WASHINGTON STATE LEGISLATURE

PROPOSED LEGISLATIVE FINAL BUDGET

ESSB 6387

March 13, 2002

ESSB 6387 - H AMD
By Representative

Strike everything after the enacting clause and insert the following:

"PART I
GENERAL GOVERNMENT

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

FOR THE HOUSE OF REPRESENTATIVES

General Fund--State Appropriation (FY 2002) . . $ 28,313,000
General Fund--State Appropriation (FY 2003) . . $ ((~~28,497,000~~)) 27,072,000
Department of Retirement Systems Expense Account--
State Appropriation . . . . . $ 45,000
TOTAL APPROPRIATION . . . . . $ ((~~56,855,000~~)) 55,430,000

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

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

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

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

FOR THE SENATE

General Fund--State Appropriation (FY 2002) . . $ 22,863,000
General Fund--State Appropriation (FY 2003) . . $ ((~~23,999,000~~)) 22,799,000

Department of Retirement Systems Expense Account--
State Appropriation . . . . . $ 45,000
TOTAL APPROPRIATION . . . . . $ ((~~46,907,000~~))
<u>45,707,000</u>

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

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

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

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

FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund--State Appropriation (FY 2002) . . $ ((~~2,436,000~~))
<u>2,131,000</u>
General Fund--State Appropriation (FY 2003) . . $ ((~~1,938,000~~))
<u>2,150,000</u>
TOTAL APPROPRIATION . . . . . $ ((~~4,374,000~~))
<u>4,281,000</u>

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

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

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

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

(i) Determines and monitors eligibility;

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

(iii) Determines that clients are receiving services;

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

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

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

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

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

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

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

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

(a) Community supervision activities performed by the department;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

General Fund--State Appropriation (FY 2002) . . $ 1,329,000

General Fund--State Appropriation (FY 2003) . . $ ((~~1,462,000~~)) <u>1,418,000</u>

Public Works Assistance Account--State Appropriation . . . . . $ 203,000

TOTAL APPROPRIATION . . . . . $ ((~~2,994,000~~)) <u>2,950,000</u>

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

FOR THE OFFICE OF THE STATE ACTUARY

Department of Retirement Systems Expense Account--State Appropriation . . . . . $ ((~~1,923,000~~)) <u>2,054,000</u>

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

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

FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund--State Appropriation (FY 2002) . . $ 6,421,000

General Fund--State Appropriation (FY 2003) . . $ ((~~7,043,000~~)) <u>6,832,000</u>

TOTAL APPROPRIATION . . . . . $ ((~~13,464,000~~)) <u>13,253,000</u>

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

FOR THE STATUTE LAW COMMITTEE

General Fund--State Appropriation (FY 2002) . . $ 3,909,000

General Fund--State Appropriation (FY 2003) . . $ ((~~4,038,000~~)) <u>3,917,000</u>

TOTAL APPROPRIATION . . . . . $ ((~~7,947,000~~)) <u>7,826,000</u>

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

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

FOR THE SUPREME COURT

General Fund--State Appropriation (FY 2002) . . $ ((~~5,423,000~~))
5,500,000

General Fund--State Appropriation (FY 2003) . . $ ((~~5,510,000~~))
5,487,000

TOTAL APPROPRIATION . . . . . $ ((~~10,933,000~~))
10,987,000

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

FOR THE LAW LIBRARY

General Fund--State Appropriation (FY 2002) . . $ 1,982,000

General Fund--State Appropriation (FY 2003) . . $ ((~~1,983,000~~))
1,924,000

TOTAL APPROPRIATION . . . . . $ ((~~3,965,000~~))
3,906,000

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

FOR THE COURT OF APPEALS

General Fund--State Appropriation (FY 2002) . . $ ((~~12,746,000~~))
12,894,000

General Fund--State Appropriation (FY 2003) . . $ ((~~12,878,000~~))
12,724,000

TOTAL APPROPRIATION . . . . . $ ((~~25,624,000~~))
25,618,000

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

(1) $505,000 of the general fund--state appropriation for fiscal year 2002 and $606,000 of the general fund--state appropriation for

fiscal year 2003 are provided solely for lease increases associated with the division I facility. ((~~Within the funds provided in this subsection, the court of appeals shall conduct a space planning study exploring options dealing with remodeling existing space to accommodate needs and evaluating the cost and benefits of moving to another location.~~))

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

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

FOR THE COMMISSION ON JUDICIAL CONDUCT

General Fund--State Appropriation (FY 2002) . . $ 955,000
General Fund--State Appropriation (FY 2003) . . $ ((~~969,000~~))
<u>940,000</u>
TOTAL APPROPRIATION . . . . . $ ((~~1,924,000~~))
<u>1,895,000</u>

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

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund--State Appropriation (FY 2002) . . $ ((~~14,247,000~~))
<u>14,900,000</u>
General Fund--State Appropriation (FY 2003) . . $ ((~~14,386,000~~))
<u>15,388,000</u>
Public Safety and Education Account--State
Appropriation . . . . . $ ((~~29,634,000~~))
<u>27,468,000</u>
Judicial Information Systems Account--State
Appropriation . . . . . $ 27,758,000
TOTAL APPROPRIATION . . . . . $ ((~~86,025,000~~))
<u>85,514,000</u>

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

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

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

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

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

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

(6) $750,000 of the general fund--state appropriation for fiscal year 2002 and $750,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for court-appointed special advocates in dependency matters. The administrator for the courts, after consulting with the association of juvenile court administrators and the association of court-appointed special advocate/guardian ad

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

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

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

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

FOR THE OFFICE OF PUBLIC DEFENSE

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

General Fund--State Appropriation (FY 2003) . . $ 500,000

Public Safety and Education Account--State Appropriation . . . . . $ ((~~12,626,000~~))

12,344,000

TOTAL APPROPRIATION . . . . . $ ((~~13,226,000~~))
13,444,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FOR THE OFFICE OF THE GOVERNOR

General Fund--State Appropriation (FY 2002) . . $ ((~~4,537,000~~))
<u>4,497,000</u>

General Fund--State Appropriation (FY 2003) . . $ ((~~4,524,000~~))
<u>4,028,000</u>

General Fund--Federal Appropriation . . . . . $ 219,000

Water Quality Account--State
Appropriation . . . . . $ 3,908,000

TOTAL APPROPRIATION . . . . . $ ((~~13,188,000~~))
<u>12,652,000</u>

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

(1) $3,908,000 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 ((~~and $100,000 of the general fund--state appropriation for fiscal year 2003 are~~)) is provided solely for the salmon recovery office to support the efforts of the independent science panel.

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

FOR THE LIEUTENANT GOVERNOR

General Fund--State Appropriation (FY 2002) . . $ 449,000
General Fund--State Appropriation (FY 2003) . . $ ((~~451,000~~)) 428,000
TOTAL APPROPRIATION . . . . . $ ((~~900,000~~)) 877,000

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

FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund--State Appropriation (FY 2002) . . $ 1,910,000
General Fund--State Appropriation (FY 2003) . . $ ((~~1,903,000~~)) 1,846,000
TOTAL APPROPRIATION . . . . . $ ((~~3,813,000~~)) 3,756,000

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

FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2002) . . $ ((~~10,513,000~~)) 10,485,000
General Fund--State Appropriation (FY 2003) . . $ ((~~8,707,000~~)) 6,446,000
Archives and Records Management Account--State Appropriation . . . . . $ ((~~7,295,000~~)) 7,877,000

Archives and Records Management Account--Private/
Local Appropriation . . . . . $ ((~~3,860,000~~))
4,572,000

Department of Personnel Service Account
Appropriation . . . . . $ ((~~719,000~~))
701,000

TOTAL APPROPRIATION . . . . . $ ((~~31,094,000~~))
30,081,000

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

(1) ((~~$2,296,000~~)) $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) ((~~$2,193,000~~)) $2,143,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$2,712,000~~)) $2,578,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the verification of initiative and referendum petitions, maintenance of related voter registration records, and the publication and distribution of the voters and candidates pamphlet.

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

(4)(a) $1,944,004 of the general fund--state appropriation for fiscal year 2002 and $1,986,772 of the general fund--state appropriation for fiscal year 2003 are provided solely for contracting with a nonprofit organization to produce gavel-to-gavel television coverage of state government deliberations and other events of statewide significance during the 2001-2003 biennium. An eligible nonprofit organization must be formed solely for the purpose of, and be experienced in, providing gavel-to-gavel television coverage of state government deliberations and other events of statewide significance and must have received a determination of tax-exempt status under section 501(c)(3) of the federal internal revenue code. The funding level for each year of the contract shall be based on the amount provided in this

subsection and adjusted to reflect the implicit price deflator for the previous year. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in (a) and (b) of this subsection have been satisfactorily documented.

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

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

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

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

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

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

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

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

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

(b) ((~~$613,879~~)) $566,879 of the archives and records management--state appropriation and ((~~$463,102~~)) $451,102 of the archives and

records management--private/local appropriation are provided solely for the design and establishment of an electronic data archive, including the acquisition of hardware and software. The amounts provided in this subsection shall lapse if:

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

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

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

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

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

FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund--State Appropriation (FY 2002) . . $ 269,000
General Fund--State Appropriation (FY 2003) . . $ ((~~282,000~~)) 274,000
TOTAL APPROPRIATION . . . . . $ ((~~551,000~~)) 543,000

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

FOR THE COMMISSION ON ASIAN-AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2002) . . $ 233,000
General Fund--State Appropriation (FY 2003) . . $ ((~~233,000~~)) 201,000
TOTAL APPROPRIATION . . . . . $ ((~~466,000~~)) 434,000

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

FOR THE STATE AUDITOR

General Fund--State Appropriation (FY 2002) . . $ ((~~1,078,000~~))

901,000

General Fund--State Appropriation (FY 2003) . . $ ((~~1,324,000~~)) 1,401,000

State Auditing Services Revolving Account--State Appropriation . . . . . $ ((~~13,540,000~~)) 13,193,000

TOTAL APPROPRIATION . . . . . $ ((~~15,942,000~~)) 15,495,000

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

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

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

(3)(a) $500,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for contracts with an independent entity or entities to conduct objective and systematic performance audits of the division of developmental disabilities of the department of social and health services and the Washington department of fish and wildlife.

(b) The performance audits shall provide an independent assessment of the performance of the division of developmental disabilities of the department of social and health services and the Washington department of fish and wildlife. The audits shall include, but not be limited to: (i) Quality and process management practices; (ii) independent and internal audit function; (iii) internal and external customer satisfaction; (iv) program effectiveness; (v) fiscal productivity and efficiency; and (vi) statutory and regulatory compliance.

(c) The state auditor shall report the findings of the performance audits to the appropriate legislative committees by June 30, 2003.

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

FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund--State Appropriation (FY 2002) . .	$	80,000
General Fund--State Appropriation (FY 2003) . .	$	((~~152,000~~)) 147,000
TOTAL APPROPRIATION	$	((~~232,000~~)) 227,000

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

FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2002) . .	$	4,811,000
General Fund--State Appropriation (FY 2003) . .	$	((~~4,806,000~~)) 4,070,000
General Fund--Federal Appropriation	$	2,868,000
Public Safety and Education Account--State Appropriation	$	((~~1,789,000~~)) 1,753,000
Tobacco Prevention and Control Account Appropriation	$	277,000
New Motor Vehicle Arbitration Account--State Appropriation	$	1,163,000
Legal Services Revolving Account--State Appropriation	$	((~~147,306,000~~)) 147,422,000
TOTAL APPROPRIATION	$	((~~163,020,000~~)) 162,364,000

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

(1) The attorney general shall report each fiscal year on actual legal services expenditures and actual attorney staffing levels for each agency receiving legal services. The report shall be submitted to the office of financial management and the fiscal committees of the

senate and house of representatives no later than ninety days after the end of each fiscal year.

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

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

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

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

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

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

(iv) Examine implementation and funding requirements.

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

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

FOR THE CASELOAD FORECAST COUNCIL

General Fund--State Appropriation (FY 2002) . . $ 631,000

General Fund--State Appropriation (FY 2003) . . $ ((~~619,000~~)) 600,000

TOTAL APPROPRIATION . . . . . $ ((~~1,250,000~~)) 1,231,000

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

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

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

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT

General Fund--State Appropriation (FY 2002) . . $ ((~~71,083,500~~)) 70,893,000

General Fund--State Appropriation (FY 2003) . . $ ((~~70,873,500~~)) 60,499,000

General Fund--Federal Appropriation . . . . . $ 173,342,000

General Fund--Private/Local Appropriation . . . $ 7,980,000

Public Safety and Education Account--State Appropriation . . . . . $ ((~~10,300,000~~)) 10,094,000

Public Works Assistance Account--State Appropriation . . . . . $ 1,911,000

Salmon Recovery Account--State Appropriation . $ 1,500,000

Film and Video Promotion Account--State Appropriation . . . . . $ 25,000

Building Code Council Account--State Appropriation . . . . . $ ((~~1,061,000~~)) 1,226,000

Administrative Contingency Account--State Appropriation . . . . . $ 1,777,000

Low-Income Weatherization Assistance Account--State

Appropriation . . . . . $ 3,292,000

Violence Reduction and Drug Enforcement Account--
State Appropriation . . . . . $ ((~~6,081,000~~))
7,513,000

Manufactured Home Installation Training Account--
State Appropriation . . . . . $ 256,000

Community Economic Development Account--
State Appropriation . . . . . $ 113,000

Washington Housing Trust Account--State
Appropriation . . . . . $ ((~~5,597,000~~))
10,368,000

Public Facility Construction Loan Revolving
Account--State Appropriation . . . . . $ ((~~550,000~~))
586,000

TOTAL APPROPRIATION . . . . . $ ((~~354,242,000~~))
351,375,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(17) $230,000 of the general fund--state appropriation for fiscal year 2002, $230,000 of the general fund--state appropriation for fiscal year 2003, and the entire community economic development account appropriation are provided solely for support of the developmental disabilities endowment governing board and startup costs of the endowment program. Startup costs are a loan from the state general fund and will be repaid from funds within the program as determined by the governing board. The governing board may use state appropriations

to implement a sliding-scale fee waiver for families earning below 150 percent of the state median family income. The director of the department, or the director of the subsequent department of community development, may implement fees to support the program as provided under RCW 43.330.152.

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

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

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

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

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

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

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

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

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

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

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

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

((~~(28)~~)) (29) $29,000 of the general fund--state appropriation for fiscal year 2002 ((~~and $29,000 of the general fund--state appropriation for fiscal year 2003 are~~)) is provided solely for travel expenses

associated with the office of trade and economic development's provision of outreach and technical assistance services to businesses and local economic development associations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(35) The appropriations in this section reflect a reduction of $504,000 from the general fund--state appropriation for fiscal year 2003. To implement this reduction, the office of trade and economic development shall take actions consistent with its mission, goals, and objectives to reduce operating costs. Such action, to the greatest extent possible, shall maintain direct payments to service providers, grants to other entities, and other pass-through funds. Examples of

actions that may be taken to effect this reduction include hiring freezes, employee furloughs, staffing reductions, restricted travel and training, delaying purchases of equipment, and limiting personal service contracts.

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

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

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

FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund--State Appropriation (FY 2002) . . $ 512,000
General Fund--State Appropriation (FY 2003) . . $ ((~~514,000~~))
499,000
TOTAL APPROPRIATION . . . . . $ ((~~1,026,000~~))
1,011,000

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

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund--State Appropriation (FY 2002) . . $ 12,456,000
General Fund--State Appropriation (FY 2003) . . $ ((~~12,024,000~~))
12,158,000
General Fund--Federal Appropriation . . . . . $ 23,657,000
Violence Reduction and Drug Enforcement
Account--State Appropriation . . . . . $ ((~~229,000~~))

226,000

State Auditing Services Revolving
Account--State Appropriation . . . . . $ 25,000

TOTAL APPROPRIATION . . . . . $ ((~~48,391,000~~))
48,522,000

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

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

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

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

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

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account--State
Appropriation . . . . . $ ((~~21,938,000~~))
22,394,000

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

FOR THE DEPARTMENT OF PERSONNEL

Department of Personnel Service Account--State
Appropriation . . . . . $ ((~~17,297,000~~))
17,035,000

Higher Education Personnel Services Account--State
Appropriation . . . . . $ 1,636,000

TOTAL APPROPRIATION . . . . . $ ((~~18,933,000~~))
18,671,000

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

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

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

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

FOR THE WASHINGTON STATE LOTTERY

Lottery Administrative Account--State
Appropriation . . . . . $ ((~~22,130,000~~))
21,795,000

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

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

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

FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund--State Appropriation (FY 2002) . . $ 226,000
General Fund--State Appropriation (FY 2003) . . $ ((~~234,000~~)) 210,000
TOTAL APPROPRIATION . . . . . $ ((~~460,000~~)) 436,000

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

FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2002) . . $ 211,000
General Fund--State Appropriation (FY 2003) . . $ ((~~209,000~~)) 207,000
TOTAL APPROPRIATION . . . . . $ ((~~420,000~~)) 418,000

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

FOR THE PERSONNEL APPEALS BOARD

Department of Personnel Service Account--State Appropriation . . . . . $ ((~~1,679,000~~)) 1,705,000

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

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

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS

Dependent Care Administrative Account--State Appropriation . . . . . $ 378,000
Department of Retirement Systems Expense Account--State Appropriation . . . . . $ ((~~49,562,000~~)) 49,183,000
TOTAL APPROPRIATION . . . . . $ ((~~49,940,000~~)) 49,561,000

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

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

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

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

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

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

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

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

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

(8) $12,000 of the department of retirement systems expense account appropriation is provided solely for the implementation of Senate Bill No. 6378 (LEOFF plan 2 part-time leave of absence). If the bill is not

enacted by June 30, 2002, the amount provided in this subsection shall lapse.

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

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

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

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

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

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

FOR THE STATE INVESTMENT BOARD

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

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

FOR THE DEPARTMENT OF REVENUE

General Fund--State Appropriation (FY 2002) . . $ ((~~72,820,000~~)) 72,823,000

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

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

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

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

((~~(2)~~)) (b) The purpose of the study is to determine how well the current tax system functions and how it might be changed to better

serve the citizens of the state in the twenty-first century. In reviewing options for changes to the tax system, the committee shall develop multiple alternatives to the existing tax system. To the extent possible, the alternatives shall be designed to increase the harmony between the tax system of this state and the surrounding states, encourage commerce and business creation, and encourage home ownership. In developing alternatives, the committee shall examine and consider the effects of tax incentives, including exemptions, deferrals, and credits. The alternatives shall range from incremental improvements in the current tax structure to complete replacement of the tax structure. In conducting the study, the committee shall examine the tax structures of other states and review previous studies regarding tax reform in this state. In developing alternatives, the committee shall be guided by administrative simplicity, economic neutrality, fairness, stability, and transparency. Most of the alternatives presented by the committee to the legislature shall be revenue neutral and contain no income tax.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FOR THE BOARD OF TAX APPEALS

General Fund--State Appropriation (FY 2002) . . $ 1,193,000
General Fund--State Appropriation (FY 2003) . . $ ((~~1,038,000~~)) <u>1,007,000</u>
TOTAL APPROPRIATION . . . . . $ ((~~2,231,000~~)) <u>2,200,000</u>

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

FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Fund--State Appropriation (FY 2002) . . $ 549,000
General Fund--State Appropriation (FY 2003) . . $ ((~~630,000~~)) <u>655,000</u>
General Fund--Federal Appropriation . . . . . $ 1,930,000
General Fund--Private/Local Appropriation . . . $ ((~~444,000~~)) <u>223,000</u>
State Capitol Vehicle Parking Account--
State Appropriation . . . . . $ 154,000
General Administration Services Account--State
Appropriation . . . . . $ ((~~41,419,000~~)) <u>39,546,000</u>
TOTAL APPROPRIATION . . . . . $ ((~~45,126,000~~)) <u>43,057,000</u>

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

(1) The department shall conduct a review of the ultimate purchasing system to evaluate the following: (a) The degree to which program objectives and assumptions were achieved; (b) the degree to which planned schedule of phases, tasks, and activities were accomplished; (c) an assessment of estimated and actual costs of each phase; (d) an assessment of project cost recovery/cost avoidance, return on investment, and measurable outcomes as each relate to the agency's business functions and other agencies' business functions; and (e) the degree to which integration with the agency and state information technology infrastructure was achieved. The department will receive written input from participating pilot agencies that

describes measurable organizational benefits and cost avoidance opportunities derived from use of the ultimate purchasing system. The performance review shall be submitted to the office of financial management and the appropriate legislative fiscal committees by July 1, 2002.

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

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

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

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

FOR THE DEPARTMENT OF INFORMATION SERVICES

Data Processing Revolving Account--State

Appropriation . . . . . $ ((~~3,706,000~~))

3,610,000

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

(1) Fifteen independent private, nonprofit colleges, located in Washington state, have requested connection to the K-20 educational telecommunications network. These K-20 connections shall be provided to the private schools on a full cost reimbursement basis, net of the

value of services and information provided by the private institutions, based on criteria approved by the K-20 board.

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

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

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

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

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

FOR THE INSURANCE COMMISSIONER

General Fund--Federal Appropriation . . . . . $ 622,000

Insurance Commissioners Regulatory Account--State

Appropriation . . . . . $ ((~~29,053,000~~))

29,928,000

TOTAL APPROPRIATION . . . . . $ ((~~29,675,000~~))

30,550,000

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

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

FOR THE HORSE RACING COMMISSION

Horse Racing Commission Account--State Appropriation . . . . . $ ((~~4,504,000~~)) 4,436,000

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

FOR THE LIQUOR CONTROL BOARD

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

General Fund--State Appropriation (FY 2003) . . $ ((~~1,484,000~~)) 1,439,000

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

Liquor Control Board Construction and Maintenance Account--State Appropriation . . . . . $ ((~~8,114,000~~)) 9,684,000

Liquor Revolving Account--State Appropriation . . . . . $ ((~~142,148,000~~)) 125,927,000

TOTAL APPROPRIATION . . . . . $ ((~~153,229,000~~)) 138,632,000

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

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

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

(3) $84,000 of the liquor control board construction and maintenance account appropriation for fiscal year 2003 is provided

solely for the liquor control board to employ additional staff during the holiday season to handle the expected increase in sales volume at the Seattle distribution center.

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

FOR THE UTILITIES AND TRANSPORTATION COMMISSION

Public Service Revolving Account--State

Appropriation . . . . . $ ((~~27,108,000~~))
26,702,000

Pipeline Safety Account--State

Appropriation . . . . . $ 3,305,000

Pipeline Safety Account--Federal

Appropriation . . . . . $ 822,000

TOTAL APPROPRIATION . . . . . $ ((~~31,235,000~~))
30,829,000

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

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

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

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

FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 2002) . . $ 9,165,000

General Fund--State Appropriation (FY 2003) . . $ ((~~8,979,000~~)) 8,710,000

General Fund--Federal Appropriation . . . . . $ 22,509,000

General Fund--Private/Local Appropriation . . . $ 234,000

Enhanced 911 Account--State Appropriation . . . $ ((~~16,544,000~~)) 20,269,000

Disaster Response Account--State Appropriation $ ((~~582,000~~)) 2,010,000

Disaster Response Account--Federal Appropriation $ ((~~3,392,000~~)) 6,510,000

Worker and Community Right to Know Fund--State Appropriation . . . . . $ 283,000

Nisqually Earthquake Account--State Appropriation . . . . . $ ((~~37,884,000~~)) 29,027,000

Nisqually Earthquake Account--Federal Appropriation . . . . . $ ((~~157,795,000~~)) 49,641,000

TOTAL APPROPRIATION . . . . . $ ((~~257,367,000~~)) 148,358,000

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

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

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

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

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

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

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

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

(7) ((~~$35,163,000~~)) $8,970,000 of the Nisqually earthquake account--state appropriation and ((~~$148,575,000~~)) $42,047,000 of the Nisqually earthquake account--federal appropriation are provided solely for public assistance costs associated with the earthquake for state and local agencies. Of the amount from the Nisqually earthquake account--state appropriation, ((~~$20,801,000~~)) $3,924,000 is provided for the state matching share for state agencies and ((~~$14,362,000~~)) $5,046,000 is provided for one-half of the local matching share for local entities. The amount provided for the local matching share constitutes a revenue distribution for purposes of RCW 43.135.060(1). ((~~Upon approval of the director of financial management, the military department may use portions of the Nisqually earthquake account--state appropriations to cover other response and recovery costs associated with the Nisqually earthquake that are not eligible for federal emergency management agency reimbursement. The military department is to submit a quarterly report detailing the costs authorized under this subsection to the office of financial management and the legislative fiscal committees.~~))

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

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

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

FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund--State Appropriation (FY 2002) . . $ ((~~2,154,000~~))

2,225,000

General Fund--State Appropriation (FY 2003) . . $ ((~~2,164,000~~))
2,339,000

TOTAL APPROPRIATION . . . . . $ ((~~4,318,000~~))
4,564,000

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

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

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

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

FOR THE GROWTH PLANNING HEARINGS BOARD

General Fund--State Appropriation (FY 2002) . . $ 1,497,000

General Fund--State Appropriation (FY 2003) . . $ ((~~1,506,000~~))
1,461,000

TOTAL APPROPRIATION . . . . . $ ((~~3,003,000~~))
2,958,000

(End of part)

PART II
HUMAN SERVICES

Sec. 201. 2001 2nd sp.s. c 7 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)<u>(a)</u> 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. <u>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. However, the</u>

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

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

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

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

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

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

General Fund--State Appropriation (FY 2002) . . $ ((~~225,789,000~~))
225,104,000

General Fund--State Appropriation (FY 2003) . . $ ((~~239,013,000~~))
231,042,000

General Fund--Federal Appropriation . . . . . $((~~372,408,000~~))
369,403,000

General Fund--Private/Local Appropriation . . . $ 400,000

Public Safety and Education Account--
State Appropriation . . . . . $ ((~~987,000~~))
964,000

Violence Reduction and Drug Enforcement Account--
State Appropriation . . . . . $ ((~~5,702,000~~))
5,639,000
TOTAL APPROPRIATION . . . . . $ ((~~844,299,000~~))
832,552,000

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

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

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

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

successfully performed under the existing pediatric interim care program.

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

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

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

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

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

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

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

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

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

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

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

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

General Fund--State Appropriation (FY 2002) . . $ ((~~36,625,000~~))
83,151,000

General Fund--State Appropriation (FY 2003) . . $ ((~~38,125,000~~))
79,107,000

General Fund--Federal Appropriation . . . . . $((~~14,609,000~~))
13,803,000

General Fund--Private/Local Appropriation . . . $ ((~~380,000~~))
1,110,000

Juvenile Accountability Incentive
Account--Federal Appropriation . . . . . $ ((~~9,361,000~~))
10,461,000

Public Safety and Education
Account--State Appropriation . . . . . $ ((~~6,196,000~~))
6,047,000

Violence Reduction and Drug Enforcement Account--
State Appropriation . . . . . $ ((~~21,972,000~~))
37,174,000

TOTAL APPROPRIATION . . . . . $ ((~~127,268,000~~)) 230,853,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

((~~(2) INSTITUTIONAL SERVICES~~

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

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

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

((~~(3) PROGRAM SUPPORT~~
~~General Fund--State Appropriation (FY 2002) . . $ 1,738,000~~
~~General Fund--State Appropriation (FY 2003) . . $ 1,765,000~~
~~General Fund--Federal Appropriation . . . . . $ 307,000~~
~~Juvenile Accountability Incentive Account--Federal Appropriation . . . . . $ 1,100,000~~
~~Violence Reduction and Drug Enforcement Account--State Appropriation . . . . . $ 421,000~~
~~TOTAL APPROPRIATION . . . . . $ 5,331,000~~))

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

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

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

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

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund--State Appropriation (FY 2002) . . $ ((~~191,089,000~~))
194,566,000

General Fund--State Appropriation (FY 2003) . . $ ((~~194,884,000~~))
177,206,000

General Fund--Federal Appropriation . . . . . $((~~339,077,000~~))
358,377,000

General Fund--Local Appropriation . . . . . $ ((~~4,363,000~~))
25,596,000

Health Services Account--State Appropriation . . . . . $ 2,450,000

TOTAL APPROPRIATION . . . . . $ ((~~731,863,000~~))
758,195,000

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

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

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

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

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

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

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

nonfederal share of the higher medicaid payment rate is provided by the regional support network from local funds.

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

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

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

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

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

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

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2002) . . $ ((~~85,836,000~~)) 84,878,000

General Fund--State Appropriation (FY 2003) . . $ ((~~83,001,000~~)) 80,784,000

General Fund--Federal Appropriation . . . . . $((~~139,098,000~~)) 139,821,000

General Fund--Private/Local Appropriation . . . $ ((~~29,289,000~~)) 29,532,000

TOTAL APPROPRIATION . . . . . $ ((~~337,224,000~~)) 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 ((~~120~~)) 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

General Fund--State Appropriation (FY 2002) . . $ ((~~20,037,000~~)) 18,267,000

General Fund--State Appropriation (FY 2003) . . $ ((~~22,441,000~~)) 20,934,000

TOTAL APPROPRIATION . . . . . $ ((~~42,478,000~~)) 39,201,000

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

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

(b) ((~~$1,000,000~~)) $300,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$1,000,000~~)) $300,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for mitigation funding for jurisdictions affected by the placement of less restrictive alternative facilities for persons conditionally released from the special commitment center facility being constructed on McNeil Island. Of this amount, up to $45,000 per year is provided for the city of Lakewood for police protection reimbursement at Western State Hospital and adjacent areas, up to $45,000 per year is provided for training police personnel on chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB 6151), up to $125,000 per year is provided for Pierce county for reimbursement of additional costs, and the remaining amounts are for other documented costs by jurisdictions directly impacted by the placement of the secure

community transition facility on McNeil Island. Pursuant to chapter 12, Laws of 2001, 2nd sp. sess (3ESSB 6151), the department shall continue to work with local jurisdictions towards reaching agreement for mitigation costs.

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

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

(4) SPECIAL PROJECTS

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

(5) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2002) . .	$ 3,104,000
General Fund--State Appropriation (FY 2003) . .	$ ((~~3,231,000~~)) 3,111,000
General Fund--Federal Appropriation	$ ((~~5,796,000~~)) 5,659,000
TOTAL APPROPRIATION	$ ((~~12,131,000~~)) 11,874,000

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

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

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

(c) $125,000 of the general fund--state appropriation for fiscal year 2002, $125,000 of the general fund--state appropriation for fiscal year 2003, and $250,000 of the general fund--federal appropriation are provided solely for a study of the prevalence of mental illness among the state's regional support networks and the appropriate allocation of state hospital beds among the networks. The prevalence study shall examine how reasonable estimates of the prevalence of mental illness relate to the incidence of persons enrolled in medical assistance programs in each regional support network area. In conducting ((~~this~~)) the prevalence study, the department shall consult with the joint legislative audit and review committee, regional support networks, community mental health providers, and mental health consumer representatives. The department shall submit a final report on ((~~its~~)) the findings of the prevalence study to the fiscal, health care, and human services committees of the legislature by November 1, 2003. In preparing the report on allocation of state hospital beds, the department shall: (i) Utilize the most current and reliable applicable academic research, and shall consult with academic and other national experts on mental health inpatient care; (ii) estimate the relative need for short-term and long-term inpatient psychiatric care in each of the state's regions, based on the factors that the experts identify as the best predictors of need, including geographic proximity to the hospitals; and (iii) identify options for changing the current distribution of state hospital beds among the regional support networks. This report shall be prepared in consultation with

representatives of people with mental illness and the regional support networks, and shall be submitted to appropriate committees of the legislature. The department shall maintain the same relative allocation of budgeted, nonforensic state hospital beds among the regional support networks as was in effect during fiscal year 2002 until at least thirty days after adjournment of the first regular legislative session following submission of the report on the appropriate allocation of these beds. This subsection does not prohibit the replacement of current state hospital beds with community alternatives as provided elsewhere in this section.

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

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

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2002) . . $ ((~~231,693,000~~))
233,705,000

General Fund--State Appropriation (FY 2003) . . $ ((~~242,347,000~~))
255,415,000

General Fund--Federal Appropriation . . . . . $((~~396,151,000~~))
405,773,000

Health Services Account--State
Appropriation . . . . . $ ((~~741,000~~))
903,000

TOTAL APPROPRIATION . . . . . $ ((~~870,932,000~~))
895,796,000

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

(a) The legislature finds that comprehensive reform of the developmental disabilities program is required. Recent audits and litigation indicate a need to improve the quality of program data, strengthen program and fiscal management, and clarify the criteria and determination of eligibility for services. Additional resources are also needed to expand access to community services. The appropriations in this section are intended to address the most urgent needs while strengthening program and fiscal accountability. The department shall provide monthly progress reports to the appropriate committees of the

legislature on actions taken in three areas: The implementation of expanded services, the development and implementation of a new home and community based medicaid waiver, and improvements in program and fiscal management.

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

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

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

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

((~~(d) $1,005,000 of the general fund--state appropriation for fiscal year 2002, $2,262,000 of the general fund--state appropriation for fiscal year 2003, and $2,588,000 of the general fund--federal appropriation are provided solely for increasing case/resource management resources to improve oversight and quality of care for persons enrolled in the medicaid home and community services waiver for~~

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

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

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

((~~(g)~~)) (i) $4,049,000 of the general fund--state appropriation for fiscal year 2002, $1,734,000 of the general fund--state appropriation for fiscal year 2003, and $5,369,000 of the general fund--federal appropriation are provided solely to increase compensation by an average of fifty cents per hour for low-wage workers providing state-funded services to persons with developmental disabilities. These funds, along with funding provided for vendor rate increases, are sufficient to raise wages an average of fifty cents and cover the employer share of unemployment and social security taxes on the amount of the wage increase. In consultation with the statewide associations representing such agencies, the department shall establish

a mechanism for testing the extent to which funds have been used for this purpose, and report the results to the fiscal committees of the legislature by February 1, 2002.

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2002) . . $ ((~~71,977,000~~))
69,375,000

General Fund--State Appropriation (FY 2003) . . $ ((~~69,303,000~~))
68,203,000

General Fund--Federal Appropriation . . . . . $((~~145,641,000~~))
145,672,000

General Fund--Private/Local Appropriation . . . $ ((~~10,230,000~~))
11,230,000

TOTAL APPROPRIATION . . . . . $ ((~~297,151,000~~))
294,480,000

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

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2002) . . $ ((~~2,601,000~~))
1,711,000
General Fund--State Appropriation (FY 2003) . . $ ((~~2,623,000~~))
2,007,000
General Fund--Federal Appropriation . . . . . $ ((~~2,413,000~~))
2,612,000
Telecommunications Devices for the Hearing and
Speech Impaired Account Appropriation . . $ 1,767,000
TOTAL APPROPRIATION . . . . . $ ((~~7,637,000~~))
8,097,000

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

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

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

(4) SPECIAL PROJECTS
General Fund--Federal Appropriation . . . . . $ 11,995,000

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

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

General Fund--State Appropriation (FY 2002) . . $ ((~~518,911,000~~))
505,983,000
General Fund--State Appropriation (FY 2003) . . $ ((~~537,907,000~~))
513,154,000
General Fund--Federal Appropriation . . . . . .((~~$1,078,417,000~~))
1,053,299,000
General Fund--Private/Local Appropriation . . . $ ((~~4,324,000~~))
11,803,000
Health Services Account--State

Appropriation . . . . . $ 4,523,000

TOTAL APPROPRIATION . . . . . $ ((~~2,144,082,000~~)) 2,088,762,000

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

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

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

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

(4) In accordance with Substitute House Bill No. 2242 (nursing home rates), the department shall issue certificates of capital

authorization which result in up to $10 million of increased asset value completed and ready for occupancy in fiscal year 2003; in up to $27 million of increased asset value completed and ready for occupancy in fiscal year 2004; and in up to $27 million of increased asset value completed and ready for occupancy in fiscal year 2005.

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

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

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

(8) In accordance with Substitute House Bill No. 1341, the department may implement ((~~two~~)) a medicaid waiver program((~~s~~)) for persons who do not qualify for such services as categorically needy,

subject to federal approval and the following conditions and limitations:

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

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

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

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

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

(10) $364,000 of the general fund--state appropriation for fiscal year 2002, $364,000 of the general fund--state appropriation for fiscal year 2003, and $740,000 of the general fund--federal appropriation are

provided solely for payment of exceptional care rates so that persons with Alzheimer's disease and related dementias who might otherwise require nursing home or state hospital care can instead be served in boarding home-licensed facilities which specialize in the care of such conditions.

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

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

(13) $1,082,000 of the general fund--state appropriation for fiscal year 2002, $1,082,000 of the general fund--state appropriation for fiscal year 2003, and $2,204,000 of the general fund--federal appropriation are provided solely for prospective rate increases

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

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

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES PROGRAM

General Fund--State Appropriation (FY 2002) . . $ ((~~436,440,000~~))
442,984,000

General Fund--State Appropriation (FY 2003) . . $ ((~~424,870,000~~))
394,974,000

General Fund--Federal Appropriation . . . . . .((~~$1,356,351,000~~))
1,359,505,000

General Fund--Private/Local Appropriation . . . $ ((~~31,788,000~~))
33,880,000

TOTAL APPROPRIATION . . . . . $ ((~~2,249,449,000~~))
2,231,343,000

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

(1) ((~~$282,081,000~~)) $281,035,000 of the general fund--state appropriation for fiscal year 2002, ((~~$278,277,000~~)) $277,231,000 of the general fund--state appropriation for fiscal year 2003, $1,254,197,000 of the general fund--federal appropriation, and ((~~$29,352,000~~)) $31,444,000 of the general fund--local appropriation are provided solely for the WorkFirst program and child support operations. WorkFirst expenditures include TANF grants, diversion services, subsidized child care, employment and training, other WorkFirst related services, allocated field services operating costs,

and allocated economic services program administrative costs. Within the amounts provided in this subsection, the department shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fund--State Appropriation (FY 2002) . . $ ((~~38,047,000~~)) 35,851,000

General Fund--State Appropriation (FY 2003) . . $ ((~~38,938,000~~)) 37,022,000

General Fund--Federal Appropriation . . . . . $((~~91,695,000~~)) 91,549,000

General Fund--Private/Local Appropriation . . . $ 723,000

Public Safety and Education Account--State Appropriation . . . . . $ ((~~13,733,000~~)) 13,427,000

Violence Reduction and Drug Enforcement Account--State Appropriation . . . . . $ ((~~52,510,000~~)) 52,306,000

TOTAL APPROPRIATION . . . . . $ ((~~235,646,000~~)) 230,878,000

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

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

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

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

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

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

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

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

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

General Fund--State Appropriation (FY 2002) . . $ ((~~1,028,885,000~~))
1,081,150,000

General Fund--State Appropriation (FY 2003) . . $ ((~~1,130,904,000~~))
1,124,758,000

General Fund--Federal Appropriation . . . . . .((~~$3,637,511,000~~))
3,621,077,000

General Fund--Private/Local Appropriation . . . $ ((~~276,147,000~~))
211,272,000

Emergency Medical Services and Trauma Care Systems
Trust Account--State Appropriation . . . . $ 9,200,000

Health Services Account--State Appropriation . $ ((~~1,043,310,000~~))
1,104,119,000

TOTAL APPROPRIATION . . . . . $ ((~~7,125,957,000~~))
7,151,576,000

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

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

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

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

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

(5) $620,000 of the health services account appropriation for fiscal year 2002, $1,380,000 of the health services account appropriation for fiscal year 2003, and $2,000,000 of the general

fund--federal appropriation are provided solely for implementation of a "ticket to work" medicaid buy-in program for working persons with disabilities, operated in accordance with the following conditions:

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

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

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

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

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

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

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

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

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

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

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

(12) ((~~$38,690,000~~)) $38,766,000 of the health services account appropriation for fiscal year 2002, ((~~$40,189,000~~)) $40,494,000 of the

health services account appropriation for fiscal year 2003, and ((~~$80,241,000~~)) $79,839,000 of the general fund--federal appropriation are provided solely for additional disproportionate share and medicare upper payment limit payments to public hospital districts.

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

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

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

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

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

(16) $8,500,000 of the general fund--state appropriation for fiscal year 2002, or so much thereof as may be necessary, is provided

solely for settlement of *Providence St. Peter's Hospital et al. vs. Department of Social and Health Services*.

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

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

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

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

General Fund--State Appropriation (FY 2002) . . $ ((~~11,309,000~~))
11,135,000

General Fund--State Appropriation (FY 2003) . . $ ((~~9,780,000~~))
9,385,000

General Fund--Federal Appropriation . . . . . $((~~83,738,000~~))
82,235,000

General Fund--Private/Local Appropriation . . . $ 360,000

TOTAL APPROPRIATION . . . . . $ ((~~105,187,000~~))
103,115,000

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

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

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

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

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

General Fund--State Appropriation (FY 2002) . . $ ((~~30,444,000~~))
30,419,000

General Fund--State Appropriation (FY 2003) . . $ ((~~29,369,000~~))
22,419,000

General Fund--Federal Appropriation . . . . . $((~~50,562,000~~))
47,135,000

General Fund--Private/Local Appropriation . . . $ 810,000

TOTAL APPROPRIATION . . . . . $ ((~~111,185,000~~))
100,783,000

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

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

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

(3) The department shall reconstitute the payment integrity program to place greater emphasis upon the prevention of future billing errors, ensure billing and administrative errors are treated in a manner distinct from allegations of fraud and abuse, and shall rename the program. In keeping with this revised focus, the department shall

also increase to one thousand dollars the cumulative total of apparent billing errors allowed before a provider is contacted for repayment.

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

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

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

FOR THE STATE HEALTH CARE AUTHORITY

General Fund--State Appropriation (FY 2002) . . $ 6,655,000

((~~General Fund--State Appropriation (FY 2003)~~ . . . ~~$ 6,654,000~~))

State Health Care Authority Administrative

Account--State Appropriation . . . . . $ ((~~20,091,000~~))

20,032,000

Health Services Account--State Appropriation . $ ((~~499,148,000~~))

538,828,000

General Fund--Federal Appropriation . . . . . $ ((~~3,611,000~~))

4,240,000

Medical Aid Account--State Appropriation . . . . . $ 45,000

TOTAL APPROPRIATION . . . . . $ ((~~536,159,000~~))

569,800,000

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

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

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

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

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

(5) The administrator shall take at least the following actions to assure that persons participating in the basic health plan are eligible for the level of assistance they receive: (a) Require submission of income tax returns and recent pay history from all applicants; (b) check employment security payroll records at least once every twelve months on all enrollees; (c) require enrollees whose income as indicated by payroll records exceeds that upon which their subsidy is

based to document their current income as a condition of continued eligibility; (d) require enrollees for whom employment security payroll records cannot be obtained to document their current income at least once every six months; and (e) pursue repayment and civil penalties from persons who have received excessive subsidies, as provided in RCW 70.47.060(9).

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

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

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

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

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

(9) In consultation with the department of personnel and with the state-supported colleges and universities, the health care authority

shall report to the fiscal committees of the legislature by October 1, 2002, a plan for expanding the availability and use of flexible spending account plans under which employees may set aside pretax earnings to cover their out-of-pocket medical costs. The authority is authorized to proceed with implementation of such a plan to the extent it can be accomplished within existing state funding levels.

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

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

FOR THE HUMAN RIGHTS COMMISSION

General Fund--State Appropriation (FY 2002) . . $ 2,688,000
General Fund--State Appropriation (FY 2003) . . $ ((~~2,700,000~~))
2,619,000
General Fund--Federal Appropriation . . . . . $ 1,544,000
General Fund--Private/Local Appropriation . . . $ 100,000
TOTAL APPROPRIATION . . . . . $ ((~~7,032,000~~))
6,951,000

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

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account--State
Appropriation . . . . . $ 20,000
Accident Account--State Appropriation . . . . . $ ((~~14,692,000~~))
14,798,000
Medical Aid Account--State Appropriation . . . . . $((~~14,694,000~~))
14,801,000
TOTAL APPROPRIATION . . . . . $ ((~~29,406,000~~))
29,619,000

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

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

Municipal Criminal Justice Assistance Account--
Local Appropriation . . . . . $ 460,000
Death Investigations Account--State
Appropriation . . . . . $ 148,000
Public Safety and Education Account--State
Appropriation . . . . . $ ((~~18,439,000~~))
18,148,000
TOTAL APPROPRIATION . . . . . $ ((~~19,047,000~~))
18,756,000

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

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

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

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

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

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

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

~~(7) $374,000 of the public safety and education account appropriation is provided solely for the implementation of House Bill~~

~~No. 1062 (certification of peace officers). If the bill is not enacted by June 30, 2001, the amounts provided in this subsection shall lapse.~~ ~~(8)~~)) $450,000 of the public safety and education account appropriation is provided solely for grants to be distributed by the Washington association of sheriffs and police chiefs for electronic mapping of school facilities.

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

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund--State Appropriation (FY 2002) . . $ ((~~7,738,000~~))
<u>5,577,000</u>

General Fund--State Appropriation (FY 2003) . . $ ((~~7,682,000~~))
<u>5,517,000</u>

General Fund--Federal Appropriation . . . . . $ 1,250,000

Public Safety and Education Account--State
Appropriation . . . . . $ ((~~19,862,000~~))
<u>18,292,000</u>

Public Safety and Education Account--Federal
Appropriation . . . . . $ 6,950,000

Public Safety and Education Account--Private/Local
Appropriation . . . . . $ ((~~4,200,000~~))
<u>5,373,000</u>

Asbestos Account--State Appropriation . . . . . $ 688,000

Electrical License Account--State
Appropriation . . . . . $ 28,412,000

Farm Labor Revolving Account--Private/Local
Appropriation . . . . . $ 28,000

Worker and Community Right-to-Know Account--State
Appropriation . . . . . $ 2,281,000

Public Works Administration Account--State
Appropriation . . . . . $ 2,856,000

Accident Account--State Appropriation . . . . . $ ((~~179,186,000~~))
<u>184,219,000</u>

Accident Account--Federal Appropriation . . . . $ 11,568,000

Medical Aid Account--State Appropriation . . . . . $((~~176,715,000~~))
<u>183,666,000</u>

Medical Aid Account--Federal Appropriation . . $ 2,438,000

Plumbing Certificate Account--State

Appropriation . . . . . $ ((~~1,015,000~~)) 1,111,000

Pressure Systems Safety Account--State Appropriation . . . . . $ ((~~2,274,000~~)) 2,525,000

TOTAL APPROPRIATION . . . . . $ ((~~455,143,000~~)) 462,751,000

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

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

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

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

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

(4) $5,000,000 of the medical aid account--state appropriation is provided for occupational health and safety grants. The department, in consultation with the WISHA advisory committee, shall establish a program to provide safety and health impact grants to prevent injuries and illnesses, save lives, and educate Washington employees and employers about workplace hazards and safe workplace practices. Using a competitive application process, the department shall award safety and health impact grants to trade associations, business associations, employers, employee organizations, labor unions, and groups of employees. Educational institutions and self-insured employers shall not directly receive grants. The department shall make significant efforts to ensure that not less than forty percent of available grant funds are used for grants whose activities or products are intended to assist and benefit employers and employees in small businesses that employ fewer than fifty employees.

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

FOR THE INDETERMINATE SENTENCE REVIEW BOARD

General Fund--State Appropriation (FY 2002) . . $ 999,000

General Fund--State Appropriation (FY 2003) . . $ ((~~999,000~~)) 969,000

TOTAL APPROPRIATION . . . . . $ ((~~1,998,000~~)) 1,968,000

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

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund--State Appropriation (FY 2002) . . $ ((~~1,529,000~~)) 1,577,000

General Fund--State Appropriation (FY 2003) . . $ 1,533,000

Charitable, Educational, Penal, and Reformatory

Institutions Account--State
Appropriation . . . . . $ 7,000
TOTAL APPROPRIATION . . . . . $ ((~~3,069,000~~))
3,117,000

(2) FIELD SERVICES
General Fund--State Appropriation (FY 2002) . . $ 2,619,000
General Fund--State Appropriation (FY 2003) . . $ ((~~2,643,000~~))
2,580,000
General Fund--Federal Appropriation . . . . . $ ((~~155,000~~))
310,000
General Fund--Private/Local Appropriation . . . $ 1,663,000
TOTAL APPROPRIATION . . . . . $ ((~~7,080,000~~))
7,172,000

(3) INSTITUTIONAL SERVICES
General Fund--State Appropriation (FY 2002) . . $ ((~~6,832,000~~))
5,765,000
General Fund--State Appropriation (FY 2003) . . $ ((~~4,600,000~~))
5,516,000
General Fund--Federal Appropriation . . . . . $((~~28,699,000~~))
27,437,000
General Fund--Private/Local Appropriation . . . $ ((~~25,614,000~~))
22,828,000
TOTAL APPROPRIATION . . . . . $ ((~~65,745,000~~))
61,546,000

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

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

FOR THE HOME CARE QUALITY AUTHORITY

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

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

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

FOR THE DEPARTMENT OF HEALTH

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

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

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

General Fund--Federal Appropriation . . . . . $((~~276,840,000~~))
297,352,000

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

Hospital Commission Account--State
Appropriation . . . . . $ ((~~1,718,000~~))
2,305,000

Health Professions Account--State
Appropriation . . . . . $ ((~~38,456,000~~))
39,374,000

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

Safe Drinking Water Account--State
Appropriation . . . . . $ ((~~2,701,000~~))
2,689,000

Drinking Water Assistance Account--Federal
Appropriation . . . . . $ ((~~13,400,000~~))
13,376,000

Waterworks Operator Certification--State
Appropriation . . . . . $ 622,000

Salmon Recovery Account--State Appropriation . $ 182,000

Water Quality Account--State Appropriation . . $ ((~~3,328,000~~))
3,304,000

Accident Account--State Appropriation . . . . . $ 257,000

Medical Aid Account--State Appropriation . . . . . $ 45,000
State Toxics Control Account--State
Appropriation . . . . . $ ((~~2,817,000~~))
2,809,000
Medical Test Site Licensure Account--State
Appropriation . . . . . $ ((~~1,369,000~~))
1,801,000
Youth Tobacco Prevention Account--State
Appropriation . . . . . $ 1,797,000
Tobacco Prevention and Control Account--State
Appropriation . . . . . $ ((~~34,992,000~~))
43,737,000
TOTAL APPROPRIATION . . . . . $ ((~~631,161,000~~))
653,217,000

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

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

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

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

(4) The department of health 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 that provides appropriation authority, and an equal amount of appropriated state 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.

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

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

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

~~(8)~~)) From funds appropriated in this section, the state board of health shall convene a broadly-based task force to review the available information on the potential risks and benefits to public and personal health and safety, and to individual privacy, of emerging technologies

involving human deoxyribonucleic acid (DNA). The board may reimburse task force members for travel expenses according to RCW 43.03.220. The task force shall consider information provided to it by interested persons on: (a) The incidence of discriminatory actions based upon genetic information; (b) strategies to safeguard civil rights and privacy related to genetic information; (c) remedies to compensate individuals for inappropriate use of their genetic information; and (d) incentives for further research and development on the use of DNA to promote public health, safety, and welfare. The task force shall report on its findings and any recommendations to appropriate committees of the legislature by October 1, 2002.

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

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

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

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

FOR THE DEPARTMENT OF CORRECTIONS

The appropriations to the department of corrections in this act shall be expended for the programs and in the amounts specified herein. However, after May 1, 2002, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2002 between programs. The director of financial management shall notify the appropriate fiscal committees of the senate and house of

representatives in writing prior to approving any deviations from appropriation levels.

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2002) . . $ ((~~36,156,000~~)) 36,786,000

General Fund--State Appropriation (FY 2003) . . $ ((~~36,365,000~~)) 36,434,000

Public Safety and Education Account--State Appropriation . . . . . $ 1,576,000

Violence Reduction and Drug Enforcement Account Appropriation . . . . . $ 3,254,000

TOTAL APPROPRIATION . . . . . $ ((~~77,351,000~~)) 78,050,000

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

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

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

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

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

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2002) . . $ ((~~397,231,000~~)) 404,390,000

General Fund--State Appropriation (FY 2003) . . $ ((~~407,078,000~~))

412,788,000

General Fund--Federal Appropriation . . . . . $((~~12,096,000~~))

9,142,000

Violence Reduction and Drug Enforcement Account--

State Appropriation . . . . . $ ((~~1,614,000~~))

1,596,000

Public Health Services Account Appropriation . $ 1,453,000

TOTAL APPROPRIATION . . . . . $ ((~~819,472,000~~))

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 ((~~$1,171,000~~)) $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. This authority applies to the following: Lease-develop with the option to purchase or lease-purchase approximately 50 work release beds in facilities throughout the state for $3,500,000.

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

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

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

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

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2002) . . $ ((~~61,427,000~~))
68,097,000

General Fund--State Appropriation (FY 2003) . . $ ((~~62,934,000~~))
75,720,000

General Fund--Federal Appropriation . . . . . $ ((~~1,125,000~~))
870,000

Public Safety and Education
Account--State Appropriation . . . . . $ ((~~15,841,000~~))

15,493,000

TOTAL APPROPRIATION . . . . . $ ((~~141,327,000~~))
160,180,000

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

(a) 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.

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

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

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

(4) CORRECTIONAL INDUSTRIES

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

The appropriations in this subsection are subject to the following conditions and limitations: $110,000 of the general fund--state appropriation for fiscal year 2002 and $110,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for transfer to the jail industries board. The board shall use the amounts provided only for administrative expenses, equipment purchases, and

technical assistance associated with advising cities and counties in developing, promoting, and implementing consistent, safe, and efficient offender work programs.

(5) INTERAGENCY PAYMENTS

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

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

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund--State Appropriation (FY 2002) . . $ ((~~1,693,000~~))
1,652,000
General Fund--State Appropriation (FY 2003) . . $ ((~~1,628,000~~))
1,588,000
General Fund--Federal Appropriation . . . . . $((~~11,140,000~~))
12,643,000
General Fund--Private/Local Appropriation . . . $ 80,000
TOTAL APPROPRIATION . . . . . $ ((~~14,541,000~~))
15,963,000

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

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

FOR THE SENTENCING GUIDELINES COMMISSION

General Fund--State Appropriation (FY 2002) . . $ 936,000
General Fund--State Appropriation (FY 2003) . . $ ((~~857,000~~))
832,000
TOTAL APPROPRIATION . . . . . $ ((~~1,793,000~~))
1,768,000

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

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

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

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

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

FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund--Federal Appropriation . . . . . $ 180,628,000

General Fund--Private/Local Appropriation . . . $ 30,119,000

Unemployment Compensation Administration Account--
Federal Appropriation . . . . . $((~~181,677,000~~))
194,167,000

Administrative Contingency Account--State
Appropriation . . . . . $ 13,914,000

Employment Service Administrative Account--State
Appropriation . . . . . $ 20,001,000

TOTAL APPROPRIATION . . . . . $ ((~~426,339,000~~))
438,829,000

The appropriations in this section are subject to the following conditions and limitations: $156,000 of the unemployment compensation administration account is provided solely for the implementation of Substitute House Bill No. 2355 (unemployment insurance). If the bill is not enacted by June 30, 2002, the amount provided in this subsection shall lapse.

(End of part)

PART III
NATURAL RESOURCES

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

FOR THE COLUMBIA RIVER GORGE COMMISSION

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

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

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

FOR THE DEPARTMENT OF ECOLOGY

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

1,935,000

Flood Control Assistance Account--
State Appropriation . . . . . $ 4,098,000

State Emergency Water Projects Revolving Account--
State Appropriation . . . . . $ 878,000

Waste Reduction/Recycling/Litter Control Account--
State Appropriation . . . . . $ ((~~13,537,000~~))
14,287,000

State Drought Preparedness Account--State
Appropriation . . . . . $ ((~~5,325,000~~))
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 . . $ ((~~12,481,000~~))
22,985,000

Wood Stove Education and Enforcement Account--
State Appropriation . . . . . $ 353,000

Worker and Community Right-to-Know Account--
State Appropriation . . . . . $ 3,288,000

State Toxics Control Account--State
Appropriation . . . . . $ ((~~68,931,000~~))
70,001,000

State Toxics Control Account--Private/Local
Appropriation . . . . . $ 350,000

Local Toxics Control Account--State
Appropriation . . . . . $ 4,751,000

Water Quality Permit Account--State
Appropriation . . . . . $ ((~~23,827,000~~))
24,210,000

Underground Storage Tank Account--State
Appropriation . . . . . $ 2,682,000

Environmental Excellence Account--State
Appropriation . . . . . $ 504,000

Biosolids Permit Account--State Appropriation . . . $ ((~~589,000~~))
764,000

Hazardous Waste Assistance Account--State

Appropriation . . . . . $ 4,308,000

Air Pollution Control Account--State

Appropriation . . . . . $ ((~~1,066,000~~))

1,366,000

Oil Spill Prevention Account--State

Appropriation . . . . . $ 7,921,000

Air Operating Permit Account--State

Appropriation . . . . . $ 3,608,000

Freshwater Aquatic Weeds Account--State

Appropriation . . . . . $ 1,898,000

Oil Spill Response Account--State

Appropriation . . . . . $ 7,078,000

Metals Mining Account--State Appropriation . . $ 5,000

Water Pollution Control Revolving Account--

State Appropriation . . . . . $ ((~~467,000~~))

536,000

Water Pollution Control Revolving Account--

Federal Appropriation . . . . . $ ((~~2,316,000~~))

2,802,000

TOTAL APPROPRIATION . . . . . $ ((~~324,942,000~~))

318,877,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

the technical work, help ensure that there is an accurate public record, and provide a forum for the waste load allocation.

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

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

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

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

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

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

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

(E) A representative of the department of ecology.

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

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

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

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

(D) Recommend an implementation plan that will address:

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

(II) The cost to implement the plan; and

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

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

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

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

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

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

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

(d) By October 1, 2002, the department of ecology shall provide to the appropriate standing committees of the legislature, a plan, schedule, and budget for improving the administration of water right records held by the department of ecology. The department of ecology shall work with the department of revenue and with county auditors in developing recommendations for improving the administration of water rights ownership information and integrating this information with real property ownership records. The department of ecology shall evaluate

the need for grants to counties to assist with recording and information management needs related to water rights ownership and title.

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

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

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund--State Appropriation (FY 2002) . . $ ((~~32,298,000~~))
32,198,000

General Fund--State Appropriation (FY 2003) . . $ ((~~32,866,000~~))
30,340,000

General Fund--Federal Appropriation . . . . . $ 2,690,000

General Fund--Private/Local Appropriation . . . $ 60,000

Winter Recreation Program Account--State
Appropriation . . . . . $ ((~~787,000~~))
1,087,000

Off Road Vehicle Account--State Appropriation . . . $ 274,000

Snowmobile Account--State Appropriation . . . . $ 4,682,000

Aquatic Lands Enhancement Account--State
Appropriation . . . . . $ 337,000

Public Safety and Education Account--State
Appropriation . . . . . $ ((~~48,000~~))
47,000

Salmon Recovery Account--State Appropriation . $ 200,000

Water Trail Program Account--State
Appropriation . . . . . $ 24,000

Parks Renewal and Stewardship Account--
State Appropriation . . . . . $ ((~~26,420,000~~))
27,193,000

TOTAL APPROPRIATION . . . . . $ ((~~100,486,000~~))
99,132,000

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

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

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

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

~~(4)~~)) $79,000 of the general fund--state appropriation for fiscal year 2002, $79,000 of the general fund--state appropriation for fiscal year 2003, and $8,000 of the winter recreation program account--state appropriation are provided solely for a grant for the operation of the Northwest avalanche center.

((~~(5)~~)) (4) $432,000 of the parks renewal and stewardship account appropriation is provided for the operation of the Silver Lake visitor center. If a long-term management agreement is not reached with the U.S. forest service by September 30, 2001, the amount provided in this subsection shall lapse.

((~~(6)~~)) (5) $189,000 of the aquatic lands enhancement account appropriation is provided solely for the implementation of the Puget Sound work plan and agency action item P+RC-02.

(6) The task force on the funding of state parks and outdoor recreation is hereby created, to consider and develop legislation on the operation and funding of the state parks and outdoor recreation programs of the state. The committee shall be composed of fifteen members, four members of the senate appointed by the president of the senate and to include two members from each caucus, four members of the house of representatives appointed by the speaker of the house of representatives and to include two members from each caucus, three members appointed by the governor and to include at least one representative of a broad coalition of users of the state's parks and outdoor recreation programs, one member appointed by the commissioner

of public lands, one member appointed by the chair of the fish and wildlife commission, and one member appointed by the chair of the state parks and recreation commission, and one member appointed by the interagency committee for outdoor recreation. The task force shall elect its own officers, shall be staffed by staff of the legislature, the executive agencies, and the office of the governor, and may appoint an advisory committee of additional persons and organizations interested in the operation and funding of state parks and outdoor recreation. The task force shall specifically review and incorporate into its work the reports prepared pursuant to budget provisos by the Washington state parks and recreation commission regarding its operating budget needs, deferred maintenance backlog, and capital facilities renovation and replacement requirements. The task force shall prepare recommendations for improving the operation of state parks and outdoor recreation programs and for securing adequate funding on a permanent basis for supporting the needs of the state parks and outdoor recreation programs of the state, including a legislative proposal for the implementation of an evergreen recreation pass that would combine the various permits and licenses of the participating agencies into a single pass for recreational day use. The recommendations shall be developed no later than January 1, 2003, and shall be designed for enactment by the legislature during 2003 for implementation in the 2005-07 biennium. The task force shall cease to exist on June 30, 2003.

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

FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

General Fund--State Appropriation (FY 2002) . . $ ((~~393,000~~))
143,000

General Fund--State Appropriation (FY 2003) . . $ ((~~395,000~~))
180,000

General Fund--Federal Appropriation . . . . . $ 8,358,000

Firearms Range Account--State Appropriation . . $ 13,000

Salmon Recovery Account--State Appropriation . . $ 500,000

Recreation Resources Account--State
Appropriation . . . . . $ 2,584,000

Recreation Resources Account--Federal
Appropriation . . . . . $ 481,000

NOVA Program Account--State Appropriation . . . $ 611,000
Water Quality Account--State Appropriation . . $ 700,000
State Toxics Control Account--State
Appropriation . . . . . $ 500,000
Aquatic Lands Enhancement Account--State
Appropriation . . . . . $ 200,000
TOTAL APPROPRIATION . . . . . $ ((~~14,235,000~~))
14,270,000

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

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

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

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

(4) $200,000 of the aquatic lands enhancement account--state appropriation is provided solely to develop and implement a conservation initiative for Maury Island. The interagency committee for outdoor recreation shall contract with the Cascade Land Conservancy to develop and implement the initiative and to provide the following services: (a) Land and resource appraisal; (b) development of a plan of finance for acquisition of land or interests in land; and (c) conduct negotiations among purchasers and willing sellers.

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

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

FOR THE ENVIRONMENTAL HEARINGS OFFICE

General Fund--State Appropriation (FY 2002) . . . . $ 846,000

General Fund--State Appropriation (FY 2003) . . . . $ ((~~847,000~~)) 822,000

TOTAL APPROPRIATION . . . . . $ ((~~1,693,000~~)) 1,668,000

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

FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2002) . . $ ((~~2,207,000~~)) 2,141,000

General Fund--State Appropriation (FY 2003) . . $ ((~~2,196,000~~)) 2,131,000

Water Quality Account--State Appropriation . . $ ((~~3,739,000~~)) 3,498,000

TOTAL APPROPRIATION . . . . . $ ((~~8,142,000~~))
7,770,000

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

(1) $500,000 of the water quality account--state appropriation is provided solely for the agriculture, fish, and water negotiations to develop best management practices that will protect and recover salmon. The commission shall make grants to allow interest groups to participate in the negotiations.

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

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

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

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

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2002) . . $ ((~~51,600,000~~))
46,375,000

General Fund--State Appropriation (FY 2003) . . $ ((~~50,762,000~~))
44,334,000

General Fund--Federal Appropriation . . . . . $((~~37,366,000~~))
37,716,000

General Fund--Private/Local Appropriation . . . $ 24,365,000

Off Road Vehicle Account--State

Appropriation . . . . . $ 475,000

Aquatic Lands Enhancement Account--State
Appropriation . . . . . $ ((~~6,094,000~~))
5,133,000

Public Safety and Education Account--State
Appropriation . . . . . $ ((~~586,000~~))
574,000

Recreational Fisheries Enhancement Account--
State Appropriation . . . . . $ ((~~3,032,000~~))
3,354,000

Salmon Recovery Account--State Appropriation . $ 1,612,000

Warm Water Game Fish Account--State
Appropriation . . . . . $ 2,567,000

Eastern Washington Pheasant Enhancement Account--
State Appropriation . . . . . $ 750,000

Wildlife Account--State Appropriation . . . . . $ ((~~48,518,000~~))
50,680,000

Wildlife Account--Federal Appropriation . . . . $ 38,182,000

Wildlife Account--Private/Local
Appropriation . . . . . $ 15,133,000

Game Special Wildlife Account--State
Appropriation . . . . . $ 1,941,000

Game Special Wildlife Account--Federal
Appropriation . . . . . $ 9,591,000

Game Special Wildlife Account--Private/Local
Appropriation . . . . . $ 350,000

((~~Water Quality Account--State Appropriation . $ 1,000,000~~))

Environmental Excellence Account--State
Appropriation . . . . . $ 15,000

Regional Fisheries Salmonid Recovery Account--
Federal Appropriation . . . . . $ 1,750,000

Oil Spill Administration Account--State
Appropriation . . . . . $ 963,000

Oyster Reserve Land Account--State
Appropriation . . . . . $ 135,000

TOTAL APPROPRIATION . . . . . $ ((~~295,175,000~~))
285,995,000

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

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

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

(3) ((~~$550,000 of the general fund--state appropriation for fiscal year 2002 and $550,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for salmonid smolt production monitoring.~~

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

((~~(5)~~)) (4) $600,000 of the general fund--state appropriation for fiscal year 2002 and $600,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for local salmon recovery technical assistance.

((~~(6) $1,625,000 of the general fund--state appropriation for fiscal year 2002 and $1,625,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to fund grants to lead entities established under chapter 77.85 RCW. The department, in consultation with the lead entity advisory group and individual lead entities, shall establish an application process and evaluation criteria to allocate funds to up to 26 lead entities to provide core activities identified in chapter 77.85 RCW. Grants to individual lead entities may range from $37,500 to $150,000 per year.~~

~~(7) $125,000 of the general fund--state appropriation for fiscal year 2002 and $125,000 of the general fund--state appropriation for fiscal year 2003 are~~)) (5) $250,000 of the salmon recovery account appropriation is provided solely for a grant to the lower Skykomish River habitat conservation group for the purpose of developing a salmon

recovery plan, in coordination with the lead entity established under chapter 77.85 RCW for that area. The salmon recovery plan must be consistent with the regional recovery plans of the Puget Sound shared strategy and criteria developed by the department for the regional salmon recovery planning program.

((~~(8) $1,000,000 of the water quality--state appropriation is provided solely to fund grants to lead entities established under chapter 77.85 RCW or watershed planning units established under chapter 90.82 RCW that agree to coordinate the development of comprehensive local and regional salmon recovery plans. The department shall establish a model for local and regional plans as well as eligibility and evaluation criteria for distribution of funds to lead entities and watershed planning units. No annual grant shall exceed $125,000 per year.~~

~~(9)~~)) (6) $91,000 of the warm water game fish account appropriation is provided solely for warm water fish culture at the Rod Meseberg warm water fish production facility.

((~~(10) $300,000~~)) (7) $200,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$300,000~~)) $200,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to fund ((~~four~~)) three cooperative compliance programs, ((~~two~~)) both in Western ((~~Washington~~)) and ((~~two in~~)) Eastern Washington. The cooperative compliance program shall conduct fish screen, fish way, and fish passage barrier assessments and correction plans for landowners seeking cooperative compliance agreements with the department.

((~~(11) $1,300,000 of the general fund--state appropriation for fiscal year 2002~~)) (8) $1,300,000 of the salmon recovery account appropriation, $400,000 of the general fund--state appropriation for fiscal year 2003, and $5,000,000 of the general fund--federal appropriation are provided solely for economic adjustment assistance to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

((~~(12) $2,000,000 of the aquatic lands enhancement account appropriation is provided for cooperative volunteer projects.~~

~~(13)~~)) (9) $810,000 of the general fund--state appropriation for fiscal year 2002, $790,000 of the general fund--state appropriation for fiscal year 2003, and $250,000 of the wildlife account--state appropriation are provided solely for enforcement and biological staff to respond and take appropriate action to public complaints regarding bear and cougar.

((~~(14) The department shall evaluate the fish program to determine if activities are aligned with agency objectives and if specific activities support the agency's strategic plan.~~

~~(15)~~)) (10) $75,000 of the general fund--state appropriation for fiscal year 2003 is provided solely to the department to execute an interagency agreement with the joint legislative audit and review committee to complete an independent organizational and operational review of the fish management division of the fish program. This review shall include:

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

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

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

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

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

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

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

((~~(17)~~)) (13) $388,000 of the general fund--state appropriation for fiscal year 2002 and $388,000 of the general fund--state

appropriation for fiscal year 2003 are provided solely to implement the forests and fish agreement and includes funding to continue statewide coordination and implementation of the forests and fish rules, integration of portions of the hydraulic code into the forest practices rules to provide permit streamlining, and sharing the responsibility of developing and implementing the required forests and fish agreement monitoring and adaptive management program.

((~~(18)~~)) (14) $194,000 of the general fund--state appropriation for fiscal year 2002 and $195,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for staff to represent the state's fish and wildlife interests in hydroelectric project relicensing processes by the federal energy regulatory commission.

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

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

((~~(21)~~)) (17) $43,000 of the general fund--state appropriation for fiscal year 2002 and $42,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for staffing and operation of the Tennant Lake interpretive center.

((~~(22)~~)) (18) $32,000 of the general fund--state appropriation for fiscal year 2002 and $33,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to support the activities of the aquatic nuisance species coordination committee to foster state, federal, tribal, and private cooperation on aquatic nuisance species issues. The committee shall strive to prevent the introduction of nonnative aquatic species and to minimize the spread of species that are introduced.

((~~(23)~~)) (19) $25,000 of the wildlife account--state appropriation is provided solely for the WildWatchCam program to provide internet transmission of live views of wildlife.

((~~(24)~~)) (20) $8,000 of the general fund--state appropriation for fiscal year 2002 and $7,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the payment of the department's share of approved lake management district assessments. By December 15, 2001, the department shall provide the legislature a summary of its activities related to lake management districts as well as recommendations for establishing equitable lake management district assessments.

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

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

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

Sec. 308. 2001 2nd sp.s. c 7 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund--State Appropriation (FY 2002) . . $ ((~~36,709,000~~))
35,949,000

General Fund--State Appropriation (FY 2003) . . $ ((~~36,266,000~~))
30,465,000

General Fund--Federal Appropriation . . . . . $ ((~~3,440,000~~))
10,936,000

General Fund--Private/Local Appropriation . . . $ ((~~1,865,000~~))
2,265,000

Forest Development Account--State
Appropriation . . . . . $ ((~~52,511,000~~))
50,088,000

Off Road Vehicle Account--State
Appropriation . . . . . $ 3,684,000

Surveys and Maps Account--State
Appropriation . . . . . $ 2,689,000

Aquatic Lands Enhancement Account--State
Appropriation . . . . . $ ((~~4,458,000~~))
3,923,000

Resources Management Cost Account--State
Appropriation . . . . . $ ((~~85,979,000~~))
79,156,000

Surface Mining Reclamation Account--State
Appropriation . . . . . $ ((~~2,549,000~~))
2,416,000

Salmon Recovery Account--State
Appropriation . . . . . $ 625,000

Water Quality Account--State Appropriation . . $ 2,900,000

Aquatic Land Dredged Material Disposal Site
Account--State Appropriation . . . . . $ 1,056,000

Natural Resource Conservation Areas Stewardship
Account Appropriation . . . . . $ ((~~34,000~~))
209,000

State Toxics Account--State Appropriation . . . $ 1,865,000

Air Pollution Control Account--State
Appropriation . . . . . $ 629,000

Metals Mining Account--State Appropriation . . $ 64,000

Agricultural College Trust Management Account
Appropriation . . . . . $ 1,790,000

Derelict Vessel Removal Account--State
Appropriation . . . . . $ 89,000

TOTAL APPROPRIATION . . . . . $ ((~~237,248,000~~))
230,798,000

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

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

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

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

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

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

(5) ((~~$895,000~~)) <u>$354,000</u> of the general fund--state appropriation for fiscal year 2002 and $895,000 of the general fund--state appropriation for fiscal year 2003 <u>shall be transferred to the agricultural college trust management account and</u> are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

((~~(7)~~)) <u>(6)</u> $4,000 of the general fund--state appropriation for fiscal year 2002 and $4,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to compensate the forest board trust for a portion of the lease to the Crescent television improvement district consistent with RCW 79.12.055.

((~~(8) The appropriation from the off-road vehicle account--state is provided under RCW 46.09.170(1)(a)(ii) and is provided solely for projects that bring off-road vehicle recreation facilities into compliance with the requirements, guidelines, spirit, and intent of the~~

~~federal Americans with disabilities act and do not compromise or impair sensitive natural resources.~~

~~(9)~~)) (7) $828,000 of the surface mine reclamation account appropriation is provided to implement Engrossed House Bill No. 1845 (surface mining fees). If the bill is not enacted by June 30, 2001, the amount provided in this subsection shall lapse.

((~~(10)~~)) (8) $800,000 of the aquatic lands enhancement account appropriation and $200,000 of the resources management cost account appropriation are provided solely to improve asset management on state-owned aquatic lands. The department shall streamline the use authorization process for businesses operating on state-owned aquatic lands and issue decisions on 325 pending lease applications by June 30, ((~~2002~~)) 2003. The department, in consultation with the attorney general, shall develop a strategic program to resolve claims related to contaminated sediments on state-owned aquatic lands.

((~~(11)~~)) (9) $246,000 of the resource management cost account appropriation is provided to the department for continuing control of spruce budworm.

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

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

((~~(14)~~)) (12) $7,216,000 of the general fund--state appropriation for fiscal year 2002 and $6,584,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for fire protection activities and to implement provisions of the 1997 tridata fire program review.

((~~(15) $275,000~~)) (13) $100,000 of the general fund--state appropriation for fiscal year 2002, ((~~$275,000 of the general fund--state appropriation for fiscal year 2003, and~~)) $550,000 of the aquatic lands enhancement account--state appropriation, and $209,000 of the natural resources conservation areas stewardship account--state appropriation are provided solely to the department for planning, management, and stewardship of natural area preserves and natural resources conservation areas.

((~~(16)~~)) (14) $187,000 of the general fund--state appropriation for fiscal year 2002((~~,~~)) and $188,000 of the general fund--state appropriation for fiscal year 2003((~~, and $375,000 of the aquatic lands enhancement account--state appropriation~~)) are provided solely to the department for maintenance and stewardship of public lands.

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

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

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

(18) In managing natural resources conservation areas and recreation sites in the San Juan Islands, the department shall employ cost-recovery methods comparable to those employed at similarly situated state park facilities.

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

(20) Within the amounts appropriated in this section, the department shall review the current procedures used to mobilize resources to fight forest fires under the state mobilization plan and through the department of natural resources. The review must include recommendations to ensure that the people closest to a fire are called first, to allow private contractors to be mobilized under the state mobilization plan, and to identify other efficiencies. The department shall review recent studies regarding ways to improve forest fire fighting in the state. The department shall consult with representatives of private contractors, fire districts, municipal fire departments, the state fire marshal, appropriate federal agencies, and other interested groups in developing the recommendations. The

department shall report their findings and recommendations to the appropriate committees of the legislature by January 1, 2003.

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

Sec. 309. 2001 2nd sp.s. c 7 s 309 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

General Fund--State Appropriation (FY 2002) . . $ ((~~8,165,000~~)) 7,815,000

General Fund--State Appropriation (FY 2003) . . $ ((~~8,024,000~~)) 7,434,000

General Fund--Federal Appropriation . . . . . $ ((~~4,636,000~~)) 7,441,000

General fund--Private/Local Appropriation . . . $ 1,110,000

Aquatic Lands Enhancement Account--State Appropriation . . . . . $ 2,304,000

State Toxics Control Account--State Appropriation . . . . . $ ((~~2,672,000~~)) 2,917,000

TOTAL APPROPRIATION . . . . . $ ((~~26,911,000~~)) 29,021,000

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

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

(2) ((~~$832,000~~)) $1,077,000 of the state toxics control account appropriation and $298,000 of the agricultural local account are provided solely to establish a program to monitor pesticides in surface

water, sample and analyze surface waters for pesticide residues, evaluate pesticide exposure on salmon species listed under the provisions of the endangered species act, and implement actions needed to protect salmonids.

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

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

(5) ((~~$350,000 of the general fund--state appropriation for fiscal year 2002, $350,000 of the general fund--state appropriation for fiscal year 2003,~~)) $700,000 of the general fund--federal appropriation and $700,000 of the general fund--private/local appropriation are provided solely to implement chapter 324, Laws of 2001 (Substitute House Bill No. 1891, marketing of agriculture). ((~~Of these amounts, $40,000 of the general fund--state appropriation is provided solely to match funds provided by the red raspberry commission to address unfair trade practices by other countries that result in sales in Washington that are below the cost of production in Washington.~~))

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

(7) The district manager for district two as defined in WAC 16-458-075 shall transfer four hundred fifty thousand dollars from the fruit and vegetable district fund to the plant pest account within the agricultural local fund. The amount transferred must be derived from fees collected for state inspections of tree fruits and shall be used solely to reimburse county horticultural pest and disease boards in district two for the cost of pest control activities, including tree

removal, conducted under their existing authority in chapters 15.08 and 15.09 RCW. The transfer of funds shall occur by July 1, 2001. On June 30, 2003, any unexpended portion of the four hundred fifty thousand dollars shall be returned to the fruit and vegetable district fund.

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2001 2nd sp.s. c 7 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2002) . . $ ((~~5,389,000~~)) 5,366,000

General Fund--State Appropriation (FY 2003) . . $ ((~~5,377,000~~)) 5,300,000

Architects' License Account--State Appropriation . . . . . $ ((~~707,000~~)) 684,000

Cemetery Account--State Appropriation . . . . . $ ((~~214,000~~)) 200,000

Professional Engineers' Account--State Appropriation . . . . . $ ((~~3,032,000~~)) 3,102,000

Real Estate Commission--State Appropriation . . $ ((~~6,777,000~~)) 6,837,000

Master License Account--State Appropriation . . $ ((~~8,409,000~~)) 8,278,000

Uniform Commercial Code Account--State Appropriation . . . . . $ ((~~3,104,000~~)) 2,900,000

Real Estate Education Account--State Appropriation . . . . . $ ((~~301,000~~)) 276,000

Funeral Directors and Embalmers Account--State Appropriation . . . . . $ ((~~490,000~~)) 459,000

Washington Real Estate Research Account Appropriation . . . . . $ ((~~316,000~~)) 307,000

Data Processing Revolving Account--State Appropriation . . . . . $ 23,000

Derelict Vessel Removal Account--State

Appropriation . . . . . $ 86,000

TOTAL APPROPRIATION . . . . . $ ((~~34,139,000~~)) 33,818,000

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

Sec. 402. 2001 2nd sp.s. c 7 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund--State Appropriation (FY 2002) . . $ ((~~21,890,000~~)) 21,567,000

General Fund--State Appropriation (FY 2003) . . $ ((~~8,066,000~~)) 7,933,000

General Fund--Federal Appropriation . . . . . $ 4,178,000

General Fund--Private/Local Appropriation . . . $ 369,000

Death Investigations Account--State Appropriation . . . . . $ ((~~3,899,000~~)) 4,024,000

Public Safety and Education Account--State Appropriation . . . . . $ ((~~16,070,000~~)) 14,769,000

County Criminal Justice Assistance Account--State Appropriation . . . . . $ ((~~2,490,000~~)) 2,870,000

Municipal Criminal Justice Assistance Account--State Appropriation . . . . . $ ((~~987,000~~)) 1,367,000

Fire Service Trust Account--State

Appropriation . . . . . $ 125,000

Fire Service Training Account--State
Appropriation . . . . . $ 6,328,000

State Toxics Control Account--State
Appropriation . . . . . $ 461,000

Violence Reduction and Drug Enforcement Account--
State Appropriation . . . . . $ ((~~277,000~~))
<u>274,000</u>

Fingerprint Identification Account--State
Appropriation . . . . . $ ((~~3,684,000~~))
<u>5,316,000</u>

TOTAL APPROPRIATION . . . . . $ ((~~68,824,000~~))
<u>69,581,000</u>

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

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

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

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

(4) $1,419,000 of the public safety and education account--state appropriation is provided solely for combating the proliferation of methamphetamine labs. The amounts in this subsection are provided solely for the following activities: (a) The establishment of a regional methamphetamine enforcement, training, and education program; (b) additional members for the statewide methamphetamine incident

response team; and (c) two forensic scientists with the necessary equipment to perform lab analysis in the crime laboratory division.

((~~(6) Beginning in fiscal year 2003, the funding provided in this subsection assumes a transfer of $12,634,000 of state patrol expenditures from the omnibus operating budget to the transportation budget. If new transportation revenue is not enacted before this time, the omnibus budget will restore this funding in the 2002 legislative session.~~))

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

(End of part)

PART V
EDUCATION

Sec. 501. 2001 2nd sp.s. c 7 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2002) . . $ ((~~12,357,000~~)) 12,302,000

General Fund--State Appropriation (FY 2003) . . $ ((~~12,266,000~~)) 12,000,000

General Fund--Federal Appropriation . . . . . $((~~23,668,000~~)) 53,760,000

TOTAL APPROPRIATION . . . . . $ ((~~48,291,000~~)) 78,062,000

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

(a) $11,385,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$11,394,000~~)) $11,101,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Of this amount, a maximum of $350,000 is provided in each fiscal year for upgrading information systems including the general apportionment and student information systems.

(b) ((~~$541,000~~)) $486,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$441,000~~)) $481,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities. Of the general fund--state appropriation ((~~for fiscal year 2002~~)), $100,000 is provided solely for certificate of mastery development and validation.

(c) $431,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$431,000~~)) $418,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the 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

General Fund--State Appropriation (FY 2002) . . $ ((~~17,274,000~~)) 17,280,000

General Fund--State Appropriation (FY 2003) . . $ ((~~19,407,000~~)) 9,990,000

General Fund--Federal Appropriation . . . . . $((~~213,016,000~~)) 85,395,000

TOTAL APPROPRIATION . . . . . $ ((~~249,697,000~~)) 112,665,000

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

(a) HEALTH AND SAFETY

(i) A maximum of $150,000 of the general fund--state appropriation for fiscal year 2002 ((~~and a maximum of $150,000 of the fiscal year 2003 appropriation are~~)) is provided for alcohol and drug prevention programs pursuant to RCW 66.08.180.

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

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

(A) The safety center shall: Disseminate successful models of school safety plans and cooperative efforts; provide assistance to schools to establish a comprehensive safe school plan; select models of cooperative efforts that have been proven successful; act as an information dissemination and resource center when an incident occurs in a school district either in Washington or in another state;

coordinate activities relating to school safety; review and approve manuals and curricula used for school safety models and training; and develop and maintain a school safety information web site.

(B) The school safety center shall be established in the office of the superintendent of public instruction. The superintendent of public instruction shall participate in a school safety center advisory committee that includes representatives of educators, classified staff, principals, superintendents, administrators, the American society for industrial security, the state criminal justice training commission, and others deemed appropriate and approved by the school safety center advisory committee. Members of the committee shall be chosen by the groups they represent. In addition, the Washington association of sheriffs and police chiefs shall appoint representatives of law enforcement to participate on the school safety center advisory committee. The advisory committee shall select a chair.

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

(iv) A maximum of $113,000 of the general fund--state appropriation for fiscal year 2002 and a maximum of ((~~$103,000~~)) $100,000 of the general fund--state appropriation for fiscal year 2003 are provided for a school safety training program provided by the criminal justice training commission subject to the following conditions and limitations:

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

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

(v) A maximum of $250,000 of the general fund--state appropriation for fiscal year 2002 and a maximum of ((~~$250,000~~)) $243,000 of the general fund--state appropriation for fiscal year 2003 are provided for training in school districts regarding the prevention of bullying and harassment. The superintendent of public instruction shall use the funds to develop a model bullying and harassment prevention policy and

training materials for school and educational service districts. The information may be disseminated in a variety of ways, including workshops and other staff development activities such as videotape or broadcasts.

(vi) A maximum of ((~~$6,042,000~~)) $6,048,000 of the general fund--state appropriation for fiscal year 2002 ((~~and a maximum of $6,028,000 of the general fund--state appropriation for fiscal year 2003 are~~)) is provided for a safety allocation to districts subject to the following conditions and limitations:

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

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

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

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

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

(vii) A maximum of $200,000 of the general fund--state appropriation for fiscal year 2002, a maximum of ((~~$200,000~~)) $194,000 of the general fund--state appropriation for fiscal year 2003, and $400,000 of the general fund--federal appropriation transferred from the department of health are provided for a program that provides grants to school districts for media campaigns promoting sexual abstinence and addressing the importance of delaying sexual activity, pregnancy, and childbearing until individuals are ready to nurture and support their children. Grants to the school districts shall be for projects that are substantially designed and produced by students. The grants shall require a local private sector match equal to one-half of the state grant, which may include in-kind contribution of technical or other assistance from consultants or firms involved in public relations, advertising, broadcasting, and graphics or video production or other related fields.

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

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

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

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

(ix) A maximum of $1,500,000 of the general fund--state appropriation for fiscal year 2002 ((~~and a maximum of $1,500,000 of the general fund--state appropriation for fiscal year 2003 are~~)) is provided for school district petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. Allocation of

this money to school districts shall be based on the number of petitions filed.

(b) TECHNOLOGY

(i) A maximum of $2,000,000 of the general fund--state appropriation for fiscal year 2002 and a maximum of ((~~$2,000,000~~)) $1,940,000 of the general fund--state appropriation for fiscal year 2003 are provided for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network. A maximum of $650,000 of this amount may be expended for state-level administration and staff training on the K-20 network.

(ii) A maximum of $617,000 of the general fund--state appropriation for fiscal year 2002 and a maximum of ((~~$1,112,000~~)) $1,079,000 of the general fund--state appropriation for fiscal year 2003 are provided for the Washington state leadership assistance for science education reform (LASER) regional partnership coordinated at the Pacific Science Center.

(iii) $92,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for a study of technology in the public schools subject to the following conditions and limitations:

(A) The superintendent shall convene a technology in education task force to develop recommendations about the use of technology and recommendations about funding technology in the schools after conducting a study. The study shall focus on the application of technology in grades three through twelve. The study shall be completed not later than November 1, 2002, and the recommendations shall be submitted to the education and fiscal committees of the house of representatives and the senate. The study shall include but not be limited to:

(1) The technology currently available in schools and school districts. Technology includes but is not limited to computers, local area networks, and access to electronic media on the internet;

(2) Methods school districts are using currently to fund technology and recommendations for the future;

(3) Plans to update the technology including any replacement schedules;

(4) Training in the use of technology;

(5) Integration of technology into the curriculum;

(6) The different uses of technology in upper elementary grades, middle school, and high school; and

(7) Applications of technology in schools in other states and how that technology is funded.

(B) The technology in education task force shall consist of the following voting members or their designees: One member from each major caucus of the senate, appointed by the president of the senate; one member from each major caucus of the house of representatives, appointed by the speaker of the house of representatives; the superintendent of public instruction; the chair of the information services board; one representative of the community and technical colleges, appointed by the state board for community and technical colleges; one educational service district superintendent, one school district superintendent, one principal, and one teacher, each appointed by the superintendent of public instruction; two representatives appointed by the higher education coordinating board; and three representatives of the computer or digital technology industry and three members of the general public, each appointed by the superintendent of public instruction. The superintendent of public instruction, or designee, shall chair the task force.

(c) GRANTS AND ALLOCATIONS

(i) A maximum of $25,000 of the general fund--state appropriation for fiscal year 2002 and a maximum of ((~~$1,975,000~~)) $1,916,000 of the general fund--state appropriation for fiscal year 2003 are provided for Senate Bill No. 5695 (alternative certification routes). If the bill is not enacted by June 30, 2001, the amount provided in this subsection shall lapse. The stipend allocation per teacher candidate and mentor pair shall not exceed ((~~$28,318~~)) $28,300. The professional educator standards board shall report to the education committees of the legislature by December 15, 2002, on the districts applying for partnership grants, the districts receiving partnership grants, and the number of interns per route enrolled in each district.

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

(iii) A maximum of $150,000 of the general fund--state appropriation for fiscal year 2002 and a maximum of ((~~$150,000~~))

$146,000 of the general fund--state appropriation for fiscal year 2003 are provided for the Washington civil liberties education program.

(iv) A maximum of $2,150,000 of the general fund--state appropriation for fiscal year 2002 ((~~and a maximum of $2,150,000 of the general fund--state appropriation for fiscal year 2003 are~~)) is provided for complex need grants. The maximum grants for eligible districts are specified in LEAP Document 30C as developed on April 27, 1997, at 03:00 hours.

(v) A maximum of $1,377,000 of the general fund--state appropriation for fiscal year 2002 ((~~and a maximum of $1,377,000 of the general fund--state appropriation for fiscal year 2003 are~~)) is provided for educational centers, including state support activities. ((~~$100,000~~)) $50,000 of this amount for fiscal year 2002 is provided to help stabilize funding through distribution among existing education centers that are currently funded by the state at an amount less than ((~~$100,000 a biennium~~)) $50,000 a fiscal year.

(vi) A maximum of $50,000 of the general fund--state appropriation for fiscal year 2002 ((~~and a maximum of $50,000 of the general fund--state appropriation for fiscal year 2003 are~~)) is provided for an organization in southwest Washington that received funding from the Spokane educational center in the 1995-97 biennium and provides educational services to students who have dropped out of school.

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

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

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

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

(xi) ((~~$30,700,000~~)) $13,942,000 of the general fund--federal appropriation is provided for school renovation grants for school districts with urgent school renovation needs, special education-related renovations, and technology related renovations.

(xii) ((~~$1,952,000~~)) $4,962,000 of the general fund--federal appropriation is provided for LINKS technology challenge grants to integrate educational reform with state technology systems and development of technology products that enhance professional development and classroom instruction.

(xiii) ((~~$423,000~~)) $536,000 of the general fund--federal appropriation is provided for the advanced placement fee program to increase opportunities for low-income students and under-represented populations to participate in advanced placement courses and to increase the capacity of schools to provide advanced placement courses to students.

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

(xv) ((~~$4,228,000~~)) $2,612,000 of the general fund--federal appropriation is provided for teacher quality enhancement through provision of consortia grants to school districts and higher education institutions to improve teacher preparation and professional development.

Sec. 502. 2001 2nd sp.s. c 7 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT

General Fund--State Appropriation (FY 2002) . . $ ((~~3,760,826,000~~))
3,786,124,000

General Fund--State Appropriation (FY 2003) . . $ ((~~3,751,350,000~~))
3,711,897,000

TOTAL APPROPRIATION . . . . . $ ((~~7,512,176,000~~))
7,498,021,000

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

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

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

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

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

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

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

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

(v) For class size reduction and expanded learning opportunities under the better schools program, an additional 2.2 certificated instructional staff units <u>for the 2001-02 school year and an additional 0.8 certificated instructional staff units for the 2002-03 school year</u> for grades K-4 per thousand full-time equivalent students. Funds allocated for these additional certificated units shall not be considered as basic education funding. The allocation may be used for reducing class sizes in grades K-4 or to provide additional classroom contact hours for kindergarten, before-and-after-school programs, weekend school programs, summer school programs, and intercession opportunities to assist elementary school students in meeting the essential academic learning requirements and student assessment

performance standards. For purposes of this subsection, additional classroom contact hours provided by teachers beyond the normal school day under a supplemental contract shall be converted to a certificated full-time equivalent by dividing the classroom contact hours by 900.

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

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

(C) Any district maintaining a ratio in grades K-4 equal to or greater than 55.4 certificated instructional staff per thousand full-time equivalent students in ((~~grades K-4~~)) the 2001-02 school year, and a ratio equal to or greater than 54.0 certificated instructional staff per thousand full-time equivalent students in the 2002-03 school year, may use allocations generated under this subsection (2)(a)(iv) and (v) in excess of that required to maintain the minimum ratio established under RCW 28A.150.260(2)(b) to employ additional basic education certificated instructional staff or classified instructional assistants

in grades 5-6. Funds allocated under this subsection (2)(a)(iv) and (v) shall only be expended to reduce class size in grades K-6. No more than 1.3 of the certificated instructional funding ratio amount may be expended for provision of classified instructional assistants;

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

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

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

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

(ii) Vocational full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported vocational enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support; <u>and</u>

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

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

(i) For those enrolling no students in grades 7 and 8, 1.76 certificated instructional staff units and 0.24 certificated administrative staff units for enrollment of not more than five

students, plus one-twentieth of a certificated instructional staff unit for each additional student enrolled; and

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

(e) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full-time equivalent students in grades K-8, and for small school plants within any school district which enroll more than twenty-five average annual full-time equivalent students in grades K-8 and have been judged to be remote and necessary by the state board of education:

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

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

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

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

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

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

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

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

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

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

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

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

(4) Fringe benefit allocations shall be calculated at a rate of ((~~11.27~~)) 10.76 percent in the 2001-02 school year and ((~~11.27~~)) 9.57 percent in the 2002-03 school year for certificated salary allocations provided under subsection (2) of this section, and a rate of ((~~12.92~~)) 12.73 percent in the 2001-02 school year and ((~~12.92~~)) 12.36 percent in the 2002-03 school year for classified salary allocations provided under subsection (3) of this section.

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

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

(b) The number of classified staff units determined in subsection (3) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance

benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(6)(a) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2)(a), (b), and (d) through (h) of this section, there shall be provided a maximum of $8,519 per certificated staff unit in the 2001-02 school year and a maximum of ((~~$8,715~~)) $8,604 per certificated staff unit in the 2002-03 school year.

(b) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(A) of this section, there shall be provided a maximum of $20,920 per certificated staff unit in the 2001-02 school year and a maximum of ((~~$21,401~~)) $21,129 per certificated staff unit in the 2002-03 school year.

(c) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(B) of this section, there shall be provided a maximum of $16,233 per certificated staff unit in the 2001-02 school year and a maximum of ((~~$16,606~~)) $16,395 per certificated staff unit in the 2002-03 school year.

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

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

(9) The superintendent may distribute a maximum of ((~~$6,510,000~~)) $6,424,000 outside the basic education formula during fiscal years 2002 and 2003 as follows:

(a) For fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW, a maximum of $480,000 may be expended in fiscal year 2002 and a maximum of ((~~$491,000~~)) $485,000 may be expended in fiscal year 2003;

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

(c) A maximum of ((~~$343,000~~)) $341,000 may be expended for school district emergencies; and

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

(10) For purposes of RCW 84.52.0531, the increase per full-time equivalent student in state basic education appropriations provided under this act, including appropriations for salary and benefits increases, is 2.5 percent from the 2000-01 school year to the 2001-02 school year((~~, and 3.3 percent from the 2000-01 school year to the 2002-03 school year~~)).

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

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

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

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff

units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (2)(a) through (h) of this section shall be reduced in increments of twenty percent per year.

Sec. 503. 2001 2nd sp.s. c 7 s 503 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION. (1) The following calculations determine the salaries used in the general fund allocations for certificated instructional, certificated administrative, and classified staff units under section 502 of this act:

(a) For school year 2001-02, salary allocations for certificated instructional staff units shall be determined for each district by multiplying the district's certificated instructional total base salary shown on LEAP Document 12E for the appropriate year, by the district's average staff mix factor for basic education and special education certificated instructional staff in that school year, computed using LEAP Document 1S; ((~~and~~))

(b) For school year 2002-03, salary allocations for certificated instructional staff units shall be determined for each district by multiplying the district's certificated instructional total base salary shown on LEAP Document 12E for the appropriate year, by the district's average staff mix factor for certificated instructional staff in that school year, computed using LEAP Document 1S; and

(c) Salary allocations for certificated administrative staff units and classified staff units for each district shall be based on the district's certificated administrative and classified salary allocation amounts shown on LEAP Document 12E for the appropriate year.

(2) For the purposes of this section:

(a) "Basic education certificated instructional staff" is defined as provided in RCW 28A.150.100 and "special education certificated staff" means staff assigned to the state-supported special education program pursuant to chapter 28A.155 RCW in positions requiring a certificate;

(b) "LEAP Document 1S" means the computerized tabulation establishing staff mix factors for certificated instructional staff according to education and years of experience, as developed by the

legislative evaluation and accountability program committee on March 25, 1999, at 16:55 hours; and

(c) "LEAP Document 12E" means the computerized tabulation of 2001-02 and 2002-03 school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on ((~~March 13, 2001, at 16:32 hours~~)) March 11, 2002, at 22:32 hours.

(3) Incremental fringe benefit factors shall be applied to salary adjustments at a rate of ((~~10.63~~)) 10.12 percent for school year((~~s~~)) 2001-02 and 8.93 percent for school year 2002-03 for certificated staff and ((~~9.42~~)) for classified staff 9.23 percent for school year((~~s~~)) 2001-02 and 8.86 percent for the 2002-03 ((~~for classified staff~~)) school year.

(4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedules for certificated instructional staff are established for basic education salary allocations:

K-12 Salary Schedule for Certificated Instructional Staff
2001-02 School Year

Years of Service	BA	BA+15	BA+30	BA+45	BA+90
0	27,467	28,209	28,977	29,746	32,219
1	27,836	28,588	29,366	30,171	32,668
2	28,464	29,231	30,025	30,900	33,414
3	29,401	30,192	31,009	31,931	34,490
4	30,063	30,896	31,727	32,689	35,290
5	30,750	31,595	32,443	33,468	36,085
6	31,147	31,974	32,850	33,928	36,531
7	32,164	33,010	33,909	35,055	37,724
8	33,195	34,088	35,008	36,248	38,954
9		35,205	36,169	37,455	40,223
10			37,344	38,724	41,529
11				40,029	42,895
12				41,293	44,298
13					45,736
14					47,181
15					48,408

16 or more	49,376

Years of Service	BA+135	MA	MA+45	MA+90 or PHD
0	33,811	32,931	35,403	36,996
1	34,252	33,297	35,793	37,377
2	35,030	33,995	36,509	38,124
3	36,177	35,027	37,585	39,273
4	37,007	35,755	38,355	40,072
5	37,853	36,503	39,121	40,889
6	38,308	36,904	39,508	41,285
7	39,569	38,031	40,700	42,546
8	40,867	39,225	41,930	43,843
9	42,201	40,430	43,200	45,177
10	43,572	41,700	44,505	46,549
11	44,979	43,005	45,872	47,956
12	46,446	44,362	47,275	49,422
13	47,947	45,766	48,712	50,923
14	49,505	47,212	50,251	52,481
15	50,792	48,439	51,557	53,846
16 or more	51,808	49,407	52,589	54,923

K-12 Allocation Salary Schedule For Certificated Instructional Staff
2002-03 School Year

((~~Years of Service~~

~~Years of Service~~	~~BA~~	~~BA+15~~	~~BA+30~~	~~BA+45~~	~~BA+90~~
~~0~~	~~28,318~~	~~29,083~~	~~29,875~~	~~30,668~~	~~33,217~~
~~1~~	~~28,699~~	~~29,473~~	~~30,276~~	~~31,106~~	~~33,680~~
~~2~~	~~29,345~~	~~30,137~~	~~30,955~~	~~31,857~~	~~34,449~~
~~3~~	~~30,312~~	~~31,127~~	~~31,970~~	~~32,920~~	~~35,559~~
~~4~~	~~30,994~~	~~31,854~~	~~32,710~~	~~33,702~~	~~36,383~~
~~5~~	~~31,703~~	~~32,574~~	~~33,448~~	~~34,505~~	~~37,203~~
~~6~~	~~32,112~~	~~32,964~~	~~33,868~~	~~34,979~~	~~37,663~~
~~7~~	~~33,160~~	~~34,033~~	~~34,959~~	~~36,141~~	~~38,893~~
~~8~~	~~34,223~~	~~35,145~~	~~36,092~~	~~37,372~~	~~40,161~~
~~9~~		~~36,295~~	~~37,289~~	~~38,616~~	~~41,470~~
~~10~~			~~38,501~~	~~39,923~~	~~42,815~~
~~11~~				~~41,269~~	~~44,225~~

~~12~~	~~42,572~~	~~45,671~~
~~13~~		~~47,153~~
~~14~~		~~48,642~~
~~15~~		~~49,907~~
~~16 or more~~		~~50,906~~

~~Years of Service~~	~~BA+135~~	~~MA~~	~~MA+45~~	~~MA+90 or PHD~~
~~0~~	~~34,859~~	~~33,951~~	~~36,500~~	~~38,142~~
~~1~~	~~35,313~~	~~34,328~~	~~36,902~~	~~38,535~~
~~2~~	~~36,116~~	~~35,048~~	~~37,640~~	~~39,305~~
~~3~~	~~37,298~~	~~36,112~~	~~38,750~~	~~40,490~~
~~4~~	~~38,153~~	~~36,863~~	~~39,544~~	~~41,314~~
~~5~~	~~39,026~~	~~37,634~~	~~40,333~~	~~42,156~~
~~6~~	~~39,495~~	~~38,047~~	~~40,732~~	~~42,564~~
~~7~~	~~40,795~~	~~39,210~~	~~41,961~~	~~43,864~~
~~8~~	~~42,133~~	~~40,440~~	~~43,229~~	~~45,201~~
~~9~~	~~43,509~~	~~41,683~~	~~44,538~~	~~46,577~~
~~10~~	~~44,922~~	~~42,992~~	~~45,884~~	~~47,991~~
~~11~~	~~46,373~~	~~44,337~~	~~47,293~~	~~49,442~~
~~12~~	~~47,885~~	~~45,736~~	~~48,739~~	~~50,953~~
~~13~~	~~49,432~~	~~47,184~~	~~50,221~~	~~52,501~~
~~14~~	~~51,039~~	~~48,675~~	~~51,808~~	~~54,107~~
~~15~~	~~52,366~~	~~49,940~~	~~53,155~~	~~55,514~~
~~16 or more~~	~~53,413~~	~~50,938~~	~~54,218~~	~~56,624~~))

Years of Service	BA	BA+15	BA+30	BA+45	BA+90
0	28,300	29,064	29,856	30,649	33,196
1	28,680	29,455	30,257	31,086	33,659
2	29,327	30,117	30,936	31,837	34,428
3	30,293	31,107	31,950	32,899	35,536
4	30,975	31,833	32,690	33,681	36,360
5	31,682	32,553	33,427	34,483	37,179
6	32,091	32,943	33,847	34,956	37,639
7	33,139	34,012	34,937	36,118	38,868
8	34,202	35,122	36,069	37,348	40,135
9		36,272	37,266	38,591	41,443
10			38,477	39,898	42,788

11	41,243	44,196
12	42,545	45,642
13		47,123
14		48,611
15		49,876
16 or more		50,873

Years of Service	BA+135	MA	MA+45	MA+90 or PHD
0	34,836	33,929	36,476	38,118
1	35,291	34,306	36,879	38,510
2	36,093	35,025	37,616	39,280
3	37,274	36,089	38,725	40,464
4	38,129	36,840	39,519	41,288
5	39,001	37,610	40,307	42,129
6	39,470	38,023	40,706	42,537
7	40,769	39,185	41,934	43,836
8	42,106	40,414	43,202	45,172
9	43,481	41,656	44,510	46,548
10	44,894	42,964	45,855	47,960
11	46,344	44,309	47,263	49,410
12	47,854	45,707	48,708	50,921
13	49,401	47,154	50,189	52,467
14	51,006	48,644	51,775	54,073
15	52,333	49,908	53,121	55,479
16 or more	53,379	50,906	54,183	56,588

(b) As used in this subsection, the column headings "BA+(N)" refer to the number of credits earned since receiving the baccalaureate degree.

(c) For credits earned after the baccalaureate degree but before the masters degree, any credits in excess of forty-five credits may be counted after the masters degree. Thus, as used in this subsection, the column headings "MA+(N)" refer to the total of:

(i) Credits earned since receiving the masters degree; and

(ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(5) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

(d) "Years of service" shall be calculated under the same rules adopted by the superintendent of public instruction.

(e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020 and 28A.415.023.

(6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in this act, or any replacement schedules and documents, unless:

(a) The employee has a masters degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(7) The certificated instructional staff base salary specified for each district in LEAP Document 12E and the salary schedules in subsection (4)(a) of this section include three learning improvement days ((~~originally added in the 1999-00 school year~~)) for the 2001-02 school year and two days for the 2002-03 school year. A school district is eligible for the learning improvement day funds for school years 2001-02 and 2002-03, only if ((~~three~~)) the learning improvement days have been added to the 180-day contract year. If fewer ((~~than three~~)) days are added, the additional learning improvement allocation shall be adjusted accordingly. The additional days shall be for activities related to improving student learning consistent with education reform implementation, and shall not be considered part of basic education. The length of a learning improvement day shall not be less than the length of a full day under the base contract. The superintendent of public instruction shall ensure that school districts adhere to the intent and purposes of this subsection.

(8) The salary allocation schedules established in this section are for allocation purposes only except as provided in RCW 28A.400.200(2).

Sec. 504. 2001 2nd sp.s. c 7 s 504 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS

General Fund--State Appropriation (FY 2002) . . $ ((~~124,130,000~~)) 124,903,000

General Fund--State Appropriation (FY 2003) . . $ ((~~274,529,000~~)) 255,910,000

General Fund--Federal Appropriation (FY 2003) . $ 191,000

TOTAL APPROPRIATION . . . . . $ ((~~398,659,000~~)) 381,004,000

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

(1) ((~~$318,024,000~~)) A total of $329,316,000 is provided for a cost of living adjustment for state formula staff units of 3.7 percent effective September 1, 2001, and ((~~another salary adjustment~~)) 3.6 percent effective on September 1, 2002, ((~~in a percentage amount to be determined by the 2002 legislature~~)) consistent with the provisions of chapter 4, Laws of 2001 (Initiative Measure No. 732). The appropriations include associated incremental fringe benefit allocations at rates of ((~~10.63~~)) 10.12 percent for school year((~~s~~)) 2001-02 and 8.93 percent for school year 2002-03 for certificated staff and ((~~9.42~~)) 9.23 percent for school year((~~s~~)) 2001-02 and 8.86 for school year 2002-03 for classified staff.

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

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

School Year

	2001-02	2002-03
Pupil Transportation (per weighted pupil mile)	$ 0.77	$ ((~~1.44~~)) 1.54
Highly Capable (per formula student)	$((~~8.75~~)) 8.71	$((~~16.35~~)) 16.70
Transitional Bilingual Education (per eligible bilingual student)	$((~~22.73~~)) 22.63	$((~~42.48~~)) 44.74
Learning Assistance (per entitlement unit)	$((~~11.23~~)) 11.19	$((~~20.99~~)) 22.26
Substitute Teacher (allocation per teacher, section 502(7))	$ 18.29	$ ((~~34.18~~)) 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) ((~~$80,635,000~~)) $51,688,000 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 ((~~$493.59~~)) $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	$((~~0.60~~)) 0.27
Highly Capable (per formula student)	$ 1.74	$((~~4.18~~)) 1.81
Transitional Bilingual Education (per eligible		

bilingual student) $ 4.46 $((~~10.66~~))
4.75
Learning Assistance (per entitlement unit) $ 3.51 $((~~8.38~~))
3.73

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

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION

General Fund--State Appropriation (FY 2002) . . $ ((~~193,198,000~~))
192,402,000
General Fund--State Appropriation (FY 2003) . . $ ((~~194,293,000~~))
193,293,000
TOTAL APPROPRIATION . . . . . $ ((~~387,491,000~~))
385,695,000

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

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

(2) A maximum of $767,000 of this fiscal year 2002 appropriation and a maximum of ((~~$785,000~~)) $752,000 of the fiscal year 2003 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(3) ((~~$15,000~~)) $5,000 of the fiscal year 2002 appropriation and ((~~$20,000~~)) $5,000 of the fiscal year 2003 appropriation are provided solely for the transportation of students enrolled in "choice" programs. Transportation shall be limited to low-income students who are transferring to "choice" programs solely for educational reasons.

(4) Allocations for transportation of students shall be based on reimbursement rates of ((~~$37.11~~)) $37.07 per weighted mile in the 2001-02 school year and ((~~$37.38~~)) $37.12 per weighted mile in the 2002-03 school year exclusive of salary and benefit adjustments provided in section 504 of this act. Allocations for transportation of students

transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction multiplied by the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school multiplied by the per mile reimbursement rate for the school year multiplied by 1.29.

Sec. 506. 2001 2nd sp.s. c 7 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2002) . . $ ((~~419,264,000~~))
<u>420,165,000</u>

General Fund--State Appropriation (FY 2003) . . $ ((~~420,644,000~~))
<u>408,761,000</u>

General Fund--Federal Appropriation . . . . . $ ((~~256,092,000~~))
<u>256,407,000</u>

TOTAL APPROPRIATION . . . . . $ ((~~1,096,000,000~~))
<u>1,085,333,000</u>

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

(1) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

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

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

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

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

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

(3) Each ((~~general fund--state~~)) fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

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

(5)(a) For the 2001-02 and 2002-03 school years, the superintendent shall ((~~distribute state funds~~)) <u>make allocations</u> to each district based on the sum of:

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

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

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

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

(a) "Annual average full-time equivalent basic education enrollment" means the resident enrollment including students enrolled through choice (RCW 28A.225.225) and students from nonhigh districts

(RCW 28A.225.210) and excluding students residing in another district enrolled as part of an interdistrict cooperative program (RCW 28A.225.250).

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

(i) For the 2001-02 ((~~and the 2002-03~~)) school year((~~s~~)), each district's funded enrollment percent shall be the lesser of the district's actual enrollment percent ((~~for the school year for which the allocation is being determined~~)) or 12.7 percent ((~~for the 2001-02 school year or 13.0 percent for the 2002-03 school year~~)).

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

(7) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be ((~~12.7 percent for the 2001-02 school year and 13.0 percent for the 2002-03 school year~~)) calculated in accordance with subsection (6)(b) of this section, and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

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

(a) A maximum of ((~~$12,000,000~~)) $8,500,000 of the general fund--state appropriation and a maximum of $3,500,000 of the general fund--federal appropriation for fiscal year 2002 ((~~and a maximum of $10,623,000 of the general fund--state appropriation for fiscal year 2003~~)) are provided as safety net funding for districts with demonstrated needs for state special education funding beyond the amounts provided in subsection (5) of this section. ((~~Safety net funding shall be awarded by the state safety net oversight committee.~~

~~(a)~~)) (b) The safety net oversight committee shall first consider the needs of districts adversely affected by the 1995 change in the special education funding formula. Awards shall be based on the lesser of the amount required to maintain the 1994-95 state special education excess cost allocation to the school district in aggregate or on a dollar per funded student basis.

((~~(b)~~)) (c) The committee shall then consider unmet needs for districts that can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas. In the determination of need, the committee shall also consider additional available revenues from federal and local sources. Differences in program costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

((~~(c)~~)) (d) The maximum allowable indirect cost for calculating safety net eligibility may not exceed the federal restricted indirect cost rate for the district plus one percent.

((~~(d)~~)) (e) Safety net awards shall be adjusted based on the percent of potential medicaid eligible students billed as calculated by the superintendent in accordance with chapter 318, Laws of 1999.

((~~(e)~~)) (f) Safety net awards must be adjusted for any audit findings or exceptions related to special education funding.

((~~(f)~~)) (g) The superintendent may expend up to $120,000 ((~~per year~~)) of the amounts provided in this subsection (8) to provide staff assistance to the committee in analyzing applications for safety net funds received by the committee.

(9) For fiscal year 2003 to the extent necessary, $12,873,000 of the general fund--federal appropriation is provided for safety net awards for districts with demonstrated needs for state special education funding beyond the amounts provided in subsection (5) of this section. If safety net awards exceed the amount appropriated in this subsection (9), the superintendent shall expend all available federal discretionary funds necessary to meet this need. Safety net funds shall be awarded by the state safety net oversight committee subject to the following conditions and limitations:

(a) The committee shall consider unmet needs for districts that can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas. In the determination of need, the committee shall also consider

additional available revenues from federal and local sources. Differences in program costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

(b) The committee shall then consider the extraordinary high cost needs of one or more individual special education students. Differences in costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

(c) The maximum allowable indirect cost for calculating safety net eligibility may not exceed the federal restricted indirect cost rate for the district plus one percent.

(d) Safety net awards shall be adjusted based on the percent of potential medicaid eligible students billed as calculated by the superintendent in accordance with chapter 318, Laws of 1999.

(e) Safety net awards must be adjusted for any audit findings or exceptions related to special education funding.

(f) The superintendent may expend up to $120,000 of the amount provided from the general fund--federal appropriation in this subsection (9) to provide staff assistance to the committee in analyzing applications for safety net funds received by the committee.

((~~(9)~~)) (10) The superintendent of public instruction may adopt such rules and procedures as are necessary to administer the special education funding and safety net award process. Prior to revising any standards, procedures, or rules, the superintendent shall consult with the office of financial management and the fiscal committees of the legislature.

((~~(10)~~)) (11) The safety net oversight committee appointed by the superintendent of public instruction shall consist of:

(a) One staff from the office of superintendent of public instruction;

(b) Staff of the office of the state auditor;

(c) Staff of the office of the financial management; and

(d) One or more representatives from school districts or educational service districts knowledgeable of special education programs and funding.

((~~(11)~~)) (12) To the extent necessary, ((~~$5,500,000~~)) in fiscal year 2002, $2,250,000 of the general fund--federal appropriation shall be expended for safety net funding to meet the extraordinary needs of

one or more individual special education students. If safety net awards to meet the extraordinary needs exceed ((~~$5,500,000~~)) $2,250,000 of the general fund--federal appropriation, the superintendent shall expend all available federal discretionary funds necessary to meet this need. General fund--state funds shall not be expended for this purpose.

((~~(12)~~)) (13) A maximum of $678,000 may be expended from the general fund--state appropriations to fund 5.43 full-time equivalent teachers and 2.1 full-time equivalent aides at children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the special education program.

((~~(13)~~)) (14) $1,000,000 of the general fund--federal appropriation is provided for projects to provide special education students with appropriate job and independent living skills, including work experience where possible, to facilitate their successful transition out of the public school system. The funds provided by this subsection shall be from federal discretionary grants.

((~~(14)~~)) (15) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent for the 2001-02 school year. For the 2002-03 school year, the superintendent shall allocate the federal funds as specified in this section and shall adjust federal flow-through funds accordingly. In addition to other purposes, school districts may use increased federal funds for high-cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

((~~(15)~~)) (16) A maximum of $1,200,000 of the general fund--federal appropriation may be expended by the superintendent for projects related to use of inclusion strategies by school districts for provision of special education services. The superintendent shall prepare an information database on laws, best practices, examples of programs, and recommended resources. The information may be disseminated in a variety of ways, including workshops and other staff development activities.

((~~(16)~~)) (17) A school district may carry over from one year to the next year up to 10 percent of general fund--state funds allocated under this program; however, carry over funds shall be expended in the special education program.

(18) The superintendent of public instruction shall implement the recommendations of the joint legislative audit and review committee study on special education (report 01-11) only to the extent that funds have been specifically provided therefor.

Sec. 507. 2001 2nd sp.s. c 7 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2002) . . $ ((~~3,595,000~~))
3,765,000

General Fund--State Appropriation (FY 2003) . . $ ((~~2,588,000~~))
512,000

Public Safety and Education Account
Appropriation . . . . . $ 6,567,000

TOTAL APPROPRIATION . . . . . $ ((~~6,183,000~~))
10,844,000

(1) The general fund--state appropriations in this section are subject to the following conditions and limitations:

((~~(1)~~)) (a) The appropriations include such funds as are necessary to complete the school year ending in each fiscal year and for prior fiscal year adjustments.

((~~(2)~~)) (b) A maximum of $253,000 of the fiscal year 2002 general fund appropriation ((~~and a maximum of $254,000 of the fiscal year 2003 general fund appropriation~~)) may be expended for regional traffic safety education coordinators.

((~~(3)~~)) (c) Allocations to provide tuition assistance for students eligible for free and reduced price lunch who complete the program shall be a maximum of $203.97 per eligible student in the 2001-02 ((~~and 2002-03~~)) school ((~~years~~)) year.

(2) The public safety and education account appropriation in this section is subject to the following conditions and limitations:

(a) The public safety and education account appropriation shall lapse if House Bill No. 2573 (traffic safety education) is not enacted by June 30, 2002.

(b) If House Bill No. 2573 is enacted by June 30, 2002, districts shall receive the following allocations:

(i) The maximum basic state allocation per student completing the program shall be $148.00 in the 2002-03 school year.

(ii) Additional allocations to provide tuition assistance for students eligible for free and reduced price lunch who complete the program shall be a maximum of $71.00 per eligible student in the 2002-03 school year.

(c) A maximum of $254,000 may be expended for regional traffic safety education coordinators.

Sec. 508. 2001 2nd sp.s. c 7 s 509 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund--State Appropriation (FY 2002) . . $ ((~~4,768,000~~))
4,757,000

General Fund--State Appropriation (FY 2003) . . $ ((~~4,768,000~~))
4,571,000

TOTAL APPROPRIATION . . . . . $ ((~~9,536,000~~))
9,328,000

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) $250,000 of the general fund appropriation for fiscal year ((~~2000~~)) 2002 and ((~~$250,000~~)) $243,000 of the general fund appropriation for fiscal year ((~~2001~~)) 2003 are provided solely for student teaching centers as provided in RCW 28A.415.100.

(3) A maximum of $250,000 of the fiscal year 2002 general fund appropriation and a maximum of ((~~$250,000~~)) $243,000 of the fiscal year 2003 general fund appropriation are provided for centers for the improvement of teaching pursuant to RCW 28A.415.010.

Sec. 509. 2001 2nd sp.s. c 7 s 510 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE

General Fund--State Appropriation (FY 2002) . . $ ((~~136,315,000~~))

140,932,000

General Fund--State Appropriation (FY 2003) . . $ ((~~148,329,000~~))
154,931,000

TOTAL APPROPRIATION . . . . . $ ((~~284,644,000~~))
295,863,000

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

Calendar year 2003 local effort assistance calculations under chapter 28A.500 RCW shall be adjusted by multiplying allocations and maximum eligibility for each district by 0.99 as authorized by House Bill No. 3011.

Sec. 510. 2001 2nd sp.s. c 7 s 511 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2002) . . $ ((~~19,133,000~~))
19,073,000

General Fund--State Appropriation (FY 2003) . . $ ((~~19,115,000~~))
18,658,000

General Fund--Federal Appropriation . . . . . $ 8,548,000

TOTAL APPROPRIATION . . . . . $ ((~~46,796,000~~))
46,279,000

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

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

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) $141,000 of the general fund--state appropriation for fiscal year 2002 and $139,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, and programs for juveniles under the juvenile rehabilitation administration.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

Sec. 511. 2001 2nd sp.s. c 7 s 512 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2002) . . $ ((~~6,443,000~~))
<u>6,470,000</u>

General Fund--State Appropriation (FY 2003) . . $ ((~~6,397,000~~))
<u>6,229,000</u>

TOTAL APPROPRIATION . . . . . $ ((~~12,840,000~~))
<u>12,699,000</u>

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

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

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of ((~~$328.10~~)) <u>$327.22</u> per funded student for the 2001-02 school year and ((~~$328.05~~)) <u>$313.07</u> per funded student for the 2002-03 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. The number of

funded students shall be a maximum of two percent of each district's full-time equivalent basic education enrollment.

(3) $175,000 of the fiscal year 2002 appropriation and ((~~$175,000~~)) $170,000 of the fiscal year 2003 appropriation are provided for the centrum program at Fort Worden state park.

(4) $93,000 of the fiscal year 2002 appropriation and ((~~$93,000~~)) $90,000 of the fiscal year 2003 appropriation are provided for the Washington imagination network and future problem-solving programs.

Sec. 512. 2001 2nd sp.s. c 7 s 513 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND THE NO CHILD LEFT BEHIND ACT

General Fund--Federal Appropriation . . . . . $ ((~~288,166,000~~)) 201,737,000

Sec. 513. 2001 2nd sp.s. c 7 s 514 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2002) . . $ ((~~35,882,000~~)) 36,880,000

General Fund--State Appropriation (FY 2003) . . $ ((~~36,363,000~~)) 30,150,000

General Fund--Federal Appropriation . . . . . $ ((~~3,000,000~~)) 60,571,000

TOTAL APPROPRIATION . . . . . $ ((~~75,245,000~~)) 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 ((~~$322,000~~)) $312,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the academic achievement and accountability commission.

(2) ((~~$11,209,000~~)) $12,209,000 of the general fund--state appropriation for fiscal year 2002, ((~~$10,872,000~~)) $8,872,000 of the general fund--state appropriation for fiscal year 2003, and ((~~$3,000,000~~)) $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 ((~~$1,095,000~~)) $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 ((~~$4,695,000~~)) $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;

(iii) The provision by peer mentors of strategies, training, and guidance in critical areas such as classroom management, student discipline, curriculum management, instructional skill, assessment, communication skills, and professional conduct. A district may provide these components through a variety of means including one-on-one contact and workshops offered by peer mentors to groups, including cohort groups, of beginning teachers;

(iv) The provision of release time, substitutes, mentor training in observation techniques, and other measures for both peer mentors and beginning teachers, to allow each an adequate amount of time to observe

the other and to provide the classroom experience that each needs to work together effectively;

(v) Assistance in the incorporation of the essential academic learning requirements into instructional plans and in the development of complex teaching strategies, including strategies to raise the achievement of students with diverse learning styles and backgrounds; and

(vi) Guidance and assistance in the development and implementation of a professional growth plan. The plan shall include a professional self-evaluation component and one or more informal performance assessments. A peer mentor may not be involved in any evaluation under RCW 28A.405.100 of a beginning teacher whom the peer mentor has assisted through this program.

(b) In addition to the services provided in (a) of this subsection, an eligible peer mentor program shall include but is not limited to the following components:

(i) Strong collaboration among the peer mentor, the beginning teacher's principal, and the beginning teacher;

(ii) Stipends for peer mentors and, at the option of a district, for beginning teachers. The stipends shall not be deemed compensation for the purposes of salary lid compliance under RCW 28A.400.200 and are not subject to the continuing contract provisions of Title 28A RCW; and

(iii) To the extent that resources are available for this purpose and that assistance to beginning teachers is not adversely impacted, the program may serve second year and more experienced teachers who request the assistance of peer mentors.

(5) $2,025,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$2,025,000~~)) $1,964,000 of the general fund--state appropriation for fiscal year 2003 are provided for improving technology infrastructure, monitoring and reporting on school district technology development, promoting standards for school district technology, promoting statewide coordination and planning for technology development, and providing regional educational technology support centers, including state support activities, under chapter 28A.650 RCW. The superintendent of public instruction shall coordinate a process to facilitate the evaluation and provision of online curriculum courses to school districts which includes the following: Creation of a general listing of the types of available online curriculum courses; a survey conducted by each regional educational

technology support center of school districts in its region regarding the types of online curriculum courses desired by school districts; a process to evaluate and recommend to school districts the best online courses in terms of curriculum, student performance, and cost; and assistance to school districts in procuring and providing the courses to students.

(6) $3,600,000 of the general fund--state appropriation for fiscal year 2002 and $3,600,000 of the general fund--state appropriation for fiscal year 2003 are provided for grants to school districts to provide a continuum of care for children and families to help children become ready to learn. Grant proposals from school districts shall contain local plans designed collaboratively with community service providers. If a continuum of care program exists in the area in which the school district is located, the local plan shall provide for coordination with existing programs to the greatest extent possible. Grant funds shall be allocated pursuant to RCW 70.190.040.

(7) $2,500,000 of the general fund--state appropriation for fiscal year 2002 and $2,500,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the meals for kids program under RCW 28A.235.145 through 28A.235.155.

(8) $1,409,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$1,409,000~~)) $705,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(9) $1,828,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$1,828,000~~)) $1,773,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the mathematics helping corps subject to the following conditions and limitations:

(a) In order to increase the availability and quality of technical mathematics assistance statewide, the superintendent of public instruction shall employ mathematics school improvement specialists to provide assistance to schools and districts. The specialists shall be hired by and work under the direction of a statewide school improvement coordinator. The mathematics improvement specialists shall serve on a rotating basis from one to three years and shall not be permanent employees of the superintendent of public instruction.

(b) The school improvement specialists shall provide the following:

(i) Assistance to schools to disaggregate student performance data and develop improvement plans based on those data;

(ii) Consultation with schools and districts concerning their performance on the Washington assessment of student learning and other assessments emphasizing the performance on the mathematics assessments;

(iii) Consultation concerning curricula that aligns with the essential academic learning requirements emphasizing the academic learning requirements for mathematics, the Washington assessment of student learning, and meets the needs of diverse learners;

(iv) Assistance in the identification and implementation of research-based instructional practices in mathematics;

(v) Staff training that emphasizes effective instructional strategies and classroom-based assessment for mathematics;

(vi) Assistance in developing and implementing family and community involvement programs emphasizing mathematics; and

(vii) Other assistance to schools and school districts intended to improve student mathematics learning.

(10) A maximum of $500,000 of the general fund--state appropriation for fiscal year 2002 and a maximum of ((~~$500,000~~)) $485,000 of the general fund--state appropriation for fiscal year 2003 are provided for summer accountability institutes offered by the superintendent of public instruction and the academic achievement and accountability commission. The institutes shall provide school district staff with training in the analysis of student assessment data, information regarding successful district and school teaching models, research on curriculum and instruction, and planning tools for districts to improve instruction in reading, mathematics, language arts, and guidance and counseling.

(11) $3,930,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$3,829,000~~)) $3,714,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the Washington reading corps subject to the following conditions and limitations:

(a) Grants shall be allocated to schools and school districts to implement proven, research-based mentoring and tutoring programs in reading for low-performing students in grades K-6. If the grant is made to a school district, the principals of schools enrolling targeted students shall be consulted concerning design and implementation of the program.

(b) The programs may be implemented before, after, or during the regular school day, or on Saturdays, summer, intercessions, or other vacation periods.

(c) Two or more schools may combine their Washington reading corps programs.

(d) A program is eligible for a grant if it meets the following conditions:

(i) The program employs methods of teaching and student learning based on reliable reading/literacy research and effective practices;

(ii) The program design is comprehensive and includes instruction, on-going student assessment, professional development, parental/community involvement, and program management aligned with the school's reading curriculum;

(iii) It provides quality professional development and training for teachers, staff, and volunteer mentors and tutors;

(iv) It has measurable goals for student reading aligned with the essential academic learning requirements; and

(v) It contains an evaluation component to determine the effectiveness of the program.

(e) Funding priority shall be given to low-performing schools.

(f) Beginning and end-of-program testing data shall be available to determine the effectiveness of funded programs and practices. Common evaluative criteria across programs, such as grade-level improvements shall be available for each reading corps program. The superintendent of public instruction shall provide program evaluations to the governor and the appropriate committees of the legislature. Administrative and evaluation costs may be assessed from the annual appropriation for the program.

(g) Grants provided under this section may be used by schools and school districts for expenditures from September 2001 through August 31, 2003.

(12) ((~~$377,000~~)) $375,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$701,000~~)) $725,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for salary bonuses for teachers who attain certification by the national board for professional teaching standards((~~.~~)), subject to the following conditions and limitations:

((~~(b) In the 2002-03 school year,~~)) (a) Teachers who have attained certification by the national board ((~~in the 2000-01 school year or the~~

~~2001-02 school year or the 2002-03 school year~~)) shall receive an annual bonus not to exceed $3,500.

((~~(c)~~)) (b) The annual bonus shall be paid in a lump sum amount and shall not be included in the definition of "earnable compensation" under RCW 41.32.010(10).

((~~(d)~~)) (c) It is the intent of the legislature that teachers achieving certification by the national board of professional teaching standards will receive no more than ((~~three~~)) four annual bonus payments for attaining certification by the national board.

(13) $625,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$625,000~~)) $313,000 of the general fund--state appropriation for fiscal year 2003 are provided for a principal support program. The office of the superintendent of public instruction may contract with an independent organization to administer the program. The program shall include: (a) Development of an individualized professional growth plan for a new principal or principal candidate; and (b) participation of a mentor principal who works over a period of between one and three years with the new principal or principal candidate to help him or her build the skills identified as critical to the success of the professional growth plan.

(14) $71,000 of the general fund--state appropriation for fiscal year 2002 and $71,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the second grade reading test. The funds shall be expended for assessment training for new second grade teachers and replacement of assessment materials.

(15) $384,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$384,000~~)) $372,000 of the general fund--state appropriation for fiscal year 2003 are provided for the superintendent to assist schools in implementing high academic standards, aligning curriculum with these standards, and training teachers to use assessments to improve student learning. Funds may also be used to increase community and parental awareness of education reform.

(16) $130,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$130,000~~)) $126,000 of the general fund--state appropriation for fiscal year 2003 are provided for the development and posting of web-based instructional tools, assessment data, and other information that assists schools and teachers implementing higher academic standards.

(17) $1,000,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$1,800,000~~)) $1,746,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to the office of the superintendent of public instruction for focused assistance. The office of the superintendent of public instruction shall conduct educational audits of low-performing schools and enter into performance agreements between school districts and the office to implement the recommendations of the audit and the community. Of the amounts provided, $219,000 of the fiscal year 2002 appropriation and ((~~$207,000~~)) $201,000 of the fiscal year 2003 appropriation are provided to the office of the superintendent of public instruction for the administrative duties arising under this subsection. Each educational audit shall include recommendations for best practices and ways to address identified needs and shall be presented to the community in a public meeting to seek input on ways to implement the audit and its recommendations.

(18) $100,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for grants to school districts to adopt or revise district-wide and school-level plans to achieve performance improvement goals established under RCW 28A.655.030, and to post a summary of the improvement plans on district websites using a common format provided by the office of the superintendent of public instruction.

(19) $100,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for recognition plaques for schools that successfully met the fourth grade reading improvement goal established under RCW 28A.655.050.

(20) $46,554,000 of the general fund--federal appropriation is provided for preparing, training, and recruiting high quality teachers and principals under Title II of the no child left behind act.

(21) $6,591,000 of the general fund--federal appropriation is provided for the reading first program under Title I of the no child left behind act.

(22) In addition to amounts provided in subsection (2) of this section, $3,426,000 of the general fund--federal appropriation is provided for the development of state assessments as required under Title VI of the no child left behind act.

Sec. 514. 2001 2nd sp.s. c 7 s 515 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund--State Appropriation (FY 2002) . .	$	((~~43,044,000~~)) 42,767,000
General Fund--State Appropriation (FY 2003) . .	$	((~~45,171,000~~)) 44,734,000
General Fund--Federal Appropriation (FY 2003) .	$	20,280,000
TOTAL APPROPRIATION	$	((~~88,215,000~~)) 107,781,000

(1) The general fund--state appropriations in this section are subject to the following conditions and limitations:

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

((~~(2)~~)) (b) The superintendent shall distribute a maximum of ((~~$687.19~~)) $684.36 per eligible bilingual student in the 2001-02 school year and ((~~$687.19~~)) $674.69 in the 2002-03 school year, exclusive of salary and benefit adjustments provided in section 504 of this act.

((~~(3)~~)) (c) The superintendent may withhold up to $295,000 in school year 2001-02 and up to ((~~$268,000~~)) $700,000 in school year 2002-03, and adjust the per eligible pupil rates in subsection (2) of this section accordingly, for the central provision of assessments as provided in section 2(1) and (2) of Engrossed Second Substitute House Bill No. 2025.

((~~(4)~~)) (d) $70,000 of the amounts appropriated in this section are provided solely to develop a system for the tracking of current and former transitional bilingual program students.

((~~(5)~~)) (e) Sufficient funding is provided to implement Engrossed Second Substitute House Bill No. 2025 (schools/bilingual instruction).

(2) The general fund--federal appropriation in this section is provided for migrant education, English language acquisition, and language enhancement grants under Title III of the no child left behind act.

Sec. 515. 2001 2nd sp.s. c 7 s 516 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2002) . . $ ((~~70,593,000~~)) 71,342,000

General Fund--State Appropriation (FY 2003) . . $ ((~~68,817,000~~)) 64,614,000

General Fund--Federal Appropriation (FY 2003) . $ 130,631,000

TOTAL APPROPRIATION . . . . . $ ((~~139,410,000~~)) 266,587,000

(1) The general fund--state appropriations in this section are subject to the following conditions and limitations:

((~~(1)~~)) (a) Each general fund--state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

((~~(2)~~)) (b) Funding for school district learning assistance programs shall be allocated at maximum rates of ((~~$408.38~~)) $407.39 per funded unit for the 2001-02 school year and ((~~$409.41~~)) $404.78 per funded unit for the 2002-03 school year exclusive of salary and benefit adjustments provided under section 504 of this act.

((~~(3)~~)) (c) For purposes of this section, "test results" refers to the district results from the norm-referenced test administered in the specified grade level. The norm-referenced test results used for the third and sixth grade calculations shall be consistent with the third and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

((~~(4)~~)) (d) A school district's general fund--state funded units for the 2001-02 ((~~and 2002-03~~)) school year((~~s~~)) shall be the sum of the following:

((~~(a)~~)) (i) The district's full-time equivalent enrollment in grades K-6, multiplied by the 5-year average 4th grade lowest quartile test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.92. As the 3rd grade test becomes available, it shall be phased into the 5-year average on a 1-year lag; and

((~~(b)~~)) (ii) The district's full-time equivalent enrollment in grades 7-9, multiplied by the 5-year average 8th grade lowest quartile test results as adjusted for funding purposes in the school years prior

to 1999-2000, multiplied by 0.92. As the 6th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag; and

((~~(c)~~)) (iii) The district's full-time equivalent enrollment in grades 10-11 multiplied by the 5-year average 11th grade lowest quartile test results, multiplied by 0.92. As the 9th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag; and

((~~(d)~~)) (iv) If, in the prior school year, the district's percentage of October headcount enrollment in grades K-12 eligible for free and reduced price lunch exceeded the state average, subtract the state average percentage of students eligible for free and reduced price lunch from the district's percentage and multiply the result by the district's K-12 annual average full-time equivalent enrollment for the current school year multiplied by 22.3 percent.

((~~(5)~~)) (e)(i) A school district's general fund--state funded units for the 2002-03 school year shall be the sum of the following:

(A) The district's full-time equivalent enrollment in grades K-6, multiplied by the 5-year average 4th grade lowest quartile test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.82. As the 3rd grade test becomes available, it shall be phased into the 5-year average on a 1-year lag;

(B) The district's full-time equivalent enrollment in grades 7-9, multiplied by the 5-year average 8th grade lowest quartile test results as adjusted for funding purposes in the school years prior to 1999-2000, multiplied by 0.82. As the 6th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag; and

(C) The district's full-time equivalent enrollment in grades 10-11 multiplied by the 5-year average 11th grade lowest quartile test results, multiplied by 0.82. As the 9th grade test becomes available, it shall be phased into the 5-year average for these grades on a 1-year lag; and

(D) If, in the prior school year, the district's percentage of October headcount enrollment in grades K-12 eligible for free and reduced price lunch exceeded the state average, subtract the state average percentage of students eligible for free and reduced price lunch from the district's percentage and multiply the result by the

district's K-12 annual average full-time equivalent enrollment for the current school year multiplied by 22.3 percent.

(ii) In addition to amounts allocated under (a) of this subsection, the superintendent shall provide additional amounts as follows:

(A) For school districts receiving less than a 3.0 percent increase in federal Title I Part A (basic program) funds, the multiplier in (i)(A), (B), and (C) of this subsection (e) shall be .92;

(B) For school districts not eligible for additional funds under (b)(i) of this subsection, and whose effective increase in federal Title I Part A (basic program) funds is less than 3.0 percent after taking into account the change in the multiplier from .92 to .82, an additional amount to provide a 3.0 percent increase.

(f) School districts may carry over from one year to the next up to 10 percent of general fund--state funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

(2) The general fund--federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

Sec. 516. 2001 2nd sp.s. c 7 s 517 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS

General Fund--State Appropriation (FY 2002) . . $ ((~~19,515,000~~))
19,663,000

General Fund--State Appropriation (FY 2003) . . $ ((~~17,516,000~~))
3,541,000

TOTAL APPROPRIATION . . . . . $ ((~~37,031,000~~))
23,204,000

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

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

(2) Funds are provided for local education program enhancements to meet educational needs as identified by the school district, including alternative education programs.

(3) Allocations for the 2001-02 school year shall be at a maximum annual rate of $18.48 per full-time equivalent student ((~~and $18.48 per full-time equivalent student for the 2002-03 school year~~)). Allocations shall be made on the monthly apportionment payment schedule provided in RCW 28A.510.250 and shall be based on school district annual average full-time equivalent enrollment in grades kindergarten through twelve: PROVIDED, That for school districts enrolling not more than one hundred average annual full-time equivalent students, and for small school plants within any school district designated as remote and necessary schools, the allocations shall be as follows:

(a) Enrollment of not more than sixty average annual full-time equivalent students in grades kindergarten through six shall generate funding based on sixty full-time equivalent students;

(b) Enrollment of not more than twenty average annual full-time equivalent students in grades seven and eight shall generate funding based on twenty full-time equivalent students; and

(c) Enrollment of not more than sixty average annual full-time equivalent students in grades nine through twelve shall generate funding based on sixty full-time equivalent students.

(4) Funding provided pursuant to this section does not fall within the definition of basic education for purposes of Article IX of the state Constitution and the state's funding duty thereunder.

(5) The superintendent shall not allocate up to one-fourth of a district's funds under this section if:

(a) The district is not maximizing federal matching funds for medical services provided through special education programs, pursuant to RCW 74.09.5241 through 74.09.5256 (Title XIX funding); or

(b) The district is not in compliance in filing truancy petitions as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

NEW SECTION. **Sec. 517.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--STATE FLEXIBLE EDUCATION FUNDS

General Fund--State Appropriation (FY 2003) . . $ 20,612,000

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

(1) State flexible education funds for the 2002-03 school year shall be allocated at a maximum rate of $21.55 per full-time equivalent student in grades K-12. For the purpose of this section, "FTE student" refers to the annual average full-time equivalent enrollment of the school district in grades kindergarten through twelve for the prior school year. The funds shall be distributed to school districts at ten percent per month for the months of September through June.

(2) Funds are provided for local education program enhancements to improve student learning as identified by each school district, including the following programs: Paraprofessional training; mentor/beginning teacher assistance; principal assessment and mentorships; superintendent and principal internships; school safety; truancy; contracting with educational centers; and complex needs.

(3) Funds provided under this section shall not be used for salary increases or additional compensation for existing teaching duties.

(4) Funding provided under this section does not fall within the definition of basic education for purposes of Article IX of the state Constitution.

Sec. 518. 2001 2nd sp.s. c 7 s 519 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM

Student Achievement Fund--State
Appropriation (FY 2002) . . . . . $ ((~~184,232,000~~))
<u>180,837,000</u>

Student Achievement Fund--State
Appropriation (FY 2003) . . . . . $ ((~~209,068,000~~))
<u>210,312,000</u>

TOTAL APPROPRIATION . . . . . $ ((~~393,300,000~~))
<u>391,149,000</u>

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

(1) The appropriation is allocated for the following uses as specified in chapter 28A.505 RCW as amended by chapter 3, Laws of 2001 (Initiative Measure No. 728):

(a) To reduce class size by hiring certificated elementary classroom teachers in grades K-4 and paying nonemployee-related costs associated with those new teachers;

(b) To make selected reductions in class size in grades 5-12, such as small high school writing classes;

(c) To provide extended learning opportunities to improve student academic achievement in grades K-12, including, but not limited to, extended school year, extended school day, before-and-after-school programs, special tutoring programs, weekend school programs, summer school, and all-day kindergarten;

(d) To provide additional professional development for educators including additional paid time for curriculum and lesson redesign and alignment, training to ensure that instruction is aligned with state standards and student needs, reimbursement for higher education costs related to enhancing teaching skills and knowledge, and mentoring programs to match teachers with skilled, master teachers. The funding shall not be used for salary increases or additional compensation for existing teaching duties, but may be used for extended year and extend day teaching contracts;

(e) To provide early assistance for children who need prekindergarten support in order to be successful in school; or

(f) To provide improvements or additions to school building facilities which are directly related to the class size reductions and extended learning opportunities under (a) through (c) of this subsection.

(2) Funding for school district student achievement programs shall be allocated at a maximum rate of ((~~$193.92~~)) $190.19 per FTE student for the 2001-02 school year and ((~~$220.59~~)) $219.84 per FTE student for the 2002-03 school year. For the purposes of this section and in accordance with ((~~RCW 84.52.--- (section 5 of Initiative Measure No. 728)~~)) RCW 84.52.068, FTE student refers to the annual average full-time equivalent enrollment of the school district in grades kindergarten through twelve for the prior school year.

(3) The office of the superintendent of public instruction shall distribute ten percent of the annual allocation to districts each month for the months of September through June.

Sec. 519. 2001 2nd sp.s. c 7 s 521 (uncodified) is amended to read as follows:

FOR THE STATE BOARD OF EDUCATION

Education Savings Account--State

Appropriation . . . . . $ ((~~36,720,000~~))
36,656,000

Education Construction Account--State

Appropriation . . . . . $ ((~~154,500,000~~))
111,800,000

TOTAL APPROPRIATION . . . . . $ ((~~191,220,000~~))
148,456,000

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

(1) ((~~$18,000,000~~)) $17,936,000 in fiscal year 2002 and $18,720,000 in fiscal year 2003 of the education savings account appropriation shall be deposited in the common school construction account.

(2) ((~~$154,500,000~~)) $111,800,000 of the education construction account appropriation shall be deposited in the common school construction account.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2001 2nd sp.s. c 7 s 601 (uncodified) is amended to read as follows:

The appropriations in sections 603 through 609 of this act are subject to the following conditions and limitations:

(1) "Institutions" means the institutions of higher education receiving appropriations under sections 603 through 609 of this act.

(2)(a) The salary increases provided or referenced in this subsection shall be the only allowable salary increases provided at institutions of higher education, excluding increases associated with normally occurring promotions and increases related to faculty and professional staff retention, and excluding increases associated with employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1).

(b) Each institution of higher education shall provide to each classified staff employee as defined by the office of financial management, except for classified staff at the technical colleges, a salary increase of 3.7 percent on July 1, 2001. The technical colleges shall provide to classified employees under chapter 41.56 RCW an average salary increase of 3.7 percent on July 1, 2001<u>, and 3.6 percent on July 1, 2002</u>. ((~~Funds are also provided for salary increases for all classified employees on July 1, 2002, in a percentage amount to be determined by the 2002 legislature and, in the case of technical college classified staff, consistent with the provisions of Initiative 732.~~))

(c) Each institution of higher education, except for the community and technical colleges, shall provide to state-funded instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants as classified by the office of financial management, and all other state-funded nonclassified staff, including those employees under RCW 28B.16.015, an average salary increase of 3.7 percent on July 1, 2001. ((~~Funds are also provided for salary increases for these employee groups on July 1, 2002, in a percentage amount to be determined by the~~

~~2002 legislature.~~)) Each institution may provide the same average increases to similar positions that are not state-funded.

(d) The community and technical colleges shall provide to academic employees, ((~~exempt professional staff, and academic administrators~~)) as defined in RCW 28B.52.020 pursuant to the provisions of Initiative Measure No. 732, an average salary increase of 3.7 percent on July 1, 2001, and 3.6 percent on July 1, 2002. ((~~Funds are also provided for salary increases for these groups on July 1, 2002, in a percentage amount to be determined by the 2002 legislature and, in the case of community college academic employees and technical college employees, consistent with the provisions of Initiative 732.~~))

(e) For employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015 and 28B.50.874(1), distribution of the salary increases will be in accordance with the applicable collective bargaining agreement. However, an increase shall not be provided to any classified employee whose salary is above the approved salary range maximum for the class to which the employee's position is allocated.

(f) Each institution of higher education receiving appropriations for salary increases under sections 604 through 609 of this act may provide additional salary increases from other sources to instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Any additional salary increase granted under the authority of this subsection (2)(f) shall not be included in an institution's salary base for future state funding. It is the intent of the legislature that general fund--state support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (2)(f) or under rights granted to award additional compensation with local, nonstate funds under the collective bargaining provisions of Second Substitute House Bill No. 2403 (faculty collective bargaining) or Engrossed Second Substitute House Bill No. 2540 (collective bargaining/University of Washington).

(g) To collect consistent data for use by the legislature, the office of financial management, and other state agencies for policy and planning purposes, institutions of higher education shall report

personnel data to be used in the department of personnel's human resource data warehouse in compliance with uniform reporting procedures established by the department of personnel.

(h) Specific salary increases authorized in sections 603 through 609 of this act are in addition to any salary increase provided in this subsection.

(3) The tuition fees, as defined in chapter 28B.15 RCW, charged to full-time students at the state's institutions of higher education for the 2001-02 and 2002-03 academic years, other than the summer term, may be adjusted by the governing boards of the state universities, regional universities, The Evergreen State College, and the state board for community and technical colleges as provided in this subsection.

(a) For the 2001-02 academic year, the governing boards and the state board may implement an increase no greater than six and seven-tenths percent over tuition fees charged to full-time students for the 2000-01 academic year.

(b)(i) For the 2002-03 academic year, the governing boards ((~~and the state board may implement an increase no greater than six and one-tenth percent over the tuition fees charged to full-time students for the 2001-02 academic year.~~)) of the state universities may implement an increase no greater than sixteen percent over tuition fees charged to full-time resident undergraduate students for the 2001-02 academic year.

(ii) For the 2002-03 academic year, the governing boards of the regional universities and The Evergreen State College may implement an increase no greater than fourteen percent over tuition fees charged to full-time resident undergraduate students for the 2001-02 academic year.

(iii) For the 2002-03 academic year, the state board for community and technical colleges may implement an increase no greater than twelve percent over tuition fees charged to full-time resident undergraduate students for the 2001-02 academic year.

(iv) Pursuant to RCW 43.135.055, for the 2002-03 academic year, the governing boards of the state universities, the regional universities, The Evergreen State College, and the state board for community and technical colleges may implement an increase in excess of the fiscal growth factor over tuition fees charged to nonresident undergraduate students for the 2001-02 academic year.

(c) For the 2001-02 academic year, the governing boards may implement an increase for law and graduate business programs no greater than twelve percent over tuition fees charged to law and graduate business students for the 2000-01 academic year, except as provided in (e) of this subsection.

(d) Pursuant to RCW 43.135.055, for the 2002-03 academic year, the governing boards ((~~may implement an increase for law and graduate business programs no greater than twelve percent over tuition fees charged to law and graduate business students for the 2001-02 academic year, except as provided in (f) of this subsection.~~)) of the state universities, the regional universities, and The Evergreen State College may implement an increase in excess of the fiscal growth factor over tuition fees charged to graduate, law, and professional students for the 2001-02 academic year.

(e) For the 2001-02 academic year, the governing boards of the University of Washington may implement an increase for graduate business programs no greater than 15 percent over tuition fees charged to graduate business students for the 2000-01 academic year.

(f) ((~~For the 2002-03 academic year, the governing boards of the University of Washington may implement an increase for graduate business programs no greater than 20 percent over tuition fees charged to graduate business students for the 2001-02 academic year.~~

~~(g)~~)) (i) For the 2001-02 ((~~and the 2002-03~~)) academic year((~~s~~)), the state board for community and technical colleges may increase tuition fees differentially based on student credit hour load, but the average percentage increase for students taking fifteen or fewer credits shall not exceed ((~~the limits in subsection (3)(a) and (b) of this section~~)) twelve percent.

(ii) For the 2002-03 academic year, the state board for community and technical colleges may increase tuition fees differentially at their discretion.

((~~(h)~~)) (g) For the 2001-03 biennium, the governing boards and the state board may adjust full-time operating fees for factors that may include time of day and day of week, as well as delivery method and campus, to encourage full use of the state's educational facilities and resources.

((~~(i)~~)) (h) The tuition increases adopted under (a), (b), ((~~(g)~~)) (f), and ((~~(h)~~)) (g) of this subsection need not apply uniformly across student categories as defined in chapter 28B.15 RCW so long as the

increase for each student category does not exceed the percentages specified in this subsection.

(4) ((~~In addition to waivers granted under the authority of RCW 28B.15.910, the governing boards and the state board may waive all or a portion of the operating fees for any student.~~)) For the remainder of the 2001-03 biennium, the governing boards and the state board are encouraged to reduce waiver activity in recognition of the need to retain available resources to preserve the educational quality of higher education institutions. State general fund appropriations shall not be provided to replace tuition and fee revenue foregone as a result of waivers granted under ((~~this subsection~~)) authority of RCW 28B.15.915.

(5) Pursuant to RCW ((~~43.15.055~~)) 43.135.055, institutions of higher education receiving appropriations under sections 603 through 609 of this act are authorized to increase summer term tuition in excess of the fiscal growth factor during the 2001-03 biennium. Tuition levels increased pursuant to this subsection shall not exceed the per credit hour rate calculated from the academic year tuition levels adopted under this act.

(6) Community colleges may increase services and activities fee charges in excess of the fiscal growth factor up to the maximum level authorized by the state board for community and technical colleges.

(7) Each institution receiving appropriations under sections 604 through 609 of this act shall submit a biennial plan to achieve measurable and specific improvements each academic year as part of a continuing effort to make meaningful and substantial progress towards the achievement of long-term performance goals. The plans, to be prepared at the direction of the higher education coordinating board, shall be submitted by August 15, 2001. The higher education coordinating board shall set biennial performance targets for each institution and shall review actual achievements annually. Institutions shall track their actual performance on the statewide measures as well as faculty productivity, the goals and targets for which may be unique to each institution. A report on progress towards statewide and institution-specific goals, with recommendations for the ensuing biennium, shall be submitted to the fiscal and higher education committees of the legislature by November 15, 2003.

(8) The state board for community and technical colleges shall develop a biennial plan to achieve measurable and specific improvements

each academic year as part of a continuing effort to make meaningful and substantial progress to achieve long-term performance goals. The board shall set biennial performance targets for each college or district, where appropriate, and shall review actual achievements annually. Colleges shall track their actual performance on the statewide measures. A report on progress towards the statewide goals, with recommendations for the ensuing biennium, shall be submitted to the fiscal and higher education committees of the legislature by November 15, 2003.

Sec. 602. 2001 2nd sp.s. c 7 s 602 (uncodified) is amended to read as follows:

The appropriations in sections 603 through 609 of this act provide state general fund support for full-time equivalent student enrollments at each institution of higher education. Listed below are the annual full-time equivalent student enrollments by institutions assumed in this act.

	2001-2002 Annual Average	2002-2003 Annual Average
University of Washington		
Main campus	32,321	32,427
Bothell branch	1,169	1,235
Tacoma branch	1,330	1,484
Washington State University		
Main campus	17,332	17,332
Spokane branch	551	593
Tri-Cities branch	616	616
Vancouver branch	1,071	1,153
Central Washington University	7,470	7,470
Eastern Washington University	7,933	8,017
The Evergreen State College	3,754	3,837
Western Washington University	10,976	11,126
State Board for Community and Technical Colleges	125,082	((~~126,902~~)) 128,222

When allocating newly budgeted enrollments, each institution of higher education shall give priority to high demand fields, including but not limited to technology, health professions, and education. At the end of each fiscal year, each institution of higher education and the state board for community and technical colleges shall submit a report to the higher education coordinating board detailing how newly budgeted enrollments have been allocated.

Sec. 603. 2001 2nd sp.s. c 7 s 603 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2002) . . $ ((~~514,399,000~~))
514,141,000

General Fund--State Appropriation (FY 2003) . . $ ((~~543,731,000~~))
533,500,000

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 . . . . . $ ((~~1,074,034,000~~))
1,068,645,000

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 ((~~$2,345,000~~)) $1,155,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for faculty salary increments and associated benefits and may be used in combination with salary and benefit savings from faculty turnover to provide faculty salary increments and associated benefits. To the extent general salary increase funding is used to pay faculty increments, the general salary increase shall be reduced by the same amount.

(4) $1,000,000 of the general fund--state appropriation for fiscal year 2002 and $1,000,000 of the general fund--state appropriation for fiscal year 2003 are provided for a program to fund the start-up of new community and technical college programs in rural counties as defined under RCW 43.160.020(12) and in communities impacted by business closures and job reductions. Successful proposals must respond to local economic development strategies and must include a plan to continue programs developed with this funding.

(5) $326,000 of the general fund--state appropriation for fiscal year 2002 and $640,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for allocation to twelve college districts identified in (a) through (l) of this subsection to prepare students for transfer to the state technology institute at the Tacoma branch campus of the University of Washington. The appropriations in this section are intended to supplement, not supplant, general enrollment allocations by the board to the districts under (a) through (l) of this subsection:

(a) Bates Technical College;

(b) Bellevue Community College;

(c) Centralia Community College;

(d) Clover Park Community College;

(e) Grays Harbor Community College;

(f) Green River Community College;

(g) Highline Community College;

(h) Tacoma Community College;

(i) Olympic Community College;

(j) Pierce District;

(k) Seattle District; and

(l) South Puget Sound Community College.

(6) $28,761,000 of the general fund--state appropriation for fiscal year 2002 ((~~and $28,761,000~~)), $32,761,000 of the general fund--state appropriation for fiscal year 2003, and the entire administrative contingency account appropriation are provided solely as special funds for training and related support services, including financial aid, as specified in chapter 226, Laws of 1993 (employment and training for unemployed workers).

(a) Funding is provided to support up to 7,200 full-time equivalent students in ((~~each~~)) fiscal year 2002 and up to 8,520 full-time equivalent students in fiscal year 2003.

(b) In directing these resources during the 2001-03 biennium, the state board for community and technical colleges shall give considerable attention to the permanent dislocation of workers from industries facing rapidly rising energy costs, such as direct service industries.

(7) $1,000,000 of the general fund--state appropriation for fiscal year 2002 and $1,000,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for tuition support for students enrolled in work-based learning programs.

(8) $567,000 of the general fund--state appropriation for fiscal year 2002 and $568,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for administration and customized training contracts through the job skills program.

(9) $50,000 of the general fund--state appropriation for fiscal year 2002 and $50,000 of the general fund--state appropriation for fiscal year 2003 are solely for higher education student child care matching grants under chapter 28B.135 RCW.

(10) $212,000 of the general fund--state appropriation for fiscal year 2002 and $212,000 of the general fund--state appropriation for fiscal year 2003 are provided for allocation to Olympic college. The college shall contract with accredited baccalaureate institution(s) to bring a program of upper-division courses to Bremerton. Funds provided are sufficient to support at least 30 additional annual full-time equivalent students. The state board for community and technical colleges shall report to the office of financial management and the fiscal and higher education committees of the legislature on the implementation of this subsection by December 1st of each fiscal year.

(11) The entire education savings account appropriation is provided solely to support the development of a multicollege student-centered online service center for distance learners, including self-service internet applications and staff support 24 hours per day. Moneys may be allocated by the office of financial management upon certification that sufficient cash is available beyond the appropriations made for the 2001-03 biennium for the purposes of common school construction.

(12) $9,500,000 of the general fund--state appropriation for fiscal year 2003 and the entire college faculty awards trust account appropriation are provided solely for the purposes of the settlement costs of *Mader v. State* litigation regarding retirement contributions on behalf of part-time faculty.

Sec. 604. 2001 2nd sp.s. c 7 s 604 (uncodified) is amended to read as follows:

FOR UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2002) . . $ ((~~345,974,000~~))
345,904,000

General Fund--State Appropriation (FY 2003) . . $ ((~~361,114,000~~))
336,544,000

Death Investigations Account--State
Appropriation . . . . . $ ((~~259,000~~))
258,000

University of Washington Building Account--
State Appropriation . . . . . $ 1,103,000

Accident Account--State Appropriation . . . . . $ ((~~5,891,000~~))
5,881,000

Medical Aid Account--State Appropriation . . . $ ((~~5,945,000~~))
5,937,000

TOTAL APPROPRIATION . . . . . $ ((~~720,286,000~~))
695,627,000

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

(1) The university may reallocate 10 percent of newly budgeted enrollments to campuses other than as specified by the legislature in section 602 of this act in order to focus on high demand areas. The university shall report the details of these reallocations to the office of financial management and the fiscal and higher education

committees of the legislature for monitoring purposes by the 10th day of the academic quarter that follows the reallocation actions. The report shall provide details of undergraduate and graduate enrollments at the main campus and each of the branch campuses.

(2) $2,000,000 of the general fund--state appropriation for fiscal year 2002 and $2,000,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to create a state resource for technology education in the form of an institute located at the University of Washington, Tacoma. It is the intent of the legislature that at least ninety-nine of the full-time equivalent enrollments allocated to the university's Tacoma branch campus for the 2002-03 academic year may be used to establish the technology institute. The university will expand undergraduate and graduate degree programs meeting regional technology needs including, but not limited to, computing and software systems. As a condition of these appropriations:

(a) The university will work with the state board for community and technical colleges, or individual colleges where necessary, to establish articulation agreements in addition to the existing associate of arts and associate of science transfer degrees. Such agreements shall improve the transferability of students and in particular, students with substantial applied information technology credits.

(b) The university will establish performance measures for recruiting, retaining and graduating students, including nontraditional students, and report back to the governor and legislature by September 2002 as to its progress and future steps.

(3) $150,000 of the general fund--state appropriation for fiscal year 2002 and $150,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for research faculty clusters in the advanced technology initiative program.

(4) The department of environmental health shall report to the legislature the historical, current, and anticipated use of funds provided from the accident and medical aid accounts. The report shall be submitted prior to the convening of the 2002 legislative session.

(5) ((~~$259,000~~)) $258,000 of the death investigations account appropriation is provided solely for the forensic pathologist fellowship program.

(6) $150,000 of the general fund--state appropriation for fiscal year 2002 and $150,000 of the general fund--state appropriation for

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

(7) $75,000 of the general fund--state appropriation for fiscal year 2002 and $75,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the Olympic natural resource center.

(8) $50,000 of the general fund--state appropriations are provided solely for the school of medicine to conduct a survey designed to evaluate characteristics, factors and probable causes for the high incidence of multiple sclerosis cases in Washington state.

(9) $1,103,000 of the University of Washington building account--state appropriation is provided solely for the repair and reconstruction of the Urban Horticulture Center (Merrill Hall).

(10) $2,774,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

Sec. 605. 2001 2nd sp.s. c 7 s 605 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund--State Appropriation (FY 2002) . . $ ((~~201,416,000~~))
201,362,000

General Fund--State Appropriation (FY 2003) . . $ ((~~209,939,000~~))
195,533,000

TOTAL APPROPRIATION . . . . . $ ((~~411,355,000~~))
396,895,000

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

(1) The university may reallocate 10 percent of newly budgeted enrollments to campuses other than specified by the legislature in section 602 of this act in order to focus on high demand areas. The university will report the details of these reallocations to the office

of financial management and the fiscal and higher education committees of the legislature for monitoring purposes by the 10th day of the academic quarter that follows the reallocation actions. The report will provide details of undergraduate and graduate enrollments at the main campus and each of the branch campuses.

(2) $150,000 of the general fund--state appropriation for fiscal year 2002 and $150,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for research faculty clusters in the advanced technology initiative program.

(3) $165,000 of the general fund--state appropriation for fiscal year 2002 and $166,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the implementation of the Puget Sound work plan and agency action item WSU-01.

(4) $1,726,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

Sec. 606. 2001 2nd sp.s. c 7 s 606 (uncodified) is amended to read as follows:

FOR EASTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2002) . . $ ((~~45,532,000~~))
45,517,000

General Fund--State Appropriation (FY 2003) . . $ ((~~47,382,000~~))
44,174,000

TOTAL APPROPRIATION . . . . . $ ((~~92,914,000~~))
89,691,000

The appropriations in this section are subject to the following conditions and limitations: $450,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research

assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

Sec. 607. 2001 2nd sp.s. c 7 s 607 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2002) . . $ ((~~44,164,000~~))
44,147,000

General Fund--State Appropriation (FY 2003) . . $ ((~~44,976,000~~))
42,149,000

TOTAL APPROPRIATION . . . . . $ ((~~89,140,000~~))
86,296,000

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

(1) $700,000 of the general fund--state appropriation for fiscal year 2002 ((~~is~~)) and $350,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the development and implementation of the university's enrollment stabilization recovery and growth plan. The university shall report back to the fiscal committees of the legislature, the office of financial management, and the higher education coordinating board at the end of each fiscal year with details of its actions and progress.

(2) $374,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

Sec. 608. 2001 2nd sp.s. c 7 s 608 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

General Fund--State Appropriation (FY 2002) . . $ ((~~25,334,000~~)) 25,325,000

General Fund--State Appropriation (FY 2003) . . $ ((~~26,260,000~~)) 24,474,000

TOTAL APPROPRIATION . . . . . $ ((~~51,594,000~~)) 49,799,000

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

(1) $226,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

(2) $75,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for the institute for public policy to complete studies of services described in section 202(1), chapter 1, Laws of 2000 2nd sp. sess.

((~~(2)~~)) (3) $11,000 of the general fund--state appropriation for fiscal year 2002 and $54,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the institute for public policy to conduct an outcome evaluation pursuant to Substitute Senate Bill No. 5416 (drug-affected infants). The institute shall provide a report to the fiscal, health, and human services committees of the legislature by December 1, 2003. If the bill is not enacted by June 30, 2001, the amounts provided in this subsection shall be used to evaluate outcomes across state health and social service pilot projects and other national models involving women who have given birth to a drug-affected infant, comparing gains in positive birth outcomes for resources invested, in which case the institute's findings and recommendations will be provided by November 15, 2002.

((~~(3)~~)) (4) $11,000 of the general fund--state appropriation for fiscal year 2002 and $33,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the institute for public policy to evaluate partnership grant programs for alternative teacher

certification pursuant to Engrossed Second Substitute Senate Bill No. 5695. An interim report shall be provided to the fiscal and education committees of the legislature by December 1, 2002, and a final report by December 1, 2004.

((~~(4)~~)) (5) $60,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for the institute for public policy to examine options for revising the state's funding formula for the learning assistance program to enhance accountability for school performance in meeting education reform goals. The institute shall submit its report to the appropriate legislative fiscal and policy committees by June 30, 2002.

((~~(5)~~)) (6) $50,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for the institute for public policy to study the prevalence and needs of families who are raising related children. The study shall compare services and policies of Washington state with other states that have a high rate of kinship care placements in lieu of foster care placements. The study shall identify possible changes in services and policies that are likely to increase appropriate kinship care placements. A report shall be provided to the fiscal and human services committees of the legislature by June 1, 2002.

((~~(6)~~)) (7) $35,000 of the general fund--state appropriation for fiscal year 2002 and $15,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the institute for public policy to examine various educational delivery models for providing services and education for students through the Washington state school for the deaf. The institute's report, in conjunction with the capacity planning study from the joint legislative audit and review committee, shall be submitted to the fiscal committees of the legislature by September 30, 2002.

((~~(7)~~)) (8) $30,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for the institute for public policy to examine the structure, policies, and recent experience in states where welfare recipients may attend college full-time as their required TANF work activity. The institute will provide findings and recommend how Washington could consider adding this feature in a targeted, cost-neutral manner that would complement the present-day WorkFirst efforts and caseload. The institute shall provide a report to the human

services, higher education, and fiscal committees of the legislature by November 15, 2001.

((~~(8)~~)) (9) $75,000 of the general fund--state appropriation for fiscal year 2002 and $75,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the institute for public policy to research and evaluate strategies for constraining the growth in state health expenditures. Specific research topics, approaches, and timelines shall be identified in consultation with the fiscal committees of the legislature.

((~~(9)~~)) (10) $100,000 of the general fund--state appropriation for fiscal year 2002 is provided solely for the institute for public policy to conduct a comprehensive review of the costs and benefits of existing juvenile crime prevention and intervention programs. This evaluation shall also consider what changes could result in more cost-effective and efficient funding for juvenile crime prevention and intervention programs presently supported with state funds. The institute for public policy shall report its findings and recommendations to the appropriate legislative fiscal and policy committees by October 1, 2002.

(11) $60,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for the institute for public policy to conduct the studies listed in (a), (b), (c), and (d) of this subsection.

(a) The institute for public policy shall conduct a review of branch campuses of the state's higher education research universities. The study shall examine: (a) The original mission of branch campuses; (b) the extent branch campuses are meeting their original mission; and (c) the extent key factors that led to the creation of branch campuses have changed, including student demographics, demand for and availability of upper division higher education, and local or state labor markets. The study shall also include a range of policy options the legislature could consider regarding branch campuses. The institute shall submit an interim report by December 12, 2002, and a final report by June 30, 2003, to appropriate legislative committees.

(b) The institute for public policy shall conduct a study to review the mission and operations of the higher education coordinating board. The study shall include evaluation of the board's role and current practices in policy setting, evaluation, review and approval of higher education programs and budgets, and administration of financial aid

programs. In conducting the study, the institute shall work with legislative staff of the house of representatives and senate. The institute shall submit its findings to the higher education and fiscal committees of the legislature by December 12, 2002.

(c) The institute for public policy shall conduct a study to research at-risk youth programs. The institute for public policy shall conduct the necessary research in order to recommend to the legislature the criteria, processes, and institutional arrangements under which proven best practices could be identified, the reductions in the state justice system caseloads estimated, and the unit cost and total cost savings estimated for the intervention and prevention programs focused on youth at high risk for involvement with the juvenile and adult justice systems. The development of criteria, processes, and institutional arrangements for the limited purposes of this study shall not be construed to define best practices for all programs. The institute for public policy shall report its findings and recommendations to the appropriate committees of the legislature by December 12, 2002.

(d) The institute for public policy shall carry out the research tasks assigned to it in Second Substitute House Bill No. 2338 or Substitute Senate Bill No. 6361 (drug offender sentencing). The board may adjust reporting dates based on available data and required analysis.

Sec. 609. 2001 2nd sp.s. c 7 s 609 (uncodified) is amended to read as follows:

FOR WESTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2002) . . $ ((~~59,755,000~~))
59,732,000

General Fund--State Appropriation (FY 2003) . . $ ((~~62,881,000~~))
58,418,000

TOTAL APPROPRIATION . . . . . $ ((~~122,636,000~~))
118,150,000

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

(1) $753,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$1,032,000~~)) $980,400 of the general fund--state appropriation for fiscal year 2003 are provided solely for the

operations of the North Snohomish, Island, Skagit (NSIS) higher education consortium.

(2) $450,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for competitively offered recruitment and retention salary adjustments for instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Tuition revenues may be expended in addition to those required by this section to further provide recruitment and retention salary adjustments.

Sec. 610. 2001 2nd sp.s. c 7 s 610 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 2002) . .	$	2,345,000
General Fund--State Appropriation (FY 2003) . .	$	((~~2,408,000~~)) 2,288,000
General Fund--Federal Appropriation	$	636,000
TOTAL APPROPRIATION	$	((~~5,389,000~~)) 5,269,000

The appropriations in this section are provided to carry out the policy coordination, planning, studies and administrative functions of the board and are subject to the following conditions and limitations:

(1) $150,000 of the general fund--state appropriation for fiscal year 2002 and $150,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to continue the teacher training pilot program pursuant to chapter 177, Laws of 1999.

(2) $105,000 of the general fund--state appropriation for fiscal year 2002 and $245,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to continue a demonstration project to improve rural access to post-secondary education by bringing distance learning technologies into Jefferson county.

Sec. 611. 2001 2nd sp.s. c 7 s 611 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT PROGRAMS

General Fund--State Appropriation (FY 2002) . . $ 123,645,000
General Fund--State Appropriation (FY 2003) . . $ ((~~136,205,000~~))
<u>135,880,000</u>
General Fund--Federal Appropriation . . . . . $ 7,511,000
Advanced College Tuition Payment Program Account--
State Appropriation . . . . . $ ((~~3,604,000~~))
<u>1,803,000</u>
TOTAL APPROPRIATION . . . . . $ ((~~270,965,000~~))
<u>268,839,000</u>

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

(1) $534,000 of the general fund--state appropriation for fiscal year 2002 and $529,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the displaced homemakers program.

(2) $234,000 of the general fund--state appropriation for fiscal year 2002 and $240,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the western interstate commission for higher education.

(3) $1,000,000 of the general fund--state appropriation for fiscal year 2002 and $1,000,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the health professional conditional scholarship and loan program under chapter 28B.115 RCW. This amount shall be deposited to the health professional loan repayment and scholarship trust fund to carry out the purposes of the program.

(4) $1,000,000 of the general fund--state appropriations is provided solely to continue a demonstration project that enables classified public K-12 employees to become future teachers, subject to the following conditions and limitations:

(a) Within available funds, the board may renew and offer conditional scholarships of up to $4,000 per year for full or part-time studies that may be forgiven in exchange for teaching service in Washington's public K-12 schools. In selecting loan recipients, the board shall take into account the applicant's demonstrated academic

ability and commitment to serve as a teacher within the state of Washington.

(b) Loans shall be forgiven at the rate of one year of loan for two years of teaching service. Recipients who teach in geographic or subject-matter shortage areas, as specified by the office of the superintendent for public instruction, may have their loans forgiven at the rate of one year of loan for one year of teaching service;

(c) Recipients who fail to fulfill the required teaching service shall be required to repay the conditional loan with interest. The board shall define the terms for repayment, including applicable interest rates, fees and deferments, and may adopt other rules as necessary to implement this demonstration project.

(d) The board may deposit this appropriation and all collections into the student loan account authorized in RCW 28B.102.060.

(e) The board will provide the legislature and governor with findings about the impact of this demonstration project on persons entering the teaching profession in shortage areas by no later than January of 2002.

(5) $75,000 of the general fund--state appropriation for fiscal year 2002 and $75,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

(6) $25,000 of the general fund--state appropriation for fiscal year 2002 and $25,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the benefit of students who participate in college assistance migrant programs (CAMP) operating in Washington state. To ensure timely state aid, the board may establish a date after which no additional grants would be available for the 2001-02 and 2002-03 academic years. The board shall disperse grants in equal amounts to eligible post-secondary institutions so that state money in all cases supplements federal CAMP awards.

(7) $120,156,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$133,965,000~~)) $133,761,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for student financial aid, including all administrative costs. Of these amounts:

(a) $90,566,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$102,667,000~~)) $104,913,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the state

need grant program. After April 1 of each fiscal year, up to one percent of the annual appropriation for the state need grant program may be transferred to the state work study program. For the remainder of the 2001-03 biennium, the higher education coordinating board shall limit or suspend growth to individual state need grant levels to the extent necessary to ensure that students who meet the financial eligibility requirements of fifty-five percent of median family income are served;

(b) $16,340,000 of the general fund--state appropriation for fiscal year 2002 and $17,360,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the state work study program. After April 1 of each fiscal year, up to one percent of the annual appropriation for the state work study program may be transferred to the state need grant program. Four percent of the general fund--state amount in this subsection for fiscal year 2003 may be expended for state work study program administration;

(c) $2,920,000 of the general fund--state appropriation for fiscal year 2002 and $2,920,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for educational opportunity grants. The board may deposit sufficient funds from its appropriation into the state education trust fund as established in RCW 28B.10.821 to provide a one-year renewal of the grant for each new recipient of the educational opportunity grant award. For the purpose of establishing eligibility for the equal opportunity grant program for placebound students under RCW 28B.101.020, Thurston county lies within the branch campus service area of the Tacoma branch campus of the University of Washington;

(d) A maximum of 2.1 percent of the general fund--state appropriation for fiscal year 2002 and ((~~2.1~~)) 1.8 percent of the general fund--state appropriation for fiscal year 2003 may be expended for financial aid administration, excluding the 4 percent state work study program administrative allowance provision;

(e) $1,241,000 of the general fund--state appropriation for fiscal year 2002 and $1,428,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to implement the Washington scholars program. Any Washington scholars program moneys not awarded by April 1st of each year may be transferred by the board to the Washington award for vocational excellence;

(f) $588,000 of the general fund--state appropriation for fiscal year 2002 and $589,000 of the general fund--state appropriation for fiscal year 2003 are provided solely to implement Washington award for vocational excellence program. Any Washington award for vocational program moneys not awarded by April 1st of each year may be transferred by the board to the Washington scholars program;

(g) $251,000 of the general fund--state appropriation for fiscal year 2002 and $251,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for community scholarship matching grants of $2,000 each. Of the amounts provided, no more than $5,200 each year is for the administration of the community scholarship matching grant program. To be eligible for the matching grant, a nonprofit community organization organized under section 501(c)(3) of the internal revenue code must demonstrate that it has raised $2,000 in new moneys for college scholarships after the effective date of this act. An organization may receive more than one $2,000 matching grant and preference shall be given to organizations affiliated with the citizens' scholarship foundation; and

(h) $8,250,000 of the general fund--state appropriation for fiscal year 2002 and ((~~$8,750,000~~)) <u>$6,300,000</u> of the general fund--state appropriation for fiscal year 2003 are provided solely for the Washington promise scholarship program subject to the following conditions and limitations:

(i) Within available funds, the higher education coordinating board shall award scholarships for use at accredited institutions of higher education in the state of Washington to as many students as possible from among those qualifying under (iv) of this subsection. Each qualifying student will receive two consecutive annual installments, the value of each not to exceed the full-time annual resident tuition rates charged by community colleges. <u>Scholarships awarded to new recipients for the 2002-03 academic year shall not exceed one-thousand dollars per student.</u>

(ii) Of the amounts provided, no more than $260,000 ((~~each year is~~)) <u>in fiscal year 2002 and no more than $250,000 in fiscal year 2003 are</u> for administration of the Washington promise scholarship program.

(iii) Other than funds provided for program administration, the higher education coordinating board shall deposit all money received for the program in the Washington promise scholarship account, a nonappropriated fund in the custody of the state treasurer. The

account shall be self-sustaining and consist of funds appropriated by the legislature for these scholarships, private contributions, and receipts from refunds of tuition and fees.

(iv) Scholarships in the ((~~2001-03 biennium~~)) 2001-02 academic year shall be awarded to students ((~~who graduate from high school or its equivalent~~)) whose family income does not exceed one hundred thirty-five percent of the state's median family income, adjusted for family size, and new scholarships in the 2002-03 academic year shall be awarded to students whose family income does not exceed one hundred twenty percent of the state's median family income, adjusted for family size, if they meet any of the following academic criteria:

(A) Students graduating from public and approved private high schools under chapter 28A.195 RCW must be in the top fifteen percent of their graduating class, or must equal or exceed a cumulative scholastic assessment test score of 1200 on their first attempt;

(B) Students participating in home-based instruction as provided in chapter 28A.200 RCW must equal or exceed a cumulative scholastic assessment test score of 1200 on their first attempt.

(v) For students eligible under (iv) of this subsection, the superintendent of public instruction shall provide the higher education coordinating board with the names, addresses, and unique numeric identifiers of students in the top fifteen percent or who meet the scholastic aptitude test score requirement, as appropriate in each of the respective high school senior or home based instruction classes in Washington state. This shall be provided no later than October 1 of each year.

(vi) Scholarships awarded under this section may only be used at accredited institutions of higher education in the state of Washington for college-related expenses, including but not limited to, tuition, room and board, books, materials, and transportation. The Washington promise scholarship award shall not supplant other scholarship awards, financial aid, or tax programs related to postsecondary education. Scholarships may not be transferred or refunded to students.

(vii) The higher education coordinating board shall evaluate the impact and effectiveness of the Washington promise scholarship program. The evaluation shall include, but not be limited to: (A) An analysis of other financial assistance promise scholarship recipients are receiving through other federal, state, and institutional programs, including grants, work study, tuition waivers, tax credits, and loan

programs; (B) an analysis of whether the implementation of the promise scholarship program has had an impact on student indebtedness; and (C) an evaluation of what types of students are successfully completing high school but do not have the financial ability to attend college because they cannot obtain financial aid or the financial aid is insufficient. The board shall report its findings to the governor and the legislature by December 1, 2002.

(viii) The higher education coordinating board may adopt rules as necessary to implement this program.

Sec. 612. 2001 2nd sp.s. c 7 s 612 (uncodified) is amended to read as follows:

FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund--State Appropriation (FY 2002) . . $ 1,762,000
General Fund--State Appropriation (FY 2003) . . $ ((~~1,720,000~~))
1,633,000
General Fund--Federal Appropriation . . . . . $ 44,987,000
TOTAL APPROPRIATION . . . . . $ ((~~48,469,000~~))
48,382,000

The appropriations in this section are subject to the following conditions and limitations: $500,000 of the general fund--state appropriation for fiscal year 2002 and $500,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for the operations and development of the inland northwest technology education center (INTEC) as a regional resource and model for the rapid deployment of skilled workers trained in the latest technologies for Washington. The board shall serve as an advisor to and fiscal agent for INTEC, and will report back to the governor and legislature by September 2002 as to the progress and future steps for INTEC as this new public-private partnership evolves.

Sec. 613. 2001 2nd sp.s. c 7 s 613 (uncodified) is amended to read as follows:

FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE

General Fund--State Appropriation (FY 2002) . . $ ((~~1,500,000~~))
1,499,000
General Fund--State Appropriation (FY 2003) . . $ ((~~1,500,000~~))
1,397,000

TOTAL APPROPRIATION . . . . . $ ((~~3,000,000~~))
2,896,000

Sec. 614. 2001 2nd sp.s. c 7 s 614 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE LIBRARY

General Fund--State Appropriation (FY 2002) . . $ 8,791,000
General Fund--State Appropriation (FY 2003) . . $ ((~~8,786,000~~))
3,209,000
General Fund--Federal Appropriation . . . . . $ 6,976,000
TOTAL APPROPRIATION . . . . . $ ((~~24,553,000~~))
18,976,000

The appropriations in this section are subject to the following conditions and limitations: At least $2,700,000 shall be expended for a contract with the Seattle public library for library services for the Washington book and braille library.

Sec. 615. 2001 2nd sp.s. c 7 s 615 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund--State Appropriation (FY 2002) . . $ 2,873,000
General Fund--State Appropriation (FY 2003) . . $ ((~~2,874,000~~))
2,788,000
General Fund--Federal Appropriation . . . . . $ 1,000,000
General Fund--Private/Local Appropriation . . . $ 3,000
TOTAL APPROPRIATION . . . . . $ ((~~6,747,000~~))
6,664,000

Sec. 616. 2001 2nd sp.s. c 7 s 616 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2002) . . $ 2,899,000
General Fund--State Appropriation (FY 2003) . . $ ((~~3,129,000~~))
3,035,000
TOTAL APPROPRIATION . . . . . $ ((~~6,028,000~~))
5,934,000

The appropriations in this section are subject to the following conditions and limitations: $90,000 of the general fund--state

appropriation for fiscal year 2002 and $285,000 of the general fund--state appropriation for fiscal year 2003 are provided solely for activities related to the Lewis and Clark Bicentennial.

Sec. 617. 2001 2nd sp.s. c 7 s 617 (uncodified) is amended to read as follows:

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2002) . . $ 1,674,000
General Fund--State Appropriation (FY 2003) . . $ ((~~1,535,000~~)) <u>1,489,000</u>
TOTAL APPROPRIATION . . . . . $ ((~~3,209,000~~)) <u>3,163,000</u>

Sec. 618. 2001 2nd sp.s. c 7 s 618 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND

General Fund--State Appropriation (FY 2002) . . $ 4,520,000
General Fund--State Appropriation (FY 2003) . . $ ((~~4,591,000~~)) <u>4,654,000</u>
General Fund--Private/Local Appropriation . . . $ ((~~1,173,000~~)) <u>1,254,000</u>
TOTAL APPROPRIATION . . . . . $ ((~~10,284,000~~)) <u>10,428,000</u>

Sec. 619. 2001 2nd sp.s. c 7 s 619 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE DEAF

General Fund--State Appropriation (FY 2002) . . $ 7,395,000
General Fund--State Appropriation (FY 2003) . . $ ((~~7,439,000~~)) <u>7,751,000</u>
General Fund--Private/Local Appropriation . . . $ 232,000

TOTAL APPROPRIATION . . . . . $ ((~~15,066,000~~))
15,378,000

The appropriations in this section are subject to the following conditions and limitations: $250,000 of the general fund--state appropriation for fiscal year 2003 is provided solely for additional staffing and other student safety measures at the school. The school will hire six additional staff, increase staff communications and accessibility, and implement a training program to enhance staff members' abilities to work with at-risk youth.

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2001 2nd sp.s. c 7 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2002) . . $ ((~~629,097,000~~))
576,097,000

General Fund--State Appropriation (FY 2003) . . $ ((~~567,290,000~~))
622,540,000

State Building Construction Account--State
Appropriation . . . . . $ ((~~11,351,000~~))
7,999,000

Debt-Limit Reimbursable Bond Retire Account--
State Appropriation . . . . . $ 2,591,000

State Taxable Building Construction Account--
State Appropriation . . . . . $ 496,000

TOTAL APPROPRIATION . . . . . $ ((~~1,210,329,000~~))
1,209,723,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2002 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2002.

Sec. 702. 2001 2nd sp.s. c 7 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

State Convention and Trade Center Account--
State Appropriation . . . . . $ ((~~39,950,000~~))
29,249,000

Accident Account--State Appropriation . . . . . $ ((~~5,590,000~~))
5,096,000

Medical Aid Account--State Appropriation . . . $ ((~~5,590,000~~))
5,096,000
TOTAL APPROPRIATION . . . . . $ ((~~51,130,000~~))
39,441,000

Sec. 703. 2001 2nd sp.s. c 7 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
Account--State Appropriation . . . . . $ 454,000
Higher Education Construction Account--State
Appropriation . . . . . $ ((~~815,000~~))
499,000
State Higher Education Construction Account--
State Appropriation . . . . . $ ((~~348,000~~))
50,000
State Vehicle Parking Account--State
Appropriation . . . . . $ ((~~35,000~~))
100,000
Nondebt-Limit Reimbursable Bond Retirement Account--
State Appropriation . . . . . $ 128,043,000
TOTAL APPROPRIATION . . . . . $ ((~~180,943,000~~))
180,394,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for deposit into the nondebt-limit general fund bond retirement account.

Sec. 704. 2001 2nd sp.s. c 7 s 704 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund--State Appropriation (FY 2002) . . $ 567,000
General Fund--State Appropriation (FY 2003) . . $ ((~~568,000~~))
658,000

Higher Education Construction Account--State
Appropriation . . . . . $ 77,000
State Higher Education Construction Account--
State Appropriation . . . . . $ 42,000
State Building Construction Account--State
Appropriation . . . . . $ 1,488,000
State Vehicle Parking Account--State
Appropriation . . . . . $ ((~~5,000~~))
10,000
Capitol Historic District Construction
Account--State Appropriation . . . . . $ 130,000
State Taxable Building Construction Account--
State Appropriation . . . . . $ 50,000
TOTAL APPROPRIATION . . . . . $ ((~~2,877,000~~))
3,022,000

Sec. 705. 2001 2nd sp.s. c 7 s 706 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--FIRE CONTINGENCY POOL. The sum of ((~~three million dollars~~)) $39,487,000, or so much thereof as may be available on June 30, 2001, from the total amount of unspent fiscal year 2001 fire contingency funding in the disaster response account and the moneys appropriated to the disaster response account in section 707 of this act, is appropriated for the purpose of making allocations to the military department for fire mobilizations costs or to the department of natural resources for fire suppression costs. Of this amount, $27,513,000 shall be provided to the department of natural resources, $135,000 shall be provided to the state parks and recreation commission, and $60,000 shall be provided to the department of fish and wildlife, for costs of fire suppression during the 2001 fire season.

NEW SECTION. **Sec. 706.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

REVOLVING FUND REDUCTIONS. (1) The 2001-2003 supplemental appropriations in this act reflect reduced appropriations from the specified funds and accounts in the following amounts:

Administrative Hearings Revolving Account . . . . $ 330,000
Legal Services Revolving Account . . . . . $ 1,543,000

Data Processing Revolving Account (DIS 419-6) . .	$	1,995,000
Data Processing Revolving Account (DIS 419-1) . .	$	96,000
Data Processing Revolving Account (OFM 419-6) . .	$	339,000
Data Processing Revolving Account (DOP 419-6) . .	$	545,000
Department of Personnel Service Account (DOP) . .	$	262,000
Department of Personnel Service Account (Sec State)	$	18,000
Department of Retirement Systems Expense Account	$	732,000
General Administration Services Account (422-1) .	$	642,000
General Administration Services Account (422-6) .	$	1,302,000
Auditing Services Revolving Account	$	347,000
Archives & Records Management Account	$	177,000

(2) The director of financial management shall distribute these revolving fund savings by uniformly reducing state agencies' allotments accordingly. The distribution of the savings shall reduce general fund--state allotments for fiscal year 2003 by $3,743,000 and other fund allotments by $4,241,000. The amount of the allotment reduction shall be placed in reserve status.

NEW SECTION. **Sec. 707.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

EQUIPMENT PURCHASE REDUCTION. The director of financial management shall reduce allotments from general fund--state appropriations in this act for the 2001-2003 biennium by $2,300,000 to reflect a freeze on state agency equipment purchases for the remainder of the 2001-03 biennium. The amount of the allotment reduction shall be placed in reserve status. Equipment purchase reductions for the house of representatives and senate are made in sections 101 and 102 of this act and not in this section.

NEW SECTION. **Sec. 708.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

EMPLOYEE TRAVEL REDUCTION. The director of financial management shall reduce allotments from general fund--state appropriations in this act for the 2001-2003 biennium by $3,000,000 to reflect the elimination of nonessential travel by state employees and officials. The amount of the allotment reduction shall be placed in reserve status. Employee

travel reductions for the house of representatives and senate are made in sections 101 and 102 of this act and not in this section.

NEW SECTION. **Sec. 709.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

CONTINGENCY POOL. (1) With the prior approval of the office of financial management, agencies may reduce allotments for fiscal year 2002 to reflect all or a portion of, and not to exceed, the administrative, travel, and equipment reductions and efficiency savings enacted in this 2002 supplemental appropriations act as an alternative to allotment reductions for fiscal year 2003.

(2) The sum of one million five hundred thousand dollars from the general fund--state for fiscal year 2003 is appropriated to the governor for providing assistance to state agencies that are unable to effectively absorb the administrative, travel, and equipment reductions and efficiency savings enacted in this 2002 supplemental appropriations act. Allocations to state agencies from this appropriation shall be reported to the legislative fiscal committees by the office of financial management within five days of the allocation.

Sec. 710. 2001 2nd sp.s. c 7 s 713 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--DIGITAL GOVERNMENT REVOLVING ACCOUNT

General Fund--State Appropriation (FY 2002) . . $ 2,050,000
General Fund--State Appropriation (FY 2003) . . $ ((~~2,050,000~~)) 1,050,000
TOTAL APPROPRIATION . . . . . $ ((~~4,100,000~~)) 3,100,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for deposit in the digital government revolving account.

Sec. 711. 2001 2nd sp.s. c 7 s 716 (uncodified) is amended to read as follows:

FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS

General Fund--State Appropriation (FY 2002) . . $ 7,218,000

General Fund--State Appropriation (FY 2003) . . $ ((~~19,947,000~~)) 14,803,000

General Fund--Federal Appropriation . . . . . $ ((~~8,692,000~~)) 7,374,000

General Fund--Private/Local Appropriation . . . $ ((~~456,000~~)) 331,000

Salary and Insurance Increase Revolving Account Appropriation . . . . . $ ((~~19,468,000~~)) 15,969,000

TOTAL APPROPRIATION . . . . . $ ((~~55,781,000~~)) 45,695,000

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

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed $457.29 per eligible employee for fiscal year 2002, and ((~~$497.69~~)) $482.38 for fiscal year 2003.

(b) Within the rates in (a) of this subsection, $2.02 per eligible employee shall be included in the employer funding rate for fiscal year 2002, and $4.10 per eligible employee shall be included in the employer funding rate for fiscal year 2003, solely to increase life insurance coverage in accordance with a court approved settlement in *Burbage et al. v. State of Washington* (Thurston county superior court cause no. 94-2-02560-8).

(c) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065.

(d) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys

from each dedicated fund or account to the special fund salary and insurance contribution increase revolving fund in accordance with schedules provided by the office of financial management.

(3) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for parts A and B of medicare, pursuant to RCW 41.05.085. From January 1, 2002, through December 31, 2002, the subsidy shall be $85.84. Starting January 1, 2003, the subsidy shall be ((~~$102.55~~)) $92.74 per month.

(4) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, $32.41 per month beginning September 1, 2001, and ((~~$37.48~~)) $36.36 beginning September 1, 2002;

(b) For each part-time employee who, at the time of the remittance, is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, $32.41 each month beginning September 1, 2001, and ((~~$37.48~~)) $36.36 beginning September 1, 2002, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives.

The remittance requirements specified in this subsection shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

(5) The salary and insurance increase revolving account appropriation includes amounts sufficient to fund health benefits for ferry workers at the premium levels specified in subsection (1) of this section, consistent with the 2001-2003 transportation appropriations act.

Sec. 712. 2001 2nd sp.s. c 7 s 717 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO RETIREMENT SYSTEMS. The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be

made on a monthly basis beginning July 1, 2001, consistent with chapter 41.45 RCW, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and fire fighters' retirement system:

General Fund--State Appropriation (FY 2002) . . $ ((~~15,552,000~~)) 15,437,000

General Fund--State Appropriation (FY 2003) . . $ ((~~16,668,000~~)) 16,208,000

The appropriations in this subsection are subject to the following conditions and limitations: The appropriations include reductions to reflect savings resulting from the implementation of state pension contribution rates effective ((~~July 1, 2001, as provided in Senate Bill No. 6167 or House Bill No. 2236~~)) April 1, 2002, as provided in House Bill No. 2782.

(2) There is appropriated for contributions to the judicial retirement system:

General Fund--State Appropriation (FY 2002) . . $ 6,000,000

General Fund--State Appropriation (FY 2003) . . $ 6,000,000

(3) There is appropriated for contributions to the judges retirement system:

General Fund--State Appropriation (FY 2002) . . $ 250,000

General Fund--State Appropriation (FY 2003) . . $ 250,000

TOTAL APPROPRIATION . . . . . $ ((~~44,720,000~~)) 44,145,000

NEW SECTION. **Sec. 713.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--PENSION SAVINGS. The office of financial management shall reduce allotments from the appropriations for agencies of the state by $1,208,000 from the general fund--state fiscal year 2002 appropriations, $4,929,000 from the general fund--state fiscal year 2003 appropriations, $1,606,000 from the general fund--federal 2001-03 appropriations, $148,000 from the general fund--private/local 2001-03 appropriations, and $4,326,000 from other funds 2001-03 appropriations to reflect savings from pension

contribution rate reductions, effective April 1, 2002, as provided in House Bill No. 2782.

Sec. 714. 2001 2nd sp.s. c 7 s 719 (uncodified) is amended to read as follows:

SALARY COST OF LIVING ADJUSTMENT

General Fund--State Appropriation (FY 2002) . .	$	41,712,000
General Fund--State Appropriation (FY 2003) . .	$	((~~73,358,000~~)) 44,469,000
General Fund--Federal Appropriation	$	((~~37,955,000~~)) 25,629,000
General Fund--Private/Local Appropriation . . .	$	((~~2,325,000~~)) 1,876,000
Salary and Insurance Increase Revolving Account Appropriation	$	((~~92,156,000~~)) 68,224,000
TOTAL APPROPRIATION	$	((~~247,506,000~~)) 181,910,000

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations:

(1) In addition to the purposes set forth in subsections (2) and (3) of this section, appropriations in this section are provided solely for a 3.7 percent salary increase effective July 1, 2001, for all classified employees, except the certificated employees of the state schools for the deaf and blind, and including those employees in the Washington management service, and exempt employees under the jurisdiction of the personnel resources board. ((~~Funds are also provided for salary increases for classified employees on July 1, 2002, in a percentage amount to be determined by the 2002 legislature.~~))

(2) The appropriations in this section are sufficient to fund a 3.7 percent salary increase effective July 1, 2001, for general government, legislative, and judicial employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials. ((~~Funds are also provided for salary increases for these employees on July 1, 2002, in a percentage amount to be determined by the 2002 legislature.~~))

(3) The salary and insurance increase revolving account appropriation in this section includes funds sufficient to fund a 3.7 percent salary increase effective July 1, 2001, for ferry workers consistent with the 2001-03 transportation appropriations act. ((~~Funds are also provided for salary increases for ferry workers on July 1, 2002, in a percentage amount to be determined by the 2002 legislature.~~))

(4)(a) No salary increase may be paid under this section to any person whose salary has been Y-rated pursuant to rules adopted by the personnel resources board.

(b) The average salary increases paid under this section to agency officials whose maximum salaries are established by the committee on agency official salaries shall not exceed the average increases provided by subsection (2) of this section.

Sec. 715. 2001 2nd sp.s. c 7 s 720 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY REVOLVING ACCOUNT

General Fund--State Appropriation (FY 2002) . . $ 11,264,000

((~~General Fund--State Appropriation (FY 2003) . $ 11,264,000~~

~~TOTAL APPROPRIATION . . . . . $ 22,528,000~~))

The appropriation((~~s~~)) in this section ((~~are~~)) <u>is</u> subject to the following conditions and limitations:

(1) The appropriation((~~s~~)) in this section ((~~are~~)) <u>is</u> for appropriation to the education technology revolving account for the purpose of covering operational and transport costs incurred by the K-20 educational network program in providing telecommunication services to network participants.

(2) Use of these moneys to connect public libraries are limited to public libraries which have in place a policy of internet safety applied to publicly available computers with internet access via the K-20 educational network that protects against access to visual depictions that are (a) obscene under chapter 9.68 RCW; or (b) sexual exploitation of children under chapter 9.68A RCW.

Sec. 716. 2001 2nd sp.s. c 7 s 722 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--COMPENSATION ACTIONS OF PERSONNEL RESOURCES BOARD

General Fund--State Appropriation (FY 2002) . . $ ((~~9,179,000~~)) 9,183,000

General Fund--State Appropriation (FY 2003) . . $ ((~~18,359,000~~)) 18,369,000

General Fund--Federal Appropriation . . . . . $ 10,392,000

Salary and Insurance Increase Revolving Account Appropriation . . . . . $ ((~~2,735,000~~)) 2,809,000

TOTAL APPROPRIATION . . . . . $ ((~~40,665,000~~)) 40,753,000

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is provided to implement the salary increase recommendations of the Washington personnel resources board for the priority classes identified through item 8B pursuant to RCW 41.06.152. The salary increases shall be effective January 1, 2002.

NEW SECTION. **Sec. 717.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--RECRUITMENT AND RETENTION POOL

General Fund--State Appropriation (FY 2003) . . $ 6,000,000

General Fund--Federal Appropriation (FY 2003) . $ 2,000,000

TOTAL APPROPRIATION . . . . . $ 8,000,000

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations: Funding is for salary and benefit increases for recruitment and retention problems, and may include actions to be determined by the governor. These actions may include, but are not limited to, salary survey adjustments and implementation of salary increase recommendations of the Washington personnel resources board pursuant to RCW 41.06.152.

Sec. 718. 2001 2nd sp.s. c 7 s 723 (uncodified) is amended to read as follows:

INCENTIVE SAVINGS--FY 2002. The sum of one hundred million dollars or so much thereof as may be available on June 30, 2002, from the total amount of unspent fiscal year 2002 state general fund appropriations is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings.

(2) Of the total appropriated amount, any amount attributable to unspent general fund--state appropriations in the state need grant program, the state work study program, the Washington scholars program, and the Washington award for vocational excellence program is appropriated to the state financial aid account pursuant to Substitute House Bill No. 2914 (state financial aid account).

(3) The remainder of the total amount, not to exceed seventy-five million dollars, is appropriated to the education savings account.

((~~(3)~~)) (4) For purposes of this section, the total amount of unspent state general fund appropriations does not include the appropriations made in this section, amounts included in allotment reductions in sections 706, 707, 708, and 713 of this act, or any amounts included in across-the-board allotment reductions under RCW 43.88.110.

Sec. 719. 2001 2nd sp.s. c 7 s 724 (uncodified) is amended to read as follows:

INCENTIVE SAVINGS--FY 2003. The sum of one hundred million dollars or so much thereof as may be available on June 30, 2003, from the total amount of unspent fiscal year 2003 state general fund appropriations is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings.

(2) Of the total appropriated amount, any amount attributable to unspent general fund--state appropriations in the state need grant program, the state work study program, the Washington scholars program, and the Washington award for vocational excellence program is appropriated to the state financial aid account pursuant to Substitute House Bill No. 2914 (state financial aid account).

(3) The remainder of the total amount, not to exceed seventy-five million dollars, is appropriated to the education savings account.

((~~(3)~~)) (4) For purposes of this section, the total amount of unspent state general fund appropriations does not include the appropriations made in this section, amounts included in allotment reductions in sections 706, 707, 708, and 713 of this act, or any amounts included in across-the-board allotment reductions under RCW 43.88.110.

NEW SECTION. **Sec. 720.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE COSTS

((~~General Fund--State Appropriation (FY 2003)~~))

Public Safety and Education Account--State Appropriation . . . . . $ 394,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute the appropriation to the following counties in the amounts designated for extraordinary criminal justice costs:

Franklin . . . . . $ 312,000

Stevens . . . . . $ 82,000

NEW SECTION. **Sec. 721.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--COUNTY ASSISTANCE

General Fund--State Appropriation (FY 2003) . . $ 5,000,000

The appropriation in this section is subject to the following conditions and limitations: The director of community, trade, and economic development shall distribute the appropriation in this section to the following counties in the amounts designated:

Adams	$ 51,000
Asotin	$ 366,000
Benton	$ 68,000
Chelan	$ 250,000
Columbia	$ 516,000
Douglas	$ 212,000
Ferry	$ 358,000
Franklin	$ 75,000
Garfield	$ 524,000
Lincoln	$ 121,000
Mason	$ 353,000
Okanogan	$ 495,000
Pacific	$ 122,000
Pend Oreille	$ 179,000
Stevens	$ 382,000
Wahkiakum	$ 391,000
Walla Walla	$ 195,000
Yakima	$ 342,000
TOTAL	$ 5,000,000

Sec. 722. 2001 2nd sp.s. c 7 s 727 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--COUNTY CORPORATION ASSISTANCE

General Fund--State Appropriation (FY 2002) . . $ 24,410,534

((~~General Fund--State Appropriation (FY 2003)~~ . ~~$ 25,137,970~~

~~TOTAL APPROPRIATION~~ . . . . . ~~$ 49,548,504~~))

The appropriation((~~s~~)) in this section ((~~are~~)) <u>is</u> subject to the following conditions and limitations:

(1)(a) The department shall withhold distributions under subsection (2) of this section to any county that has not paid its fifty percent share of the employer contribution on behalf of superior court judges for insurance and health care plans and federal social security and medicare and medical aid benefits for the fiscal year. As required by Article IV, section 13 of the state Constitution and 1996 Attorney General's Opinion No. 2, it is the intent of the legislature that the costs of these employer contributions shall be shared equally between the state and county or counties in which the judges serve.

(b) After receiving written notification from the office of the administrator for the courts that a county has paid its fifty percent share as required under (a) of this subsection, the department shall distribute the amount designated for the fiscal year under subsection (2) of this section.

(2) The director of community, trade, and economic development shall distribute the appropriations to the following counties in the amounts designated:

County	**FY 2002**	**((~~FY 2003~~**	**~~Biennium~~))**	**((~~2001-03~~))**
Adams	290,303	((~~295,993~~		~~586,296~~))
Asotin	422,074	((~~434,598~~		~~856,672~~))
Benton	966,480	((~~999,163~~		~~1,965,643~~))
Chelan	637,688	((~~651,982~~		~~1,289,670~~))
Clallam	444,419	((~~454,391~~		~~898,810~~))
Clark	641,571	((~~678,997~~		~~1,320,568~~))
Columbia	561,888	((~~572,901~~		~~1,134,789~~))
Cowlitz	771,879	((~~795,808~~		~~1,567,687~~))
Douglas	505,585	((~~528,184~~		~~1,033,769~~))
Ferry	389,909	((~~397,551~~		~~787,460~~))
Franklin	442,624	((~~464,018~~		~~906,642~~))
Garfield	571,303	((~~582,501~~		~~1,153,804~~))
Grant	579,631	((~~604,072~~		~~1,183,703~~))
Grays Harbor	540,315	((~~550,905~~		~~1,091,220~~))
Island	483,589	((~~503,205~~		~~986,794~~))
Jefferson	239,914	((~~249,924~~		~~489,838~~))
King	2,661,862	((~~2,720,716~~		~~5,382,578~~))
Kitsap	469,992	((~~480,178~~		~~950,170~~))
Kittitas	366,971	((~~383,027~~		~~749,998~~))
Klickitat	204,726	((~~217,555~~		~~422,281~~))
Lewis	583,702	((~~598,004~~		~~1,181,706~~))
Lincoln	290,754	((~~302,151~~		~~592,905~~))
Mason	905,060	((~~930,959~~		~~1,836,019~~))
Okanogan	548,848	((~~560,332~~		~~1,109,180~~))
Pacific	344,047	((~~350,790~~		~~694,837~~))
Pend Oreille	280,342	((~~285,837~~		~~566,179~~))
Pierce	1,246,530	((~~1,284,087~~		~~2,530,617~~))
San Juan	85,712	((~~91,859~~		~~177,571~~))
Skagit	911,491	((~~944,914~~		~~1,856,405~~))
Skamania	172,840	((~~176,228~~		~~349,068~~))
Snohomish	1,017,209	((~~1,058,571~~		~~2,075,780~~))
Spokane	804,124	((~~823,359~~		~~1,627,483~~))
Stevens	811,482	((~~835,598~~		~~1,647,080~~))
Thurston	1,031,888	((~~1,061,579~~		~~2,093,467~~))
Wahkiakum	507,528	((~~517,476~~		~~1,025,004~~))
Walla Walla	241,341	((~~247,105~~		~~488,446~~))
Whatcom	408,025	((~~429,069~~		~~837,094~~))
Whitman	134,870	((~~138,191~~		~~273,061~~))
Yakima	1,892,018	((~~1,936,192~~		~~3,828,210~~))
TOTAL APPROPRIATIONS	**24,410,534**	**((~~25,137,970~~**		**~~49,548,504~~))**

Sec. 723. 2001 2nd sp.s. c 7 s 728 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--MUNICIPAL CORPORATION ASSISTANCE

General Fund--State Appropriation (FY 2002) . . $ 45,884,610

((~~General Fund--State Appropriation (FY 2003)~~ . ~~$ 47,251,839~~

~~TOTAL APPROPRIATION~~ . . . . . ~~$ 93,136,449~~))

The appropriation((~~s~~)) in this section ((~~are~~)) <u>is</u> subject to the following conditions and limitations:

(1) The director of community, trade, and economic development shall distribute the appropriation to the following cities and municipalities in the amounts designated:

City	FY 2002	((~~FY 2003~~	~~2001-03 Biennium~~))
Aberdeen	119,986	((~~123,562~~	~~243,548~~))
Airway Heights	111,259	((~~114,575~~	~~225,834~~))
Albion	66,339	((~~68,316~~	~~134,655~~))
Algona	32,672	((~~33,646~~	~~66,318~~))
Almira	12,519	((~~12,892~~	~~25,411~~))
Anacortes	70,930	((~~73,044~~	~~143,974~~))
Arlington	42,344	((~~43,606~~	~~85,950~~))
Asotin	57,623	((~~59,340~~	~~116,963~~))
Auburn	192,405	((~~198,139~~	~~390,544~~))
Bainbridge Island	293,851	((~~302,608~~	~~596,459~~))
Battle Ground	118,303	((~~121,828~~	~~240,131~~))
Beaux Arts	1,784	((~~1,837~~	~~3,621~~))
Bellevue	524,203	((~~539,824~~	~~1,064,027~~))
Bellingham	369,121	((~~380,121~~	~~749,242~~))
Benton City	111,380	((~~114,699~~	~~226,079~~))
Bingen	6,602	((~~6,799~~	~~13,401~~))
Black Diamond	254,698	((~~262,288~~	~~516,986~~))
Blaine	20,853	((~~21,474~~	~~42,327~~))
Bonney Lake	158,738	((~~163,468~~	~~322,206~~))
Bothell	137,270	((~~141,361~~	~~278,631~~))
Bremerton	214,020	((~~220,398~~	~~434,418~~))
Brewster	11,250	((~~11,585~~	~~22,835~~))
Bridgeport	188,216	((~~193,825~~	~~382,041~~))
Brier	532,011	((~~547,865~~	~~1,079,876~~))
Buckley	68,227	((~~70,260~~	~~138,487~~))
Bucoda	52,876	((~~54,452~~	~~107,328~~))
Burien	284,265	((~~292,736~~	~~577,001~~))
Burlington	27,407	((~~28,224~~	~~55,631~~))
Camas	53,654	((~~55,253~~	~~108,907~~))
Carbonado	56,785	((~~58,477~~	~~115,262~~))
Carnation	9,593	((~~9,879~~	~~19,472~~))
Cashmere	120,801	((~~124,401~~	~~245,202~~))
Castle Rock	29,980	((~~30,873~~	~~60,853~~))
Cathlamet	6,265	((~~6,452~~	~~12,717~~))
Centralia	101,426	((~~104,448~~	~~205,874~~))
Chehalis	34,601	((~~35,632~~	~~70,233~~))
Chelan	19,515	((~~20,097~~	~~39,612~~))

Cheney	314,316	((~~323,683~~	~~637,999~~))
Chewelah	66,731	((~~68,720~~	~~135,451~~))
Clarkston	83,910	((~~86,411~~	~~170,321~~))
Cle Elum	8,692	((~~8,951~~	~~17,643~~))
Clyde Hill	136,778	((~~140,854~~	~~277,632~~))
Colfax	74,672	((~~76,897~~	~~151,569~~))
College Place	526,480	((~~542,169~~	~~1,068,649~~))
Colton	27,473	((~~28,292~~	~~55,765~~))
Colville	23,389	((~~24,086~~	~~47,475~~))
Conconully	13,675	((~~14,083~~	~~27,758~~))
Concrete	27,006	((~~27,811~~	~~54,817~~))
Connell	164,950	((~~169,866~~	~~334,816~~))
Cosmopolis	15,395	((~~15,854~~	~~31,249~~))
Coulee City	2,804	((~~2,888~~	~~5,692~~))
Coulee Dam	61,408	((~~63,238~~	~~124,646~~))
Coupeville	7,708	((~~7,938~~	~~15,646~~))
Covington	690,851	((~~711,438~~	~~1,402,289~~))
Creston	12,905	((~~13,290~~	~~26,195~~))
Cusick	9,341	((~~9,619~~	~~18,960~~))
Darrington	59,838	((~~61,621~~	~~121,459~~))
Davenport	66,350	((~~68,327~~	~~134,677~~))
Dayton	92,685	((~~95,447~~	~~188,132~~))
Deer Park	16,059	((~~16,538~~	~~32,597~~))
Des Moines	1,482,120	((~~1,526,287~~	~~3,008,407~~))
Dupont	8,109	((~~8,351~~	~~16,460~~))
Duvall	66,128	((~~68,099~~	~~134,227~~))
East Wenatchee	30,678	((~~31,592~~	~~62,270~~))
Eatonville	8,848	((~~9,112~~	~~17,960~~))
Edgewood	901,766	((~~928,639~~	~~1,830,405~~))
Edmonds	456,336	((~~469,935~~	~~926,271~~))
Electric City	87,243	((~~89,843~~	~~177,086~~))
Ellensburg	81,982	((~~84,425~~	~~166,407~~))
Elma	84,676	((~~87,199~~	~~171,875~~))
Elmer City	29,811	((~~30,699~~	~~60,510~~))
Endicott	28,758	((~~29,615~~	~~58,373~~))
Entiat	58,244	((~~59,980~~	~~118,224~~))
Enumclaw	53,013	((~~54,593~~	~~107,606~~))
Ephrata	59,987	((~~61,775~~	~~121,762~~))
Everett	495,428	((~~510,192~~	~~1,005,620~~))
Everson	67,517	((~~69,529~~	~~137,046~~))
Fairfield	18,540	((~~19,092~~	~~37,632~~))
Farmington	12,072	((~~12,432~~	~~24,504~~))
Federal Way	470,179	((~~484,190~~	~~954,369~~))
Ferndale	74,669	((~~76,894~~	~~151,563~~))
Fife	25,411	((~~26,168~~	~~51,579~~))
Fircrest	386,146	((~~397,653~~	~~783,799~~))
Forks	110,712	((~~114,011~~	~~224,723~~))
Friday Harbor	9,791	((~~10,083~~	~~19,874~~))
Garfield	45,263	((~~46,612~~	~~91,875~~))
George	19,319	((~~19,895~~	~~39,214~~))
Gig Harbor	31,615	((~~32,557~~	~~64,172~~))
Gold Bar	134,531	((~~138,540~~	~~273,071~~))
Goldendale	49,519	((~~50,995~~	~~100,514~~))
Grand Coulee	5,805	((~~5,978~~	~~11,783~~))
Grandview	256,347	((~~263,986~~	~~520,333~~))
Granger	173,094	((~~178,252~~	~~351,346~~))
Granite Falls	10,946	((~~11,272~~	~~22,218~~))
Hamilton	17,437	((~~17,957~~	~~35,394~~))
Harrah	46,947	((~~48,346~~	~~95,293~~))

Harrington	18,107	((~~18,647~~	~~36,754~~))
Hartline	11,392	((~~11,731~~	~~23,123~~))
Hatton	12,176	((~~12,539~~	~~24,715~~))
Hoquiam	374,903	((~~386,075~~	~~760,978~~))
Hunts Point	2,432	((~~2,504~~	~~4,936~~))
Ilwaco	13,150	((~~13,542~~	~~26,692~~))
Index	4,181	((~~4,306~~	~~8,487~~))
Ione	17,566	((~~18,089~~	~~35,655~~))
Issaquah	50,002	((~~51,492~~	~~101,494~~))
Kahlotus	20,210	((~~20,812~~	~~41,022~~))
Kalama	7,892	((~~8,127~~	~~16,019~~))
Kelso	68,904	((~~70,957~~	~~139,861~~))
Kenmore	1,099,395	((~~1,132,157~~	~~2,231,552~~))
Kennewick	293,534	((~~302,281~~	~~595,815~~))
Kent	360,624	((~~371,371~~	~~731,995~~))
Kettle Falls	64,422	((~~66,342~~	~~130,764~~))
Kirkland	221,429	((~~228,028~~	~~449,457~~))
Kittitas	72,698	((~~74,864~~	~~147,562~~))
Krupp	4,445	((~~4,577~~	~~9,022~~))
La Center	34,415	((~~35,441~~	~~69,856~~))
La Conner	3,817	((~~3,931~~	~~7,748~~))
La Crosse	20,141	((~~20,741~~	~~40,882~~))
Lacey	143,243	((~~147,512~~	~~290,755~~))
Lake Forest Park	897,932	((~~924,690~~	~~1,822,622~~))
Lake Stevens	142,295	((~~146,535~~	~~288,830~~))
Lakewood	2,955,109	((~~3,043,171~~	~~5,998,280~~))
Lamont	7,492	((~~7,715~~	~~15,207~~))
Langley	5,303	((~~5,461~~	~~10,764~~))
Latah	11,962	((~~12,318~~	~~24,280~~))
Leavenworth	12,189	((~~12,552~~	~~24,741~~))
Lind	2,217	((~~2,283~~	~~4,500~~))
Long Beach	10,269	((~~10,575~~	~~20,844~~))
Longview	249,836	((~~257,281~~	~~507,117~~))
Lyman	16,741	((~~17,240~~	~~33,981~~))
Lynden	42,717	((~~43,990~~	~~86,707~~))
Lynnwood	163,579	((~~168,454~~	~~332,033~~))
Mabton	142,491	((~~146,737~~	~~289,228~~))
Malden	21,588	((~~22,231~~	~~43,819~~))
Mansfield	26,744	((~~27,541~~	~~54,285~~))
Maple Valley	359,478	((~~370,190~~	~~729,668~~))
Marcus	14,126	((~~14,547~~	~~28,673~~))
Marysville	102,028	((~~105,068~~	~~207,096~~))
Mattawa	100,064	((~~103,046~~	~~203,110~~))
McCleary	105,807	((~~108,960~~	~~214,767~~))
Medical Lake	114,323	((~~117,730~~	~~232,053~~))
Medina	14,355	((~~14,783~~	~~29,138~~))
Mercer Island	383,527	((~~394,956~~	~~778,483~~))
Mesa	16,835	((~~17,337~~	~~34,172~~))
Metaline	14,150	((~~14,572~~	~~28,722~~))
Metaline Falls	7,718	((~~7,948~~	~~15,666~~))
Mill Creek	174,495	((~~179,695~~	~~354,190~~))
Millwood	22,619	((~~23,293~~	~~45,912~~))
Milton	28,030	((~~28,865~~	~~56,895~~))
Monroe	56,517	((~~58,201~~	~~114,718~~))
Montesano	60,229	((~~62,024~~	~~122,253~~))
Morton	5,891	((~~6,067~~	~~11,958~~))
Moses Lake	105,670	((~~108,819~~	~~214,489~~))
Mossyrock	16,545	((~~17,038~~	~~33,583~~))
Mount Vernon	130,780	((~~134,677~~	~~265,457~~))

Mountlake Terrace	711,188	((~~732,381~~	~~1,443,569~~))
Moxee	40,448	((~~41,653~~	~~82,101~~))
Mukilteo	274,482	((~~282,662~~	~~557,144~~))
Naches	7,632	((~~7,859~~	~~15,491~~))
Napavine	96,030	((~~98,892~~	~~194,922~~))
Nespelem	17,614	((~~18,139~~	~~35,753~~))
Newcastle	290,801	((~~299,467~~	~~590,268~~))
Newport	13,223	((~~13,617~~	~~26,840~~))
Nooksack	58,178	((~~59,912~~	~~118,090~~))
Normandy Park	489,113	((~~503,689~~	~~992,802~~))
North Bend	20,754	((~~21,372~~	~~42,126~~))
North Bonneville	30,574	((~~31,485~~	~~62,059~~))
Northport	23,489	((~~24,189~~	~~47,678~~))
Oak Harbor	278,157	((~~286,446~~	~~564,603~~))
Oakesdale	31,060	((~~31,986~~	~~63,046~~))
Oakville	43,411	((~~44,705~~	~~88,116~~))
Ocean Shores	64,837	((~~66,769~~	~~131,606~~))
Odessa	4,721	((~~4,862~~	~~9,583~~))
Okanogan	12,323	((~~12,690~~	~~25,013~~))
Olympia	198,476	((~~204,391~~	~~402,867~~))
Omak	26,117	((~~26,895~~	~~53,012~~))
Oroville	12,506	((~~12,879~~	~~25,385~~))
Orting	191,211	((~~196,909~~	~~388,120~~))
Othello	26,808	((~~27,607~~	~~54,415~~))
Pacific	69,124	((~~71,184~~	~~140,308~~))
Palouse	55,067	((~~56,708~~	~~111,775~~))
Pasco	131,298	((~~135,211~~	~~266,509~~))
Pateros	28,021	((~~28,856~~	~~56,877~~))
Pe Ell	54,800	((~~56,433~~	~~111,233~~))
Pomeroy	52,485	((~~54,049~~	~~106,534~~))
Port Angeles	124,595	((~~128,308~~	~~252,903~~))
Port Orchard	41,797	((~~43,043~~	~~84,840~~))
Port Townsend	47,126	((~~48,530~~	~~95,656~~))
Poulsbo	31,812	((~~32,760~~	~~64,572~~))
Prescott	12,349	((~~12,717~~	~~25,066~~))
Prosser	24,137	((~~24,856~~	~~48,993~~))
Pullman	584,659	((~~602,082~~	~~1,186,741~~))
Puyallup	151,732	((~~156,254~~	~~307,986~~))
Quincy	20,244	((~~20,847~~	~~41,091~~))
Rainier	111,521	((~~114,844~~	~~226,365~~))
Raymond	85,311	((~~87,853~~	~~173,164~~))
Reardan	38,184	((~~39,322~~	~~77,506~~))
Redmond	215,259	((~~221,674~~	~~436,933~~))
Renton	235,053	((~~242,058~~	~~477,111~~))
Republic	25,085	((~~25,833~~	~~50,918~~))
Richland	441,733	((~~454,897~~	~~896,630~~))
Ridgefield	55,637	((~~57,295~~	~~112,932~~))
Ritzville	8,498	((~~8,751~~	~~17,249~~))
Riverside	27,204	((~~28,015~~	~~55,219~~))
Rock Island	36,527	((~~37,616~~	~~74,143~~))
Rockford	18,965	((~~19,530~~	~~38,495~~))
Rosalia	36,719	((~~37,813~~	~~74,532~~))
Roslyn	64,571	((~~66,495~~	~~131,066~~))
Roy	1,709	((~~1,760~~	~~3,469~~))
Royal City	66,657	((~~68,643~~	~~135,300~~))
Ruston	50,309	((~~51,808~~	~~102,117~~))
Sammamish	2,361,433	((~~2,431,804~~	~~4,793,237~~))
Seatac	132,183	((~~136,122~~	~~268,305~~))
Seattle	3,189,346	((~~3,284,389~~	~~6,473,735~~))

Sedro-Woolley	54,896	((~~56,532~~	~~111,428~~))
Selah	80,704	((~~83,109~~	~~163,813~~))
Sequim	21,867	((~~22,519~~	~~44,386~~))
Shelton	58,160	((~~59,893~~	~~118,053~~))
Shoreline	1,485,138	((~~1,529,395~~	~~3,014,533~~))
Skykomish	1,417	((~~1,459~~	~~2,876~~))
Snohomish	40,722	((~~41,936~~	~~82,658~~))
Snoqualmie	9,587	((~~9,873~~	~~19,460~~))
Soap Lake	102,783	((~~105,846~~	~~208,629~~))
South Bend	75,826	((~~78,086~~	~~153,912~~))
South Cle Elum	46,847	((~~48,243~~	~~95,090~~))
South Prairie	18,788	((~~19,348~~	~~38,136~~))
Spangle	1,397	((~~1,439~~	~~2,836~~))
Spokane	1,116,419	((~~1,149,688~~	~~2,266,107~~))
Sprague	22,930	((~~23,613~~	~~46,543~~))
Springdale	11,080	((~~11,410~~	~~22,490~~))
St. John	4,245	((~~4,372~~	~~8,617~~))
Stanwood	21,141	((~~21,771~~	~~42,912~~))
Starbuck	8,949	((~~9,216~~	~~18,165~~))
Steilacoom	285,807	((~~294,324~~	~~580,131~~))
Stevenson	11,673	((~~12,021~~	~~23,694~~))
Sultan	63,199	((~~65,082~~	~~128,281~~))
Sumas	7,885	((~~8,120~~	~~16,005~~))
Sumner	41,931	((~~43,181~~	~~85,112~~))
Sunnyside	70,805	((~~72,915~~	~~143,720~~))
Tacoma	1,384,646	((~~1,425,908~~	~~2,810,554~~))
Tekoa	49,373	((~~50,844~~	~~100,217~~))
Tenino	68,820	((~~70,871~~	~~139,691~~))
Tieton	74,506	((~~76,726~~	~~151,232~~))
Toledo	8,084	((~~8,325~~	~~16,409~~))
Tonasket	5,500	((~~5,664~~	~~11,164~~))
Toppenish	443,488	((~~456,704~~	~~900,192~~))
Tukwila	75,320	((~~77,565~~	~~152,885~~))
Tumwater	61,848	((~~63,691~~	~~125,539~~))
Twisp	4,793	((~~4,936~~	~~9,729~~))
Union Gap	27,129	((~~27,937~~	~~55,066~~))
Uniontown	19,805	((~~20,395~~	~~40,200~~))
University Place	1,889,912	((~~1,946,231~~	~~3,836,143~~))
Vader	40,643	((~~41,854~~	~~82,497~~))
Vancouver	1,177,584	((~~1,212,676~~	~~2,390,260~~))
Waitsburg	81,097	((~~83,514~~	~~164,611~~))
Walla Walla	318,679	((~~328,176~~	~~646,855~~))
Wapato	230,783	((~~237,660~~	~~468,443~~))
Warden	105,612	((~~108,759~~	~~214,371~~))
Washougal	177,022	((~~182,297~~	~~359,319~~))
Washtucna	20,654	((~~21,269~~	~~41,923~~))
Waterville	72,880	((~~75,052~~	~~147,932~~))
Waverly	10,256	((~~10,562~~	~~20,818~~))
Wenatchee	147,602	((~~152,001~~	~~299,603~~))
West Richland	489,752	((~~504,347~~	~~994,099~~))
Westport	13,715	((~~14,124~~	~~27,839~~))
White Salmon	53,746	((~~55,348~~	~~109,094~~))
Wilbur	23,614	((~~24,318~~	~~47,932~~))
Wilkeson	18,762	((~~19,321~~	~~38,083~~))
Wilson Creek	18,403	((~~18,951~~	~~37,354~~))
Winlock	35,212	((~~36,261~~	~~71,473~~))
Winthrop	1,756	((~~1,808~~	~~3,564~~))
Woodinville	56,052	((~~57,722~~	~~113,774~~))
Woodland	17,960	((~~18,495~~	~~36,455~~))

Woodway	12,513	((~~12,886~~ ~~25,399~~))
Yacolt	36,636	((~~37,728~~ ~~74,364~~))
Yakima	487,766	((~~502,301~~ ~~990,067~~))
Yarrow Point	32,121	((~~33,078~~ ~~65,199~~))
Yelm	15,677	((~~16,144~~ ~~31,821~~))
Zillah	100,818	((~~103,822~~ ~~204,640~~))
TOTAL APPROPRIATIONS	**45,545,942**	**((~~46,903,217~~ ~~92,449,159~~))**

(2) $338,668 for fiscal year 2002 ((~~and $348,622 for fiscal year 2003~~)) from this appropriation ((~~are~~)) is provided solely to address the contingencies listed in this subsection. The department shall distribute the moneys no later than March 31, 2002, ((~~and March 31, 2003,~~)) for the respective appropriations. Moneys shall be distributed for the following purposes, ranked in order of priority:

(a) To correct for data errors in the determination of distributions in subsection (1) of this section;

(b) To distribute to newly qualifying jurisdictions as if the jurisdiction had been in existence prior to November 1999;

(c) To allocate under emergency situations as determined by the director of the department of community, trade, and economic development in consultation with the association of Washington cities; and

(d) After April 1((~~st of each year in the fiscal biennium ending June 30, 2003~~)), 2001, any moneys remaining from the amounts provided in this subsection shall be prorated and distributed to cities and towns on the basis of the amounts distributed for emergency considerations in November 2000 as provided in section 729, chapter 1, Laws of 2000, 2nd sp. sess.

NEW SECTION. **Sec. 724.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--MUNICIPAL ASSISTANCE

General Fund--State Appropriation (FY 2003) . . . . . $ 8,000,000

The appropriation in this section is subject to the following conditions and limitations: The director of community, trade, and economic development shall distribute the appropriation in this section to the following cities in the amounts designated:

Airway Heights	$ 10,000
Albion	$ 55,000
Almira	$ 2,000

1	Asotin	$	22,000
2	Benton City	$	35,000
3	Black Diamond	$	42,000
4	Bridgeport	$	155,000
5	Brier	$	294,000
6	Bucoda	$	34,000
7	Carbonado	$	34,000
8	Cashmere	$	30,000
9	Cheney	$	44,000
10	Chewelah	$	3,000
11	Colfax	$	2,000
12	College Place	$	314,000
13	Colton	$	12,000
14	Conconully	$	9,000
15	Concrete	$	3,000
16	Connell	$	62,000
17	Coulee Dam	$	13,000
18	Covington	$	268,000
19	Creston	$	4,000
20	Cusick	$	1,000
21	Darrington	$	13,000
22	Davenport	$	10,000
23	Dayton	$	3,000
24	Des Moines	$	367,000
25	Edgewood	$	622,000
26	Electric City	$	61,000
27	Elma	$	4,000
28	Elmer City	$	25,000
29	Endicott	$	24,000
30	Entiat	$	23,000
31	Everson	$	11,000
32	Fairfield	$	3,000
33	Farmington	$	6,000
34	Fircrest	$	114,000
35	Forks	$	11,000
36	Garfield	$	28,000
37	George	$	5,000
38	Gold Bar	$	66,000
39	Grandview	$	35,000

1	Granger	$	64,000
2	Hamilton	$	9,000
3	Harrah	$	36,000
4	Harrington	$	2,000
5	Hartline	$	7,000
6	Hatton	$	10,000
7	Hoquiam	$	44,000
8	Index	$	1,000
9	Ione	$	4,000
10	Kahlotus	$	13,000
11	Kenmore	$	301,000
12	Kettle Falls	$	9,000
13	Kittitas	$	38,000
14	Krupp	$	2,000
15	Lacrosse	$	6,000
16	Lake Forest Park	$	311,000
17	Lake Stevens	$	10,000
18	Lakewood	$	808,000
19	Lamont	$	6,000
20	Latah	$	6,000
21	Lyman	$	8,000
22	Mabton	$	117,000
23	Malden	$	18,000
24	Mansfield	$	18,000
25	Maple Valley	$	38,000
26	Marcus	$	8,000
27	Mattawa	$	39,000
28	McCleary	$	33,000
29	Medical Lake	$	22,000
30	Mesa	$	4,000
31	Metaline	$	5,000
32	Metaline Falls	$	2,000
33	Mossyrock	$	1,000
34	Mountlake Terrace	$	72,000
35	Moxee	$	5,000
36	Napavine	$	44,000
37	Nespelem	$	15,000
38	Newcastle	$	4,000
39	Nooksack	$	29,000

1	Normandy Park	$ 187,000
2	North Bonneville	$ 4,000
3	Northport	$ 16,000
4	Oakesdale	$ 7,000
5	Oakville	$ 16,000
6	Orting	$ 27,000
7	Palouse	$ 17,000
8	Pateros	$ 1,000
9	Pe Ell	$ 45,000
10	Pomeroy	$ 6,000
11	Prescott	$ 3,000
12	Pullman	$ 49,000
13	Rainier	$ 61,000
14	Raymond	$ 1,000
15	Reardan	$ 19,000
16	Republic	$ 3,000
17	Riverside	$ 16,000
18	Rock Island	$ 13,000
19	Rockford	$ 4,000
20	Rosalia	$ 15,000
21	Roslyn	$ 26,000
22	Royal City	$ 27,000
23	Ruston	$ 18,000
24	Sammamish	$ 737,000
25	Shoreline	$ 148,000
26	Soap Lake	$ 43,000
27	South Bend	$ 12,000
28	South Cle Elum	$ 25,000
29	South Prairie	$ 4,000
30	Sprague	$ 3,000
31	Springdale	$ 2,000
32	Starbuck	$ 6,000
33	Steilacoom	$ 44,000
34	Tekoa	$ 11,000
35	Tenino	$ 15,000
36	Tieton	$ 28,000
37	Toppenish	$ 143,000
38	Uniontown	$ 7,000
39	University Place	$ 700,000

Vader	$ 28,000
Waitsburg	$ 35,000
Wapato	$ 80,000
Warden	$ 22,000
Washtucna	$ 17,000
Waterville	$ 29,000
Waverly	$ 8,000
West Richland	$ 191,000
White Salmon	$ 2,000
Wilbur	$ 1,000
Wilkeson	$ 2,000
Wilson Creek	$ 8,000
Yacolt	$ 8,000
Zillah	$ 12,000
TOTAL	$8,000,000

Sec. 725. 2001 2nd sp.s. c 7 s 730 (uncodified) is amended to read as follows:

FOR THE LIABILITY ACCOUNT

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

General Fund--State Appropriation (FY 2003) . . . . . $((~~6,392,000~~)) 19,392,000

((~~State Surplus Assets Reserve Fund--State Appropriation~~ . . . . . ~~$ 25,000,000~~))

TOTAL APPROPRIATION . . . . . $ 31,392,000

The appropriations in this section are provided solely for deposit in the liability account.

NEW SECTION. **Sec. 726.** A new section is added to 2001 2nd sp.s. c 7 (uncodified) to read as follows:

FOR SUNDRY CLAIMS. The following sums, or so much thereof as may be necessary, are appropriated from the general fund, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of general administration, except as otherwise provided, as follows:

(1) Reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110:

(a) Eythor Westman, claim number SCJ 02-01 . . . . . $ 7,000
(b) Stacey Julian, claim number SCJ 02-02 . . . . . $ 59,136
(c) Christopher Denney, claim number SCJ 02-03 . . . $ 11,598
(d) Onofre Vazquez, claim number SCJ 02-04 . . . . . $ 200
(e) William Voorhies, claim number SCJ 02-05 . . . . $ 3,694
(f) Glenn Rowlison, claim number SCJ 02-06 . . . . . $ 14,395
(g) Frankie Doerr, claim number SCJ 02-07 . . . . . $ 9,100
(h) Ralph Howard, claim number SCJ 00-09 . . . . . $ 99,497
(i) Johnny Adams, claim number SCJ 01-17 . . . . . $ 11,916
(j) Shane Mathus, claim number SCJ 02-08 . . . . . $ 13,043
(k) Timothy Farnam, claim number SCJ 02-09 . . . . . $ 21,822
(l) Rebecca Williams, claim number SCJ 02-10 . . . . $ 2,241
(m) Stewart Bailey, claim number SCJ 02-11 . . . . . $ 4,186
(n) Aaron Knaack, claim number SCJ 02-13 . . . . . $ 4,330
(o) Jacob Clark, claim number SCJ 02-14 . . . . . $ 11,613

(2) Payment from the state wildlife account for damage to crops by wildlife, pursuant to RCW 77.36.050:

(a) Ronald Palmer, claim number SCG 02-01 . . . . . $ 1,522
(b) Keith Morris, claim number SCG 02-02 . . . . . $ 1,315
(c) Edgar Roush, claim number SCG 02-03 . . . . . $ 1,459

Sec. 727. 2001 2nd sp.s. c 7 s 705 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--EMERGENCY FUND

General Fund--State Appropriation (FY 2002) . . $ 850,000
General Fund--State Appropriation (FY 2003) . . $ ((~~850,000~~))
<u>8,010,000</u>
TOTAL APPROPRIATION . . . . . $ ((~~1,700,000~~))
<u>8,860,000</u>

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are for the governor's emergency fund for the critically necessary work of any agency. <u>Up to $5,298,000 of the fiscal year 2003 appropriation is provided for costs associated with implementing House Bill No. 2926 (transferring the state library to the office of secretary of state.)</u>

(End of part)

PART VIII
OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2001 2nd sp.s. c 7 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions . . . . . $ ((~~6,528,600~~)) <u>7,526,700</u>

General Fund Appropriation for public utility district excise tax distributions . . . . . $ ((~~36,427,306~~)) <u>34,754,723</u>

General Fund Appropriation for prosecuting attorney distributions . . . . . $ ((~~3,090,000~~)) <u>3,110,000</u>

General Fund Appropriation for boating safety/ education and law enforcement distributions . . . . . $ 3,780,000

General Fund Appropriation for other tax distributions . . . . . $ ((~~39,566~~)) <u>1,951,556</u>

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies . . . . . $ 1,621,537

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution . . . . . $ 147,500

Timber Tax Distribution Account Appropriation for distribution to "timber" counties . . . . . $ ((~~68,562,000~~)) <u>57,405,032</u>

County Criminal Justice Assistance Appropriation . . . . . $ 49,835,213

Municipal Criminal Justice Assistance Appropriation . . . . . $ 19,988,097

Liquor Excise Tax Account Appropriation for liquor excise tax distribution . . . . . $ 28,659,331

Liquor Revolving Account Appropriation for

liquor profits distribution . . . . . $ 55,344,817

TOTAL APPROPRIATION . . . . . $ ((~~274,023,967~~)) 264,124,506

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

Sec. 802. 2001 2nd sp.s. c 7 s 805 (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 deposits of federal capitalization grant money into the account. The amounts transferred shall not exceed the match required for each federal deposit . . . . . $ 12,564,487

Health Services Account: For transfer to the water quality account . . . . . $ 6,447,500

State Treasurer's Service Account: For transfer to the general fund on or before June 30, 2003, an amount in excess of the cash requirements of the state treasurer's service account. Pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased by $4,000,000 in fiscal year 2002 and by $8,393,000 in fiscal year 2003 to reflect this transfer . . . . $ ((~~8,000,000~~)) 12,393,000

Public Works Assistance Account: For transfer to the drinking water assistance account . . . . . $ 7,700,000

Tobacco Settlement Account: For transfer to the health services account, in an amount not to exceed the actual balance of the tobacco settlement account . . . . . $ ((~~310,000,000~~)) 256,700,000

General Fund: For transfer to the water quality account . . . . . $ ((~~60,325,000~~)) 60,821,172

Health Services Account: For transfer to the state general fund by June 30, 2002. Pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased in fiscal year 2002 to reflect this transfer . . . . $ ((~~130,000,000~~)) 150,000,000

((~~Health Services Account: For~~

~~transfer to the state general fund by June 30, 2003. Pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased in fiscal year 2003 to reflect this transfer . . . . $ 20,000,000~~

~~State Surplus Assets Reserve Fund: For transfer to the multimodal transportation account by June 30, 2002 . . . . . $ 70,000,000~~))

Multimodal Transportation Account: For transfer to the state general fund by June 30, 2002. Pursuant to RCW 43.135.035(5), the state expenditure limit shall be increased in fiscal year 2002 to reflect this transfer . . . . $ 70,000,000

Health Service Account: For transfer to the violence reduction and drug enforcement account . . . . . $ 6,497,500

Gambling Revolving Account: For transfer to the state general fund, $2,000,000 for fiscal year 2002 and $450,000 for fiscal year 2003 . . . . . $ 2,450,000

Horticultural Districts Account: For transfer to the fruit and vegetable inspection account . . . . . $ 11,075,000

Agricultural Local Account: For transfer to the fruit and vegetable inspection account . . . . . $ 605,000

Nisqually Earthquake Account: For transfer to the disaster response account for fire suppression and mobilization costs . . . . $ 32,802,000

Enhanced 911 Account: For transfer to the state general fund for fiscal year 2003 . . . . . $ 6,000,000

Clarke-McNary Fund: For transfer to the state general fund for fiscal year 2002 . . $ 4,000,000

State Drought Preparedness Account: For transfer to the state general fund for fiscal year 2002 . . . . . $ 3,000,000

Financial Services Regulation Fund: For

transfer to the state general fund, $2,250,000 for fiscal year 2002 and $357,000 for fiscal year 2003 . . . . . $ 2,607,000

Industrial Insurance Premium Refund Account: For transfer to the state general fund for fiscal year 2002 . . . . . $ 1,000,000

Liquor Control Board Construction and Maintenance Account: For transfer to the state general fund for fiscal year 2003 . . . . . $ 504,000

Liquor Revolving Account: For transfer to the state general fund for fiscal year 2003 . . . . . $ 2,059,000

Lottery Administrative Account: For transfer to the state general fund for fiscal year 2003 . . . . . $ 335,000

Emergency Medical Services and Trauma Care System Trust Account: For transfer to the state general fund for fiscal year 2002 . . . . . $ 6,000,000

Public Service Revolving Account: For transfer to the state general fund for fiscal year 2003 . . . . . $ 406,000

Local Leasehold Excise Tax Account: For transfer of interest to the state general fund by June 1, 2002, for fiscal year 2002 . . . . $ 1,000,000

Insurance Commissioner's Regulatory Account: For transfer to the state general fund for fiscal year 2003 . . . . . $ 366,000

Health Services Account: For transfer to the tobacco prevention and control account . . $ 21,980,000

From the Emergency Reserve Fund: For transfer to the state general fund:

On June 28, 2002 . . . . . $ 300,000,000

On June 28, 2003 . . . . . $ 25,000,000

Tobacco Securitization Trust Account: For transfer to the state general fund for

fiscal year 2003 . . . . . $ 450,000,000

(End of part)

PART IX
MISCELLANEOUS

Sec. 901. RCW 9.46.100 and 1991 sp.s. c 16 s 917 are each amended to read as follows:

There is hereby created the gambling revolving fund which shall consist of all moneys receivable for licensing, penalties, forfeitures, and all other moneys, income, or revenue received by the commission. The state treasurer shall be custodian of the fund. All moneys received by the commission or any employee thereof, except for change funds and an amount of petty cash as fixed by rule or regulation of the commission, shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the gambling revolving fund. Disbursements from the revolving fund shall be on authorization of the commission or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control the gambling revolving fund shall be subject in all respects to chapter 43.88 RCW but no appropriation shall be required to permit expenditures and payment of obligations from such fund. All expenses relative to commission business, including but not limited to salaries and expenses of the director and other commission employees shall be paid from the gambling revolving fund.

((~~The state treasurer shall transfer to the general fund one million dollars from the gambling revolving fund for the 1991-93 fiscal biennium.~~)) <u>During the 2001-2003 fiscal biennium, the legislature may transfer from the gambling revolving fund to the state general fund such amounts as reflect the excess fund balance of the fund and reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.</u>

Sec. 902. RCW 28B.50.837 and 1993 c 87 s 1 are each amended to read as follows:

(1) The Washington community and technical college exceptional faculty awards program is established. The program shall be administered by the college board. The college faculty awards trust fund hereby created shall be administered by the state treasurer.

(2) Funds appropriated by the legislature for the community and technical college exceptional faculty awards program shall be deposited in the college faculty awards trust fund. At the request of the college board, the treasurer shall release the state matching funds to the local endowment fund of the college or its foundation. No appropriation is necessary for the expenditure of moneys from the fund. During the 2001-2003 fiscal biennium, the legislature may appropriate funds from the college faculty awards trust fund for the purposes of the settlement costs of the *Mader v. State* litigation regarding retirement contributions on behalf of part-time faculty.

Sec. 903. RCW 38.52.105 and 1997 c 251 s 1 are each amended to read as follows:

The disaster response account is created in the state treasury. Moneys may be placed in the account from legislative appropriations and transfers, federal appropriations, or any other lawful source. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for support of state agency and local government disaster response and recovery efforts. During the 2001-03 biennium, funds from the account may also be used for costs associated with national security preparedness activities.

Sec. 904. RCW 38.52.106 and 2001 c 5 s 2 are each amended to read as follows:

The Nisqually earthquake account is created in the state treasury. Moneys may be placed in the account from tax revenues, budget transfers or appropriations, federal appropriations, gifts, or any other lawful source. Moneys in the account may be spent only after appropriation. Moneys in the account shall be used only to support state and local government disaster response and recovery efforts associated with the Nisqually earthquake. During the 2001-2003 fiscal biennium, the legislature may transfer moneys from the Nisqually earthquake account to the disaster response account for fire suppression and mobilization costs, and costs associated with national security preparedness activities.

Sec. 905. RCW 38.52.540 and 2001 c 128 s 2 are each amended to read as follows:

The enhanced 911 account is created in the state treasury. All receipts from the state enhanced 911 excise tax imposed by RCW 82.14B.030 shall be deposited into the account. Moneys in the account shall be used only to support the statewide coordination and management of the enhanced 911 system and to help supplement, within available funds, the operational costs of the system. Funds shall not be distributed to any county that has not imposed the maximum county enhanced 911 taxes allowed under RCW 82.14B.030 (1) and (2). The state enhanced 911 coordinator, with the advice and assistance of the enhanced 911 advisory committee, is authorized to enter into statewide agreements to improve the efficiency of enhanced 911 services for all counties and shall specify by rule the additional purposes for which moneys, if available, may be expended from this account. <u>During the 2001-2003 fiscal biennium, the legislature may transfer from the enhanced 911 account to the state general fund such amounts as reflect the excess fund balance of the account.</u>

Sec. 906. RCW 41.06.150 and 1999 c 297 s 3 are each amended to read as follows:

The board shall adopt rules, consistent with the purposes and provisions of this chapter, as now or hereafter amended, and with the best standards of personnel administration, regarding the basis and procedures to be followed for:

(1) The reduction, dismissal, suspension, or demotion of an employee;

(2) Certification of names for vacancies, including departmental promotions, with the number of names equal to six more names than there are vacancies to be filled, such names representing applicants rated highest on eligibility lists: PROVIDED, That when other applicants have scores equal to the lowest score among the names certified, their names shall also be certified;

(3) Examinations for all positions in the competitive and noncompetitive service;

(4) Appointments;

(5) Training and career development;

(6) Probationary periods of six to twelve months and rejections of probationary employees, depending on the job requirements of the class, except that entry level state park rangers shall serve a probationary period of twelve months;

(7) Transfers;

(8) Sick leaves and vacations;

(9) Hours of work;

(10) Layoffs when necessary and subsequent reemployment, both according to seniority;

(11) Determination of appropriate bargaining units within any agency: PROVIDED, That in making such determination the board shall consider the duties, skills, and working conditions of the employees, the history of collective bargaining by the employees and their bargaining representatives, the extent of organization among the employees, and the desires of the employees;

(12) Certification and decertification of exclusive bargaining representatives: PROVIDED, That after certification of an exclusive bargaining representative and upon the representative's request, the director shall hold an election among employees in a bargaining unit to determine by a majority whether to require as a condition of employment membership in the certified exclusive bargaining representative on or after the thirtieth day following the beginning of employment or the date of such election, whichever is the later, and the failure of an employee to comply with such a condition of employment constitutes cause for dismissal: PROVIDED FURTHER, That no more often than once in each twelve-month period after expiration of twelve months following the date of the original election in a bargaining unit and upon petition of thirty percent of the members of a bargaining unit the director shall hold an election to determine whether a majority wish to rescind such condition of employment: PROVIDED FURTHER, That for purposes of this clause, membership in the certified exclusive bargaining representative is satisfied by the payment of monthly or other periodic dues and does not require payment of initiation, reinstatement, or any other fees or fines and includes full and complete membership rights: AND PROVIDED FURTHER, That in order to safeguard the right of nonassociation of public employees, based on bona fide religious tenets or teachings of a church or religious body of which such public employee is a member, such public employee shall pay to the union, for purposes within the program of the union as designated by such employee that would be in harmony with his or her individual conscience, an amount of money equivalent to regular union dues minus any included monthly premiums for union-sponsored insurance

programs, and such employee shall not be a member of the union but is entitled to all the representation rights of a union member;

(13) Agreements between agencies and certified exclusive bargaining representatives providing for grievance procedures and collective negotiations on all personnel matters over which the appointing authority of the appropriate bargaining unit of such agency may lawfully exercise discretion;

(14) Written agreements may contain provisions for payroll deductions of employee organization dues upon authorization by the employee member and for the cancellation of such payroll deduction by the filing of a proper prior notice by the employee with the appointing authority and the employee organization: PROVIDED, That nothing contained herein permits or grants to any employee the right to strike or refuse to perform his or her official duties;

(15) Adoption and revision of a comprehensive classification plan for all positions in the classified service, based on investigation and analysis of the duties and responsibilities of each such position.

(a) The board shall not adopt job classification revisions or class studies unless implementation of the proposed revision or study will result in net cost savings, increased efficiencies, or improved management of personnel or services, and the proposed revision or study has been approved by the director of financial management in accordance with chapter 43.88 RCW.

(b) Beginning July 1, 1995, through June 30, 1997, in addition to the requirements of (a) of this subsection:

(i) The board may approve the implementation of salary increases resulting from adjustments to the classification plan during the 1995-97 fiscal biennium only if:

(A) The implementation will not result in additional net costs and the proposed implementation has been approved by the director of financial management in accordance with chapter 43.88 RCW;

(B) The implementation will take effect on July 1, 1996, and the total net cost of all such actions approved by the board for implementation during the 1995-97 fiscal biennium does not exceed the amounts specified by the legislature specifically for this purpose; or

(C) The implementation is a result of emergent conditions. Emergent conditions are defined as emergency situations requiring the establishment of positions necessary for the preservation of the public health, safety, or general welfare, which do not exceed $250,000 of the

moneys identified in section 718(2), chapter 18, Laws of 1995 2nd sp. sess.

(ii) The board shall approve only those salary increases resulting from adjustments to the classification plan if they are due to documented recruitment and retention difficulties, salary compression or inversion, increased duties and responsibilities, or inequities. For these purposes, inequities are defined as similar work assigned to different job classes with a salary disparity greater than 7.5 percent.

(iii) Adjustments made to the higher education hospital special pay plan are exempt from (b)(i) through (ii) of this subsection.

(c) Reclassifications, class studies, and salary adjustments to be implemented during the 1997-99 and subsequent fiscal biennia are governed by (a) of this subsection and RCW 41.06.152;

(16) Allocation and reallocation of positions within the classification plan;

(17) Adoption and revision of a state salary schedule to reflect the prevailing rates in Washington state private industries and other governmental units but the rates in the salary schedules or plans shall be increased if necessary to attain comparable worth under an implementation plan under RCW 41.06.155 and that, for institutions of higher education and related boards, shall be competitive for positions of a similar nature in the state or the locality in which an institution of higher education or related board is located, such adoption and revision subject to approval by the director of financial management in accordance with the provisions of chapter 43.88 RCW;

(18) Increment increases within the series of steps for each pay grade based on length of service for all employees whose standards of performance are such as to permit them to retain job status in the classified service;

(19) Optional lump sum relocation compensation approved by the agency director, whenever it is reasonably necessary that a person make a domiciliary move in accepting a transfer or other employment with the state. An agency must provide lump sum compensation within existing resources. If the person receiving the relocation payment terminates or causes termination with the state, for reasons other than layoff, disability separation, or other good cause as determined by an agency director, within one year of the date of the employment, the state is entitled to reimbursement of the lump sum compensation from the person;

(20) Providing for veteran's preference as required by existing statutes, with recognition of preference in regard to layoffs and subsequent reemployment for veterans and their surviving spouses by giving such eligible veterans and their surviving spouses additional credit in computing their seniority by adding to their unbroken state service, as defined by the board, the veteran's service in the military not to exceed five years. For the purposes of this section, "veteran" means any person who has one or more years of active military service in any branch of the armed forces of the United States or who has less than one year's service and is discharged with a disability incurred in the line of duty or is discharged at the convenience of the government and who, upon termination of such service has received an honorable discharge, a discharge for physical reasons with an honorable record, or a release from active military service with evidence of service other than that for which an undesirable, bad conduct, or dishonorable discharge shall be given: PROVIDED, HOWEVER, That the surviving spouse of a veteran is entitled to the benefits of this section regardless of the veteran's length of active military service: PROVIDED FURTHER, That for the purposes of this section "veteran" does not include any person who has voluntarily retired with twenty or more years of active military service and whose military retirement pay is in excess of five hundred dollars per month;

(21) Permitting agency heads to delegate the authority to appoint, reduce, dismiss, suspend, or demote employees within their agencies if such agency heads do not have specific statutory authority to so delegate: PROVIDED, That the board may not authorize such delegation to any position lower than the head of a major subdivision of the agency;

(22) Assuring persons who are or have been employed in classified positions before July 1, 1993, will be eligible for employment, reemployment, transfer, and promotion in respect to classified positions covered by this chapter;

(23) Affirmative action in appointment, promotion, transfer, recruitment, training, and career development; development and implementation of affirmative action goals and timetables; and monitoring of progress against those goals and timetables.

The board shall consult with the human rights commission in the development of rules pertaining to affirmative action. The department of personnel shall transmit a report annually to the human rights

commission which states the progress each state agency has made in meeting affirmative action goals and timetables.

Notwithstanding this section and rules of the board adopted under this section, agencies may place employees on temporary unpaid leave during the 2001-2003 fiscal biennium for the purpose of implementing appropriations reductions enacted in the 2002 supplemental appropriations act. Mandatory unpaid leave must be approved by the agency director, and must be, to the greatest extent possible, mutually agreeable to the employee and employer. Employees taking mandatory temporary unpaid leave will not lose seniority, leave accrual, or health insurance benefits.

Sec. 907. RCW 43.10.220 and 1999 c 309 s 916 are each amended to read as follows:

The attorney general is authorized to expend from the antitrust revolving fund, created by RCW 43.10.210 through 43.10.220, such funds as are necessary for the payment of costs, expenses and charges incurred in the preparation, institution and maintenance of antitrust actions under the state and federal antitrust acts. During the ((~~1999-01~~)) 2001-03 fiscal biennium, the attorney general may expend ((~~up to one million three hundred thousand dollars~~)) from the antitrust revolving fund for the purposes of ((~~implementing a case management data processing system for the centralized management of cases and workload, including antitrust and other complex litigation~~)) the consumer protection activities of the office.

Sec. 908. RCW 43.30.360 and 1986 c 100 s 46 are each amended to read as follows:

The department and Washington State University may each receive funds from the federal government in connection with cooperative work with the United States department of agriculture, authorized by sections 4 and 5 of the Clarke-McNary act of congress, approved June 7, 1924, providing for the procurement, protection, and distribution of forestry seed and plants for the purpose of establishing windbreaks, shelter belts, and farm wood lots and to assist the owners of farms in establishing, improving, and renewing wood lots, shelter belts, and windbreaks; and are authorized to disburse such funds as needed. During the 2001-2003 fiscal biennium, the legislature may transfer from

the Clarke-McNary fund to the state general fund such amounts as reflect the excess fund balance of the Clarke-McNary fund.

Sec. 909. RCW 43.72.900 and 2002 c 2 s 2 (Initiative Measure No. 773) are each amended to read as follows:

(1) The health services account is created in the state treasury. Moneys in the account may be spent only after appropriation. Subject to the transfers described in subsection (3) of this section, moneys in the account may be expended only for maintaining and expanding health services access for low-income residents, maintaining and expanding the public health system, maintaining and improving the capacity of the health care system, containing health care costs, and the regulation, planning, and administering of the health care system.

(2) Funds deposited into the health services account under RCW 82.24.028 and 82.26.028 shall be used solely as follows:

(a) Five million dollars for the state fiscal year beginning July 1, 2002, and five million dollars for the state fiscal year beginning July 1, 2003, shall be appropriated by the legislature for programs that effectively improve the health of low-income persons, including efforts to reduce diseases and illnesses that harm low-income persons. The department of health shall submit a report to the legislature on March 1, 2002, evaluating the cost-effectiveness of programs that improve the health of low-income persons and address diseases and illnesses that disproportionately affect low-income persons, and making recommendations to the legislature on which of these programs could most effectively utilize the funds appropriated under this subsection.

(b) Ten percent of the funds deposited into the health services account under RCW 82.24.028 and 82.26.028 remaining after the appropriation under (a) of this subsection shall be transferred no less frequently than annually by the treasurer to the tobacco prevention and control account established by RCW 43.79.480. The funds transferred shall be used exclusively for implementation of the Washington state tobacco prevention and control plan and shall be used only to supplement, and not supplant, funds in the tobacco prevention and control account as of January 1, 2001, however, these funds may be used to replace funds appropriated by the legislature for further implementation of the Washington state tobacco prevention and control plan for the biennium beginning July 1, 2001. For each state fiscal year beginning on and after July 1, 2002, the legislature shall

appropriate no less than twenty-six million two hundred forty thousand dollars from the tobacco prevention and control account for implementation of the Washington state tobacco prevention and control plan.

(c) Because of its demonstrated effectiveness in improving the health of low-income persons and addressing illnesses and diseases that harm low-income persons, the remainder of the funds deposited into the health services account under RCW 82.24.028 and 82.26.028 shall be appropriated solely for Washington basic health plan enrollment as provided in chapter 70.47 RCW. Funds appropriated pursuant to this subsection (2)(c) must supplement, and not supplant, the level of state funding needed to support enrollment of a minimum of one hundred twenty-five thousand persons for the fiscal year beginning July 1, 2002, and every fiscal year thereafter. The health care authority may enroll up to twenty thousand additional persons in the basic health plan during the biennium beginning July 1, 2001, above the base level of one hundred twenty-five thousand enrollees. The health care authority may enroll up to fifty thousand additional persons in the basic health plan during the biennium beginning July 1, 2003, above the base level of one hundred twenty-five thousand enrollees. For each biennium beginning on and after July 1, 2005, the health care authority may enroll up to at least one hundred seventy-five thousand enrollees. Funds appropriated under this subsection may be used to support outreach and enrollment activities only to the extent necessary to achieve the enrollment goals described in this section.

(3) Prior to expenditure for the purposes described in subsection (2) of this section, funds deposited into the health services account under RCW 82.24.028 and 82.26.028 shall first be transferred to the following accounts to ensure the continued availability of previously dedicated revenues for certain existing programs:

(a) To the violence reduction and drug enforcement account under RCW 69.50.520, two million two hundred forty-nine thousand five hundred dollars for the state fiscal year beginning July 1, 2001, four million two hundred forty-eight thousand dollars for the state fiscal year beginning July 1, 2002, seven million seven hundred eighty-nine thousand dollars for the biennium beginning July 1, 2003, six million nine hundred thirty-two thousand dollars for the biennium beginning July 1, 2005, and six million nine hundred thirty-two thousand dollars for each biennium thereafter, as required by RCW 82.24.020(2);

(b) To the health services account under this section, nine million seventy-seven thousand dollars for the state fiscal year beginning July 1, 2001, seventeen million one hundred eighty-eight thousand dollars for the state fiscal year beginning July 1, 2002, thirty-one million seven hundred fifty-five thousand dollars for the biennium beginning July 1, 2003, twenty-eight million six hundred twenty-two thousand dollars for the biennium beginning July 1, 2005, and twenty-eight million six hundred twenty-two thousand dollars for each biennium thereafter, as required by RCW 82.24.020(3); and

(c) To the water quality account under RCW 70.146.030, two million two hundred three thousand five hundred dollars for the state fiscal year beginning July 1, 2001, four million two hundred forty-four thousand dollars for the state fiscal year beginning July 1, 2002, eight million one hundred eighty-two thousand dollars for the biennium beginning July 1, 2003, seven million eight hundred eighty-five thousand dollars for the biennium beginning July 1, 2005, and seven million eight hundred eighty-five thousand dollars for each biennium thereafter, as required by RCW 82.24.027(2)(a).

During the 2001-2003 fiscal biennium, the legislature may transfer from the health services account such amounts as reflect the excess fund balance of the account.

Sec. 910. RCW 43.83B.430 and 1999 c 379 s 921 are each amended to read as follows:

The state drought preparedness account is created in the state treasury. All receipts from appropriated funds designated for the account and funds transferred from the state emergency water projects revolving account must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for drought preparedness. During the 2001-2003 fiscal biennium, the legislature may transfer from the state drought preparedness account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 911. RCW 43.88.030 and 2000 2nd sp.s. c 4 s 12 are each amended to read as follows:

(1) The director of financial management shall provide all agencies with a complete set of instructions for submitting biennial budget requests to the director at least three months before agency budget

documents are due into the office of financial management. The director shall provide agencies and committees that are required under RCW 44.40.070 to develop comprehensive six-year program and financial plans with a complete set of instructions for submitting these program and financial plans at the same time that instructions for submitting other budget requests are provided. The budget document or documents shall consist of the governor's budget message which shall be explanatory of the budget and shall contain an outline of the proposed financial policies of the state for the ensuing fiscal period, as well as an outline of the proposed six-year financial policies where applicable, and shall describe in connection therewith the important features of the budget. The message shall set forth the reasons for salient changes from the previous fiscal period in expenditure and revenue items and shall explain any major changes in financial policy. Attached to the budget message shall be such supporting schedules, exhibits and other explanatory material in respect to both current operations and capital improvements as the governor shall deem to be useful to the legislature. The budget document or documents shall set forth a proposal for expenditures in the ensuing fiscal period, or six-year period where applicable, based upon the estimated revenues and caseloads as approved by the economic and revenue forecast council and caseload forecast council or upon the estimated revenues and caseloads of the office of financial management for those funds, accounts, sources, and programs for which the forecast councils do not prepare an official forecast, including those revenues anticipated to support the six-year programs and financial plans under RCW 44.40.070. In estimating revenues to support financial plans under RCW 44.40.070, the office of financial management shall rely on information and advice from the transportation revenue forecast council. Revenues shall be estimated for such fiscal period from the source and at the rates existing by law at the time of submission of the budget document, including the supplemental budgets submitted in the even-numbered years of a biennium. However, the estimated revenues and caseloads for use in the governor's budget document may be adjusted to reflect budgetary revenue transfers and revenue and caseload estimates dependent upon budgetary assumptions of enrollments, workloads, and caseloads. All adjustments to the approved estimated revenues and caseloads must be set forth in the budget document. The governor may additionally submit, as an appendix to each supplemental, biennial, or six-year

agency budget or to the budget document or documents, a proposal for expenditures in the ensuing fiscal period from revenue sources derived from proposed changes in existing statutes.

Supplemental and biennial documents shall reflect a six-year expenditure plan consistent with estimated revenues from existing sources and at existing rates for those agencies required to submit six-year program and financial plans under RCW 44.40.070. Any additional revenue resulting from proposed changes to existing statutes shall be separately identified within the document as well as related expenditures for the six-year period.

The budget document or documents shall also contain:

(a) Revenues classified by fund and source for the immediately past fiscal period, those received or anticipated for the current fiscal period, those anticipated for the ensuing biennium, and those anticipated for the ensuing six-year period to support the six-year programs and financial plans required under RCW 44.40.070;

(b) The undesignated fund balance or deficit, by fund;

(c) Such additional information dealing with expenditures, revenues, workload, performance, and personnel as the legislature may direct by law or concurrent resolution;

(d) Such additional information dealing with revenues and expenditures as the governor shall deem pertinent and useful to the legislature;

(e) Tabulations showing expenditures classified by fund, function, activity, and agency. <u>However, documents submitted for the 2003-05 biennial budget request need not show expenditures by activity</u>;

(f) A delineation of each agency's activities, including those activities funded from nonbudgeted, nonappropriated sources, including funds maintained outside the state treasury;

(g) Identification of all proposed direct expenditures to implement the Puget Sound water quality plan under chapter 90.71 RCW, shown by agency and in total; and

(h) Tabulations showing each postretirement adjustment by retirement system established after fiscal year 1991, to include, but not be limited to, estimated total payments made to the end of the previous biennial period, estimated payments for the present biennium, and estimated payments for the ensuing biennium.

(2) The budget document or documents shall include detailed estimates of all anticipated revenues applicable to proposed operating

or capital expenditures and shall also include all proposed operating or capital expenditures. The total of beginning undesignated fund balance and estimated revenues less working capital and other reserves shall equal or exceed the total of proposed applicable expenditures. The budget document or documents shall further include:

(a) Interest, amortization and redemption charges on the state debt;

(b) Payments of all reliefs, judgments, and claims;

(c) Other statutory expenditures;

(d) Expenditures incident to the operation for each agency;

(e) Revenues derived from agency operations;

(f) Expenditures and revenues shall be given in comparative form showing those incurred or received for the immediately past fiscal period and those anticipated for the current biennium and next ensuing biennium, as well as those required to support the six-year programs and financial plans required under RCW 44.40.070;

(g) A showing and explanation of amounts of general fund and other funds obligations for debt service and any transfers of moneys that otherwise would have been available for appropriation;

(h) Common school expenditures on a fiscal-year basis;

(i) A showing, by agency, of the value and purpose of financing contracts for the lease/purchase or acquisition of personal or real property for the current and ensuing fiscal periods; and

(j) A showing and explanation of anticipated amounts of general fund and other funds required to amortize the unfunded actuarial accrued liability of the retirement system specified under chapter 41.45 RCW, and the contributions to meet such amortization, stated in total dollars and as a level percentage of total compensation.

(3) A separate capital budget document or schedule shall be submitted that will contain the following:

(a) A statement setting forth a long-range facilities plan for the state that identifies and includes the highest priority needs within affordable spending levels;

(b) A capital program consisting of proposed capital projects for the next biennium and the two biennia succeeding the next biennium consistent with the long-range facilities plan. Insomuch as is practical, and recognizing emergent needs, the capital program shall reflect the priorities, projects, and spending levels proposed in previously submitted capital budget documents in order to provide a

reliable long-range planning tool for the legislature and state agencies;

(c) A capital plan consisting of proposed capital spending for at least four biennia succeeding the next biennium;

(d) A strategic plan for reducing backlogs of maintenance and repair projects. The plan shall include a prioritized list of specific facility deficiencies and capital projects to address the deficiencies for each agency, cost estimates for each project, a schedule for completing projects over a reasonable period of time, and identification of normal maintenance activities to reduce future backlogs;

(e) A statement of the reason or purpose for a project;

(f) Verification that a project is consistent with the provisions set forth in chapter 36.70A RCW;

(g) A statement about the proposed site, size, and estimated life of the project, if applicable;

(h) Estimated total project cost;

(i) For major projects valued over five million dollars, estimated costs for the following project components: Acquisition, consultant services, construction, equipment, project management, and other costs included as part of the project. Project component costs shall be displayed in a standard format defined by the office of financial management to allow comparisons between projects;

(j) Estimated total project cost for each phase of the project as defined by the office of financial management;

(k) Estimated ensuing biennium costs;

(l) Estimated costs beyond the ensuing biennium;

(m) Estimated construction start and completion dates;

(n) Source and type of funds proposed;

(o) Estimated ongoing operating budget costs or savings resulting from the project, including staffing and maintenance costs;

(p) For any capital appropriation requested for a state agency for the acquisition of land or the capital improvement of land in which the primary purpose of the acquisition or improvement is recreation or wildlife habitat conservation, the capital budget document, or an omnibus list of recreation and habitat acquisitions provided with the governor's budget document, shall identify the projected costs of operation and maintenance for at least the two biennia succeeding the next biennium. Omnibus lists of habitat and recreation land

acquisitions shall include individual project cost estimates for operation and maintenance as well as a total for all state projects included in the list. The document shall identify the source of funds from which the operation and maintenance costs are proposed to be funded;

(q) Such other information bearing upon capital projects as the governor deems to be useful;

(r) Standard terms, including a standard and uniform definition of normal maintenance, for all capital projects;

(s) Such other information as the legislature may direct by law or concurrent resolution.

For purposes of this subsection (3), the term "capital project" shall be defined subsequent to the analysis, findings, and recommendations of a joint committee comprised of representatives from the house capital appropriations committee, senate ways and means committee, legislative transportation committee, legislative evaluation and accountability program committee, and office of financial management.

(4) No change affecting the comparability of agency or program information relating to expenditures, revenues, workload, performance and personnel shall be made in the format of any budget document or report presented to the legislature under this section or RCW 43.88.160(1) relative to the format of the budget document or report which was presented to the previous regular session of the legislature during an odd-numbered year without prior legislative concurrence. Prior legislative concurrence shall consist of (a) a favorable majority vote on the proposal by the standing committees on ways and means of both houses if the legislature is in session or (b) a favorable majority vote on the proposal by members of the legislative evaluation and accountability program committee if the legislature is not in session.

Sec. 912. RCW 43.320.110 and 2001 2nd sp.s. c 7 s 911 are each amended to read as follows:

There is created a local fund known as the "financial services regulation fund" which shall consist of all moneys received by the divisions of the department of financial institutions, except for the division of securities which shall deposit thirteen percent of all moneys received, and which shall be used for the purchase of supplies

and necessary equipment; the payment of salaries, wages, and utilities; the establishment of reserves; and other incidental costs required for the proper regulation of individuals and entities subject to regulation by the department. The state treasurer shall be the custodian of the fund. Disbursements from the fund shall be on authorization of the director of financial institutions or the director's designee. In order to maintain an effective expenditure and revenue control, the fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

Between July 1, 2001, and December 31, 2001, the legislature may transfer up to two million dollars from the financial services regulation fund to the ((~~state general fund~~)) digital government revolving account. During the 2001-2003 fiscal biennium, the legislature may transfer from the financial services regulation fund to the state general fund such amounts as reflect the excess fund balance of the fund and appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.

Sec. 913. RCW 48.02.190 and 1987 c 505 s 54 are each amended to read as follows:

(1) As used in this section:

(a) "Organization" means every insurer, as defined in RCW 48.01.050, having a certificate of authority to do business in this state and every health care service contractor registered to do business in this state. "Class one" organizations shall consist of all insurers as defined in RCW 48.01.050. "Class two" organizations shall consist of all organizations registered under provisions of chapter 48.44 RCW.

(b) "Receipts" means (i) net direct premiums consisting of direct gross premiums, as defined in RCW 48.18.170, paid for insurance written or renewed upon risks or property resident, situated, or to be performed in this state, less return premiums and premiums on policies not taken, dividends paid or credited to policyholders on direct business, and premiums received from policies or contracts issued in connection with qualified plans as defined in RCW 48.14.021, and (ii) prepayments to health care service contractors as set forth in RCW 48.44.010(3) less experience rating credits, dividends, prepayments returned to subscribers, and payments for contracts not taken.

(2) The annual cost of operating the office of insurance commissioner shall be determined by legislative appropriation. A pro rata share of the cost shall be charged to all organizations. Each class of organization shall contribute sufficient in fees to the insurance commissioner's regulatory account to pay the reasonable costs, including overhead, of regulating that class of organization.

(3) Fees charged shall be calculated separately for each class of organization. The fee charged each organization shall be that portion of the cost of operating the insurance commissioner's office, for that class of organization, for the ensuing fiscal year that is represented by the organization's portion of the receipts collected or received by all organizations within that class on business in this state during the previous calendar year: PROVIDED, That the fee shall not exceed one-eighth of one percent of receipts: PROVIDED FURTHER, That the minimum fee shall be one thousand dollars.

(4) The commissioner shall annually, on or before June 1, calculate and bill each organization for the amount of its fee. Fees shall be due and payable no later than June 15 of each year: PROVIDED, That if the necessary financial records are not available or if the amount of the legislative appropriation is not determined in time to carry out such calculations and bill such fees within the time specified, the commissioner may use the fee factors for the prior year as the basis for the fees and, if necessary, the commissioner may impose supplemental fees to fully and properly charge the organizations. The penalties for failure to pay fees when due shall be the same as the penalties for failure to pay taxes pursuant to RCW 48.14.060. The fees required by this section are in addition to all other taxes and fees now imposed or that may be subsequently imposed.

(5) All moneys collected shall be deposited in the insurance commissioner's regulatory account in the state treasury which is hereby created.

(6) Unexpended funds in the insurance commissioner's regulatory account at the close of a fiscal year shall be carried forward in the insurance commissioner's regulatory account to the succeeding fiscal year and shall be used to reduce future fees. <u>During the 2001-2003 fiscal biennium, the legislature may transfer from the insurance commissioner's regulatory account to the state general fund such amounts as reflect excess fund balance in the account.</u>

Sec. 914. RCW 50.16.010 and 1993 c 483 s 7 and 1993 c 226 s 10 are each reenacted and amended to read as follows:

There shall be maintained as special funds, separate and apart from all public moneys or funds of this state an unemployment compensation fund, an administrative contingency fund, and a federal interest payment fund, which shall be administered by the commissioner exclusively for the purposes of this title, and to which RCW 43.01.050 shall not be applicable.

The unemployment compensation fund shall consist of

(1) all contributions and payments in lieu of contributions collected pursuant to the provisions of this title,

(2) any property or securities acquired through the use of moneys belonging to the fund,

(3) all earnings of such property or securities,

(4) any moneys received from the federal unemployment account in the unemployment trust fund in accordance with Title XII of the social security act, as amended,

(5) all money recovered on official bonds for losses sustained by the fund,

(6) all money credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended,

(7) all money received from the federal government as reimbursement pursuant to section 204 of the federal-state extended compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

(8) all moneys received for the fund from any other source.

All moneys in the unemployment compensation fund shall be commingled and undivided.

The administrative contingency fund shall consist of all interest on delinquent contributions collected pursuant to this title, all fines and penalties collected pursuant to the provisions of this title, all sums recovered on official bonds for losses sustained by the fund, and revenue received under RCW 50.24.014: PROVIDED, That all fees, fines, forfeitures and penalties collected or assessed by a district court because of the violation of a state law shall be remitted as provided in chapter 3.62 RCW as now exists or is later amended.

Moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014, shall be expended upon the direction of the commissioner, with the approval of

the governor, whenever it appears to him or her that such expenditure is necessary for:

(a) The proper administration of this title and no federal funds are available for the specific purpose to which such expenditure is to be made, provided, the moneys are not substituted for appropriations from federal funds which, in the absence of such moneys, would be made available.

(b) The proper administration of this title for which purpose appropriations from federal funds have been requested but not yet received, provided, the administrative contingency fund will be reimbursed upon receipt of the requested federal appropriation.

(c) The proper administration of this title for which compliance and audit issues have been identified that establish federal claims requiring the expenditure of state resources in resolution. Claims must be resolved in the following priority: First priority is to provide services to eligible participants within the state; second priority is to provide substitute services or program support; and last priority is the direct payment of funds to the federal government.

<u>(d) During the 2001-2003 fiscal biennium, the cost of worker retraining programs at community and technical colleges as appropriated by the legislature.</u>

Money in the special account created under RCW 50.24.014 may only be expended, after appropriation, for the purposes specified in RCW 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010, 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

Sec. 915. RCW 50.20.190 and 2001 c 146 s 7 are each amended to read as follows:

(1) An individual who is paid any amount as benefits under this title to which he or she is not entitled shall, unless otherwise relieved pursuant to this section, be liable for repayment of the amount overpaid. The department shall issue an overpayment assessment setting forth the reasons for and the amount of the overpayment. The amount assessed, to the extent not collected, may be deducted from any future benefits payable to the individual: PROVIDED, That in the absence of a back pay award, a settlement affecting the allowance of benefits, fraud, misrepresentation, or willful nondisclosure, every determination of liability shall be mailed or personally served not later than two years after the close of or final payment made on the

individual's applicable benefit year for which the purported overpayment was made, whichever is later, unless the merits of the claim are subjected to administrative or judicial review in which event the period for serving the determination of liability shall be extended to allow service of the determination of liability during the six-month period following the final decision affecting the claim.

(2) The commissioner may waive an overpayment if the commissioner finds that the overpayment was not the result of fraud, misrepresentation, willful nondisclosure, or fault attributable to the individual and that the recovery thereof would be against equity and good conscience: PROVIDED, HOWEVER, That the overpayment so waived shall be charged against the individual's applicable entitlement for the eligibility period containing the weeks to which the overpayment was attributed as though such benefits had been properly paid.

(3) Any assessment herein provided shall constitute a determination of liability from which an appeal may be had in the same manner and to the same extent as provided for appeals relating to determinations in respect to claims for benefits: PROVIDED, That an appeal from any determination covering overpayment only shall be deemed to be an appeal from the determination which was the basis for establishing the overpayment unless the merits involved in the issue set forth in such determination have already been heard and passed upon by the appeal tribunal. If no such appeal is taken to the appeal tribunal by the individual within thirty days of the delivery of the notice of determination of liability, or within thirty days of the mailing of the notice of determination, whichever is the earlier, the determination of liability shall be deemed conclusive and final. Whenever any such notice of determination of liability becomes conclusive and final, the commissioner, upon giving at least twenty days notice by certified mail return receipt requested to the individual's last known address of the intended action, may file with the superior court clerk of any county within the state a warrant in the amount of the notice of determination of liability plus a filing fee under RCW 36.18.012(10). The clerk of the county where the warrant is filed shall immediately designate a superior court cause number for the warrant, and the clerk shall cause to be entered in the judgment docket under the superior court cause number assigned to the warrant, the name of the person(s) mentioned in the warrant, the amount of the notice of determination of liability, and the date when the warrant was filed. The amount of the warrant as

docketed shall become a lien upon the title to, and any interest in, all real and personal property of the person(s) against whom the warrant is issued, the same as a judgment in a civil case duly docketed in the office of such clerk. A warrant so docketed shall be sufficient to support the issuance of writs of execution and writs of garnishment in favor of the state in the manner provided by law for a civil judgment. A copy of the warrant shall be mailed to the person(s) mentioned in the warrant by certified mail to the person's last known address within five days of its filing with the clerk.

(4) On request of any agency which administers an employment security law of another state, the United States, or a foreign government and which has found in accordance with the provisions of such law that a claimant is liable to repay benefits received under such law, the commissioner may collect the amount of such benefits from the claimant to be refunded to the agency. In any case in which under this section a claimant is liable to repay any amount to the agency of another state, the United States, or a foreign government, such amounts may be collected without interest by civil action in the name of the commissioner acting as agent for such agency if the other state, the United States, or the foreign government extends such collection rights to the employment security department of the state of Washington, and provided that the court costs be paid by the governmental agency benefiting from such collection.

(5) Any employer who is a party to a back pay award or settlement due to loss of wages shall, within thirty days of the award or settlement, report to the department the amount of the award or settlement, the name and social security number of the recipient of the award or settlement, and the period for which it is awarded. When an individual has been awarded or receives back pay, for benefit purposes the amount of the back pay shall constitute wages paid in the period for which it was awarded. For contribution purposes, the back pay award or settlement shall constitute wages paid in the period in which it was actually paid. The following requirements shall also apply:

(a) The employer shall reduce the amount of the back pay award or settlement by an amount determined by the department based upon the amount of unemployment benefits received by the recipient of the award or settlement during the period for which the back pay award or settlement was awarded;

(b) The employer shall pay to the unemployment compensation fund, in a manner specified by the commissioner, an amount equal to the amount of such reduction;

(c) The employer shall also pay to the department any taxes due for unemployment insurance purposes on the entire amount of the back pay award or settlement notwithstanding any reduction made pursuant to (a) of this subsection;

(d) If the employer fails to reduce the amount of the back pay award or settlement as required in (a) of this subsection, the department shall issue an overpayment assessment against the recipient of the award or settlement in the amount that the back pay award or settlement should have been reduced; and

(e) If the employer fails to pay to the department an amount equal to the reduction as required in (b) of this subsection, the department shall issue an assessment of liability against the employer which shall be collected pursuant to the procedures for collection of assessments provided herein and in RCW 50.24.110.

(6) When an individual fails to repay an overpayment assessment that is due and fails to arrange for satisfactory repayment terms, the commissioner shall impose an interest penalty of one percent per month of the outstanding balance. Interest shall accrue immediately on overpayments assessed pursuant to RCW 50.20.070 and shall be imposed when the assessment becomes final. For any other overpayment, interest shall accrue when the individual has missed two or more of their monthly payments either partially or in full. The interest penalty shall be used to fund detection and recovery of overpayment and collection activities <u>and, during the 2001-2003 fiscal biennium, the cost of worker retraining programs at community and technical colleges as appropriated by the legislature</u>.

Sec. 916. RCW 51.44.170 and 1997 c 327 s 1 are each amended to read as follows:

The industrial insurance premium refund account is created in the custody of the state treasurer. All industrial insurance refunds earned by state agencies or institutions of higher education under the state fund retrospective rating program shall be deposited into the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures from the account. Only the executive head of the agency or institution

of higher education, or designee, may authorize expenditures from the account. No agency or institution of higher education may make an expenditure from the account for an amount greater than the refund earned by the agency. If the agency or institution of higher education has staff dedicated to workers' compensation claims management, expenditures from the account must be used to pay for that staff, but additional expenditure from the account may be used for any program within an agency or institution of higher education that promotes or provides incentives for employee workplace safety and health and early, appropriate return-to-work for injured employees. <u>During the 2001-2003 fiscal biennium, the legislature may transfer from the industrial insurance premium refund account to the state general fund such amounts as reflect the reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.</u>

Sec. 917. RCW 66.08.170 and 1961 ex.s. c 6 s 1 are each amended to read as follows:

There shall be a fund, known as the "liquor revolving fund", which shall consist of all license fees, permit fees, penalties, forfeitures, and all other moneys, income, or revenue received by the board. The state treasurer shall be custodian of the fund. All moneys received by the board or any employee thereof, except for change funds and an amount of petty cash as fixed by the board within the authority of law shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the liquor revolving fund. <u>During the 2001-2003 fiscal biennium, the legislature may transfer from the liquor revolving account to the state general fund such amounts as reflect the excess fund balance of the fund and reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.</u> Disbursements from the revolving fund shall be on authorization of the board or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control the liquor revolving fund shall be subject in all respects to chapter 43.88 RCW but no appropriation shall be required to permit expenditures and payment of obligations from such fund.

Sec. 918. RCW 66.08.235 and 1997 c 75 s 1 are each amended to read as follows:

The liquor control board construction and maintenance account is created within the state treasury. The liquor control board shall deposit into this account a portion of the board's markup, as authorized by chapter 66.16 RCW, placed upon liquor as determined by the board. Moneys in the account may be spent only after appropriation. The liquor control board shall use deposits to this account to fund construction and maintenance of a centralized distribution center for liquor products intended for sale through the board's liquor store and vendor system. <u>During the 2001-2003 fiscal biennium, the legislature may transfer from the liquor control board construction and maintenance account to the state general fund such amounts as reflect the appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.</u>

Sec. 919. RCW 67.70.260 and 1985 c 375 s 6 are each amended to read as follows:

There is hereby created the lottery administrative account in the state treasury. The account shall be managed, controlled, and maintained by the director. The legislature may appropriate from the account for the payment of costs incurred in the operation and administration of the lottery. <u>During the 2001-2003 fiscal biennium, the legislature may transfer from the lottery administrative account to the state general fund such amounts as reflect the appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings.</u>

Sec. 920. RCW 69.50.520 and 2001 2nd sp.s. c 7 s 920 and 2001 c 168 s 3 are each reenacted and amended to read as follows:

The violence reduction and drug enforcement account is created in the state treasury. All designated receipts from RCW 9.41.110(8), 66.24.210(4), 66.24.290(2), 69.50.505(i)(1), 82.08.150(5), 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989 shall be deposited into the account. Expenditures from the account may be used only for funding services and programs under chapter 271, Laws of 1989 and chapter 7, Laws of 1994 sp. sess., including state incarceration costs. Funds from the account may also be appropriated to reimburse local governments for costs associated with implementing criminal justice legislation including chapter 338, Laws of 1997.

During the 2001-2003 biennium, funds from the account may also be used for costs associated with providing grants to local governments in accordance with chapter 338, Laws of 1997, the replacement of the department of corrections' offender-based tracking system, maintenance and operating costs of the Washington association of sheriffs and police chiefs jail reporting system, civil indigent legal representation, and for multijurisdictional narcotics task forces. After July 1, 2003, at least seven and one-half percent of expenditures from the account shall be used for providing grants to community networks under chapter 70.190 RCW by the family policy council.

Sec. 921. RCW 70.146.030 and 2001 2nd sp.s. c 7 s 922 are each amended to read as follows:

(1) The water quality account is hereby created in the state treasury. Moneys in the account may be used only in a manner consistent with this chapter. Moneys deposited in the account shall be administered by the department of ecology and shall be subject to legislative appropriation. Moneys placed in the account shall include tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390, principal and interest from the repayment of any loans granted pursuant to this chapter, and any other moneys appropriated to the account by the legislature.

(2) The department may use or permit the use of any moneys in the account to make grants or loans to public bodies, including grants to public bodies as cost-sharing moneys in any case where federal, local, or other funds are made available on a cost-sharing basis, for water pollution control facilities and activities, or for purposes of assisting a public body to obtain an ownership interest in water pollution control facilities and/or to defray a part of the payments made by a public body to a service provider under a service agreement entered into pursuant to RCW 70.150.060, within the purposes of this chapter and for related administrative expenses. For the period July 1, 2001, to June 30, 2003, moneys in the account may be used to process applications received by the department that seek to make changes to or transfer existing water rights and for grants and technical assistance to public bodies for watershed planning under chapter 90.82 RCW. No more than three percent of the moneys deposited in the account may be used by the department to pay for the administration of the grant and loan program authorized by this chapter.

(3) Beginning with the biennium ending June 30, 1997, the department shall present a biennial progress report on the use of moneys from the account to the chairs of the senate committee on ways and means and the house of representatives committee on appropriations. The first report is due June 30, 1996, and the report for each succeeding biennium is due December 31 of the odd-numbered year. The report shall consist of a list of each recipient, project description, and amount of the grant, loan, or both.

((~~(4) During the fiscal biennium ending June 30, 1997, moneys in the account may be transferred by the legislature to the water right permit processing account.~~))

Sec. 922. RCW 70.168.040 and 1997 c 331 s 2 are each amended to read as follows:

The emergency medical services and trauma care system trust account is hereby created in the state treasury. Moneys shall be transferred to the emergency medical services and trauma care system trust account from the public safety education account or other sources as appropriated, and as collected under RCW 46.63.110(6) and 46.12.042. Disbursements shall be made by the department subject to legislative appropriation. Expenditures may be made only for the purposes of the state trauma care system under this chapter, including emergency medical services, trauma care services, rehabilitative services, and the planning and development of related services under this chapter and for reimbursement by the department of social and health services for trauma care services provided by designated trauma centers. <u>During the 2001-2003 fiscal biennium, the legislature may transfer from the emergency medical services and trauma care system trust account to the state general fund such amounts as reflect the excess fund balance of the account.</u>

Sec. 923. RCW 79.24.580 and 2001 c 227 s 7 are each amended to read as follows:

After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.92.110(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall

be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to such lands; and for volunteer cooperative fish and game projects.

In providing grants for aquatic lands enhancement projects, the department shall require grant recipients to incorporate the environmental benefits of the project into their grant applications, and the department shall utilize the statement of environmental benefits in its prioritization and selection process. The department shall also develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants. To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270. The department shall consult with affected interest groups in implementing this section.

During the fiscal biennium ending June 30, ((~~2001~~)) 2003, the funds may be appropriated for boating safety((~~,~~)) and shellfish management, enforcement, and enhancement ((~~and for developing and implementing plans for population monitoring and restoration of native wild salmon stock~~)).

Sec. 924. RCW 80.01.080 and 2001 c 238 s 8 are each amended to read as follows:

((~~The transportation revolving fund and the public utilities revolving fund are abolished as of April 1, 1949, and as of such date~~)) There is created in the state treasury a ((~~"~~))public service revolving fund((~~" to which shall be transferred all moneys which then remain on hand to the credit of the transportation revolving fund and the public utilities revolving fund, subject, however, to outstanding warrants and other obligations chargeable to appropriations made from such funds. From and after April 1, 1949,~~)). Regulatory fees payable by all types of public service companies shall be deposited to the credit of the public service revolving fund. Except for expenses payable out of the pipeline safety account, all expense of operation of the Washington utilities and transportation commission shall be payable out of the public service revolving fund.

During the 2001-2003 fiscal biennium, the legislature may transfer from the public service revolving fund to the state general fund such amounts as reflect the appropriations reductions made by the 2002

supplemental appropriations act for administrative efficiencies and savings.

Sec. 925. RCW 82.29A.080 and 1985 c 57 s 84 are each amended to read as follows:

The counties and cities shall contract, prior to the effective date of an ordinance imposing a leasehold excise tax, with the department of revenue for administration and collection. The department of revenue shall deduct a percentage amount, as provided by such contract, not to exceed two percent of the taxes collected, for administration and collection expenses incurred by the department. The remainder of any portion of any tax authorized by RCW 82.29A.040 which is collected by the department of revenue shall be deposited by the state department of revenue in the local leasehold excise tax account hereby created in the state treasury. Moneys in the local leasehold excise tax account may be spent only for distribution to counties and cities imposing a leasehold excise tax.

During the 2001-2003 fiscal biennium, the legislature may transfer from the local leasehold excise tax account to the state general fund such amounts as reflect the interest earnings of the account.

NEW SECTION. **Sec. 926.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 927.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

(End of part)

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ESSB 6387 - H AMD
By Representative

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

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