
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-1041.3/03 3rd draft

ATTY/TYPIST: LL:ads

BRIEF DESCRIPTION: Making supplemental operating appropriations.

1 AN ACT Relating to fiscal matters; amending 2002 c 371 ss 112, 113,
2 114, 117, 118, 119, 122, 125, 127, 128, 129, 132, 133, 135, 137, 139,
3 143, 145, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212,
4 213, 216, 218, 219, 220, 221, 222, 224, 302, 303, 307, 308, 309, 401,
5 402, 501, 502, 504, 505, 506, 507, 509, 510, 511, 512, 513, 514, 515,
6 516, 518, 603, 604, 605, 606, 607, 608, 609, 610, 612, 616, 617, 619,
7 701, 703, 704, 712, 726, and 802 (uncodified); amending 2001 2nd sp.s.
8 c 8 ss 131, 158, 658, and 668 (uncodified); amending 2001 2nd sp.s. c
9 7 ss 141, 310, and 506 (uncodified); amending 2002 c 238 ss 202, 109,
10 and 223 (uncodified); adding new sections to 2001 2nd sp.s. c 7
11 (uncodified); repealing 2002 c 238 s 204 (uncodified); making
12 appropriations; authorizing expenditures for capital expenditures; and
13 declaring an emergency.

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

15 **PART I**
16 **GENERAL GOVERNMENT**

17 **Sec. 101.** 2002 c 371 s 112 (uncodified) is amended to read as
18 follows:

1 **FOR THE ADMINISTRATOR FOR THE COURTS**

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

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

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

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

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

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

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

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

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

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

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

36 **FOR THE OFFICE OF PUBLIC DEFENSE**

37 General Fund--State Appropriation (FY 2002) \$600,000

1	<u>General Fund--State Appropriation (FY 2003)</u>	<u>\$170,000</u>
2	Public Safety and Education Account--State	
3	Appropriation	\$12,344,000
4	TOTAL APPROPRIATION	(\$13,444,000)
5		<u>\$13,114,000</u>

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

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

12 (2) \$51,000 of the public safety and education account
13 appropriation is provided solely for the implementation of chapter 303,
14 Laws of 1999 (court funding).

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

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

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

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

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

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

36 (iv) Effective implementation of indigency screening of all
37 dependency and termination parents, guardians, and legal custodians
38 represented by appointed counsel.

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

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

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

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

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

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

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

20 (5) \$50,000 of the public safety and education account--state
21 appropriation is provided solely for the evaluation required in chapter
22 92, Laws of 2000 (DNA testing).

23 (6) \$235,000 of the public safety and education account--state
24 appropriation is provided solely for the office of public defense to
25 contract with an existing public defender association to establish a
26 capital defense assistance center.

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

29 **FOR THE OFFICE OF THE GOVERNOR**

30	General Fund--State Appropriation (FY 2002)	\$4,497,000
31	General Fund--State Appropriation (FY 2003)	((\$4,028,000))
32		<u>\$3,970,000</u>
33	General Fund--Federal Appropriation	\$219,000
34	Water Quality Account--State	
35	Appropriation	((\$3,908,000))
36		<u>\$3,882,000</u>
37	TOTAL APPROPRIATION	((\$12,652,000))

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

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

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

Sec. 104. 2002 c 371 s 117 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2002)	\$10,485,000
General Fund--State Appropriation (FY 2003)	(\$6,446,000)
	<u>\$5,886,000</u>
Archives and Records Management Account--State	
Appropriation	\$7,877,000
Archives and Records Management Account--Private/	
Local Appropriation	\$4,572,000
Department of Personnel Service Account	
Appropriation	\$701,000
TOTAL APPROPRIATION	(\$30,081,000)
	<u>\$29,521,000</u>

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

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

(2) \$2,143,000 of the general fund--state appropriation for fiscal year 2002 and \$2,578,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the verification of initiative

1 and referendum petitions, maintenance of related voter registration
2 records, and the publication and distribution of the voters and
3 candidates pamphlet.

4 (3) \$125,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$118,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for legal advertising of state
7 measures under RCW 29.27.072.

8 (4)(a) \$1,944,004 of the general fund--state appropriation for
9 fiscal year 2002 and \$1,986,772 of the general fund--state
10 appropriation for fiscal year 2003 are provided solely for contracting
11 with a nonprofit organization to produce gavel-to-gavel television
12 coverage of state government deliberations and other events of
13 statewide significance during the 2001-2003 biennium. An eligible
14 nonprofit organization must be formed solely for the purpose of, and be
15 experienced in, providing gavel-to-gavel television coverage of state
16 government deliberations and other events of statewide significance and
17 must have received a determination of tax-exempt status under section
18 501(c)(3) of the federal internal revenue code. The funding level for
19 each year of the contract shall be based on the amount provided in this
20 subsection and adjusted to reflect the implicit price deflator for the
21 previous year. The nonprofit organization shall be required to raise
22 contributions or commitments to make contributions, in cash or in kind,
23 in an amount equal to forty percent of the state contribution. The
24 office of the secretary of state may make full or partial payment once
25 all criteria in (a) and (b) of this subsection have been satisfactorily
26 documented.

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

32 (c) The nonprofit organization shall prepare an annual independent
33 audit, an annual financial statement, and an annual report, including
34 benchmarks that measure the success of the nonprofit organization in
35 meeting the intent of the program.

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

1 (i) Attempting to influence the passage or defeat of any
2 legislation by the legislature of the state of Washington, by any
3 county, city, town, or other political subdivision of the state of
4 Washington, or by the congress, or the adoption or rejection of any
5 rule, standard, rate, or other legislative enactment of any state
6 agency;

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

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

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

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

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

20 (b) \$566,879 of the archives and records management--state
21 appropriation and \$451,102 of the archives and records management--
22 private/local appropriation are provided solely for the design and
23 establishment of an electronic data archive, including the acquisition
24 of hardware and software. The amounts provided in this subsection
25 shall lapse if:

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

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

31 (6) If the financing contract for expansion of the state records
32 center is not authorized in the capital budget for fiscal biennium
33 2001-03, then \$641,000 of the archives and records management account--
34 state appropriation shall lapse.

35 (7) \$1,635,000 of the archives and records management account--
36 state appropriation is provided solely for operation of the central
37 microfilming bureau under RCW 40.14.020(8).

1 (8) After the effective date of this 2003 act, the state library
 2 shall not reduce services provided in the following programs: (a)
 3 Assistance to local libraries; (b) historical and northwest
 4 collections; (c) on-line governmental information access; (d) state and
 5 federal document repositories; and (e) talking book and Braille
 6 programs.

7 **Sec. 105.** 2002 c 371 s 118 (uncodified) is amended to read as
 8 follows:

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

10	General Fund--State Appropriation (FY 2002)	\$269,000
11	General Fund--State Appropriation (FY 2003)	((\$274,000))
12			<u>\$279,000</u>
13	TOTAL APPROPRIATION	((\$543,000))
14			<u>\$548,000</u>

15 **Sec. 106.** 2002 c 371 s 119 (uncodified) is amended to read as
 16 follows:

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

18	General Fund--State Appropriation (FY 2002)	\$233,000
19	General Fund--State Appropriation (FY 2003)	((\$201,000))
20			<u>\$169,000</u>
21	TOTAL APPROPRIATION	((\$434,000))
22			<u>\$402,000</u>

23 **Sec. 107.** 2002 c 371 s 122 (uncodified) is amended to read as
 24 follows:

25 **FOR THE ATTORNEY GENERAL**

26	General Fund--State Appropriation (FY 2002)	\$4,811,000
27	General Fund--State Appropriation (FY 2003)	((\$4,070,000))
28			<u>\$4,073,000</u>
29	General Fund--Federal Appropriation	\$2,868,000
30	Public Safety and Education Account--State		
31	Appropriation	\$1,753,000
32	Tobacco Prevention and Control Account		
33	Appropriation	\$277,000
34	New Motor Vehicle Arbitration Account--State		
35	Appropriation	\$1,163,000

1 Legal Services Revolving Account--State
 2 Appropriation ((~~\$147,422,000~~))
 3 \$147,273,000
 4 TOTAL APPROPRIATION ((~~\$162,364,000~~))
 5 \$162,218,000

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

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

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

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

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

36 (i) Examine and characterize the types of water rights issues
 37 involved;

- 1 (ii) Examine the approaches of other states to such issues and
 2 their results;
- 3 (iii) Examine methods for addressing such issues including, but not
 4 limited to, administrative, judicial, or other methods, or any
 5 combinations thereof; and
- 6 (iv) Examine implementation and funding requirements.
- 7 (b) Following receipt of the report, the standing committees of the
 8 legislature having jurisdiction over water resources shall seek and
 9 consider the recommendations of the relevant departments and agencies
 10 of the United States, the federally recognized Indian tribes with
 11 water-related interests in the state, and water users in the state and
 12 shall develop recommendations.

13 **Sec. 108.** 2002 c 371 s 125 (uncodified) is amended to read as
 14 follows:

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

16	General Fund--State Appropriation (FY 2002)	\$70,893,000
17	General Fund--State Appropriation (FY 2003)	(\$60,499,000)
18		<u>\$59,537,000</u>
19	General Fund--Federal Appropriation	(\$173,342,000)
20		<u>\$186,797,000</u>
21	General Fund--Private/Local Appropriation	\$7,980,000
22	Public Safety and Education Account--State	
23	Appropriation	\$10,094,000
24	Public Works Assistance Account--State	
25	Appropriation	\$1,911,000
26	Salmon Recovery Account--State Appropriation	\$1,500,000
27	Film and Video Promotion Account--State	
28	Appropriation	\$25,000
29	Building Code Council Account--State	
30	Appropriation	(\$1,226,000)
31		<u>\$1,061,000</u>
32	Administrative Contingency Account--State	
33	Appropriation	\$1,777,000
34	Low-Income Weatherization Assistance Account--State	
35	Appropriation	\$3,292,000
36	Violence Reduction and Drug Enforcement Account--	
37	State Appropriation	\$7,513,000

1	Manufactured Home Installation Training Account--	
2	State Appropriation	\$256,000
3	Community Economic Development Account--	
4	State Appropriation	\$113,000
5	Washington Housing Trust Account--State	
6	Appropriation	\$10,368,000
7	Public Facility Construction Loan Revolving	
8	Account--State Appropriation	\$586,000
9	TOTAL APPROPRIATION	(\$351,375,000)
10		<u>\$363,703,000</u>

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

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

20 (2) \$3,085,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$2,838,000 of the general fund--state appropriation for
22 fiscal year 2003 are provided solely for a contract with the Washington
23 technology center. For work essential to the mission of the Washington
24 technology center and conducted in partnership with universities, the
25 center shall not pay any increased indirect rate nor increases in other
26 indirect charges above the absolute amount paid during the 1995-97
27 fiscal biennium.

28 (3) \$61,000 of the general fund--state appropriation for fiscal
29 year 2002 and \$62,000 of the general fund--state appropriation for
30 fiscal year 2003 are provided solely for the implementation of the
31 Puget Sound work plan and agency action item OCD-01.

32 (4) \$10,804,156 of the general fund--federal appropriation is
33 provided solely for the drug control and system improvement formula
34 grant program, to be distributed in state fiscal year 2002 as follows:

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

37 (b) \$620,000 to the department to continue the drug prosecution

1 assistance program in support of multijurisdictional narcotics task
2 forces;

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

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

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

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

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

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

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

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

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

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

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

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

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

35 These amounts represent the maximum Byrne grant expenditure
36 authority for each program. No program may expend Byrne grant funds in
37 excess of the amounts provided in this subsection. If moneys in excess
38 of those appropriated in this subsection become available, whether from

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

9 (5) \$320,000 of the general fund--state appropriation for fiscal
10 year 2002 and \$320,000 of the general fund--state appropriation for
11 fiscal year 2003 are provided solely for the rural economic opportunity
12 fund.

13 (6) \$1,250,000 of the general fund--state appropriation for fiscal
14 year 2002 and \$1,250,000 of the general fund--state appropriation for
15 fiscal year 2003 are provided solely for grants to operate, repair, and
16 staff shelters for homeless families with children.

17 (7) \$2,500,000 of the general fund--state appropriation for fiscal
18 year 2002 and \$2,500,000 of the general fund--state appropriation for
19 fiscal year 2003 are provided solely for grants to operate transitional
20 housing for homeless families with children. The grants may also be
21 used to make partial payments for rental assistance.

22 (8) \$1,250,000 of the general fund--state appropriation for fiscal
23 year 2002 and \$1,250,000 of the general fund--state appropriation for
24 fiscal year 2003 are provided solely for consolidated emergency
25 assistance to homeless families with children.

26 (9) \$205,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$205,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely for grants to Washington Columbia
29 river gorge counties to implement their responsibilities under the
30 national scenic area management plan. Of this amount, \$390,000 is
31 provided for Skamania county and \$20,000 is provided for Clark county.

32 (10) \$698,000 of the general fund--state appropriation for fiscal
33 year 2002, \$698,000 of the general fund--state appropriation for fiscal
34 year 2003, and \$1,101,000 of the administrative contingency account
35 appropriation are provided solely for contracting with associate
36 development organizations to maintain existing programs.

37 (11) \$600,000 of the public safety and education account

1 appropriation is provided solely for sexual assault prevention and
2 treatment programs.

3 (12) \$680,000 of the Washington housing trust account appropriation
4 is provided solely to conduct a pilot project designed to lower
5 infrastructure costs for residential development.

6 (13) \$50,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$50,000 of the general fund--state appropriation for
8 fiscal year 2003 are provided to the department solely for providing
9 technical assistance to developers of housing for farmworkers.

10 (14) \$370,000 of the general fund--state appropriation for fiscal
11 year 2002, \$371,000 of the general fund--state appropriation for fiscal
12 year 2003, and \$25,000 of the film and video promotion account
13 appropriation are provided solely for the film office to bring film and
14 video production to Washington state.

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

19 (16) \$500,000 of the general fund--state appropriation for fiscal
20 year 2002 and \$500,000 of the general fund--state appropriation for
21 fiscal year 2003 are provided solely for grants to food banks and food
22 distribution centers to increase their ability to accept, store, and
23 deliver perishable food.

24 (17) \$230,000 of the general fund--state appropriation for fiscal
25 year 2002, \$230,000 of the general fund--state appropriation for fiscal
26 year 2003, and the entire community economic development account
27 appropriation are provided solely for support of the developmental
28 disabilities endowment governing board and startup costs of the
29 endowment program. Startup costs are a loan from the state general
30 fund and will be repaid from funds within the program as determined by
31 the governing board. The governing board may use state appropriations
32 to implement a sliding-scale fee waiver for families earning below 150
33 percent of the state median family income. The director of the
34 department, or the director of the subsequent department of community
35 development, may implement fees to support the program as provided
36 under RCW 43.330.152.

37 (18) \$880,000 of the public safety and education account
38 appropriation is provided solely for community-based legal advocates to

1 assist sexual assault victims with both civil and criminal justice
2 issues. If Senate Bill No. 5309 is not enacted by June 30, 2001, the
3 amount provided in this subsection shall lapse.

4 (19) \$65,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$65,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided solely for a contract with a food
7 distribution program for communities in the southwestern portion of the
8 state and for workers impacted by timber and salmon fishing closures
9 and reductions. The department may not charge administrative overhead
10 or expenses to the funds provided in this subsection.

11 (20) \$120,000 of the general fund--state appropriation for fiscal
12 year 2002 and \$120,000 of the Washington housing trust account
13 appropriation for fiscal year 2003 are provided solely as one-time
14 pass-through funding to currently licensed overnight youth shelters.
15 If Substitute House Bill No. 2060 (low-income housing) is not enacted
16 by June 30, 2002, the fiscal year 2003 appropriation shall be made from
17 the state general fund.

18 (21) \$1,868,000 of the Washington housing trust account
19 appropriation for fiscal year 2003 is provided solely for emergency
20 shelter assistance. If Substitute House Bill No. 2060 (low-income
21 housing) is not enacted by June 30, 2002, the fiscal year 2003
22 appropriation shall be made from the state general fund.

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

36 (23) \$75,000 of the general fund--state appropriation for fiscal
37 year 2002 is provided solely for the community connections program in
38 Walla Walla.

1 (24) \$100,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$100,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided to the office of community development
4 solely for the purposes of providing assistance to industrial workers
5 who have been displaced by energy cost-related industrial plant
6 closures in rural counties. For purposes of this subsection, "rural
7 county" is as defined in RCW 82.14.370(5). The office of community
8 development shall distribute the amount in this subsection to community
9 agencies that assist the displaced industrial workers in meeting basic
10 needs including, but not limited to, emergency medical and dental
11 services, family and mental health counseling, food, energy costs,
12 mortgage, and rental costs. The department shall not retain more than
13 two percent of the amount provided in this subsection for
14 administrative costs.

15 (25) \$91,500 of the general fund--state appropriation for fiscal
16 year 2002 and \$91,500 of the general fund--state appropriation for
17 fiscal year 2003 are provided solely for services related to the
18 foreign representative contract for Japan.

19 (26) \$81,000 of the general fund--state appropriation for fiscal
20 year 2002 is provided solely for business finance and loan programs.

21 (27) \$150,000 of the general fund--state appropriation for fiscal
22 year 2002 is provided solely for the quick sites initiative program.

23 (28) \$120,000 of the general fund--state appropriation for fiscal
24 year 2002 is provided solely for operating a business information
25 hotline.

26 (29) \$29,000 of the general fund--state appropriation for fiscal
27 year 2002 is provided solely for travel expenses associated with the
28 office of trade and economic development's provision of outreach and
29 technical assistance services to businesses and local economic
30 development associations.

31 (30) \$100,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$100,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely for information technology
34 enhancements designed to improve the delivery of agency services to
35 customers.

36 ((+32+)) (31) \$10,111,682 of the general fund--federal
37 appropriation is provided solely for the drug control and system

1 improvement formula grant program, to be distributed in state fiscal
2 year 2003 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

34 These amounts represent the maximum Byrne grant expenditure
35 authority for each program. No program may expend Byrne grant funds in
36 excess of the amounts provided in this subsection. If moneys in excess
37 of those appropriated in this subsection become available, whether from
38 prior or current fiscal year Byrne grant distributions, the department

1 shall hold these moneys in reserve and may not expend them without
2 specific appropriation. These moneys shall be carried forward and
3 applied to the pool of moneys available for appropriation for programs
4 and projects in the succeeding fiscal year. As part of its budget
5 request for the succeeding year, the department shall estimate and
6 request authority to spend any funds remaining in reserve as a result
7 of this subsection.

8 ~~((33)) \$165,000 of the building code council account appropriation~~
9 ~~for fiscal year 2003 is provided solely for the state building code~~
10 ~~council pursuant to Senate Bill No. 5352 (building code council fee~~
11 ~~increase). If the bill is not enacted by June 30, 2002, the amount~~
12 ~~provided in this subsection shall lapse.~~

13 ~~(35))~~ (32) The appropriations in this section reflect a reduction
14 of \$504,000 from the general fund--state appropriation for fiscal year
15 2003. To implement this reduction, the office of trade and economic
16 development shall take actions consistent with its mission, goals, and
17 objectives to reduce operating costs. Such action, to the greatest
18 extent possible, shall maintain direct payments to service providers,
19 grants to other entities, and other pass-through funds. Examples of
20 actions that may be taken to effect this reduction include hiring
21 freezes, employee furloughs, staffing reductions, restricted travel and
22 training, delaying purchases of equipment, and limiting personal
23 service contracts.

24 ~~((36))~~ (33) \$40,000 of the general fund--state appropriation for
25 fiscal year 2003 is provided solely to implement the state task force
26 on funding for community-based services to victims of crime as provided
27 in Senate Bill No. 6763. If the bill is not enacted by June 30, 2002,
28 the amount provided in this subsection shall lapse.

29 ~~((37))~~ (34) The appropriations in this section reflect a
30 reduction of \$1,641,000 from the general fund--state appropriation for
31 fiscal year 2003. To implement this reduction, the office of community
32 development shall take actions consistent with its mission, goals, and
33 objectives to reduce operating costs. Such action, to the greatest
34 extent possible, shall maintain direct payments to service providers,
35 grants to other entities, and other pass-through funds. Examples of
36 actions that may be taken to effect this reduction include hiring
37 freezes, employee furloughs, staffing reductions, restricted travel and

1 training, delaying purchases of equipment, and limiting personal
2 service contracts.

3 (35) \$21,000 of the fiscal year 2003 general fund--state
4 appropriation is provided solely to establish and maintain eligibility
5 for federal programs and funding, formerly provided by the office of
6 minority and women's business enterprises.

7 **Sec. 109.** 2002 c 371 s 127 (uncodified) is amended to read as
8 follows:

9 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 **Sec. 110.** 2002 c 371 s 128 (uncodified) is amended to read as
 21 follows:

22 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**
 23 Administrative Hearings Revolving Account--State
 24 Appropriation ((~~\$22,394,000~~))
 25 \$23,156,000

26 **Sec. 111.** 2002 c 371 s 129 (uncodified) is amended to read as
 27 follows:

28 **FOR THE DEPARTMENT OF PERSONNEL**
 29 Department of Personnel Service Account--State
 30 Appropriation ((~~\$17,035,000~~))
 31 \$16,965,000
 32 Higher Education Personnel Services Account--State
 33 Appropriation ((~~\$1,636,000~~))
 34 \$1,632,000
 35 TOTAL APPROPRIATION ((~~\$18,671,000~~))
 36 \$18,597,000

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

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

8 (2) Funding to cover expenses under subsection (1) of this section
9 shall be realized from agency FICA savings associated with the pretax
10 benefits contributions plans. Funding is subject to section 902 of
11 this act.

12 **Sec. 112.** 2002 c 371 s 132 (uncodified) is amended to read as
13 follows:

14 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

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

20 **Sec. 113.** 2002 c 371 s 133 (uncodified) is amended to read as
21 follows:

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

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

28 **Sec. 114.** 2002 c 371 s 135 (uncodified) is amended to read as
29 follows:

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

31	Dependent Care Administrative Account--State	
32	Appropriation	\$378,000
33	Department of Retirement Systems Expense Account--	
34	State Appropriation	(\$49,183,000)
35		<u>\$48,902,000</u>

1 TOTAL APPROPRIATION ((\$49,561,000))
2 \$49,280,000

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

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

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

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

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

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

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

27 ~~(7) ((\$9,000 of the department of retirement systems expense~~
28 ~~account appropriation is provided solely for the implementation of~~
29 ~~Senate Bill No. 6377 (TRS plan 1 extended school year). If the bill is~~
30 ~~not enacted by June 30, 2002, the amount provided in this subsection~~
31 ~~shall lapse.~~

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

37 ~~((9))~~ (8) \$122,000 of the department of retirement systems
38 expense account appropriation is provided solely for the implementation

1 of Senate Bill No. 6379 (transferring service credit to WSPRS). If the
2 bill is not enacted by June 30, 2002, the amount provided in this
3 subsection shall lapse.

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

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

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

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

24 **Sec. 115.** 2002 c 371 s 137 (uncodified) is amended to read as
25 follows:

26 **FOR THE DEPARTMENT OF REVENUE**

27	General Fund--State Appropriation (FY 2002)	((\$72,823,000))
28		<u>\$72,820,000</u>
29	General Fund--State Appropriation (FY 2003)	((\$78,149,000))
30		<u>\$77,118,000</u>
31	Timber Tax Distribution Account--State	
32	Appropriation	((\$5,131,000))
33		<u>\$5,115,000</u>
34	Waste Education/Recycling/Litter Control--State	
35	Appropriation	\$101,000
36	State Toxics Control Account--State	
37	Appropriation	\$67,000

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

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

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

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

24 **Sec. 116.** 2001 2nd sp.s. c 7 s 141 (uncodified) is amended to read
25 as follows:

26 **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**
27 OMWBE Enterprises Account--State
28 Appropriation ((~~\$2,616,000~~))
29 \$2,067,000

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

32 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**
33 General Fund--State Appropriation (FY 2002) \$549,000
34 General Fund--State Appropriation (FY 2003) ((~~\$655,000~~))
35 \$646,000
36 General Fund--Federal Appropriation ((~~\$1,930,000~~))

1		<u>\$1,927,000</u>
2	General Fund--Private/Local Appropriation	\$223,000
3	State Capitol Vehicle Parking Account--	
4	State Appropriation	(((\$154,000))
5		<u>\$151,000</u>
6	General Administration Services Account--State	
7	Appropriation	(((\$39,546,000))
8		<u>\$39,518,000</u>
9	TOTAL APPROPRIATION	(((\$43,057,000))
10		<u>\$43,014,000</u>

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

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

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

35 (3) \$44,000 of the general fund--state appropriation for fiscal
36 year 2003 is provided solely for the department to implement the waste
37 management and recycling provisions of Substitute House Bill No. 2308

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

4 (4) State agencies that provide services to other state agencies
5 are expected to reduce their expenditures and to share the savings with
6 their clients. The department of general administration shall achieve
7 a reduction of \$1,302,000 in its billings for motor pool, consolidated
8 mail, and other services that state agencies purchase in fiscal year
9 2003. The reduction is expected to result from both reduced demand for
10 services and reduced rates.

11 (5) Beginning on the effective date of this section, the department
12 of general administration shall not purchase or lease any additional
13 automobiles for the state motor pool. Furthermore, it is the intention
14 of the legislature that this moratorium on new motor vehicle purchasing
15 and leasing will continue through the 2003-05 biennium.

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

18 **FOR THE LIQUOR CONTROL BOARD**

19	General Fund--State Appropriation (FY 2002)	\$1,483,000
20	General Fund--State Appropriation (FY 2003)	\$1,439,000
21	General Fund--Federal Appropriation (FY 2003)	\$99,000
22	Liquor Control Board Construction and Maintenance	
23	Account--State Appropriation	\$9,684,000
24	Liquor Revolving Account--State	
25	Appropriation	(\$125,927,000)
26		<u>\$126,301,000</u>
27	TOTAL APPROPRIATION	(\$138,632,000)
28		<u>\$139,006,000</u>

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

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

35 (2) \$4,803,000 of the liquor revolving account appropriation is
36 provided solely for the costs associated with the development and
37 implementation of a merchandising business system. Expenditures of any

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

6 (3) \$84,000 of the liquor control board construction and
7 maintenance account appropriation for fiscal year 2003 is provided
8 solely for the liquor control board to employ additional staff during
9 the holiday season to handle the expected increase in sales volume at
10 the Seattle distribution center.

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

13 **FOR THE MILITARY DEPARTMENT**

14	General Fund--State Appropriation (FY 2002)	((\$9,165,000))
15		<u>\$9,269,000</u>
16	General Fund--State Appropriation (FY 2003)	((\$8,710,000))
17		<u>\$8,740,000</u>
18	General Fund--Federal Appropriation	((\$22,509,000))
19		<u>\$28,003,000</u>
20	General Fund--Private/Local Appropriation	\$234,000
21	Enhanced 911 Account--State Appropriation	\$20,269,000
22	Disaster Response Account--State Appropriation	((\$2,010,000))
23		<u>\$1,369,000</u>
24	Disaster Response Account--Federal Appropriation	((\$6,510,000))
25		<u>\$3,238,000</u>
26	Worker and Community Right to Know Fund--State	
27	Appropriation	\$283,000
28	Nisqually Earthquake Account--State	
29	Appropriation	((\$29,027,000))
30		<u>\$24,768,000</u>
31	Nisqually Earthquake Account--Federal	
32	Appropriation	((\$49,641,000))
33		<u>\$56,927,000</u>
34	TOTAL APPROPRIATION	((\$148,358,000))
35		<u>\$153,100,000</u>

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

1 (1) (~~(\$1,906,000)~~) \$1,265,000 of the disaster response account--
2 state appropriation is provided solely for the state share of response
3 and recovery costs associated with federal emergency management agency
4 (FEMA) disasters approved in the 1999-01 biennium budget. The military
5 department may, upon approval of the director of financial management,
6 use portions of the disaster response account--state appropriation to
7 offset costs of new disasters occurring before June 30, 2003. The
8 military department shall submit a report quarterly to the office of
9 financial management and the legislative fiscal committees detailing
10 disaster costs, including: (a) Estimates of total costs; (b)
11 incremental changes from the previous estimate; (c) actual
12 expenditures; (d) estimates of total remaining costs to be paid; and
13 (d) estimates of future payments by biennium. This information shall
14 be displayed by individual disaster, by fund, and by type of
15 assistance. The military department shall also submit a report
16 quarterly to the office of financial management and the legislative
17 fiscal committees detailing information on the disaster response
18 account, including: (a) The amount and type of deposits into the
19 account; (b) the current available fund balance as of the reporting
20 date; and (c) the projected fund balance at the end of the 2001-03
21 biennium based on current revenue and expenditure patterns.

22 (2) \$100,000 of the general fund--state fiscal year 2002
23 appropriation and \$100,000 of the general fund--state fiscal year 2003
24 appropriation are provided solely for implementation of the conditional
25 scholarship program pursuant to chapter 28B.103 RCW.

26 (3) \$60,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$60,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely for the implementation of Senate
29 Bill No. 5256 (emergency management compact). If the bill is not
30 enacted by June 30, 2001, the amounts provided in this subsection shall
31 lapse.

32 (4) \$35,000 of the general fund--state fiscal year 2002
33 appropriation and \$35,000 of the general fund--state fiscal year 2003
34 appropriation are provided solely for the north county emergency
35 medical service.

36 (5) (~~(\$2,145,000)~~) \$2,194,000 of the Nisqually earthquake account--
37 state appropriation and (~~(\$4,174,000)~~) \$4,423,000 of the Nisqually

1 earthquake account--federal appropriation are provided solely for the
2 military department's costs associated with coordinating the state's
3 response to the February 28, 2001, earthquake.

4 (6) (~~(\$678,000)~~) \$641,000 of the Nisqually earthquake account--
5 state appropriation and (~~(\$3,420,000)~~) \$3,797,000 of the Nisqually
6 earthquake account--federal appropriation are provided solely for
7 mitigation costs associated with the earthquake for state and local
8 agencies. Of the amount from the Nisqually earthquake account--state
9 appropriation, (~~(\$217,000)~~) \$227,000 is provided for the state matching
10 share for state agencies and (~~(\$462,000)~~) \$414,000 is provided for one-
11 half of the local matching share for local entities. The amount
12 provided for the local matching share constitutes a revenue
13 distribution for purposes of RCW 43.135.060(1).

14 (7) (~~(\$8,970,000)~~) \$10,933,000 of the Nisqually earthquake
15 account--state appropriation and (~~(\$42,047,000)~~) \$48,707,000 of the
16 Nisqually earthquake account--federal appropriation are provided solely
17 for public assistance costs associated with the earthquake for state
18 and local agencies. Of the amount from the Nisqually earthquake
19 account--state appropriation, (~~(\$3,924,000)~~) \$5,639,000 is provided for
20 the state matching share for state agencies and (~~(\$5,046,000)~~)
21 \$5,294,000 is provided for one-half of the local matching share for
22 local entities. The amount provided for the local matching share
23 constitutes a revenue distribution for purposes of RCW 43.135.060(1).

24 (8) (~~(\$17,234,000)~~) \$11,000,000 of the Nisqually earthquake
25 account--state appropriation is provided solely to cover other response
26 and recovery costs associated with the Nisqually earthquake that are
27 not eligible for federal emergency management agency reimbursement.
28 Prior to expending funds provided in this subsection, the military
29 department shall obtain prior approval of the director of financial
30 management. Prior to approving any single project of over \$1,000,000,
31 the office of financial management shall notify the fiscal committees
32 of the legislature. The military department is to submit a quarterly
33 report detailing the costs authorized under this subsection to the
34 office of financial management and the legislative fiscal committees.

35 (9) \$2,818,000 of the enhanced 911 account--state appropriation is
36 provided solely for the implementation of Engrossed Second Substitute
37 Senate Bill No. 6034 or House Bill No. 2595 (enhanced 911 excise tax).

1 If neither bill is enacted by June 30, 2002, the amount provided in
2 this subsection shall lapse.

(End of part)

PART II
HUMAN SERVICES

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

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

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

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

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

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

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

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

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

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

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

30	General Fund--State Appropriation (FY 2002)	\$225,104,000
31	General Fund--State Appropriation (FY 2003)	(\$231,042,000)
32		<u>\$225,645,000</u>
33	General Fund--Federal Appropriation	(\$369,403,000)
34		<u>\$376,759,000</u>
35	General Fund--Private/Local Appropriation	\$400,000
36	Public Safety and Education Account--	
37	State Appropriation	\$964,000

1	Violence Reduction and Drug Enforcement Account--	
2	State Appropriation	\$5,639,000
3	TOTAL APPROPRIATION	((\$832,552,000))
4		<u>\$834,511,000</u>

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

7 (1) \$2,237,000 of the fiscal year 2002 general fund--state
8 appropriation, \$2,271,000 of the fiscal year 2003 general fund--state
9 appropriation, and \$1,584,000 of the general fund--federal
10 appropriation are provided solely for the category of services titled
11 "intensive family preservation services."

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

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

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

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

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

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

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

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

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

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

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

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

20	General Fund--State Appropriation (FY 2002)	\$83,151,000
21	General Fund--State Appropriation (FY 2003)	((\$79,107,000))
22		<u>\$79,388,000</u>
23	General Fund--Federal Appropriation	((\$13,803,000))
24		<u>\$13,747,000</u>
25	General Fund--Private/Local Appropriation	\$1,110,000
26	Juvenile Accountability Incentive	
27	Account--Federal Appropriation	\$10,461,000
28	Public Safety and Education	
29	Account--State Appropriation	\$6,047,000
30	Violence Reduction and Drug Enforcement Account--	
31	State Appropriation	\$37,174,000
32	TOTAL APPROPRIATION	((\$230,853,000))
33		<u>\$231,078,000</u>

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

36 (1) \$686,000 of the violence reduction and drug enforcement account
 37 appropriation is provided solely for deposit in the county criminal

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

31	General Fund--State Appropriation (FY 2002)	\$194,566,000
32	General Fund--State Appropriation (FY 2003)	(\$177,206,000)
33		<u>\$178,454,000</u>
34	General Fund--Federal Appropriation	(\$358,377,000)
35		<u>\$359,630,000</u>
36	General Fund--Local Appropriation	\$25,596,000
37	Health Services Account--State	

1	Appropriation	\$2,450,000
2	TOTAL APPROPRIATION	((\$758,195,000))
3		<u>\$760,696,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (2) INSTITUTIONAL SERVICES

31	General Fund--State Appropriation (FY 2002)	\$84,878,000
32	General Fund--State Appropriation (FY 2003)	(\$80,784,000)
33		<u>\$89,083,000</u>
34	General Fund--Federal Appropriation	(\$139,821,000)
35		<u>\$134,755,000</u>
36	General Fund--Private/Local Appropriation	(\$29,532,000)
37		<u>\$29,795,000</u>
38	TOTAL APPROPRIATION	(\$335,015,000)

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

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

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

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

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

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

(3) CIVIL COMMITMENT

1	General Fund--State Appropriation (FY 2002)	\$18,267,000
2	General Fund--State Appropriation (FY 2003)	(\$20,934,000)
3		<u>\$21,319,000</u>
4	TOTAL APPROPRIATION	(\$39,201,000)
5		<u>\$39,586,000</u>

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

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

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

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

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

1 (4) SPECIAL PROJECTS

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

6 (5) PROGRAM SUPPORT

7	General Fund--State Appropriation (FY 2002)	\$3,104,000
8	General Fund--State Appropriation (FY 2003)	(\$3,111,000)
9		<u>\$4,138,000</u>
10	General Fund--Federal Appropriation	(\$5,659,000)
11		<u>\$6,688,000</u>
12	TOTAL APPROPRIATION	(\$11,874,000)
13		<u>\$13,930,000</u>

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

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

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

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

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

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

18 (1) COMMUNITY SERVICES

19	General Fund--State Appropriation (FY 2002)	\$233,705,000
20	General Fund--State Appropriation (FY 2003)	(\$255,415,000)
21		<u>\$251,648,000</u>
22	General Fund--Federal Appropriation	(\$405,773,000)
23		<u>\$400,491,000</u>
24	Health Services Account--State	
25	Appropriation	\$903,000
26	TOTAL APPROPRIATION	(\$895,796,000)
27		<u>\$886,747,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

26 (2) INSTITUTIONAL SERVICES

27	General Fund--State Appropriation (FY 2002)	\$69,375,000
28	General Fund--State Appropriation (FY 2003)	(\$68,203,000)
29		<u>\$69,173,000</u>
30	General Fund--Federal Appropriation	(\$145,672,000)
31		<u>\$148,278,000</u>
32	General Fund--Private/Local Appropriation	\$11,230,000
33	TOTAL APPROPRIATION	(\$294,480,000)
34		<u>\$298,056,000</u>

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

1 available for respite care and any other services needed to care for
2 clients who are not currently being served in a residential
3 habilitation center and whose needs require staffing levels similar to
4 current residential habilitation center residents. Providing respite
5 care shall not impede the department's ability to consolidate cottages,
6 and maintain expenditures within allotments, as assumed in the
7 appropriations in this subsection. Funding provided in this subsection
8 is sufficient to maintain current capacity at Yakima Valley school.
9 The department shall maintain this capacity for potential use for
10 respite care.

11 (3) PROGRAM SUPPORT

12 General Fund--State Appropriation (FY 2002)	\$1,711,000
13 General Fund--State Appropriation (FY 2003)	((\$2,007,000))
14	<u>\$3,034,000</u>
15 General Fund--Federal Appropriation	((\$2,612,000))
16	<u>\$3,467,000</u>
17 Telecommunications Devices for the Hearing and	
18 Speech Impaired Account Appropriation	\$1,767,000
19 TOTAL APPROPRIATION	((\$8,097,000))
20	<u>\$9,979,000</u>

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

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

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

31 (4) SPECIAL PROJECTS

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

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

1 **SERVICES PROGRAM**

2	General Fund--State Appropriation (FY 2002)	\$505,983,000
3	General Fund--State Appropriation (FY 2003)	((\$513,154,000))
4		<u>\$516,297,000</u>
5	General Fund--Federal Appropriation	((\$1,053,299,000))
6		<u>\$1,055,623,000</u>
7	General Fund--Private/Local Appropriation	((\$11,803,000))
8		<u>\$11,387,000</u>
9	Health Services Account--State	
10	Appropriation	((\$4,523,000))
11		<u>\$5,087,000</u>
12	TOTAL APPROPRIATION	((\$2,088,762,000))
13		<u>\$2,094,377,000</u>

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

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

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

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

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

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

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

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

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

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

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

13 (a) The waiver program shall include coverage of care in community
14 residential facilities. Enrollment in the waiver shall not exceed 50
15 persons by the end of fiscal year 2002, nor 600 persons by the end of
16 fiscal year 2003.

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

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

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

32 (9) \$50,000 of the general fund--state appropriation for fiscal
33 year 2002 and \$50,000 of the general fund--state appropriation for
34 fiscal year 2003 are provided solely for payments to any nursing
35 facility licensed under chapter 18.51 RCW which meets all of the
36 following criteria: (a) The nursing home entered into an arm's length
37 agreement for a facility lease prior to January 1, 1980; (b) the lessee
38 purchased the leased nursing home after January 1, 1980; and (c) the

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

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

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

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

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

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

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

21	General Fund--State Appropriation (FY 2002)	\$442,984,000
22	General Fund--State Appropriation (FY 2003)	((\$394,974,000))
23		<u>\$417,284,000</u>
24	General Fund--Federal Appropriation	((\$1,359,505,000))
25		<u>\$1,383,885,000</u>
26	General Fund--Private/Local Appropriation	\$33,880,000
27	TOTAL APPROPRIATION	((\$2,231,343,000))
28		<u>\$2,278,033,000</u>

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

31 (1) \$281,035,000 of the general fund--state appropriation for
 32 fiscal year 2002, \$277,231,000 of the general fund--state appropriation
 33 for fiscal year 2003, ~~((\$1,254,197,000))~~ \$1,279,988,000 of the general
 34 fund--federal appropriation, and \$31,444,000 of the general fund--local
 35 appropriation are provided solely for the WorkFirst program and child
 36 support operations. WorkFirst expenditures include TANF grants,
 37 diversion services, subsidized child care, employment and training,

1 other WorkFirst related services, allocated field services operating
2 costs, and allocated economic services program administrative costs.
3 Within the amounts provided in this subsection, the department shall:

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

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

1 for all family members, medicaid or state children's health insurance
2 program for children, and child care assistance. The department shall
3 report annually to the legislature the number of families who have had
4 exit interviews, been reached successfully by phone, and been sent
5 mail. The report shall also include the percentage of families who
6 elect to continue each of the benefits and the percentage found
7 ineligible by each substantive reason code. A substantive reason code
8 shall not be "other." The report shall identify barriers to informing
9 families about work support benefits and describe existing and future
10 actions to overcome such barriers.

11 (c) From the amounts provided in this subsection, provide \$50,000
12 from the general fund--state appropriation for fiscal year 2002 and
13 \$50,000 from the general fund--state appropriation for fiscal year 2003
14 to the Washington institute for public policy for continuation of the
15 WorkFirst evaluation database.

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

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

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

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

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

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

10 (7) \$500,000 of the fiscal year 2003 general fund--state
11 appropriation and \$500,000 of the general fund--federal appropriation
12 are provided solely for the department to (a) increase and improve
13 efforts to verify that children and pregnant women are in fact eligible
14 for the medical assistance services they receive, and (b) review their
15 continued eligibility for medical assistance services every six months.
16 The improved income verification efforts shall be implemented no later
17 than April 1, 2003, and shall include electronic records checks, review
18 of recipient documentation, and employer contacts to verify that the
19 income declared by applicants and recipients is accurate. All
20 administrative rules, guidelines, and procedures; staffing levels and
21 training; and changes to electronic systems necessary to implement the
22 six-month review of continued eligibility shall be in place no later
23 than July 1, 2003.

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

26 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
27 **ABUSE PROGRAM**

28	General Fund--State Appropriation (FY 2002)	\$35,851,000
29	General Fund--State Appropriation (FY 2003)	(\$37,022,000)
30		<u>\$36,540,000</u>
31	General Fund--Federal Appropriation	(\$91,549,000)
32		<u>\$91,520,000</u>
33	General Fund--Private/Local Appropriation	\$723,000
34	Public Safety and Education Account--State	
35	Appropriation	\$13,427,000
36	Violence Reduction and Drug Enforcement Account--	
37	State Appropriation	\$52,306,000

1 TOTAL APPROPRIATION (~~(\$230,878,000)~~)
2 \$230,367,000

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

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

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

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

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

35 (5) \$500,000 of the violence reduction and drug enforcement account
36 appropriation for fiscal year 2003 is provided solely for the
37 department to provide treatment for pathological gambling or training

1 for the treatment of pathological gambling under Second Substitute
2 Senate Bill No. 6560 (shared game lottery). If the bill is not enacted
3 by June 30, 2002, the amount provided in this subsection shall lapse.

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

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

9 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE**
10 **PROGRAM**

11	General Fund--State Appropriation (FY 2002)	\$1,081,150,000
12	General Fund--State Appropriation (FY 2003)	((\$1,124,758,000))
13		<u>\$1,185,988,000</u>
14	General Fund--Federal Appropriation	((\$3,621,077,000))
15		<u>\$3,309,698,000</u>
16	General Fund--Private/Local Appropriation	((\$211,272,000))
17		<u>\$216,822,000</u>
18	Emergency Medical Services and Trauma Care Systems	
19	Trust Account--State Appropriation	((\$9,200,000))
20		<u>\$11,900,000</u>
21	Health Services Account--State Appropriation	((\$1,104,119,000))
22		<u>\$729,620,000</u>
23	TOTAL APPROPRIATION	((\$7,151,576,000))
24		<u>\$6,535,178,000</u>

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

27 (1) The department shall increase its efforts to restrain the
28 growth of health care costs. The appropriations in this section
29 anticipate that the department implements a combination of cost
30 containment and utilization strategies sufficient to reduce general
31 fund--state costs by approximately 3 percent below the level projected
32 for the 2001-03 biennium in the March 2001 forecast. The department
33 shall report to the fiscal committees of the legislature by October 1,
34 2001, on its specific plans and semiannual targets for accomplishing
35 these savings. The department shall report again to the fiscal
36 committees by March 1, 2002, and by September 1, 2002, on actual
37 performance relative to the semiannual targets. If satisfactory

1 progress is not being made to achieve the targeted savings, the reports
2 shall include recommendations for additional or alternative measures to
3 control costs.

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

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

11 (4) \$502,000 of the health services account appropriation, \$400,000
12 of the general fund--private/local appropriation, and \$1,676,000 of the
13 general fund--federal appropriation are provided solely for
14 implementation of Second Substitute House Bill No. 1058 (breast and
15 cervical cancer treatment). If the bill is not enacted by June 30,
16 2001, or if private funding is not contributed equivalent to the
17 general fund--private/local appropriation, the funds appropriated in
18 this subsection shall lapse.

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

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

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

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

37 (d) The department may require point-of-service copayments as
38 appropriate, except that copayments shall not be so high as to

1 discourage appropriate service utilization, particularly of
2 prescription drugs needed for the treatment of psychiatric conditions;
3 and

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

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

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

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

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

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

1 (11) In accordance with RCW 74.46.625, (~~(\$523,600,000)~~)
2 \$197,189,000 of the health services account appropriation and
3 (~~(\$530,585,000)~~) \$198,447,000 of the general fund--federal
4 appropriation are provided solely for supplemental payments to nursing
5 homes operated by rural public hospital districts. The payments shall
6 be conditioned upon (a) a contractual commitment by the association of
7 public hospital districts and participating rural public hospital
8 districts to make an intergovernmental transfer to the state treasurer,
9 for deposit into the health services account, equal to at least (~~(98)~~)
10 95 percent of the supplemental payments; and (b) a contractual
11 commitment by the participating districts to not allow expenditures
12 covered by the supplemental payments to be used for medicaid nursing
13 home rate-setting. The participating districts shall retain no more
14 than a total of \$20,000,000 for the 2001-03 biennium. If the medicare
15 upper payment limit revenues referenced in this subsection are not
16 received in an amount or within a time frame sufficient to support
17 spending from the health services account, the governor shall take
18 actions in accordance with RCW 43.88.110(8).

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

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

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

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

8 (15) The department shall coordinate with the health care authority
9 and with community and migrant health clinics to actively assist
10 children and immigrant adults not eligible for medicaid to enroll in
11 the basic health plan.

12 (16) \$8,500,000 of the general fund--state appropriation for fiscal
13 year 2002, or so much thereof as may be necessary, is provided solely
14 for settlement of *Providence St. Peter's Hospital et al. vs. Department*
15 *of Social and Health Services*.

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

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

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

1 of the pilot project to the policy and fiscal committees of the
2 legislature by October 15, 2002.

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

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

7	General Fund--State Appropriation (FY 2002)	\$11,135,000
8	General Fund--State Appropriation (FY 2003)	((\$9,385,000))
9		<u>\$9,338,000</u>
10	General Fund--Federal Appropriation	((\$82,235,000))
11		<u>\$82,185,000</u>
12	General Fund--Private/Local Appropriation	\$360,000
13	TOTAL APPROPRIATION	((\$103,115,000))
14		<u>\$103,018,000</u>

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

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

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

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

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

28	General Fund--State Appropriation (FY 2002)	\$30,419,000
29	General Fund--State Appropriation (FY 2003)	((\$22,419,000))
30		<u>\$24,761,000</u>
31	General Fund--Federal Appropriation	((\$47,135,000))
32		<u>\$48,136,000</u>
33	General Fund--Private/Local Appropriation	\$810,000
34	TOTAL APPROPRIATION	((\$100,783,000))
35		<u>\$104,126,000</u>

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

3 (1) By November 1, 2001, the secretary shall report to the fiscal
4 committees of the legislature on the actions the secretary has taken,
5 or proposes to take, within current funding levels to resolve the
6 organizational problems identified in the department's February 2001
7 report to the legislature on current systems for billing third-party
8 payers for services delivered by the state psychiatric hospitals. The
9 secretary is authorized to transfer funds from this section to the
10 mental health program to the extent necessary to achieve the
11 organizational improvements recommended in that report.

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

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

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

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

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

14 **FOR THE STATE HEALTH CARE AUTHORITY**

15	General Fund--State Appropriation (FY 2002)	\$6,655,000
16	State Health Care Authority Administrative	
17	Account--State Appropriation	((\$20,032,000))
18		<u>\$20,168,000</u>
19	Health Services Account--State Appropriation	((\$538,828,000))
20		<u>\$500,052,000</u>
21	General Fund--Federal Appropriation	((\$4,240,000))
22		<u>\$3,521,000</u>
23	((Medical Aid Account--State Appropriation \$45,000))	
24	TOTAL APPROPRIATION	((\$569,800,000))
25		<u>\$530,396,000</u>

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

28 (1) \$6,551,000 of the general fund--state appropriation for fiscal
 29 year 2002 and \$6,550,000 of the health services account--state
 30 appropriation for fiscal year 2003 are provided solely for health care
 31 services provided through local community clinics.

32 (2) Within funds appropriated in this section and sections 205 and
 33 206 of this 2001 act, the health care authority shall continue to
 34 provide an enhanced basic health plan subsidy option for foster parents
 35 licensed under chapter 74.15 RCW and workers in state-funded home care
 36 programs. Under this enhanced subsidy option, foster parents and home

1 care workers with family incomes below 200 percent of the federal
2 poverty level shall be allowed to enroll in the basic health plan at a
3 cost of ten dollars per covered worker per month.

4 (3) The health care authority shall require organizations and
5 individuals which are paid to deliver basic health plan services and
6 which choose to sponsor enrollment in the subsidized basic health plan
7 to pay the following: (i) A minimum of fifteen dollars per enrollee
8 per month for persons below 100 percent of the federal poverty level;
9 and (ii) a minimum of twenty dollars per enrollee per month for persons
10 whose family income is 100 percent to 125 percent of the federal
11 poverty level.

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

20 (5) The administrator shall take at least the following actions to
21 assure that persons participating in the basic health plan are eligible
22 for the level of assistance they receive: (a) Require submission of
23 income tax returns and recent pay history from all applicants; (b)
24 check employment security payroll records at least once every twelve
25 months on all enrollees; (c) require enrollees whose income as
26 indicated by payroll records exceeds that upon which their subsidy is
27 based to document their current income as a condition of continued
28 eligibility; (d) require enrollees for whom employment security payroll
29 records cannot be obtained to document their current income at least
30 once every six months; and (e) pursue repayment and civil penalties
31 from persons who have received excessive subsidies, as provided in RCW
32 70.47.060(9).

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

37 ~~(a) \$20,000,000 is provided solely for enrollment in the subsidized~~
38 ~~basic health plan of persons who, solely by reason of their immigration~~

1 ~~status, are not eligible for medicaid coverage of their nonemergent~~
2 ~~medical care needs. From July 2002 to October 2002, opportunities for~~
3 ~~subsidized coverage will be offered on a phased in basis to this group~~
4 ~~of persons. Any entity or organization may sponsor subsidized basic~~
5 ~~health plan enrollment.~~

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

9 ~~(7))~~ \$3,000,000 of the health services account--state
10 appropriation for fiscal year 2003 is provided solely to increase the
11 number of persons not eligible for medicaid receiving dental care from
12 nonprofit community clinics, and for interpreter services to support
13 dental and medical services for persons for whom interpreters are not
14 available from any other source.

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

26 ~~((9))~~ (8) In consultation with the department of personnel and
27 with the state-supported colleges and universities, the health care
28 authority shall report to the fiscal committees of the legislature by
29 October 1, 2002, a plan for expanding the availability and use of
30 flexible spending account plans under which employees may set aside
31 pretax earnings to cover their out-of-pocket medical costs. The
32 authority is authorized to proceed with implementation of such a plan
33 to the extent it can be accomplished within existing state funding
34 levels.

35 ~~((10) \$685,000 of the health services account appropriation,~~
36 ~~\$629,000 of the general fund federal appropriation, and the medical~~
37 ~~aid account appropriation are provided solely for implementation of~~

1 ~~Substitute Senate Bill No. 6368 (prescription drug utilization and~~
2 ~~education). If the bill is not enacted by June 30, 2002, these amounts~~
3 ~~shall lapse.)~~

4 (9) The health care authority shall not enroll anyone in the
5 subsidized basic health plan who was not already enrolled in the plan
6 on the effective date of this 2003 act.

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

9 **FOR THE HUMAN RIGHTS COMMISSION**

10	General Fund--State Appropriation (FY 2002)	\$2,688,000
11	General Fund--State Appropriation (FY 2003)	((\$2,619,000))
12		<u>\$2,285,000</u>
13	General Fund--Federal Appropriation	((\$1,544,000))
14		<u>\$1,794,000</u>
15	General Fund--Private/Local Appropriation	\$100,000
16	TOTAL APPROPRIATION	((\$6,951,000))
17		<u>\$6,867,000</u>

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

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

21	General Fund--State Appropriation (FY 2002)	\$5,577,000
22	General Fund--State Appropriation (FY 2003)	\$5,517,000
23	General Fund--Federal Appropriation	\$1,250,000
24	Public Safety and Education Account--State	
25	Appropriation	((\$18,292,000))
26		<u>\$17,192,000</u>
27	Public Safety and Education Account--Federal	
28	Appropriation	\$6,950,000
29	Public Safety and Education Account--Private/Local	
30	Appropriation	\$5,373,000
31	Asbestos Account--State Appropriation	\$688,000
32	Electrical License Account--State	
33	Appropriation	\$28,412,000
34	Farm Labor Revolving Account--Private/Local	
35	Appropriation	\$28,000
36	Worker and Community Right-to-Know Account--State	

1	Appropriation	\$2,281,000
2	Public Works Administration Account--State	
3	Appropriation	\$2,856,000
4	Accident Account--State Appropriation	(\$184,219,000)
5		<u>\$179,749,000</u>
6	Accident Account--Federal Appropriation	\$11,568,000
7	Medical Aid Account--State Appropriation	(\$183,666,000)
8		<u>\$171,023,000</u>
9	Medical Aid Account--Federal Appropriation	\$2,438,000
10	Plumbing Certificate Account--State	
11	Appropriation	\$1,111,000
12	Pressure Systems Safety Account--State	
13	Appropriation	\$2,525,000
14	TOTAL APPROPRIATION	(\$462,751,000)
15		<u>\$444,538,000</u>

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

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

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

35 (3) \$300,000 of the medical aid account--state appropriation is
36 provided for a second center of occupational health and education to be
37 located on the east side of the state. These centers train physicians

1 on best practices for occupational medicine and work with labor and
2 business to improve the quality and outcomes of medical care provided
3 to injured workers.

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

6 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

7 (1) HEADQUARTERS

8	General Fund--State Appropriation (FY 2002)	\$1,577,000
9	General Fund--State Appropriation (FY 2003)	(\$1,533,000)
10		<u>\$1,536,000</u>
11	Charitable, Educational, Penal, and Reformatory	
12	Institutions Account--State	
13	Appropriation	\$7,000
14	TOTAL APPROPRIATION	(\$3,117,000)
15		<u>\$3,120,000</u>

16 (2) FIELD SERVICES

17	General Fund--State Appropriation (FY 2002)	\$2,619,000
18	General Fund--State Appropriation (FY 2003)	(\$2,580,000)
19		<u>\$2,587,000</u>
20	General Fund--Federal Appropriation	\$310,000
21	General Fund--Private/Local Appropriation	\$1,663,000
22	TOTAL APPROPRIATION	(\$7,172,000)
23		<u>\$7,179,000</u>

24 (3) INSTITUTIONAL SERVICES

25	General Fund--State Appropriation (FY 2002)	\$5,765,000
26	General Fund--State Appropriation (FY 2003)	(\$5,516,000)
27		<u>\$5,557,000</u>
28	General Fund--Federal Appropriation	\$27,437,000
29	General Fund--Private/Local Appropriation	\$22,828,000
30	TOTAL APPROPRIATION	(\$61,546,000)
31		<u>\$61,587,000</u>

32 The appropriations in this subsection are subject to the following
33 terms and conditions: \$2,886,000 of the general fund--federal
34 appropriation and \$5,639,000 of the general fund--local appropriation
35 are provided solely for the department to acquire, establish, and

1 operate a nursing facility dedicated to serving men and women from
2 Washington who have served in the nation's armed forces.

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

5 **FOR THE HOME CARE QUALITY AUTHORITY**

6 General Fund--State Appropriation (FY 2003) ((~~\$152,000~~))
7 \$171,000

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

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

15 **FOR THE DEPARTMENT OF HEALTH**

16 General Fund--State Appropriation (FY 2002) \$57,337,000
17 General Fund--State Appropriation (FY 2003) ((~~\$54,940,000~~))
18 \$54,845,000
19 Health Services Account--State Appropriation ((~~\$33,520,000~~))
20 \$28,460,000
21 General Fund--Federal Appropriation \$297,352,000
22 General Fund--Private/Local Appropriation ((~~\$82,912,000~~))
23 \$84,172,000
24 Hospital Commission Account--State
25 Appropriation \$2,305,000
26 Health Professions Account--State
27 Appropriation ((~~\$39,374,000~~))
28 \$39,334,000
29 Emergency Medical Services and Trauma Care Systems
30 Trust Account--State Appropriation \$14,858,000
31 Safe Drinking Water Account--State
32 Appropriation \$2,689,000
33 Drinking Water Assistance Account--Federal
34 Appropriation \$13,376,000
35 Waterworks Operator Certification--State
36 Appropriation ((~~\$622,000~~))

1		<u>\$743,000</u>
2	Salmon Recovery Account--State Appropriation	\$182,000
3	Water Quality Account--State Appropriation	\$3,304,000
4	Accident Account--State Appropriation	\$257,000
5	Medical Aid Account--State Appropriation	\$45,000
6	State Toxics Control Account--State	
7	Appropriation	\$2,809,000
8	Medical Test Site Licensure Account--State	
9	Appropriation	\$1,801,000
10	Youth Tobacco Prevention Account--State	
11	Appropriation	\$1,797,000
12	Tobacco Prevention and Control Account--State	
13	Appropriation	\$43,737,000
14	TOTAL APPROPRIATION	((\$653,217,000))
15		<u>\$649,403,000</u>

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

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

30 (2) \$339,000 of the general fund--state appropriation for fiscal
31 year 2002, \$157,000 of the general fund--state appropriation for fiscal
32 year 2003, and the salmon recovery account appropriation are provided
33 solely for technical assistance to local governments and special
34 districts on water conservation and reuse.

35 (3) \$1,675,000 of the general fund--state fiscal year 2002
36 appropriation and \$1,676,000 of the general fund--state fiscal year
37 2003 appropriation are provided solely for the implementation of the

1 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
2 DOH-03, and DOH-04.

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

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

24 (6) \$85,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$65,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided solely for the implementation of
27 Substitute House Bill No. 1365 (infant and child products). If the
28 bill is not enacted by June 30, 2001, the amounts provided in this
29 subsection shall lapse.

30 (7) From funds appropriated in this section, the state board of
31 health shall convene a broadly-based task force to review the available
32 information on the potential risks and benefits to public and personal
33 health and safety, and to individual privacy, of emerging technologies
34 involving human deoxyribonucleic acid (DNA). The board may reimburse
35 task force members for travel expenses according to RCW 43.03.220. The
36 task force shall consider information provided to it by interested
37 persons on: (a) The incidence of discriminatory actions based upon
38 genetic information; (b) strategies to safeguard civil rights and

1 privacy related to genetic information; (c) remedies to compensate
2 individuals for inappropriate use of their genetic information; and (d)
3 incentives for further research and development on the use of DNA to
4 promote public health, safety, and welfare. The task force shall
5 report on its findings and any recommendations to appropriate
6 committees of the legislature by October 1, 2002.

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

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

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

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

26 **FOR THE DEPARTMENT OF CORRECTIONS.** The appropriations to the
27 department of corrections in this act shall be expended for the
28 programs and in the amounts specified herein. However, after May 1,
29 (~~2002~~) 2003, after approval by the director of financial management
30 and unless specifically prohibited by this act, the department may
31 transfer general fund--state appropriations for fiscal year (~~2002~~)
32 2003 between programs. The director of financial management shall
33 notify the appropriate fiscal committees of the senate and house of
34 representatives in writing prior to approving any deviations from
35 appropriation levels.

36 (1) ADMINISTRATION AND SUPPORT SERVICES
37 General Fund--State Appropriation (FY 2002) \$36,786,000

1 General Fund--State Appropriation (FY 2003) (~~(\$36,434,000)~~)
 2 \$36,239,000
 3 Public Safety and Education Account--State
 4 Appropriation \$1,576,000
 5 Violence Reduction and Drug Enforcement
 6 Account Appropriation \$3,254,000
 7 TOTAL APPROPRIATION (~~(\$78,050,000)~~)
 8 \$77,855,000

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

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

29 (2) CORRECTIONAL OPERATIONS
 30 General Fund--State Appropriation (FY 2002) \$404,390,000
 31 General Fund--State Appropriation (FY 2003) (~~(\$412,788,000)~~)
 32 \$432,339,000
 33 General Fund--Federal Appropriation (~~(\$9,142,000)~~)
 34 \$9,936,000
 35 Violence Reduction and Drug Enforcement Account--
 36 State Appropriation \$1,596,000
 37 Public Health Services Account Appropriation \$1,453,000
 38 TOTAL APPROPRIATION (~~(\$829,369,000)~~)

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

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

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

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

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

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

(f) For the acquisition of properties and facilities, the department of corrections is authorized to enter into financial contracts, paid for from operating resources, for the purposes indicated and in not more than the principal amounts indicated, plus financing expenses and required reserves pursuant to chapter 39.94 RCW.

1 This authority applies to the following: Lease-develop with the option
2 to purchase or lease-purchase approximately 50 work release beds in
3 facilities throughout the state for \$3,500,000.

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

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

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

18 (j) Within the amounts appropriated in this section, the department
19 may allocate up to \$30,000 to the Washington state institute for public
20 policy during fiscal year 2003 for a study of whether the geographic
21 location of the department's facilities affects local crime rates.

22 (3) COMMUNITY SUPERVISION

23	General Fund--State Appropriation (FY 2002)	\$68,097,000
24	General Fund--State Appropriation (FY 2003)	(\$75,720,000)
25		<u>\$77,950,000</u>
26	General Fund--Federal Appropriation	\$870,000
27	Public Safety and Education	
28	Account--State Appropriation	\$15,493,000
29	TOTAL APPROPRIATION	(\$160,180,000)
30		<u>\$162,410,000</u>

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

33 (a) The department of corrections shall accomplish personnel
34 reductions with the least possible impact on correctional custody
35 staff, community custody staff, and correctional industries. For the
36 purposes of this subsection, correctional custody staff means employees
37 responsible for the direct supervision of offenders.

1 (b) \$75,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$75,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for the department of corrections
4 to contract with the institute for public policy for responsibilities
5 assigned in chapter 196, Laws of 1999 (offender accountability act) and
6 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
7 sentencing).

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

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

18 (4) CORRECTIONAL INDUSTRIES

19 General Fund--State Appropriation (FY 2002) \$631,000
20 General Fund--State Appropriation (FY 2003) \$629,000
21 TOTAL APPROPRIATION \$1,260,000

22 The appropriations in this subsection are subject to the following
23 conditions and limitations: \$110,000 of the general fund--state
24 appropriation for fiscal year 2002 and \$110,000 of the general fund--
25 state appropriation for fiscal year 2003 are provided solely for
26 transfer to the jail industries board. The board shall use the amounts
27 provided only for administrative expenses, equipment purchases, and
28 technical assistance associated with advising cities and counties in
29 developing, promoting, and implementing consistent, safe, and efficient
30 offender work programs.

31 (5) INTERAGENCY PAYMENTS

32 General Fund--State Appropriation (FY 2002) \$18,568,000
33 General Fund--State Appropriation (FY 2003) \$18,569,000
34 TOTAL APPROPRIATION \$37,137,000

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

1 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

2	General Fund--State Appropriation (FY 2002)	\$1,652,000
3	General Fund--State Appropriation (FY 2003)	((\$1,588,000))
4		<u>\$1,582,000</u>
5	General Fund--Federal Appropriation	\$12,643,000
6	General Fund--Private/Local Appropriation	\$80,000
7	TOTAL APPROPRIATION	((\$15,963,000))
8		<u>\$15,957,000</u>

9 The appropriations in this section are subject to the following
10 conditions and limitations: \$50,000 of the general fund--state
11 appropriation for fiscal year 2002 and \$50,000 of the general fund--
12 state appropriation for fiscal year 2003 are provided solely to
13 increase state assistance for a comprehensive program of training and
14 support services for persons who are both deaf and blind.

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

17 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

18	General Fund--Federal Appropriation	((\$180,628,000))
19		<u>\$180,109,000</u>
20	General Fund--Private/Local Appropriation	((\$30,119,000))
21		<u>\$29,939,000</u>
22	Unemployment Compensation Administration Account--	
23	Federal Appropriation	((\$194,167,000))
24		<u>\$192,874,000</u>
25	Administrative Contingency Account--State	
26	Appropriation	((\$15,514,000))
27		<u>\$13,854,000</u>
28	Employment Service Administrative Account--State	
29	Appropriation	((\$20,001,000))
30		<u>\$21,502,000</u>
31	TOTAL APPROPRIATION	((\$440,429,000))
32		<u>\$438,278,000</u>

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

35 (1) \$156,000 of the unemployment compensation administration
36 account is provided solely for the implementation of Substitute House

1 Bill No. 2355 (unemployment insurance). If the bill is not enacted by
2 June 30, 2002, the amount provided in this subsection shall lapse.

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

(End of part)

PART III
NATURAL RESOURCES

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

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2002)	\$39,404,000
General Fund--State Appropriation (FY 2003)	(\$34,283,000)
	<u>\$34,225,000</u>
General Fund--Federal Appropriation	(\$56,805,000)
	<u>\$56,769,000</u>
General Fund--Private/Local Appropriation	(\$4,351,000)
	<u>\$4,347,000</u>
Special Grass Seed Burning Research Account--	
State Appropriation	\$14,000
Reclamation Revolving Account--State	
Appropriation	(\$1,935,000)
	<u>\$1,934,000</u>
Flood Control Assistance Account--	
State Appropriation	(\$4,098,000)
	<u>\$4,097,000</u>
State Emergency Water Projects Revolving Account--	
State Appropriation	\$878,000
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation	(\$14,287,000)
	<u>\$14,281,000</u>
State Drought Preparedness Account--State	
Appropriation	\$2,575,000
Salmon Recovery Account--State Appropriation	\$250,000
State and Local Improvements Revolving Account	
(Water Supply Facilities)--State	
Appropriation	\$587,000
Water Quality Account--State Appropriation	(\$22,985,000)
	<u>\$22,976,000</u>
Wood Stove Education and Enforcement Account--	
State Appropriation	\$353,000
Worker and Community Right-to-Know Account--	

1 State Appropriation ((~~\$3,288,000~~))
2 \$3,285,000
3 State Toxics Control Account--State
4 Appropriation ((~~\$70,001,000~~))
5 \$69,958,000
6 State Toxics Control Account--Private/Local
7 Appropriation \$350,000
8 Local Toxics Control Account--State
9 Appropriation ((~~\$4,751,000~~))
10 \$4,747,000
11 Water Quality Permit Account--State
12 Appropriation ((~~\$24,210,000~~))
13 \$24,190,000
14 Underground Storage Tank Account--State
15 Appropriation ((~~\$2,682,000~~))
16 \$2,680,000
17 Environmental Excellence Account--State
18 Appropriation \$504,000
19 Biosolids Permit Account--State Appropriation \$764,000
20 Hazardous Waste Assistance Account--State
21 Appropriation ((~~\$4,308,000~~))
22 \$4,304,000
23 Air Pollution Control Account--State
24 Appropriation ((~~\$1,366,000~~))
25 \$1,365,000
26 Oil Spill Prevention Account--State
27 Appropriation ((~~\$7,921,000~~))
28 \$7,914,000
29 Air Operating Permit Account--State
30 Appropriation ((~~\$3,608,000~~))
31 \$3,605,000
32 Freshwater Aquatic Weeds Account--State
33 Appropriation \$1,898,000
34 Oil Spill Response Account--State
35 Appropriation \$7,078,000
36 Metals Mining Account--State Appropriation \$5,000
37 Water Pollution Control Revolving Account--
38 State Appropriation ((~~\$536,000~~))

1 jurisdictions, and increased implementation of the department's
2 existing storm water program. \$200,000 of this amount is provided
3 solely for implementation of the Puget Sound work plan and agency
4 action item DOE-06.

5 (5) \$383,000 of the general fund--state appropriation for fiscal
6 year 2002 and \$383,000 of the general fund--state appropriation for
7 fiscal year 2003 are provided solely for water conservation plan
8 review, technical assistance, and project review for water conservation
9 and reuse projects. By December 1, 2003, the department in cooperation
10 with the department of health shall report to the governor and
11 appropriate committees of the legislature on the activities and
12 achievements related to water conservation and reuse during the past
13 two biennia. The report shall include an overview of technical
14 assistance provided, reuse project development activities, and water
15 conservation achievements.

16 (6) \$3,424,000 of the state toxics control account appropriation is
17 provided solely for methamphetamine lab clean up activities.

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

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

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

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

33 (iii) Involve an advisory committee of up to twelve members
34 composed of adequate and balanced representation of local government,
35 business, agriculture, and environmental, public health, and community
36 groups in the development of the mercury chemical action plan. In
37 addition, the department must invite and strongly encourage any
38 interested tribes or federal agencies to participate in the advisory

1 committee process. The advisory committee must be involved in the
2 development of the mercury chemical action plan. All information that
3 will serve as the basis for any decisions in the mercury chemical
4 action plan's development must be available to the advisory committee
5 members. The advisory committee has sixty days to provide input to the
6 department on the elements of the mercury chemical action plan. The
7 comments and suggestions made by the advisory committee must be
8 considered by the department; however, consensus of the advisory
9 committee is not necessary for the department to move forward in the
10 development of the mercury chemical action plan. All meetings of the
11 advisory committee are subject to the provisions of chapter 42.30 RCW.
12 The advisory committee for the mercury chemical action plan must be
13 established by April 15, 2002;

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

19 (v) The department shall finalize the mercury chemical action plan
20 by December 31, 2002. The final mercury chemical action plan,
21 developed after considering the public comments and the input of the
22 advisory committee, must outline actions for the department to take,
23 including, but not limited to, the development of any rules and
24 recommending any legislation. Implementation must begin no later than
25 February 1, 2003.

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

35 (9) \$200,000 of the state toxics control account appropriation is
36 provided to assess the effectiveness of the state's current toxic
37 pollution prevention and dangerous waste programs and policies. The
38 department shall work with affected stakeholder groups and the public

1 to evaluate the performance of existing programs, and identify feasible
2 methods of reducing the generation of these wastes. The department
3 shall report its findings to the governor and the appropriate
4 committees of the legislature by September 30, 2002.

5 (10) \$1,200,000 of the state toxics control account appropriation
6 is provided solely for the department, in conjunction with affected
7 local governments, to address emergent areawide soil contamination
8 problems. The department's efforts will include public involvement
9 processes and completing assessments of the geographical extent of
10 toxic contamination including highly contaminated areas.

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

17 (12) \$1,500,000 of the general fund--state appropriation for fiscal
18 year 2002, \$1,500,000 of the general fund--state appropriation for
19 fiscal year 2003, and \$3,000,000 of the water quality account
20 appropriation are provided solely to implement chapter 237, Laws of
21 2001 (Engrossed Substitute House Bill No. 1832, water resources
22 management) and to support the processing of applications for changes
23 and transfers of existing water rights.

24 (13) \$9,000,000 of the water quality account--state appropriation
25 is provided solely for grants to local governments to conduct watershed
26 planning and technical assistance. At least \$7,000,000 shall be
27 distributed as grants and shall include \$200,000 for facilitation of
28 the central Puget Sound regional initiative.

29 (14) \$3,114,000 of the water quality account appropriation is
30 provided solely to implement Engrossed Substitute House Bill No. 1832
31 (water resources management). Of this amount: (a) \$1,200,000 is
32 provided for grants to local governments for targeted watershed
33 assessments consistent with Engrossed Substitute House Bill No. 1832;
34 and (b) the remainder of the funding is provided solely for development
35 of a state environmental policy act template to streamline
36 environmental review, creation of a blue ribbon panel to develop long-
37 term watershed planning implementation funding options, and technical
38 assistance.

1 (15) \$200,000 of the water quality account appropriation is
2 provided solely to provide coordination and assistance to groups
3 established for the purpose of protecting, enhancing, and restoring the
4 biological, chemical, and physical processes of watersheds. These
5 groups may include those involved in coordinated resource management,
6 regional fisheries enhancement groups, conservation districts,
7 watershed councils, and private nonprofit organizations incorporated
8 under Title 24 RCW.

9 (16) \$325,000 of the state drought preparedness account--state
10 appropriation is provided solely for an environmental impact statement
11 of the Pine Hollow reservoir project to be conducted in conjunction
12 with the local irrigation district.

13 (17) \$1,352,000 of the general fund--state appropriation for fiscal
14 year 2002, \$700,000 of the general fund--state appropriation for fiscal
15 year 2003, \$700,000 of the water quality account appropriation, and
16 \$280,000 of the oil spill prevention account appropriation are provided
17 solely for oil spill prevention measures in Puget Sound. Of these
18 amounts:

19 (a) The general fund appropriation and the water quality account
20 appropriation are provided solely for the department of ecology to
21 provide for charter safety tug services, including the placement of a
22 dedicated tug at Neah Bay for not less than 200 days in fiscal year
23 2002 and fiscal year 2003. By January 10, 2002, the department shall
24 report to the appropriate committees of the legislature regarding the
25 number of dispatches, response time and distance, and other factors
26 pertaining to the safety tug services. The general fund--state
27 appropriation in this subsection is provided solely for implementation
28 of the Puget Sound work plan and agency action item DOE-09;

29 (b) \$100,000 of the oil spill prevention account appropriation is
30 provided solely for the department to conduct a vessel transponder
31 feasibility study for Washington waters and undertake a trial vessel
32 tracking program using transponders. In conducting the feasibility
33 study and trial program, the department of ecology shall consult with
34 state pilotage authorities, the maritime industry and the United States
35 coast guard; and

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

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

3 (18) \$600,000 of the water quality account--state appropriation is
4 provided solely for setting instream flows in six basins not currently
5 planning under the watershed planning act.

6 (19) \$200,000 of the water quality account appropriation is
7 provided solely for activities associated with development of the
8 Willapa River total maximum daily load (TMDL). The activities shall
9 include but are not limited to: (a) A contract with Pacific county to
10 complete the oxygen/bacteria and temperature model for the TMDL,
11 conduct a technical analysis of local options for waste load
12 allocations, and develop the first draft of the waste load allocation
13 plan; and (b) a contract for facilitation services for a public process
14 for the TMDL, assist in reaching consensus between parties involved in
15 the technical work, help ensure that there is an accurate public
16 record, and provide a forum for the waste load allocation.

17 (20) \$175,000 of the biosolids permit account is provided solely to
18 develop a statewide septage strategy. The department shall work with
19 affected stakeholders to address septage permit requirements, changes
20 to existing rules, clarification of state and local responsibilities,
21 and fee structure changes that are necessary to support the program in
22 future biennia. The department shall report its findings to the
23 governor and appropriate committees of the legislature by June 30,
24 2003.

25 (21) \$189,000 of the general fund--state appropriation for fiscal
26 year 2003 is provided solely for facilitation services and the
27 following activities:

28 (a)(i) A joint task force is created to study judicial and
29 administrative alternatives for resolving water disputes. The task
30 force shall be organized and led by the office of the attorney general.
31 In addition to the office of the attorney general, members of the task
32 force shall include:

33 (A) Representatives of the legislature, including one member from
34 each caucus appointed by the president of the senate and the speaker of
35 the house of representatives;

36 (B) Representatives of the superior courts appointed by the
37 president of the superior court judges association, and shall include

1 two judicial officers of the superior court from eastern Washington and
2 two judicial officers of the superior court from western Washington;

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

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

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

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

8 (A) Examine and characterize the types of water disputes to be
9 resolved;

10 (B) Examine the approach of other states to water dispute
11 resolution;

12 (C) Recommend one or more methods to resolve water disputes,
13 including, but not limited to, an administrative resolution process; a
14 judicial resolution process such as water court; or any combination
15 thereof; and

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

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

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

20 (III) The changes to statutes and administrative rules necessary to
21 implement the plan.

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

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

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

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

37 (ii) The governor, or the governor's designee, shall consult with
38 the states that share water bodies with the state of Washington, with

1 Canada, and with other states that have conducted similar negotiations,
2 regarding issues and strategies in those negotiations and shall report
3 to the standing committees of the legislature having jurisdiction over
4 water resources by January 1, 2003.

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

10 (d) By October 1, 2002, the department of ecology shall provide to
11 the appropriate standing committees of the legislature, a plan,
12 schedule, and budget for improving the administration of water right
13 records held by the department of ecology. The department of ecology
14 shall work with the department of revenue and with county auditors in
15 developing recommendations for improving the administration of water
16 rights ownership information and integrating this information with real
17 property ownership records. The department of ecology shall evaluate
18 the need for grants to counties to assist with recording and
19 information management needs related to water rights ownership and
20 title.

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

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

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

30	General Fund--State Appropriation (FY 2002)	\$32,198,000
31	General Fund--State Appropriation (FY 2003)	((\$30,340,000))
32		<u>\$30,332,000</u>
33	General Fund--Federal Appropriation	\$2,690,000
34	General Fund--Private/Local Appropriation	\$60,000
35	Winter Recreation Program Account--State	
36	Appropriation	\$1,087,000
37	Off Road Vehicle Account--State Appropriation	\$274,000

1	Snowmobile Account--State Appropriation	\$4,682,000
2	Aquatic Lands Enhancement Account--State	
3	Appropriation	\$337,000
4	Public Safety and Education Account--State	
5	Appropriation	\$47,000
6	Salmon Recovery Account--State Appropriation	\$200,000
7	Water Trail Program Account--State	
8	Appropriation	\$24,000
9	Parks Renewal and Stewardship Account--	
10	State Appropriation	((\$27,193,000))
11		<u>\$27,723,000</u>
12	TOTAL APPROPRIATION	((\$99,132,000))
13		<u>\$99,654,000</u>

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

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

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

24 (3) \$79,000 of the general fund--state appropriation for fiscal
25 year 2002, \$79,000 of the general fund--state appropriation for fiscal
26 year 2003, and \$8,000 of the winter recreation program account--state
27 appropriation are provided solely for a grant for the operation of the
28 Northwest avalanche center.

29 (4) \$432,000 of the parks renewal and stewardship account
30 appropriation is provided for the operation of the Silver Lake visitor
31 center. If a long-term management agreement is not reached with the
32 U.S. forest service by September 30, 2001, the amount provided in this
33 subsection shall lapse.

34 (5) \$189,000 of the aquatic lands enhancement account appropriation
35 is provided solely for the implementation of the Puget Sound work plan
36 and agency action item P+RC-02.

37 (6) The task force on the funding of state parks and outdoor
38 recreation is hereby created, to consider and develop legislation on

1 the operation and funding of the state parks and outdoor recreation
2 programs of the state. The committee shall be composed of fifteen
3 members, four members of the senate appointed by the president of the
4 senate and to include two members from each caucus, four members of the
5 house of representatives appointed by the speaker of the house of
6 representatives and to include two members from each caucus, three
7 members appointed by the governor and to include at least one
8 representative of a broad coalition of users of the state's parks and
9 outdoor recreation programs, one member appointed by the commissioner
10 of public lands, one member appointed by the chair of the fish and
11 wildlife commission, and one member appointed by the chair of the state
12 parks and recreation commission, and one member appointed by the
13 interagency committee for outdoor recreation. The task force shall
14 elect its own officers, shall be staffed by staff of the legislature,
15 the executive agencies, and the office of the governor, and may appoint
16 an advisory committee of additional persons and organizations
17 interested in the operation and funding of state parks and outdoor
18 recreation. The task force shall specifically review and incorporate
19 into its work the reports prepared pursuant to budget provisos by the
20 Washington state parks and recreation commission regarding its
21 operating budget needs, deferred maintenance backlog, and capital
22 facilities renovation and replacement requirements. The task force
23 shall prepare recommendations for improving the operation of state
24 parks and outdoor recreation programs and for securing adequate funding
25 on a permanent basis for supporting the needs of the state parks and
26 outdoor recreation programs of the state, including a legislative
27 proposal for the implementation of an evergreen recreation pass that
28 would combine the various permits and licenses of the participating
29 agencies into a single pass for recreational day use. The
30 recommendations shall be developed no later than January 1, 2003, and
31 shall be designed for enactment by the legislature during 2003 for
32 implementation in the 2005-07 biennium. The task force shall cease to
33 exist on June 30, 2003.

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

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

37 General Fund--State Appropriation (FY 2002) \$46,375,000

1	General Fund--State Appropriation (FY 2003)	((\$44,334,000))
2		<u>\$44,328,000</u>
3	General Fund--Federal Appropriation	((\$37,716,000))
4		<u>\$46,237,000</u>
5	General Fund--Private/Local Appropriation	((\$24,365,000))
6		<u>\$29,034,000</u>
7	Off Road Vehicle Account--State	
8	Appropriation	\$475,000
9	Aquatic Lands Enhancement Account--State	
10	Appropriation	((\$5,133,000))
11		<u>\$5,364,000</u>
12	Public Safety and Education Account--State	
13	Appropriation	\$574,000
14	Recreational Fisheries Enhancement Account--	
15	State Appropriation	((\$3,354,000))
16		<u>\$3,353,000</u>
17	Salmon Recovery Account--State Appropriation	\$1,612,000
18	Warm Water Game Fish Account--State	
19	Appropriation	((\$2,567,000))
20		<u>\$2,566,000</u>
21	Eastern Washington Pheasant Enhancement Account--	
22	State Appropriation	\$750,000
23	Wildlife Account--State Appropriation	((\$50,680,000))
24		<u>\$50,879,000</u>
25	Wildlife Account--Federal Appropriation	((\$38,182,000))
26		<u>\$29,649,000</u>
27	Wildlife Account--Private/Local	
28	Appropriation	((\$15,133,000))
29		<u>\$10,457,000</u>
30	Game Special Wildlife Account--State	
31	Appropriation	\$1,941,000
32	Game Special Wildlife Account--Federal	
33	Appropriation	((\$9,591,000))
34		<u>\$9,590,000</u>
35	Game Special Wildlife Account--Private/Local	
36	Appropriation	\$350,000
37	Environmental Excellence Account--State	
38	Appropriation	\$15,000

1 provided solely for warm water fish culture at the Rod Meseberg warm
2 water fish production facility.

3 (7) \$200,000 of the general fund--state appropriation for fiscal
4 year 2002 and \$200,000 of the general fund--state appropriation for
5 fiscal year 2003 are provided solely to fund three cooperative
6 compliance programs, both in Western and Eastern Washington. The
7 cooperative compliance program shall conduct fish screen, fish way, and
8 fish passage barrier assessments and correction plans for landowners
9 seeking cooperative compliance agreements with the department.

10 (8) \$1,300,000 of the salmon recovery account appropriation,
11 \$400,000 of the general fund--state appropriation for fiscal year 2003,
12 and \$5,000,000 of the general fund--federal appropriation are provided
13 solely for economic adjustment assistance to fishermen pursuant to the
14 1999 Pacific salmon treaty agreement.

15 (9) \$810,000 of the general fund--state appropriation for fiscal
16 year 2002, \$790,000 of the general fund--state appropriation for fiscal
17 year 2003, and \$250,000 of the wildlife account--state appropriation
18 are provided solely for enforcement and biological staff to respond and
19 take appropriate action to public complaints regarding bear and cougar.

20 (10) \$75,000 of the general fund--state appropriation for fiscal
21 year 2003 is provided solely to the department to execute an
22 interagency agreement with the joint legislative audit and review
23 committee to complete an independent organizational and operational
24 review of the fish management division of the fish program. This
25 review shall include:

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

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

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

37 (d) Evaluating how performance in meeting intent, goals, and

1 objectives through program activities is measured, reported, and
2 improved.

3 The committee shall provide a status report on this review to the
4 appropriate legislative policy and fiscal committees by November 1,
5 2002, and a final report by December 1, 2003.

6 (11) The department shall implement a lands program manager
7 consolidation program. The consolidation program shall target the
8 department's south central region. The savings from this consolidation
9 shall be used by the department for additional maintenance on agency
10 lands within the south central region.

11 (12) The department shall implement a survey of all agency lands to
12 evaluate whether agency lands support the agency's strategic plan and
13 goals. The department shall submit a report to the governor and
14 legislature by September 1, 2002, identifying those lands not
15 conforming with the agency's strategic plan and which should be
16 divested.

17 (13) \$388,000 of the general fund--state appropriation for fiscal
18 year 2002 and \$388,000 of the general fund--state appropriation for
19 fiscal year 2003 are provided solely to implement the forests and fish
20 agreement and includes funding to continue statewide coordination and
21 implementation of the forests and fish rules, integration of portions
22 of the hydraulic code into the forest practices rules to provide permit
23 streamlining, and sharing the responsibility of developing and
24 implementing the required forests and fish agreement monitoring and
25 adaptive management program.

26 (14) \$194,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$195,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely for staff to represent the state's
29 fish and wildlife interests in hydroelectric project relicensing
30 processes by the federal energy regulatory commission.

31 (15) \$156,000 of the wildlife account--state appropriation is
32 provided solely for a youth fishing coordinator to develop partnerships
33 with local communities, and to identify, develop, fund, and promote
34 youth fishing events and opportunities. Event coordination and
35 promotion services shall be contracted to a private consultant.

36 (16) \$135,000 of the oyster reserve land account appropriation is
37 provided solely to implement chapter 273, Laws of 2001, Engrossed
38 Second Substitute House Bill No. 1658 (state oyster reserve lands).

1 (17) \$43,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$42,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for staffing and operation of the
4 Tennant Lake interpretive center.

5 (18) \$32,000 of the general fund--state appropriation for fiscal
6 year 2002 and \$33,000 of the general fund--state appropriation for
7 fiscal year 2003 are provided solely to support the activities of the
8 aquatic nuisance species coordination committee to foster state,
9 federal, tribal, and private cooperation on aquatic nuisance species
10 issues. The committee shall strive to prevent the introduction of
11 nonnative aquatic species and to minimize the spread of species that
12 are introduced.

13 (19) \$25,000 of the wildlife account--state appropriation is
14 provided solely for the WildWatchCam program to provide internet
15 transmission of live views of wildlife.

16 (20) \$8,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$7,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for the payment of the
19 department's share of approved lake management district assessments.
20 By December 15, 2001, the department shall provide the legislature a
21 summary of its activities related to lake management districts as well
22 as recommendations for establishing equitable lake management district
23 assessments.

24 (21) The department shall emphasize enforcement of laws related to
25 protection of fish habitat and the illegal harvest of salmon and
26 steelhead. Within the amount provided for the agency, the department
27 shall provide support to the department of health to enforce state
28 shellfish harvest laws.

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

37 (23) The department shall establish a hydraulic project approval
38 program technical review task force. The task force shall be composed

1 of a balanced representation of both hydraulic project proponents and
 2 conservation interests. The task force shall conduct a thorough
 3 evaluation of the hydraulic project approval program and make
 4 recommendations to the legislature by November 30, 2002, based upon its
 5 evaluation. The task force recommendations shall include a potential
 6 fee structure and schedule for hydraulic project approval permits.

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

9 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

10	General Fund--State Appropriation (FY 2002)	\$35,949,000
11	General Fund--State Appropriation (FY 2003)	((\$30,465,000))
12		<u>\$45,016,000</u>
13	General Fund--Federal Appropriation	((\$10,936,000))
14		<u>\$20,593,000</u>
15	General Fund--Private/Local Appropriation	\$2,265,000
16	Forest Development Account--State	
17	Appropriation	((\$50,088,000))
18		<u>\$50,067,000</u>
19	Off Road Vehicle Account--State	
20	Appropriation	((\$3,684,000))
21		<u>\$3,682,000</u>
22	Surveys and Maps Account--State	
23	Appropriation	((\$2,689,000))
24		<u>\$2,688,000</u>
25	Aquatic Lands Enhancement Account--State	
26	Appropriation	((\$3,923,000))
27		<u>\$3,921,000</u>
28	Resources Management Cost Account--State	
29	Appropriation	((\$79,156,000))
30		<u>\$79,122,000</u>
31	Surface Mining Reclamation Account--State	
32	Appropriation	((\$2,416,000))
33		<u>\$2,415,000</u>
34	Salmon Recovery Account--State	
35	Appropriation	\$625,000
36	Water Quality Account--State Appropriation	((\$2,900,000))
37		<u>\$2,898,000</u>

1	Aquatic Land Dredged Material Disposal Site	
2	Account--State Appropriation	((\$1,056,000))
3		<u>\$1,055,000</u>
4	Natural Resource Conservation Areas Stewardship	
5	Account Appropriation	\$209,000
6	State Toxics Account--State Appropriation	\$1,865,000
7	Air Pollution Control Account--State	
8	Appropriation	((\$629,000))
9		<u>\$628,000</u>
10	Metals Mining Account--State Appropriation	\$64,000
11	Agricultural College Trust Management Account	
12	Appropriation	\$1,790,000
13	Derelict Vessel Removal Account--State	
14	Appropriation	((\$89,000))
15		<u>\$289,000</u>
16	TOTAL APPROPRIATION	((\$230,798,000))
17		<u>\$255,141,000</u>

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

20 (1) \$18,000 of the general fund--state appropriation for fiscal
21 year 2002, \$18,000 of the general fund--state appropriation for fiscal
22 year 2003, and \$998,000 of the aquatic lands enhancement account
23 appropriation are provided solely for the implementation of the Puget
24 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

25 (2)(a) \$625,000 of the salmon recovery account appropriation,
26 \$1,250,000 of the general fund--state appropriation for fiscal year
27 2002, \$1,250,000 of the general fund--state appropriation for fiscal
28 year 2003, and \$2,900,000 of the water quality account--state
29 appropriation are provided solely for implementation of chapter 4, Laws
30 of 1999 sp. sess. (forest practices and salmon recovery).

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

36 (3) \$2,000,000 of the forest development account appropriation is
37 provided solely for road decommissioning, maintenance, and repair in
38 the Lake Whatcom watershed.

1 (4) \$543,000 of the forest fire protection assessment account
2 appropriation, \$22,000 of the forest development account appropriation,
3 and \$76,000 of the resource management cost account appropriation are
4 provided solely to implement chapter 279, Laws of 2001, Substitute
5 House Bill No. 2104, (modifying forest fire protection assessments).

6 (5) \$354,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$895,000 of the general fund--state appropriation for
8 fiscal year 2003 shall be transferred to the agricultural college trust
9 management account and are provided solely to manage approximately
10 70,700 acres of Washington State University's agricultural college
11 trust lands.

12 (6) \$4,000 of the general fund--state appropriation for fiscal year
13 2002 and \$4,000 of the general fund--state appropriation for fiscal
14 year 2003 are provided solely to compensate the forest board trust for
15 a portion of the lease to the Crescent television improvement district
16 consistent with RCW 79.12.055.

17 (7) \$828,000 of the surface mine reclamation account appropriation
18 is provided to implement Engrossed House Bill No. 1845 (surface mining
19 fees). If the bill is not enacted by June 30, 2001, the amount
20 provided in this subsection shall lapse.

21 (8) \$800,000 of the aquatic lands enhancement account appropriation
22 and \$200,000 of the resources management cost account appropriation are
23 provided solely to improve asset management on state-owned aquatic
24 lands. The department shall streamline the use authorization process
25 for businesses operating on state-owned aquatic lands and issue
26 decisions on 325 pending lease applications by June 30, 2003. The
27 department, in consultation with the attorney general, shall develop a
28 strategic program to resolve claims related to contaminated sediments
29 on state-owned aquatic lands.

30 (9) \$246,000 of the resource management cost account appropriation
31 is provided to the department for continuing control of spruce budworm.

32 (10) \$100,000 of the aquatic lands enhancement account is provided
33 solely for the development and initial implementation of a statewide
34 management plan for marine reserves.

35 (11) \$7,657,859 of the general fund--state appropriation for fiscal
36 year 2002 and (~~(\$4,153,859)~~) \$18,733,859 of the general fund--state
37 appropriation for fiscal year 2003 are provided solely for emergency
38 fire suppression.

1 (12) \$7,216,000 of the general fund--state appropriation for fiscal
2 year 2002 and \$6,584,000 of the general fund--state appropriation for
3 fiscal year 2003 are provided solely for fire protection activities and
4 to implement provisions of the 1997 tridata fire program review.

5 (13) \$100,000 of the general fund--state appropriation for fiscal
6 year 2002, \$550,000 of the aquatic lands enhancement account--state
7 appropriation, and \$209,000 of the natural resources conservation areas
8 stewardship account--state appropriation are provided solely to the
9 department for planning, management, and stewardship of natural area
10 preserves and natural resources conservation areas.

11 (14) \$187,000 of the general fund--state appropriation for fiscal
12 year 2002 and \$188,000 of the general fund--state appropriation for
13 fiscal year 2003 are provided solely to the department for maintenance
14 and stewardship of public lands.

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

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

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

26 ~~((+19))~~ (18) \$250,000 of the resource management cost account--
27 state appropriation and \$250,000 of the forest development account--
28 state appropriation are deposited in the contract harvesting revolving
29 account--nonappropriated to implement Substitute Senate Bill No. 6257
30 (contract harvesting). If Substitute Senate Bill No. 6257 is not
31 enacted the deposit in this subsection shall not occur.

32 ~~((+20))~~ (19) Within the amounts appropriated in this section, the
33 department shall review the current procedures used to mobilize
34 resources to fight forest fires under the state mobilization plan and
35 through the department of natural resources. The review must include
36 recommendations to ensure that the people closest to a fire are called
37 first, to allow private contractors to be mobilized under the state
38 mobilization plan, and to identify other efficiencies. The department

1 shall review recent studies regarding ways to improve forest fire
 2 fighting in the state. The department shall consult with
 3 representatives of private contractors, fire districts, municipal fire
 4 departments, the state fire marshal, appropriate federal agencies, and
 5 other interested groups in developing the recommendations. The
 6 department shall report their findings and recommendations to the
 7 appropriate committees of the legislature by January 1, 2003.

8 ~~((+21+))~~ (20) \$4,000,000 of the resource management cost account
 9 appropriation is provided solely for the purposes of RCW 79.64.020 and
 10 is contingent upon the establishment, management, and protection of the
 11 following marine reserves: Tidelands and bedlands adjacent to Cherry
 12 Point in Whatcom county; tidelands and bedlands surrounding Maury
 13 Island in King county; tidelands, bedlands, harbor areas, and waterways
 14 adjacent to the Puyallup River delta, within Commencement Bay in Pierce
 15 county; tidelands and bedlands surrounding Cypress Island in Skagit
 16 county; and tidelands and bedlands within Fidalgo Bay in Skagit county.

17 ~~((+22+))~~ (21) Within the amounts appropriated in this section, the
 18 department shall update the Washington State University asset
 19 diversification plan to diversify at least ten percent of the
 20 commercial forest land base within ten years and report recommendations
 21 for implementing the plan to the appropriate committees of the
 22 legislature by December 1, 2002.

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

25 **FOR THE DEPARTMENT OF AGRICULTURE**

26	General Fund--State Appropriation (FY 2002)	\$7,815,000
27	General Fund--State Appropriation (FY 2003)	((\$7,434,000))
28		<u>\$7,377,000</u>
29	General Fund--Federal Appropriation	((\$7,441,000))
30		<u>\$7,421,000</u>
31	General Fund--Private/Local Appropriation	\$1,110,000
32	Aquatic Lands Enhancement Account--State	
33	Appropriation	((\$2,304,000))
34		<u>\$2,301,000</u>
35	State Toxics Control Account--State	
36	Appropriation	((\$2,917,000))
37		<u>\$2,479,000</u>

1 TOTAL APPROPRIATION ((~~\$29,021,000~~))
2 \$28,503,000

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

5 (1) \$36,000 of the general fund--state appropriation for fiscal
6 year 2002 and \$37,000 of the general fund--state appropriation for
7 fiscal year 2003 are provided solely for implementation of the Puget
8 Sound work plan and agency action item DOA-01.

9 (2) \$1,077,000 of the state toxics control account appropriation
10 and \$298,000 of the agricultural local account are provided solely to
11 establish a program to monitor pesticides in surface water, sample and
12 analyze surface waters for pesticide residues, evaluate pesticide
13 exposure on salmon species listed under the provisions of the
14 endangered species act, and implement actions needed to protect
15 salmonids.

16 (3) \$1,480,000 of the aquatic lands enhancement account
17 appropriation is provided solely to initiate a plan to eradicate
18 infestations of spartina in Puget Sound, Hood Canal, and Grays Harbor
19 and begin the reduction in spartina infestations in Willapa Bay.

20 (4) \$75,000 of the general fund--state appropriation for fiscal
21 year 2002, \$75,000 of the general fund--state appropriation for fiscal
22 year 2003, and \$150,000 of the general fund--federal appropriation are
23 provided solely to the small farm and direct marketing program to
24 support small farms in complying with federal, state, and local
25 regulations, facilitating access to food processing centers, and
26 assisting with grant funding requests.

27 (5) \$700,000 of the general fund--federal appropriation and
28 \$700,000 of the general fund--private/local appropriation are provided
29 solely to implement chapter 324, Laws of 2001 (Substitute House Bill
30 No. 1891, marketing of agriculture).

31 (6) (~~(\$450,000)~~) \$242,000 of the state toxics control account--
32 state appropriation is provided solely for deposit in the agricultural
33 local nonappropriated account for the plant pest account to reimburse
34 county horticultural pest and disease boards for the costs of pest
35 control activities, including tree removal, conducted under their
36 existing authorities in chapters 15.08 and 15.09 RCW.

37 (7) The district manager for district two as defined in WAC 16-458-
38 075 shall transfer four hundred fifty thousand dollars from the fruit

1 and vegetable district fund to the plant pest account within the
2 agricultural local fund. The amount transferred must be derived from
3 fees collected for state inspections of tree fruits and shall be used
4 solely to reimburse county horticultural pest and disease boards in
5 district two for the cost of pest control activities, including tree
6 removal, conducted under their existing authority in chapters 15.08 and
7 15.09 RCW. The transfer of funds shall occur by July 1, 2001. On June
8 30, 2003, any unexpended portion of the four hundred fifty thousand
9 dollars shall be returned to the fruit and vegetable district fund.

10 **Sec. 306.** 2001 2nd sp.s. c 7 s 310 (uncodified) is amended to read
11 as follows:

12 **FOR THE WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM**
13 Pollution Liability Insurance Program Trust Account--
14 State Appropriation (~~(\$1,003,000)~~)
15 \$983,000

(End of part)

PART IV
TRANSPORTATION

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

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2002)	\$5,366,000
General Fund--State Appropriation (FY 2003)	(\$5,300,000)
	<u>\$5,350,000</u>
Architects' License Account--State	
Appropriation	\$684,000
Cemetery Account--State Appropriation	(\$200,000)
	<u>\$203,000</u>
Professional Engineers' Account--State	
Appropriation	(\$3,102,000)
	<u>\$3,109,000</u>
Real Estate Commission--State Appropriation	(\$6,837,000)
	<u>\$6,847,000</u>
Master License Account--State Appropriation	(\$8,278,000)
	<u>\$8,284,000</u>
Uniform Commercial Code Account--State	
Appropriation	(\$2,900,000)
	<u>\$2,907,000</u>
Real Estate Education Account--State	
Appropriation	\$276,000
Funeral Directors and Embalmers Account--State	
Appropriation	(\$459,000)
	<u>\$458,000</u>
Washington Real Estate Research Account	
Appropriation	\$307,000
Data Processing Revolving Account--State	
Appropriation	\$23,000
Derelict Vessel Removal Account--State	
Appropriation	\$86,000
TOTAL APPROPRIATION	(\$33,818,000)
	<u>\$33,900,000</u>

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

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

15 **FOR THE STATE PATROL**

16	General Fund--State Appropriation (FY 2002)	\$21,567,000
17	General Fund--State Appropriation (FY 2003)	((\$7,933,000))
18		<u>\$8,271,000</u>
19	General Fund--Federal Appropriation	((\$4,178,000))
20		<u>\$4,813,000</u>
21	General Fund--Private/Local Appropriation	\$369,000
22	Death Investigations Account--State	
23	Appropriation	((\$4,024,000))
24		<u>\$4,019,000</u>
25	Public Safety and Education Account--State	
26	Appropriation	((\$14,769,000))
27		<u>\$14,748,000</u>
28	County Criminal Justice Assistance Account--State	
29	Appropriation	((\$2,870,000))
30		<u>\$2,867,000</u>
31	Municipal Criminal Justice Assistance Account--	
32	State Appropriation	((\$1,367,000))
33		<u>\$1,366,000</u>
34	Fire Service Trust Account--State	
35	Appropriation	\$125,000
36	Fire Service Training Account--State	
37	Appropriation	((\$6,328,000))

1		<u>\$6,321,000</u>
2	State Toxics Control Account--State	
3	Appropriation	\$461,000
4	Violence Reduction and Drug Enforcement Account--	
5	State Appropriation	\$274,000
6	Fingerprint Identification Account--State	
7	Appropriation	((\$5,316,000))
8		<u>\$6,025,000</u>
9	TOTAL APPROPRIATION	((\$69,581,000))
10		<u>\$71,226,000</u>

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

13 (1) \$354,000 of the public safety and education account
14 appropriation is provided solely for additional law enforcement and
15 security coverage on the west capitol campus.

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

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

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

37 (5) Within the amounts appropriated in this section, funding is

1 provided to implement Substitute House Bill No. 2468 (offender DNA
2 database).

3 (6) \$375,000 of the general fund--state appropriation for fiscal
4 year 2003 is provided solely for additional DNA testing.

(End of part)

PART V
EDUCATION

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

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

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

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

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

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

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

(2) STATEWIDE PROGRAMS

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

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

11 (a) HEALTH AND SAFETY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (b) TECHNOLOGY

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

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

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

10 (c) GRANTS AND ALLOCATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 General Fund--State Appropriation (FY 2002)	\$3,786,124,000
15 General Fund--State Appropriation (FY 2003)	((\$3,711,897,000))
16	<u>\$3,719,663,000</u>
17 TOTAL APPROPRIATION	((\$7,498,021,000))
18	<u>\$7,505,787,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 full-time equivalent students in grades K-8 and have been judged to be
2 remote and necessary by the state board of education:

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

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

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

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

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

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

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

34 (h) For each nonhigh school district having an enrollment of more
35 than fifty annual average full-time equivalent students and less than
36 one hundred eighty students, operating a grades K-6 program or a grades
37 1-6 program, an additional one-half of a certificated instructional
38 staff unit.

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

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

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

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

15 (4) Fringe benefit allocations shall be calculated at a rate of
16 10.76 percent in the 2001-02 school year and 9.57 percent in the 2002-
17 03 school year for certificated salary allocations provided under
18 subsection (2) of this section, and a rate of 12.73 percent in the
19 2001-02 school year and 12.36 percent in the 2002-03 school year for
20 classified salary allocations provided under subsection (3) of this
21 section.

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

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

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

33 (6)(a) For nonemployee-related costs associated with each
34 certificated staff unit allocated under subsection (2)(a), (b), and (d)
35 through (h) of this section, there shall be provided a maximum of
36 \$8,519 per certificated staff unit in the 2001-02 school year and a
37 maximum of \$8,604 per certificated staff unit in the 2002-03 school
38 year.

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

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

11 (7) Allocations for substitute costs for classroom teachers shall
12 be distributed at a maintenance rate of \$494.34 for the 2001-02 and
13 2002-03 school years per allocated classroom teachers exclusive of
14 salary increase amounts provided in section 504 of this act. Solely
15 for the purposes of this subsection, allocated classroom teachers shall
16 be equal to the number of certificated instructional staff units
17 allocated under subsection (2) of this section, multiplied by the ratio
18 between the number of actual basic education certificated teachers and
19 the number of actual basic education certificated instructional staff
20 reported statewide for the prior school year.

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

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

33 (a) For fire protection for school districts located in a fire
34 protection district as now or hereafter established pursuant to chapter
35 52.04 RCW, a maximum of \$480,000 may be expended in fiscal year 2002
36 and a maximum of \$485,000 may be expended in fiscal year 2003;

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

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

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

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

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

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

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

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

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

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

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

1 **COMPENSATION ADJUSTMENTS**

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

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

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

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

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

37

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

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

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

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

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

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION
 General Fund--State Appropriation (FY 2002) \$192,402,000

1	General Fund--State Appropriation (FY 2003)	((\$193,293,000))
2		<u>\$209,831,000</u>
3	TOTAL APPROPRIATION	((\$385,695,000))
4		<u>\$402,233,000</u>

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

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

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

17 (3) \$5,000 of the fiscal year 2002 appropriation and \$5,000 of the
18 fiscal year 2003 appropriation are provided solely for the
19 transportation of students enrolled in "choice" programs.
20 Transportation shall be limited to low-income students who are
21 transferring to "choice" programs solely for educational reasons.

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

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

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
2 **PROGRAMS**

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

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

11 (1) \$3,000,000 of the general fund--state appropriation for fiscal
12 year 2002 and \$3,000,000 of the general fund--state appropriation for
13 fiscal year 2003 are provided for state matching money for federal
14 child nutrition programs.

15 (2) \$100,000 of the general fund--state appropriation for fiscal
16 year 2002 and \$100,000 of the 2003 fiscal year appropriation are
17 provided for summer food programs for children in low-income areas.

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

20 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
21 **PROGRAMS**

22	General Fund--State Appropriation (FY 2002)	\$420,165,000
23	General Fund--State Appropriation (FY 2003)	((\$408,761,000))
24		<u>\$408,933,000</u>
25	General Fund--Federal Appropriation	((\$256,407,000))
26		<u>\$295,188,000</u>
27	TOTAL APPROPRIATION	((\$1,085,333,000))
28		<u>\$1,124,286,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (b) For purposes of this subsection, "average basic education

1 allocation per full-time equivalent student" for a district shall be
2 based on the staffing ratios required by RCW 28A.150.260 and shall not
3 include enhancements, secondary vocational education, or small schools.

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

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

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

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

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

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

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

36 (a) A maximum of \$8,500,000 of the general fund--state
37 appropriation and a maximum of \$3,500,000 of the general fund--federal
38 appropriation for fiscal year 2002 are provided as safety net funding

1 for districts with demonstrated needs for state special education
2 funding beyond the amounts provided in subsection (5) of this section.

3 (b) The safety net oversight committee shall first consider the
4 needs of districts adversely affected by the 1995 change in the special
5 education funding formula. Awards shall be based on the lesser of the
6 amount required to maintain the 1994-95 state special education excess
7 cost allocation to the school district in aggregate or on a dollar per
8 funded student basis.

9 (c) The committee shall then consider unmet needs for districts
10 that can convincingly demonstrate that all legitimate expenditures for
11 special education exceed all available revenues from state funding
12 formulas. In the determination of need, the committee shall also
13 consider additional available revenues from federal and local sources.
14 Differences in program costs attributable to district philosophy,
15 service delivery choice, or accounting practices are not a legitimate
16 basis for safety net awards.

17 (d) The maximum allowable indirect cost for calculating safety net
18 eligibility may not exceed the federal restricted indirect cost rate
19 for the district plus one percent.

20 (e) Safety net awards shall be adjusted based on the percent of
21 potential medicaid eligible students billed as calculated by the
22 superintendent in accordance with chapter 318, Laws of 1999.

23 (f) Safety net awards must be adjusted for any audit findings or
24 exceptions related to special education funding.

25 (g) The superintendent may expend up to \$120,000 of the amounts
26 provided in this subsection (8) to provide staff assistance to the
27 committee in analyzing applications for safety net funds received by
28 the committee.

29 (9) For fiscal year 2003 to the extent necessary, \$12,873,000 of
30 the general fund--federal appropriation is provided for safety net
31 awards for districts with demonstrated needs for state special
32 education funding beyond the amounts provided in subsection (5) of this
33 section. If safety net awards exceed the amount appropriated in this
34 subsection (9), the superintendent shall expend all available federal
35 discretionary funds necessary to meet this need. Safety net funds
36 shall be awarded by the state safety net oversight committee subject to
37 the following conditions and limitations:

1 (a) The committee shall consider unmet needs for districts that can
2 convincingly demonstrate that all legitimate expenditures for special
3 education exceed all available revenues from state funding formulas.
4 In the determination of need, the committee shall also consider
5 additional available revenues from federal and local sources.
6 Differences in program costs attributable to district philosophy,
7 service delivery choice, or accounting practices are not a legitimate
8 basis for safety net awards.

9 (b) The committee shall then consider the extraordinary high cost
10 needs of one or more individual special education students.
11 Differences in costs attributable to district philosophy, service
12 delivery choice, or accounting practices are not a legitimate basis for
13 safety net awards.

14 (c) The maximum allowable indirect cost for calculating safety net
15 eligibility may not exceed the federal restricted indirect cost rate
16 for the district plus one percent.

17 (d) Safety net awards shall be adjusted based on the percent of
18 potential medicaid eligible students billed as calculated by the
19 superintendent in accordance with chapter 318, Laws of 1999.

20 (e) Safety net awards must be adjusted for any audit findings or
21 exceptions related to special education funding.

22 (f) The superintendent may expend up to \$120,000 of the amount
23 provided from the general fund--federal appropriation in this
24 subsection (9) to provide staff assistance to the committee in
25 analyzing applications for safety net funds received by the committee.

26 (10) The superintendent of public instruction may adopt such rules
27 and procedures as are necessary to administer the special education
28 funding and safety net award process. Prior to revising any standards,
29 procedures, or rules, the superintendent shall consult with the office
30 of financial management and the fiscal committees of the legislature.

31 (11) The safety net oversight committee appointed by the
32 superintendent of public instruction shall consist of:

33 (a) One staff from the office of superintendent of public
34 instruction;

35 (b) Staff of the office of the state auditor;

36 (c) Staff of the office of the financial management; and

37 (d) One or more representatives from school districts or

1 educational service districts knowledgeable of special education
2 programs and funding.

3 (12) To the extent necessary, in fiscal year 2002, \$2,250,000 of
4 the general fund--federal appropriation shall be expended for safety
5 net funding to meet the extraordinary needs of one or more individual
6 special education students. If safety net awards to meet the
7 extraordinary needs exceed \$2,250,000 of the general fund--federal
8 appropriation, the superintendent shall expend all available federal
9 discretionary funds necessary to meet this need. General fund--state
10 funds shall not be expended for this purpose.

11 (13) A maximum of \$678,000 may be expended from the general fund--
12 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
13 full-time equivalent aides at children's orthopedic hospital and
14 medical center. This amount is in lieu of money provided through the
15 home and hospital allocation and the special education program.

16 (14) \$1,000,000 of the general fund--federal appropriation is
17 provided for projects to provide special education students with
18 appropriate job and independent living skills, including work
19 experience where possible, to facilitate their successful transition
20 out of the public school system. The funds provided by this subsection
21 shall be from federal discretionary grants.

22 (15) The superintendent shall maintain the percentage of federal
23 flow-through to school districts at 85 percent for the 2001-02 school
24 year. For the 2002-03 school year, the superintendent shall allocate
25 the federal funds as specified in this section and shall adjust federal
26 flow-through funds accordingly. In addition to other purposes, school
27 districts may use increased federal funds for high-cost students, for
28 purchasing regional special education services from educational service
29 districts, and for staff development activities particularly relating
30 to inclusion issues.

31 (16) A maximum of \$1,200,000 of the general fund--federal
32 appropriation may be expended by the superintendent for projects
33 related to use of inclusion strategies by school districts for
34 provision of special education services. The superintendent shall
35 prepare an information database on laws, best practices, examples of
36 programs, and recommended resources. The information may be
37 disseminated in a variety of ways, including workshops and other staff
38 development activities.

1 (17) A school district may carry over from one year to the next
2 year up to 10 percent of general fund--state funds allocated under this
3 program; however, carry over funds shall be expended in the special
4 education program.

5 (18) The superintendent of public instruction shall implement the
6 recommendations of the joint legislative audit and review committee
7 study on special education (report 01-11) only to the extent that funds
8 have been specifically provided therefor.

9 **Sec. 507.** 2002 c 371 s 507 (uncodified) is amended to read as
10 follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY**
12 **EDUCATION PROGRAMS**

13	General Fund--State Appropriation (FY 2002)	\$3,765,000
14	General Fund--State Appropriation (FY 2003)	(((\$512,000))
15		<u>\$613,000</u>
16	((Public Safety and Education Account	
17	Appropriation	\$6,567,000))
18	TOTAL APPROPRIATION	(((\$10,844,000))
19		<u>\$4,378,000</u>

20 ~~((1))~~ The general fund--state appropriations in this section are
21 subject to the following conditions and limitations:

22 ~~((a))~~ (1) The appropriations include such funds as are necessary
23 to complete the school year ending in each fiscal year and for prior
24 fiscal year adjustments.

25 ~~((b))~~ (2) A maximum of \$253,000 of the fiscal year 2002 general
26 fund appropriation may be expended for regional traffic safety
27 education coordinators.

28 ~~((c))~~ (3) Allocations to provide tuition assistance for students
29 eligible for free and reduced price lunch who complete the program
30 shall be a maximum of \$203.97 per eligible student in the 2001-02
31 school year.

32 ~~((2) The public safety and education account appropriation in this~~
33 ~~section is subject to the following conditions and limitations:~~

34 ~~(a) The public safety and education account appropriation shall~~
35 ~~lapse if House Bill No. 2573 (traffic safety education) is not enacted~~
36 ~~by June 30, 2002.~~

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

3 (1) Each general fund--state fiscal year appropriation includes
4 such funds as are necessary to complete the school year ending in the
5 fiscal year and for prior fiscal year adjustments.

6 (2) State funding provided under this section is based on salaries
7 and other expenditures for a 220-day school year. The superintendent
8 of public instruction shall monitor school district expenditure plans
9 for institutional education programs to ensure that districts plan for
10 a full-time summer program.

11 (3) State funding for each institutional education program shall be
12 based on the institution's annual average full-time equivalent student
13 enrollment. Staffing ratios for each category of institution shall
14 remain the same as those funded in the 1995-97 biennium.

15 (4) The funded staffing ratios for education programs for juveniles
16 age 18 or less in department of corrections facilities shall be the
17 same as those provided in the 1997-99 biennium.

18 (5) \$141,000 of the general fund--state appropriation for fiscal
19 year 2002 and (~~(\$139,000)~~) \$182,000 of the general fund--state
20 appropriation for fiscal year 2003 are provided solely to maintain at
21 least one certificated instructional staff and related support services
22 at an institution whenever the K-12 enrollment is not sufficient to
23 support one full-time equivalent certificated instructional staff to
24 furnish the educational program. The following types of institutions
25 are included: Residential programs under the department of social and
26 health services for developmentally disabled juveniles, programs for
27 juveniles under the department of corrections, and programs for
28 juveniles under the juvenile rehabilitation administration.

29 (6) Ten percent of the funds allocated for each institution may be
30 carried over from one year to the next.

31 **Sec. 510.** 2002 c 371 s 511 (uncodified) is amended to read as
32 follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
34 **CAPABLE STUDENTS**

35	General Fund--State Appropriation (FY 2002)	\$6,470,000
36	General Fund--State Appropriation (FY 2003)	((\$6,229,000))
37		<u>\$6,244,000</u>

1 TOTAL APPROPRIATION ((~~\$12,699,000~~))
2 \$12,714,000

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

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

8 (2) Allocations for school district programs for highly capable
9 students shall be distributed at a maximum rate of \$327.22 per funded
10 student for the 2001-02 school year and (~~(\$313.07)~~) \$313.11 per funded
11 student for the 2002-03 school year, exclusive of salary and benefit
12 adjustments pursuant to section 504 of this act. The number of funded
13 students shall be a maximum of two percent of each district's full-time
14 equivalent basic education enrollment.

15 (3) \$175,000 of the fiscal year 2002 appropriation and \$170,000 of
16 the fiscal year 2003 appropriation are provided for the centrum program
17 at Fort Worden state park.

18 (4) \$93,000 of the fiscal year 2002 appropriation and \$90,000 of
19 the fiscal year 2003 appropriation are provided for the Washington
20 imagination network and future problem-solving programs.

21 **Sec. 511.** 2002 c 371 s 512 (uncodified) is amended to read as
22 follows:

23 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
24 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
25 **THE NO CHILD LEFT BEHIND ACT**

26 General Fund--Federal Appropriation ((~~\$201,737,000~~))
27 \$199,660,000

28 **Sec. 512.** 2002 c 371 s 513 (uncodified) is amended to read as
29 follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
31 **PROGRAMS**

32 General Fund--State Appropriation (FY 2002) \$36,880,000
33 General Fund--State Appropriation (FY 2003) ((~~\$30,150,000~~))
34 \$30,269,000
35 General Fund--Federal Appropriation \$60,571,000
36 TOTAL APPROPRIATION ((~~\$127,601,000~~))

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

(1) \$322,000 of the general fund--state appropriation for fiscal year 2002 and \$312,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the academic achievement and accountability commission.

(2) \$12,209,000 of the general fund--state appropriation for fiscal year 2002, \$8,872,000 of the general fund--state appropriation for fiscal year 2003, and \$4,000,000 of the general fund--federal appropriation are provided for development and implementation of the Washington assessments of student learning. Up to \$689,000 of the appropriation may be expended for data analysis and data management of test results.

(3) \$1,095,000 of the fiscal year 2002 general fund--state appropriation and \$548,000 of the fiscal year 2003 general fund--state appropriation are provided solely for training of paraprofessional classroom assistants and certificated staff who work with classroom assistants as provided in RCW 28A.415.310.

(4) \$4,695,000 of the general fund--state appropriation for fiscal year 2002 and \$2,348,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for mentor teacher assistance, including state support activities, under RCW 28A.415.250 and 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in this subsection may be used each fiscal year to operate a mentor academy to help districts provide effective training for peer mentors. Funds for the teacher assistance program shall be allocated to school districts based on the number of first year beginning teachers.

(a) A teacher assistance program is a program that provides to a first year beginning teacher peer mentor services that include but are not limited to:

(i) An orientation process and individualized assistance to help beginning teachers who have been hired prior to the start of the school year prepare for the start of a school year;

(ii) The assignment of a peer mentor whose responsibilities to the beginning teacher include but are not limited to constructive feedback, the modeling of instructional strategies, and frequent meetings and other forms of contact;

1 (iii) The provision by peer mentors of strategies, training, and
2 guidance in critical areas such as classroom management, student
3 discipline, curriculum management, instructional skill, assessment,
4 communication skills, and professional conduct. A district may provide
5 these components through a variety of means including one-on-one
6 contact and workshops offered by peer mentors to groups, including
7 cohort groups, of beginning teachers;

8 (iv) The provision of release time, substitutes, mentor training in
9 observation techniques, and other measures for both peer mentors and
10 beginning teachers, to allow each an adequate amount of time to observe
11 the other and to provide the classroom experience that each needs to
12 work together effectively;

13 (v) Assistance in the incorporation of the essential academic
14 learning requirements into instructional plans and in the development
15 of complex teaching strategies, including strategies to raise the
16 achievement of students with diverse learning styles and backgrounds;
17 and

18 (vi) Guidance and assistance in the development and implementation
19 of a professional growth plan. The plan shall include a professional
20 self-evaluation component and one or more informal performance
21 assessments. A peer mentor may not be involved in any evaluation under
22 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
23 assisted through this program.

24 (b) In addition to the services provided in (a) of this subsection,
25 an eligible peer mentor program shall include but is not limited to the
26 following components:

27 (i) Strong collaboration among the peer mentor, the beginning
28 teacher's principal, and the beginning teacher;

29 (ii) Stipends for peer mentors and, at the option of a district,
30 for beginning teachers. The stipends shall not be deemed compensation
31 for the purposes of salary lid compliance under RCW 28A.400.200 and are
32 not subject to the continuing contract provisions of Title 28A RCW; and

33 (iii) To the extent that resources are available for this purpose
34 and that assistance to beginning teachers is not adversely impacted,
35 the program may serve second year and more experienced teachers who
36 request the assistance of peer mentors.

37 (5) \$2,025,000 of the general fund--state appropriation for fiscal
38 year 2002 and \$1,964,000 of the general fund--state appropriation for

1 fiscal year 2003 are provided for improving technology infrastructure,
2 monitoring and reporting on school district technology development,
3 promoting standards for school district technology, promoting statewide
4 coordination and planning for technology development, and providing
5 regional educational technology support centers, including state
6 support activities, under chapter 28A.650 RCW. The superintendent of
7 public instruction shall coordinate a process to facilitate the
8 evaluation and provision of online curriculum courses to school
9 districts which includes the following: Creation of a general listing
10 of the types of available online curriculum courses; a survey conducted
11 by each regional educational technology support center of school
12 districts in its region regarding the types of online curriculum
13 courses desired by school districts; a process to evaluate and
14 recommend to school districts the best online courses in terms of
15 curriculum, student performance, and cost; and assistance to school
16 districts in procuring and providing the courses to students.

17 (6) \$3,600,000 of the general fund--state appropriation for fiscal
18 year 2002 and \$3,600,000 of the general fund--state appropriation for
19 fiscal year 2003 are provided for grants to school districts to provide
20 a continuum of care for children and families to help children become
21 ready to learn. Grant proposals from school districts shall contain
22 local plans designed collaboratively with community service providers.
23 If a continuum of care program exists in the area in which the school
24 district is located, the local plan shall provide for coordination with
25 existing programs to the greatest extent possible. Grant funds shall
26 be allocated pursuant to RCW 70.190.040.

27 (7) \$2,500,000 of the general fund--state appropriation for fiscal
28 year 2002 and \$2,500,000 of the general fund--state appropriation for
29 fiscal year 2003 are provided solely for the meals for kids program
30 under RCW 28A.235.145 through 28A.235.155.

31 (8) \$1,409,000 of the general fund--state appropriation for fiscal
32 year 2002 and \$705,000 of the general fund--state appropriation for
33 fiscal year 2003 are provided solely for the leadership internship
34 program for superintendents, principals, and program administrators.

35 (9) \$1,828,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$1,773,000 of the general fund--state appropriation for
37 fiscal year 2003 are provided solely for the mathematics helping corps
38 subject to the following conditions and limitations:

1 (a) In order to increase the availability and quality of technical
2 mathematics assistance statewide, the superintendent of public
3 instruction shall employ mathematics school improvement specialists to
4 provide assistance to schools and districts. The specialists shall be
5 hired by and work under the direction of a statewide school improvement
6 coordinator. The mathematics improvement specialists shall serve on a
7 rotating basis from one to three years and shall not be permanent
8 employees of the superintendent of public instruction.

9 (b) The school improvement specialists shall provide the following:

10 (i) Assistance to schools to disaggregate student performance data
11 and develop improvement plans based on those data;

12 (ii) Consultation with schools and districts concerning their
13 performance on the Washington assessment of student learning and other
14 assessments emphasizing the performance on the mathematics assessments;

15 (iii) Consultation concerning curricula that aligns with the
16 essential academic learning requirements emphasizing the academic
17 learning requirements for mathematics, the Washington assessment of
18 student learning, and meets the needs of diverse learners;

19 (iv) Assistance in the identification and implementation of
20 research-based instructional practices in mathematics;

21 (v) Staff training that emphasizes effective instructional
22 strategies and classroom-based assessment for mathematics;

23 (vi) Assistance in developing and implementing family and community
24 involvement programs emphasizing mathematics; and

25 (vii) Other assistance to schools and school districts intended to
26 improve student mathematics learning.

27 (10) A maximum of \$500,000 of the general fund--state appropriation
28 for fiscal year 2002 and a maximum of \$485,000 of the general fund--
29 state appropriation for fiscal year 2003 are provided for summer
30 accountability institutes offered by the superintendent of public
31 instruction and the academic achievement and accountability commission.
32 The institutes shall provide school district staff with training in the
33 analysis of student assessment data, information regarding successful
34 district and school teaching models, research on curriculum and
35 instruction, and planning tools for districts to improve instruction in
36 reading, mathematics, language arts, and guidance and counseling.

37 (11) \$3,930,000 of the general fund--state appropriation for fiscal

1 year 2002 and \$3,714,000 of the general fund--state appropriation for
2 fiscal year 2003 are provided solely for the Washington reading corps
3 subject to the following conditions and limitations:

4 (a) Grants shall be allocated to schools and school districts to
5 implement proven, research-based mentoring and tutoring programs in
6 reading for low-performing students in grades K-6. If the grant is
7 made to a school district, the principals of schools enrolling targeted
8 students shall be consulted concerning design and implementation of the
9 program.

10 (b) The programs may be implemented before, after, or during the
11 regular school day, or on Saturdays, summer, intercessions, or other
12 vacation periods.

13 (c) Two or more schools may combine their Washington reading corps
14 programs.

15 (d) A program is eligible for a grant if it meets the following
16 conditions:

17 (i) The program employs methods of teaching and student learning
18 based on reliable reading/literacy research and effective practices;

19 (ii) The program design is comprehensive and includes instruction,
20 on-going student assessment, professional development,
21 parental/community involvement, and program management aligned with the
22 school's reading curriculum;

23 (iii) It provides quality professional development and training for
24 teachers, staff, and volunteer mentors and tutors;

25 (iv) It has measurable goals for student reading aligned with the
26 essential academic learning requirements; and

27 (v) It contains an evaluation component to determine the
28 effectiveness of the program.

29 (e) Funding priority shall be given to low-performing schools.

30 (f) Beginning and end-of-program testing data shall be available to
31 determine the effectiveness of funded programs and practices. Common
32 evaluative criteria across programs, such as grade-level improvements
33 shall be available for each reading corps program. The superintendent
34 of public instruction shall provide program evaluations to the governor
35 and the appropriate committees of the legislature. Administrative and
36 evaluation costs may be assessed from the annual appropriation for the
37 program.

1 (g) Grants provided under this section may be used by schools and
2 school districts for expenditures from September 2001 through August
3 31, 2003.

4 (12) \$375,000 of the general fund--state appropriation for fiscal
5 year 2002 and (~~(\$725,000)~~) \$844,000 of the general fund--state
6 appropriation for fiscal year 2003 are provided solely for salary
7 bonuses for teachers who attain certification by the national board for
8 professional teaching standards, subject to the following conditions
9 and limitations:

10 (a) Teachers who have attained certification by the national board
11 shall receive an annual bonus not to exceed \$3,500.

12 (b) The annual bonus shall be paid in a lump sum amount and shall
13 not be included in the definition of "earnable compensation" under RCW
14 41.32.010(10).

15 (c) It is the intent of the legislature that teachers achieving
16 certification by the national board of professional teaching standards
17 will receive no more than four annual bonus payments for attaining
18 certification by the national board.

19 (13) \$625,000 of the general fund--state appropriation for fiscal
20 year 2002 and \$313,000 of the general fund--state appropriation for
21 fiscal year 2003 are provided for a principal support program. The
22 office of the superintendent of public instruction may contract with an
23 independent organization to administer the program. The program shall
24 include: (a) Development of an individualized professional growth plan
25 for a new principal or principal candidate; and (b) participation of a
26 mentor principal who works over a period of between one and three years
27 with the new principal or principal candidate to help him or her build
28 the skills identified as critical to the success of the professional
29 growth plan.

30 (14) \$71,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$71,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided solely for the second grade reading test.
33 The funds shall be expended for assessment training for new second
34 grade teachers and replacement of assessment materials.

35 (15) \$384,000 of the general fund--state appropriation for fiscal
36 year 2002 and \$372,000 of the general fund--state appropriation for
37 fiscal year 2003 are provided for the superintendent to assist schools
38 in implementing high academic standards, aligning curriculum with these

1 standards, and training teachers to use assessments to improve student
2 learning. Funds may also be used to increase community and parental
3 awareness of education reform.

4 (16) \$130,000 of the general fund--state appropriation for fiscal
5 year 2002 and \$126,000 of the general fund--state appropriation for
6 fiscal year 2003 are provided for the development and posting of web-
7 based instructional tools, assessment data, and other information that
8 assists schools and teachers implementing higher academic standards.

9 (17) \$1,000,000 of the general fund--state appropriation for fiscal
10 year 2002 and \$1,746,000 of the general fund--state appropriation for
11 fiscal year 2003 are provided solely to the office of the
12 superintendent of public instruction for focused assistance. The
13 office of the superintendent of public instruction shall conduct
14 educational audits of low-performing schools and enter into performance
15 agreements between school districts and the office to implement the
16 recommendations of the audit and the community. Of the amounts
17 provided, \$219,000 of the fiscal year 2002 appropriation and \$201,000
18 of the fiscal year 2003 appropriation are provided to the office of the
19 superintendent of public instruction for the administrative duties
20 arising under this subsection. Each educational audit shall include
21 recommendations for best practices and ways to address identified needs
22 and shall be presented to the community in a public meeting to seek
23 input on ways to implement the audit and its recommendations.

24 (18) \$100,000 of the general fund--state appropriation for fiscal
25 year 2002 is provided solely for grants to school districts to adopt or
26 revise district-wide and school-level plans to achieve performance
27 improvement goals established under RCW 28A.655.030, and to post a
28 summary of the improvement plans on district websites using a common
29 format provided by the office of the superintendent of public
30 instruction.

31 (19) \$100,000 of the general fund--state appropriation for fiscal
32 year 2002 is provided solely for recognition plaques for schools that
33 successfully met the fourth grade reading improvement goal established
34 under RCW 28A.655.050.

35 (20) \$46,554,000 of the general fund--federal appropriation is
36 provided for preparing, training, and recruiting high quality teachers
37 and principals under Title II of the no child left behind act.

1 (21) \$6,591,000 of the general fund--federal appropriation is
2 provided for the reading first program under Title I of the no child
3 left behind act.

4 (22) In addition to amounts provided in subsection (2) of this
5 section, \$3,426,000 of the general fund--federal appropriation is
6 provided for the development of state assessments as required under
7 Title VI of the no child left behind act.

8 **Sec. 513.** 2002 c 371 s 514 (uncodified) is amended to read as
9 follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
11 **BILINGUAL PROGRAMS**

12	General Fund--State Appropriation (FY 2002)	\$42,767,000
13	General Fund--State Appropriation (FY 2003)	(\$44,734,000)
14		<u>\$44,083,000</u>
15	General Fund--Federal Appropriation (FY 2003)	(\$20,280,000)
16		<u>\$19,755,000</u>
17	TOTAL APPROPRIATION	(\$107,781,000)
18		<u>\$106,605,000</u>

19 (1) The general fund--state appropriations in this section are
20 subject to the following conditions and limitations:

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

24 (b) The superintendent shall distribute a maximum of \$684.36 per
25 eligible bilingual student in the 2001-02 school year and \$674.69 in
26 the 2002-03 school year, exclusive of salary and benefit adjustments
27 provided in section 504 of this act.

28 (c) The superintendent may withhold up to \$295,000 in school year
29 2001-02 and up to \$700,000 in school year 2002-03, and adjust the per
30 eligible pupil rates in subsection (2) of this section accordingly, for
31 the central provision of assessments as provided in section 2(1) and
32 (2) of Engrossed Second Substitute House Bill No. 2025.

33 (d) \$70,000 of the amounts appropriated in this section are
34 provided solely to develop a system for the tracking of current and
35 former transitional bilingual program students.

36 (e) Sufficient funding is provided to implement Engrossed Second
37 Substitute House Bill No. 2025 (schools/bilingual instruction).

1 (2) The general fund--federal appropriation in this section is
2 provided for migrant education, English language acquisition, and
3 language enhancement grants under Title III of the no child left behind
4 act.

5 **Sec. 514.** 2002 c 371 s 515 (uncodified) is amended to read as
6 follows:

7 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
8 **ASSISTANCE PROGRAM**

9	General Fund--State Appropriation (FY 2002)	\$71,342,000
10	General Fund--State Appropriation (FY 2003)	(\$64,614,000)
11		<u>\$63,694,000</u>
12	General Fund--Federal Appropriation (FY 2003)	\$130,631,000
13	TOTAL APPROPRIATION	(\$266,587,000)
14		<u>\$265,667,000</u>

15 (1) The general fund--state appropriations in this section are
16 subject to the following conditions and limitations:

17 (a) Each general fund--state fiscal year appropriation includes
18 such funds as are necessary to complete the school year ending in the
19 fiscal year and for prior fiscal year adjustments.

20 (b) Funding for school district learning assistance programs shall
21 be allocated at maximum rates of \$407.39 per funded unit for the 2001-
22 02 school year and \$404.78 per funded unit for the 2002-03 school year
23 exclusive of salary and benefit adjustments provided under section 504
24 of this act.

25 (c) For purposes of this section, "test results" refers to the
26 district results from the norm-referenced test administered in the
27 specified grade level. The norm-referenced test results used for the
28 third and sixth grade calculations shall be consistent with the third
29 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

30 (d) A school district's general fund--state funded units for the
31 2001-02 school year shall be the sum of the following:

32 (i) The district's full-time equivalent enrollment in grades K-6,
33 multiplied by the 5-year average 4th grade lowest quartile test results
34 as adjusted for funding purposes in the school years prior to 1999-
35 2000, multiplied by 0.92. As the 3rd grade test becomes available, it
36 shall be phased into the 5-year average on a 1-year lag; and

1 (ii) The district's full-time equivalent enrollment in grades 7-9,
2 multiplied by the 5-year average 8th grade lowest quartile test results
3 as adjusted for funding purposes in the school years prior to 1999-
4 2000, multiplied by 0.92. As the 6th grade test becomes available, it
5 shall be phased into the 5-year average for these grades on a 1-year
6 lag; and

7 (iii) The district's full-time equivalent enrollment in grades 10-
8 11 multiplied by the 5-year average 11th grade lowest quartile test
9 results, multiplied by 0.92. As the 9th grade test becomes available,
10 it shall be phased into the 5-year average for these grades on a 1-year
11 lag; and

12 (iv) If, in the prior school year, the district's percentage of
13 October headcount enrollment in grades K-12 eligible for free and
14 reduced price lunch exceeded the state average, subtract the state
15 average percentage of students eligible for free and reduced price
16 lunch from the district's percentage and multiply the result by the
17 district's K-12 annual average full-time equivalent enrollment for the
18 current school year multiplied by 22.3 percent.

19 (e)(i) A school district's general fund--state funded units for the
20 2002-03 school year shall be the sum of the following:

21 (A) The district's full-time equivalent enrollment in grades K-6,
22 multiplied by the 5-year average 4th grade lowest quartile test results
23 as adjusted for funding purposes in the school years prior to 1999-
24 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
25 shall be phased into the 5-year average on a 1-year lag;

26 (B) The district's full-time equivalent enrollment in grades 7-9,
27 multiplied by the 5-year average 8th grade lowest quartile test results
28 as adjusted for funding purposes in the school years prior to 1999-
29 2000, multiplied by 0.82. As the 6th grade test becomes available, it
30 shall be phased into the 5-year average for these grades on a 1-year
31 lag; and

32 (C) The district's full-time equivalent enrollment in grades 10-11
33 multiplied by the 5-year average 11th grade lowest quartile test
34 results, multiplied by 0.82. As the 9th grade test becomes available,
35 it shall be phased into the 5-year average for these grades on a 1-year
36 lag; and

37 (D) If, in the prior school year, the district's percentage of
38 October headcount enrollment in grades K-12 eligible for free and

1 reduced price lunch exceeded the state average, subtract the state
2 average percentage of students eligible for free and reduced price
3 lunch from the district's percentage and multiply the result by the
4 district's K-12 annual average full-time equivalent enrollment for the
5 current school year multiplied by 22.3 percent.

6 (ii) In addition to amounts allocated under (a) of this subsection,
7 the superintendent shall provide additional amounts as follows:

8 (A) For school districts receiving less than a 3.0 percent increase
9 in federal Title I Part A (basic program) funds, the multiplier in
10 (i)(A), (B), and (C) of this subsection (e) shall be .92;

11 (B) For school districts not eligible for additional funds under
12 (b)(i) of this subsection, and whose effective increase in federal
13 Title I Part A (basic program) funds is less than 3.0 percent after
14 taking into account the change in the multiplier from .92 to .82, an
15 additional amount to provide a 3.0 percent increase.

16 (f) School districts may carry over from one year to the next up to
17 10 percent of general fund--state funds allocated under this program;
18 however, carryover funds shall be expended for the learning assistance
19 program.

20 (2) The general fund--federal appropriation in this section is
21 provided for Title I Part A allocations of the no child left behind act
22 of 2001.

23 **Sec. 515.** 2002 c 371 s 516 (uncodified) is amended to read as
24 follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS**

26	General Fund--State Appropriation (FY 2002)	\$19,663,000
27	General Fund--State Appropriation (FY 2003)	((\$3,541,000))
28		<u>\$3,534,000</u>
29	TOTAL APPROPRIATION	((\$23,204,000))
30		<u>\$23,197,000</u>

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

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

36 (2) Funds are provided for local education program enhancements to

1 meet educational needs as identified by the school district, including
2 alternative education programs.

3 (3) Allocations for the 2001-02 school year shall be at a maximum
4 annual rate of \$18.48 per full-time equivalent student. Allocations
5 shall be made on the monthly apportionment payment schedule provided in
6 RCW 28A.510.250 and shall be based on school district annual average
7 full-time equivalent enrollment in grades kindergarten through twelve:
8 PROVIDED, That for school districts enrolling not more than one hundred
9 average annual full-time equivalent students, and for small school
10 plants within any school district designated as remote and necessary
11 schools, the allocations shall be as follows:

12 (a) Enrollment of not more than sixty average annual full-time
13 equivalent students in grades kindergarten through six shall generate
14 funding based on sixty full-time equivalent students;

15 (b) Enrollment of not more than twenty average annual full-time
16 equivalent students in grades seven and eight shall generate funding
17 based on twenty full-time equivalent students; and

18 (c) Enrollment of not more than sixty average annual full-time
19 equivalent students in grades nine through twelve shall generate
20 funding based on sixty full-time equivalent students.

21 (4) Funding provided pursuant to this section does not fall within
22 the definition of basic education for purposes of Article IX of the
23 state Constitution and the state's funding duty thereunder.

24 (5) The superintendent shall not allocate up to one-fourth of a
25 district's funds under this section if:

26 (a) The district is not maximizing federal matching funds for
27 medical services provided through special education programs, pursuant
28 to RCW 74.09.5241 through 74.09.5256 (Title XIX funding); or

29 (b) The district is not in compliance in filing truancy petitions
30 as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

31 **Sec. 516.** 2002 c 371 s 518 (uncodified) is amended to read as
32 follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
34 **PROGRAM**

35 Student Achievement Fund--State	
36 Appropriation (FY 2002)	\$180,837,000
37 Student Achievement Fund--State	

1	Appropriation (FY 2003)	((\$210,312,000))
2		<u>\$210,376,000</u>
3	TOTAL APPROPRIATION	((\$391,149,000))
4		<u>\$391,213,000</u>

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

7 (1) The appropriation is allocated for the following uses as
8 specified in chapter 28A.505 RCW as amended by chapter 3, Laws of 2001
9 (Initiative Measure No. 728):

10 (a) To reduce class size by hiring certificated elementary
11 classroom teachers in grades K-4 and paying nonemployee-related costs
12 associated with those new teachers;

13 (b) To make selected reductions in class size in grades 5-12, such
14 as small high school writing classes;

15 (c) To provide extended learning opportunities to improve student
16 academic achievement in grades K-12, including, but not limited to,
17 extended school year, extended school day, before-and-after-school
18 programs, special tutoring programs, weekend school programs, summer
19 school, and all-day kindergarten;

20 (d) To provide additional professional development for educators
21 including additional paid time for curriculum and lesson redesign and
22 alignment, training to ensure that instruction is aligned with state
23 standards and student needs, reimbursement for higher education costs
24 related to enhancing teaching skills and knowledge, and mentoring
25 programs to match teachers with skilled, master teachers. The funding
26 shall not be used for salary increases or additional compensation for
27 existing teaching duties, but may be used for extended year and extend
28 day teaching contracts;

29 (e) To provide early assistance for children who need
30 prekindergarten support in order to be successful in school; or

31 (f) To provide improvements or additions to school building
32 facilities which are directly related to the class size reductions and
33 extended learning opportunities under (a) through (c) of this
34 subsection.

35 (2) Funding for school district student achievement programs shall
36 be allocated at a maximum rate of \$190.19 per FTE student for the 2001-
37 02 school year and ((~~\$219.84~~)) \$220.00 per FTE student for the 2002-03
38 school year. For the purposes of this section and in accordance with

1 RCW 84.52.068, FTE student refers to the annual average full-time
2 equivalent enrollment of the school district in grades kindergarten
3 through twelve for the prior school year.

4 (3) The office of the superintendent of public instruction shall
5 distribute ten percent of the annual allocation to districts each month
6 for the months of September through June.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2002 c 371 s 603 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2002)	\$514,141,000
General Fund--State Appropriation (FY 2003)	((\$533,500,000))
	<u>\$532,851,000</u>
General Fund--Federal Appropriation	\$11,404,000
Administrative Contingency Account--State	
Appropriation	\$2,600,000
College Faculty Awards Trust Account--State	
Appropriation	\$2,500,000
Education Savings Account--State	
Appropriation	\$4,500,000
TOTAL APPROPRIATION	((\$1,068,645,000))
	<u>\$1,067,996,000</u>

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

(1) The technical colleges may increase tuition and fees in excess of the fiscal growth factor to conform with the percentage increase in community college operating fees.

(2) \$2,475,000 of the general fund--state appropriation for fiscal year 2002 and \$5,025,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to increase salaries and related benefits for part-time faculty. The board shall report by December 1 of each fiscal year to the office of financial management and legislative fiscal and higher education committees on (a) the distribution of state funds; (b) wage adjustments for part-time faculty; and (c) progress to achieve the long-term performance targets for each district, with respect to use of part-time faculty, pursuant to the faculty mix study conducted under section 603, chapter 309, Laws of 1999.

(3) \$1,155,000 of the general fund--state appropriation for fiscal year 2002 and \$1,155,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for faculty salary increments and

1 associated benefits and may be used in combination with salary and
2 benefit savings from faculty turnover to provide faculty salary
3 increments and associated benefits. To the extent general salary
4 increase funding is used to pay faculty increments, the general salary
5 increase shall be reduced by the same amount.

6 (4) \$1,000,000 of the general fund--state appropriation for fiscal
7 year 2002 and \$1,000,000 of the general fund--state appropriation for
8 fiscal year 2003 are provided for a program to fund the start-up of new
9 community and technical college programs in rural counties as defined
10 under RCW 43.160.020(12) and in communities impacted by business
11 closures and job reductions. Successful proposals must respond to
12 local economic development strategies and must include a plan to
13 continue programs developed with this funding.

14 (5) \$326,000 of the general fund--state appropriation for fiscal
15 year 2002 and \$640,000 of the general fund--state appropriation for
16 fiscal year 2003 are provided solely for allocation to twelve college
17 districts identified in (a) through (l) of this subsection to prepare
18 students for transfer to the state technology institute at the Tacoma
19 branch campus of the University of Washington. The appropriations in
20 this section are intended to supplement, not supplant, general
21 enrollment allocations by the board to the districts under (a) through
22 (l) of this subsection:

- 23 (a) Bates Technical College;
- 24 (b) Bellevue Community College;
- 25 (c) Centralia Community College;
- 26 (d) Clover Park Community College;
- 27 (e) Grays Harbor Community College;
- 28 (f) Green River Community College;
- 29 (g) Highline Community College;
- 30 (h) Tacoma Community College;
- 31 (i) Olympic Community College;
- 32 (j) Pierce District;
- 33 (k) Seattle District; and
- 34 (l) South Puget Sound Community College.

35 (6) \$28,761,000 of the general fund--state appropriation for fiscal
36 year 2002, \$32,761,000 of the general fund--state appropriation for
37 fiscal year 2003, and the entire administrative contingency account
38 appropriation are provided solely as special funds for training and

1 related support services, including financial aid, as specified in
2 chapter 226, Laws of 1993 (employment and training for unemployed
3 workers).

4 (a) Funding is provided to support up to 7,200 full-time equivalent
5 students in fiscal year 2002 and up to 8,520 full-time equivalent
6 students in fiscal year 2003.

7 (b) In directing these resources during the 2001-03 biennium, the
8 state board for community and technical colleges shall give
9 considerable attention to the permanent dislocation of workers from
10 industries facing rapidly rising energy costs, such as direct service
11 industries.

12 (7) \$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 solely for tuition support for students
15 enrolled in work-based learning programs.

16 (8) \$567,000 of the general fund--state appropriation for fiscal
17 year 2002 and \$568,000 of the general fund--state appropriation for
18 fiscal year 2003 are provided solely for administration and customized
19 training contracts through the job skills program.

20 (9) \$50,000 of the general fund--state appropriation for fiscal
21 year 2002 and \$50,000 of the general fund--state appropriation for
22 fiscal year 2003 are solely for higher education student child care
23 matching grants under chapter 28B.135 RCW.

24 (10) \$212,000 of the general fund--state appropriation for fiscal
25 year 2002 and \$212,000 of the general fund--state appropriation for
26 fiscal year 2003 are provided for allocation to Olympic college. The
27 college shall contract with accredited baccalaureate institution(s) to
28 bring a program of upper-division courses to Bremerton. Funds provided
29 are sufficient to support at least 30 additional annual full-time
30 equivalent students. The state board for community and technical
31 colleges shall report to the office of financial management and the
32 fiscal and higher education committees of the legislature on the
33 implementation of this subsection by December 1st of each fiscal year.

34 (11) The entire education savings account appropriation is provided
35 solely to support the development of a multicollge student-centered
36 online service center for distance learners, including self-service
37 internet applications and staff support 24 hours per day. Moneys may

1 be allocated by the office of financial management upon certification
2 that sufficient cash is available beyond the appropriations made for
3 the 2001-03 biennium for the purposes of common school construction.

4 (12) \$9,500,000 of the general fund--state appropriation for fiscal
5 year 2003 and the entire college faculty awards trust account
6 appropriation are provided solely for the purposes of the settlement
7 costs of *Mader v. State* litigation regarding retirement contributions
8 on behalf of part-time faculty.

9 **Sec. 602.** 2002 c 371 s 604 (uncodified) is amended to read as
10 follows:

11 **FOR UNIVERSITY OF WASHINGTON**

12	General Fund--State Appropriation (FY 2002)	\$345,904,000
13	General Fund--State Appropriation (FY 2003)	((\$336,544,000))
14		<u>\$333,276,000</u>
15	Death Investigations Account--State	
16	Appropriation	\$258,000
17	University of Washington Building Account--	
18	State Appropriation	\$1,103,000
19	Accident Account--State Appropriation	\$5,881,000
20	Medical Aid Account--State Appropriation	\$5,937,000
21	TOTAL APPROPRIATION	((\$695,627,000))
22		<u>\$692,359,000</u>

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

25 (1) The university may reallocate 10 percent of newly budgeted
26 enrollments to campuses other than as specified by the legislature in
27 section 602 of this act in order to focus on high demand areas. The
28 university shall report the details of these reallocations to the
29 office of financial management and the fiscal and higher education
30 committees of the legislature for monitoring purposes by the 10th day
31 of the academic quarter that follows the reallocation actions. The
32 report shall provide details of undergraduate and graduate enrollments
33 at the main campus and each of the branch campuses.

34 (2) \$2,000,000 of the general fund--state appropriation for fiscal
35 year 2002 and \$2,000,000 of the general fund--state appropriation for
36 fiscal year 2003 are provided solely to create a state resource for
37 technology education in the form of an institute located at the

1 University of Washington, Tacoma. It is the intent of the legislature
2 that at least ninety-nine of the full-time equivalent enrollments
3 allocated to the university's Tacoma branch campus for the 2002-03
4 academic year may be used to establish the technology institute. The
5 university will expand undergraduate and graduate degree programs
6 meeting regional technology needs including, but not limited to,
7 computing and software systems. As a condition of these
8 appropriations:

9 (a) The university will work with the state board for community and
10 technical colleges, or individual colleges where necessary, to
11 establish articulation agreements in addition to the existing associate
12 of arts and associate of science transfer degrees. Such agreements
13 shall improve the transferability of students and in particular,
14 students with substantial applied information technology credits.

15 (b) The university will establish performance measures for
16 recruiting, retaining and graduating students, including nontraditional
17 students, and report back to the governor and legislature by September
18 2002 as to its progress and future steps.

19 (3) \$150,000 of the general fund--state appropriation for fiscal
20 year 2002 and \$150,000 of the general fund--state appropriation for
21 fiscal year 2003 are provided solely for research faculty clusters in
22 the advanced technology initiative program.

23 (4) The department of environmental health shall report to the
24 legislature the historical, current, and anticipated use of funds
25 provided from the accident and medical aid accounts. The report shall
26 be submitted prior to the convening of the 2002 legislative session.

27 (5) \$258,000 of the death investigations account appropriation is
28 provided solely for the forensic pathologist fellowship program.

29 (6) \$150,000 of the general fund--state appropriation for fiscal
30 year 2002 and \$150,000 of the general fund--state appropriation for
31 fiscal year 2003 are provided solely for the implementation of the
32 Puget Sound work plan and agency action item UW-01.

33 (7) \$75,000 of the general fund--state appropriation for fiscal
34 year 2002 and \$75,000 of the general fund--state appropriation for
35 fiscal year 2003 are provided solely for the Olympic natural resource
36 center.

37 (8) \$50,000 of the general fund--state appropriations are provided

1 solely for the school of medicine to conduct a survey designed to
2 evaluate characteristics, factors and probable causes for the high
3 incidence of multiple sclerosis cases in Washington state.

4 (9) \$1,103,000 of the University of Washington building account--
5 state appropriation is provided solely for the repair and
6 reconstruction of the Urban Horticulture Center (Merrill Hall).

7 **Sec. 603.** 2002 c 371 s 605 (uncodified) is amended to read as
8 follows:

9 **FOR WASHINGTON STATE UNIVERSITY**

10	General Fund--State Appropriation (FY 2002)	\$201,362,000
11	General Fund--State Appropriation (FY 2003)	((\$195,533,000))
12		<u>\$193,561,000</u>
13	TOTAL APPROPRIATION	((\$396,895,000))
14		<u>\$394,923,000</u>

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

17 (1) The university may reallocate 10 percent of newly budgeted
18 enrollments to campuses other than specified by the legislature in
19 section 602 of this act in order to focus on high demand areas. The
20 university will report the details of these reallocations to the office
21 of financial management and the fiscal and higher education committees
22 of the legislature for monitoring purposes by the 10th day of the
23 academic quarter that follows the reallocation actions. The report
24 will provide details of undergraduate and graduate enrollments at the
25 main campus and each of the branch campuses.

26 (2) \$150,000 of the general fund--state appropriation for fiscal
27 year 2002 and \$150,000 of the general fund--state appropriation for
28 fiscal year 2003 are provided solely for research faculty clusters in
29 the advanced technology initiative program.

30 (3) \$165,000 of the general fund--state appropriation for fiscal
31 year 2002 and \$166,000 of the general fund--state appropriation for
32 fiscal year 2003 are provided solely for the implementation of the
33 Puget Sound work plan and agency action item WSU-01.

34 **Sec. 604.** 2002 c 371 s 606 (uncodified) is amended to read as
35 follows:

1 **FOR EASTERN WASHINGTON UNIVERSITY**

2	General Fund--State Appropriation (FY 2002)	\$45,517,000
3	General Fund--State Appropriation (FY 2003)	(\$44,174,000)
4		<u>\$43,665,000</u>
5	TOTAL APPROPRIATION	(\$89,691,000)
6		<u>\$89,182,000</u>

7 **Sec. 605.** 2002 c 371 s 607 (uncodified) is amended to read as
8 follows:

9 **FOR CENTRAL WASHINGTON UNIVERSITY**

10	General Fund--State Appropriation (FY 2002)	\$44,147,000
11	General Fund--State Appropriation (FY 2003)	(\$42,149,000)
12		<u>\$41,371,000</u>
13	TOTAL APPROPRIATION	(\$86,296,000)
14		<u>\$85,518,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations: \$700,000 of the general fund--state
17 appropriation for fiscal year 2002 is provided solely for the
18 development and implementation of the university's enrollment
19 stabilization recovery and growth plan. The university shall report
20 back to the fiscal committees of the legislature, the office of
21 financial management, and the higher education coordinating board at
22 the end of each fiscal year with details of its actions and progress.

23 **Sec. 606.** 2002 c 371 s 608 (uncodified) is amended to read as
24 follows:

25 **FOR THE EVERGREEN STATE COLLEGE**

26	General Fund--State Appropriation (FY 2002)	\$25,325,000
27	General Fund--State Appropriation (FY 2003)	(\$24,474,000)
28		<u>\$24,109,000</u>
29	TOTAL APPROPRIATION	(\$49,799,000)
30		<u>\$49,434,000</u>

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

33 (1) ~~((+2))~~ \$75,000 of the general fund--state appropriation for
34 fiscal year 2002 is provided solely for the institute for public policy
35 to complete studies of services described in section 202(1), chapter 1,
36 Laws of 2000 2nd sp. sess.

1 ~~((3))~~ (2) \$11,000 of the general fund--state appropriation for
2 fiscal year 2002 and \$54,000 of the general fund--state appropriation
3 for fiscal year 2003 are provided solely for the institute for public
4 policy to conduct an outcome evaluation pursuant to Substitute Senate
5 Bill No. 5416 (drug-affected infants). The institute shall provide a
6 report to the fiscal, health, and human services committees of the
7 legislature by December 1, 2003. If the bill is not enacted by June
8 30, 2001, the amounts provided in this subsection shall be used to
9 evaluate outcomes across state health and social service pilot projects
10 and other national models involving women who have given birth to a
11 drug-affected infant, comparing gains in positive birth outcomes for
12 resources invested, in which case the institute's findings and
13 recommendations will be provided by November 15, 2002.

14 ~~((4))~~ (3) \$11,000 of the general fund--state appropriation for
15 fiscal year 2002 and \$33,000 of the general fund--state appropriation
16 for fiscal year 2003 are provided solely for the institute for public
17 policy to evaluate partnership grant programs for alternative teacher
18 certification pursuant to Engrossed Second Substitute Senate Bill No.
19 5695. An interim report shall be provided to the fiscal and education
20 committees of the legislature by December 1, 2002, and a final report
21 by December 1, 2004.

22 ~~((5))~~ (4) \$60,000 of the general fund--state appropriation for
23 fiscal year 2002 is provided solely for the institute for public policy
24 to examine options for revising the state's funding formula for the
25 learning assistance program to enhance accountability for school
26 performance in meeting education reform goals. The institute shall
27 submit its report to the appropriate legislative fiscal and policy
28 committees by June 30, 2002.

29 ~~((6))~~ (5) \$50,000 of the general fund--state appropriation for
30 fiscal year 2002 is provided solely for the institute for public policy
31 to study the prevalence and needs of families who are raising related
32 children. The study shall compare services and policies of Washington
33 state with other states that have a high rate of kinship care
34 placements in lieu of foster care placements. The study shall identify
35 possible changes in services and policies that are likely to increase
36 appropriate kinship care placements. A report shall be provided to the
37 fiscal and human services committees of the legislature by June 1,
38 2002.

1 ~~((7))~~ (6) \$35,000 of the general fund--state appropriation for
2 fiscal year 2002 and \$15,000 of the general fund--state appropriation
3 for fiscal year 2003 are provided solely for the institute for public
4 policy to examine various educational delivery models for providing
5 services and education for students through the Washington state school
6 for the deaf. The institute's report, in conjunction with the capacity
7 planning study from the joint legislative audit and review committee,
8 shall be submitted to the fiscal committees of the legislature by
9 September 30, 2002.

10 ~~((8))~~ (7) \$30,000 of the general fund--state appropriation for
11 fiscal year 2002 is provided solely for the institute for public policy
12 to examine the structure, policies, and recent experience in states
13 where welfare recipients may attend college full-time as their required
14 TANF work activity. The institute will provide findings and recommend
15 how Washington could consider adding this feature in a targeted, cost-
16 neutral manner that would complement the present-day WorkFirst efforts
17 and caseload. The institute shall provide a report to the human
18 services, higher education, and fiscal committees of the legislature by
19 November 15, 2001.

20 ~~((9))~~ (8) \$75,000 of the general fund--state appropriation for
21 fiscal year 2002 and \$75,000 of the general fund--state appropriation
22 for fiscal year 2003 are provided solely for the institute for public
23 policy to research and evaluate strategies for constraining the growth
24 in state health expenditures. Specific research topics, approaches,
25 and timelines shall be identified in consultation with the fiscal
26 committees of the legislature.

27 ~~((10))~~ (9) \$100,000 of the general fund--state appropriation for
28 fiscal year 2002 is provided solely for the institute for public policy
29 to conduct a comprehensive review of the costs and benefits of existing
30 juvenile crime prevention and intervention programs. This evaluation
31 shall also consider what changes could result in more cost-effective
32 and efficient funding for juvenile crime prevention and intervention
33 programs presently supported with state funds. The institute for
34 public policy shall report its findings and recommendations to the
35 appropriate legislative fiscal and policy committees by October 1,
36 2002.

1 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

2 General Fund--State Appropriation (FY 2002) \$1,674,000

3 General Fund--State Appropriation (FY 2003) (~~(\$1,489,000)~~)

4 \$1,447,000

5 TOTAL APPROPRIATION (~~(\$3,163,000)~~)

6 \$3,121,000

7 **Sec. 612.** 2002 c 371 s 619 (uncodified) is amended to read as

8 follows:

9 **FOR THE STATE SCHOOL FOR THE DEAF**

10 General Fund--State Appropriation (FY 2002) \$7,395,000

11 General Fund--State Appropriation (FY 2003) (~~(\$7,751,000)~~)

12 \$7,698,000

13 General Fund--Private/Local Appropriation \$232,000

14 TOTAL APPROPRIATION (~~(\$15,378,000)~~)

15 \$15,325,000

16 The appropriations in this section are subject to the following

17 conditions and limitations: \$250,000 of the general fund--state

18 appropriation for fiscal year 2003 is provided solely for additional

19 staffing and other student safety measures at the school. The school

20 will hire six additional staff, increase staff communications and

21 accessibility, and implement a training program to enhance staff

22 members' abilities to work with at-risk youth.

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2002 c 371 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2002)	\$576,097,000
General Fund--State Appropriation (FY 2003)	((\$622,540,000))
	<u>\$582,500,000</u>
State Building Construction Account--State	
Appropriation	((\$7,999,000))
	<u>\$3,882,000</u>
<u>Debt-Limit General Fund Bond Retirement Account--</u>	
<u>State Appropriation</u>	<u>\$400,000</u>
Debt-Limit Reimbursable Bond Retire Account--	
State Appropriation	\$2,591,000
State Taxable Building Construction Account--	
State Appropriation	((\$496,000))
	<u>\$59,000</u>
TOTAL APPROPRIATION	((\$1,209,723,000))
	<u>\$1,165,529,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year ~~((2002))~~ 2003 shall be deposited in the debt-limit general fund bond retirement account by June 30, ~~((2002))~~ 2003.

Sec. 702. 2002 c 371 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund--State Appropriation (FY 2002)	\$24,542,000
General Fund--State Appropriation (FY 2003)	\$26,706,000
Capitol Historic District Construction	

1	Account--State Appropriation	((\$454,000))
2		<u>\$108,000</u>
3	Higher Education Construction Account--State	
4	Appropriation	((\$499,000))
5		<u>\$330,000</u>
6	State Higher Education Construction Account--	
7	State Appropriation	((\$50,000))
8		<u>\$33,000</u>
9	State Vehicle Parking Account--State	
10	Appropriation	((\$100,000))
11		<u>\$1,000</u>
12	Nondebt-Limit Reimbursable Bond Retirement Account--	
13	State Appropriation	((\$128,043,000))
14		<u>\$124,199,000</u>
15	TOTAL APPROPRIATION	((\$180,394,000))
16		<u>\$175,919,000</u>

17 The appropriations in this section are subject to the following
18 conditions and limitations: The general fund appropriation is for
19 deposit into the nondebt-limit general fund bond retirement account.

20 **Sec. 703.** 2002 c 371 s 704 (uncodified) is amended to read as
21 follows:

22 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
23 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

24	General Fund--State Appropriation (FY 2002)	\$567,000
25	General Fund--State Appropriation (FY 2003)	\$658,000
26	Higher Education Construction Account--State	
27	Appropriation	((\$77,000))
28		<u>\$54,000</u>
29	State Higher Education Construction Account--	
30	State Appropriation	((\$42,000))
31		<u>\$5,000</u>
32	State Building Construction Account--State	
33	Appropriation	((\$1,488,000))
34		<u>\$667,000</u>
35	State Vehicle Parking Account--State	
36	Appropriation	((\$10,000))
37		<u>\$1,000</u>

1 TOTAL APPROPRIATION ((~~\$44,145,000~~))
2 \$44,377,000

3 NEW SECTION. Sec. 705. A new section is added to 2001 2nd sp.s.
4 c 7 (uncodified) to read as follows:

5 **AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT, AND PERSONAL SERVICE**
6 **CONTRACTS.** From the effective date of this act until the conclusion
7 of the fiscal biennium ending June 30, 2003, state agencies shall not
8 execute any new personal service contracts, purchase any new equipment,
9 or conduct any discretionary travel unless the expenditures are
10 necessary to meet contractual obligations, would result in loss of
11 state resources, or would cause increased expenditures in the
12 subsequent biennium.

13 The office of financial management shall uniformly reduce
14 allotments for all agencies for personal service contracts, goods and
15 services, and capital outlays by \$6,000,000 from 2001-03 biennial
16 general fund appropriations and \$6,000,000 from appropriations from
17 other funds. \$5,000,000 of the general fund allotment reduction and
18 \$5,000,000 of the other funds allotment reduction shall be placed in
19 unallotted status and remain unexpended. \$1,000,000 of the general fund
20 allotment reduction and \$1,000,000 of the other funds allotment
21 reduction are hereby appropriated to the governor to be used on an
22 emergency basis to allocate to state agencies to fund critically
23 necessary travel, equipment, and personal service contracts that cannot
24 be funded from an agency's existing expenditure authority.

25 NEW SECTION. Sec. 706. A new section is added to 2001 2nd sp.s.
26 c 7 (uncodified) to read as follows:

27 **STATE EMPLOYMENT.** (1) From the effective date of this act until
28 the conclusion of the fiscal biennium ending June 30, 2003, and
29 consistent with the governor's executive directive no. 02-04, state
30 agencies of the executive branch shall not establish new staff
31 positions except as specifically authorized by this supplemental
32 appropriations act or fill vacant existing staff positions except as
33 specifically authorized by this section.

34 (2) Public safety agencies may fill two-thirds of staff positions
35 becoming vacant; all other agencies may fill two-fifths of vacant

1 positions. In filling vacant positions pursuant to this subsection,
2 agencies shall place the highest priority on front-line positions
3 engaged in service delivery to the public.

4 (3) Exceptions to subsections (1) and (2) of this section may be
5 granted only by the governor and only for critical or emergent
6 situations that threaten public health or safety, as determined by the
7 governor. The governor shall notify the legislative fiscal committees
8 within ten days of the granting of any exception under this subsection.

9 (4) An agency shall implement a reduction in force if the actions
10 required by subsection (1) and (2) of this section are insufficient to
11 meet the specific staff reductions required by the appropriations
12 revisions enacted in this supplemental appropriations act, as such
13 staff reductions are reflected in LEAP Document 25, a computerized
14 tabulation of FTE staff reductions developed by the legislative
15 evaluation and accountability program committee on January . . . , 2003,
16 at . . . hours.

17 (5) This section applies to all agencies of the executive branch,
18 including all boards, commissions, institutions of higher education,
19 and agencies headed by elected officials. This section does not apply
20 to faculty positions at the institutions of higher education. It is
21 the intent of the legislature that agencies of the legislative and
22 judicial branches of state government shall also observe the employment
23 policies established by this section, subject to such procedures as may
24 be adopted by the legislative and judicial branches, respectively.

25 **Sec. 707.** 2002 c 371 s 726 (uncodified) is amended to read as
26 follows:

27 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
28 be necessary, are appropriated from the general fund, unless otherwise
29 indicated, for relief of various individuals, firms, and corporations
30 for sundry claims. These appropriations are to be disbursed on
31 vouchers approved by the director of (~~general administration~~)
32 financial management, except as otherwise provided, as follows:

- 33 (1) Reimbursement of criminal defendants acquitted on the basis of
34 self-defense, pursuant to RCW 9A.16.110:
 - 35 (a) Eythor Westman, claim number SCJ 02-01 \$7,000
 - 36 (b) Stacey Julian, claim number SCJ 02-02 \$59,136
 - 37 (c) Christopher Denney, claim number SCJ 02-03 \$11,598

1	(d) Onofre Vazquez, claim number SCJ 02-04	\$200
2	(e) William Voorhies, claim number SCJ 02-05	\$3,694
3	(f) Glenn Rowlison, claim number SCJ 02-06	\$14,395
4	(g) Frankie Doerr, claim number SCJ 02-07	\$9,100
5	(h) Ralph Howard, claim number SCJ 00-09	\$99,497
6	(i) Johnny Adams, claim number SCJ 01-17	\$11,916
7	(j) Shane Mathus, claim number SCJ 02-08	\$13,043
8	(k) Timothy Farnam, claim number SCJ 02-09	\$21,822
9	(l) Rebecca Williams, claim number SCJ 02-10	\$2,241
10	(m) Stewart Bailey, claim number SCJ 02-11	\$4,186
11	(n) Aaron Knaack, claim number SCJ 02-13	\$4,330
12	(o) Jacob Clark, claim number SCJ 02-14	\$11,613
13	<u>(p) Victor Stanculescu, claim number SCJ 03-01</u>	<u>\$6,696</u>
14	<u>(q) Darin Tidball, claim number SCJ 03-02</u>	<u>\$4,125</u>
15	<u>(r) Keith Dusky, claim number SCJ 03-03</u>	<u>\$2,065</u>
16	<u>(s) Carmen Cornell, claim number SCJ 03-04</u>	<u>\$8,128</u>
17	<u>(t) Wesley Roggenkamp, claim number SCJ 03-05</u>	<u>\$3,918</u>
18	<u>(u) Philip Athanas, claim number SCJ 03-06</u>	<u>\$5,810</u>
19	<u>(v) Thomas Tollifson, claim number SCJ 03-07</u>	<u>\$2,500</u>

20 (2) Payment from the state wildlife account for damage to crops by
21 wildlife, pursuant to RCW 77.36.050:

22	(a) Ronald Palmer, claim number SCG 02-01	\$1,522
23	(b) Keith Morris, claim number SCG 02-02	\$1,315
24	(c) Edgar Roush, claim number SCG 02-03	\$1,459
25	<u>(d) Kieth Nelson, claim number SCG 03-01</u>	<u>\$2,765</u>
26	<u>(e) Alton Haymaker, claim number SCG 03-02</u>	<u>\$40</u>
27	<u>(f) Circle S Landscape Supplies, SCG 03-04</u>	<u>\$12,944</u>

28 (3) Payment from the state general fund for death benefit claims to
29 the estate of an employee of any state agency or higher education
30 institution not otherwise provided a death benefit through coverage
31 under their enrolled retirement system, pursuant to section 715,
32 chapter 7, Laws of 2001:

33	<u>(a) Ok Chin Erdman, claim number SCO 03-08</u>	<u>\$150,000</u>
34	<u>(b) Baardson Estate, claim number SCO 03-10</u>	<u>\$150,000</u>
35	<u>(c) Lori Coss, claim number SCO 03-22</u>	<u>\$150,000</u>

36 NEW SECTION. Sec. 708. A new section is added to 2001 2nd sp.s.
37 c 7 (uncodified) to read as follows:

1 **FOR THE EMERGENCY MEDICAL SERVICES AND TRAUMA CARE SYSTEM TRUST**
2 **ACCOUNT**

3 General Fund--State Appropriation (FY 2003) \$1,200,000

4 The appropriation in this section is provided solely for deposit in
5 the emergency medical services and trauma care system trust account.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2002 c 371 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

For transfers in this section to the state general fund, pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased by the amount of the transfer. The increase shall occur in the fiscal year in which the transfer occurs.

Public Facilities Construction Loan and

Grant Revolving Account: For transfer

to the digital government revolving account

on or before December 31, 2001 \$1,418,456

Financial Services Regulation Fund: To be

transferred from the financial services

regulation fund to the digital government

revolving account during the period

between July 1, 2001, and December 31,

2001 \$2,000,000

Local Toxics Control Account: For transfer

to the state toxics control account.

Transferred funds will be utilized

for methamphetamine lab cleanup, to

address areawide soil contamination

problems, and clean up contaminated

sites as part of the clean sites

initiative \$6,000,000

State Toxics Control Account: For transfer

to the water quality account for water

quality related projects funded in the

capital budget \$9,000,000

General Fund: For transfer to the flood

control assistance account \$4,000,000

Water Quality Account: For transfer to the

water pollution control account. Transfers

shall be made at intervals coinciding with

1 deposits of federal capitalization grant
2 money into the account. The amounts
3 transferred shall not exceed the match
4 required for each federal deposit \$12,564,487
5 Health Services Account: For transfer
6 to the water quality account \$6,447,500
7 State Treasurer's Service Account: For
8 transfer to the general fund on or
9 before June 30, 2003, an amount in excess
10 of the cash requirements of the state
11 treasurer's service account. Pursuant to
12 RCW 43.135.035(5), the state expenditure
13 limit shall be increased by \$4,000,000 in
14 fiscal year 2002 and by \$8,393,000 in fiscal
15 year 2003 to reflect this transfer ((~~\$12,393,000~~))
16 \$21,393,000
17 Public Works Assistance Account: For
18 transfer to the drinking water
19 assistance account \$7,700,000
20 Tobacco Settlement Account: For transfer
21 to the health services account, in an
22 amount not to exceed the actual balance
23 of the tobacco settlement account \$256,700,000
24 General Fund: For transfer to the water quality
25 account \$60,821,172
26 Health Services Account: For
27 transfer to the state general fund
28 by June 30, 2002. Pursuant to RCW
29 43.135.035(5), the state expenditure
30 limit shall be increased in fiscal
31 year 2002 to reflect this transfer \$150,000,000
32 Multimodal Transportation Account: For
33 transfer to the state general fund
34 by June 30, 2002. Pursuant to RCW
35 43.135.035(5), the state expenditure
36 limit shall be increased in fiscal
37 year 2002 to reflect this transfer \$70,000,000
38 Health Service Account: For transfer

1 to the violence reduction and drug
2 enforcement account \$6,497,500
3 Gambling Revolving Account: For transfer
4 to the state general fund, \$2,000,000
5 for fiscal year 2002 and \$450,000 for
6 fiscal year 2003 \$2,450,000
7 (~~Horticultural Districts Account: For transfer~~
8 ~~to the fruit and vegetable inspection~~
9 ~~account \$11,075,000~~
10 ~~Agricultural Local Account: For~~
11 ~~transfer to the fruit and vegetable~~
12 ~~inspection account \$605,000~~))
13 Nisqually Earthquake Account: For transfer to
14 the disaster response account for fire
15 suppression and mobilization costs \$32,802,000
16 Enhanced 911 Account: For transfer to
17 the state general fund for fiscal
18 year 2003 \$6,000,000
19 Clarke-McNary Fund: For transfer to the
20 state general fund for fiscal year 2002 \$4,000,000
21 State Drought Preparedness Account: For
22 transfer to the state general fund for
23 fiscal year 2002 \$3,000,000
24 Financial Services Regulation Fund: For
25 transfer to the state general fund,
26 \$2,250,000 for fiscal year 2002 and
27 \$357,000 for fiscal year 2003 \$2,607,000
28 Industrial Insurance Premium Refund Account:
29 For transfer to the state general fund
30 for fiscal year 2002 \$1,000,000
31 Liquor Control Board Construction and
32 Maintenance Account: For transfer
33 to the state general fund for fiscal
34 year 2003 \$504,000
35 Liquor Revolving Account: For transfer
36 to the state general fund for fiscal
37 year 2003 \$2,059,000
38 Lottery Administrative Account: For transfer

1 to the state general fund for fiscal
2 year 2003 \$335,000
3 Emergency Medical Services and Trauma Care
4 System Trust Account: For transfer
5 to the state general fund for fiscal
6 year 2002 \$6,000,000
7 Public Service Revolving Account: For transfer
8 to the state general fund for fiscal
9 year 2003 \$406,000
10 Local Leasehold Excise Tax Account: For transfer
11 of interest to the state general fund by
12 June 1, 2002, for fiscal year 2002 \$1,000,000
13 Insurance Commissioner's Regulatory Account:
14 For transfer to the state general fund
15 for fiscal year 2003 \$366,000
16 Health Services Account: For transfer to the
17 tobacco prevention and control account (~~(\$21,980,000)~~)
18 \$18,920,000
19 From the Emergency Reserve Fund: For transfer
20 to the state general fund:
21 On June 28, 2002 \$300,000,000
22 On June 28, 2003 \$25,000,000
23 Tobacco Securitization Trust Account: For
24 transfer to the state general fund for
25 fiscal year 2003 \$450,000,000

(End of part)

PART IX
CAPITAL EXPENDITURES

Sec. 901. 2001 2nd sp.s. c 8 s 131 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT

Public Works Trust Fund (02-4-013)

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

\$20,000,000 of the general fund federal appropriation is provided solely for infrastructure projects that will improve water quality and benefit salmon. Projects should be designed to have immediate benefits to water quality and salmon as alternatives to habitat acquisition and improvements. The public works board is authorized and directed to seek funding through the Northwest power planning council, the conservation and reinvestment act, and other federal funding sources to supplement existing loan programs with grants or loans for water quality projects. The public works board shall utilize existing programs within chapter 43.155 RCW to distribute these additional grants or loans, with an emphasis on projects providing immediate benefits to water quality and salmon habitat. For the purposes of this section, the public works board may utilize federal funds as grants in conjunction with loans from chapter 43.155 RCW.

Appropriation:

Public Works Assistance Account--State	((\$230,300,000))
	<u>\$288,372,911</u>
General Fund--Federal	\$20,000,000
Subtotal Appropriation	\$250,300,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$1,215,700,000
TOTAL	((\$1,466,000,000))
	<u>\$1,524,072,911</u>

Sec. 902. 2002 c 238 s 202 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT

1 Local/Community Projects (2002-S-005): Job Creation and
 2 Infrastructure Projects

3 The following projects are eligible for funding:

4 Projects	Amount
5 Asia Pacific center	\$50,000
6 Benton county jail	\$2,000,000
7 Bremerton maritime park	\$500,000
8 Edmonds waterfront park	\$300,000
9 Grace Cole memorial park/Brookside creek	\$400,000
10 Kent station infrastructure improvements	\$900,000
11 Mill creek active use ball fields	\$1,000,000
12 Nathan Chapman trail	\$300,000
13 Penny creek/9th Avenue crossing	\$400,000
14 Port Angeles skills center/skills consortium	\$3,000,000
15 Puget Sound environmental learning center	\$2,000,000
16 Ridgefield wastewater treatment	\$585,000
17 Sammamish surface water treatment	\$1,500,000
18 Shoreline historical museum	\$28,000
19 Snohomish county children's museum	\$300,000
20 Soundview park/playground	\$200,000
21 Stewart heights pool project	\$500,000
22 Sundome seating expansion - Yakima	\$1,250,000
23 West central community center childcare project	\$500,000
24 William H. Factory small business incubator	\$250,000
25 (Yakima ballfields) <u>For the transfer of property,</u>	
26 <u>commonly known as Larson park field No. 4 and</u>	
27 <u>Dunbar field, of the city of Yakima to the</u>	
28 <u>Yakima Valley Community College and for the</u>	
29 <u>creation of new ball fields by and for the</u>	
30 <u>city of Yakima.</u>	\$1,250,000
31 TOTAL	\$17,213,000
32 Appropriation:	
33 State Building Construction Account--State	\$17,213,000
34 Prior Biennia (Expenditures)	\$0
35 Future Biennia (Projected Costs)	\$0
36 TOTAL	\$17,213,000

1 **Sec. 903.** 2001 2nd sp.s. c 8 s 158 (uncodified) is amended to read
2 as follows:

3 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

4 Legislative Buildings - O'Brien and Newhouse Building Improvements
5 (01-H-021)

6 Appropriation:

7	((Capitol Building Construction Account--State	\$1,000,000))
8	Thurston County Capital Facilities	
9	Account--State	((\$1,000,000))
10		<u>\$2,000,000</u>
11	((Subtotal Appropriation	\$2,000,000))
12	Prior Biennia (Expenditures)	\$0
13	Future Biennia (Projected Costs)	\$0
14	TOTAL	\$2,000,000

15 **Sec. 904.** 2002 c 238 s 109 (uncodified) is amended to read as
16 follows:

17 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

18 Legislative Building: Rehabilitation (01-1-008)

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

21 (1) The appropriations in this section are subject to the
22 conditions and limitations of sections 902 and 903 of this act.

23 (2) The department of general administration, in consultation with
24 the legislature, the governor, and the state capitol committee, shall
25 immediately begin planning and initiate an accelerated
26 design/construction schedule for the renovation of the state
27 legislative building as follows:

28 (a) No new permanent buildings shall be constructed, and the
29 department shall follow standards for historic preservation;

30 (b) The goal shall be to reoccupy the building in time for the 2005
31 legislative session;

32 (c) The department shall make temporary accommodations for the
33 displacement of legislators and legislative staff in the John L.
34 O'Brien building, the Pritchard building, the Cherberg building, and
35 the Newhouse building, and may use modular space. Decisions on the use

1 of space for the Pritchard building will be made by legislative
2 leadership by July 1, 2001, to make it available for use by the
3 legislature by April 1, 2002;

4 (d) The department shall temporarily move the state library from
5 the Pritchard building by October 1, 2001, and, if needed, the
6 department shall lease storage facilities in Thurston county for books
7 and other library assets;

8 (e) The department shall make temporary accommodations for other
9 tenants of the state legislative building as follows:

10 (i) The office of the insurance commissioner shall be temporarily
11 moved to leased space in Thurston county;

12 (ii) The office of the governor shall be moved to the Insurance
13 building;

14 (iii) The primary office of the code reviser and the lieutenant
15 governor shall be moved to a location on the west capitol campus; and

16 (iv) The other tenants, including the office of the state
17 treasurer, the office of the state auditor, and the office of the
18 secretary of state shall be moved to leased space in Thurston county;

19 (f) The state legislative building shall be completely vacated by
20 the office of the governor, the office of the secretary of state, the
21 office of treasurer, and the office of the state auditor by November 1,
22 2001, and by the legislature fourteen days after the end of the 2002
23 legislative session to make it available for renovation by the
24 contractor; and

25 (g) State contracts for the legislative building renovation,
26 Nisqually earthquake repair, and future earthquake mitigation shall
27 conform to all rules, regulations, and requirements of the federal
28 emergency management agency.

29 (3) The state capitol committee, in conjunction with a legislative
30 building renovation oversight committee consisting of two members from
31 both the house of representatives and senate, each appointed by
32 legislative leadership, shall periodically advise the department
33 regarding the rehabilitation, the receipt and use of private funds, and
34 other issues that may arise.

35 (4) The department shall report on the progress of accelerated
36 planning, design, and relocations related to the renovation of the
37 state legislative building to the legislature and the governor by July

1 15, 2001, and November 15, 2001, and shall consult with the legislature
2 and governor on major decisions including placement of the cafeteria
3 and exiting stairs in the legislative building by August 31, 2001.

4 (5) In the event of any conflicts between the conditions and
5 limitations in this section and section 3, chapter 123, Laws of 2001,
6 the conditions and limitations of this section shall apply.

7 ~~((6) \$154,000 of the capitol historic district construction
8 account appropriation is provided solely for the department of general
9 administration to contract for fund raising services for the
10 solicitation of charitable gifts, grants, or donations specifically for
11 the purpose of preservation and restoration of the state legislative
12 building and related educational exhibits and programs. By June 30,
13 2004, the amount provided by this subsection shall be reinvested to the
14 capitol historic district construction account from the proceeds of the
15 gifts, grants, and donations.))~~

16 Reappropriation:

17	Capitol Building Construction Account--State	\$2,000,000
18	Thurston County Capital Facilities	
19	Account--State	\$2,500,000
20	Subtotal Reappropriation	\$4,500,000

21 Appropriation:

22	Capitol Historic District Construction	
23	Account--State	\$81,681,000
24	Thurston County Capital Facilities	
25	Account--State	\$1,300,000
26	Subtotal Appropriation	\$82,981,000
27	Prior Biennia (Expenditures)	\$1,000,000
28	Future Biennia (Projected Costs)	\$2,300,000
29	TOTAL	\$90,781,000

30 **Sec. 905.** 2002 c 238 s 223 (uncodified) is amended to read as
31 follows:

32 **FOR WESTERN WASHINGTON UNIVERSITY**

33 Job Creation and Infrastructure Projects (03-1-001)

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

36 (1) The following projects are eligible for funding:

1 community, trade, and economic development and the department of
2 general administration, and shall consider any comments and suggestions
3 made by these departments. If the project involves a private energy
4 development firm, the following issues shall be considered in the
5 development and implementation of the project:

- 6 (i) Regional and local utility needs for power;
- 7 (ii) Cost and certainty of fuel supplies;
- 8 (iii) Value of electricity produced and options for sale of surplus
9 electricity;
- 10 (iv) The capability of the university to own and operate the
11 facility should the private party terminate its involvement;
- 12 (v) Costs associated with interconnection with the local electric
13 utility's transmission system;
- 14 (vi) Capability of the local electric utility to wheel electricity
15 generated by the facility and the costs associated with wheeling;
- 16 (vii) Potential financial risks to the state or the university and
17 measures to mitigate any risks; and
- 18 (viii) Benefits to the state and the university from the project
19 including design configuration, ownership arrangement, operations, and
20 financial arrangements for the project based on the selection of
21 project participants.

22 (b) The university shall report to the office of financial
23 management and the energy and fiscal committees of the legislature on
24 the development and implementation of this project, including
25 consideration of the issues and the agency suggestions under subsection
26 (2)(a) of this section, in December of 2001 and 2002.

27 Appropriation:

28	State Building Construction Account--State	((\$23,000,000))
29		<u>\$24,539,000</u>
30	Prior Biennia (Expenditures)	\$0
31	Future Biennia (Projected Costs)	\$0
32	TOTAL	((\$23,000,000))
33		<u>\$24,539,000</u>

34 **Sec. 907.** 2001 2nd sp.s. c 8 s 668 (uncodified) is amended to read
35 as follows:

36 **FOR WASHINGTON STATE UNIVERSITY**

1 WSU Pullman - Teaching and Learning Center: New Facility (98-2-
2 062)

3 The reappropriation in this section is subject to the conditions
4 and limitations of section 906 of this act.

5 Reappropriation:

6	State Building Construction Account--State	((\$8,000,000))
7		<u>\$6,461,000</u>
8	Prior Biennia (Expenditures)	\$22,870,175
9	Future Biennia (Projected Costs)	\$0
10	TOTAL	((\$30,870,175))
11		<u>\$29,331,175</u>

12 NEW SECTION. **Sec. 908. INLAND NORTHWEST REGIONAL SPORTS PROJECT.**
13 2002 c 238 s 204 (uncodified) is repealed.

(End of part)

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