 of the
9 general fund--federal appropriation are provided solely for
10 supplemental payments to nursing homes operated by rural public
11 hospital districts. The payments shall be conditioned upon (a) a
12 contractual commitment by the association of public hospital districts
13 and participating rural public hospital districts to make an
14 intergovernmental transfer to the state treasurer, for deposit into the
15 health services account, equal to at least 98 percent of the
16 supplemental payments; and (b) a contractual commitment by the
17 participating districts to not allow expenditures covered by the
18 supplemental payments to be used for medicaid nursing home rate-
19 setting. The participating districts shall retain no more than a total
20 of \$20,000,000 for the 2001-03 biennium. If the medicare upper payment
21 limit revenues referenced in this subsection are not received in an
22 amount or within a time frame sufficient to support spending from the
23 health services account, the governor shall take actions in accordance
24 with RCW 43.88.110(8).~~

25 (12) (~~(\$38,690,000)~~) \$38,766,000 of the health services account
26 appropriation for fiscal year 2002, (~~(\$40,189,000)~~) \$40,494,000 of the
27 health services account appropriation for fiscal year 2003, and
28 (~~(\$80,241,000)~~) \$79,839,000 of the general fund--federal appropriation
29 are provided solely for additional disproportionate share and medicare
30 upper payment limit payments to public hospital districts.

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

37 (~~(b)~~) ~~An additional 4.5 percent of the additional payments may be~~
38 ~~retained by the participating public hospital districts contingent upon~~
39 ~~the receipt of \$446,500,000 in newly identified proshare reimbursement~~

1 from the federal government over the 2001-03 biennium. If the actual
2 amount received is less than \$446,500,000, the amount retained pursuant
3 to this subsection (12)(b) shall be prorated accordingly. The state
4 teaching hospitals shall receive a distribution of the amount retained
5 by the participating hospital districts in this subsection (12)(b) as
6 allocated in (a) of this subsection.)

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

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

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

25 (16) \$8,500,000 of the general fund--state appropriation for
26 fiscal year 2002, or so much thereof as may be necessary, is provided
27 solely for settlement of *Providence St. Peter's Hospital et al. vs.*
28 *Department of Social and Health Services.*

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

34 (18) The department shall implement an academic detailing program
35 that educates prescribers on the availability of generic versions of
36 off-patent brand drugs. To the extent the net cost of generics, after
37 accounting for rebates, is less than the off-patent drug, generics will
38 be substituted, with the prescriber's approval, consistent with

1 criteria developed by the department in consultation with the state
2 medical association and the state pharmacists association.

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

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

16 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**
17 **REHABILITATION PROGRAM**

18	General Fund--State Appropriation (FY 2002) . . . \$	((11,309,000))
19		<u>11,135,000</u>
20	General Fund--State Appropriation (FY 2003) . . . \$	((9,780,000))
21		<u>9,385,000</u>
22	General Fund--Federal Appropriation \$	((83,738,000))
23		<u>82,235,000</u>
24	General Fund--Private/Local Appropriation . . . \$	360,000
25	TOTAL APPROPRIATION \$	((105,187,000))
26		<u>103,115,000</u>

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

29 (1) The division of vocational rehabilitation shall negotiate
30 cooperative interagency agreements with state and local organizations
31 to improve and expand employment opportunities for people with severe
32 disabilities.

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

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

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**
2 **SUPPORTING SERVICES PROGRAM**

3	General Fund--State Appropriation (FY 2002) . . . \$	((30,444,000))
4		<u>30,419,000</u>
5	General Fund--State Appropriation (FY 2003) . . . \$	((29,369,000))
6		<u>22,419,000</u>
7	General Fund--Federal Appropriation \$	((50,562,000))
8		<u>47,135,000</u>
9	General Fund--Private/Local Appropriation . . . \$	810,000
10	TOTAL APPROPRIATION \$	((111,185,000))
11		<u>100,783,000</u>

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

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

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

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

38 (4) By September 1, 2001, the department shall report to the
39 fiscal committees of the legislature results from the payment review

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

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

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

23 **FOR THE STATE HEALTH CARE AUTHORITY**

24	General Fund--State Appropriation (FY 2002)	\$	6,655,000
25	((General Fund--State Appropriation (FY 2003)	\$	6,654,000))
26	State Health Care Authority Administrative		
27	Account--State Appropriation	\$	((20,091,000))
28			<u>20,032,000</u>
29	Health Services Account--State Appropriation	\$	((499,148,000))
30			<u>538,828,000</u>
31	General Fund--Federal Appropriation	\$	((3,611,000))
32			<u>4,240,000</u>
33	<u>Medical Aid Account--State Appropriation</u>	<u>\$</u>	<u>45,000</u>
34	TOTAL APPROPRIATION	\$	((536,159,000))
35			<u>569,800,000</u>

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

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

5 (2) Within funds appropriated in this section and sections 205 and
6 206 of this 2001 act, the health care authority shall continue to
7 provide an enhanced basic health plan subsidy option for foster parents
8 licensed under chapter 74.15 RCW and workers in state-funded home care
9 programs. Under this enhanced subsidy option, foster parents and home
10 care workers with family incomes below 200 percent of the federal
11 poverty level shall be allowed to enroll in the basic health plan at a
12 cost of ten dollars per covered worker per month.

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

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

29 (5) The administrator shall take at least the following actions to
30 assure that persons participating in the basic health plan are eligible
31 for the level of assistance they receive: (a) Require submission of
32 income tax returns and recent pay history from all applicants; (b)
33 check employment security payroll records at least once every twelve
34 months on all enrollees; (c) require enrollees whose income as
35 indicated by payroll records exceeds that upon which their subsidy is
36 based to document their current income as a condition of continued
37 eligibility; (d) require enrollees for whom employment security payroll
38 records cannot be obtained to document their current income at least
39 once every six months; and (e) pursue repayment and civil penalties

1 from persons who have received excessive subsidies, as provided in RCW
2 70.47.060(9).

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

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

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

17 (7) \$3,000,000 of the health services account--state appropriation
18 for fiscal year 2003 is provided solely to increase the number of
19 persons not eligible for medicaid receiving dental care from nonprofit
20 community clinics, and for interpreter services to support dental and
21 medical services for persons for whom interpreters are not available
22 from any other source.

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

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

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

3 (10) \$685,000 of the health services account appropriation,
4 \$629,000 of the general fund--federal appropriation, and the medical
5 aid account appropriation are provided solely for implementation of
6 Substitute Senate Bill No. 6368 (prescription drug utilization and
7 education). If the bill is not enacted by June 30, 2002, these amounts
8 shall lapse.

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

11 **FOR THE HUMAN RIGHTS COMMISSION**

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

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

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

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

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

32 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

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

1	Public Safety and Education Account--State		
2	Appropriation	\$	((18,439,000))
3			<u>18,148,000</u>
4	TOTAL APPROPRIATION	\$	((19,047,000))
5			<u>18,756,000</u>

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

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

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

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

22 (4) ~~((\$31,000))~~ \$27,000 of the public safety and education account
23 appropriation is provided solely to increase payment rates for the
24 criminal justice training commission's contract with the Washington
25 association of sheriffs and police chiefs.

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

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

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

37 (8)) \$450,000 of the public safety and education account
38 appropriation is provided solely for grants to be distributed by the

1 Washington association of sheriffs and police chiefs for electronic
2 mapping of school facilities.

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

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

6	General Fund--State Appropriation (FY 2002) . . . \$	((7,738,000))
7		<u>5,577,000</u>
8	General Fund--State Appropriation (FY 2003) . . . \$	((7,682,000))
9		<u>5,517,000</u>
10	General Fund--Federal Appropriation \$	1,250,000
11	Public Safety and Education Account--State	
12	Appropriation \$	((19,862,000))
13		<u>18,292,000</u>
14	Public Safety and Education Account--Federal	
15	Appropriation \$	6,950,000
16	Public Safety and Education Account--Private/Local	
17	Appropriation \$	((4,200,000))
18		<u>5,373,000</u>
19	Asbestos Account--State Appropriation \$	688,000
20	Electrical License Account--State	
21	Appropriation \$	28,412,000
22	Farm Labor Revolving Account--Private/Local	
23	Appropriation \$	28,000
24	Worker and Community Right-to-Know Account--State	
25	Appropriation \$	2,281,000
26	Public Works Administration Account--State	
27	Appropriation \$	2,856,000
28	Accident Account--State Appropriation \$	((179,186,000))
29		<u>184,219,000</u>
30	Accident Account--Federal Appropriation \$	11,568,000
31	Medical Aid Account--State Appropriation \$	((176,715,000))
32		<u>183,666,000</u>
33	Medical Aid Account--Federal Appropriation . . . \$	2,438,000
34	Plumbing Certificate Account--State	
35	Appropriation \$	((1,015,000))
36		<u>1,111,000</u>
37	Pressure Systems Safety Account--State	
38	Appropriation \$	((2,274,000))

1 2,525,000
2 TOTAL APPROPRIATION \$ ((455,143,000))
3 462,751,000

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

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

17 (2) (~~(\$1,438,000 of the accident account--state appropriation and~~
18 ~~\$1,438,000 of the medical aid account--state appropriation are provided~~
19 ~~for the one-time cost of implementing a recent state supreme court~~
20 ~~ruling regarding the calculation of workers' compensation benefits.~~
21 ~~This decision significantly increases the complexity of calculating~~
22 ~~benefits and therefore increases the administrative and legal costs of~~
23 ~~the workers' compensation program. The department shall develop and~~
24 ~~report to appropriate committees of the legislature proposed statutory~~
25 ~~language that provides greater certainty and simplicity in the~~
26 ~~calculation of benefits. The report shall be submitted by October 1,~~
27 ~~2001.~~

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

34 (3) \$300,000 of the medical aid account--state appropriation is
35 provided for a second center of occupational health and education to be
36 located on the east side of the state. These centers train physicians
37 on best practices for occupational medicine and work with labor and
38 business to improve the quality and outcomes of medical care provided
39 to injured workers.

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

3 **FOR THE INDETERMINATE SENTENCE REVIEW BOARD**

4	General Fund--State Appropriation (FY 2002) . . . \$	999,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((999,000))
6		<u>969,000</u>
7	TOTAL APPROPRIATION \$	((1,998,000))
8		<u>1,968,000</u>

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

11 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

12 (1) HEADQUARTERS

13	General Fund--State Appropriation (FY 2002) . . . \$	((1,529,000))
14		<u>1,577,000</u>
15	General Fund--State Appropriation (FY 2003) . . . \$	1,533,000
16	Charitable, Educational, Penal, and Reformatory 17 Institutions Account--State 18 Appropriation \$	7,000
19	TOTAL APPROPRIATION \$	((3,069,000))
20		<u>3,117,000</u>

21 (2) FIELD SERVICES

22	General Fund--State Appropriation (FY 2002) . . . \$	2,619,000
23	General Fund--State Appropriation (FY 2003) . . . \$	((2,643,000))
24		<u>2,580,000</u>
25	General Fund--Federal Appropriation \$	((155,000))
26		<u>310,000</u>
27	General Fund--Private/Local Appropriation . . . \$	1,663,000
28	TOTAL APPROPRIATION \$	((7,080,000))
29		<u>7,172,000</u>

30 (3) INSTITUTIONAL SERVICES

31	General Fund--State Appropriation (FY 2002) . . . \$	((6,832,000))
32		<u>5,765,000</u>
33	General Fund--State Appropriation (FY 2003) . . . \$	((4,600,000))
34		<u>5,516,000</u>
35	General Fund--Federal Appropriation \$	((28,699,000))
36		<u>27,437,000</u>
37	General Fund--Private/Local Appropriation . . . \$	((25,614,000))

1 22,828,000
 2 TOTAL APPROPRIATION \$ ((65,745,000))
 3 61,546,000

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

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

13 **FOR THE HOME CARE QUALITY AUTHORITY**

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

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

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

22 **FOR THE DEPARTMENT OF HEALTH**

23 General Fund--State Appropriation (FY 2002) . . \$ ((65,308,000))
 24 57,337,000
 25 General Fund--State Appropriation (FY 2003) . . \$ ((66,941,000))
 26 54,940,000
 27 Health Services Account--State Appropriation . \$ ((24,186,000))
 28 33,520,000
 29 General Fund--Federal Appropriation \$ (276,840,000)
 30 297,352,000
 31 General Fund--Private/Local Appropriation . . . \$ ((81,526,000))
 32 82,912,000
 33 Hospital Commission Account--State
 34 Appropriation \$ ((1,718,000))
 35 2,305,000
 36 Health Professions Account--State

1	Appropriation	\$	((38,456,000))
2			<u>39,374,000</u>
3	Emergency Medical Services and Trauma Care Systems		
4	Trust Account--State Appropriation	\$	14,858,000
5	Safe Drinking Water Account--State		
6	Appropriation	\$	((2,701,000))
7			<u>2,689,000</u>
8	Drinking Water Assistance Account--Federal		
9	Appropriation	\$	((13,400,000))
10			<u>13,376,000</u>
11	Waterworks Operator Certification--State		
12	Appropriation	\$	622,000
13	<u>Salmon Recovery Account--State Appropriation</u>	\$	<u>182,000</u>
14	Water Quality Account--State Appropriation	\$	((3,328,000))
15			<u>3,304,000</u>
16	Accident Account--State Appropriation	\$	257,000
17	Medical Aid Account--State Appropriation	\$	45,000
18	State Toxics Control Account--State		
19	Appropriation	\$	((2,817,000))
20			<u>2,809,000</u>
21	Medical Test Site Licensure Account--State		
22	Appropriation	\$	((1,369,000))
23			<u>1,801,000</u>
24	Youth Tobacco Prevention Account--State		
25	Appropriation	\$	1,797,000
26	Tobacco Prevention and Control Account--State		
27	Appropriation	\$	((34,992,000))
28			<u>43,737,000</u>
29	TOTAL APPROPRIATION	\$	((631,161,000))
30			<u>653,217,000</u>

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

- 33 (1) The department or any successor agency is authorized to raise
34 existing fees charged to the drinking water operator certification,
35 newborn screening, radioactive materials, x-ray compliance, drinking
36 water plan review, midwifery, hearing and speech, veterinarians,
37 psychologists, pharmacists, hospitals, podiatrists, ((and)) home health
38 and home care, transient accommodations licensing, adult residential
39 rehabilitation facilities licensing, state institution licensing,

1 medical test site licensing, alcoholism treatment facilities licensing,
2 certificate of need, and food handlers programs, in excess of the
3 fiscal growth factor established by Initiative Measure No. 601, if
4 necessary, to meet the actual costs of conducting business and the
5 appropriation levels in this section.

6 (2) \$339,000 of the general fund--state appropriation for fiscal
7 year 2002 (~~and \$339,000~~), \$157,000 of the general fund--state
8 appropriation for fiscal year 2003, and the salmon recovery account
9 appropriation are provided solely for technical assistance to local
10 governments and special districts on water conservation and reuse.

11 (3) \$1,675,000 of the general fund--state fiscal year 2002
12 appropriation and \$1,676,000 of the general fund--state fiscal year
13 2003 appropriation are provided solely for the implementation of the
14 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
15 DOH-03, and DOH-04.

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

32 (5) (~~(\$5,779,000)~~) \$19,778,000 of the health services account--
33 state appropriation (~~for fiscal year 2002 and \$4,665,000 of the health~~
34 ~~services account state appropriation for fiscal year 2003 are~~) is
35 provided solely for (~~purchase and distribution of the pneumococcal~~
36 ~~conjugate vaccine as part of~~) the state's program of universal access
37 to essential childhood vaccines. The department shall utilize all
38 available federal funding before expenditure of these funds.

1 (6) \$85,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$65,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for the implementation of
4 Substitute House Bill No. 1365 (infant and child products). If the
5 bill is not enacted by June 30, 2001, the amounts provided in this
6 subsection shall lapse.

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

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

28 ~~((+9))~~ (8) \$533,000 of the general fund--state appropriation for
29 fiscal year 2002 and ~~(((\$1,067,000))~~ \$847,000 of the general fund--state
30 appropriation for fiscal year 2003 are provided solely for performance-
31 based contracts with local jurisdictions to assure the safety of
32 drinking water provided by small "group B" water systems.

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

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

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

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

8 **FOR THE DEPARTMENT OF CORRECTIONS**

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

18 (1) ADMINISTRATION AND SUPPORT SERVICES

19	General Fund--State Appropriation (FY 2002) . . . \$	((36,156,000))
20		<u>36,786,000</u>
21	General Fund--State Appropriation (FY 2003) . . . \$	((36,365,000))
22		<u>36,434,000</u>
23	Public Safety and Education Account--State	
24	Appropriation \$	1,576,000
25	Violence Reduction and Drug Enforcement	
26	Account Appropriation \$	3,254,000
27	TOTAL APPROPRIATION \$	((77,351,000))
28		<u>78,050,000</u>

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

1 shall prepare an assessment of the fiscal impact of any changes to the
2 replacement project. The assessment shall:

3 (a) Include a description of any changes to the replacement
4 project;

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

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

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

13 (2) CORRECTIONAL OPERATIONS

14	General Fund--State Appropriation (FY 2002) . . . \$	((397,231,000))
15		<u>404,390,000</u>
16	General Fund--State Appropriation (FY 2003) . . . \$	((407,078,000))
17		<u>412,788,000</u>
18	General Fund--Federal Appropriation \$	((12,096,000))
19		<u>9,142,000</u>
20	Violence Reduction and Drug Enforcement Account--	
21	State Appropriation \$	((1,614,000))
22		<u>1,596,000</u>
23	Public Health Services Account Appropriation . . . \$	1,453,000
24	TOTAL APPROPRIATION \$	((819,472,000))
25		<u>829,369,000</u>

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

28 (a) The department may expend funds generated by contractual
29 agreements entered into for mitigation of severe overcrowding in local
30 jails. Any funds generated in excess of actual costs shall be
31 deposited in the state general fund. Expenditures shall not exceed
32 revenue generated by such agreements and shall be treated as recovery
33 of costs.

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

37 (c) The department of corrections shall accomplish personnel
38 reductions with the least possible impact on correctional custody

1 staff, community custody staff, and correctional industries. For the
2 purposes of this subsection, correctional custody staff means employees
3 responsible for the direct supervision of offenders.

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

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

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

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

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

36 (i) \$53,000 of the general fund--state appropriation for fiscal
37 year 2003 is provided solely for the implementation of Engrossed
38 Substitute Senate Bill No. 6490 (motor vehicle theft). If the bill is

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

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

8 (3) COMMUNITY SUPERVISION

9	General Fund--State Appropriation (FY 2002) . . . \$	((61,427,000))
10		<u>68,097,000</u>
11	General Fund--State Appropriation (FY 2003) . . . \$	((62,934,000))
12		<u>75,720,000</u>
13	General Fund--Federal Appropriation \$	((1,125,000))
14		<u>870,000</u>
15	Public Safety and Education	
16	Account--State Appropriation \$	((15,841,000))
17		<u>15,493,000</u>
18	TOTAL APPROPRIATION \$	((141,327,000))
19		<u>160,180,000</u>

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

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

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

34 (c) \$16,000 of the general fund--state appropriation for fiscal
35 year 2002 and ~~(\$34,000)~~ \$28,000 of the general fund--state
36 appropriation for fiscal year 2003 are provided solely to increase
37 payment rates for 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. 222.** 2001 2nd sp.s. c 7 s 222 (uncodified) is amended to
 25 read as follows:

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

27	General Fund--State Appropriation (FY 2002) . . . \$	((1,693,000))
28		<u>1,652,000</u>
29	General Fund--State Appropriation (FY 2003) . . . \$	((1,628,000))
30		<u>1,588,000</u>
31	General Fund--Federal Appropriation \$	((11,140,000))
32		<u>12,643,000</u>
33	General Fund--Private/Local Appropriation . . . \$	80,000
34	TOTAL APPROPRIATION \$	((14,541,000))
35		<u>15,963,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations: \$50,000 of the general fund--state
3 appropriation for fiscal year 2002 and \$50,000 of the general fund--
4 state appropriation for fiscal year 2003 are provided solely to
5 increase state assistance for a comprehensive program of training and
6 support services for persons who are both deaf and blind.

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

9 **FOR THE SENTENCING GUIDELINES COMMISSION**

10	General Fund--State Appropriation (FY 2002) . . . \$	936,000
11	General Fund--State Appropriation (FY 2003) . . . \$	((857,000))
12		<u>832,000</u>
13	TOTAL APPROPRIATION \$	((1,793,000))
14		<u>1,768,000</u>

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

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

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

1 Not later than December 1, 2001, the commission shall present to
 2 the appropriate standing committees of the legislature the report of
 3 its comprehensive review and evaluation, together with any
 4 recommendations for revisions and modifications to state sentencing
 5 policy, including sentencing ranges and standards, mandatory minimum
 6 sentences, and sentence enhancements. If implementation of the
 7 recommendations of the commission would result in exceeding the
 8 capacity of correctional facilities, the commission shall at the same
 9 time present to the legislature a list of revised standard sentence
 10 ranges which are consistent with currently authorized rated and
 11 operational corrections capacity, and consistent with the purposes of
 12 the sentencing reform act.

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

15 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

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

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

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

34 (2) Up to \$1,600,000 of the administrative contingency account--
 35 state appropriation is provided solely for administrative costs related
 36 to the implementation of Engrossed House Bill No. 2901 (unemployment

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

3 (End of part)

1	Flood Control Assistance Account--		
2	State Appropriation	\$	4,098,000
3	State Emergency Water Projects Revolving Account--		
4	State Appropriation	\$	878,000
5	Waste Reduction/Recycling/Litter Control Account--		
6	State Appropriation	\$	((13,537,000))
7			<u>14,287,000</u>
8	State Drought Preparedness Account--State		
9	Appropriation	\$	((5,325,000))
10			<u>2,575,000</u>
11	<u>Salmon Recovery Account--State Appropriation</u> .	\$	<u>250,000</u>
12	State and Local Improvements Revolving Account		
13	(Water Supply Facilities)--State		
14	Appropriation	\$	587,000
15	Water Quality Account--State Appropriation . .	\$	((12,481,000))
16			<u>22,985,000</u>
17	Wood Stove Education and Enforcement Account--		
18	State Appropriation	\$	353,000
19	Worker and Community Right-to-Know Account--		
20	State Appropriation	\$	3,288,000
21	State Toxics Control Account--State		
22	Appropriation	\$	((68,931,000))
23			<u>70,001,000</u>
24	State Toxics Control Account--Private/Local		
25	Appropriation	\$	350,000
26	Local Toxics Control Account--State		
27	Appropriation	\$	4,751,000
28	Water Quality Permit Account--State		
29	Appropriation	\$	((23,827,000))
30			<u>24,210,000</u>
31	Underground Storage Tank Account--State		
32	Appropriation	\$	2,682,000
33	Environmental Excellence Account--State		
34	Appropriation	\$	504,000
35	Biosolids Permit Account--State Appropriation	\$	((589,000))
36			<u>764,000</u>
37	Hazardous Waste Assistance Account--State		
38	Appropriation	\$	4,308,000

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

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

23 (1) \$3,874,000 of the general fund--state appropriation for fiscal
24 year 2002, \$3,874,000 of the general fund--state appropriation for
25 fiscal year 2003, \$394,000 of the general fund--federal appropriation,
26 \$2,070,000 of the oil spill prevention account--state appropriation,
27 and \$3,686,000 of the water quality permit account--state appropriation
28 are provided solely for the implementation of the Puget Sound work plan
29 and agency action items DOE-01, DOE-02, DOE-03, DOE-05, DOE-06, DOE-07,
30 DOE-08, and DOE-09.

31 (2) \$500,000 of the state toxics control account appropriation is
32 provided for an assessment of the financial assurance requirements of
33 hazardous waste management facilities. By September 30, 2002, the
34 department shall provide to the governor and appropriate committees of
35 the legislature a report that: (a) Evaluates current statutes and
36 regulations governing hazardous waste management facilities; (b)
37 analyzes and makes recommendations for improving financial assurance
38 regulatory control; and (c) makes recommendations for funding financial
39 assurance regulatory control of hazardous waste management facilities.

1 (3) (~~(\$250,000 of the general fund--state appropriation for fiscal~~
2 ~~year 2002, \$250,000 of the general fund--state appropriation for fiscal~~
3 ~~year 2003, \$564,000)) \$814,000 of the state drought preparedness
4 account--state appropriation, (~~and~~) \$549,000 of the water quality
5 account--state appropriation, and \$250,000 of the salmon recovery
6 account--state appropriation are provided solely for enhanced
7 streamflow monitoring in critical salmon recovery basins. \$640,000 of
8 this amount is provided solely to implement the Puget Sound work plan
9 and agency action item DOE-01.~~

10 (4) \$1,000,000 of the state toxics control account appropriation
11 in this section is provided solely for the department to work in
12 cooperation with local jurisdictions to address emerging storm water
13 management requirements. This work shall include developing a storm
14 water manual for eastern Washington, technical assistance to local
15 jurisdictions, and increased implementation of the department's
16 existing storm water program. \$200,000 of this amount is provided
17 solely for implementation of the Puget Sound work plan and agency
18 action item DOE-06.

19 (5) \$383,000 of the general fund--state appropriation for fiscal
20 year 2002 and \$383,000 of the general fund--state appropriation for
21 fiscal year 2003 are provided solely for water conservation plan
22 review, technical assistance, and project review for water conservation
23 and reuse projects. By December 1, 2003, the department in cooperation
24 with the department of health shall report to the governor and
25 appropriate committees of the legislature on the activities and
26 achievements related to water conservation and reuse during the past
27 two biennia. The report shall include an overview of technical
28 assistance provided, reuse project development activities, and water
29 conservation achievements.

30 (6) \$3,424,000 of the state toxics control account appropriation
31 is provided solely for methamphetamine lab clean up activities.

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

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

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

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

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

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

35 (v) The department shall finalize the mercury chemical action plan
36 by December 31, 2002. The final mercury chemical action plan,
37 developed after considering the public comments and the input of the
38 advisory committee, must outline actions for the department to take,
39 including, but not limited to, the development of any rules and

1 recommending any legislation. Implementation must begin no later than
2 February 1, 2003.

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

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

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

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

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

1 (13) (~~(\$4,500,000 of the general fund--state appropriation for~~
2 ~~fiscal year 2002 and \$4,500,000 of the general fund--state~~
3 ~~appropriation for fiscal year 2003 are)) \$9,000,000 of the water
4 quality account--state appropriation is provided solely for grants to
5 local governments to conduct watershed planning and technical
6 assistance. At least \$7,000,000 shall be distributed as grants and
7 shall include \$200,000 for facilitation of the central Puget Sound
8 regional initiative.~~

9 (14) \$3,114,000 of the water quality account appropriation is
10 provided solely to implement Engrossed Substitute House Bill No. 1832
11 (water resources management). Of this amount: (a) (~~(\$2,100,000))~~
12 \$1,200,000 is provided for grants to local governments for targeted
13 watershed assessments consistent with Engrossed Substitute House Bill
14 No. 1832; and (b) the remainder of the funding is provided solely for
15 development of a state environmental policy act template to streamline
16 environmental review, creation of a blue ribbon panel to develop long-
17 term watershed planning implementation funding options, and technical
18 assistance.

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

27 (~~(+19)~~) (16) \$325,000 of the state drought preparedness account--
28 state appropriation is provided solely for an environmental impact
29 statement of the Pine Hollow reservoir project to be conducted in
30 conjunction with the local irrigation district.

31 (~~(+20) \$1,700,000)~~ (17) \$1,352,000 of the general fund--state
32 appropriation for fiscal year 2002, \$700,000 of the general fund--state
33 appropriation for fiscal year 2003, \$700,000 of the water quality
34 account appropriation, and \$280,000 of the oil spill prevention account
35 appropriation are provided solely for oil spill prevention measures in
36 Puget Sound. Of these amounts:

37 (a) The general fund appropriation (~~(is)~~) and the water quality
38 account appropriation are provided solely for the department of ecology
39 to provide for charter safety tug services(~~(. Safety tug services~~

1 ~~shall include:—(i))~~, including the placement of a dedicated tug at
2 Neah Bay for not less than 200 days in fiscal year 2002(~~(i and (ii)~~
3 ~~other safety tug services that may be released by the department at the~~
4 ~~request of the United States coast guard captain of the port for Puget~~
5 ~~Sound to the areas or incidents that the department deems to be of~~
6 ~~highest concern))~~ and fiscal year 2003. By January 10, 2002, the
7 department shall report to the appropriate committees of the
8 legislature regarding the number of dispatches, response time and
9 distance, and other factors pertaining to the safety tug services. The
10 general fund--state appropriation in this subsection is provided solely
11 for implementation of the Puget Sound work plan and agency action item
12 DOE-09;

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

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

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

24 ~~((+21))~~ (18) \$600,000 of the water quality account--state
25 appropriation is provided solely for setting instream flows in six
26 basins not currently planning under the watershed planning act.

27 (19) \$200,000 of the water quality account appropriation is
28 provided solely for activities associated with development of the
29 Willapa River total maximum daily load (TMDL). The activities shall
30 include but are not limited to: (a) A contract with Pacific county to
31 complete the oxygen/bacteria and temperature model for the TMDL,
32 conduct a technical analysis of local options for waste load
33 allocations, and develop the first draft of the waste load allocation
34 plan; and (b) a contract for facilitation services for a public process
35 for the TMDL, assist in reaching consensus between parties involved in
36 the technical work, help ensure that there is an accurate public
37 record, and provide a forum for the waste load allocation.

38 (20) \$175,000 of the biosolids permit account is provided solely
39 to develop a statewide septage strategy. The department shall work

1 with affected stakeholders to address septage permit requirements,
2 changes to existing rules, clarification of state and local
3 responsibilities, and fee structure changes that are necessary to
4 support the program in future biennia. The department shall report its
5 findings to the governor and appropriate committees of the legislature
6 by June 30, 2003.

7 (21) \$189,000 of the general fund--state appropriation for fiscal
8 year 2003 is provided solely for facilitation services and the
9 following activities:

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

15 (A) Representatives of the legislature, including one member from
16 each caucus appointed by the president of the senate and the speaker of
17 the house of representatives;

18 (B) Representatives of the superior courts appointed by the
19 president of the superior court judges association, and shall include
20 two judicial officers of the superior court from eastern Washington and
21 two judicial officers of the superior court from western Washington;

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

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

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

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

27 (A) Examine and characterize the types of water disputes to be
28 resolved;

29 (B) Examine the approach of other states to water dispute
30 resolution;

31 (C) Recommend one or more methods to resolve water disputes,
32 including, but not limited to, an administrative resolution process; a
33 judicial resolution process such as water court; or any combination
34 thereof; and

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

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

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

1 (III) The changes to statutes and administrative rules necessary
2 to implement the plan.

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

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

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

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

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

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

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

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

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

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

10	General Fund--State Appropriation (FY 2002) . . . \$	((32,298,000))
11		<u>32,198,000</u>
12	General Fund--State Appropriation (FY 2003) . . . \$	((32,866,000))
13		<u>30,340,000</u>
14	General Fund--Federal Appropriation \$	2,690,000
15	General Fund--Private/Local Appropriation . . . \$	60,000
16	Winter Recreation Program Account--State	
17	Appropriation \$	((787,000))
18		<u>1,087,000</u>
19	Off Road Vehicle Account--State Appropriation \$	274,000
20	Snowmobile Account--State Appropriation \$	4,682,000
21	Aquatic Lands Enhancement Account--State	
22	Appropriation \$	337,000
23	Public Safety and Education Account--State	
24	Appropriation \$	((48,000))
25		<u>47,000</u>
26	<u>Salmon Recovery Account--State Appropriation . . . \$</u>	<u>200,000</u>
27	Water Trail Program Account--State	
28	Appropriation \$	24,000
29	Parks Renewal and Stewardship Account--	
30	State Appropriation \$	((26,420,000))
31		<u>27,193,000</u>
32	TOTAL APPROPRIATION \$	((100,486,000))
33		<u>99,132,000</u>

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

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

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

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

11 ~~(4))~~ \$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 ~~((+5))~~ (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 ~~((+6))~~ (5) \$189,000 of the aquatic lands enhancement account
22 appropriation is provided solely for the implementation of the Puget
23 Sound work plan 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
39 elect its own officers, shall be staffed by staff of the legislature,

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

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

22 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

23	General Fund--State Appropriation (FY 2002) . . . \$	((393,000))
24		<u>143,000</u>
25	General Fund--State Appropriation (FY 2003) . . . \$	((395,000))
26		<u>180,000</u>
27	General Fund--Federal Appropriation \$	8,358,000
28	Firearms Range Account--State Appropriation . . . \$	13,000
29	<u>Salmon Recovery Account--State Appropriation . . . \$</u>	<u>500,000</u>
30	Recreation Resources Account--State	
31	Appropriation \$	2,584,000
32	Recreation Resources Account--Federal	
33	Appropriation \$	481,000
34	NOVA Program Account--State Appropriation . . . \$	611,000
35	Water Quality Account--State Appropriation . . . \$	700,000
36	State Toxics Control Account--State	
37	Appropriation \$	500,000
38	Aquatic Lands Enhancement Account--State	

1	Appropriation	\$	200,000
2	TOTAL APPROPRIATION	\$	((14,235,000))
3			<u>14,270,000</u>

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

6 (1) (~~(\$250,000 of the general fund--state appropriation for fiscal~~
7 ~~year 2002, \$250,000 of the general fund--state appropriation for fiscal~~
8 ~~year 2003)) \$500,000 of the salmon recovery account appropriation,
9 \$500,000 of the water quality account appropriation, and \$500,000 of
10 the state toxics control account appropriation are provided solely to
11 implement chapter 298, Laws of 2001, Substitute Senate Bill No. 5637
12 (watershed health monitoring and assessment) and for the development of
13 a comprehensive salmon recovery and watershed health monitoring
14 strategy and action plan. The strategy and action plan shall address
15 the monitoring recommendations of the independent science panel in its
16 report, *Recommendations for Monitoring Salmonid Recovery in Washington*
17 *State* (December 2000), and of the joint legislative audit and review
18 committee in its report *Investing in the Environment: Environmental*
19 *Quality Grant and Loan Programs Performance Audit* (January 2001). The
20 action plan shall include an assessment of state agency operations
21 related to monitoring, evaluation, and adaptive management of salmon
22 recovery and watershed health; any operational or statutory changes
23 necessary to implement the strategy and action plan; and funding
24 recommendations.~~

25 (2) \$8,000,000 of the general fund--federal appropriation is
26 provided solely for implementation of the forest and fish agreement
27 rules. These funds will be passed through to the department of natural
28 resources and the department of fish and wildlife.

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

33 (4) \$200,000 of the aquatic lands enhancement account--state
34 appropriation is provided solely to develop and implement a
35 conservation initiative for Maury Island. The interagency committee
36 for outdoor recreation shall contract with the Cascade Land Conservancy
37 to develop and implement the initiative and to provide the following
38 services: (a) Land and resource appraisal; (b) development of a plan

1 of finance for acquisition of land or interests in land; and (c)
2 conduct negotiations among purchasers and willing sellers.

3 (5) \$35,000 of the general fund--state appropriation for fiscal
4 year 2003 is provided solely to the interagency committee for outdoor
5 recreation to convene and facilitate a biodiversity conservation
6 committee to develop recommendations for a state biodiversity program.
7 Up to \$32,000 of this amount may be granted, on a competitive basis, to
8 conduct a review of biodiversity programs and develop recommendations.
9 The grant agreement must be conditioned to require that at least an
10 amount of funding equal to the state grant be applied to the project
11 from nonstate sources. The grantee must provide a final report
12 describing its review and recommendations to the governor and the
13 appropriate standing committees of the senate and house of
14 representatives by October 1, 2003.

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

17 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

18	General Fund--State Appropriation (FY 2002)	\$	846,000
19	General Fund--State Appropriation (FY 2003)	\$	((847,000))
20			<u>822,000</u>
21	TOTAL APPROPRIATION	\$	((1,693,000))
22			<u>1,668,000</u>

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

25 **FOR THE CONSERVATION COMMISSION**

26	General Fund--State Appropriation (FY 2002)	\$	((2,207,000))
27			<u>2,141,000</u>
28	General Fund--State Appropriation (FY 2003)	\$	((2,196,000))
29			<u>2,131,000</u>
30	Water Quality Account--State Appropriation	\$	((3,739,000))
31			<u>3,498,000</u>
32	TOTAL APPROPRIATION	\$	((8,142,000))
33			<u>7,770,000</u>

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

36 (1) \$500,000 of the water quality account--state appropriation is
37 provided solely for the agriculture, fish, and water negotiations to

1 develop best management practices that will protect and recover salmon.
2 The commission shall make grants to allow interest groups to
3 participate in the negotiations.

4 (2) (~~(\$1,601,000)~~) \$801,000 of the water quality account--state
5 appropriation is provided solely for the completion of limiting factors
6 analysis for watersheds affected by listings of salmon and bull trout
7 under the federal endangered species act.

8 (3) \$247,000 of the general fund--state appropriation for fiscal
9 year 2002 and \$247,000 of the general fund--state appropriation for
10 fiscal year 2003 are provided solely for the implementation of the
11 Puget Sound work plan and agency action item CC-01.

12 (4) By March 1, 2002, the conservation reserve enhancement program
13 contract with the federal farm service agency shall be proposed for
14 amendment to allow funding of flexible riparian buffer standards
15 consistent with: (a) The recommendations of the state's
16 agriculture/fish/water negotiation process; or (b) ordinances adopted
17 through municipal regulations in compliance with the state growth
18 management act requirement to protect critical areas. These ordinances
19 shall be scientifically defensible and include programs for monitoring
20 and adaptive management.

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

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

24	General Fund--State Appropriation (FY 2002) . . . \$	((51,600,000))
25		<u>46,375,000</u>
26	General Fund--State Appropriation (FY 2003) . . . \$	((50,762,000))
27		<u>44,334,000</u>
28	General Fund--Federal Appropriation \$	((37,366,000))
29		<u>37,716,000</u>
30	General Fund--Private/Local Appropriation . . . \$	24,365,000
31	Off Road Vehicle Account--State	
32	Appropriation \$	475,000
33	Aquatic Lands Enhancement Account--State	
34	Appropriation \$	((6,094,000))
35		<u>5,133,000</u>
36	Public Safety and Education Account--State	
37	Appropriation \$	((586,000))
38		<u>574,000</u>

1	Recreational Fisheries Enhancement Account--		
2	State Appropriation	\$	((3,032,000))
3			<u>3,354,000</u>
4	<u>Salmon Recovery Account--State Appropriation</u> .	\$	<u>1,612,000</u>
5	Warm Water Game Fish Account--State		
6	Appropriation	\$	2,567,000
7	Eastern Washington Pheasant Enhancement Account--		
8	State Appropriation	\$	750,000
9	Wildlife Account--State Appropriation	\$	((48,518,000))
10			<u>50,680,000</u>
11	Wildlife Account--Federal Appropriation	\$	38,182,000
12	Wildlife Account--Private/Local		
13	Appropriation	\$	15,133,000
14	Game Special Wildlife Account--State		
15	Appropriation	\$	1,941,000
16	Game Special Wildlife Account--Federal		
17	Appropriation	\$	9,591,000
18	Game Special Wildlife Account--Private/Local		
19	Appropriation	\$	350,000
20	((Water Quality Account--State Appropriation	\$	1,000,000))
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	\$	((295,175,000))
30			<u>285,995,000</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 ((~~\$1,682,000~~)) \$1,189,000 of the general fund--state
35 appropriation for fiscal year 2003 are provided solely for the
36 implementation of the Puget Sound work plan and agency action items
37 DFW-01 through DFW-07.

38 (2) \$200,000 of the general fund--state appropriation for fiscal
39 year 2002 and \$200,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided solely for the department to update the
2 salmon and steelhead stock inventory.

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

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

13 ~~((+5))~~ (4) \$600,000 of the general fund--state appropriation for
14 fiscal year 2002 and \$600,000 of the general fund--state appropriation
15 for fiscal year 2003 are provided solely for local salmon recovery
16 technical assistance.

17 ~~((+6))~~ ~~\$1,625,000 of the general fund--state appropriation for~~
18 ~~fiscal year 2002 and \$1,625,000 of the general fund--state~~
19 ~~appropriation for fiscal year 2003 are provided solely to fund grants~~
20 ~~to lead entities established under chapter 77.85 RCW. The department,~~
21 ~~in consultation with the lead entity advisory group and individual lead~~
22 ~~entities, shall establish an application process and evaluation~~
23 ~~criteria to allocate funds to up to 26 lead entities to provide core~~
24 ~~activities identified in chapter 77.85 RCW. Grants to individual lead~~
25 ~~entities may range from \$37,500 to \$150,000 per year.~~

26 ~~(7)~~ \$125,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$125,000 of the general fund--state appropriation for
28 fiscal year 2003 are)) (5) \$250,000 of the salmon recovery account
29 appropriation is provided solely for a grant to the lower Skykomish
30 River habitat conservation group for the purpose of developing a salmon
31 recovery plan, in coordination with the lead entity established under
32 chapter 77.85 RCW for that area. The salmon recovery plan must be
33 consistent with the regional recovery plans of the Puget Sound shared
34 strategy and criteria developed by the department for the regional
35 salmon recovery planning program.

36 ~~((+8))~~ \$1,000,000 of the water quality--state appropriation is
37 provided solely to fund grants to lead entities established under
38 chapter 77.85 RCW or watershed planning units established under chapter
39 90.82 RCW that agree to coordinate the development of comprehensive

1 local and regional salmon recovery plans. The department shall
2 establish a model for local and regional plans as well as eligibility
3 and evaluation criteria for distribution of funds to lead entities and
4 watershed planning units. No annual grant shall exceed \$125,000 per
5 year.

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

9 ~~((10) \$300,000)~~ (7) \$200,000 of the general fund--state
10 appropriation for fiscal year 2002 and ~~((300,000))~~ \$200,000 of the
11 general fund--state appropriation for fiscal year 2003 are provided
12 solely to fund ~~((four))~~ three cooperative compliance programs, ~~((two))~~
13 both in Western ~~((Washington))~~ and ~~((two in))~~ Eastern Washington. The
14 cooperative compliance program shall conduct fish screen, fish way, and
15 fish passage barrier assessments and correction plans for landowners
16 seeking cooperative compliance agreements with the department.

17 ~~((11) \$1,300,000 of the general fund--state appropriation for~~
18 ~~fiscal year 2002))~~ (8) \$1,300,000 of the salmon recovery account
19 appropriation, \$400,000 of the general fund--state appropriation for
20 fiscal year 2003, and \$5,000,000 of the general fund--federal
21 appropriation are provided solely for economic adjustment assistance to
22 fishermen pursuant to the 1999 Pacific salmon treaty agreement.

23 ~~((12) \$2,000,000 of the aquatic lands enhancement account~~
24 ~~appropriation is provided for cooperative volunteer projects.~~

25 ~~(13))~~ (9) \$810,000 of the general fund--state appropriation for
26 fiscal year 2002, \$790,000 of the general fund--state appropriation for
27 fiscal year 2003, and \$250,000 of the wildlife account--state
28 appropriation are provided solely for enforcement and biological staff
29 to respond and take appropriate action to public complaints regarding
30 bear and cougar.

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

34 ~~(15))~~ (10) \$75,000 of the general fund--state appropriation for
35 fiscal year 2003 is provided solely to the department to execute an
36 interagency agreement with the joint legislative audit and review
37 committee to complete an independent organizational and operational
38 review of the fish management division of the fish program. This
39 review shall include:

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

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

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

12 (d) Evaluating how performance in meeting intent, goals, and
13 objectives through program activities is measured, reported, and
14 improved.

15 The committee shall provide a status report on this review to the
16 appropriate legislative policy and fiscal committees by November 1,
17 2002, and a final report by December 1, 2003.

18 (11) The department shall implement a lands program manager
19 consolidation program. The consolidation program shall target the
20 department's south central region. The savings from this consolidation
21 shall be used by the department for additional maintenance on agency
22 lands within the south central region.

23 ((+16+)) (12) The department shall implement a survey of all
24 agency lands to evaluate whether agency lands support the agency's
25 strategic plan and goals. The department shall submit a report to the
26 governor and legislature by September 1, 2002, identifying those lands
27 not conforming with the agency's strategic plan and which should be
28 divested.

29 ((+17+)) (13) \$388,000 of the general fund--state appropriation
30 for fiscal year 2002 and \$388,000 of the general fund--state
31 appropriation for fiscal year 2003 are provided solely to implement the
32 forests and fish agreement and includes funding to continue statewide
33 coordination and implementation of the forests and fish rules,
34 integration of portions of the hydraulic code into the forest practices
35 rules to provide permit streamlining, and sharing the responsibility of
36 developing and implementing the required forests and fish agreement
37 monitoring and adaptive management program.

38 ((+18+)) (14) \$194,000 of the general fund--state appropriation
39 for fiscal year 2002 and \$195,000 of the general fund--state

1 appropriation for fiscal year 2003 are provided solely for staff to
2 represent the state's fish and wildlife interests in hydroelectric
3 project relicensing processes by the federal energy regulatory
4 commission.

5 ~~((+19))~~ (15) \$156,000 of the wildlife account--state
6 appropriation is provided solely for a youth fishing coordinator to
7 develop partnerships with local communities, and to identify, develop,
8 fund, and promote youth fishing events and opportunities. Event
9 coordination and promotion services shall be contracted to a private
10 consultant.

11 ~~((+20))~~ (16) \$135,000 of the oyster reserve land account
12 appropriation is provided solely to implement chapter 273, Laws of
13 2001, Engrossed Second Substitute House Bill No. 1658 (state oyster
14 reserve lands).

15 ~~((+21))~~ (17) \$43,000 of the general fund--state appropriation for
16 fiscal year 2002 and \$42,000 of the general fund--state appropriation
17 for fiscal year 2003 are provided solely for staffing and operation of
18 the Tennant Lake interpretive center.

19 ~~((+22))~~ (18) \$32,000 of the general fund--state appropriation for
20 fiscal year 2002 and \$33,000 of the general fund--state appropriation
21 for fiscal year 2003 are provided solely to support the activities of
22 the aquatic nuisance species coordination committee to foster state,
23 federal, tribal, and private cooperation on aquatic nuisance species
24 issues. The committee shall strive to prevent the introduction of
25 nonnative aquatic species and to minimize the spread of species that
26 are introduced.

27 ~~((+23))~~ (19) \$25,000 of the wildlife account--state appropriation
28 is provided solely for the WildWatchCam program to provide internet
29 transmission of live views of wildlife.

30 ~~((+24))~~ (20) \$8,000 of the general fund--state appropriation for
31 fiscal year 2002 and \$7,000 of the general fund--state appropriation
32 for fiscal year 2003 are provided solely for the payment of the
33 department's share of approved lake management district assessments.
34 By December 15, 2001, the department shall provide the legislature a
35 summary of its activities related to lake management districts as well
36 as recommendations for establishing equitable lake management district
37 assessments.

38 (21) The department shall emphasize enforcement of laws related to
39 protection of fish habitat and the illegal harvest of salmon and

1 steelhead. Within the amount provided for the agency, the department
2 shall provide support to the department of health to enforce state
3 shellfish harvest laws.

4 (22) The fish and wildlife commission shall evaluate the adequacy,
5 structure, and amount of fees for hunting and fishing licenses and make
6 recommendations for revision of the fee structure and schedule as
7 appropriate. The evaluation shall consider, but is not limited to:
8 Assessment of the fish and wildlife resource management needs, fees in
9 adjacent states and countries, and efficiencies made possible through
10 automation. The commission shall report to the legislature and the
11 office of financial management by November 1, 2002.

12 (23) The department shall establish a hydraulic project approval
13 program technical review task force. The task force shall be composed
14 of a balanced representation of both hydraulic project proponents and
15 conservation interests. The task force shall conduct a thorough
16 evaluation of the hydraulic project approval program and make
17 recommendations to the legislature by November 30, 2002, based upon its
18 evaluation. The task force recommendations shall include a potential
19 fee structure and schedule for hydraulic project approval permits.

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

22 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

23	General Fund--State Appropriation (FY 2002) . . . \$	((36,709,000))
24		<u>35,949,000</u>
25	General Fund--State Appropriation (FY 2003) . . . \$	((36,266,000))
26		<u>30,465,000</u>
27	General Fund--Federal Appropriation \$	((3,440,000))
28		<u>10,936,000</u>
29	General Fund--Private/Local Appropriation . . . \$	((1,865,000))
30		<u>2,265,000</u>
31	Forest Development Account--State	
32	Appropriation \$	((52,511,000))
33		<u>50,088,000</u>
34	Off Road Vehicle Account--State	
35	Appropriation \$	3,684,000
36	Surveys and Maps Account--State	
37	Appropriation \$	2,689,000
38	Aquatic Lands Enhancement Account--State	

1	Appropriation	\$	((4,458,000))
2			<u>3,923,000</u>
3	Resources Management Cost Account--State		
4	Appropriation	\$	((85,979,000))
5			<u>79,156,000</u>
6	Surface Mining Reclamation Account--State		
7	Appropriation	\$	((2,549,000))
8			<u>2,416,000</u>
9	Salmon Recovery Account--State		
10	Appropriation	\$	625,000
11	Water Quality Account--State Appropriation . .	\$	2,900,000
12	Aquatic Land Dredged Material Disposal Site		
13	Account--State Appropriation	\$	1,056,000
14	Natural Resource Conservation Areas Stewardship		
15	Account Appropriation	\$	((34,000))
16			<u>209,000</u>
17	<u>State Toxics Account--State Appropriation . . .</u>	<u>\$</u>	<u>1,865,000</u>
18	Air Pollution Control Account--State		
19	Appropriation	\$	629,000
20	Metals Mining Account--State Appropriation . .	\$	64,000
21	Agricultural College Trust Management Account		
22	Appropriation	\$	1,790,000
23	<u>Derelict Vessel Removal Account--State</u>		
24	<u>Appropriation</u>	<u>\$</u>	<u>89,000</u>
25	TOTAL APPROPRIATION	\$	((237,248,000))
26			<u>230,798,000</u>

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

29 (1) \$18,000 of the general fund--state appropriation for fiscal
30 year 2002, \$18,000 of the general fund--state appropriation for fiscal
31 year 2003, and \$998,000 of the aquatic lands enhancement account
32 appropriation are provided solely for the implementation of the Puget
33 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

34 (2)(a) \$625,000 of the salmon recovery account appropriation,
35 \$1,250,000 of the general fund--state appropriation for fiscal year
36 2002, \$1,250,000 of the general fund--state appropriation for fiscal
37 year 2003, and \$2,900,000 of the water quality account--state
38 appropriation are provided solely for implementation of chapter 4, Laws
39 of 1999 sp. sess. (forest practices and salmon recovery).

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

6 (3) \$2,000,000 of the forest development account appropriation is
7 provided solely for road decommissioning, maintenance, and repair in
8 the Lake Whatcom watershed.

9 (4) \$543,000 of the forest fire protection assessment account
10 appropriation, \$22,000 of the forest development account appropriation,
11 and \$76,000 of the resource management cost account appropriation are
12 provided solely to implement chapter 279, Laws of 2001, Substitute
13 House Bill No. 2104, (modifying forest fire protection assessments).

14 (5) (~~(\$895,000)~~) \$354,000 of the general fund--state appropriation
15 for fiscal year 2002 and \$895,000 of the general fund--state
16 appropriation for fiscal year 2003 shall be transferred to the
17 agricultural college trust management account and are provided solely
18 to manage approximately 70,700 acres of Washington State University's
19 agricultural college trust lands.

20 (~~(+7)~~) (6) \$4,000 of the general fund--state appropriation for
21 fiscal year 2002 and \$4,000 of the general fund--state appropriation
22 for fiscal year 2003 are provided solely to compensate the forest board
23 trust for a portion of the lease to the Crescent television improvement
24 district consistent with RCW 79.12.055.

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

31 ~~(+9)~~) (7) \$828,000 of the surface mine reclamation account
32 appropriation is provided to implement Engrossed House Bill No. 1845
33 (surface mining fees). If the bill is not enacted by June 30, 2001,
34 the amount provided in this subsection shall lapse.

35 (~~(+10)~~) (8) \$800,000 of the aquatic lands enhancement account
36 appropriation and \$200,000 of the resources management cost account
37 appropriation are provided solely to improve asset management on state-
38 owned aquatic lands. The department shall streamline the use
39 authorization process for businesses operating on state-owned aquatic

1 lands and issue decisions on 325 pending lease applications by June 30,
2 ~~((2002))~~ 2003. The department, in consultation with the attorney
3 general, shall develop a strategic program to resolve claims related to
4 contaminated sediments on state-owned aquatic lands.

5 ~~((+11))~~ (9) \$246,000 of the resource management cost account
6 appropriation is provided to the department for continuing control of
7 spruce budworm.

8 ~~((+12))~~ (10) \$100,000 of the aquatic lands enhancement account is
9 provided solely for the development and initial implementation of a
10 statewide management plan for marine reserves.

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

15 ~~((+14))~~ (12) \$7,216,000 of the general fund--state appropriation
16 for fiscal year 2002 and \$6,584,000 of the general fund--state
17 appropriation for fiscal year 2003 are provided solely for fire
18 protection activities and to implement provisions of the 1997 tridata
19 fire program review.

20 ~~((+15) \$275,000))~~ (13) \$100,000 of the general fund--state
21 appropriation for fiscal year 2002, ~~((\$275,000 of the general~~
22 ~~fund--state appropriation for fiscal year 2003, and))~~ \$550,000 of the
23 aquatic lands enhancement account--state appropriation, and \$209,000 of
24 the natural resources conservation areas stewardship account--state
25 appropriation are provided solely to the department for planning,
26 management, and stewardship of natural area preserves and natural
27 resources conservation areas.

28 ~~((+16))~~ (14) \$187,000 of the general fund--state appropriation
29 for fiscal year 2002~~((,))~~ and \$188,000 of the general fund--state
30 appropriation for fiscal year 2003~~((, and \$375,000 of the aquatic lands~~
31 ~~enhancement account--state appropriation))~~ are provided solely to the
32 department for maintenance and stewardship of public lands.

33 ~~((+17))~~ (15) \$100,000 of the general fund--state appropriation
34 for fiscal year 2002, \$100,000 of the general fund--state appropriation
35 for fiscal year 2003, and \$400,000 of the aquatic lands enhancement
36 account appropriation are provided solely for spartina control.

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

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

5 (18) In managing natural resources conservation areas and
6 recreation sites in the San Juan Islands, the department shall employ
7 cost-recovery methods comparable to those employed at similarly
8 situated state park facilities.

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

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

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

38 (22) Within the amounts appropriated in this section, the
39 department shall update the Washington State University asset

1 diversification plan to diversify at least ten percent of the
2 commercial forest land base within ten years and report recommendations
3 for implementing the plan to the appropriate committees of the
4 legislature by December 1, 2002.

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

7 **FOR THE DEPARTMENT OF AGRICULTURE**

8	General Fund--State Appropriation (FY 2002) . . . \$	((8,165,000))
9		<u>7,815,000</u>
10	General Fund--State Appropriation (FY 2003) . . . \$	((8,024,000))
11		<u>7,434,000</u>
12	General Fund--Federal Appropriation \$	((4,636,000))
13		<u>7,441,000</u>
14	General fund--Private/Local Appropriation . . . \$	1,110,000
15	Aquatic Lands Enhancement Account--State	
16	Appropriation \$	2,304,000
17	State Toxics Control Account--State	
18	Appropriation \$	((2,672,000))
19		<u>2,917,000</u>
20	TOTAL APPROPRIATION \$	((26,911,000))
21		<u>29,021,000</u>

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

24 (1) \$36,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$37,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided solely for implementation of the Puget
27 Sound work plan and agency action item DOA-01.

28 (2) ((~~\$832,000~~)) \$1,077,000 of the state toxics control account
29 appropriation and \$298,000 of the agricultural local account are
30 provided solely to establish a program to monitor pesticides in surface
31 water, sample and analyze surface waters for pesticide residues,
32 evaluate pesticide exposure on salmon species listed under the
33 provisions of the endangered species act, and implement actions needed
34 to protect salmonids.

35 (3) \$1,480,000 of the aquatic lands enhancement account
36 appropriation is provided solely to initiate a ((~~four-year~~)) plan to
37 eradicate infestations of spartina in Puget Sound, Hood Canal, and

1 Grays Harbor and begin the reduction in spartina infestations in
2 Willapa Bay.

3 (4) \$75,000 of the general fund--state appropriation for fiscal
4 year 2002, \$75,000 of the general fund--state appropriation for fiscal
5 year 2003, and \$150,000 of the general fund--federal appropriation are
6 provided solely to the small farm and direct marketing program to
7 support small farms in complying with federal, state, and local
8 regulations, facilitating access to food processing centers, and
9 assisting with grant funding requests.

10 (5) (~~(\$350,000 of the general fund--state appropriation for fiscal~~
11 ~~year 2002, \$350,000 of the general fund--state appropriation for fiscal~~
12 ~~year 2003,)~~) \$700,000 of the general fund--federal appropriation and
13 \$700,000 of the general fund--private/local appropriation are provided
14 solely to implement chapter 324, Laws of 2001 (Substitute House Bill
15 No. 1891, marketing of agriculture). (~~(Of these amounts, \$40,000 of~~
16 ~~the general fund--state appropriation is provided solely to match funds~~
17 ~~provided by the red raspberry commission to address unfair trade~~
18 ~~practices by other countries that result in sales in Washington that~~
19 ~~are below the cost of production in Washington.))~~)

20 (6) \$450,000 of the state toxics control account--state
21 appropriation is provided solely for deposit in the agricultural local
22 nonappropriated account for the plant pest account to reimburse county
23 horticultural pest and disease boards for the costs of pest control
24 activities, including tree removal, conducted under their existing
25 authorities in chapters 15.08 and 15.09 RCW.

26 (7) The district manager for district two as defined in WAC 16-
27 458-075 shall transfer four hundred fifty thousand dollars from the
28 fruit and vegetable district fund to the plant pest account within the
29 agricultural local fund. The amount transferred must be derived from
30 fees collected for state inspections of tree fruits and shall be used
31 solely to reimburse county horticultural pest and disease boards in
32 district two for the cost of pest control activities, including tree
33 removal, conducted under their existing authority in chapters 15.08 and
34 15.09 RCW. The transfer of funds shall occur by July 1, 2001. On June
35 30, 2003, any unexpended portion of the four hundred fifty thousand
36 dollars shall be returned to the fruit and vegetable district fund.

37 (End of part)

1	Appropriation	\$	86,000
2	TOTAL APPROPRIATION	\$	((34,139,000))
3			<u>33,818,000</u>

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

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

18 **FOR THE STATE PATROL**

19	General Fund--State Appropriation (FY 2002)	\$	((21,890,000))
20			<u>21,567,000</u>
21	General Fund--State Appropriation (FY 2003)	\$	((8,066,000))
22			<u>7,933,000</u>
23	General Fund--Federal Appropriation	\$	4,178,000
24	General Fund--Private/Local Appropriation	\$	369,000
25	Death Investigations Account--State		
26	Appropriation	\$	((3,899,000))
27			<u>4,024,000</u>
28	Public Safety and Education Account--State		
29	Appropriation	\$	((16,070,000))
30			<u>14,769,000</u>
31	County Criminal Justice Assistance Account--State		
32	Appropriation	\$	((2,490,000))
33			<u>2,870,000</u>
34	Municipal Criminal Justice Assistance Account--		
35	State Appropriation	\$	((987,000))
36			<u>1,367,000</u>
37	Fire Service Trust Account--State		
38	Appropriation	\$	125,000

1	Fire Service Training Account--State		
2	Appropriation	\$	6,328,000
3	State toxics Control Account--State		
4	Appropriation	\$	461,000
5	Violence Reduction and Drug Enforcement Account--		
6	State Appropriation	\$	((277,000))
7			<u>274,000</u>
8	Fingerprint Identification Account--State		
9	Appropriation	\$	((3,684,000))
10			<u>5,316,000</u>
11	TOTAL APPROPRIATION	\$	((68,824,000))
12			<u>69,581,000</u>

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

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

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

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

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

PART V
EDUCATION

1
2
3 **Sec. 501.** 2001 2nd sp.s. c 7 s 501 (uncodified) is amended to
4 read as follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

6 (1) STATE AGENCY OPERATIONS

7	General Fund--State Appropriation (FY 2002) . . . \$	((12,357,000))
8		<u>12,302,000</u>
9	General Fund--State Appropriation (FY 2003) . . . \$	((12,266,000))
10		<u>12,000,000</u>
11	General Fund--Federal Appropriation \$	((23,668,000))
12		<u>53,760,000</u>
13	TOTAL APPROPRIATION \$	((48,291,000))
14		<u>78,062,000</u>

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

17 (a) \$11,385,000 of the general fund--state appropriation for
18 fiscal year 2002 and ((~~\$11,394,000~~)) \$11,101,000 of the general fund--
19 state appropriation for fiscal year 2003 are provided solely for the
20 operation and expenses of the office of the superintendent of public
21 instruction. Of this amount, a maximum of \$350,000 is provided in each
22 fiscal year for upgrading information systems including the general
23 apportionment and student information systems.

24 (b) ((~~\$541,000~~)) \$486,000 of the general fund--state appropriation
25 for fiscal year 2002 and ((~~\$441,000~~)) \$481,000 of the general fund--
26 state appropriation for fiscal year 2003 are provided solely for the
27 operation and expenses of the state board of education, including basic
28 education assistance activities. Of the general fund--state
29 appropriation ((~~for fiscal year 2002~~)), \$100,000 is provided solely for
30 certificate of mastery development and validation.

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

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

4 (2) STATEWIDE PROGRAMS

5	General Fund--State Appropriation (FY 2002) . . . \$	((17,274,000))
6		<u>17,280,000</u>
7	General Fund--State Appropriation (FY 2003) . . . \$	((19,407,000))
8		<u>9,990,000</u>
9	General Fund--Federal Appropriation \$	((213,016,000))
10		<u>85,395,000</u>
11	TOTAL APPROPRIATION \$	((249,697,000))
12		<u>112,665,000</u>

13 The appropriations in this subsection are provided solely for the
14 statewide programs specified in this subsection and are subject to the
15 following conditions and limitations:

16 (a) HEALTH AND SAFETY

17 (i) A maximum of \$150,000 of the general fund--state appropriation
18 for fiscal year 2002 (~~((and a maximum of \$150,000 of the fiscal year~~
19 ~~2003 appropriation are))~~ is provided for alcohol and drug prevention
20 programs pursuant to RCW 66.08.180.

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

28 (iii) A maximum of \$100,000 of the general fund--state
29 appropriation for fiscal year 2002 and a maximum of (~~(\$100,000)~~)
30 \$97,000 of the general fund--state appropriation for fiscal year 2003
31 are provided to create a school safety center subject to the following
32 conditions and limitations.

33 (A) The safety center shall: Disseminate successful models of
34 school safety plans and cooperative efforts; provide assistance to
35 schools to establish a comprehensive safe school plan; select models of
36 cooperative efforts that have been proven successful; act as an
37 information dissemination and resource center when an incident occurs
38 in a school district either in Washington or in another state;

1 coordinate activities relating to school safety; review and approve
2 manuals and curricula used for school safety models and training; and
3 develop and maintain a school safety information web site.

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

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

19 (iv) A maximum of \$113,000 of the general fund--state
20 appropriation for fiscal year 2002 and a maximum of (~~(\$103,000)~~)
21 \$100,000 of the general fund--state appropriation for fiscal year 2003
22 are provided for a school safety training program provided by the
23 criminal justice training commission subject to the following
24 conditions and limitations:

25 (A) The criminal justice training commission with assistance of
26 the school safety center advisory committee established in section
27 2(b)(iii) of this section shall develop manuals and curricula for a
28 training program for all school safety personnel.

29 (B) The Washington state criminal justice training commission, in
30 collaboration with the advisory committee, shall provide the school
31 safety training for all school administrators and school safety
32 personnel, including school safety personnel hired after the effective
33 date of this section.

34 (v) A maximum of \$250,000 of the general fund--state appropriation
35 for fiscal year 2002 and a maximum of (~~(\$250,000)~~) \$243,000 of the
36 general fund--state appropriation for fiscal year 2003 are provided for
37 training in school districts regarding the prevention of bullying and
38 harassment. The superintendent of public instruction shall use the
39 funds to develop a model bullying and harassment prevention policy and

1 training materials for school and educational service districts. The
2 information may be disseminated in a variety of ways, including
3 workshops and other staff development activities such as videotape or
4 broadcasts.

5 (vi) A maximum of (~~(\$6,042,000)~~) \$6,048,000 of the general
6 fund--state appropriation for fiscal year 2002 (~~(and a maximum of~~
7 ~~\$6,028,000 of the general fund--state appropriation for fiscal year~~
8 ~~2003--are))~~ is provided for a safety allocation to districts subject to
9 the following conditions and limitations:

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

13 (B) Districts shall expend funds allocated under this section to
14 develop and implement strategies identified in a comprehensive safe
15 school plan pursuant to House Bill No. 1818 (student safety) or Senate
16 Bill No. 5543 (student safety). If neither bill is enacted by June 30,
17 2001, expenditures of the safety allocation shall be subject to (i),
18 (ii), and (iii) of this subsection (a)(vi)(B).

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

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

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

5 (vii) A maximum of \$200,000 of the general fund--state
6 appropriation for fiscal year 2002, a maximum of (~~(\$200,000)~~) \$194,000
7 of the general fund--state appropriation for fiscal year 2003, and
8 \$400,000 of the general fund--federal appropriation transferred from
9 the department of health are provided for a program that provides
10 grants to school districts for media campaigns promoting sexual
11 abstinence and addressing the importance of delaying sexual activity,
12 pregnancy, and childbearing until individuals are ready to nurture and
13 support their children. Grants to the school districts shall be for
14 projects that are substantially designed and produced by students. The
15 grants shall require a local private sector match equal to one-half of
16 the state grant, which may include in-kind contribution of technical or
17 other assistance from consultants or firms involved in public
18 relations, advertising, broadcasting, and graphics or video production
19 or other related fields.

20 (viii) A maximum of \$150,000 of the general fund--state
21 appropriation for fiscal year 2002 and a maximum of (~~(\$150,000)~~)
22 \$145,000 of the general fund--state appropriation for fiscal year 2003
23 are provided for a nonviolence and leadership training program provided
24 by the institute for community leadership. The program shall provide
25 the following:

26 (A) Statewide nonviolence leadership coaches training program for
27 certification of educational employees and community members in
28 nonviolence leadership workshops;

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

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

35 (ix) A maximum of \$1,500,000 of the general fund--state
36 appropriation for fiscal year 2002 (~~and a maximum of \$1,500,000 of the~~
37 ~~general fund--state appropriation for fiscal year 2003 are~~) is
38 provided for school district petitions to juvenile court for truant
39 students as provided in RCW 28A.225.030 and 28A.225.035. Allocation of

1 this money to school districts shall be based on the number of
2 petitions filed.

3 (b) TECHNOLOGY

4 (i) A maximum of \$2,000,000 of the general fund--state
5 appropriation for fiscal year 2002 and a maximum of (~~(\$2,000,000)~~)
6 \$1,940,000 of the general fund--state appropriation for fiscal year
7 2003 are provided for K-20 telecommunications network technical support
8 in the K-12 sector to prevent system failures and avoid interruptions
9 in school utilization of the data processing and video-conferencing
10 capabilities of the network. These funds may be used to purchase
11 engineering and advanced technical support for the network. A maximum
12 of \$650,000 of this amount may be expended for state-level
13 administration and staff training on the K-20 network.

14 (ii) A maximum of \$617,000 of the general fund--state
15 appropriation for fiscal year 2002 and a maximum of (~~(\$1,112,000)~~)
16 \$1,079,000 of the general fund--state appropriation for fiscal year
17 2003 are provided for the Washington state leadership assistance for
18 science education reform (LASER) regional partnership coordinated at
19 the Pacific Science Center.

20 (iii) \$92,000 of the general fund--state appropriation for fiscal
21 year 2003 is provided solely for a study of technology in the public
22 schools subject to the following conditions and limitations:

23 (A) The superintendent shall convene a technology in education
24 task force to develop recommendations about the use of technology and
25 recommendations about funding technology in the schools after
26 conducting a study. The study shall focus on the application of
27 technology in grades three through twelve. The study shall be
28 completed not later than November 1, 2002, and the recommendations
29 shall be submitted to the education and fiscal committees of the house
30 of representatives and the senate. The study shall include but not be
31 limited to:

32 (1) The technology currently available in schools and school
33 districts. Technology includes but is not limited to computers, local
34 area networks, and access to electronic media on the internet;

35 (2) Methods school districts are using currently to fund
36 technology and recommendations for the future;

37 (3) Plans to update the technology including any replacement
38 schedules;

39 (4) Training in the use of technology;

1 (5) Integration of technology into the curriculum;

2 (6) The different uses of technology in upper elementary grades,
3 middle school, and high school; and

4 (7) Applications of technology in schools in other states and how
5 that technology is funded.

6 (B) The technology in education task force shall consist of the
7 following voting members or their designees: One member from each
8 major caucus of the senate, appointed by the president of the senate;
9 one member from each major caucus of the house of representatives,
10 appointed by the speaker of the house of representatives; the
11 superintendent of public instruction; the chair of the information
12 services board; one representative of the community and technical
13 colleges, appointed by the state board for community and technical
14 colleges; one educational service district superintendent, one school
15 district superintendent, one principal, and one teacher, each appointed
16 by the superintendent of public instruction; two representatives
17 appointed by the higher education coordinating board; and three
18 representatives of the computer or digital technology industry and
19 three members of the general public, each appointed by the
20 superintendent of public instruction. The superintendent of public
21 instruction, or designee, shall chair the task force.

22 (c) GRANTS AND ALLOCATIONS

23 (i) A maximum of \$25,000 of the general fund--state appropriation
24 for fiscal year 2002 and a maximum of (~~(\$1,975,000)~~) \$1,916,000 of the
25 general fund--state appropriation for fiscal year 2003 are provided for
26 Senate Bill No. 5695 (alternative certification routes). If the bill
27 is not enacted by June 30, 2001, the amount provided in this subsection
28 shall lapse. The stipend allocation per teacher candidate and mentor
29 pair shall not exceed (~~(\$28,318)~~) \$28,300. The professional educator
30 standards board shall report to the education committees of the
31 legislature by December 15, 2002, on the districts applying for
32 partnership grants, the districts receiving partnership grants, and the
33 number of interns per route enrolled in each district.

34 (ii) A maximum of \$31,500 of the general fund--state appropriation
35 for fiscal year 2002 and a maximum of (~~(\$31,500)~~) \$31,000 of the
36 general fund--state appropriation for fiscal year 2003 are provided for
37 operation of the Cispus environmental learning center.

38 (iii) A maximum of \$150,000 of the general fund--state
39 appropriation for fiscal year 2002 and a maximum of (~~(\$150,000)~~)

1 \$146,000 of the general fund--state appropriation for fiscal year 2003
2 are provided for the Washington civil liberties education program.

3 (iv) A maximum of \$2,150,000 of the general fund--state
4 appropriation for fiscal year 2002 (~~(and a maximum of \$2,150,000 of the~~
5 ~~general fund--state appropriation for fiscal year 2003 are)~~) is
6 provided for complex need grants. The maximum grants for eligible
7 districts are specified in LEAP Document 30C as developed on April 27,
8 1997, at 03:00 hours.

9 (v) A maximum of \$1,377,000 of the general fund--state
10 appropriation for fiscal year 2002 (~~(and a maximum of \$1,377,000 of the~~
11 ~~general fund--state appropriation for fiscal year 2003 are)~~) is
12 provided for educational centers, including state support activities.
13 (~~(\$100,000)~~) \$50,000 of this amount for fiscal year 2002 is provided to
14 help stabilize funding through distribution among existing education
15 centers that are currently funded by the state at an amount less than
16 (~~(\$100,000 a biennium)~~) \$50,000 a fiscal year.

17 (vi) A maximum of \$50,000 of the general fund--state appropriation
18 for fiscal year 2002 (~~(and a maximum of \$50,000 of the general fund--~~
19 ~~state appropriation for fiscal year 2003 are)~~) is provided for an
20 organization in southwest Washington that received funding from the
21 Spokane educational center in the 1995-97 biennium and provides
22 educational services to students who have dropped out of school.

23 (vii) A maximum of \$1,262,000 of the general fund--state
24 appropriation for fiscal year 2002 and a maximum of (~~(\$1,262,000)~~)
25 \$1,224,000 of the general fund--state appropriation for fiscal year
26 2003 are provided for in-service training and educational programs
27 conducted by the Pacific Science Center.

28 (viii) A maximum of \$100,000 of the general fund--state
29 appropriation for fiscal year 2002 and a maximum of (~~(\$100,000)~~)
30 \$97,000 of the general fund--state appropriation for fiscal year 2003
31 are provided to support vocational student leadership organizations.

32 (ix) \$9,900,000 of the general fund--federal appropriation is
33 provided for the Washington Reads project to enhance high quality
34 reading instruction and school programs.

35 (x) A maximum of \$150,000 of the general fund--state appropriation
36 for fiscal year 2002 and a maximum of (~~(\$150,000)~~) \$146,000 of the
37 general fund--state appropriation for fiscal year 2003 are provided for
38 the World War II oral history project.

1 (xi) (~~(\$30,700,000)~~) \$13,942,000 of the general fund--federal
2 appropriation is provided for school renovation grants for school
3 districts with urgent school renovation needs, special education-
4 related renovations, and technology related renovations.

5 (xii) (~~(\$1,952,000)~~) \$4,962,000 of the general fund--federal
6 appropriation is provided for LINKS technology challenge grants to
7 integrate educational reform with state technology systems and
8 development of technology products that enhance professional
9 development and classroom instruction.

10 (xiii) (~~(\$423,000)~~) \$536,000 of the general fund--federal
11 appropriation is provided for the advanced placement fee program to
12 increase opportunities for low-income students and under-represented
13 populations to participate in advanced placement courses and to
14 increase the capacity of schools to provide advanced placement courses
15 to students.

16 (xiv) \$12,318,000 of the general fund--federal appropriation is
17 provided for comprehensive school reform demonstration projects to
18 provide grants to low-income schools for improving student achievement
19 through adoption and implementation of research-based curricula and
20 instructional programs.

21 (xv) (~~(\$4,228,000)~~) \$2,612,000 of the general fund--federal
22 appropriation is provided for teacher quality enhancement through
23 provision of consortia grants to school districts and higher education
24 institutions to improve teacher preparation and professional
25 development.

26 **Sec. 502.** 2001 2nd sp.s. c 7 s 502 (uncodified) is amended to
27 read as follows:

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

29	General Fund--State Appropriation (FY 2002)	\$	((3,760,826,000))
30			<u>3,786,124,000</u>
31	General Fund--State Appropriation (FY 2003)	\$	((3,751,350,000))
32			<u>3,711,897,000</u>
33	TOTAL APPROPRIATION	\$	((7,512,176,000))
34			<u>7,498,021,000</u>

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

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

4 (2) Allocations for certificated staff salaries for the 2001-02
5 and 2002-03 school years shall be determined using formula-generated
6 staff units calculated pursuant to this subsection. Staff allocations
7 for small school enrollments in (d) through (f) of this subsection
8 shall be reduced for vocational full-time equivalent enrollments.
9 Staff allocations for small school enrollments in grades K-6 shall be
10 the greater of that generated under (a) of this subsection, or under
11 (d) and (e) of this subsection. Certificated staffing allocations
12 shall be as follows:

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

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

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

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

23 (iv) An additional 4.2 certificated instructional staff units for
24 grades K-3 and an additional 7.2 certificated instructional staff units
25 for grade 4. Any funds allocated for the additional certificated units
26 provided in this subsection (iv) shall not be considered as basic
27 education funding;

28 (v) For class size reduction and expanded learning opportunities
29 under the better schools program, an additional 2.2 certificated
30 instructional staff units for the 2001-02 school year and an additional
31 0.8 certificated instructional staff units for the 2002-03 school year
32 for grades K-4 per thousand full-time equivalent students. Funds
33 allocated for these additional certificated units shall not be
34 considered as basic education funding. The allocation may be used for
35 reducing class sizes in grades K-4 or to provide additional classroom
36 contact hours for kindergarten, before-and-after-school programs,
37 weekend school programs, summer school programs, and intercession
38 opportunities to assist elementary school students in meeting the
39 essential academic learning requirements and student assessment

1 performance standards. For purposes of this subsection, additional
2 classroom contact hours provided by teachers beyond the normal school
3 day under a supplemental contract shall be converted to a certificated
4 full-time equivalent by dividing the classroom contact hours by 900.

5 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
6 excess of the amount required to maintain the statutory minimum ratio
7 established under RCW 28A.150.260(2)(b) shall be allocated only if the
8 district documents an actual ratio in grades K-4 equal to or greater
9 than 55.4 certificated instructional staff per thousand full-time
10 equivalent students (~~((in grades K-4))~~) in the 2001-02 school year and
11 54.0 certificated instructional staff per thousand full-time equivalent
12 students in the 2002-03 school year. For any school district
13 documenting a lower certificated instructional staff ratio, the
14 allocation shall be based on the district's actual grades K-4
15 certificated instructional staff ratio achieved in that school year, or
16 the statutory minimum ratio established under RCW 28A.150.260(2)(b), if
17 greater;

18 (B) Districts at or above 51.0 certificated instructional staff
19 per one thousand full-time equivalent students in grades K-4 may
20 dedicate up to 1.3 of the 55.4 funding ratio in the 2001-02 school
21 year, and up to 1.3 of the 54.0 funding ratio in the 2002-03 school
22 year, to employ additional classified instructional assistants assigned
23 to basic education classrooms in grades K-4. For purposes of
24 documenting a district's staff ratio under this section, funds used by
25 the district to employ additional classified instructional assistants
26 shall be converted to a certificated staff equivalent and added to the
27 district's actual certificated instructional staff ratio. Additional
28 classified instructional assistants, for the purposes of this
29 subsection, shall be determined using the 1989-90 school year as the
30 base year;

31 (C) Any district maintaining a ratio in grades K-4 equal to or
32 greater than 55.4 certificated instructional staff per thousand full-
33 time equivalent students in (~~((grades K-4))~~) the 2001-02 school year, and
34 a ratio equal to or greater than 54.0 certificated instructional staff
35 per thousand full-time equivalent students in the 2002-03 school year,
36 may use allocations generated under this subsection (2)(a)(iv) and (v)
37 in excess of that required to maintain the minimum ratio established
38 under RCW 28A.150.260(2)(b) to employ additional basic education
39 certificated instructional staff or classified instructional assistants

1 in grades 5-6. Funds allocated under this subsection (2)(a)(iv) and
2 (v) shall only be expended to reduce class size in grades K-6. No more
3 than 1.3 of the certificated instructional funding ratio amount may be
4 expended for provision of classified instructional assistants;

5 (b) For school districts with a minimum enrollment of 250 full-
6 time equivalent students whose full-time equivalent student enrollment
7 count in a given month exceeds the first of the month full-time
8 equivalent enrollment count by 5 percent, an additional state
9 allocation of 110 percent of the share that such increased enrollment
10 would have generated had such additional full-time equivalent students
11 been included in the normal enrollment count for that particular month;

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

13 (A) Vocational education programs approved by the superintendent
14 of public instruction, a maximum of 0.92 certificated instructional
15 staff units and 0.08 certificated administrative staff units for each
16 19.5 full-time equivalent vocational students; and

17 (B) Skills center programs meeting the standards for skills center
18 funding established in January 1999 by the superintendent of public
19 instruction, 0.92 certificated instructional staff units and 0.08
20 certificated administrative units for each 16.67 full-time equivalent
21 vocational students; ((and))

22 (ii) Vocational full-time equivalent enrollment shall be reported
23 on the same monthly basis as the enrollment for students eligible for
24 basic support, and payments shall be adjusted for reported vocational
25 enrollments on the same monthly basis as those adjustments for
26 enrollment for students eligible for basic support; and

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

31 (d) For districts enrolling not more than twenty-five average
32 annual full-time equivalent students in grades K-8, and for small
33 school plants within any school district which have been judged to be
34 remote and necessary by the state board of education and enroll not
35 more than twenty-five average annual full-time equivalent students in
36 grades K-8:

37 (i) For those enrolling no students in grades 7 and 8, 1.76
38 certificated instructional staff units and 0.24 certificated
39 administrative staff units for enrollment of not more than five

1 students, plus one-twentieth of a certificated instructional staff unit
2 for each additional student enrolled; and

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

8 (e) For specified enrollments in districts enrolling more than
9 twenty-five but not more than one hundred average annual full-time
10 equivalent students in grades K-8, and for small school plants within
11 any school district which enroll more than twenty-five average annual
12 full-time equivalent students in grades K-8 and have been judged to be
13 remote and necessary by the state board of education:

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

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

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

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

29 (ii) For all other small high schools under this subsection, nine
30 certificated instructional staff units and one-half of a certificated
31 administrative staff unit for the first sixty average annual full time
32 equivalent students, and additional staff units based on a ratio of
33 0.8732 certificated instructional staff units and 0.1268 certificated
34 administrative staff units per each additional forty-three and one-half
35 average annual full time equivalent students.

36 Units calculated under (f)(ii) of this subsection shall be reduced
37 by certificated staff units at the rate of forty-six certificated
38 instructional staff units and four certificated administrative staff
39 units per thousand vocational full-time equivalent students((--))i

1 (g) For each nonhigh school district having an enrollment of more
2 than seventy annual average full-time equivalent students and less than
3 one hundred eighty students, operating a grades K-8 program or a grades
4 1-8 program, an additional one-half of a certificated instructional
5 staff unit; and

6 (h) For each nonhigh school district having an enrollment of more
7 than fifty annual average full-time equivalent students and less than
8 one hundred eighty students, operating a grades K-6 program or a grades
9 1-6 program, an additional one-half of a certificated instructional
10 staff unit.

11 (3) Allocations for classified salaries for the 2001-02 and 2002-
12 03 school years shall be calculated using formula-generated classified
13 staff units determined as follows:

14 (a) For enrollments generating certificated staff unit allocations
15 under subsection (2)(d) through (h) of this section, one classified
16 staff unit for each three certificated staff units allocated under such
17 subsections;

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

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

25 (4) Fringe benefit allocations shall be calculated at a rate of
26 ~~((11.27))~~ 10.76 percent in the 2001-02 school year and ~~((11.27))~~ 9.57
27 percent in the 2002-03 school year for certificated salary allocations
28 provided under subsection (2) of this section, and a rate of ~~((12.92))~~
29 12.73 percent in the 2001-02 school year and ~~((12.92))~~ 12.36 percent in
30 the 2002-03 school year for classified salary allocations provided
31 under subsection (3) of this section.

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

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

37 (b) The number of classified staff units determined in subsection
38 (3) of this section multiplied by 1.152. This factor is intended to
39 adjust allocations so that, for the purposes of distributing insurance

1 benefits, full-time equivalent classified employees may be calculated
2 on the basis of 1440 hours of work per year, with no individual
3 employee counted as more than one full-time equivalent.

4 (6)(a) For nonemployee-related costs associated with each
5 certificated staff unit allocated under subsection (2)(a), (b), and (d)
6 through (h) of this section, there shall be provided a maximum of
7 \$8,519 per certificated staff unit in the 2001-02 school year and a
8 maximum of (~~(\$8,715)~~) \$8,604 per certificated staff unit in the 2002-03
9 school year.

10 (b) For nonemployee-related costs associated with each vocational
11 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
12 section, there shall be provided a maximum of \$20,920 per certificated
13 staff unit in the 2001-02 school year and a maximum of (~~(\$21,401)~~)
14 \$21,129 per certificated staff unit in the 2002-03 school year.

15 (c) For nonemployee-related costs associated with each vocational
16 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
17 section, there shall be provided a maximum of \$16,233 per certificated
18 staff unit in the 2001-02 school year and a maximum of (~~(\$16,606)~~)
19 \$16,395 per certificated staff unit in the 2002-03 school year.

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

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

1 (9) The superintendent may distribute a maximum of (~~(\$6,510,000)~~)
2 \$6,424,000 outside the basic education formula during fiscal years 2002
3 and 2003 as follows:

4 (a) For fire protection for school districts located in a fire
5 protection district as now or hereafter established pursuant to chapter
6 52.04 RCW, a maximum of \$480,000 may be expended in fiscal year 2002
7 and a maximum of (~~(\$491,000)~~) \$485,000 may be expended in fiscal year
8 2003;

9 (b) For summer vocational programs at skills centers, a maximum of
10 \$2,098,000 may be expended (~~(each)~~) for the 2001-02 fiscal year and a
11 maximum of \$2,035,000 for the 2003 fiscal year;

12 (c) A maximum of (~~(\$343,000)~~) \$341,000 may be expended for school
13 district emergencies; and

14 (d) A maximum of \$500,000 (~~(per)~~) for fiscal year 2002 and
15 \$485,000 for fiscal year 2003 may be expended for programs providing
16 skills training for secondary students who are enrolled in extended day
17 school-to-work programs, as approved by the superintendent of public
18 instruction. The funds shall be allocated at a rate not to exceed \$500
19 per full-time equivalent student enrolled in those programs.

20 (10) For purposes of RCW 84.52.0531, the increase per full-time
21 equivalent student in state basic education appropriations provided
22 under this act, including appropriations for salary and benefits
23 increases, is 2.5 percent from the 2000-01 school year to the 2001-02
24 school year(~~(, and 3.3 percent from the 2000-01 school year to the~~
25 ~~2002-03 school year))~~).

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

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

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

38 (b) For the fourth through eighth school years following
39 consolidation, the difference between the basic education formula staff

1 units received by the districts for the school year prior to
2 consolidation and the basic education formula staff units after
3 consolidation pursuant to subsection (2)(a) through (h) of this section
4 shall be reduced in increments of twenty percent per year.

5 **Sec. 503.** 2001 2nd sp.s. c 7 s 503 (uncodified) is amended to
6 read as follows:

7 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE**
8 **COMPENSATION.** (1) The following calculations determine the salaries
9 used in the general fund allocations for certificated instructional,
10 certificated administrative, and classified staff units under section
11 502 of this act:

12 (a) For school year 2001-02, salary allocations for certificated
13 instructional staff units shall be determined for each district by
14 multiplying the district's certificated instructional total base salary
15 shown on LEAP Document 12E for the appropriate year, by the district's
16 average staff mix factor for basic education and special education
17 certificated instructional staff in that school year, computed using
18 LEAP Document 1S; ((and))

19 (b) For school year 2002-03, salary allocations for certificated
20 instructional staff units shall be determined for each district by
21 multiplying the district's certificated instructional total base salary
22 shown on LEAP Document 12E for the appropriate year, by the district's
23 average staff mix factor for certificated instructional staff in that
24 school year, computed using LEAP Document 1S; and

25 (c) Salary allocations for certificated administrative staff units
26 and classified staff units for each district shall be based on the
27 district's certificated administrative and classified salary allocation
28 amounts shown on LEAP Document 12E for the appropriate year.

29 (2) For the purposes of this section:

30 (a) "Basic education certificated instructional staff" is defined
31 as provided in RCW 28A.150.100 and "special education certificated
32 staff" means staff assigned to the state-supported special education
33 program pursuant to chapter 28A.155 RCW in positions requiring a
34 certificate;

35 (b) "LEAP Document 1S" means the computerized tabulation
36 establishing staff mix factors for certificated instructional staff
37 according to education and years of experience, as developed by the

1 legislative evaluation and accountability program committee on March
2 25, 1999, at 16:55 hours; and

3 (c) "LEAP Document 12E" means the computerized tabulation of 2001-
4 02 and 2002-03 school year salary allocations for certificated
5 administrative staff and classified staff and derived and total base
6 salaries for certificated instructional staff as developed by the
7 legislative evaluation and accountability program committee on ((March
8 13, 2001, at 16:32 hours)) March 11, 2002, at 22:32 hours.

9 (3) Incremental fringe benefit factors shall be applied to salary
10 adjustments at a rate of ((10.63)) 10.12 percent for school year((s))
11 2001-02 and 8.93 percent for school year 2002-03 for certificated staff
12 and ((9.42)) for classified staff 9.23 percent for school year((s))
13 2001-02 and 8.86 percent for the 2002-03 ((for classified staff))
14 school year.

15 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide
16 salary allocation schedules for certificated instructional staff are
17 established for basic education salary allocations:

18 K-12 Salary Schedule for Certificated Instructional Staff
19 2001-02 School Year

20 Years of						
21 Service	BA	BA+15	BA+30	BA+45	BA+90	
22 0	27,467	28,209	28,977	29,746	32,219	
23 1	27,836	28,588	29,366	30,171	32,668	
24 2	28,464	29,231	30,025	30,900	33,414	
25 3	29,401	30,192	31,009	31,931	34,490	
26 4	30,063	30,896	31,727	32,689	35,290	
27 5	30,750	31,595	32,443	33,468	36,085	
28 6	31,147	31,974	32,850	33,928	36,531	
29 7	32,164	33,010	33,909	35,055	37,724	
30 8	33,195	34,088	35,008	36,248	38,954	
31 9		35,205	36,169	37,455	40,223	
32 10			37,344	38,724	41,529	
33 11				40,029	42,895	
34 12				41,293	44,298	
35 13					45,736	
36 14					47,181	
37 15					48,408	
38 16 or more					49,376	

1	Years of				MA+90
2	Service	BA+135	MA	MA+45	or PHD
3	0	33,811	32,931	35,403	36,996
4	1	34,252	33,297	35,793	37,377
5	2	35,030	33,995	36,509	38,124
6	3	36,177	35,027	37,585	39,273
7	4	37,007	35,755	38,355	40,072
8	5	37,853	36,503	39,121	40,889
9	6	38,308	36,904	39,508	41,285
10	7	39,569	38,031	40,700	42,546
11	8	40,867	39,225	41,930	43,843
12	9	42,201	40,430	43,200	45,177
13	10	43,572	41,700	44,505	46,549
14	11	44,979	43,005	45,872	47,956
15	12	46,446	44,362	47,275	49,422
16	13	47,947	45,766	48,712	50,923
17	14	49,505	47,212	50,251	52,481
18	15	50,792	48,439	51,557	53,846
19	16 or more	51,808	49,407	52,589	54,923

20 K-12 Allocation Salary Schedule For Certificated Instructional Staff
21 2002-03 School Year

22	(Years of					
23	Service	BA	BA+15	BA+30	BA+45	BA+90
24	0	28,318	29,083	29,875	30,668	33,217
25	1	28,699	29,473	30,276	31,106	33,680
26	2	29,345	30,137	30,955	31,857	34,449
27	3	30,312	31,127	31,970	32,920	35,559
28	4	30,994	31,854	32,710	33,702	36,383
29	5	31,703	32,574	33,448	34,505	37,203
30	6	32,112	32,964	33,868	34,979	37,663
31	7	33,160	34,033	34,959	36,141	38,893
32	8	34,223	35,145	36,092	37,372	40,161
33	9		36,295	37,289	38,616	41,470
34	10			38,501	39,923	42,815
35	11				41,269	44,225
36	12				42,572	45,671
37	13					47,153

1	14	48,642
2	15	49,907
3	16 or more	50,906

4	<u>Years of</u>				<u>MA+90</u>
5	<u>Service</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>or PHD</u>
6	<u>0</u>	34,859	33,951	36,500	38,142
7	<u>1</u>	35,313	34,328	36,902	38,535
8	<u>2</u>	36,116	35,048	37,640	39,305
9	<u>3</u>	37,298	36,112	38,750	40,490
10	<u>4</u>	38,153	36,863	39,544	41,314
11	<u>5</u>	39,026	37,634	40,333	42,156
12	<u>6</u>	39,495	38,047	40,732	42,564
13	<u>7</u>	40,795	39,210	41,961	43,864
14	<u>8</u>	42,133	40,440	43,229	45,201
15	<u>9</u>	43,509	41,683	44,538	46,577
16	<u>10</u>	44,922	42,992	45,884	47,991
17	<u>11</u>	46,373	44,337	47,293	49,442
18	<u>12</u>	47,885	45,736	48,739	50,953
19	<u>13</u>	49,432	47,184	50,221	52,501
20	<u>14</u>	51,039	48,675	51,808	54,107
21	<u>15</u>	52,366	49,940	53,155	55,514
22	<u>16 or more</u>	53,413	50,938	54,218	56,624))

23	<u>Years of</u>					
24	<u>Service</u>	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>BA+45</u>	<u>BA+90</u>
25	<u>0</u>	28,300	29,064	29,856	30,649	33,196
26	<u>1</u>	28,680	29,455	30,257	31,086	33,659
27	<u>2</u>	29,327	30,117	30,936	31,837	34,428
28	<u>3</u>	30,293	31,107	31,950	32,899	35,536
29	<u>4</u>	30,975	31,833	32,690	33,681	36,360
30	<u>5</u>	31,682	32,553	33,427	34,483	37,179
31	<u>6</u>	32,091	32,943	33,847	34,956	37,639
32	<u>7</u>	33,139	34,012	34,937	36,118	38,868
33	<u>8</u>	34,202	35,122	36,069	37,348	40,135
34	<u>9</u>		36,272	37,266	38,591	41,443
35	<u>10</u>			38,477	39,898	42,788
36	<u>11</u>				41,243	44,196
37	<u>12</u>				42,545	45,642

1	<u>13</u>				<u>47,123</u>
2	<u>14</u>				<u>48,611</u>
3	<u>15</u>				<u>49,876</u>
4	<u>16 or more</u>				<u>50,873</u>
5	<u>Years of</u>				<u>MA+90</u>
6	<u>Service</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>or PHD</u>
7	<u>0</u>	<u>34,836</u>	<u>33,929</u>	<u>36,476</u>	<u>38,118</u>
8	<u>1</u>	<u>35,291</u>	<u>34,306</u>	<u>36,879</u>	<u>38,510</u>
9	<u>2</u>	<u>36,093</u>	<u>35,025</u>	<u>37,616</u>	<u>39,280</u>
10	<u>3</u>	<u>37,274</u>	<u>36,089</u>	<u>38,725</u>	<u>40,464</u>
11	<u>4</u>	<u>38,129</u>	<u>36,840</u>	<u>39,519</u>	<u>41,288</u>
12	<u>5</u>	<u>39,001</u>	<u>37,610</u>	<u>40,307</u>	<u>42,129</u>
13	<u>6</u>	<u>39,470</u>	<u>38,023</u>	<u>40,706</u>	<u>42,537</u>
14	<u>7</u>	<u>40,769</u>	<u>39,185</u>	<u>41,934</u>	<u>43,836</u>
15	<u>8</u>	<u>42,106</u>	<u>40,414</u>	<u>43,202</u>	<u>45,172</u>
16	<u>9</u>	<u>43,481</u>	<u>41,656</u>	<u>44,510</u>	<u>46,548</u>
17	<u>10</u>	<u>44,894</u>	<u>42,964</u>	<u>45,855</u>	<u>47,960</u>
18	<u>11</u>	<u>46,344</u>	<u>44,309</u>	<u>47,263</u>	<u>49,410</u>
19	<u>12</u>	<u>47,854</u>	<u>45,707</u>	<u>48,708</u>	<u>50,921</u>
20	<u>13</u>	<u>49,401</u>	<u>47,154</u>	<u>50,189</u>	<u>52,467</u>
21	<u>14</u>	<u>51,006</u>	<u>48,644</u>	<u>51,775</u>	<u>54,073</u>
22	<u>15</u>	<u>52,333</u>	<u>49,908</u>	<u>53,121</u>	<u>55,479</u>
23	<u>16 or more</u>	<u>53,379</u>	<u>50,906</u>	<u>54,183</u>	<u>56,588</u>

24 (b) As used in this subsection, the column headings "BA+(N)" refer
 25 to the number of credits earned since receiving the baccalaureate
 26 degree.

27 (c) For credits earned after the baccalaureate degree but before
 28 the masters degree, any credits in excess of forty-five credits may be
 29 counted after the masters degree. Thus, as used in this subsection,
 30 the column headings "MA+(N)" refer to the total of:

31 (i) Credits earned since receiving the masters degree; and

32 (ii) Any credits in excess of forty-five credits that were earned
 33 after the baccalaureate degree but before the masters degree.

34 (5) For the purposes of this section:

35 (a) "BA" means a baccalaureate degree.

36 (b) "MA" means a masters degree.

37 (c) "PHD" means a doctorate degree.

1 (d) "Years of service" shall be calculated under the same rules
2 adopted by the superintendent of public instruction.

3 (e) "Credits" means college quarter hour credits and equivalent in-
4 service credits computed in accordance with RCW 28A.415.020 and
5 28A.415.023.

6 (6) No more than ninety college quarter-hour credits received by
7 any employee after the baccalaureate degree may be used to determine
8 compensation allocations under the state salary allocation schedule and
9 LEAP documents referenced in this act, or any replacement schedules and
10 documents, unless:

11 (a) The employee has a masters degree; or

12 (b) The credits were used in generating state salary allocations
13 before January 1, 1992.

14 (7) The certificated instructional staff base salary specified for
15 each district in LEAP Document 12E and the salary schedules in
16 subsection (4)(a) of this section include three learning improvement
17 days (~~((originally added in the 1999-00 school year))~~) for the 2001-02
18 school year and two days for the 2002-03 school year. A school
19 district is eligible for the learning improvement day funds for school
20 years 2001-02 and 2002-03, only if (~~((three))~~) the learning improvement
21 days have been added to the 180-day contract year. If fewer (~~((than~~
22 ~~three))~~) days are added, the additional learning improvement allocation
23 shall be adjusted accordingly. The additional days shall be for
24 activities related to improving student learning consistent with
25 education reform implementation, and shall not be considered part of
26 basic education. The length of a learning improvement day shall not be
27 less than the length of a full day under the base contract. The
28 superintendent of public instruction shall ensure that school districts
29 adhere to the intent and purposes of this subsection.

30 (8) The salary allocation schedules established in this section are
31 for allocation purposes only except as provided in RCW 28A.400.200(2).

32 **Sec. 504.** 2001 2nd sp.s. c 7 s 504 (uncodified) is amended to read
33 as follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
35 **COMPENSATION ADJUSTMENTS**

36 General Fund--State Appropriation (FY 2002) . . . \$ ((~~124,130,000~~))
37 124,903,000
38 General Fund--State Appropriation (FY 2003) . . . \$ ((~~274,529,000~~))

1		<u>255,910,000</u>
2	<u>General Fund--Federal Appropriation (FY 2003) . . . \$</u>	<u>191,000</u>
3	TOTAL APPROPRIATION \$	((398,659,000))
4		<u>381,004,000</u>

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

7 (1) ((~~\$318,024,000~~)) A total of \$329,316,000 is provided for a cost
8 of living adjustment for state formula staff units of 3.7 percent
9 effective September 1, 2001, and ((~~another salary adjustment~~)) 3.6
10 percent effective on September 1, 2002, ((~~in a percentage amount to be~~
11 ~~determined by the 2002 legislature~~)) consistent with the provisions of
12 chapter 4, Laws of 2001 (Initiative Measure No. 732). The
13 appropriations include associated incremental fringe benefit
14 allocations at rates of ((~~10.63~~)) 10.12 percent for school year((~~s~~))
15 2001-02 and 8.93 percent for school year 2002-03 for certificated staff
16 and ((~~9.42~~)) 9.23 percent for school year((~~s~~)) 2001-02 and 8.86 for
17 school year 2002-03 for classified staff.

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

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

	School Year	
	2001-02	2002-03
37 Pupil Transportation (per weighted pupil mile) \$	0.77	\$ ((1.44))
38		<u>1.54</u>

1	Highly Capable (per formula student)	\$((8.75))	\$((16.35))
2		<u>8.71</u>	<u>16.70</u>
3	Transitional Bilingual Education (per eligible		
4	bilingual student)	\$((22.73))	\$((42.48))
5		<u>22.63</u>	<u>44.74</u>
6	Learning Assistance (per entitlement unit)	\$((11.23))	\$((20.99))
7		<u>11.19</u>	<u>22.26</u>
8	Substitute Teacher (allocation per teacher,		
9	section 502(7))	\$ 18.29	\$ ((34.18))
10			<u>36.75</u>

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) ((\$80,635,000)) \$51,688,000 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
26 ((\$493.59)) \$457.07 per month for the 2002-03 school year at the
27 following rates:

28		School Year	
29		2001-02	2002-03
30	Pupil Transportation (per weighted pupil mile)	\$ 0.25	\$((0.60))
31			<u>0.27</u>
32	Highly Capable (per formula student)	\$ 1.74	\$((4.18))
33			<u>1.81</u>
34	Transitional Bilingual Education (per eligible		
35	bilingual student)	\$ 4.46	\$((10.66))
36			<u>4.75</u>
37	Learning Assistance (per entitlement unit)	\$ 3.51	\$((8.38))
38			<u>3.73</u>

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

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

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

6 General Fund--State Appropriation (FY 2002) . . . \$ ((~~193,198,000~~))
7 192,402,000

8 General Fund--State Appropriation (FY 2003) . . . \$ ((~~194,293,000~~))
9 193,293,000

10 TOTAL APPROPRIATION \$ ((~~387,491,000~~))
11 385,695,000

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

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

17 (2) A maximum of \$767,000 of this fiscal year 2002 appropriation
18 and a maximum of ((~~\$785,000~~)) \$752,000 of the fiscal year 2003
19 appropriation may be expended for regional transportation coordinators
20 and related activities. The transportation coordinators shall ensure
21 that data submitted by school districts for state transportation
22 funding shall, to the greatest extent practical, reflect the actual
23 transportation activity of each district.

24 (3) ((~~\$15,000~~)) \$5,000 of the fiscal year 2002 appropriation and
25 ((~~\$20,000~~)) \$5,000 of the fiscal year 2003 appropriation are provided
26 solely for the transportation of students enrolled in "choice"
27 programs. Transportation shall be limited to low-income students who
28 are transferring to "choice" programs solely for educational reasons.

29 (4) Allocations for transportation of students shall be based on
30 reimbursement rates of ((~~\$37.11~~)) \$37.07 per weighted mile in the 2001-
31 02 school year and ((~~\$37.38~~)) \$37.12 per weighted mile in the 2002-03
32 school year exclusive of salary and benefit adjustments provided in
33 section 504 of this act. Allocations for transportation of students
34 transported more than one radius mile shall be based on weighted miles
35 as determined by superintendent of public instruction multiplied by the
36 per mile reimbursement rates for the school year pursuant to the
37 formulas adopted by the superintendent of public instruction.
38 Allocations for transportation of students living within one radius

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

5 **Sec. 506.** 2001 2nd sp.s. c 7 s 507 (uncodified) is amended to read
6 as follows:

7 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
8 **PROGRAMS**

9	General Fund--State Appropriation (FY 2002) . . . \$	((419,264,000))
10		<u>420,165,000</u>
11	General Fund--State Appropriation (FY 2003) . . . \$	((420,644,000))
12		<u>408,761,000</u>
13	General Fund--Federal Appropriation \$	((256,092,000))
14		<u>256,407,000</u>
15	TOTAL APPROPRIATION \$	((1,096,000,000))
16		<u>1,085,333,000</u>

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

19 (1) Funding for special education programs is provided on an excess
20 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
21 that special education students as a class receive their full share of
22 the general apportionment allocation accruing through sections 502 and
23 504 of this act. To the extent a school district cannot provide an
24 appropriate education for special education students under chapter
25 28A.155 RCW through the general apportionment allocation, it shall
26 provide services through the special education excess cost allocation
27 funded in this section.

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

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

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

34 (iii) Special education students are basic education students for
35 the entire school day.

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

1 (3) Each (~~(general fund—state)~~) fiscal year appropriation includes
2 such funds as are necessary to complete the school year ending in the
3 fiscal year and for prior fiscal year adjustments.

4 (4) The superintendent of public instruction shall distribute state
5 funds to school districts based on two categories: The optional birth
6 through age two program for special education eligible developmentally
7 delayed infants and toddlers, and the mandatory special education
8 program for special education eligible students ages three to twenty-
9 one. A "special education eligible student" means a student receiving
10 specially designed instruction in accordance with a properly formulated
11 individualized education program.

12 (5)(a) For the 2001-02 and 2002-03 school years, the superintendent
13 shall (~~(distribute state funds)~~) make allocations to each district
14 based on the sum of:

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

19 (ii) A district's annual average full-time equivalent basic
20 education enrollment multiplied by the funded enrollment percent
21 determined pursuant to subsection (6)(b) of this section, multiplied by
22 the district's average basic education allocation per full-time
23 equivalent student multiplied by 0.9309.

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

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

30 (a) "Annual average full-time equivalent basic education
31 enrollment" means the resident enrollment including students enrolled
32 through choice (RCW 28A.225.225) and students from nonhigh districts
33 (RCW 28A.225.210) and excluding students residing in another district
34 enrolled as part of an interdistrict cooperative program (RCW
35 28A.225.250).

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

1 (i) For the 2001-02 ~~((and the 2002-03))~~ school year~~((s))~~, each
2 district's funded enrollment percent shall be the lesser of the
3 district's actual enrollment percent ~~((for the school year for which~~
4 ~~the allocation is being determined))~~ or 12.7 percent ~~((for the 2001-02~~
5 ~~school year or 13.0 percent for the 2002-03 school year))~~.

6 (ii) For the 2002-03 school year, each district's general
7 fund--state funded special education enrollment shall be the lesser of
8 the district's actual enrollment percent or 12.7 percent. Increases in
9 enrollment percent from 12.7 percent to 13.0 percent shall be funded
10 from the general fund--federal appropriation.

11 (7) At the request of any interdistrict cooperative of at least 15
12 districts in which all excess cost services for special education
13 students of the districts are provided by the cooperative, the maximum
14 enrollment percent shall be ~~((12.7 percent for the 2001-02 school year~~
15 ~~and 13.0 percent for the 2002-03 school year))~~ calculated in accordance
16 with subsection (6)(b) of this section, and shall be calculated in the
17 aggregate rather than individual district units. For purposes of this
18 subsection, the average basic education allocation per full-time
19 equivalent student shall be calculated in the aggregate rather than
20 individual district units.

21 (8) Safety net funding shall be awarded by the state safety net
22 oversight committee subject to the following conditions and
23 limitations:

24 (a) A maximum of ~~((~~\$12,000,000~~))~~ \$8,500,000 of the general fund--
25 state appropriation and a maximum of \$3,500,000 of the general fund--
26 federal appropriation for fiscal year 2002 ~~((and a maximum of~~
27 ~~\$10,623,000 of the general fund--state appropriation for fiscal year~~
28 ~~2003))~~ are provided as safety net funding for districts with
29 demonstrated needs for state special education funding beyond the
30 amounts provided in subsection (5) of this section. ~~((Safety net~~
31 ~~funding shall be awarded by the state safety net oversight committee.~~

32 ~~((a))~~ (b) The safety net oversight committee shall first consider
33 the needs of districts adversely affected by the 1995 change in the
34 special education funding formula. Awards shall be based on the lesser
35 of the amount required to maintain the 1994-95 state special education
36 excess cost allocation to the school district in aggregate or on a
37 dollar per funded student basis.

38 ~~((b))~~ (c) The committee shall then consider unmet needs for
39 districts that can convincingly demonstrate that all legitimate

1 expenditures for special education exceed all available revenues from
2 state funding formulas. In the determination of need, the committee
3 shall also consider additional available revenues from federal and
4 local sources. Differences in program costs attributable to district
5 philosophy, service delivery choice, or accounting practices are not a
6 legitimate basis for safety net awards.

7 ~~((e))~~ (d) The maximum allowable indirect cost for calculating
8 safety net eligibility may not exceed the federal restricted indirect
9 cost rate for the district plus one percent.

10 ~~((d))~~ (e) Safety net awards shall be adjusted based on the
11 percent of potential medicaid eligible students billed as calculated by
12 the superintendent in accordance with chapter 318, Laws of 1999.

13 ~~((e))~~ (f) Safety net awards must be adjusted for any audit
14 findings or exceptions related to special education funding.

15 ~~((f))~~ (g) The superintendent may expend up to \$120,000 (~~per~~
16 year) of the amounts provided in this subsection (8) to provide staff
17 assistance to the committee in analyzing applications for safety net
18 funds received by the committee.

19 (9) For fiscal year 2003 to the extent necessary, \$12,873,000 of
20 the general fund--federal appropriation is provided for safety net
21 awards for districts with demonstrated needs for state special
22 education funding beyond the amounts provided in subsection (5) of this
23 section. If safety net awards exceed the amount appropriated in this
24 subsection (9), the superintendent shall expend all available federal
25 discretionary funds necessary to meet this need. Safety net funds
26 shall be awarded by the state safety net oversight committee subject to
27 the following conditions and limitations:

28 (a) The committee shall consider unmet needs for districts that can
29 convincingly demonstrate that all legitimate expenditures for special
30 education exceed all available revenues from state funding formulas.
31 In the determination of need, the committee shall also consider
32 additional available revenues from federal and local sources.
33 Differences in program costs attributable to district philosophy,
34 service delivery choice, or accounting practices are not a legitimate
35 basis for safety net awards.

36 (b) The committee shall then consider the extraordinary high cost
37 needs of one or more individual special education students.
38 Differences in costs attributable to district philosophy, service

1 delivery choice, or accounting practices are not a legitimate basis for
2 safety net awards.

3 (c) The maximum allowable indirect cost for calculating safety net
4 eligibility may not exceed the federal restricted indirect cost rate
5 for the district plus one percent.

6 (d) Safety net awards shall be adjusted based on the percent of
7 potential medicaid eligible students billed as calculated by the
8 superintendent in accordance with chapter 318, Laws of 1999.

9 (e) Safety net awards must be adjusted for any audit findings or
10 exceptions related to special education funding.

11 (f) The superintendent may expend up to \$120,000 of the amount
12 provided from the general fund--federal appropriation in this
13 subsection (9) to provide staff assistance to the committee in
14 analyzing applications for safety net funds received by the committee.

15 ~~((+9))~~ (10) The superintendent of public instruction may adopt
16 such rules and procedures as are necessary to administer the special
17 education funding and safety net award process. Prior to revising any
18 standards, procedures, or rules, the superintendent shall consult with
19 the office of financial management and the fiscal committees of the
20 legislature.

21 ~~((+10))~~ (11) The safety net oversight committee appointed by the
22 superintendent of public instruction shall consist of:

23 (a) One staff from the office of superintendent of public
24 instruction;

25 (b) Staff of the office of the state auditor;

26 (c) Staff of the office of the financial management; and

27 (d) One or more representatives from school districts or
28 educational service districts knowledgeable of special education
29 programs and funding.

30 ~~((+11))~~ (12) To the extent necessary, ~~(((\$5,500,000))~~ in fiscal
31 year 2002, \$2,250,000 of the general fund--federal appropriation shall
32 be expended for safety net funding to meet the extraordinary needs of
33 one or more individual special education students. If safety net
34 awards to meet the extraordinary needs exceed ~~(((\$5,500,000))~~ \$2,250,000
35 of the general fund--federal appropriation, the superintendent shall
36 expend all available federal discretionary funds necessary to meet this
37 need. General fund--state funds shall not be expended for this
38 purpose.

1 (~~(12)~~) (13) A maximum of \$678,000 may be expended from the
2 general fund--state appropriations to fund 5.43 full-time equivalent
3 teachers and 2.1 full-time equivalent aides at children's orthopedic
4 hospital and medical center. This amount is in lieu of money provided
5 through the home and hospital allocation and the special education
6 program.

7 (~~(13)~~) (14) \$1,000,000 of the general fund--federal appropriation
8 is provided for projects to provide special education students with
9 appropriate job and independent living skills, including work
10 experience where possible, to facilitate their successful transition
11 out of the public school system. The funds provided by this subsection
12 shall be from federal discretionary grants.

13 (~~(14)~~) (15) The superintendent shall maintain the percentage of
14 federal flow-through to school districts at 85 percent for the 2001-02
15 school year. For the 2002-03 school year, the superintendent shall
16 allocate the federal funds as specified in this section and shall
17 adjust federal flow-through funds accordingly. In addition to other
18 purposes, school districts may use increased federal funds for high-
19 cost students, for purchasing regional special education services from
20 educational service districts, and for staff development activities
21 particularly relating to inclusion issues.

22 (~~(15)~~) (16) A maximum of \$1,200,000 of the general fund--federal
23 appropriation may be expended by the superintendent for projects
24 related to use of inclusion strategies by school districts for
25 provision of special education services. The superintendent shall
26 prepare an information database on laws, best practices, examples of
27 programs, and recommended resources. The information may be
28 disseminated in a variety of ways, including workshops and other staff
29 development activities.

30 (~~(16)~~) (17) A school district may carry over from one year to the
31 next year up to 10 percent of general fund--state funds allocated under
32 this program; however, carry over funds shall be expended in the
33 special education program.

34 (18) The superintendent of public instruction shall implement the
35 recommendations of the joint legislative audit and review committee
36 study on special education (report 01-11) only to the extent that funds
37 have been specifically provided therefor.

1 **Sec. 507.** 2001 2nd sp.s. c 7 s 508 (uncodified) is amended to read
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY**
4 **EDUCATION PROGRAMS**

5	General Fund--State Appropriation (FY 2002) . . . \$	((3,595,000))
6		<u>3,765,000</u>
7	General Fund--State Appropriation (FY 2003) . . . \$	((2,588,000))
8		<u>512,000</u>
9	<u>Public Safety and Education Account</u>	
10	<u>Appropriation</u> \$	<u>6,567,000</u>
11	TOTAL APPROPRIATION \$	((6,183,000))
12		<u>10,844,000</u>

13 (1) The general fund--state appropriations in this section are
14 subject to the following conditions and limitations:

15 ((+1)) (a) The appropriations include such funds as are necessary
16 to complete the school year ending in each fiscal year and for prior
17 fiscal year adjustments.

18 ((+2)) (b) A maximum of \$253,000 of the fiscal year 2002 general
19 fund appropriation (~~and a maximum of \$254,000 of the fiscal year 2003~~
20 ~~general fund appropriation~~) may be expended for regional traffic
21 safety education coordinators.

22 ((+3)) (c) Allocations to provide tuition assistance for students
23 eligible for free and reduced price lunch who complete the program
24 shall be a maximum of \$203.97 per eligible student in the 2001-02 (~~and~~
25 ~~2002-03~~) school (~~years~~) year.

26 (2) The public safety and education account appropriation in this
27 section is subject to the following conditions and limitations:

28 (a) The public safety and education account appropriation shall
29 lapse if House Bill No. 2573 (traffic safety education) is not enacted
30 by June 30, 2002.

31 (b) If House Bill No. 2573 is enacted by June 30, 2002, districts
32 shall receive the following allocations:

33 (i) The maximum basic state allocation per student completing the
34 program shall be \$148.00 in the 2002-03 school year.

35 (ii) Additional allocations to provide tuition assistance for
36 students eligible for free and reduced price lunch who complete the
37 program shall be a maximum of \$71.00 per eligible student in the 2002-
38 03 school year.

1 (c) A maximum of \$254,000 may be expended for regional traffic
2 safety education coordinators.

3 **Sec. 508.** 2001 2nd sp.s. c 7 s 509 (uncodified) is amended to read
4 as follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
6 **DISTRICTS**

7	General Fund--State Appropriation (FY 2002) . . . \$	((4,768,000))
8		<u>4,757,000</u>
9	General Fund--State Appropriation (FY 2003) . . . \$	((4,768,000))
10		<u>4,571,000</u>
11	TOTAL APPROPRIATION \$	((9,536,000))
12		<u>9,328,000</u>

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

15 (1) The educational service districts shall continue to furnish
16 financial services required by the superintendent of public instruction
17 and RCW 28A.310.190 (3) and (4).

18 (2) \$250,000 of the general fund appropriation for fiscal year
19 ((2000)) 2002 and ((\$250,000)) \$243,000 of the general fund
20 appropriation for fiscal year ((2001)) 2003 are provided solely for
21 student teaching centers as provided in RCW 28A.415.100.

22 (3) A maximum of \$250,000 of the fiscal year 2002 general fund
23 appropriation and a maximum of ((\$250,000)) \$243,000 of the fiscal year
24 2003 general fund appropriation are provided for centers for the
25 improvement of teaching pursuant to RCW 28A.415.010.

26 **Sec. 509.** 2001 2nd sp.s. c 7 s 510 (uncodified) is amended to read
27 as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
29 **ASSISTANCE**

30	General Fund--State Appropriation (FY 2002) . . . \$	((136,315,000))
31		<u>140,932,000</u>
32	General Fund--State Appropriation (FY 2003) . . . \$	((148,329,000))
33		<u>154,931,000</u>
34	TOTAL APPROPRIATION \$	((284,644,000))
35		<u>295,863,000</u>

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

3 Calendar year 2003 local effort assistance calculations under
4 chapter 28A.500 RCW shall be adjusted by multiplying allocations and
5 maximum eligibility for each district by 0.99 as authorized by House
6 Bill No. 3011.

7 **Sec. 510.** 2001 2nd sp.s. c 7 s 511 (uncodified) is amended to read
8 as follows:

9 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
10 **EDUCATION PROGRAMS**

11	General Fund--State Appropriation (FY 2002) . . . \$	((19,133,000))
12		<u>19,073,000</u>
13	General Fund--State Appropriation (FY 2003) . . . \$	((19,115,000))
14		<u>18,658,000</u>
15	General Fund--Federal Appropriation \$	8,548,000
16	TOTAL APPROPRIATION \$	((46,796,000))
17		<u>46,279,000</u>

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

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

23 (2) State funding provided under this section is based on salaries
24 and other expenditures for a 220-day school year. The superintendent
25 of public instruction shall monitor school district expenditure plans
26 for institutional education programs to ensure that districts plan for
27 a full-time summer program.

28 (3) State funding for each institutional education program shall be
29 based on the institution's annual average full-time equivalent student
30 enrollment. Staffing ratios for each category of institution shall
31 remain the same as those funded in the 1995-97 biennium.

32 (4) The funded staffing ratios for education programs for juveniles
33 age 18 or less in department of corrections facilities shall be the
34 same as those provided in the 1997-99 biennium.

35 (5) \$141,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$139,000 of the general fund--state appropriation for
37 fiscal year 2003 are provided solely to maintain at least one
38 certificated instructional staff and related support services at an

1 institution whenever the K-12 enrollment is not sufficient to support
2 one full-time equivalent certificated instructional staff to furnish
3 the educational program. The following types of institutions are
4 included: Residential programs under the department of social and
5 health services for developmentally disabled juveniles, programs for
6 juveniles under the department of corrections, and programs for
7 juveniles under the juvenile rehabilitation administration.

8 (6) Ten percent of the funds allocated for each institution may be
9 carried over from one year to the next.

10 **Sec. 511.** 2001 2nd sp.s. c 7 s 512 (uncodified) is amended to read
11 as follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
13 **CAPABLE STUDENTS**

14	General Fund--State Appropriation (FY 2002) . . . \$	((6,443,000))
15		<u>6,470,000</u>
16	General Fund--State Appropriation (FY 2003) . . . \$	((6,397,000))
17		<u>6,229,000</u>
18	TOTAL APPROPRIATION \$	((12,840,000))
19		<u>12,699,000</u>

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

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

25 (2) Allocations for school district programs for highly capable
26 students shall be distributed at a maximum rate of ((~~\$328.10~~)) \$327.22
27 per funded student for the 2001-02 school year and ((~~\$328.05~~)) \$313.07
28 per funded student for the 2002-03 school year, exclusive of salary and
29 benefit adjustments pursuant to section 504 of this act. The number of
30 funded students shall be a maximum of two percent of each district's
31 full-time equivalent basic education enrollment.

32 (3) \$175,000 of the fiscal year 2002 appropriation and ((~~\$175,000~~))
33 \$170,000 of the fiscal year 2003 appropriation are provided for the
34 centrum program at Fort Worden state park.

35 (4) \$93,000 of the fiscal year 2002 appropriation and ((~~\$93,000~~))
36 \$90,000 of the fiscal year 2003 appropriation are provided for the
37 Washington imagination network and future problem-solving programs.

1 appropriation for fiscal year 2003 are provided solely for mentor
2 teacher assistance, including state support activities, under RCW
3 28A.415.250 and 28A.415.260, and for a mentor academy. Up to \$200,000
4 of the amount in this subsection may be used each fiscal year to
5 operate a mentor academy to help districts provide effective training
6 for peer mentors. Funds for the teacher assistance program shall be
7 allocated to school districts based on the number of first year
8 beginning teachers.

9 (a) A teacher assistance program is a program that provides to a
10 first year beginning teacher peer mentor services that include but are
11 not limited to:

12 (i) An orientation process and individualized assistance to help
13 beginning teachers who have been hired prior to the start of the school
14 year prepare for the start of a school year;

15 (ii) The assignment of a peer mentor whose responsibilities to the
16 beginning teacher include but are not limited to constructive feedback,
17 the modeling of instructional strategies, and frequent meetings and
18 other forms of contact;

19 (iii) The provision by peer mentors of strategies, training, and
20 guidance in critical areas such as classroom management, student
21 discipline, curriculum management, instructional skill, assessment,
22 communication skills, and professional conduct. A district may provide
23 these components through a variety of means including one-on-one
24 contact and workshops offered by peer mentors to groups, including
25 cohort groups, of beginning teachers;

26 (iv) The provision of release time, substitutes, mentor training in
27 observation techniques, and other measures for both peer mentors and
28 beginning teachers, to allow each an adequate amount of time to observe
29 the other and to provide the classroom experience that each needs to
30 work together effectively;

31 (v) Assistance in the incorporation of the essential academic
32 learning requirements into instructional plans and in the development
33 of complex teaching strategies, including strategies to raise the
34 achievement of students with diverse learning styles and backgrounds;
35 and

36 (vi) Guidance and assistance in the development and implementation
37 of a professional growth plan. The plan shall include a professional
38 self-evaluation component and one or more informal performance
39 assessments. A peer mentor may not be involved in any evaluation under

1 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
2 assisted through this program.

3 (b) In addition to the services provided in (a) of this subsection,
4 an eligible peer mentor program shall include but is not limited to the
5 following components:

6 (i) Strong collaboration among the peer mentor, the beginning
7 teacher's principal, and the beginning teacher;

8 (ii) Stipends for peer mentors and, at the option of a district,
9 for beginning teachers. The stipends shall not be deemed compensation
10 for the purposes of salary lid compliance under RCW 28A.400.200 and are
11 not subject to the continuing contract provisions of Title 28A RCW; and

12 (iii) To the extent that resources are available for this purpose
13 and that assistance to beginning teachers is not adversely impacted,
14 the program may serve second year and more experienced teachers who
15 request the assistance of peer mentors.

16 (5) \$2,025,000 of the general fund--state appropriation for fiscal
17 year 2002 and (~~(\$2,025,000)~~) \$1,964,000 of the general fund--state
18 appropriation for fiscal year 2003 are provided for improving
19 technology infrastructure, monitoring and reporting on school district
20 technology development, promoting standards for school district
21 technology, promoting statewide coordination and planning for
22 technology development, and providing regional educational technology
23 support centers, including state support activities, under chapter
24 28A.650 RCW. The superintendent of public instruction shall coordinate
25 a process to facilitate the evaluation and provision of online
26 curriculum courses to school districts which includes the following:
27 Creation of a general listing of the types of available online
28 curriculum courses; a survey conducted by each regional educational
29 technology support center of school districts in its region regarding
30 the types of online curriculum courses desired by school districts; a
31 process to evaluate and recommend to school districts the best online
32 courses in terms of curriculum, student performance, and cost; and
33 assistance to school districts in procuring and providing the courses
34 to students.

35 (6) \$3,600,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$3,600,000 of the general fund--state appropriation for
37 fiscal year 2003 are provided for grants to school districts to provide
38 a continuum of care for children and families to help children become
39 ready to learn. Grant proposals from school districts shall contain

1 local plans designed collaboratively with community service providers.
2 If a continuum of care program exists in the area in which the school
3 district is located, the local plan shall provide for coordination with
4 existing programs to the greatest extent possible. Grant funds shall
5 be allocated pursuant to RCW 70.190.040.

6 (7) \$2,500,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$2,500,000 of the general fund--state appropriation for
8 fiscal year 2003 are provided solely for the meals for kids program
9 under RCW 28A.235.145 through 28A.235.155.

10 (8) \$1,409,000 of the general fund--state appropriation for fiscal
11 year 2002 and (~~(\$1,409,000)~~) \$705,000 of the general fund--state
12 appropriation for fiscal year 2003 are provided solely for the
13 leadership internship program for superintendents, principals, and
14 program administrators.

15 (9) \$1,828,000 of the general fund--state appropriation for fiscal
16 year 2002 and (~~(\$1,828,000)~~) \$1,773,000 of the general fund--state
17 appropriation for fiscal year 2003 are provided solely for the
18 mathematics helping corps subject to the following conditions and
19 limitations:

20 (a) In order to increase the availability and quality of technical
21 mathematics assistance statewide, the superintendent of public
22 instruction shall employ mathematics school improvement specialists to
23 provide assistance to schools and districts. The specialists shall be
24 hired by and work under the direction of a statewide school improvement
25 coordinator. The mathematics improvement specialists shall serve on a
26 rotating basis from one to three years and shall not be permanent
27 employees of the superintendent of public instruction.

28 (b) The school improvement specialists shall provide the following:

29 (i) Assistance to schools to disaggregate student performance data
30 and develop improvement plans based on those data;

31 (ii) Consultation with schools and districts concerning their
32 performance on the Washington assessment of student learning and other
33 assessments emphasizing the performance on the mathematics assessments;

34 (iii) Consultation concerning curricula that aligns with the
35 essential academic learning requirements emphasizing the academic
36 learning requirements for mathematics, the Washington assessment of
37 student learning, and meets the needs of diverse learners;

38 (iv) Assistance in the identification and implementation of
39 research-based instructional practices in mathematics;

1 (v) Staff training that emphasizes effective instructional
2 strategies and classroom-based assessment for mathematics;

3 (vi) Assistance in developing and implementing family and community
4 involvement programs emphasizing mathematics; and

5 (vii) Other assistance to schools and school districts intended to
6 improve student mathematics learning.

7 (10) A maximum of \$500,000 of the general fund--state appropriation
8 for fiscal year 2002 and a maximum of (~~(\$500,000)~~) \$485,000 of the
9 general fund--state appropriation for fiscal year 2003 are provided for
10 summer accountability institutes offered by the superintendent of
11 public instruction and the academic achievement and accountability
12 commission. The institutes shall provide school district staff with
13 training in the analysis of student assessment data, information
14 regarding successful district and school teaching models, research on
15 curriculum and instruction, and planning tools for districts to improve
16 instruction in reading, mathematics, language arts, and guidance and
17 counseling.

18 (11) \$3,930,000 of the general fund--state appropriation for fiscal
19 year 2002 and (~~(\$3,829,000)~~) \$3,714,000 of the general fund--state
20 appropriation for fiscal year 2003 are provided solely for the
21 Washington reading corps subject to the following conditions and
22 limitations:

23 (a) Grants shall be allocated to schools and school districts to
24 implement proven, research-based mentoring and tutoring programs in
25 reading for low-performing students in grades K-6. If the grant is
26 made to a school district, the principals of schools enrolling targeted
27 students shall be consulted concerning design and implementation of the
28 program.

29 (b) The programs may be implemented before, after, or during the
30 regular school day, or on Saturdays, summer, intercessions, or other
31 vacation periods.

32 (c) Two or more schools may combine their Washington reading corps
33 programs.

34 (d) A program is eligible for a grant if it meets the following
35 conditions:

36 (i) The program employs methods of teaching and student learning
37 based on reliable reading/literacy research and effective practices;

38 (ii) The program design is comprehensive and includes instruction,
39 on-going student assessment, professional development,

1 parental/community involvement, and program management aligned with the
2 school's reading curriculum;

3 (iii) It provides quality professional development and training for
4 teachers, staff, and volunteer mentors and tutors;

5 (iv) It has measurable goals for student reading aligned with the
6 essential academic learning requirements; and

7 (v) It contains an evaluation component to determine the
8 effectiveness of the program.

9 (e) Funding priority shall be given to low-performing schools.

10 (f) Beginning and end-of-program testing data shall be available to
11 determine the effectiveness of funded programs and practices. Common
12 evaluative criteria across programs, such as grade-level improvements
13 shall be available for each reading corps program. The superintendent
14 of public instruction shall provide program evaluations to the governor
15 and the appropriate committees of the legislature. Administrative and
16 evaluation costs may be assessed from the annual appropriation for the
17 program.

18 (g) Grants provided under this section may be used by schools and
19 school districts for expenditures from September 2001 through August
20 31, 2003.

21 (12) (~~(\$377,000)~~) \$375,000 of the general fund--state appropriation
22 for fiscal year 2002 and (~~(\$701,000)~~) \$725,000 of the general fund--
23 state appropriation for fiscal year 2003 are provided solely for salary
24 bonuses for teachers who attain certification by the national board for
25 professional teaching standards(~~(-)~~), subject to the following
26 conditions and limitations:

27 (~~((b) In the 2002-03 school year,)~~) (a) Teachers who have attained
28 certification by the national board (~~(in the 2000-01 school year or the~~
29 ~~2001-02 school year or the 2002-03 school year)~~) shall receive an
30 annual bonus not to exceed \$3,500.

31 (~~((e))~~) (b) The annual bonus shall be paid in a lump sum amount and
32 shall not be included in the definition of "earnable compensation"
33 under RCW 41.32.010(10).

34 (~~((d))~~) (c) It is the intent of the legislature that teachers
35 achieving certification by the national board of professional teaching
36 standards will receive no more than (~~(three)~~) four annual bonus
37 payments for attaining certification by the national board.

38 (13) \$625,000 of the general fund--state appropriation for fiscal
39 year 2002 and (~~(\$625,000)~~) \$313,000 of the general fund--state

1 appropriation for fiscal year 2003 are provided for a principal support
2 program. The office of the superintendent of public instruction may
3 contract with an independent organization to administer the program.
4 The program shall include: (a) Development of an individualized
5 professional growth plan for a new principal or principal candidate;
6 and (b) participation of a mentor principal who works over a period of
7 between one and three years with the new principal or principal
8 candidate to help him or her build the skills identified as critical to
9 the success of the professional growth plan.

10 (14) \$71,000 of the general fund--state appropriation for fiscal
11 year 2002 and \$71,000 of the general fund--state appropriation for
12 fiscal year 2003 are provided solely for the second grade reading test.
13 The funds shall be expended for assessment training for new second
14 grade teachers and replacement of assessment materials.

15 (15) \$384,000 of the general fund--state appropriation for fiscal
16 year 2002 and (~~(\$384,000)~~) \$372,000 of the general fund--state
17 appropriation for fiscal year 2003 are provided for the superintendent
18 to assist schools in implementing high academic standards, aligning
19 curriculum with these standards, and training teachers to use
20 assessments to improve student learning. Funds may also be used to
21 increase community and parental awareness of education reform.

22 (16) \$130,000 of the general fund--state appropriation for fiscal
23 year 2002 and (~~(\$130,000)~~) \$126,000 of the general fund--state
24 appropriation for fiscal year 2003 are provided for the development and
25 posting of web-based instructional tools, assessment data, and other
26 information that assists schools and teachers implementing higher
27 academic standards.

28 (17) \$1,000,000 of the general fund--state appropriation for fiscal
29 year 2002 and (~~(\$1,800,000)~~) \$1,746,000 of the general fund--state
30 appropriation for fiscal year 2003 are provided solely to the office of
31 the superintendent of public instruction for focused assistance. The
32 office of the superintendent of public instruction shall conduct
33 educational audits of low-performing schools and enter into performance
34 agreements between school districts and the office to implement the
35 recommendations of the audit and the community. Of the amounts
36 provided, \$219,000 of the fiscal year 2002 appropriation and
37 (~~(\$207,000)~~) \$201,000 of the fiscal year 2003 appropriation are
38 provided to the office of the superintendent of public instruction for
39 the administrative duties arising under this subsection. Each

1 educational audit shall include recommendations for best practices and
2 ways to address identified needs and shall be presented to the
3 community in a public meeting to seek input on ways to implement the
4 audit and its recommendations.

5 (18) \$100,000 of the general fund--state appropriation for fiscal
6 year 2002 is provided solely for grants to school districts to adopt or
7 revise district-wide and school-level plans to achieve performance
8 improvement goals established under RCW 28A.655.030, and to post a
9 summary of the improvement plans on district websites using a common
10 format provided by the office of the superintendent of public
11 instruction.

12 (19) \$100,000 of the general fund--state appropriation for fiscal
13 year 2002 is provided solely for recognition plaques for schools that
14 successfully met the fourth grade reading improvement goal established
15 under RCW 28A.655.050.

16 (20) \$46,554,000 of the general fund--federal appropriation is
17 provided for preparing, training, and recruiting high quality teachers
18 and principals under Title II of the no child left behind act.

19 (21) \$6,591,000 of the general fund--federal appropriation is
20 provided for the reading first program under Title I of the no child
21 left behind act.

22 (22) In addition to amounts provided in subsection (2) of this
23 section, \$3,426,000 of the general fund--federal appropriation is
24 provided for the development of state assessments as required under
25 Title VI of the no child left behind act.

26 **Sec. 514.** 2001 2nd sp.s. c 7 s 515 (uncodified) is amended to read
27 as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
29 **BILINGUAL PROGRAMS**

30	General Fund--State Appropriation (FY 2002) . . . \$	((43,044,000))
31		<u>42,767,000</u>
32	General Fund--State Appropriation (FY 2003) . . . \$	((45,171,000))
33		<u>44,734,000</u>
34	<u>General Fund--Federal Appropriation (FY 2003) . . \$</u>	<u>20,280,000</u>
35	TOTAL APPROPRIATION \$	((88,215,000))
36		<u>107,781,000</u>

37 (1) The general fund--state appropriations in this section are
38 subject to the following conditions and limitations:

1 (~~(1)~~) (a) Each general fund fiscal year appropriation includes
2 such funds as are necessary to complete the school year ending in the
3 fiscal year and for prior fiscal year adjustments.

4 (~~(2)~~) (b) The superintendent shall distribute a maximum of
5 (~~(\$687.19)~~) \$684.36 per eligible bilingual student in the 2001-02
6 school year and (~~(\$687.19)~~) \$674.69 in the 2002-03 school year,
7 exclusive of salary and benefit adjustments provided in section 504 of
8 this act.

9 (~~(3)~~) (c) The superintendent may withhold up to \$295,000 in
10 school year 2001-02 and up to (~~(\$268,000)~~) \$700,000 in school year
11 2002-03, and adjust the per eligible pupil rates in subsection (2) of
12 this section accordingly, for the central provision of assessments as
13 provided in section 2(1) and (2) of Engrossed Second Substitute House
14 Bill No. 2025.

15 (~~(4)~~) (d) \$70,000 of the amounts appropriated in this section are
16 provided solely to develop a system for the tracking of current and
17 former transitional bilingual program students.

18 (~~(5)~~) (e) Sufficient funding is provided to implement Engrossed
19 Second Substitute House Bill No. 2025 (schools/bilingual instruction).

20 (2) The general fund--federal appropriation in this section is
21 provided for migrant education, English language acquisition, and
22 language enhancement grants under Title III of the no child left behind
23 act.

24 **Sec. 515.** 2001 2nd sp.s. c 7 s 516 (uncodified) is amended to read
25 as follows:

26 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
27 **ASSISTANCE PROGRAM**

28	General Fund--State Appropriation (FY 2002) . . . \$	((70,593,000))
29		<u>71,342,000</u>
30	General Fund--State Appropriation (FY 2003) . . . \$	((68,817,000))
31		<u>64,614,000</u>
32	<u>General Fund--Federal Appropriation (FY 2003) . . \$</u>	<u>130,631,000</u>
33	TOTAL APPROPRIATION \$	((139,410,000))
34		<u>266,587,000</u>

35 (1) The general fund--state appropriations in this section are
36 subject to the following conditions and limitations:

1 (~~(1)~~) (a) Each general fund--state fiscal year appropriation
2 includes such funds as are necessary to complete the school year ending
3 in the fiscal year and for prior fiscal year adjustments.

4 (~~(2)~~) (b) Funding for school district learning assistance
5 programs shall be allocated at maximum rates of (~~(\$408.38)~~) \$407.39 per
6 funded unit for the 2001-02 school year and (~~(\$409.41)~~) \$404.78 per
7 funded unit for the 2002-03 school year exclusive of salary and benefit
8 adjustments provided under section 504 of this act.

9 (~~(3)~~) (c) For purposes of this section, "test results" refers to
10 the district results from the norm-referenced test administered in the
11 specified grade level. The norm-referenced test results used for the
12 third and sixth grade calculations shall be consistent with the third
13 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

14 (~~(4)~~) (d) A school district's general fund--state funded units
15 for the 2001-02 (~~and 2002-03~~) school year(~~s~~) shall be the sum of
16 the following:

17 (~~(a)~~) (i) The district's full-time equivalent enrollment in
18 grades K-6, multiplied by the 5-year average 4th grade lowest quartile
19 test results as adjusted for funding purposes in the school years prior
20 to 1999-2000, multiplied by 0.92. As the 3rd grade test becomes
21 available, it shall be phased into the 5-year average on a 1-year lag;
22 and

23 (~~(b)~~) (ii) The district's full-time equivalent enrollment in
24 grades 7-9, multiplied by the 5-year average 8th grade lowest quartile
25 test results as adjusted for funding purposes in the school years prior
26 to 1999-2000, multiplied by 0.92. As the 6th grade test becomes
27 available, it shall be phased into the 5-year average for these grades
28 on a 1-year lag; and

29 (~~(c)~~) (iii) The district's full-time equivalent enrollment in
30 grades 10-11 multiplied by the 5-year average 11th grade lowest
31 quartile test results, multiplied by 0.92. As the 9th grade test
32 becomes available, it shall be phased into the 5-year average for these
33 grades on a 1-year lag; and

34 (~~(d)~~) (iv) If, in the prior school year, the district's
35 percentage of October headcount enrollment in grades K-12 eligible for
36 free and reduced price lunch exceeded the state average, subtract the
37 state average percentage of students eligible for free and reduced
38 price lunch from the district's percentage and multiply the result by

1 the district's K-12 annual average full-time equivalent enrollment for
2 the current school year multiplied by 22.3 percent.

3 ((+5)) (e)(i) A school district's general fund--state funded units
4 for the 2002-03 school year shall be the sum of the following:

5 (A) The district's full-time equivalent enrollment in grades K-6,
6 multiplied by the 5-year average 4th grade lowest quartile test results
7 as adjusted for funding purposes in the school years prior to
8 1999-2000, multiplied by 0.82. As the 3rd grade test becomes
9 available, it shall be phased into the 5-year average on a 1-year lag;

10 (B) The district's full-time equivalent enrollment in grades 7-9,
11 multiplied by the 5-year average 8th grade lowest quartile test results
12 as adjusted for funding purposes in the school years prior to
13 1999-2000, multiplied by 0.82. As the 6th grade test becomes
14 available, it shall be phased into the 5-year average for these grades
15 on a 1-year lag; and

16 (C) The district's full-time equivalent enrollment in grades 10-11
17 multiplied by the 5-year average 11th grade lowest quartile test
18 results, multiplied by 0.82. As the 9th grade test becomes available,
19 it shall be phased into the 5-year average for these grades on a 1-year
20 lag; and

21 (D) If, in the prior school year, the district's percentage of
22 October headcount enrollment in grades K-12 eligible for free and
23 reduced price lunch exceeded the state average, subtract the state
24 average percentage of students eligible for free and reduced price
25 lunch from the district's percentage and multiply the result by the
26 district's K-12 annual average full-time equivalent enrollment for the
27 current school year multiplied by 22.3 percent.

28 (ii) In addition to amounts allocated under (a) of this subsection,
29 the superintendent shall provide additional amounts as follows:

30 (A) For school districts receiving less than a 3.0 percent increase
31 in federal Title I Part A (basic program) funds, the multiplier in
32 (i)(A), (B), and (C) of this subsection (e) shall be .92;

33 (B) For school districts not eligible for additional funds under
34 (b)(i) of this subsection, and whose effective increase in federal
35 Title I Part A (basic program) funds is less than 3.0 percent after
36 taking into account the change in the multiplier from .92 to .82, an
37 additional amount to provide a 3.0 percent increase.

38 (f) School districts may carry over from one year to the next up to
39 10 percent of general fund--state funds allocated under this program;

1 however, carryover funds shall be expended for the learning assistance
2 program.

3 (2) The general fund--federal appropriation in this section is
4 provided for Title I Part A allocations of the no child left behind act
5 of 2001.

6 **Sec. 516.** 2001 2nd sp.s. c 7 s 517 (uncodified) is amended to read
7 as follows:

8 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS**

9	General Fund--State Appropriation (FY 2002) . . . \$	((19,515,000))
10		<u>19,663,000</u>
11	General Fund--State Appropriation (FY 2003) . . . \$	((17,516,000))
12		<u>3,541,000</u>
13	TOTAL APPROPRIATION \$	((37,031,000))
14		<u>23,204,000</u>

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

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

20 (2) Funds are provided for local education program enhancements to
21 meet educational needs as identified by the school district, including
22 alternative education programs.

23 (3) Allocations for the 2001-02 school year shall be at a maximum
24 annual rate of \$18.48 per full-time equivalent student (~~and \$18.48 per~~
25 ~~full-time equivalent student for the 2002-03 school year~~).
26 Allocations shall be made on the monthly apportionment payment schedule
27 provided in RCW 28A.510.250 and shall be based on school district
28 annual average full-time equivalent enrollment in grades kindergarten
29 through twelve: PROVIDED, That for school districts enrolling not more
30 than one hundred average annual full-time equivalent students, and for
31 small school plants within any school district designated as remote and
32 necessary schools, the allocations shall be as follows:

33 (a) Enrollment of not more than sixty average annual full-time
34 equivalent students in grades kindergarten through six shall generate
35 funding based on sixty full-time equivalent students;

36 (b) Enrollment of not more than twenty average annual full-time
37 equivalent students in grades seven and eight shall generate funding
38 based on twenty full-time equivalent students; and

1 (c) Enrollment of not more than sixty average annual full-time
2 equivalent students in grades nine through twelve shall generate
3 funding based on sixty full-time equivalent students.

4 (4) Funding provided pursuant to this section does not fall within
5 the definition of basic education for purposes of Article IX of the
6 state Constitution and the state's funding duty thereunder.

7 (5) The superintendent shall not allocate up to one-fourth of a
8 district's funds under this section if:

9 (a) The district is not maximizing federal matching funds for
10 medical services provided through special education programs, pursuant
11 to RCW 74.09.5241 through 74.09.5256 (Title XIX funding); or

12 (b) The district is not in compliance in filing truancy petitions
13 as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

14 NEW SECTION. **Sec. 517.** A new section is added to 2001 2nd sp.s.
15 c 7 (uncodified) to read as follows:

16 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--STATE FLEXIBLE EDUCATION**
17 **FUNDS**

18 General Fund--State Appropriation (FY 2003) . . . \$ 20,612,000

19 The appropriation in this section is subject to the following
20 conditions and limitations:

21 (1) State flexible education funds for the 2002-03 school year
22 shall be allocated at a maximum rate of \$21.55 per full-time equivalent
23 student in grades K-12. For the purpose of this section, "FTE student"
24 refers to the annual average full-time equivalent enrollment of the
25 school district in grades kindergarten through twelve for the prior
26 school year. The funds shall be distributed to school districts at ten
27 percent per month for the months of September through June.

28 (2) Funds are provided for local education program enhancements to
29 improve student learning as identified by each school district,
30 including the following programs: Paraprofessional training;
31 mentor/beginning teacher assistance; principal assessment and
32 mentorships; superintendent and principal internships; school safety;
33 truancy; contracting with educational centers; and complex needs.

34 (3) Funds provided under this section shall not be used for salary
35 increases or additional compensation for existing teaching duties.

36 (4) Funding provided under this section does not fall within the
37 definition of basic education for purposes of Article IX of the state
38 Constitution.

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 (~~(\$193.92)~~) \$190.19 per FTE student
7 for the 2001-02 school year and (~~(\$220.59)~~) \$219.84 per FTE student for
8 the 2002-03 school year. For the purposes of this section and in
9 accordance with (~~RCW 84.52.----- (section 5 of Initiative Measure No.~~
10 ~~728)~~) RCW 84.52.068, FTE student refers to the annual average full-
11 time equivalent enrollment of the school district in grades
12 kindergarten through twelve for the prior school year.

13 (3) The office of the superintendent of public instruction shall
14 distribute ten percent of the annual allocation to districts each month
15 for the months of September through June.

16 **Sec. 519.** 2001 2nd sp.s. c 7 s 521 (uncodified) is amended to read
17 as follows:

18 **FOR THE STATE BOARD OF EDUCATION**

19 Education Savings Account--State

20 Appropriation \$ ((~~36,720,000~~))
21 36,656,000

22 Education Construction Account--State

23 Appropriation \$ ((~~154,500,000~~))
24 111,800,000

25 TOTAL APPROPRIATION \$ ((~~191,220,000~~))
26 148,456,000

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

29 (1) (~~(\$18,000,000)~~) \$17,936,000 in fiscal year 2002 and \$18,720,000
30 in fiscal year 2003 of the education savings account appropriation
31 shall be deposited in the common school construction account.

32 (2) (~~(\$154,500,000)~~) \$111,800,000 of the education construction
33 account appropriation shall be deposited in the common school
34 construction account.

35 (End of part)

1 2002 legislature.)) Each institution may provide the same average
2 increases to similar positions that are not state-funded.

3 (d) The community and technical colleges shall provide to academic
4 employees, (~~exempt professional staff, and academic administrators~~)
5 as defined in RCW 28B.52.020 pursuant to the provisions of Initiative
6 Measure No. 732, an average salary increase of 3.7 percent on July 1,
7 2001, and 3.6 percent on July 1, 2002. ((Funds are also provided for
8 salary increases for these groups on July 1, 2002, in a percentage
9 amount to be determined by the 2002 legislature and, in the case of
10 community college academic employees and technical college employees,
11 consistent with the provisions of Initiative 732.))

12 (e) For employees under the jurisdiction of chapter 41.56 RCW
13 pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1),
14 distribution of the salary increases will be in accordance with the
15 applicable collective bargaining agreement. However, an increase shall
16 not be provided to any classified employee whose salary is above the
17 approved salary range maximum for the class to which the employee's
18 position is allocated.

19 (f) Each institution of higher education receiving appropriations
20 for salary increases under sections 604 through 609 of this act may
21 provide additional salary increases from other sources to instructional
22 and research faculty, exempt professional staff, academic
23 administrators, academic librarians, counselors, teaching and research
24 assistants, as classified by the office of financial management, and
25 all other nonclassified staff, but not including employees under RCW
26 28B.16.015. Any additional salary increase granted under the authority
27 of this subsection (2)(f) shall not be included in an institution's
28 salary base for future state funding. It is the intent of the
29 legislature that general fund--state support for an institution shall
30 not increase during the current or any future biennium as a result of
31 any salary increases authorized under this subsection (2)(f) or under
32 rights granted to award additional compensation with local, nonstate
33 funds under the collective bargaining provisions of Second Substitute
34 House Bill No. 2403 (faculty collective bargaining) or Engrossed Second
35 Substitute House Bill No. 2540 (collective bargaining/University of
36 Washington).

37 (g) To collect consistent data for use by the legislature, the
38 office of financial management, and other state agencies for policy and
39 planning purposes, institutions of higher education shall report

1 personnel data to be used in the department of personnel's human
2 resource data warehouse in compliance with uniform reporting procedures
3 established by the department of personnel.

4 (h) Specific salary increases authorized in sections 603 through
5 609 of this act are in addition to any salary increase provided in this
6 subsection.

7 (3) The tuition fees, as defined in chapter 28B.15 RCW, charged to
8 full-time students at the state's institutions of higher education for
9 the 2001-02 and 2002-03 academic years, other than the summer term, may
10 be adjusted by the governing boards of the state universities, regional
11 universities, The Evergreen State College, and the state board for
12 community and technical colleges as provided in this subsection.

13 (a) For the 2001-02 academic year, the governing boards and the
14 state board may implement an increase no greater than six and seven-
15 tenths percent over tuition fees charged to full-time students for the
16 2000-01 academic year.

17 (b)(i) For the 2002-03 academic year, the governing boards (~~and~~
18 ~~the state board may implement an increase no greater than six and one-~~
19 ~~tenth percent over the tuition fees charged to full-time students for~~
20 ~~the 2001-02 academic year.)) of the state universities may implement an
21 increase no greater than sixteen percent over tuition fees charged to
22 full-time resident undergraduate students for the 2001-02 academic
23 year.~~

24 (ii) For the 2002-03 academic year, the governing boards of the
25 regional universities and The Evergreen State College may implement an
26 increase no greater than fourteen percent over tuition fees charged to
27 full-time resident undergraduate students for the 2001-02 academic
28 year.

29 (iii) For the 2002-03 academic year, the state board for community
30 and technical colleges may implement an increase no greater than twelve
31 percent over tuition fees charged to full-time resident undergraduate
32 students for the 2001-02 academic year.

33 (iv) Pursuant to RCW 43.135.055, for the 2002-03 academic year, the
34 governing boards of the state universities, the regional universities,
35 The Evergreen State College, and the state board for community and
36 technical colleges may implement an increase in excess of the fiscal
37 growth factor over tuition fees charged to nonresident undergraduate
38 students for the 2001-02 academic year.

1 (c) For the 2001-02 academic year, the governing boards may
2 implement an increase for law and graduate business programs no greater
3 than twelve percent over tuition fees charged to law and graduate
4 business students for the 2000-01 academic year, except as provided in
5 (e) of this subsection.

6 (d) Pursuant to RCW 43.135.055, for the 2002-03 academic year, the
7 governing boards ((may implement an increase for law and graduate
8 business programs no greater than twelve percent over tuition fees
9 charged to law and graduate business students for the 2001-02 academic
10 year, except as provided in (f) of this subsection.)) of the state
11 universities, the regional universities, and The Evergreen State
12 College may implement an increase in excess of the fiscal growth factor
13 over tuition fees charged to graduate, law, and professional students
14 for the 2001-02 academic year.

15 (e) For the 2001-02 academic year, the governing boards of the
16 University of Washington may implement an increase for graduate
17 business programs no greater than 15 percent over tuition fees charged
18 to graduate business students for the 2000-01 academic year.

19 (f) ~~((For the 2002-03 academic year, the governing boards of the~~
20 ~~University of Washington may implement an increase for graduate~~
21 ~~business programs no greater than 20 percent over tuition fees charged~~
22 ~~to graduate business students for the 2001-02 academic year.~~

23 ~~(g))~~ (i) For the 2001-02 ~~((and the 2002-03))~~ academic year~~((s))~~,
24 the state board for community and technical colleges may increase
25 tuition fees differentially based on student credit hour load, but the
26 average percentage increase for students taking fifteen or fewer
27 credits shall not exceed ~~((the limits in subsection (3)(a) and (b) of~~
28 ~~this section))~~ twelve percent.

29 (ii) For the 2002-03 academic year, the state board for community
30 and technical colleges may increase tuition fees differentially at
31 their discretion.

32 ~~((h))~~ (g) For the 2001-03 biennium, the governing boards and the
33 state board may adjust full-time operating fees for factors that may
34 include time of day and day of week, as well as delivery method and
35 campus, to encourage full use of the state's educational facilities and
36 resources.

37 ~~((i))~~ (h) The tuition increases adopted under (a), (b), ~~((g))~~
38 ~~(f)~~, and ~~((h))~~ (g) of this subsection need not apply uniformly across
39 student categories as defined in chapter 28B.15 RCW so long as the

1 increase for each student category does not exceed the percentages
2 specified in this subsection.

3 (4) ~~((In addition to waivers granted under the authority of RCW
4 28B.15.910, the governing boards and the state board may waive all or
5 a portion of the operating fees for any student.))~~ For the remainder of
6 the 2001-03 biennium, the governing boards and the state board are
7 encouraged to reduce waiver activity in recognition of the need to
8 retain available resources to preserve the educational quality of
9 higher education institutions. State general fund appropriations shall
10 not be provided to replace tuition and fee revenue foregone as a result
11 of waivers granted under ~~((this subsection))~~ authority of RCW
12 28B.15.915.

13 (5) Pursuant to RCW ~~((43.15.055))~~ 43.135.055, institutions of
14 higher education receiving appropriations under sections 603 through
15 609 of this act are authorized to increase summer term tuition in
16 excess of the fiscal growth factor during the 2001-03 biennium.
17 Tuition levels increased pursuant to this subsection shall not exceed
18 the per credit hour rate calculated from the academic year tuition
19 levels adopted under this act.

20 (6) Community colleges may increase services and activities fee
21 charges in excess of the fiscal growth factor up to the maximum level
22 authorized by the state board for community and technical colleges.

23 (7) Each institution receiving appropriations under sections 604
24 through 609 of this act shall submit a biennial plan to achieve
25 measurable and specific improvements each academic year as part of a
26 continuing effort to make meaningful and substantial progress towards
27 the achievement of long-term performance goals. The plans, to be
28 prepared at the direction of the higher education coordinating board,
29 shall be submitted by August 15, 2001. The higher education
30 coordinating board shall set biennial performance targets for each
31 institution and shall review actual achievements annually.
32 Institutions shall track their actual performance on the statewide
33 measures as well as faculty productivity, the goals and targets for
34 which may be unique to each institution. A report on progress towards
35 statewide and institution-specific goals, with recommendations for the
36 ensuing biennium, shall be submitted to the fiscal and higher education
37 committees of the legislature by November 15, 2003.

38 (8) The state board for community and technical colleges shall
39 develop a biennial plan to achieve measurable and specific improvements

1 each academic year as part of a continuing effort to make meaningful
 2 and substantial progress to achieve long-term performance goals. The
 3 board shall set biennial performance targets for each college or
 4 district, where appropriate, and shall review actual achievements
 5 annually. Colleges shall track their actual performance on the
 6 statewide measures. A report on progress towards the statewide goals,
 7 with recommendations for the ensuing biennium, shall be submitted to
 8 the fiscal and higher education committees of the legislature by
 9 November 15, 2003.

10 **Sec. 602.** 2001 2nd sp.s. c 7 s 602 (uncodified) is amended to read
 11 as follows:

12 The appropriations in sections 603 through 609 of this act provide
 13 state general fund support for full-time equivalent student enrollments
 14 at each institution of higher education. Listed below are the annual
 15 full-time equivalent student enrollments by institutions assumed in
 16 this act.

	2001-2002	2002-2003
	Annual	Annual
	Average	Average
20 University of Washington		
21 Main campus	32,321	32,427
22 Bothell branch	1,169	1,235
23 Tacoma branch	1,330	1,484
24 Washington State University		
25 Main campus	17,332	17,332
26 Spokane branch	551	593
27 Tri-Cities branch	616	616
28 Vancouver branch	1,071	1,153
29 Central Washington University	7,470	7,470
30 Eastern Washington University	7,933	8,017
31 The Evergreen State College	3,754	3,837
32 Western Washington University	10,976	11,126
33 State Board for Community and		
34 Technical Colleges	125,082	((126,902))
35		<u>128,222</u>

1 When allocating newly budgeted enrollments, each institution of
2 higher education shall give priority to high demand fields, including
3 but not limited to technology, health professions, and education. At
4 the end of each fiscal year, each institution of higher education and
5 the state board for community and technical colleges shall submit a
6 report to the higher education coordinating board detailing how newly
7 budgeted enrollments have been allocated.

8 **Sec. 603.** 2001 2nd sp.s. c 7 s 603 (uncodified) is amended to read
9 as follows:

10 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

11	General Fund--State Appropriation (FY 2002) . . . \$	((514,399,000))
12		<u>514,141,000</u>
13	General Fund--State Appropriation (FY 2003) . . . \$	((543,731,000))
14		<u>533,500,000</u>
15	General Fund--Federal Appropriation \$	11,404,000
16	<u>Administrative Contingency Account--State</u>	
17	<u>Appropriation</u> \$	<u>2,600,000</u>
18	<u>College Faculty Awards Trust Account--State</u>	
19	<u>Appropriation</u> \$	<u>2,500,000</u>
20	Education Savings Account--State	
21	Appropriation \$	4,500,000
22	TOTAL APPROPRIATION \$	((1,074,034,000))
23		<u>1,068,645,000</u>

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

26 (1) The technical colleges may increase tuition and fees in excess
27 of the fiscal growth factor to conform with the percentage increase in
28 community college operating fees.

29 (2) \$2,475,000 of the general fund--state appropriation for fiscal
30 year 2002 and \$5,025,000 of the general fund--state appropriation for
31 fiscal year 2003 are provided solely to increase salaries and related
32 benefits for part-time faculty. The board shall report by December 1
33 of each fiscal year to the office of financial management and
34 legislative fiscal and higher education committees on (a) the
35 distribution of state funds; (b) wage adjustments for part-time
36 faculty; and (c) progress to achieve the long-term performance targets
37 for each district, with respect to use of part-time faculty, pursuant

1 to the faculty mix study conducted under section 603, chapter 309, Laws
2 of 1999.

3 (3) \$1,155,000 of the general fund--state appropriation for fiscal
4 year 2002 and (~~(\$2,345,000)~~) \$1,155,000 of the general fund--state
5 appropriation for fiscal year 2003 are provided solely for faculty
6 salary increments and associated benefits and may be used in
7 combination with salary and benefit savings from faculty turnover to
8 provide faculty salary increments and associated benefits. To the
9 extent general salary increase funding is used to pay faculty
10 increments, the general salary increase shall be reduced by the same
11 amount.

12 (4) \$1,000,000 of the general fund--state appropriation for fiscal
13 year 2002 and \$1,000,000 of the general fund--state appropriation for
14 fiscal year 2003 are provided for a program to fund the start-up of new
15 community and technical college programs in rural counties as defined
16 under RCW 43.160.020(12) and in communities impacted by business
17 closures and job reductions. Successful proposals must respond to
18 local economic development strategies and must include a plan to
19 continue programs developed with this funding.

20 (5) \$326,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$640,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for allocation to twelve college
23 districts identified in (a) through (l) of this subsection to prepare
24 students for transfer to the state technology institute at the Tacoma
25 branch campus of the University of Washington. The appropriations in
26 this section are intended to supplement, not supplant, general
27 enrollment allocations by the board to the districts under (a) through
28 (l) of this subsection:

- 29 (a) Bates Technical College;
- 30 (b) Bellevue Community College;
- 31 (c) Centralia Community College;
- 32 (d) Clover Park Community College;
- 33 (e) Grays Harbor Community College;
- 34 (f) Green River Community College;
- 35 (g) Highline Community College;
- 36 (h) Tacoma Community College;
- 37 (i) Olympic Community College;
- 38 (j) Pierce District;
- 39 (k) Seattle District; and

1 (1) South Puget Sound Community College.

2 (6) \$28,761,000 of the general fund--state appropriation for fiscal
3 year 2002 (~~and \$28,761,000~~), \$32,761,000 of the general fund--state
4 appropriation for fiscal year 2003, and the entire administrative
5 contingency account appropriation are provided solely as special funds
6 for training and related support services, including financial aid, as
7 specified in chapter 226, Laws of 1993 (employment and training for
8 unemployed workers).

9 (a) Funding is provided to support up to 7,200 full-time equivalent
10 students in (~~each~~) fiscal year 2002 and up to 8,520 full-time
11 equivalent students in fiscal year 2003.

12 (b) In directing these resources during the 2001-03 biennium, the
13 state board for community and technical colleges shall give
14 considerable attention to the permanent dislocation of workers from
15 industries facing rapidly rising energy costs, such as direct service
16 industries.

17 (7) \$1,000,000 of the general fund--state appropriation for fiscal
18 year 2002 and \$1,000,000 of the general fund--state appropriation for
19 fiscal year 2003 are provided solely for tuition support for students
20 enrolled in work-based learning programs.

21 (8) \$567,000 of the general fund--state appropriation for fiscal
22 year 2002 and \$568,000 of the general fund--state appropriation for
23 fiscal year 2003 are provided solely for administration and customized
24 training contracts through the job skills program.

25 (9) \$50,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$50,000 of the general fund--state appropriation for
27 fiscal year 2003 are solely for higher education student child care
28 matching grants under chapter 28B.135 RCW.

29 (10) \$212,000 of the general fund--state appropriation for fiscal
30 year 2002 and \$212,000 of the general fund--state appropriation for
31 fiscal year 2003 are provided for allocation to Olympic college. The
32 college shall contract with accredited baccalaureate institution(s) to
33 bring a program of upper-division courses to Bremerton. Funds provided
34 are sufficient to support at least 30 additional annual full-time
35 equivalent students. The state board for community and technical
36 colleges shall report to the office of financial management and the
37 fiscal and higher education committees of the legislature on the
38 implementation of this subsection by December 1st of each fiscal year.

1 (11) The entire education savings account appropriation is provided
 2 solely to support the development of a multicollge student-centered
 3 online service center for distance learners, including self-service
 4 internet applications and staff support 24 hours per day. Moneys may
 5 be allocated by the office of financial management upon certification
 6 that sufficient cash is available beyond the appropriations made for
 7 the 2001-03 biennium for the purposes of common school construction.

8 (12) \$9,500,000 of the general fund--state appropriation for fiscal
 9 year 2003 and the entire college faculty awards trust account
 10 appropriation are provided solely for the purposes of the settlement
 11 costs of Mader v. State litigation regarding retirement contributions
 12 on behalf of part-time faculty.

13 **Sec. 604.** 2001 2nd sp.s. c 7 s 604 (uncodified) is amended to read
 14 as follows:

15 **FOR UNIVERSITY OF WASHINGTON**

16	General Fund--State Appropriation (FY 2002) . . . \$	((345,974,000))
17		<u>345,904,000</u>
18	General Fund--State Appropriation (FY 2003) . . . \$	((361,114,000))
19		<u>336,544,000</u>
20	Death Investigations Account--State	
21	Appropriation \$	((259,000))
22		<u>258,000</u>
23	University of Washington Building Account--	
24	State Appropriation \$	1,103,000
25	Accident Account--State Appropriation \$	((5,891,000))
26		<u>5,881,000</u>
27	Medical Aid Account--State Appropriation \$	((5,945,000))
28		<u>5,937,000</u>
29	TOTAL APPROPRIATION \$	((720,286,000))
30		<u>695,627,000</u>

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

33 (1) The university may reallocate 10 percent of newly budgeted
 34 enrollments to campuses other than as specified by the legislature in
 35 section 602 of this act in order to focus on high demand areas. The
 36 university shall report the details of these reallocations to the
 37 office of financial management and the fiscal and higher education
 38 committees of the legislature for monitoring purposes by the 10th day

1 of the academic quarter that follows the reallocation actions. The
2 report shall provide details of undergraduate and graduate enrollments
3 at the main campus and each of the branch campuses.

4 (2) \$2,000,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$2,000,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely to create a state resource for
7 technology education in the form of an institute located at the
8 University of Washington, Tacoma. It is the intent of the legislature
9 that at least ninety-nine of the full-time equivalent enrollments
10 allocated to the university's Tacoma branch campus for the 2002-03
11 academic year may be used to establish the technology institute. The
12 university will expand undergraduate and graduate degree programs
13 meeting regional technology needs including, but not limited to,
14 computing and software systems. As a condition of these
15 appropriations:

16 (a) The university will work with the state board for community and
17 technical colleges, or individual colleges where necessary, to
18 establish articulation agreements in addition to the existing associate
19 of arts and associate of science transfer degrees. Such agreements
20 shall improve the transferability of students and in particular,
21 students with substantial applied information technology credits.

22 (b) The university will establish performance measures for
23 recruiting, retaining and graduating students, including nontraditional
24 students, and report back to the governor and legislature by September
25 2002 as to its progress and future steps.

26 (3) \$150,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$150,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely for research faculty clusters in
29 the advanced technology initiative program.

30 (4) The department of environmental health shall report to the
31 legislature the historical, current, and anticipated use of funds
32 provided from the accident and medical aid accounts. The report shall
33 be submitted prior to the convening of the 2002 legislative session.

34 (5) (~~(\$259,000)~~) \$258,000 of the death investigations account
35 appropriation is provided solely for the forensic pathologist
36 fellowship program.

37 (6) \$150,000 of the general fund--state appropriation for fiscal
38 year 2002 and \$150,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided solely for the implementation of the
2 Puget Sound work plan and agency action item UW-01.

3 (7) \$75,000 of the general fund--state appropriation for fiscal
4 year 2002 and \$75,000 of the general fund--state appropriation for
5 fiscal year 2003 are provided solely for the Olympic natural resource
6 center.

7 (8) \$50,000 of the general fund--state appropriations are provided
8 solely for the school of medicine to conduct a survey designed to
9 evaluate characteristics, factors and probable causes for the high
10 incidence of multiple sclerosis cases in Washington state.

11 (9) \$1,103,000 of the University of Washington building account--
12 state appropriation is provided solely for the repair and
13 reconstruction of the Urban Horticulture Center (Merrill Hall).

14 (10) \$2,774,000 of the general fund--state appropriation for fiscal
15 year 2003 is provided solely for competitively offered recruitment and
16 retention salary adjustments for instructional and research faculty,
17 exempt professional staff, academic administrators, academic
18 librarians, counselors, teaching and research assistants, as classified
19 by the office of financial management, and all other nonclassified
20 staff, but not including employees under RCW 28B.16.015. Tuition
21 revenues may be expended in addition to those required by this section
22 to further provide recruitment and retention salary adjustments.

23 **Sec. 605.** 2001 2nd sp.s. c 7 s 605 (uncodified) is amended to read
24 as follows:

25 **FOR WASHINGTON STATE UNIVERSITY**

26	General Fund--State Appropriation (FY 2002) . . . \$	((201,416,000))
27		<u>201,362,000</u>
28	General Fund--State Appropriation (FY 2003) . . . \$	((209,939,000))
29		<u>195,533,000</u>
30	TOTAL APPROPRIATION \$	((411,355,000))
31		<u>396,895,000</u>

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

34 (1) The university may reallocate 10 percent of newly budgeted
35 enrollments to campuses other than specified by the legislature in
36 section 602 of this act in order to focus on high demand areas. The
37 university will report the details of these reallocations to the office
38 of financial management and the fiscal and higher education committees

1 of the legislature for monitoring purposes by the 10th day of the
2 academic quarter that follows the reallocation actions. The report
3 will provide details of undergraduate and graduate enrollments at the
4 main campus and each of the branch campuses.

5 (2) \$150,000 of the general fund--state appropriation for fiscal
6 year 2002 and \$150,000 of the general fund--state appropriation for
7 fiscal year 2003 are provided solely for research faculty clusters in
8 the advanced technology initiative program.

9 (3) \$165,000 of the general fund--state appropriation for fiscal
10 year 2002 and \$166,000 of the general fund--state appropriation for
11 fiscal year 2003 are provided solely for the implementation of the
12 Puget Sound work plan and agency action item WSU-01.

13 (4) \$1,726,000 of the general fund--state appropriation for fiscal
14 year 2003 is provided solely for competitively offered recruitment and
15 retention salary adjustments for instructional and research faculty,
16 exempt professional staff, academic administrators, academic
17 librarians, counselors, teaching and research assistants, as classified
18 by the office of financial management, and all other nonclassified
19 staff, but not including employees under RCW 28B.16.015. Tuition
20 revenues may be expended in addition to those required by this section
21 to further provide recruitment and retention salary adjustments.

22 **Sec. 606.** 2001 2nd sp.s. c 7 s 606 (uncodified) is amended to read
23 as follows:

24 **FOR EASTERN WASHINGTON UNIVERSITY**

25	General Fund--State Appropriation (FY 2002) . . . \$	((45,532,000))
26		<u>45,517,000</u>
27	General Fund--State Appropriation (FY 2003) . . . \$	((47,382,000))
28		<u>44,174,000</u>
29	TOTAL APPROPRIATION \$	((92,914,000))
30		<u>89,691,000</u>

31 The appropriations in this section are subject to the following
32 conditions and limitations: \$450,000 of the general fund--state
33 appropriation for fiscal year 2003 is provided solely for competitively
34 offered recruitment and retention salary adjustments for instructional
35 and research faculty, exempt professional staff, academic
36 administrators, academic librarians, counselors, teaching and research
37 assistants, as classified by the office of financial management, and
38 all other nonclassified staff, but not including employees under RCW

1 28B.16.015. Tuition revenues may be expended in addition to those
2 required by this section to further provide recruitment and retention
3 salary adjustments.

4 **Sec. 607.** 2001 2nd sp.s. c 7 s 607 (uncodified) is amended to read
5 as follows:

6 **FOR CENTRAL WASHINGTON UNIVERSITY**

7	General Fund--State Appropriation (FY 2002) . . . \$	((44,164,000))
8		<u>44,147,000</u>
9	General Fund--State Appropriation (FY 2003) . . . \$	((44,976,000))
10		<u>42,149,000</u>
11	TOTAL APPROPRIATION \$	((89,140,000))
12		<u>86,296,000</u>

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

15 (1) \$700,000 of the general fund--state appropriation for fiscal
16 year 2002 ((is)) and \$350,000 of the general fund--state appropriation
17 for fiscal year 2003 are provided solely for the development and
18 implementation of the university's enrollment stabilization recovery
19 and growth plan. The university shall report back to the fiscal
20 committees of the legislature, the office of financial management, and
21 the higher education coordinating board at the end of each fiscal year
22 with details of its actions and progress.

23 (2) \$374,000 of the general fund--state appropriation for fiscal
24 year 2003 is provided solely for competitively offered recruitment and
25 retention salary adjustments for instructional and research faculty,
26 exempt professional staff, academic administrators, academic
27 librarians, counselors, teaching and research assistants, as classified
28 by the office of financial management, and all other nonclassified
29 staff, but not including employees under RCW 28B.16.015. Tuition
30 revenues may be expended in addition to those required by this section
31 to further provide recruitment and retention salary adjustments.

32 **Sec. 608.** 2001 2nd sp.s. c 7 s 608 (uncodified) is amended to read
33 as follows:

34 **FOR THE EVERGREEN STATE COLLEGE**

35	General Fund--State Appropriation (FY 2002) . . . \$	((25,334,000))
36		<u>25,325,000</u>
37	General Fund--State Appropriation (FY 2003) . . . \$	((26,260,000))

1		24,474,000
2	TOTAL APPROPRIATION \$	((51,594,000))
3		49,799,000

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

6 (1) \$226,000 of the general fund--state appropriation for fiscal
7 year 2003 is provided solely for competitively offered recruitment and
8 retention salary adjustments for instructional and research faculty,
9 exempt professional staff, academic administrators, academic
10 librarians, counselors, teaching and research assistants, as classified
11 by the office of financial management, and all other nonclassified
12 staff, but not including employees under RCW 28B.16.015. Tuition
13 revenues may be expended in addition to those required by this section
14 to further provide recruitment and retention salary adjustments.

15 (2) \$75,000 of the general fund--state appropriation for fiscal
16 year 2002 is provided solely for the institute for public policy to
17 complete studies of services described in section 202(1), chapter 1,
18 Laws of 2000 2nd sp. sess.

19 ((+2)) (3) \$11,000 of the general fund--state appropriation for
20 fiscal year 2002 and \$54,000 of the general fund--state appropriation
21 for fiscal year 2003 are provided solely for the institute for public
22 policy to conduct an outcome evaluation pursuant to Substitute Senate
23 Bill No. 5416 (drug-affected infants). The institute shall provide a
24 report to the fiscal, health, and human services committees of the
25 legislature by December 1, 2003. If the bill is not enacted by June
26 30, 2001, the amounts provided in this subsection shall be used to
27 evaluate outcomes across state health and social service pilot projects
28 and other national models involving women who have given birth to a
29 drug-affected infant, comparing gains in positive birth outcomes for
30 resources invested, in which case the institute's findings and
31 recommendations will be provided by November 15, 2002.

32 ((+3)) (4) \$11,000 of the general fund--state appropriation for
33 fiscal year 2002 and \$33,000 of the general fund--state appropriation
34 for fiscal year 2003 are provided solely for the institute for public
35 policy to evaluate partnership grant programs for alternative teacher
36 certification pursuant to Engrossed Second Substitute Senate Bill No.
37 5695. An interim report shall be provided to the fiscal and education
38 committees of the legislature by December 1, 2002, and a final report
39 by December 1, 2004.

1 (~~(4)~~) (5) \$60,000 of the general fund--state appropriation for
2 fiscal year 2002 is provided solely for the institute for public policy
3 to examine options for revising the state's funding formula for the
4 learning assistance program to enhance accountability for school
5 performance in meeting education reform goals. The institute shall
6 submit its report to the appropriate legislative fiscal and policy
7 committees by June 30, 2002.

8 (~~(5)~~) (6) \$50,000 of the general fund--state appropriation for
9 fiscal year 2002 is provided solely for the institute for public policy
10 to study the prevalence and needs of families who are raising related
11 children. The study shall compare services and policies of Washington
12 state with other states that have a high rate of kinship care
13 placements in lieu of foster care placements. The study shall identify
14 possible changes in services and policies that are likely to increase
15 appropriate kinship care placements. A report shall be provided to the
16 fiscal and human services committees of the legislature by June 1,
17 2002.

18 (~~(6)~~) (7) \$35,000 of the general fund--state appropriation for
19 fiscal year 2002 and \$15,000 of the general fund--state appropriation
20 for fiscal year 2003 are provided solely for the institute for public
21 policy to examine various educational delivery models for providing
22 services and education for students through the Washington state school
23 for the deaf. The institute's report, in conjunction with the capacity
24 planning study from the joint legislative audit and review committee,
25 shall be submitted to the fiscal committees of the legislature by
26 September 30, 2002.

27 (~~(7)~~) (8) \$30,000 of the general fund--state appropriation for
28 fiscal year 2002 is provided solely for the institute for public policy
29 to examine the structure, policies, and recent experience in states
30 where welfare recipients may attend college full-time as their required
31 TANF work activity. The institute will provide findings and recommend
32 how Washington could consider adding this feature in a targeted, cost-
33 neutral manner that would complement the present-day WorkFirst efforts
34 and caseload. The institute shall provide a report to the human
35 services, higher education, and fiscal committees of the legislature by
36 November 15, 2001.

37 (~~(8)~~) (9) \$75,000 of the general fund--state appropriation for
38 fiscal year 2002 and \$75,000 of the general fund--state appropriation
39 for fiscal year 2003 are provided solely for the institute for public

1 policy to research and evaluate strategies for constraining the growth
2 in state health expenditures. Specific research topics, approaches,
3 and timelines shall be identified in consultation with the fiscal
4 committees of the legislature.

5 ~~((9))~~ (10) \$100,000 of the general fund--state appropriation for
6 fiscal year 2002 is provided solely for the institute for public policy
7 to conduct a comprehensive review of the costs and benefits of existing
8 juvenile crime prevention and intervention programs. This evaluation
9 shall also consider what changes could result in more cost-effective
10 and efficient funding for juvenile crime prevention and intervention
11 programs presently supported with state funds. The institute for
12 public policy shall report its findings and recommendations to the
13 appropriate legislative fiscal and policy committees by October 1,
14 2002.

15 (11) \$60,000 of the general fund--state appropriation for fiscal
16 year 2003 is provided solely for the institute for public policy to
17 conduct the studies listed in (a), (b), (c), and (d) of this
18 subsection.

19 (a) The institute for public policy shall conduct a review of
20 branch campuses of the state's higher education research universities.
21 The study shall examine: (a) The original mission of branch campuses;
22 (b) the extent branch campuses are meeting their original mission; and
23 (c) the extent key factors that led to the creation of branch campuses
24 have changed, including student demographics, demand for and
25 availability of upper division higher education, and local or state
26 labor markets. The study shall also include a range of policy options
27 the legislature could consider regarding branch campuses. The
28 institute shall submit an interim report by December 12, 2002, and a
29 final report by June 30, 2003, to appropriate legislative committees.

30 (b) The institute for public policy shall conduct a study to review
31 the mission and operations of the higher education coordinating board.
32 The study shall include evaluation of the board's role and current
33 practices in policy setting, evaluation, review and approval of higher
34 education programs and budgets, and administration of financial aid
35 programs. In conducting the study, the institute shall work with
36 legislative staff of the house of representatives and senate. The
37 institute shall submit its findings to the higher education and fiscal
38 committees of the legislature by December 12, 2002.

1 (c) The institute for public policy shall conduct a study to
2 research at-risk youth programs. The institute for public policy shall
3 conduct the necessary research in order to recommend to the legislature
4 the criteria, processes, and institutional arrangements under which
5 proven best practices could be identified, the reductions in the state
6 justice system caseloads estimated, and the unit cost and total cost
7 savings estimated for the intervention and prevention programs focused
8 on youth at high risk for involvement with the juvenile and adult
9 justice systems. The development of criteria, processes, and
10 institutional arrangements for the limited purposes of this study shall
11 not be construed to define best practices for all programs. The
12 institute for public policy shall report its findings and
13 recommendations to the appropriate committees of the legislature by
14 December 12, 2002.

15 (d) The institute for public policy shall carry out the research
16 tasks assigned to it in Second Substitute House Bill No. 2338 or
17 Substitute Senate Bill No. 6361 (drug offender sentencing). The board
18 may adjust reporting dates based on available data and required
19 analysis.

20 **Sec. 609.** 2001 2nd sp.s. c 7 s 609 (uncodified) is amended to read
21 as follows:

22 **FOR WESTERN WASHINGTON UNIVERSITY**

23	General Fund--State Appropriation (FY 2002) . . . \$	((59,755,000))
24		<u>59,732,000</u>
25	General Fund--State Appropriation (FY 2003) . . . \$	((62,881,000))
26		<u>58,418,000</u>
27	TOTAL APPROPRIATION \$	((122,636,000))
28		<u>118,150,000</u>

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

31 (1) \$753,000 of the general fund--state appropriation for fiscal
32 year 2002 and ((\$1,032,000)) \$980,400 of the general fund--state
33 appropriation for fiscal year 2003 are provided solely for the
34 operations of the North Snohomish, Island, Skagit (NSIS) higher
35 education consortium.

36 (2) \$450,000 of the general fund--state appropriation for fiscal
37 year 2003 is provided solely for competitively offered recruitment and
38 retention salary adjustments for instructional and research faculty,

1 exempt professional staff, academic administrators, academic
 2 librarians, counselors, teaching and research assistants, as classified
 3 by the office of financial management, and all other nonclassified
 4 staff, but not including employees under RCW 28B.16.015. Tuition
 5 revenues may be expended in addition to those required by this section
 6 to further provide recruitment and retention salary adjustments.

7 **Sec. 610.** 2001 2nd sp.s. c 7 s 610 (uncodified) is amended to read
 8 as follows:

9 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
 10 **ADMINISTRATION**

11	General Fund--State Appropriation (FY 2002) . . . \$	2,345,000
12	General Fund--State Appropriation (FY 2003) . . . \$	((2,408,000))
13		<u>2,288,000</u>
14	General Fund--Federal Appropriation \$	636,000
15	TOTAL APPROPRIATION \$	((5,389,000))
16		<u>5,269,000</u>

17 The appropriations in this section are provided to carry out the
 18 policy coordination, planning, studies and administrative functions of
 19 the board and are subject to the following conditions and limitations:

20 (1) \$150,000 of the general fund--state appropriation for fiscal
 21 year 2002 and \$150,000 of the general fund--state appropriation for
 22 fiscal year 2003 are provided solely to continue the teacher training
 23 pilot program pursuant to chapter 177, Laws of 1999.

24 (2) \$105,000 of the general fund--state appropriation for fiscal
 25 year 2002 and \$245,000 of the general fund--state appropriation for
 26 fiscal year 2003 are provided solely to continue a demonstration
 27 project to improve rural access to post-secondary education by bringing
 28 distance learning technologies into Jefferson county.

29 **Sec. 611.** 2001 2nd sp.s. c 7 s 611 (uncodified) is amended to read
 30 as follows:

31 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
 32 **PROGRAMS**

33	General Fund--State Appropriation (FY 2002) . . . \$	123,645,000
34	General Fund--State Appropriation (FY 2003) . . . \$	((136,205,000))
35		<u>135,880,000</u>
36	General Fund--Federal Appropriation \$	7,511,000
37	Advanced College Tuition Payment Program Account--	

1	State Appropriation	\$	((3,604,000))
2			<u>1,803,000</u>
3	TOTAL APPROPRIATION	\$	((270,965,000))
4			<u>268,839,000</u>

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

7 (1) \$534,000 of the general fund--state appropriation for fiscal
8 year 2002 and \$529,000 of the general fund--state appropriation for
9 fiscal year 2003 are provided solely for the displaced homemakers
10 program.

11 (2) \$234,000 of the general fund--state appropriation for fiscal
12 year 2002 and \$240,000 of the general fund--state appropriation for
13 fiscal year 2003 are provided solely for the western interstate
14 commission for higher education.

15 (3) \$1,000,000 of the general fund--state appropriation for fiscal
16 year 2002 and \$1,000,000 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for the health professional
18 conditional scholarship and loan program under chapter 28B.115 RCW.
19 This amount shall be deposited to the health professional loan
20 repayment and scholarship trust fund to carry out the purposes of the
21 program.

22 (4) \$1,000,000 of the general fund--state appropriations is
23 provided solely to continue a demonstration project that enables
24 classified public K-12 employees to become future teachers, subject to
25 the following conditions and limitations:

26 (a) Within available funds, the board may renew and offer
27 conditional scholarships of up to \$4,000 per year for full or part-time
28 studies that may be forgiven in exchange for teaching service in
29 Washington's public K-12 schools. In selecting loan recipients, the
30 board shall take into account the applicant's demonstrated academic
31 ability and commitment to serve as a teacher within the state of
32 Washington.

33 (b) Loans shall be forgiven at the rate of one year of loan for two
34 years of teaching service. Recipients who teach in geographic or
35 subject-matter shortage areas, as specified by the office of the
36 superintendent for public instruction, may have their loans forgiven at
37 the rate of one year of loan for one year of teaching service;

38 (c) Recipients who fail to fulfill the required teaching service
39 shall be required to repay the conditional loan with interest. The

1 board shall define the terms for repayment, including applicable
2 interest rates, fees and deferments, and may adopt other rules as
3 necessary to implement this demonstration project.

4 (d) The board may deposit this appropriation and all collections
5 into the student loan account authorized in RCW 28B.102.060.

6 (e) The board will provide the legislature and governor with
7 findings about the impact of this demonstration project on persons
8 entering the teaching profession in shortage areas by no later than
9 January of 2002.

10 (5) \$75,000 of the general fund--state appropriation for fiscal
11 year 2002 and \$75,000 of the general fund--state appropriation for
12 fiscal year 2003 are provided solely for higher education student child
13 care matching grants under chapter 28B.135 RCW.

14 (6) \$25,000 of the general fund--state appropriation for fiscal
15 year 2002 and \$25,000 of the general fund--state appropriation for
16 fiscal year 2003 are provided solely for the benefit of students who
17 participate in college assistance migrant programs (CAMP) operating in
18 Washington state. To ensure timely state aid, the board may establish
19 a date after which no additional grants would be available for the
20 2001-02 and 2002-03 academic years. The board shall disperse grants in
21 equal amounts to eligible post-secondary institutions so that state
22 money in all cases supplements federal CAMP awards.

23 (7) \$120,156,000 of the general fund--state appropriation for
24 fiscal year 2002 and (~~(\$133,965,000)~~) \$133,761,000 of the general
25 fund--state appropriation for fiscal year 2003 are provided solely for
26 student financial aid, including all administrative costs. Of these
27 amounts:

28 (a) \$90,566,000 of the general fund--state appropriation for fiscal
29 year 2002 and (~~(\$102,667,000)~~) \$104,913,000 of the general fund--state
30 appropriation for fiscal year 2003 are provided solely for the state
31 need grant program. After April 1 of each fiscal year, up to one
32 percent of the annual appropriation for the state need grant program
33 may be transferred to the state work study program. For the remainder
34 of the 2001-03 biennium, the higher education coordinating board shall
35 limit or suspend growth to individual state need grant levels to the
36 extent necessary to ensure that students who meet the financial
37 eligibility requirements of fifty-five percent of median family income
38 are served;

1 (b) \$16,340,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$17,360,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for the state work study program.
4 After April 1 of each fiscal year, up to one percent of the annual
5 appropriation for the state work study program may be transferred to
6 the state need grant program. Four percent of the general fund--state
7 amount in this subsection for fiscal year 2003 may be expended for
8 state work study program administration;

9 (c) \$2,920,000 of the general fund--state appropriation for fiscal
10 year 2002 and \$2,920,000 of the general fund--state appropriation for
11 fiscal year 2003 are provided solely for educational opportunity
12 grants. The board may deposit sufficient funds from its appropriation
13 into the state education trust fund as established in RCW 28B.10.821 to
14 provide a one-year renewal of the grant for each new recipient of the
15 educational opportunity grant award. For the purpose of establishing
16 eligibility for the equal opportunity grant program for placebound
17 students under RCW 28B.101.020, Thurston county lies within the branch
18 campus service area of the Tacoma branch campus of the University of
19 Washington;

20 (d) A maximum of 2.1 percent of the general fund--state
21 appropriation for fiscal year 2002 and ((2.1)) 1.8 percent of the
22 general fund--state appropriation for fiscal year 2003 may be expended
23 for financial aid administration, excluding the 4 percent state work
24 study program administrative allowance provision;

25 (e) \$1,241,000 of the general fund--state appropriation for fiscal
26 year 2002 and \$1,428,000 of the general fund--state appropriation for
27 fiscal year 2003 are provided solely to implement the Washington
28 scholars program. Any Washington scholars program moneys not awarded
29 by April 1st of each year may be transferred by the board to the
30 Washington award for vocational excellence;

31 (f) \$588,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$589,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely to implement Washington award for
34 vocational excellence program. Any Washington award for vocational
35 program moneys not awarded by April 1st of each year may be transferred
36 by the board to the Washington scholars program;

37 (g) \$251,000 of the general fund--state appropriation for fiscal
38 year 2002 and \$251,000 of the general fund--state appropriation for
39 fiscal year 2003 are provided solely for community scholarship matching

1 grants of \$2,000 each. Of the amounts provided, no more than \$5,200
2 each year is for the administration of the community scholarship
3 matching grant program. To be eligible for the matching grant, a
4 nonprofit community organization organized under section 501(c)(3) of
5 the internal revenue code must demonstrate that it has raised \$2,000 in
6 new moneys for college scholarships after the effective date of this
7 act. An organization may receive more than one \$2,000 matching grant
8 and preference shall be given to organizations affiliated with the
9 citizens' scholarship foundation; and

10 (h) \$8,250,000 of the general fund--state appropriation for fiscal
11 year 2002 and (~~(\$8,750,000)~~) \$6,300,000 of the general fund--state
12 appropriation for fiscal year 2003 are provided solely for the
13 Washington promise scholarship program subject to the following
14 conditions and limitations:

15 (i) Within available funds, the higher education coordinating board
16 shall award scholarships for use at accredited institutions of higher
17 education in the state of Washington to as many students as possible
18 from among those qualifying under (iv) of this subsection. Each
19 qualifying student will receive two consecutive annual installments,
20 the value of each not to exceed the full-time annual resident tuition
21 rates charged by community colleges. Scholarships awarded to new
22 recipients for the 2002-03 academic year shall not exceed one-thousand
23 dollars per student.

24 (ii) Of the amounts provided, no more than \$260,000 (~~(each year~~
25 ~~is))~~ in fiscal year 2002 and no more than \$250,000 in fiscal year 2003
26 are for administration of the Washington promise scholarship program.

27 (iii) Other than funds provided for program administration, the
28 higher education coordinating board shall deposit all money received
29 for the program in the Washington promise scholarship account, a
30 nonappropriated fund in the custody of the state treasurer. The
31 account shall be self-sustaining and consist of funds appropriated by
32 the legislature for these scholarships, private contributions, and
33 receipts from refunds of tuition and fees.

34 (iv) Scholarships in the (~~(2001-03 biennium)~~) 2001-02 academic year
35 shall be awarded to students (~~(who graduate from high school or its~~
36 ~~equivalent))~~ whose family income does not exceed one hundred thirty-
37 five percent of the state's median family income, adjusted for family
38 size, if they meet any of the following academic criteria:

1 (A) Students graduating from public and approved private high
2 schools under chapter 28A.195 RCW must be in the top fifteen percent of
3 their graduating class, or must equal or exceed a cumulative scholastic
4 assessment test score of 1200 on their first attempt;

5 (B) Students participating in home-based instruction as provided in
6 chapter 28A.200 RCW must equal or exceed a cumulative scholastic
7 assessment test score of 1200 on their first attempt.

8 (v) For students eligible under (iv) of this subsection, the
9 superintendent of public instruction shall provide the higher education
10 coordinating board with the names, addresses, and unique numeric
11 identifiers of students in the top fifteen percent or who meet the
12 scholastic aptitude test score requirement, as appropriate in each of
13 the respective high school senior or home based instruction classes in
14 Washington state. This shall be provided no later than October 1 of
15 each year.

16 (vi) Scholarships awarded under this section may only be used at
17 accredited institutions of higher education in the state of Washington
18 for college-related expenses, including but not limited to, tuition,
19 room and board, books, materials, and transportation. The Washington
20 promise scholarship award shall not supplant other scholarship awards,
21 financial aid, or tax programs related to postsecondary education.
22 Scholarships may not be transferred or refunded to students.

23 (vii) The higher education coordinating board shall evaluate the
24 impact and effectiveness of the Washington promise scholarship program.
25 The evaluation shall include, but not be limited to: (A) An analysis
26 of other financial assistance promise scholarship recipients are
27 receiving through other federal, state, and institutional programs,
28 including grants, work study, tuition waivers, tax credits, and loan
29 programs; (B) an analysis of whether the implementation of the promise
30 scholarship program has had an impact on student indebtedness; and (C)
31 an evaluation of what types of students are successfully completing
32 high school but do not have the financial ability to attend college
33 because they cannot obtain financial aid or the financial aid is
34 insufficient. The board shall report its findings to the governor and
35 the legislature by December 1, 2002.

36 (viii) The higher education coordinating board may adopt rules as
37 necessary to implement this program.

1 **Sec. 612.** 2001 2nd sp.s. c 7 s 612 (uncodified) is amended to read
2 as follows:

3 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

4	General Fund--State Appropriation (FY 2002) . . . \$	1,762,000
5	General Fund--State Appropriation (FY 2003) . . . \$	((1,720,000))
6		<u>1,633,000</u>
7	General Fund--Federal Appropriation \$	44,987,000
8	TOTAL APPROPRIATION \$	((48,469,000))
9		<u>48,382,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations: \$500,000 of the general fund--state
12 appropriation for fiscal year 2002 and \$500,000 of the general fund--
13 state appropriation for fiscal year 2003 are provided solely for the
14 operations and development of the inland northwest technology education
15 center (INTEC) as a regional resource and model for the rapid
16 deployment of skilled workers trained in the latest technologies for
17 Washington. The board shall serve as an advisor to and fiscal agent
18 for INTEC, and will report back to the governor and legislature by
19 September 2002 as to the progress and future steps for INTEC as this
20 new public-private partnership evolves.

21 **Sec. 613.** 2001 2nd sp.s. c 7 s 613 (uncodified) is amended to read
22 as follows:

23 **FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE**

24	General Fund--State Appropriation (FY 2002) . . . \$	((1,500,000))
25		<u>1,499,000</u>
26	General Fund--State Appropriation (FY 2003) . . . \$	((1,500,000))
27		<u>1,397,000</u>
28	TOTAL APPROPRIATION \$	((3,000,000))
29		<u>2,896,000</u>

30 **Sec. 614.** 2001 2nd sp.s. c 7 s 614 (uncodified) is amended to read
31 as follows:

32 **FOR WASHINGTON STATE LIBRARY**

33	General Fund--State Appropriation (FY 2002) . . . \$	8,791,000
34	General Fund--State Appropriation (FY 2003) . . . \$	((8,786,000))
35		<u>3,209,000</u>
36	General Fund--Federal Appropriation \$	6,976,000
37	TOTAL APPROPRIATION \$	((24,553,000))

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The appropriations in this section are subject to the following conditions and limitations: At least \$2,700,000 shall be expended for a contract with the Seattle public library for library services for the Washington book and braille library.

Sec. 615. 2001 2nd sp.s. c 7 s 615 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund--State Appropriation (FY 2002) . . . \$	2,873,000
General Fund--State Appropriation (FY 2003) . . . \$	((2,874,000))
	<u>2,788,000</u>
General Fund--Federal Appropriation \$	1,000,000
<u>General Fund--Private/Local Appropriation</u> \$	<u>3,000</u>
TOTAL APPROPRIATION \$	((6,747,000))
	<u>6,664,000</u>

Sec. 616. 2001 2nd sp.s. c 7 s 616 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2002) . . . \$	2,899,000
General Fund--State Appropriation (FY 2003) . . . \$	((3,129,000))
	<u>3,035,000</u>
TOTAL APPROPRIATION \$	((6,028,000))
	<u>5,934,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$90,000 of the general fund--state appropriation for fiscal year 2002 and \$285,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for activities related to the Lewis and Clark Bicentennial.

Sec. 617. 2001 2nd sp.s. c 7 s 617 (uncodified) is amended to read as follows:

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2002) . . . \$	1,674,000
General Fund--State Appropriation (FY 2003) . . . \$	((1,535,000))
	<u>1,489,000</u>
TOTAL APPROPRIATION \$	((3,209,000))

1 3,163,000

2 **Sec. 618.** 2001 2nd sp.s. c 7 s 618 (uncodified) is amended to read
3 as follows:

4 **FOR THE STATE SCHOOL FOR THE BLIND**

5	General Fund--State Appropriation (FY 2002) . . . \$	4,520,000
6	General Fund--State Appropriation (FY 2003) . . . \$	((4,591,000))
7		<u>4,654,000</u>
8	General Fund--Private/Local Appropriation \$	((1,173,000))
9		<u>1,254,000</u>
10	TOTAL APPROPRIATION \$	((10,284,000))
11		<u>10,428,000</u>

12 **Sec. 619.** 2001 2nd sp.s. c 7 s 619 (uncodified) is amended to read
13 as follows:

14 **FOR THE STATE SCHOOL FOR THE DEAF**

15	General Fund--State Appropriation (FY 2002) . . . \$	7,395,000
16	General Fund--State Appropriation (FY 2003) . . . \$	((7,439,000))
17		<u>7,751,000</u>
18	General Fund--Private/Local Appropriation \$	232,000
19	TOTAL APPROPRIATION \$	((15,066,000))
20		<u>15,378,000</u>

21 The appropriations in this section are subject to the following
22 conditions and limitations: \$250,000 of the general fund--state
23 appropriation for fiscal year 2003 is provided solely for additional
24 staffing and other student safety measures at the school. The school
25 will hire six additional staff, increase staff communications and
26 accessibility, and implement a training program to enhance staff
27 members' abilities to work with at-risk youth.

28 (End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2001 2nd sp.s. c 7 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2002)	\$ ((629,097,000))
	<u>576,097,000</u>
General Fund--State Appropriation (FY 2003)	\$ ((567,290,000))
	<u>622,540,000</u>
State Building Construction Account--State Appropriation	\$ ((11,351,000))
	<u>7,999,000</u>
Debt-Limit Reimbursable Bond Retire Account-- State Appropriation	\$ 2,591,000
<u>State Taxable Building Construction Account-- State Appropriation</u>	<u>\$ 496,000</u>
TOTAL APPROPRIATION	\$ ((1,210,329,000))
	<u>1,209,723,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2002 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2002.

Sec. 702. 2001 2nd sp.s. c 7 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

State Convention and Trade Center Account-- State Appropriation	\$ ((39,950,000))
	<u>29,249,000</u>
Accident Account--State Appropriation	\$ ((5,590,000))
	<u>5,096,000</u>
Medical Aid Account--State Appropriation	\$ ((5,590,000))

1	State Higher Education Construction Account--	
2	State Appropriation	\$ 42,000
3	State Building Construction Account--State	
4	Appropriation	\$ 1,488,000
5	State Vehicle Parking Account--State	
6	Appropriation	\$ ((5,000))
7		<u>10,000</u>
8	Capitol Historic District Construction	
9	Account--State Appropriation	\$ 130,000
10	<u>State Taxable Building Construction Account--</u>	
11	<u>State Appropriation</u>	<u>\$ 50,000</u>
12	TOTAL APPROPRIATION	\$ ((2,877,000))
13		<u>3,022,000</u>

14 **Sec. 705.** 2001 2nd sp.s. c 7 s 706 (uncodified) is amended to read
15 as follows:

16 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--FIRE CONTINGENCY POOL.** The
17 sum of ((three million dollars)) \$39,487,000, or so much thereof as may
18 be available on June 30, 2001, from the total amount of unspent fiscal
19 year 2001 fire contingency funding in the disaster response account and
20 the moneys appropriated to the disaster response account in section 707
21 of this act, is appropriated for the purpose of making allocations to
22 the military department for fire mobilizations costs or to the
23 department of natural resources for fire suppression costs. Of this
24 amount, \$27,513,000 shall be provided to the department of natural
25 resources, \$135,000 shall be provided to the state parks and recreation
26 commission, and \$60,000 shall be provided to the department of fish and
27 wildlife, for costs of fire suppression during the 2001 fire season.

28 **NEW SECTION. Sec. 706.** A new section is added to 2001 2nd sp.s.
29 c 7 (uncodified) to read as follows:

30 **REVOLVING FUND REDUCTIONS.** (1) The 2001-2003 supplemental
31 appropriations in this act reflect reduced appropriations from the
32 specified funds and accounts in the following amounts:

33	Administrative Hearings Revolving Account	\$ 330,000
34	Legal Services Revolving Account	\$ 1,543,000
35	Data Processing Revolving Account (DIS 419-6)	\$ 1,995,000
36	Data Processing Revolving Account (DIS 419-1)	\$ 96,000
37	Data Processing Revolving Account (OFM 419-6)	\$ 339,000

1	Data Processing Revolving Account (DOP 419-6)	\$	545,000
2	Department of Personnel Service Account (DOP)	\$	262,000
3	Department of Personnel Service Account		
4	(Sec State)	\$	18,000
5	Department of Retirement Systems Expense		
6	Account	\$	732,000
7	General Administration Services Account (422-1)	\$	642,000
8	General Administration Services Account (422-6)	\$	1,302,000
9	Auditing Services Revolving Account	\$	347,000
10	Archives & Records Management Account	\$	177,000

11 (2) The director of financial management shall distribute these
12 revolving fund savings by uniformly reducing state agencies' allotments
13 accordingly. The distribution of the savings shall reduce general
14 fund--state allotments for fiscal year 2003 by \$3,743,000 and other
15 fund allotments by \$4,241,000. The amount of the allotment reduction
16 shall be placed in reserve status.

17 NEW SECTION. **Sec. 707.** A new section is added to 2001 2nd sp.s.
18 c 7 (uncodified) to read as follows:

19 **EQUIPMENT PURCHASE REDUCTION.** The director of financial management
20 shall reduce allotments from general fund--state appropriations in this
21 act for the 2001-2003 biennium by \$2,300,000 to reflect a freeze on
22 state agency equipment purchases for the remainder of the 2001-03
23 biennium. The amount of the allotment reduction shall be placed in
24 reserve status. Equipment purchase reductions for the house of
25 representatives and senate are made in sections 101 and 102 of this act
26 and not in this section.

27 NEW SECTION. **Sec. 708.** A new section is added to 2001 2nd sp.s.
28 c 7 (uncodified) to read as follows:

29 **EMPLOYEE TRAVEL REDUCTION.** The director of financial management
30 shall reduce allotments from general fund--state appropriations in this
31 act for the 2001-2003 biennium by \$3,000,000 to reflect the elimination
32 of nonessential travel by state employees and officials. The amount of
33 the allotment reduction shall be placed in reserve status. Employee
34 travel reductions for the house of representatives and senate are made
35 in sections 101 and 102 of this act and not in this section.

1 NEW SECTION. **Sec. 709.** A new section is added to 2001 2nd sp.s.
2 c 7 (uncodified) to read as follows:

3 **CONTINGENCY POOL.** (1) With the prior approval of the office of
4 financial management, agencies may reduce allotments for fiscal year
5 2002 to reflect all or a portion of, and not to exceed, the
6 administrative, travel, and equipment reductions and efficiency savings
7 enacted in this 2002 supplemental appropriations act as an alternative
8 to allotment reductions for fiscal year 2003.

9 (2) The sum of one million five hundred thousand dollars from the
10 general fund--state for fiscal year 2003 is appropriated to the
11 governor for providing assistance to state agencies that are unable to
12 effectively absorb the administrative, travel, and equipment reductions
13 and efficiency savings enacted in this 2002 supplemental appropriations
14 act. Allocations to state agencies from this appropriation shall be
15 reported to the legislative fiscal committees by the office of
16 financial management within five days of the allocation.

17 **Sec. 710.** 2001 2nd sp.s. c 7 s 713 (uncodified) is amended to read
18 as follows:

19 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--DIGITAL GOVERNMENT REVOLVING**
20 **ACCOUNT**

21	General Fund--State Appropriation (FY 2002) . . . \$	2,050,000
22	General Fund--State Appropriation (FY 2003) . . . \$	((2,050,000))
23		<u>1,050,000</u>
24	TOTAL APPROPRIATION \$	((4,100,000))
25		<u>3,100,000</u>

26 The appropriations in this section are subject to the following
27 conditions and limitations: The appropriations in this section are
28 provided solely for deposit in the digital government revolving
29 account.

30 **Sec. 711.** 2001 2nd sp.s. c 7 s 716 (uncodified) is amended to read
31 as follows:

32 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

33	General Fund--State Appropriation (FY 2002) . . . \$	7,218,000
34	General Fund--State Appropriation (FY 2003) . . . \$	((19,947,000))
35		<u>14,803,000</u>
36	General Fund--Federal Appropriation \$	((8,692,000))
37		<u>7,374,000</u>

1	General Fund--Private/Local Appropriation \$	((456,000))
2		<u>331,000</u>
3	Salary and Insurance Increase Revolving Account	
4	Appropriation \$	((19,468,000))
5		<u>15,969,000</u>
6	TOTAL APPROPRIATION \$	((55,781,000))
7		<u>45,695,000</u>

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

10 (1)(a) The monthly employer funding rate for insurance benefit
11 premiums, public employees' benefits board administration, and the
12 uniform medical plan, shall not exceed \$457.29 per eligible employee
13 for fiscal year 2002, and ((~~\$497.69~~)) \$482.38 for fiscal year 2003.

14 (b) Within the rates in (a) of this subsection, \$2.02 per eligible
15 employee shall be included in the employer funding rate for fiscal year
16 2002, and \$4.10 per eligible employee shall be included in the employer
17 funding rate for fiscal year 2003, solely to increase life insurance
18 coverage in accordance with a court approved settlement in *Burbage et*
19 *al. v. State of Washington* (Thurston county superior court cause no.
20 94-2-02560-8).

21 (c) In order to achieve the level of funding provided for health
22 benefits, the public employees' benefits board shall require any or all
23 of the following: Employee premium copayments, increases in point-of-
24 service cost sharing, the implementation of managed competition, or
25 make other changes to benefits consistent with RCW 41.05.065.

26 (d) The health care authority shall deposit any moneys received on
27 behalf of the uniform medical plan as a result of rebates on
28 prescription drugs, audits of hospitals, subrogation payments, or any
29 other moneys recovered as a result of prior uniform medical plan claims
30 payments, into the public employees' and retirees' insurance account to
31 be used for insurance benefits. Such receipts shall not be used for
32 administrative expenditures.

33 (2) To facilitate the transfer of moneys from dedicated funds and
34 accounts, the state treasurer is directed to transfer sufficient moneys
35 from each dedicated fund or account to the special fund salary and
36 insurance contribution increase revolving fund in accordance with
37 schedules provided by the office of financial management.

38 (3) The health care authority, subject to the approval of the
39 public employees' benefits board, shall provide subsidies for health

1 benefit premiums to eligible retired or disabled public employees and
2 school district employees who are eligible for parts A and B of
3 medicare, pursuant to RCW 41.05.085. From January 1, 2002, through
4 December 31, 2002, the subsidy shall be \$85.84. Starting January 1,
5 2003, the subsidy shall be (~~(\$102.55)~~) \$92.74 per month.

6 (4) Technical colleges, school districts, and educational service
7 districts shall remit to the health care authority for deposit into the
8 public employees' and retirees' insurance account established in RCW
9 41.05.120 the following amounts:

10 (a) For each full-time employee, \$32.41 per month beginning
11 September 1, 2001, and (~~(\$37.48)~~) \$36.36 beginning September 1, 2002;

12 (b) For each part-time employee who, at the time of the remittance,
13 is employed in an eligible position as defined in RCW 41.32.010 or
14 41.40.010 and is eligible for employer fringe benefit contributions for
15 basic benefits, \$32.41 each month beginning September 1, 2001, and
16 (~~(\$37.48)~~) \$36.36 beginning September 1, 2002, prorated by the
17 proportion of employer fringe benefit contributions for a full-time
18 employee that the part-time employee receives.

19 The remittance requirements specified in this subsection shall not
20 apply to employees of a technical college, school district, or
21 educational service district who purchase insurance benefits through
22 contracts with the health care authority.

23 (5) The salary and insurance increase revolving account
24 appropriation includes amounts sufficient to fund health benefits for
25 ferry workers at the premium levels specified in subsection (1) of this
26 section, consistent with the 2001-2003 transportation appropriations
27 act.

28 **Sec. 712.** 2001 2nd sp.s. c 7 s 717 (uncodified) is amended to read
29 as follows:

30 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO**
31 **RETIREMENT SYSTEMS.** The appropriations in this section are subject to
32 the following conditions and limitations: The appropriations for the
33 law enforcement officers' and firefighters' retirement system shall be
34 made on a monthly basis beginning July 1, 2001, consistent with chapter
35 41.45 RCW, and the appropriations for the judges and judicial
36 retirement systems shall be made on a quarterly basis consistent with
37 chapters 2.10 and 2.12 RCW.

1 (1) There is appropriated for state contributions to the law
 2 enforcement officers' and fire fighters' retirement system:
 3 General Fund--State Appropriation (FY 2002) . . . \$ ((15,552,000))
 4 15,437,000
 5 General Fund--State Appropriation (FY 2003) . . . \$ ((16,668,000))
 6 16,208,000

7 The appropriations in this subsection are subject to the following
 8 conditions and limitations: The appropriations include reductions to
 9 reflect savings resulting from the implementation of state pension
 10 contribution rates effective ((July 1, 2001, as provided in Senate Bill
 11 No. 6167 or House Bill No. 2236)) April 1, 2002, as provided in House
 12 Bill No. 2782.

13 (2) There is appropriated for contributions to the judicial
 14 retirement system:
 15 General Fund--State Appropriation (FY 2002) . . . \$ 6,000,000
 16 General Fund--State Appropriation (FY 2003) . . . \$ 6,000,000

17 (3) There is appropriated for contributions to the judges
 18 retirement system:
 19 General Fund--State Appropriation (FY 2002) . . . \$ 250,000
 20 General Fund--State Appropriation (FY 2003) . . . \$ 250,000
 21 TOTAL APPROPRIATION \$ ((44,720,000))
 22 44,145,000

23 NEW SECTION. Sec. 713. A new section is added to 2001 2nd sp.s.
 24 c 7 (uncodified) to read as follows:

25 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--PENSION SAVINGS.** The
 26 office of financial management shall reduce allotments from the
 27 appropriations for agencies of the state by \$1,208,000 from the general
 28 fund--state fiscal year 2002 appropriations, \$4,929,000 from the
 29 general fund--state fiscal year 2003 appropriations, \$1,606,000 from
 30 the general fund--federal 2001-03 appropriations, \$148,000 from the
 31 general fund--private/local 2001-03 appropriations, and \$4,326,000 from
 32 other funds 2001-03 appropriations to reflect savings from pension
 33 contribution rate reductions, effective April 1, 2002, as provided in
 34 House Bill No. 2782.

35 **Sec. 714.** 2001 2nd sp.s. c 7 s 719 (uncodified) is amended to read
 36 as follows:

1 **SALARY COST OF LIVING ADJUSTMENT**

2	General Fund--State Appropriation (FY 2002) . . . \$	41,712,000
3	General Fund--State Appropriation (FY 2003) . . . \$	((73,358,000))
4		<u>44,469,000</u>
5	General Fund--Federal Appropriation \$	((37,955,000))
6		<u>25,629,000</u>
7	General Fund--Private/Local Appropriation \$	((2,325,000))
8		<u>1,876,000</u>
9	Salary and Insurance Increase Revolving Account	
10	Appropriation \$	((92,156,000))
11		<u>68,224,000</u>
12	TOTAL APPROPRIATION \$	((247,506,000))
13		<u>181,910,000</u>

14 The appropriations in this section shall be expended solely for the
15 purposes designated in this section and are subject to the following
16 conditions and limitations:

17 (1) In addition to the purposes set forth in subsections (2) and
18 (3) of this section, appropriations in this section are provided solely
19 for a 3.7 percent salary increase effective July 1, 2001, for all
20 classified employees, except the certificated employees of the state
21 schools for the deaf and blind, and including those employees in the
22 Washington management service, and exempt employees under the
23 jurisdiction of the personnel resources board. ~~((Funds are also
24 provided for salary increases for classified employees on July 1, 2002,
25 in a percentage amount to be determined by the 2002 legislature.))~~

26 (2) The appropriations in this section are sufficient to fund a 3.7
27 percent salary increase effective July 1, 2001, for general government,
28 legislative, and judicial employees exempt from merit system rules
29 whose maximum salaries are not set by the commission on salaries for
30 elected officials. ~~((Funds are also provided for salary increases for
31 these employees on July 1, 2002, in a percentage amount to be
32 determined by the 2002 legislature.))~~

33 (3) The salary and insurance increase revolving account
34 appropriation in this section includes funds sufficient to fund a 3.7
35 percent salary increase effective July 1, 2001, for ferry workers
36 consistent with the 2001-03 transportation appropriations act. ~~((Funds
37 are also provided for salary increases for ferry workers on July 1,
38 2002, in a percentage amount to be determined by the 2002
39 legislature.))~~

1 (4)(a) No salary increase may be paid under this section to any
2 person whose salary has been Y-rated pursuant to rules adopted by the
3 personnel resources board.

4 (b) The average salary increases paid under this section to agency
5 officials whose maximum salaries are established by the committee on
6 agency official salaries shall not exceed the average increases
7 provided by subsection (2) of this section.

8 **Sec. 715.** 2001 2nd sp.s. c 7 s 720 (uncodified) is amended to read
9 as follows:

10 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY REVOLVING**
11 **ACCOUNT**

12	General Fund--State Appropriation (FY 2002) . . . \$	11,264,000
13	((General Fund--State Appropriation (FY 2003) . . . \$	11,264,000
14	TOTAL APPROPRIATION \$	22,528,000))

15 The appropriation((s)) in this section ((are)) is subject to the
16 following conditions and limitations:

17 (1) The appropriation((s)) in this section ((are)) is for
18 appropriation to the education technology revolving account for the
19 purpose of covering operational and transport costs incurred by the K-
20 20 educational network program in providing telecommunication services
21 to network participants.

22 (2) Use of these moneys to connect public libraries are limited to
23 public libraries which have in place a policy of internet safety
24 applied to publicly available computers with internet access via the K-
25 20 educational network that protects against access to visual
26 depictions that are (a) obscene under chapter 9.68 RCW; or (b) sexual
27 exploitation of children under chapter 9.68A RCW.

28 **Sec. 716.** 2001 2nd sp.s. c 7 s 722 (uncodified) is amended to read
29 as follows:

30 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--COMPENSATION ACTIONS OF**
31 **PERSONNEL RESOURCES BOARD**

32	General Fund--State Appropriation (FY 2002) . . . \$	((9,179,000))
33		<u>9,183,000</u>
34	General Fund--State Appropriation (FY 2003) . . . \$	((18,359,000))
35		<u>18,369,000</u>
36	General Fund--Federal Appropriation \$	10,392,000
37	Salary and Insurance Increase Revolving Account	

1	Appropriation	\$	((2,735,000))
2			<u>2,809,000</u>
3	TOTAL APPROPRIATION	\$	((40,665,000))
4			<u>40,753,000</u>

5 The appropriations in this section shall be expended solely for the
6 purposes designated in this section and are subject to the following
7 conditions and limitations: Funding is provided to implement the
8 salary increase recommendations of the Washington personnel resources
9 board for the priority classes identified through item 8B pursuant to
10 RCW 41.06.152. The salary increases shall be effective January 1,
11 2002.

12 NEW SECTION. **Sec. 717.** A new section is added to 2001 2nd sp.s.
13 c 7 (uncodified) to read as follows:

14 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--STATE EMPLOYEE HEALTH**
15 **BENEFITS**

16	General Fund--State Appropriation (FY 2003) . . .	\$	6,000,000
17	General Fund--Federal Appropriation (FY 2003) . .	\$	2,000,000
18	TOTAL APPROPRIATION	\$	8,000,000

19 The appropriations in this section shall be expended solely for the
20 purposes designated in this section and are subject to the following
21 conditions and limitations: Funding is provided solely for state
22 employee health benefits.

23 **Sec. 718.** 2001 2nd sp.s. c 7 s 723 (uncodified) is amended to read
24 as follows:

25 **INCENTIVE SAVINGS--FY 2002.** The sum of one hundred million dollars
26 or so much thereof as may be available on June 30, 2002, from the total
27 amount of unspent fiscal year 2002 state general fund appropriations is
28 appropriated for the purposes of RCW 43.79.460 in the manner provided
29 in this section.

30 (1) Of the total appropriated amount, one-half of that portion that
31 is attributable to incentive savings, not to exceed twenty-five million
32 dollars, is appropriated to the savings incentive account for the
33 purpose of improving the quality, efficiency, and effectiveness of
34 agency services, and credited to the agency that generated the savings.

35 (2) Of the total appropriated amount, any amount attributable to
36 unspent general fund--state appropriations in the state need grant

1 program, the state work study program, the Washington scholars program,
2 and the Washington award for vocational excellence program is
3 appropriated to the state financial aid account pursuant to Substitute
4 House Bill No. 2914 (state financial aid account).

5 (3) The remainder of the total amount, not to exceed seventy-five
6 million dollars, is appropriated to the education savings account.

7 ((+3)) (4) For purposes of this section, the total amount of
8 unspent state general fund appropriations does not include the
9 appropriations made in this section, amounts included in allotment
10 reductions in sections 706, 707, 708, and 713 of this act, or any
11 amounts included in across-the-board allotment reductions under RCW
12 43.88.110.

13 **Sec. 719.** 2001 2nd sp.s. c 7 s 724 (uncodified) is amended to read
14 as follows:

15 **INCENTIVE SAVINGS--FY 2003.** The sum of one hundred million dollars
16 or so much thereof as may be available on June 30, 2003, from the total
17 amount of unspent fiscal year 2003 state general fund appropriations is
18 appropriated for the purposes of RCW 43.79.460 in the manner provided
19 in this section.

20 (1) Of the total appropriated amount, one-half of that portion that
21 is attributable to incentive savings, not to exceed twenty-five million
22 dollars, is appropriated to the savings incentive account for the
23 purpose of improving the quality, efficiency, and effectiveness of
24 agency services, and credited to the agency that generated the savings.

25 (2) Of the total appropriated amount, any amount attributable to
26 unspent general fund--state appropriations in the state need grant
27 program, the state work study program, the Washington scholars program,
28 and the Washington award for vocational excellence program is
29 appropriated to the state financial aid account pursuant to Substitute
30 House Bill No. 2914 (state financial aid account).

31 (3) The remainder of the total amount, not to exceed seventy-five
32 million dollars, is appropriated to the education savings account.

33 ((+3)) (4) For purposes of this section, the total amount of
34 unspent state general fund appropriations does not include the
35 appropriations made in this section, amounts included in allotment
36 reductions in sections 706, 707, 708, and 713 of this act, or any
37 amounts included in across-the-board allotment reductions under RCW
38 43.88.110.

1 NEW SECTION. Sec. 720. A new section is added to 2001 2nd sp.s.
2 c 7 (uncodified) to read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL**
4 **JUSTICE COSTS**

5 Public Safety and Education Account--State
6 Appropriation \$ 394,000

7 The appropriation in this section is subject to the following
8 conditions and limitations: The director of financial management shall
9 distribute the appropriation to the following counties in the amounts
10 designated for extraordinary criminal justice costs:

11 Franklin \$ 312,000
12 Stevens \$ 82,000

13 NEW SECTION. Sec. 721. A new section is added to 2001 2nd sp.s.
14 c 7 (uncodified) to read as follows:

15 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
16 **COUNTY ASSISTANCE**

17 General Fund--State Appropriation (FY 2003) . . . \$ 5,000,000

18 The appropriation in this section is subject to the following
19 conditions and limitations: The director of community, trade, and
20 economic development shall distribute the appropriation in this section
21 to the following counties in the amounts designated:

22 Adams \$ 51,000
23 Asotin \$ 366,000
24 Benton \$ 68,000
25 Chelan \$ 250,000
26 Columbia \$ 516,000
27 Douglas \$ 212,000
28 Ferry \$ 358,000
29 Franklin \$ 75,000
30 Garfield \$ 524,000
31 Lincoln \$ 121,000
32 Mason \$ 353,000
33 Okanogan \$ 495,000
34 Pacific \$ 122,000
35 Pend Oreille \$ 179,000
36 Stevens \$ 382,000
37 Wahkiakum \$ 391,000

1	Walla Walla	\$	195,000
2	Yakima	\$	342,000
3	TOTAL	\$	5,000,000

4 **Sec. 722.** 2001 2nd sp.s. c 7 s 727 (uncodified) is amended to read
5 as follows:

6 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
7 **COUNTY CORPORATION ASSISTANCE**

8	General Fund--State Appropriation (FY 2002) . . .	\$	24,410,534
9	((General Fund--State Appropriation (FY 2003) . . .	\$	25,137,970
10	TOTAL APPROPRIATION	\$	49,548,504))

11 The appropriation((s)) in this section ((are)) is subject to the
12 following conditions and limitations:

13 (1)(a) The department shall withhold distributions under subsection
14 (2) of this section to any county that has not paid its fifty percent
15 share of the employer contribution on behalf of superior court judges
16 for insurance and health care plans and federal social security and
17 medicare and medical aid benefits for the fiscal year. As required by
18 Article IV, section 13 of the state Constitution and 1996 Attorney
19 General's Opinion No. 2, it is the intent of the legislature that the
20 costs of these employer contributions shall be shared equally between
21 the state and county or counties in which the judges serve.

22 (b) After receiving written notification from the office of the
23 administrator for the courts that a county has paid its fifty percent
24 share as required under (a) of this subsection, the department shall
25 distribute the amount designated for the fiscal year under subsection
26 (2) of this section.

27 (2) The director of community, trade, and economic development
28 shall distribute the appropriations to the following counties in the
29 amounts designated:

30			((2001-03))
31	County	FY 2002	((FY 2003 ----- Biennium))
32	Adams	290,303	((295,993 ----- 586,296))
33	Asotin	422,074	((434,598 ----- 856,672))
34	Benton	966,480	((999,163 ----- 1,965,643))
35	Chelan	637,688	((651,982 ----- 1,289,670))
36	Clallam	444,419	((454,391 ----- 898,810))
37	Clark	641,571	((678,997 ----- 1,320,568))
38	Columbia	561,888	((572,901 ----- 1,134,789))
39	Cowlitz	771,879	((795,808 ----- 1,567,687))

1 (1) The director of community, trade, and economic development
 2 shall distribute the appropriation to the following cities and
 3 municipalities in the amounts designated:

		((2001-03))
	FY 2002	((FY 2003 ————— Biennium))
4		
5	City	
6	Aberdeen	((123,562 ————— 243,548))
7	Airway Heights	((114,575 ————— 225,834))
8	Albion	((68,316 ————— 134,655))
9	Algona	((33,646 ————— 66,318))
10	Almira	((12,892 ————— 25,411))
11	Anacortes	((73,044 ————— 143,974))
12	Arlington	((43,606 ————— 85,950))
13	Asotin	((59,340 ————— 116,963))
14	Auburn	((198,139 ————— 390,544))
15	Bainbridge Island	((302,608 ————— 596,459))
16	Battle Ground	((121,828 ————— 240,131))
17	Beaux Arts	((1,837 ————— 3,621))
18	Bellevue	((539,824 ————— 1,064,027))
19	Bellingham	((380,121 ————— 749,242))
20	Benton City	((114,699 ————— 226,079))
21	Bingen	((6,799 ————— 13,401))
22	Black Diamond	((262,288 ————— 516,986))
23	Blaine	((21,474 ————— 42,327))
24	Bonney Lake	((163,468 ————— 322,206))
25	Bothell	((141,361 ————— 278,631))
26	Bremerton	((220,398 ————— 434,418))
27	Brewster	((11,585 ————— 22,835))
28	Bridgeport	((193,825 ————— 382,041))
29	Brier	((547,865 ————— 1,079,876))
30	Buckley	((70,260 ————— 138,487))
31	Bucoda	((54,452 ————— 107,328))
32	Burien	((292,736 ————— 577,001))
33	Burlington	((28,224 ————— 55,631))
34	Camas	((55,253 ————— 108,907))
35	Carbonado	((58,477 ————— 115,262))
36	Carnation	((9,879 ————— 19,472))
37	Cashmere	((124,401 ————— 245,202))
38	Castle Rock	((30,873 ————— 60,853))
39	Cathlamet	((6,452 ————— 12,717))
40	Centralia	((104,448 ————— 205,874))
41	Chehalis	((35,632 ————— 70,233))
42	Chelan	((20,097 ————— 39,612))
43	Cheney	((323,683 ————— 637,999))
44	Chewelah	((68,720 ————— 135,451))
45	Clarkston	((86,411 ————— 170,321))
46	Cle Elum	((8,951 ————— 17,643))

1	Clyde Hill	136,778	((140,854	277,632))
2	Colfax	74,672	((76,897	151,569))
3	College Place	526,480	((542,169	1,068,649))
4	Colton	27,473	((28,292	55,765))
5	Colville	23,389	((24,086	47,475))
6	Conconully	13,675	((14,083	27,758))
7	Concrete	27,006	((27,811	54,817))
8	Connell	164,950	((169,866	334,816))
9	Cosmopolis	15,395	((15,854	31,249))
10	Coulee City	2,804	((2,888	5,692))
11	Coulee Dam	61,408	((63,238	124,646))
12	Coupeville	7,708	((7,938	15,646))
13	Covington	690,851	((711,438	1,402,289))
14	Creston	12,905	((13,290	26,195))
15	Cusick	9,341	((9,619	18,960))
16	Darrington	59,838	((61,621	121,459))
17	Davenport	66,350	((68,327	134,677))
18	Dayton	92,685	((95,447	188,132))
19	Deer Park	16,059	((16,538	32,597))
20	Des Moines	1,482,120	((1,526,287	3,008,407))
21	Dupont	8,109	((8,351	16,460))
22	Duvall	66,128	((68,099	134,227))
23	East Wenatchee	30,678	((31,592	62,270))
24	Eatonville	8,848	((9,112	17,960))
25	Edgewood	901,766	((928,639	1,830,405))
26	Edmonds	456,336	((469,935	926,271))
27	Electric City	87,243	((89,843	177,086))
28	Ellensburg	81,982	((84,425	166,407))
29	Elma	84,676	((87,199	171,875))
30	Elmer City	29,811	((30,699	60,510))
31	Endicott	28,758	((29,615	58,373))
32	Entiat	58,244	((59,980	118,224))
33	Enumclaw	53,013	((54,593	107,606))
34	Ephrata	59,987	((61,775	121,762))
35	Everett	495,428	((510,192	1,005,620))
36	Everson	67,517	((69,529	137,046))
37	Fairfield	18,540	((19,092	37,632))
38	Farmington	12,072	((12,432	24,504))
39	Federal Way	470,179	((484,190	954,369))
40	Ferndale	74,669	((76,894	151,563))
41	Fife	25,411	((26,168	51,579))
42	Fircrest	386,146	((397,653	783,799))
43	Forks	110,712	((114,011	224,723))
44	Friday Harbor	9,791	((10,083	19,874))
45	Garfield	45,263	((46,612	91,875))
46	George	19,319	((19,895	39,214))
47	Gig Harbor	31,615	((32,557	64,172))

1	Gold Bar	134,531	((138,540	273,071))
2	Goldendale	49,519	((50,995	100,514))
3	Grand Coulee	5,805	((5,978	11,783))
4	Grandview	256,347	((263,986	520,333))
5	Granger	173,094	((178,252	351,346))
6	Granite Falls	10,946	((11,272	22,218))
7	Hamilton	17,437	((17,957	35,394))
8	Harrah	46,947	((48,346	95,293))
9	Harrington	18,107	((18,647	36,754))
10	Hartline	11,392	((11,731	23,123))
11	Hatton	12,176	((12,539	24,715))
12	Hoquiam	374,903	((386,075	760,978))
13	Hunts Point	2,432	((2,504	4,936))
14	Ilwaco	13,150	((13,542	26,692))
15	Index	4,181	((4,306	8,487))
16	Ione	17,566	((18,089	35,655))
17	Issaquah	50,002	((51,492	101,494))
18	Kahlotus	20,210	((20,812	41,022))
19	Kalama	7,892	((8,127	16,019))
20	Kelso	68,904	((70,957	139,861))
21	Kenmore	1,099,395	((1,132,157	2,231,552))
22	Kennewick	293,534	((302,281	595,815))
23	Kent	360,624	((371,371	731,995))
24	Kettle Falls	64,422	((66,342	130,764))
25	Kirkland	221,429	((228,028	449,457))
26	Kittitas	72,698	((74,864	147,562))
27	Krupp	4,445	((4,577	9,022))
28	La Center	34,415	((35,441	69,856))
29	La Conner	3,817	((3,931	7,748))
30	La Crosse	20,141	((20,741	40,882))
31	Lacey	143,243	((147,512	290,755))
32	Lake Forest Park	897,932	((924,690	1,822,622))
33	Lake Stevens	142,295	((146,535	288,830))
34	Lakewood	2,955,109	((3,043,171	5,998,280))
35	Lamont	7,492	((7,715	15,207))
36	Langley	5,303	((5,461	10,764))
37	Latah	11,962	((12,318	24,280))
38	Leavenworth	12,189	((12,552	24,741))
39	Lind	2,217	((2,283	4,500))
40	Long Beach	10,269	((10,575	20,844))
41	Longview	249,836	((257,281	507,117))
42	Lyman	16,741	((17,240	33,981))
43	Lynden	42,717	((43,990	86,707))
44	Lynnwood	163,579	((168,454	332,033))
45	Mabton	142,491	((146,737	289,228))
46	Malden	21,588	((22,231	43,819))
47	Mansfield	26,744	((27,541	54,285))

1	Maple Valley	359,478	((370,190 729,668))
2	Marcus	14,126	((14,547 28,673))
3	Marysville	102,028	((105,068 207,096))
4	Mattawa	100,064	((103,046 203,110))
5	McCleary	105,807	((108,960 214,767))
6	Medical Lake	114,323	((117,730 232,053))
7	Medina	14,355	((14,783 29,138))
8	Mercer Island	383,527	((394,956 778,483))
9	Mesa	16,835	((17,337 34,172))
10	Metaline	14,150	((14,572 28,722))
11	Metaline Falls	7,718	((7,948 15,666))
12	Mill Creek	174,495	((179,695 354,190))
13	Millwood	22,619	((23,293 45,912))
14	Milton	28,030	((28,865 56,895))
15	Monroe	56,517	((58,201 114,718))
16	Montesano	60,229	((62,024 122,253))
17	Morton	5,891	((6,067 11,958))
18	Moses Lake	105,670	((108,819 214,489))
19	Mossyrock	16,545	((17,038 33,583))
20	Mount Vernon	130,780	((134,677 265,457))
21	Mountlake Terrace	711,188	((732,381 1,443,569))
22	Moxee	40,448	((41,653 82,101))
23	Mukilteo	274,482	((282,662 557,144))
24	Naches	7,632	((7,859 15,491))
25	Napavine	96,030	((98,892 194,922))
26	Nespelem	17,614	((18,139 35,753))
27	Newcastle	290,801	((299,467 590,268))
28	Newport	13,223	((13,617 26,840))
29	Nooksack	58,178	((59,912 118,090))
30	Normandy Park	489,113	((503,689 992,802))
31	North Bend	20,754	((21,372 42,126))
32	North Bonneville	30,574	((31,485 62,059))
33	Northport	23,489	((24,189 47,678))
34	Oak Harbor	278,157	((286,446 564,603))
35	Oakesdale	31,060	((31,986 63,046))
36	Oakville	43,411	((44,705 88,116))
37	Ocean Shores	64,837	((66,769 131,606))
38	Odessa	4,721	((4,862 9,583))
39	Okanogan	12,323	((12,690 25,013))
40	Olympia	198,476	((204,391 402,867))
41	Omak	26,117	((26,895 53,012))
42	Oroville	12,506	((12,879 25,385))
43	Orting	191,211	((196,909 388,120))
44	Othello	26,808	((27,607 54,415))
45	Pacific	69,124	((71,184 140,308))
46	Palouse	55,067	((56,708 111,775))
47	Pasco	131,298	((135,211 266,509))

1	Pateros	28,021	((28,856 56,877))
2	Pe Ell	54,800	((56,433 111,233))
3	Pomeroy	52,485	((54,049 106,534))
4	Port Angeles	124,595	((128,308 252,903))
5	Port Orchard	41,797	((43,043 84,840))
6	Port Townsend	47,126	((48,530 95,656))
7	Poulsbo	31,812	((32,760 64,572))
8	Prescott	12,349	((12,717 25,066))
9	Prosser	24,137	((24,856 48,993))
10	Pullman	584,659	((602,082 1,186,741))
11	Puyallup	151,732	((156,254 307,986))
12	Quincy	20,244	((20,847 41,091))
13	Rainier	111,521	((114,844 226,365))
14	Raymond	85,311	((87,853 173,164))
15	Rearдан	38,184	((39,322 77,506))
16	Redmond	215,259	((221,674 436,933))
17	Renton	235,053	((242,058 477,111))
18	Republic	25,085	((25,833 50,918))
19	Richland	441,733	((454,897 896,630))
20	Ridgefield	55,637	((57,295 112,932))
21	Ritzville	8,498	((8,751 17,249))
22	Riverside	27,204	((28,015 55,219))
23	Rock Island	36,527	((37,616 74,143))
24	Rockford	18,965	((19,530 38,495))
25	Rosalia	36,719	((37,813 74,532))
26	Roslyn	64,571	((66,495 131,066))
27	Roy	1,709	((1,760 3,469))
28	Royal City	66,657	((68,643 135,300))
29	Ruston	50,309	((51,808 102,117))
30	Sammamish	2,361,433	((2,431,804 4,793,237))
31	Seatac	132,183	((136,122 268,305))
32	Seattle	3,189,346	((3,284,389 6,473,735))
33	Sedro-Woolley	54,896	((56,532 111,428))
34	Selah	80,704	((83,109 163,813))
35	Sequim	21,867	((22,519 44,386))
36	Shelton	58,160	((59,893 118,053))
37	Shoreline	1,485,138	((1,529,395 3,014,533))
38	Skykomish	1,417	((1,459 2,876))
39	Snohomish	40,722	((41,936 82,658))
40	Snoqualmie	9,587	((9,873 19,460))
41	Soap Lake	102,783	((105,846 208,629))
42	South Bend	75,826	((78,086 153,912))
43	South Cle Elum	46,847	((48,243 95,090))
44	South Prairie	18,788	((19,348 38,136))
45	Spangle	1,397	((1,439 2,836))
46	Spokane	1,116,419	((1,149,688 2,266,107))
47	Sprague	22,930	((23,613 46,543))

1	Springdale	11,080	((11,410 ————— 22,490))
2	St. John	4,245	((4,372 ————— 8,617))
3	Stanwood	21,141	((21,771 ————— 42,912))
4	Starbuck	8,949	((9,216 ————— 18,165))
5	Steilacoom	285,807	((294,324 ————— 580,131))
6	Stevenson	11,673	((12,021 ————— 23,694))
7	Sultan	63,199	((65,082 ————— 128,281))
8	Sumas	7,885	((8,120 ————— 16,005))
9	Sumner	41,931	((43,181 ————— 85,112))
10	Sunnyside	70,805	((72,915 ————— 143,720))
11	Tacoma	1,384,646	((1,425,908 ————— 2,810,554))
12	Tekoa	49,373	((50,844 ————— 100,217))
13	Tenino	68,820	((70,871 ————— 139,691))
14	Tieton	74,506	((76,726 ————— 151,232))
15	Toledo	8,084	((8,325 ————— 16,409))
16	Tonasket	5,500	((5,664 ————— 11,164))
17	Toppenish	443,488	((456,704 ————— 900,192))
18	Tukwila	75,320	((77,565 ————— 152,885))
19	Tumwater	61,848	((63,691 ————— 125,539))
20	Twisp	4,793	((4,936 ————— 9,729))
21	Union Gap	27,129	((27,937 ————— 55,066))
22	Uniontown	19,805	((20,395 ————— 40,200))
23	University Place	1,889,912	((1,946,231 ————— 3,836,143))
24	Vader	40,643	((41,854 ————— 82,497))
25	Vancouver	1,177,584	((1,212,676 ————— 2,390,260))
26	Waitsburg	81,097	((83,514 ————— 164,611))
27	Walla Walla	318,679	((328,176 ————— 646,855))
28	Wapato	230,783	((237,660 ————— 468,443))
29	Warden	105,612	((108,759 ————— 214,371))
30	Washougal	177,022	((182,297 ————— 359,319))
31	Washtucna	20,654	((21,269 ————— 41,923))
32	Waterville	72,880	((75,052 ————— 147,932))
33	Waverly	10,256	((10,562 ————— 20,818))
34	Wenatchee	147,602	((152,001 ————— 299,603))
35	West Richland	489,752	((504,347 ————— 994,099))
36	Westport	13,715	((14,124 ————— 27,839))
37	White Salmon	53,746	((55,348 ————— 109,094))
38	Wilbur	23,614	((24,318 ————— 47,932))
39	Wilkeson	18,762	((19,321 ————— 38,083))
40	Wilson Creek	18,403	((18,951 ————— 37,354))
41	Winlock	35,212	((36,261 ————— 71,473))
42	Winthrop	1,756	((1,808 ————— 3,564))
43	Woodinville	56,052	((57,722 ————— 113,774))
44	Woodland	17,960	((18,495 ————— 36,455))
45	Woodway	12,513	((12,886 ————— 25,399))
46	Yacolt	36,636	((37,728 ————— 74,364))
47	Yakima	487,766	((502,301 ————— 990,067))

1	Yarrow Point	32,121	((33,078 65,199))
2	Yelm	15,677	((16,144 31,821))
3	Zillah	100,818	((103,822 204,640))
4	TOTAL APPROPRIATIONS	45,545,942	((46,903,217 92,449,159))

5 (2) \$338,668 for fiscal year 2002 (~~and \$348,622 for fiscal year~~
6 ~~2003~~) from this appropriation (~~are~~) is provided solely to address
7 the contingencies listed in this subsection. The department shall
8 distribute the moneys no later than March 31, 2002, (~~and March 31,~~
9 ~~2003,~~) for the respective appropriations. Moneys shall be distributed
10 for the following purposes, ranked in order of priority:

11 (a) To correct for data errors in the determination of
12 distributions in subsection (1) of this section;

13 (b) To distribute to newly qualifying jurisdictions as if the
14 jurisdiction had been in existence prior to November 1999;

15 (c) To allocate under emergency situations as determined by the
16 director of the department of community, trade, and economic
17 development in consultation with the association of Washington cities;
18 and

19 (d) After April 1 (~~st of each year in the fiscal biennium ending~~
20 ~~June 30, 2003~~), 2001, any moneys remaining from the amounts provided
21 in this subsection shall be prorated and distributed to cities and
22 towns on the basis of the amounts distributed for emergency
23 considerations in November 2000 as provided in section 729, chapter 1,
24 Laws of 2000, 2nd sp. sess.

25 NEW SECTION. Sec. 724. A new section is added to 2001 2nd sp.s.
26 c 7 (uncodified) to read as follows:

27 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
28 **MUNICIPAL ASSISTANCE**

29 General Fund--State Appropriation (FY 2003) \$ 8,000,000

30 The appropriation in this section is subject to the following
31 conditions and limitations: The director of community, trade, and
32 economic development shall distribute the appropriation in this section
33 to the following cities in the amounts designated:

1	Airway Heights	\$ 10,000
2	Albion	\$ 55,000
3	Almira	\$ 2,000
4	Asotin	\$ 22,000

1	Benton City	\$	35,000
2	Black Diamond	\$	42,000
3	Bridgeport	\$	155,000
4	Brier	\$	294,000
5	Bucoda	\$	34,000
6	Carbonado	\$	34,000
7	Cashmere	\$	30,000
8	Cheney	\$	44,000
9	Chewelah	\$	3,000
10	Colfax	\$	2,000
11	College Place	\$	314,000
12	Colton	\$	12,000
13	Conconully	\$	9,000
14	Concrete	\$	3,000
15	Connell	\$	62,000
16	Coulee Dam	\$	13,000
17	Covington	\$	268,000
18	Creston	\$	4,000
19	Cusick	\$	1,000
20	Darrington	\$	13,000
21	Davenport	\$	10,000
22	Dayton	\$	3,000
23	Des Moines	\$	367,000
24	Edgewood	\$	622,000
25	Electric City	\$	61,000
26	Elma	\$	4,000
27	Elmer City	\$	25,000
28	Endicott	\$	24,000
29	Entiat	\$	23,000
30	Everson	\$	11,000
31	Fairfield	\$	3,000
32	Farmington	\$	6,000
33	Fircrest	\$	114,000
34	Forks	\$	11,000
35	Garfield	\$	28,000
36	George	\$	5,000
37	Gold Bar	\$	66,000
38	Grandview	\$	35,000
39	Granger	\$	64,000

1	Hamilton	\$	9,000
2	Harrah	\$	36,000
3	Harrington	\$	2,000
4	Hartline	\$	7,000
5	Hatton	\$	10,000
6	Hoquiam	\$	44,000
7	Index	\$	1,000
8	Ione	\$	4,000
9	Kahlotus	\$	13,000
10	Kenmore	\$	301,000
11	Kettle Falls	\$	9,000
12	Kittitas	\$	38,000
13	Krupp	\$	2,000
14	Lacrosse	\$	6,000
15	Lake Forest Park	\$	311,000
16	Lake Stevens	\$	10,000
17	Lakewood	\$	808,000
18	Lamont	\$	6,000
19	Latah	\$	6,000
20	Lyman	\$	8,000
21	Mabton	\$	117,000
22	Malden	\$	18,000
23	Mansfield	\$	18,000
24	Maple Valley	\$	38,000
25	Marcus	\$	8,000
26	Mattawa	\$	39,000
27	McCleary	\$	33,000
28	Medical Lake	\$	22,000
29	Mesa	\$	4,000
30	Metaline	\$	5,000
31	Metaline Falls	\$	2,000
32	Mossyrock	\$	1,000
33	Mountlake Terrace	\$	72,000
34	Moxee	\$	5,000
35	Napavine	\$	44,000
36	Nespelem	\$	15,000
37	Newcastle	\$	4,000
38	Nooksack	\$	29,000
39	Normandy Park	\$	187,000

1	North Bonneville	\$	4,000
2	Northport	\$	16,000
3	Oakesdale	\$	7,000
4	Oakville	\$	16,000
5	Orting	\$	27,000
6	Palouse	\$	17,000
7	Pateros	\$	1,000
8	Pe Ell	\$	45,000
9	Pomeroy	\$	6,000
10	Prescott	\$	3,000
11	Pullman	\$	49,000
12	Rainier	\$	61,000
13	Raymond	\$	1,000
14	Reardan	\$	19,000
15	Republic	\$	3,000
16	Riverside	\$	16,000
17	Rock Island	\$	13,000
18	Rockford	\$	4,000
19	Rosalia	\$	15,000
20	Roslyn	\$	26,000
21	Royal City	\$	27,000
22	Ruston	\$	18,000
23	Sammamish	\$	737,000
24	Shoreline	\$	148,000
25	Soap Lake	\$	43,000
26	South Bend	\$	12,000
27	South Cle Elum	\$	25,000
28	South Prairie	\$	4,000
29	Sprague	\$	3,000
30	Springdale	\$	2,000
31	Starbuck	\$	6,000
32	Steilacoom	\$	44,000
33	Tekoa	\$	11,000
34	Tenino	\$	15,000
35	Tieton	\$	28,000
36	Toppenish	\$	143,000
37	Uniontown	\$	7,000
38	University Place	\$	700,000
39	Vader	\$	28,000

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2001 2nd sp.s. c 7 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance		
premium distributions	\$	((6,528,600))
		<u>7,526,700</u>
General Fund Appropriation for public utility		
district excise tax distributions	\$	((36,427,306))
		<u>34,754,723</u>
General Fund Appropriation for prosecuting		
attorney distributions	\$	((3,090,000))
		<u>3,110,000</u>
General Fund Appropriation for boating safety/ education and law enforcement		
distributions	\$	3,780,000
General Fund Appropriation for other tax		
distributions	\$	((39,566))
		<u>1,951,556</u>
Death Investigations Account Appropriation for		
distribution to counties for publicly		
funded autopsies	\$	1,621,537
Aquatic Lands Enhancement Account Appropriation		
for harbor improvement revenue		
distribution	\$	147,500
Timber Tax Distribution Account Appropriation for		
distribution to "timber" counties	\$	((68,562,000))
		<u>57,405,032</u>
County Criminal Justice Assistance		
Appropriation	\$	49,835,213
Municipal Criminal Justice Assistance		
Appropriation	\$	19,988,097
Liquor Excise Tax Account Appropriation for		
liquor excise tax distribution	\$	28,659,331
Liquor Revolving Account Appropriation for		

1	liquor profits distribution	\$	55,344,817
2	TOTAL APPROPRIATION	\$	((274,023,967))
3			<u>264,124,506</u>

4 The total expenditures from the state treasury under the
5 appropriations in this section shall not exceed the funds available
6 under statutory distributions for the stated purposes.

7 **Sec. 802.** 2001 2nd sp.s. c 7 s 805 (uncodified) is amended to read
8 as follows:

9 **FOR THE STATE TREASURER--TRANSFERS**

10 For transfers in this section to the state general fund, pursuant
11 to RCW 43.135.035(5), the state expenditure limit shall be increased by
12 the amount of the transfer. The increase shall occur in the fiscal
13 year in which the transfer occurs.

14 Public Facilities Construction Loan and
15 Grant Revolving Account: For transfer
16 to the digital government revolving account
17 on or before December 31, 2001 \$ 1,418,456

18 Financial Services Regulation Fund: To be
19 transferred from the financial services
20 regulation fund to the digital government
21 revolving account during the period
22 between July 1, 2001, and December 31,
23 2001 \$ 2,000,000

24 Local Toxics Control Account: For transfer
25 to the state toxics control account.
26 Transferred funds will be utilized
27 for methamphetamine lab cleanup, to
28 address areawide soil contamination
29 problems, and clean up contaminated
30 sites as part of the clean sites
31 initiative \$ 6,000,000

32 State Toxics Control Account: For transfer
33 to the water quality account for water
34 quality related projects funded in the
35 capital budget \$ 9,000,000

36 General Fund: For transfer to the flood
37 control assistance account \$ 4,000,000

1 Water Quality Account: For transfer to the
2 water pollution control account. Transfers
3 shall be made at intervals coinciding with
4 deposits of federal capitalization grant
5 money into the account. The amounts
6 transferred shall not exceed the match
7 required for each federal deposit \$ 12,564,487
8 Health Services Account: For transfer
9 to the water quality account \$ 6,447,500
10 State Treasurer's Service Account: For
11 transfer to the general fund on or
12 before June 30, 2003, an amount in excess
13 of the cash requirements of the state
14 treasurer's service account. Pursuant to
15 RCW 43.135.035(5), the state expenditure
16 limit shall be increased by \$4,000,000 in
17 fiscal year 2002 and by \$8,393,000 in fiscal
18 year 2003 to reflect this transfer \$ ((8,000,000))
19 12,393,000
20 Public Works Assistance Account: For
21 transfer to the drinking water
22 assistance account \$ 7,700,000
23 Tobacco Settlement Account: For transfer
24 to the health services account, in an
25 amount not to exceed the actual balance
26 of the tobacco settlement account \$ ((310,000,000))
27 256,700,000
28 General Fund: For transfer to the water quality
29 account \$ ((60,325,000))
30 60,821,172
31 Health Services Account: For
32 transfer to the state general fund
33 by June 30, 2002. Pursuant to RCW
34 43.135.035(5), the state expenditure
35 limit shall be increased in fiscal
36 year 2002 to reflect this transfer \$ ((130,000,000))
37 150,000,000
38 ~~((Health Services Account: For~~
39 ~~transfer to the state general fund~~

1 by June 30, 2003. Pursuant
2 to RCW 43.135.035(5), the state expenditure
3 limit shall be increased in fiscal
4 year 2003 to reflect this transfer \$ 20,000,000
5 State Surplus Assets Reserve Fund: For
6 transfer to the multimodal transportation
7 account by June 30, 2002 \$ 70,000,000))
8 Multimodal Transportation Account: For
9 transfer to the state general fund
10 by June 30, 2002. Pursuant to RCW
11 43.135.035(5), the state expenditure
12 limit shall be increased in fiscal
13 year 2002 to reflect this transfer \$ 70,000,000
14 Health Service Account: For transfer
15 to the violence reduction and drug
16 enforcement account \$ 6,497,500
17 Gambling Revolving Account: For transfer
18 to the state general fund, \$2,000,000
19 for fiscal year 2002 and \$450,000 for
20 fiscal year 2003 \$ 2,450,000
21 Horticultural Districts Account: For transfer
22 to the fruit and vegetable inspection
23 account \$ 11,075,000
24 Agricultural Local Account: For
25 transfer to the fruit and vegetable
26 inspection account \$ 605,000
27 Nisqually Earthquake Account: For transfer to
28 the disaster response account for fire
29 suppression and mobilization costs \$ 32,802,000
30 Enhanced 911 Account: For transfer to
31 the state general fund for fiscal
32 year 2003 \$ 6,000,000
33 Clarke-McNary Fund: For transfer to the
34 state general fund for fiscal year 2002 . . . \$ 4,000,000
35 State Drought Preparedness Account: For
36 transfer to the state general fund for
37 fiscal year 2002 \$ 3,000,000
38 Financial Services Regulation Fund: For
39 transfer to the state general fund,

1	<u>\$2,250,000 for fiscal year 2002 and</u>	
2	<u>\$357,000 for fiscal year 2003</u>	<u>\$ 2,607,000</u>
3	<u>Industrial Insurance Premium Refund Account:</u>	
4	<u>For transfer to the state general fund</u>	
5	<u>for fiscal year 2002</u>	<u>\$ 1,000,000</u>
6	<u>Liquor Control Board Construction and</u>	
7	<u>Maintenance Account: For transfer</u>	
8	<u>to the state general fund for fiscal</u>	
9	<u>year 2003</u>	<u>\$ 504,000</u>
10	<u>Liquor Revolving Account: For transfer</u>	
11	<u>to the state general fund for fiscal</u>	
12	<u>year 2003</u>	<u>\$ 2,059,000</u>
13	<u>Lottery Administrative Account: For transfer</u>	
14	<u>to the state general fund for fiscal</u>	
15	<u>year 2003</u>	<u>\$ 335,000</u>
16	<u>Emergency Medical Services and Trauma Care</u>	
17	<u>System Trust Account: For transfer</u>	
18	<u>to the state general fund for fiscal</u>	
19	<u>year 2002</u>	<u>\$ 6,000,000</u>
20	<u>Public Service Revolving Account: For transfer</u>	
21	<u>to the state general fund for fiscal</u>	
22	<u>year 2003</u>	<u>\$ 406,000</u>
23	<u>Local Leasehold Excise Tax Account: For transfer</u>	
24	<u>of interest to the state general fund by</u>	
25	<u>June 1, 2002, for fiscal year 2002</u>	<u>\$ 1,000,000</u>
26	<u>Insurance Commissioner's Regulatory Account:</u>	
27	<u>For transfer to the state general fund</u>	
28	<u>for fiscal year 2003</u>	<u>\$ 366,000</u>
29	<u>Health Services Account: For transfer to the</u>	
30	<u>tobacco prevention and control account . . .</u>	<u>\$ 21,980,000</u>
31	<u>From the Emergency Reserve Fund: For transfer</u>	
32	<u>to the state general fund:</u>	
33	<u>On June 28, 2002</u>	<u>\$ 300,000,000</u>
34	<u>On June 28, 2003</u>	<u>\$ 25,000,000</u>
35	<u>Tobacco Securitization Trust Account: For</u>	
36	<u>transfer to the state general fund for</u>	
37	<u>fiscal year 2003</u>	<u>\$ 450,000,000</u>

38 (End of part)

1 (2) Funds appropriated by the legislature for the community and
2 technical college exceptional faculty awards program shall be deposited
3 in the college faculty awards trust fund. At the request of the
4 college board, the treasurer shall release the state matching funds to
5 the local endowment fund of the college or its foundation. No
6 appropriation is necessary for the expenditure of moneys from the fund.
7 During the 2001-2003 fiscal biennium, the legislature may appropriate
8 funds from the college faculty awards trust fund for the purposes of
9 the settlement costs of the *Mader v. State* litigation regarding
10 retirement contributions on behalf of part-time faculty.

11 **Sec. 903.** RCW 38.52.105 and 1997 c 251 s 1 are each amended to
12 read as follows:

13 The disaster response account is created in the state treasury.
14 Moneys may be placed in the account from legislative appropriations and
15 transfers, federal appropriations, or any other lawful source. Moneys
16 in the account may be spent only after appropriation. Expenditures
17 from the account may be used only for support of state agency and local
18 government disaster response and recovery efforts. During the 2001-03
19 biennium, funds from the account may also be used for costs associated
20 with national security preparedness activities.

21 **Sec. 904.** RCW 38.52.106 and 2001 c 5 s 2 are each amended to read
22 as follows:

23 The Nisqually earthquake account is created in the state treasury.
24 Moneys may be placed in the account from tax revenues, budget transfers
25 or appropriations, federal appropriations, gifts, or any other lawful
26 source. Moneys in the account may be spent only after appropriation.
27 Moneys in the account shall be used only to support state and local
28 government disaster response and recovery efforts associated with the
29 Nisqually earthquake. During the 2001-2003 fiscal biennium, the
30 legislature may transfer moneys from the Nisqually earthquake account
31 to the disaster response account for fire suppression and mobilization
32 costs, and costs associated with national security preparedness
33 activities.

34 **Sec. 905.** RCW 38.52.540 and 2001 c 128 s 2 are each amended to
35 read as follows:

1 The enhanced 911 account is created in the state treasury. All
2 receipts from the state enhanced 911 excise tax imposed by RCW
3 82.14B.030 shall be deposited into the account. Moneys in the account
4 shall be used only to support the statewide coordination and management
5 of the enhanced 911 system and to help supplement, within available
6 funds, the operational costs of the system. Funds shall not be
7 distributed to any county that has not imposed the maximum county
8 enhanced 911 taxes allowed under RCW 82.14B.030 (1) and (2). The state
9 enhanced 911 coordinator, with the advice and assistance of the
10 enhanced 911 advisory committee, is authorized to enter into statewide
11 agreements to improve the efficiency of enhanced 911 services for all
12 counties and shall specify by rule the additional purposes for which
13 moneys, if available, may be expended from this account. During the
14 2001-2003 fiscal biennium, the legislature may transfer from the
15 enhanced 911 account to the state general fund such amounts as reflect
16 the excess fund balance of the account.

17 **Sec. 906.** RCW 41.06.150 and 1999 c 297 s 3 are each amended to
18 read as follows:

19 The board shall adopt rules, consistent with the purposes and
20 provisions of this chapter, as now or hereafter amended, and with the
21 best standards of personnel administration, regarding the basis and
22 procedures to be followed for:

23 (1) The reduction, dismissal, suspension, or demotion of an
24 employee;

25 (2) Certification of names for vacancies, including departmental
26 promotions, with the number of names equal to six more names than there
27 are vacancies to be filled, such names representing applicants rated
28 highest on eligibility lists: PROVIDED, That when other applicants
29 have scores equal to the lowest score among the names certified, their
30 names shall also be certified;

31 (3) Examinations for all positions in the competitive and
32 noncompetitive service;

33 (4) Appointments;

34 (5) Training and career development;

35 (6) Probationary periods of six to twelve months and rejections of
36 probationary employees, depending on the job requirements of the class,
37 except that entry level state park rangers shall serve a probationary
38 period of twelve months;

1 (7) Transfers;

2 (8) Sick leaves and vacations;

3 (9) Hours of work;

4 (10) Layoffs when necessary and subsequent reemployment, both
5 according to seniority;

6 (11) Determination of appropriate bargaining units within any
7 agency: PROVIDED, That in making such determination the board shall
8 consider the duties, skills, and working conditions of the employees,
9 the history of collective bargaining by the employees and their
10 bargaining representatives, the extent of organization among the
11 employees, and the desires of the employees;

12 (12) Certification and decertification of exclusive bargaining
13 representatives: PROVIDED, That after certification of an exclusive
14 bargaining representative and upon the representative's request, the
15 director shall hold an election among employees in a bargaining unit to
16 determine by a majority whether to require as a condition of employment
17 membership in the certified exclusive bargaining representative on or
18 after the thirtieth day following the beginning of employment or the
19 date of such election, whichever is the later, and the failure of an
20 employee to comply with such a condition of employment constitutes
21 cause for dismissal: PROVIDED FURTHER, That no more often than once in
22 each twelve-month period after expiration of twelve months following
23 the date of the original election in a bargaining unit and upon
24 petition of thirty percent of the members of a bargaining unit the
25 director shall hold an election to determine whether a majority wish to
26 rescind such condition of employment: PROVIDED FURTHER, That for
27 purposes of this clause, membership in the certified exclusive
28 bargaining representative is satisfied by the payment of monthly or
29 other periodic dues and does not require payment of initiation,
30 reinstatement, or any other fees or fines and includes full and
31 complete membership rights: AND PROVIDED FURTHER, That in order to
32 safeguard the right of nonassociation of public employees, based on
33 bona fide religious tenets or teachings of a church or religious body
34 of which such public employee is a member, such public employee shall
35 pay to the union, for purposes within the program of the union as
36 designated by such employee that would be in harmony with his or her
37 individual conscience, an amount of money equivalent to regular union
38 dues minus any included monthly premiums for union-sponsored insurance

1 programs, and such employee shall not be a member of the union but is
2 entitled to all the representation rights of a union member;

3 (13) Agreements between agencies and certified exclusive bargaining
4 representatives providing for grievance procedures and collective
5 negotiations on all personnel matters over which the appointing
6 authority of the appropriate bargaining unit of such agency may
7 lawfully exercise discretion;

8 (14) Written agreements may contain provisions for payroll
9 deductions of employee organization dues upon authorization by the
10 employee member and for the cancellation of such payroll deduction by
11 the filing of a proper prior notice by the employee with the appointing
12 authority and the employee organization: PROVIDED, That nothing
13 contained herein permits or grants to any employee the right to strike
14 or refuse to perform his or her official duties;

15 (15) Adoption and revision of a comprehensive classification plan
16 for all positions in the classified service, based on investigation and
17 analysis of the duties and responsibilities of each such position.

18 (a) The board shall not adopt job classification revisions or class
19 studies unless implementation of the proposed revision or study will
20 result in net cost savings, increased efficiencies, or improved
21 management of personnel or services, and the proposed revision or study
22 has been approved by the director of financial management in accordance
23 with chapter 43.88 RCW.

24 (b) Beginning July 1, 1995, through June 30, 1997, in addition to
25 the requirements of (a) of this subsection:

26 (i) The board may approve the implementation of salary increases
27 resulting from adjustments to the classification plan during the 1995-
28 97 fiscal biennium only if:

29 (A) The implementation will not result in additional net costs and
30 the proposed implementation has been approved by the director of
31 financial management in accordance with chapter 43.88 RCW;

32 (B) The implementation will take effect on July 1, 1996, and the
33 total net cost of all such actions approved by the board for
34 implementation during the 1995-97 fiscal biennium does not exceed the
35 amounts specified by the legislature specifically for this purpose; or

36 (C) The implementation is a result of emergent conditions.
37 Emergent conditions are defined as emergency situations requiring the
38 establishment of positions necessary for the preservation of the public
39 health, safety, or general welfare, which do not exceed \$250,000 of the

1 moneys identified in section 718(2), chapter 18, Laws of 1995 2nd sp.
2 sess.

3 (ii) The board shall approve only those salary increases resulting
4 from adjustments to the classification plan if they are due to
5 documented recruitment and retention difficulties, salary compression
6 or inversion, increased duties and responsibilities, or inequities.
7 For these purposes, inequities are defined as similar work assigned to
8 different job classes with a salary disparity greater than 7.5 percent.

9 (iii) Adjustments made to the higher education hospital special pay
10 plan are exempt from (b)(i) through (ii) of this subsection.

11 (c) Reclassifications, class studies, and salary adjustments to be
12 implemented during the 1997-99 and subsequent fiscal biennia are
13 governed by (a) of this subsection and RCW 41.06.152;

14 (16) Allocation and reallocation of positions within the
15 classification plan;

16 (17) Adoption and revision of a state salary schedule to reflect
17 the prevailing rates in Washington state private industries and other
18 governmental units but the rates in the salary schedules or plans shall
19 be increased if necessary to attain comparable worth under an
20 implementation plan under RCW 41.06.155 and that, for institutions of
21 higher education and related boards, shall be competitive for positions
22 of a similar nature in the state or the locality in which an
23 institution of higher education or related board is located, such
24 adoption and revision subject to approval by the director of financial
25 management in accordance with the provisions of chapter 43.88 RCW;

26 (18) Increment increases within the series of steps for each pay
27 grade based on length of service for all employees whose standards of
28 performance are such as to permit them to retain job status in the
29 classified service;

30 (19) Optional lump sum relocation compensation approved by the
31 agency director, whenever it is reasonably necessary that a person make
32 a domiciliary move in accepting a transfer or other employment with the
33 state. An agency must provide lump sum compensation within existing
34 resources. If the person receiving the relocation payment terminates
35 or causes termination with the state, for reasons other than layoff,
36 disability separation, or other good cause as determined by an agency
37 director, within one year of the date of the employment, the state is
38 entitled to reimbursement of the lump sum compensation from the person;

1 (20) Providing for veteran's preference as required by existing
2 statutes, with recognition of preference in regard to layoffs and
3 subsequent reemployment for veterans and their surviving spouses by
4 giving such eligible veterans and their surviving spouses additional
5 credit in computing their seniority by adding to their unbroken state
6 service, as defined by the board, the veteran's service in the military
7 not to exceed five years. For the purposes of this section, "veteran"
8 means any person who has one or more years of active military service
9 in any branch of the armed forces of the United States or who has less
10 than one year's service and is discharged with a disability incurred in
11 the line of duty or is discharged at the convenience of the government
12 and who, upon termination of such service has received an honorable
13 discharge, a discharge for physical reasons with an honorable record,
14 or a release from active military service with evidence of service
15 other than that for which an undesirable, bad conduct, or dishonorable
16 discharge shall be given: PROVIDED, HOWEVER, That the surviving spouse
17 of a veteran is entitled to the benefits of this section regardless of
18 the veteran's length of active military service: PROVIDED FURTHER,
19 That for the purposes of this section "veteran" does not include any
20 person who has voluntarily retired with twenty or more years of active
21 military service and whose military retirement pay is in excess of five
22 hundred dollars per month;

23 (21) Permitting agency heads to delegate the authority to appoint,
24 reduce, dismiss, suspend, or demote employees within their agencies if
25 such agency heads do not have specific statutory authority to so
26 delegate: PROVIDED, That the board may not authorize such delegation
27 to any position lower than the head of a major subdivision of the
28 agency;

29 (22) Assuring persons who are or have been employed in classified
30 positions before July 1, 1993, will be eligible for employment,
31 reemployment, transfer, and promotion in respect to classified
32 positions covered by this chapter;

33 (23) Affirmative action in appointment, promotion, transfer,
34 recruitment, training, and career development; development and
35 implementation of affirmative action goals and timetables; and
36 monitoring of progress against those goals and timetables.

37 The board shall consult with the human rights commission in the
38 development of rules pertaining to affirmative action. The department
39 of personnel shall transmit a report annually to the human rights

1 commission which states the progress each state agency has made in
2 meeting affirmative action goals and timetables.

3 Notwithstanding this section and rules of the board adopted under
4 this section, agencies may place employees on temporary unpaid leave
5 during the 2001-2003 fiscal biennium for the purpose of implementing
6 appropriations reductions enacted in the 2002 supplemental
7 appropriations act. Mandatory unpaid leave must be approved by the
8 agency director, and must be, to the greatest extent possible, mutually
9 agreeable to the employee and employer. Employees taking mandatory
10 temporary unpaid leave will not lose seniority, leave accrual, or
11 health insurance benefits.

12 **Sec. 907.** RCW 43.10.220 and 1999 c 309 s 916 are each amended to
13 read as follows:

14 The attorney general is authorized to expend from the antitrust
15 revolving fund, created by RCW 43.10.210 through 43.10.220, such funds
16 as are necessary for the payment of costs, expenses and charges
17 incurred in the preparation, institution and maintenance of antitrust
18 actions under the state and federal antitrust acts. During the ((1999-
19 01)) 2001-03 fiscal biennium, the attorney general may expend ((up to
20 one million three hundred thousand dollars)) from the antitrust
21 revolving fund for the purposes of ((implementing a case management
22 data processing system for the centralized management of cases and
23 workload, including antitrust and other complex litigation)) the
24 consumer protection activities of the office.

25 **Sec. 908.** RCW 43.30.360 and 1986 c 100 s 46 are each amended to
26 read as follows:

27 The department and Washington State University may each receive
28 funds from the federal government in connection with cooperative work
29 with the United States department of agriculture, authorized by
30 sections 4 and 5 of the Clarke-McNary act of congress, approved June 7,
31 1924, providing for the procurement, protection, and distribution of
32 forestry seed and plants for the purpose of establishing windbreaks,
33 shelter belts, and farm wood lots and to assist the owners of farms in
34 establishing, improving, and renewing wood lots, shelter belts, and
35 windbreaks; and are authorized to disburse such funds as needed.
36 During the 2001-2003 fiscal biennium, the legislature may transfer from

1 the Clarke-McNary fund to the state general fund such amounts as
2 reflect the excess fund balance of the Clarke-McNary fund.

3 **Sec. 909.** RCW 43.72.900 and 2002 c 2 s 2 (Initiative Measure No.
4 773) are each amended to read as follows:

5 (1) The health services account is created in the state treasury.
6 Moneys in the account may be spent only after appropriation. Subject
7 to the transfers described in subsection (3) of this section, moneys in
8 the account may be expended only for maintaining and expanding health
9 services access for low-income residents, maintaining and expanding the
10 public health system, maintaining and improving the capacity of the
11 health care system, containing health care costs, and the regulation,
12 planning, and administering of the health care system.

13 (2) Funds deposited into the health services account under RCW
14 82.24.028 and 82.26.028 shall be used solely as follows:

15 (a) Five million dollars for the state fiscal year beginning July
16 1, 2002, and five million dollars for the state fiscal year beginning
17 July 1, 2003, shall be appropriated by the legislature for programs
18 that effectively improve the health of low-income persons, including
19 efforts to reduce diseases and illnesses that harm low-income persons.
20 The department of health shall submit a report to the legislature on
21 March 1, 2002, evaluating the cost-effectiveness of programs that
22 improve the health of low-income persons and address diseases and
23 illnesses that disproportionately affect low-income persons, and making
24 recommendations to the legislature on which of these programs could
25 most effectively utilize the funds appropriated under this subsection.

26 (b) Ten percent of the funds deposited into the health services
27 account under RCW 82.24.028 and 82.26.028 remaining after the
28 appropriation under (a) of this subsection shall be transferred no less
29 frequently than annually by the treasurer to the tobacco prevention and
30 control account established by RCW 43.79.480. The funds transferred
31 shall be used exclusively for implementation of the Washington state
32 tobacco prevention and control plan and shall be used only to
33 supplement, and not supplant, funds in the tobacco prevention and
34 control account as of January 1, 2001, however, these funds may be used
35 to replace funds appropriated by the legislature for further
36 implementation of the Washington state tobacco prevention and control
37 plan for the biennium beginning July 1, 2001. For each state fiscal
38 year beginning on and after July 1, 2002, the legislature shall

1 appropriate no less than twenty-six million two hundred forty thousand
2 dollars from the tobacco prevention and control account for
3 implementation of the Washington state tobacco prevention and control
4 plan.

5 (c) Because of its demonstrated effectiveness in improving the
6 health of low-income persons and addressing illnesses and diseases that
7 harm low-income persons, the remainder of the funds deposited into the
8 health services account under RCW 82.24.028 and 82.26.028 shall be
9 appropriated solely for Washington basic health plan enrollment as
10 provided in chapter 70.47 RCW. Funds appropriated pursuant to this
11 subsection (2)(c) must supplement, and not supplant, the level of state
12 funding needed to support enrollment of a minimum of one hundred
13 twenty-five thousand persons for the fiscal year beginning July 1,
14 2002, and every fiscal year thereafter. The health care authority may
15 enroll up to twenty thousand additional persons in the basic health
16 plan during the biennium beginning July 1, 2001, above the base level
17 of one hundred twenty-five thousand enrollees. The health care
18 authority may enroll up to fifty thousand additional persons in the
19 basic health plan during the biennium beginning July 1, 2003, above the
20 base level of one hundred twenty-five thousand enrollees. For each
21 biennium beginning on and after July 1, 2005, the health care authority
22 may enroll up to at least one hundred seventy-five thousand enrollees.
23 Funds appropriated under this subsection may be used to support
24 outreach and enrollment activities only to the extent necessary to
25 achieve the enrollment goals described in this section.

26 (3) Prior to expenditure for the purposes described in subsection
27 (2) of this section, funds deposited into the health services account
28 under RCW 82.24.028 and 82.26.028 shall first be transferred to the
29 following accounts to ensure the continued availability of previously
30 dedicated revenues for certain existing programs:

31 (a) To the violence reduction and drug enforcement account under
32 RCW 69.50.520, two million two hundred forty-nine thousand five hundred
33 dollars for the state fiscal year beginning July 1, 2001, four million
34 two hundred forty-eight thousand dollars for the state fiscal year
35 beginning July 1, 2002, seven million seven hundred eighty-nine
36 thousand dollars for the biennium beginning July 1, 2003, six million
37 nine hundred thirty-two thousand dollars for the biennium beginning
38 July 1, 2005, and six million nine hundred thirty-two thousand dollars
39 for each biennium thereafter, as required by RCW 82.24.020(2);

1 (b) To the health services account under this section, nine million
2 seventy-seven thousand dollars for the state fiscal year beginning July
3 1, 2001, seventeen million one hundred eighty-eight thousand dollars
4 for the state fiscal year beginning July 1, 2002, thirty-one million
5 seven hundred fifty-five thousand dollars for the biennium beginning
6 July 1, 2003, twenty-eight million six hundred twenty-two thousand
7 dollars for the biennium beginning July 1, 2005, and twenty-eight
8 million six hundred twenty-two thousand dollars for each biennium
9 thereafter, as required by RCW 82.24.020(3); and

10 (c) To the water quality account under RCW 70.146.030, two million
11 two hundred three thousand five hundred dollars for the state fiscal
12 year beginning July 1, 2001, four million two hundred forty-four
13 thousand dollars for the state fiscal year beginning July 1, 2002,
14 eight million one hundred eighty-two thousand dollars for the biennium
15 beginning July 1, 2003, seven million eight hundred eighty-five
16 thousand dollars for the biennium beginning July 1, 2005, and seven
17 million eight hundred eighty-five thousand dollars for each biennium
18 thereafter, as required by RCW 82.24.027(2)(a).

19 During the 2001-2003 fiscal biennium, the legislature may transfer
20 from the health services account such amounts as reflect the excess
21 fund balance of the account.

22 **Sec. 910.** RCW 43.83B.430 and 1999 c 379 s 921 are each amended to
23 read as follows:

24 The state drought preparedness account is created in the state
25 treasury. All receipts from appropriated funds designated for the
26 account and funds transferred from the state emergency water projects
27 revolving account must be deposited into the account. Moneys in the
28 account may be spent only after appropriation. Expenditures from the
29 account may be used only for drought preparedness. During the 2001-
30 2003 fiscal biennium, the legislature may transfer from the state
31 drought preparedness account to the state general fund such amounts as
32 reflect the excess fund balance of the account.

33 **Sec. 911.** RCW 43.88.030 and 2000 2nd sp.s. c 4 s 12 are each
34 amended to read as follows:

35 (1) The director of financial management shall provide all agencies
36 with a complete set of instructions for submitting biennial budget
37 requests to the director at least three months before agency budget

1 documents are due into the office of financial management. The
2 director shall provide agencies and committees that are required under
3 RCW 44.40.070 to develop comprehensive six-year program and financial
4 plans with a complete set of instructions for submitting these program
5 and financial plans at the same time that instructions for submitting
6 other budget requests are provided. The budget document or documents
7 shall consist of the governor's budget message which shall be
8 explanatory of the budget and shall contain an outline of the proposed
9 financial policies of the state for the ensuing fiscal period, as well
10 as an outline of the proposed six-year financial policies where
11 applicable, and shall describe in connection therewith the important
12 features of the budget. The message shall set forth the reasons for
13 salient changes from the previous fiscal period in expenditure and
14 revenue items and shall explain any major changes in financial policy.
15 Attached to the budget message shall be such supporting schedules,
16 exhibits and other explanatory material in respect to both current
17 operations and capital improvements as the governor shall deem to be
18 useful to the legislature. The budget document or documents shall set
19 forth a proposal for expenditures in the ensuing fiscal period, or six-
20 year period where applicable, based upon the estimated revenues and
21 caseloads as approved by the economic and revenue forecast council and
22 caseload forecast council or upon the estimated revenues and caseloads
23 of the office of financial management for those funds, accounts,
24 sources, and programs for which the forecast councils do not prepare an
25 official forecast, including those revenues anticipated to support the
26 six-year programs and financial plans under RCW 44.40.070. In
27 estimating revenues to support financial plans under RCW 44.40.070, the
28 office of financial management shall rely on information and advice
29 from the transportation revenue forecast council. Revenues shall be
30 estimated for such fiscal period from the source and at the rates
31 existing by law at the time of submission of the budget document,
32 including the supplemental budgets submitted in the even-numbered years
33 of a biennium. However, the estimated revenues and caseloads for use
34 in the governor's budget document may be adjusted to reflect budgetary
35 revenue transfers and revenue and caseload estimates dependent upon
36 budgetary assumptions of enrollments, workloads, and caseloads. All
37 adjustments to the approved estimated revenues and caseloads must be
38 set forth in the budget document. The governor may additionally
39 submit, as an appendix to each supplemental, biennial, or six-year

1 agency budget or to the budget document or documents, a proposal for
2 expenditures in the ensuing fiscal period from revenue sources derived
3 from proposed changes in existing statutes.

4 Supplemental and biennial documents shall reflect a six-year
5 expenditure plan consistent with estimated revenues from existing
6 sources and at existing rates for those agencies required to submit
7 six-year program and financial plans under RCW 44.40.070. Any
8 additional revenue resulting from proposed changes to existing statutes
9 shall be separately identified within the document as well as related
10 expenditures for the six-year period.

11 The budget document or documents shall also contain:

12 (a) Revenues classified by fund and source for the immediately past
13 fiscal period, those received or anticipated for the current fiscal
14 period, those anticipated for the ensuing biennium, and those
15 anticipated for the ensuing six-year period to support the six-year
16 programs and financial plans required under RCW 44.40.070;

17 (b) The undesignated fund balance or deficit, by fund;

18 (c) Such additional information dealing with expenditures,
19 revenues, workload, performance, and personnel as the legislature may
20 direct by law or concurrent resolution;

21 (d) Such additional information dealing with revenues and
22 expenditures as the governor shall deem pertinent and useful to the
23 legislature;

24 (e) Tabulations showing expenditures classified by fund, function,
25 activity, and agency. However, documents submitted for the 2003-05
26 biennial budget request need not show expenditures by activity;

27 (f) A delineation of each agency's activities, including those
28 activities funded from nonbudgeted, nonappropriated sources, including
29 funds maintained outside the state treasury;

30 (g) Identification of all proposed direct expenditures to implement
31 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
32 agency and in total; and

33 (h) Tabulations showing each postretirement adjustment by
34 retirement system established after fiscal year 1991, to include, but
35 not be limited to, estimated total payments made to the end of the
36 previous biennial period, estimated payments for the present biennium,
37 and estimated payments for the ensuing biennium.

38 (2) The budget document or documents shall include detailed
39 estimates of all anticipated revenues applicable to proposed operating

1 or capital expenditures and shall also include all proposed operating
2 or capital expenditures. The total of beginning undesignated fund
3 balance and estimated revenues less working capital and other reserves
4 shall equal or exceed the total of proposed applicable expenditures.
5 The budget document or documents shall further include:

6 (a) Interest, amortization and redemption charges on the state
7 debt;

8 (b) Payments of all reliefs, judgments, and claims;

9 (c) Other statutory expenditures;

10 (d) Expenditures incident to the operation for each agency;

11 (e) Revenues derived from agency operations;

12 (f) Expenditures and revenues shall be given in comparative form
13 showing those incurred or received for the immediately past fiscal
14 period and those anticipated for the current biennium and next ensuing
15 biennium, as well as those required to support the six-year programs
16 and financial plans required under RCW 44.40.070;

17 (g) A showing and explanation of amounts of general fund and other
18 funds obligations for debt service and any transfers of moneys that
19 otherwise would have been available for appropriation;

20 (h) Common school expenditures on a fiscal-year basis;

21 (i) A showing, by agency, of the value and purpose of financing
22 contracts for the lease/purchase or acquisition of personal or real
23 property for the current and ensuing fiscal periods; and

24 (j) A showing and explanation of anticipated amounts of general
25 fund and other funds required to amortize the unfunded actuarial
26 accrued liability of the retirement system specified under chapter
27 41.45 RCW, and the contributions to meet such amortization, stated in
28 total dollars and as a level percentage of total compensation.

29 (3) A separate capital budget document or schedule shall be
30 submitted that will contain the following:

31 (a) A statement setting forth a long-range facilities plan for the
32 state that identifies and includes the highest priority needs within
33 affordable spending levels;

34 (b) A capital program consisting of proposed capital projects for
35 the next biennium and the two biennia succeeding the next biennium
36 consistent with the long-range facilities plan. Inasmuch as is
37 practical, and recognizing emergent needs, the capital program shall
38 reflect the priorities, projects, and spending levels proposed in
39 previously submitted capital budget documents in order to provide a

1 reliable long-range planning tool for the legislature and state
2 agencies;

3 (c) A capital plan consisting of proposed capital spending for at
4 least four biennia succeeding the next biennium;

5 (d) A strategic plan for reducing backlogs of maintenance and
6 repair projects. The plan shall include a prioritized list of specific
7 facility deficiencies and capital projects to address the deficiencies
8 for each agency, cost estimates for each project, a schedule for
9 completing projects over a reasonable period of time, and
10 identification of normal maintenance activities to reduce future
11 backlogs;

12 (e) A statement of the reason or purpose for a project;

13 (f) Verification that a project is consistent with the provisions
14 set forth in chapter 36.70A RCW;

15 (g) A statement about the proposed site, size, and estimated life
16 of the project, if applicable;

17 (h) Estimated total project cost;

18 (i) For major projects valued over five million dollars, estimated
19 costs for the following project components: Acquisition, consultant
20 services, construction, equipment, project management, and other costs
21 included as part of the project. Project component costs shall be
22 displayed in a standard format defined by the office of financial
23 management to allow comparisons between projects;

24 (j) Estimated total project cost for each phase of the project as
25 defined by the office of financial management;

26 (k) Estimated ensuing biennium costs;

27 (l) Estimated costs beyond the ensuing biennium;

28 (m) Estimated construction start and completion dates;

29 (n) Source and type of funds proposed;

30 (o) Estimated ongoing operating budget costs or savings resulting
31 from the project, including staffing and maintenance costs;

32 (p) For any capital appropriation requested for a state agency for
33 the acquisition of land or the capital improvement of land in which the
34 primary purpose of the acquisition or improvement is recreation or
35 wildlife habitat conservation, the capital budget document, or an
36 omnibus list of recreation and habitat acquisitions provided with the
37 governor's budget document, shall identify the projected costs of
38 operation and maintenance for at least the two biennia succeeding the
39 next biennium. Omnibus lists of habitat and recreation land

1 acquisitions shall include individual project cost estimates for
2 operation and maintenance as well as a total for all state projects
3 included in the list. The document shall identify the source of funds
4 from which the operation and maintenance costs are proposed to be
5 funded;

6 (q) Such other information bearing upon capital projects as the
7 governor deems to be useful;

8 (r) Standard terms, including a standard and uniform definition of
9 normal maintenance, for all capital projects;

10 (s) Such other information as the legislature may direct by law or
11 concurrent resolution.

12 For purposes of this subsection (3), the term "capital project"
13 shall be defined subsequent to the analysis, findings, and
14 recommendations of a joint committee comprised of representatives from
15 the house capital appropriations committee, senate ways and means
16 committee, legislative transportation committee, legislative evaluation
17 and accountability program committee, and office of financial
18 management.

19 (4) No change affecting the comparability of agency or program
20 information relating to expenditures, revenues, workload, performance
21 and personnel shall be made in the format of any budget document or
22 report presented to the legislature under this section or RCW
23 43.88.160(1) relative to the format of the budget document or report
24 which was presented to the previous regular session of the legislature
25 during an odd-numbered year without prior legislative concurrence.
26 Prior legislative concurrence shall consist of (a) a favorable majority
27 vote on the proposal by the standing committees on ways and means of
28 both houses if the legislature is in session or (b) a favorable
29 majority vote on the proposal by members of the legislative evaluation
30 and accountability program committee if the legislature is not in
31 session.

32 **Sec. 912.** RCW 43.320.110 and 2001 2nd sp.s. c 7 s 911 are each
33 amended to read as follows:

34 There is created a local fund known as the "financial services
35 regulation fund" which shall consist of all moneys received by the
36 divisions of the department of financial institutions, except for the
37 division of securities which shall deposit thirteen percent of all
38 moneys received, and which shall be used for the purchase of supplies

1 and necessary equipment; the payment of salaries, wages, and utilities;
2 the establishment of reserves; and other incidental costs required for
3 the proper regulation of individuals and entities subject to regulation
4 by the department. The state treasurer shall be the custodian of the
5 fund. Disbursements from the fund shall be on authorization of the
6 director of financial institutions or the director's designee. In
7 order to maintain an effective expenditure and revenue control, the
8 fund shall be subject in all respects to chapter 43.88 RCW, but no
9 appropriation is required to permit expenditures and payment of
10 obligations from the fund.

11 Between July 1, 2001, and December 31, 2001, the legislature may
12 transfer up to two million dollars from the financial services
13 regulation fund to the (~~state general fund~~) digital government
14 revolving account. During the 2001-2003 fiscal biennium, the
15 legislature may transfer from the financial services regulation fund to
16 the state general fund such amounts as reflect the excess fund balance
17 of the fund and appropriations reductions made by the 2002 supplemental
18 appropriations act for administrative efficiencies and savings.

19 **Sec. 913.** RCW 48.02.190 and 1987 c 505 s 54 are each amended to
20 read as follows:

21 (1) As used in this section:

22 (a) "Organization" means every insurer, as defined in RCW
23 48.01.050, having a certificate of authority to do business in this
24 state and every health care service contractor registered to do
25 business in this state. "Class one" organizations shall consist of all
26 insurers as defined in RCW 48.01.050. "Class two" organizations shall
27 consist of all organizations registered under provisions of chapter
28 48.44 RCW.

29 (b) "Receipts" means (i) net direct premiums consisting of direct
30 gross premiums, as defined in RCW 48.18.170, paid for insurance written
31 or renewed upon risks or property resident, situated, or to be
32 performed in this state, less return premiums and premiums on policies
33 not taken, dividends paid or credited to policyholders on direct
34 business, and premiums received from policies or contracts issued in
35 connection with qualified plans as defined in RCW 48.14.021, and (ii)
36 prepayments to health care service contractors as set forth in RCW
37 48.44.010(3) less experience rating credits, dividends, prepayments
38 returned to subscribers, and payments for contracts not taken.

1 (2) The annual cost of operating the office of insurance
2 commissioner shall be determined by legislative appropriation. A pro
3 rata share of the cost shall be charged to all organizations. Each
4 class of organization shall contribute sufficient in fees to the
5 insurance commissioner's regulatory account to pay the reasonable
6 costs, including overhead, of regulating that class of organization.

7 (3) Fees charged shall be calculated separately for each class of
8 organization. The fee charged each organization shall be that portion
9 of the cost of operating the insurance commissioner's office, for that
10 class of organization, for the ensuing fiscal year that is represented
11 by the organization's portion of the receipts collected or received by
12 all organizations within that class on business in this state during
13 the previous calendar year: PROVIDED, That the fee shall not exceed
14 one-eighth of one percent of receipts: PROVIDED FURTHER, That the
15 minimum fee shall be one thousand dollars.

16 (4) The commissioner shall annually, on or before June 1, calculate
17 and bill each organization for the amount of its fee. Fees shall be
18 due and payable no later than June 15 of each year: PROVIDED, That if
19 the necessary financial records are not available or if the amount of
20 the legislative appropriation is not determined in time to carry out
21 such calculations and bill such fees within the time specified, the
22 commissioner may use the fee factors for the prior year as the basis
23 for the fees and, if necessary, the commissioner may impose
24 supplemental fees to fully and properly charge the organizations. The
25 penalties for failure to pay fees when due shall be the same as the
26 penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees
27 required by this section are in addition to all other taxes and fees
28 now imposed or that may be subsequently imposed.

29 (5) All moneys collected shall be deposited in the insurance
30 commissioner's regulatory account in the state treasury which is hereby
31 created.

32 (6) Unexpended funds in the insurance commissioner's regulatory
33 account at the close of a fiscal year shall be carried forward in the
34 insurance commissioner's regulatory account to the succeeding fiscal
35 year and shall be used to reduce future fees. During the 2001-2003
36 fiscal biennium, the legislature may transfer from the insurance
37 commissioner's regulatory account to the state general fund such
38 amounts as reflect excess fund balance in the account.

1 **Sec. 914.** RCW 50.16.010 and 1993 c 483 s 7 and 1993 c 226 s 10 are
2 each reenacted and amended to read as follows:

3 There shall be maintained as special funds, separate and apart from
4 all public moneys or funds of this state an unemployment compensation
5 fund, an administrative contingency fund, and a federal interest
6 payment fund, which shall be administered by the commissioner
7 exclusively for the purposes of this title, and to which RCW 43.01.050
8 shall not be applicable.

9 The unemployment compensation fund shall consist of

10 (1) all contributions and payments in lieu of contributions
11 collected pursuant to the provisions of this title,

12 (2) any property or securities acquired through the use of moneys
13 belonging to the fund,

14 (3) all earnings of such property or securities,

15 (4) any moneys received from the federal unemployment account in
16 the unemployment trust fund in accordance with Title XII of the social
17 security act, as amended,

18 (5) all money recovered on official bonds for losses sustained by
19 the fund,

20 (6) all money credited to this state's account in the unemployment
21 trust fund pursuant to section 903 of the social security act, as
22 amended,

23 (7) all money received from the federal government as reimbursement
24 pursuant to section 204 of the federal-state extended compensation act
25 of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

26 (8) all moneys received for the fund from any other source.

27 All moneys in the unemployment compensation fund shall be
28 commingled and undivided.

29 The administrative contingency fund shall consist of all interest
30 on delinquent contributions collected pursuant to this title, all fines
31 and penalties collected pursuant to the provisions of this title, all
32 sums recovered on official bonds for losses sustained by the fund, and
33 revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,
34 forfeitures and penalties collected or assessed by a district court
35 because of the violation of a state law shall be remitted as provided
36 in chapter 3.62 RCW as now exists or is later amended.

37 Moneys available in the administrative contingency fund, other than
38 money in the special account created under RCW 50.24.014, shall be
39 expended upon the direction of the commissioner, with the approval of

1 the governor, whenever it appears to him or her that such expenditure
2 is necessary for:

3 (a) The proper administration of this title and no federal funds
4 are available for the specific purpose to which such expenditure is to
5 be made, provided, the moneys are not substituted for appropriations
6 from federal funds which, in the absence of such moneys, would be made
7 available.

8 (b) The proper administration of this title for which purpose
9 appropriations from federal funds have been requested but not yet
10 received, provided, the administrative contingency fund will be
11 reimbursed upon receipt of the requested federal appropriation.

12 (c) The proper administration of this title for which compliance
13 and audit issues have been identified that establish federal claims
14 requiring the expenditure of state resources in resolution. Claims
15 must be resolved in the following priority: First priority is to
16 provide services to eligible participants within the state; second
17 priority is to provide substitute services or program support; and last
18 priority is the direct payment of funds to the federal government.

19 (d) During the 2001-2003 fiscal biennium, the cost of worker
20 retraining programs at community and technical colleges as appropriated
21 by the legislature.

22 Money in the special account created under RCW 50.24.014 may only
23 be expended, after appropriation, for the purposes specified in RCW
24 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
25 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

26 **Sec. 915.** RCW 50.20.190 and 2001 c 146 s 7 are each amended to
27 read as follows:

28 (1) An individual who is paid any amount as benefits under this
29 title to which he or she is not entitled shall, unless otherwise
30 relieved pursuant to this section, be liable for repayment of the
31 amount overpaid. The department shall issue an overpayment assessment
32 setting forth the reasons for and the amount of the overpayment. The
33 amount assessed, to the extent not collected, may be deducted from any
34 future benefits payable to the individual: PROVIDED, That in the
35 absence of a back pay award, a settlement affecting the allowance of
36 benefits, fraud, misrepresentation, or willful nondisclosure, every
37 determination of liability shall be mailed or personally served not
38 later than two years after the close of or final payment made on the

1 individual's applicable benefit year for which the purported
2 overpayment was made, whichever is later, unless the merits of the
3 claim are subjected to administrative or judicial review in which event
4 the period for serving the determination of liability shall be extended
5 to allow service of the determination of liability during the six-month
6 period following the final decision affecting the claim.

7 (2) The commissioner may waive an overpayment if the commissioner
8 finds that the overpayment was not the result of fraud,
9 misrepresentation, willful nondisclosure, or fault attributable to the
10 individual and that the recovery thereof would be against equity and
11 good conscience: PROVIDED, HOWEVER, That the overpayment so waived
12 shall be charged against the individual's applicable entitlement for
13 the eligibility period containing the weeks to which the overpayment
14 was attributed as though such benefits had been properly paid.

15 (3) Any assessment herein provided shall constitute a determination
16 of liability from which an appeal may be had in the same manner and to
17 the same extent as provided for appeals relating to determinations in
18 respect to claims for benefits: PROVIDED, That an appeal from any
19 determination covering overpayment only shall be deemed to be an appeal
20 from the determination which was the basis for establishing the
21 overpayment unless the merits involved in the issue set forth in such
22 determination have already been heard and passed upon by the appeal
23 tribunal. If no such appeal is taken to the appeal tribunal by the
24 individual within thirty days of the delivery of the notice of
25 determination of liability, or within thirty days of the mailing of the
26 notice of determination, whichever is the earlier, the determination of
27 liability shall be deemed conclusive and final. Whenever any such
28 notice of determination of liability becomes conclusive and final, the
29 commissioner, upon giving at least twenty days notice by certified mail
30 return receipt requested to the individual's last known address of the
31 intended action, may file with the superior court clerk of any county
32 within the state a warrant in the amount of the notice of determination
33 of liability plus a filing fee under RCW 36.18.012(10). The clerk of
34 the county where the warrant is filed shall immediately designate a
35 superior court cause number for the warrant, and the clerk shall cause
36 to be entered in the judgment docket under the superior court cause
37 number assigned to the warrant, the name of the person(s) mentioned in
38 the warrant, the amount of the notice of determination of liability,
39 and the date when the warrant was filed. The amount of the warrant as

1 docketed shall become a lien upon the title to, and any interest in,
2 all real and personal property of the person(s) against whom the
3 warrant is issued, the same as a judgment in a civil case duly docketed
4 in the office of such clerk. A warrant so docketed shall be sufficient
5 to support the issuance of writs of execution and writs of garnishment
6 in favor of the state in the manner provided by law for a civil
7 judgment. A copy of the warrant shall be mailed to the person(s)
8 mentioned in the warrant by certified mail to the person's last known
9 address within five days of its filing with the clerk.

10 (4) On request of any agency which administers an employment
11 security law of another state, the United States, or a foreign
12 government and which has found in accordance with the provisions of
13 such law that a claimant is liable to repay benefits received under
14 such law, the commissioner may collect the amount of such benefits from
15 the claimant to be refunded to the agency. In any case in which under
16 this section a claimant is liable to repay any amount to the agency of
17 another state, the United States, or a foreign government, such amounts
18 may be collected without interest by civil action in the name of the
19 commissioner acting as agent for such agency if the other state, the
20 United States, or the foreign government extends such collection rights
21 to the employment security department of the state of Washington, and
22 provided that the court costs be paid by the governmental agency
23 benefiting from such collection.

24 (5) Any employer who is a party to a back pay award or settlement
25 due to loss of wages shall, within thirty days of the award or
26 settlement, report to the department the amount of the award or
27 settlement, the name and social security number of the recipient of the
28 award or settlement, and the period for which it is awarded. When an
29 individual has been awarded or receives back pay, for benefit purposes
30 the amount of the back pay shall constitute wages paid in the period
31 for which it was awarded. For contribution purposes, the back pay
32 award or settlement shall constitute wages paid in the period in which
33 it was actually paid. The following requirements shall also apply:

34 (a) The employer shall reduce the amount of the back pay award or
35 settlement by an amount determined by the department based upon the
36 amount of unemployment benefits received by the recipient of the award
37 or settlement during the period for which the back pay award or
38 settlement was awarded;

1 (b) The employer shall pay to the unemployment compensation fund,
2 in a manner specified by the commissioner, an amount equal to the
3 amount of such reduction;

4 (c) The employer shall also pay to the department any taxes due for
5 unemployment insurance purposes on the entire amount of the back pay
6 award or settlement notwithstanding any reduction made pursuant to (a)
7 of this subsection;

8 (d) If the employer fails to reduce the amount of the back pay
9 award or settlement as required in (a) of this subsection, the
10 department shall issue an overpayment assessment against the recipient
11 of the award or settlement in the amount that the back pay award or
12 settlement should have been reduced; and

13 (e) If the employer fails to pay to the department an amount equal
14 to the reduction as required in (b) of this subsection, the department
15 shall issue an assessment of liability against the employer which shall
16 be collected pursuant to the procedures for collection of assessments
17 provided herein and in RCW 50.24.110.

18 (6) When an individual fails to repay an overpayment assessment
19 that is due and fails to arrange for satisfactory repayment terms, the
20 commissioner shall impose an interest penalty of one percent per month
21 of the outstanding balance. Interest shall accrue immediately on
22 overpayments assessed pursuant to RCW 50.20.070 and shall be imposed
23 when the assessment becomes final. For any other overpayment, interest
24 shall accrue when the individual has missed two or more of their
25 monthly payments either partially or in full. The interest penalty
26 shall be used to fund detection and recovery of overpayment and
27 collection activities and, during the 2001-2003 fiscal biennium, the
28 cost of worker retraining programs at community and technical colleges
29 as appropriated by the legislature.

30 **Sec. 916.** RCW 51.44.170 and 1997 c 327 s 1 are each amended to
31 read as follows:

32 The industrial insurance premium refund account is created in the
33 custody of the state treasurer. All industrial insurance refunds
34 earned by state agencies or institutions of higher education under the
35 state fund retrospective rating program shall be deposited into the
36 account. The account is subject to the allotment procedures under
37 chapter 43.88 RCW, but no appropriation is required for expenditures
38 from the account. Only the executive head of the agency or institution

1 of higher education, or designee, may authorize expenditures from the
2 account. No agency or institution of higher education may make an
3 expenditure from the account for an amount greater than the refund
4 earned by the agency. If the agency or institution of higher education
5 has staff dedicated to workers' compensation claims management,
6 expenditures from the account must be used to pay for that staff, but
7 additional expenditure from the account may be used for any program
8 within an agency or institution of higher education that promotes or
9 provides incentives for employee workplace safety and health and early,
10 appropriate return-to-work for injured employees. During the 2001-2003
11 fiscal biennium, the legislature may transfer from the industrial
12 insurance premium refund account to the state general fund such amounts
13 as reflect the reductions made by the 2002 supplemental appropriations
14 act for administrative efficiencies and savings.

15 **Sec. 917.** RCW 66.08.170 and 1961 ex.s. c 6 s 1 are each amended to
16 read as follows:

17 There shall be a fund, known as the "liquor revolving fund", which
18 shall consist of all license fees, permit fees, penalties, forfeitures,
19 and all other moneys, income, or revenue received by the board. The
20 state treasurer shall be custodian of the fund. All moneys received by
21 the board or any employee thereof, except for change funds and an
22 amount of petty cash as fixed by the board within the authority of law
23 shall be deposited each day in a depository approved by the state
24 treasurer and transferred to the state treasurer to be credited to the
25 liquor revolving fund. During the 2001-2003 fiscal biennium, the
26 legislature may transfer from the liquor revolving account to the state
27 general fund such amounts as reflect the excess fund balance of the
28 fund and reductions made by the 2002 supplemental appropriations act
29 for administrative efficiencies and savings. Disbursements from the
30 revolving fund shall be on authorization of the board or a duly
31 authorized representative thereof. In order to maintain an effective
32 expenditure and revenue control the liquor revolving fund shall be
33 subject in all respects to chapter 43.88 RCW but no appropriation shall
34 be required to permit expenditures and payment of obligations from such
35 fund.

36 **Sec. 918.** RCW 66.08.235 and 1997 c 75 s 1 are each amended to read
37 as follows:

1 The liquor control board construction and maintenance account is
2 created within the state treasury. The liquor control board shall
3 deposit into this account a portion of the board's markup, as
4 authorized by chapter 66.16 RCW, placed upon liquor as determined by
5 the board. Moneys in the account may be spent only after
6 appropriation. The liquor control board shall use deposits to this
7 account to fund construction and maintenance of a centralized
8 distribution center for liquor products intended for sale through the
9 board's liquor store and vendor system. During the 2001-2003 fiscal
10 biennium, the legislature may transfer from the liquor control board
11 construction and maintenance account to the state general fund such
12 amounts as reflect the appropriations reductions made by the 2002
13 supplemental appropriations act for administrative efficiencies and
14 savings.

15 **Sec. 919.** RCW 67.70.260 and 1985 c 375 s 6 are each amended to
16 read as follows:

17 There is hereby created the lottery administrative account in the
18 state treasury. The account shall be managed, controlled, and
19 maintained by the director. The legislature may appropriate from the
20 account for the payment of costs incurred in the operation and
21 administration of the lottery. During the 2001-2003 fiscal biennium,
22 the legislature may transfer from the lottery administrative account to
23 the state general fund such amounts as reflect the appropriations
24 reductions made by the 2002 supplemental appropriations act for
25 administrative efficiencies and savings.

26 **Sec. 920.** RCW 69.50.520 and 2001 2nd sp.s. c 7 s 920 and 2001 c
27 168 s 3 are each reenacted and amended to read as follows:

28 The violence reduction and drug enforcement account is created in
29 the state treasury. All designated receipts from RCW 9.41.110(8),
30 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5),
31 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
32 shall be deposited into the account. Expenditures from the account may
33 be used only for funding services and programs under chapter 271, Laws
34 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
35 incarceration costs. Funds from the account may also be appropriated
36 to reimburse local governments for costs associated with implementing
37 criminal justice legislation including chapter 338, Laws of 1997.

1 During the 2001-2003 biennium, funds from the account may also be used
2 for costs associated with providing grants to local governments in
3 accordance with chapter 338, Laws of 1997, the replacement of the
4 department of corrections' offender-based tracking system, maintenance
5 and operating costs of the Washington association of sheriffs and
6 police chiefs jail reporting system, civil indigent legal
7 representation, and for multijurisdictional narcotics task forces.
8 After July 1, 2003, at least seven and one-half percent of expenditures
9 from the account shall be used for providing grants to community
10 networks under chapter 70.190 RCW by the family policy council.

11 **Sec. 921.** RCW 70.146.030 and 2001 2nd sp.s. c 7 s 922 are each
12 amended to read as follows:

13 (1) The water quality account is hereby created in the state
14 treasury. Moneys in the account may be used only in a manner
15 consistent with this chapter. Moneys deposited in the account shall be
16 administered by the department of ecology and shall be subject to
17 legislative appropriation. Moneys placed in the account shall include
18 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
19 principal and interest from the repayment of any loans granted pursuant
20 to this chapter, and any other moneys appropriated to the account by
21 the legislature.

22 (2) The department may use or permit the use of any moneys in the
23 account to make grants or loans to public bodies, including grants to
24 public bodies as cost-sharing moneys in any case where federal, local,
25 or other funds are made available on a cost-sharing basis, for water
26 pollution control facilities and activities, or for purposes of
27 assisting a public body to obtain an ownership interest in water
28 pollution control facilities and/or to defray a part of the payments
29 made by a public body to a service provider under a service agreement
30 entered into pursuant to RCW 70.150.060, within the purposes of this
31 chapter and for related administrative expenses. For the period July
32 1, 2001, to June 30, 2003, moneys in the account may be used to process
33 applications received by the department that seek to make changes to or
34 transfer existing water rights and for grants and technical assistance
35 to public bodies for watershed planning under chapter 90.82 RCW. No
36 more than three percent of the moneys deposited in the account may be
37 used by the department to pay for the administration of the grant and
38 loan program authorized by this chapter.

1 (3) Beginning with the biennium ending June 30, 1997, the
2 department shall present a biennial progress report on the use of
3 moneys from the account to the chairs of the senate committee on ways
4 and means and the house of representatives committee on appropriations.
5 The first report is due June 30, 1996, and the report for each
6 succeeding biennium is due December 31 of the odd-numbered year. The
7 report shall consist of a list of each recipient, project description,
8 and amount of the grant, loan, or both.

9 ~~((4) During the fiscal biennium ending June 30, 1997, moneys in
10 the account may be transferred by the legislature to the water right
11 permit processing account.))~~

12 **Sec. 922.** RCW 70.168.040 and 1997 c 331 s 2 are each amended to
13 read as follows:

14 The emergency medical services and trauma care system trust account
15 is hereby created in the state treasury. Moneys shall be transferred
16 to the emergency medical services and trauma care system trust account
17 from the public safety education account or other sources as
18 appropriated, and as collected under RCW 46.63.110(6) and 46.12.042.
19 Disbursements shall be made by the department subject to legislative
20 appropriation. Expenditures may be made only for the purposes of the
21 state trauma care system under this chapter, including emergency
22 medical services, trauma care services, rehabilitative services, and
23 the planning and development of related services under this chapter and
24 for reimbursement by the department of social and health services for
25 trauma care services provided by designated trauma centers. During the
26 2001-2003 fiscal biennium, the legislature may transfer from the
27 emergency medical services and trauma care system trust account to the
28 state general fund such amounts as reflect the excess fund balance of
29 the account.

30 **Sec. 923.** RCW 79.24.580 and 2001 c 227 s 7 are each amended to
31 read as follows:

32 After deduction for management costs as provided in RCW 79.64.040
33 and payments to towns under RCW 79.92.110(2), all moneys received by
34 the state from the sale or lease of state-owned aquatic lands and from
35 the sale of valuable material from state-owned aquatic lands shall be
36 deposited in the aquatic lands enhancement account which is hereby
37 created in the state treasury. After appropriation, these funds shall

1 be used solely for aquatic lands enhancement projects; for the
2 purchase, improvement, or protection of aquatic lands for public
3 purposes; for providing and improving access to such lands; and for
4 volunteer cooperative fish and game projects.

5 In providing grants for aquatic lands enhancement projects, the
6 department shall require grant recipients to incorporate the
7 environmental benefits of the project into their grant applications,
8 and the department shall utilize the statement of environmental
9 benefits in its prioritization and selection process. The department
10 shall also develop appropriate outcome-focused performance measures to
11 be used both for management and performance assessment of the grants.
12 To the extent possible, the department should coordinate its
13 performance measure system with other natural resource-related agencies
14 as defined in RCW 43.41.270. The department shall consult with
15 affected interest groups in implementing this section.

16 During the fiscal biennium ending June 30, ~~((2001))~~ 2003, the funds
17 may be appropriated for boating safety~~((7))~~ and shellfish management,
18 enforcement, and enhancement ~~((and for developing and implementing~~
19 ~~plans for population monitoring and restoration of native wild salmon~~
20 ~~stock))~~.

21 **Sec. 924.** RCW 80.01.080 and 2001 c 238 s 8 are each amended to
22 read as follows:

23 ~~((The transportation revolving fund and the public utilities~~
24 ~~revolving fund are abolished as of April 1, 1949, and as of such date))~~
25 There is created in the state treasury a ((^))public service revolving
26 fund((^ to which shall be transferred all moneys which then remain on
27 hand to the credit of the transportation revolving fund and the public
28 utilities revolving fund, subject, however, to outstanding warrants and
29 other obligations chargeable to appropriations made from such funds.
30 From and after April 1, 1949,)). Regulatory fees payable by all types
31 of public service companies shall be deposited to the credit of the
32 public service revolving fund. Except for expenses payable out of the
33 pipeline safety account, all expense of operation of the Washington
34 utilities and transportation commission shall be payable out of the
35 public service revolving fund.

36 During the 2001-2003 fiscal biennium, the legislature may transfer
37 from the public service revolving fund to the state general fund such
38 amounts as reflect the appropriations reductions made by the 2002

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29 **ESSB 6387** - H AMD
30 By Representative

ADOPTED 03/13/02

32 On page 1, line 1 of the title, after "matters;" strike the
33 remainder of the title and insert "amending RCW 9.46.100, 28B.50.837,
34 38.52.105, 38.52.106, 38.52.540, 41.06.150, 43.10.220, 43.30.360,
35 43.72.900, 43.83B.430, 43.88.030, 43.320.110, 48.02.190, 50.20.190,
36 51.44.170, 66.08.170, 66.08.235, 67.70.260, 70.146.030, 70.168.040,
37 79.24.580, 80.01.080, and 82.29A.080; amending 2001 2nd sp.s. c 7 ss

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10 722, 723, 724, 727, 728, 730, 705, 801, and 805 (uncodified);
11 reenacting and amending RCW 50.16.010 and 69.50.520; adding new
12 sections to 2001 2nd sp.s. c 7 (uncodified); making appropriations; and
13 declaring an emergency."

--- END ---