

NATURAL RESOURCES

The 2002 supplemental budget for the natural resources agencies reduces funding from the 2001-03 biennium budget by \$39.8 million from the general fund and \$21.2 million total funds. The general fund reductions include \$21.5 million in shifts of ongoing activities to other accounts, primarily the Water Quality Account, State Toxics Control Account, and the Wildlife Account. In addition, the budget includes general fund reductions totaling \$4.5 million for the Departments of Ecology and Fish and Wildlife, with the assumption that these activities would be considered for funding by the Salmon Recovery Funding Board. The budget also makes reductions in dedicated accounts, primarily the Department of Natural Resources trust management funds, totaling \$10.7 million to reflect decreased revenues to these accounts.

Department of Ecology

The operating budget provides \$700,000 each from the general fund and the Water Quality Account to the Department of Ecology for a dedicated rescue tug stationed at Neah Bay for at least 200 days during fiscal year 2003.

The budget provides \$176,000 from the general fund to the Office of the Attorney General and the Department of Ecology for a series of studies to continue the progress on the water strategy. In addition, the budget provides \$100,000 from the general fund to the Department to continue facilitation of the strategy.

The budget shifts watershed planning grant funding through the Department of Ecology from the general fund to the Water Quality Account. Within the appropriation, Ecology will provide technical assistance, local planning units will address water quality, quantity, and habitat issues and a grant will be made for facilitation of the Puget Sound regional initiative. The Water Quality Account will assume \$8 million of the \$11.9 million program – resulting in a \$2.9 million reduction in grants and staffing. The budget assumes that the Department will apply to the Salmon Recovery Funding Board to fund in-stream flow components of watershed plans.

The budget assumes that the Department will take a variety of actions to reduce operating costs and achieve administrative savings – resulting in \$5 million in general fund savings. These steps include identifying efficiencies in business, human resources, and information technology support activities. Reductions include: limiting the Neah Bay rescue tug to 200 days in fiscal year 2002; reducing the auto emission program to reflect a small population of vehicles subject to testing; and reducing technical assistance under the state environmental policy act and in shoreline planning.

State Parks and Recreation Commission

The budget reduces the general fund appropriation by \$1.5 million for state park operations and assumes that some state parks may be closed. Based on an assessment of state park facility attributes, the State Parks and Recreation Commission may temporarily close some state parks. In addition, the Commission will assess whether to continue to operate parks owned by others, such as public utility districts, counties, and federal agencies. If the owners are unable to pay State Parks' operating costs, the facilities will be returned to the owners.

The budget assumes that the Commission will take a variety of actions to reduce operating costs and achieve administrative savings totaling \$500,000. In addition, a 2001 enhancement for parks maintenance is reduced by \$500,000.

Conservation Commission

The budget provides \$600,000 from the Water Quality Account to the Conservation Commission for engineering grants to conservation districts for project design and approval of dairy waste management systems, irrigation systems, salmon recovery projects, and other natural resource protection activities that benefit salmon.

Department of Fish and Wildlife

The budget provides \$400,000 from the general fund to the Department of Fish and Wildlife to match federal funding to continue the commercial fishing license buy-back program under the terms of the Pacific Salmon Treaty.

The budget reduces the general fund appropriation by \$273,000 and assumes that the McAllister Creek fish hatchery will be closed.

The budget makes shifts totaling \$7 million. The Salmon Recovery Funding Board will consider funding grants to lead entities that recommend projects to the board and smolt production monitoring. The development of a forest roads management plan, Pacific coastal license buy-back, and the Lower Skykomish habitat conservation plan are shifted to the Salmon Recovery Account.

The budget assumes that the Department will take a variety of actions to reduce operating costs and achieve administrative savings by \$2.4 million general fund. An additional \$3.9 million in general fund savings are made through the following program reductions: one position is eliminated and vacancies are maintained in the enforcement program; various construction crews are consolidated; watershed technical assistance is reduced and the Salmonid Screening, Habitat Enhancement, and Restoration and screen functions are reduced.

Department of Natural Resources

The budget provides \$1.8 million from the State Toxics Control Account to partially resolve the Department of Natural Resources (DNR) Superfund liability for cleanup of contamination in the Thea Foss waterway in Tacoma.

During the summer of 2001, there were a series of wildfires that significantly affected state and local fire fighting agencies. An additional \$33 million is provided for costs associated with the 2001 fire season and replenishing the fire contingency pool for future fires. This funding, combined with the \$3 million provided in the original 2001-03 budget, will fund the following costs: \$24.2 million for DNR and other natural resource agencies costs in fire suppression activities; \$7.8 million for fire mobilizations coordinated by the Military Department; and \$4 million as a contingency for fire mobilization and suppression activities in the future. In addition, the supplemental budget continues to fund \$15.2 million General Fund-State for fire suppression in DNR.

The budget provides \$400,000 from the general fund and \$800,000 from other fund sources to the Department for correction camp supervisors.

The budget assumes that the Department will take a variety of actions to reduce operating costs and achieve administrative savings of \$2.6 million from the general fund. In addition, funding in the forest practices program is reduced for development of the small forest landowners database, postponement of the "reasonable use rule," and postponement of the program's wetlands database. Funding is reduced for recreation lands management, including management of natural areas, public use enforcement, and urban-interface campgrounds.

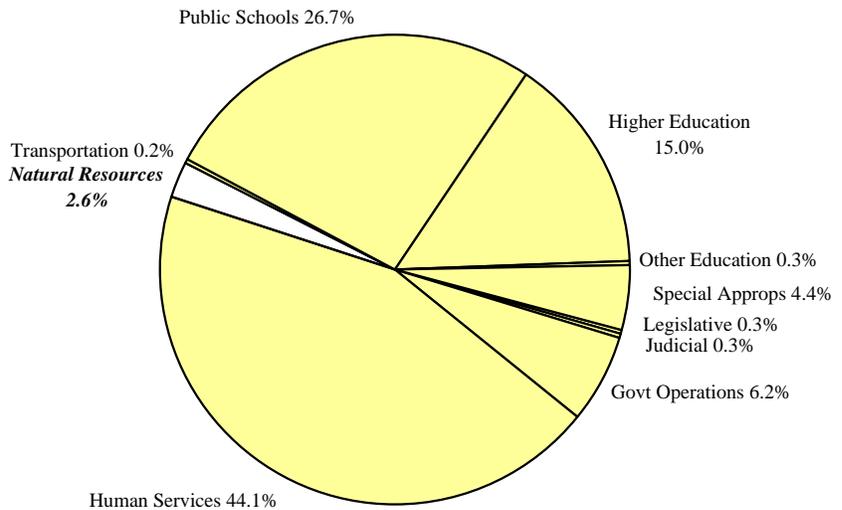
Department of Agriculture

A \$700,000 general enhancement in the 2001-03 biennial budget for market development in the Department of Agriculture is replaced by federal funds. In October 2001, the state received federal funding of \$10.1 million to promote agriculture and specialty crops.

2001-03 Washington State Omnibus Operating Budget Total Budgeted Funds

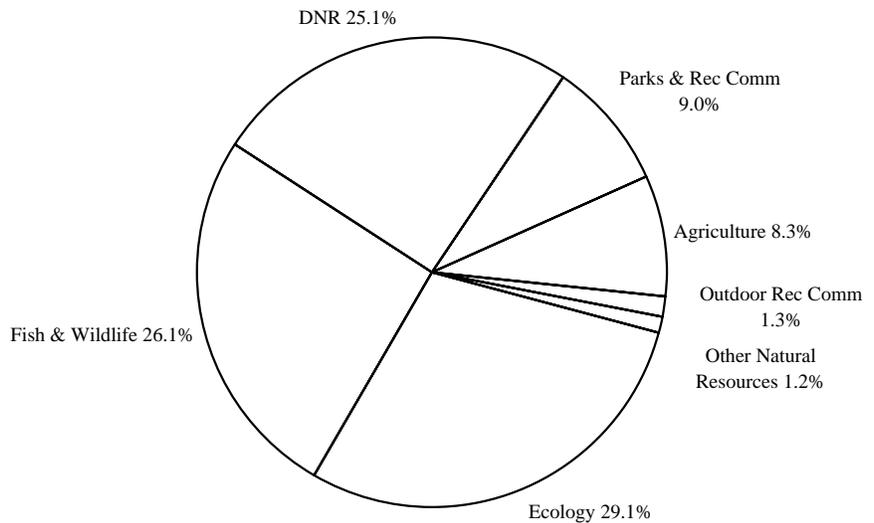
(Dollars in Thousands)

Legislative	136,110
Judicial	140,864
Governmental Operations	2,649,413
Human Services	18,976,685
<i>Natural Resources</i>	<i>1,102,464</i>
Transportation	105,690
Public Schools	11,503,685
Higher Education	6,439,607
Other Education	110,984
Special Appropriations	1,904,368
Statewide Total	43,069,870



Washington State

Dept of Ecology	320,271
Dept of Fish & Wildlife	287,586
Dept of Natural Resources	276,766
Parks & Recreation Comm	99,285
Dept of Agriculture	91,172
Outdoor Recreation	14,270
Other Natural Resources	13,114
<i>Natural Resources</i>	<i>1,102,464</i>

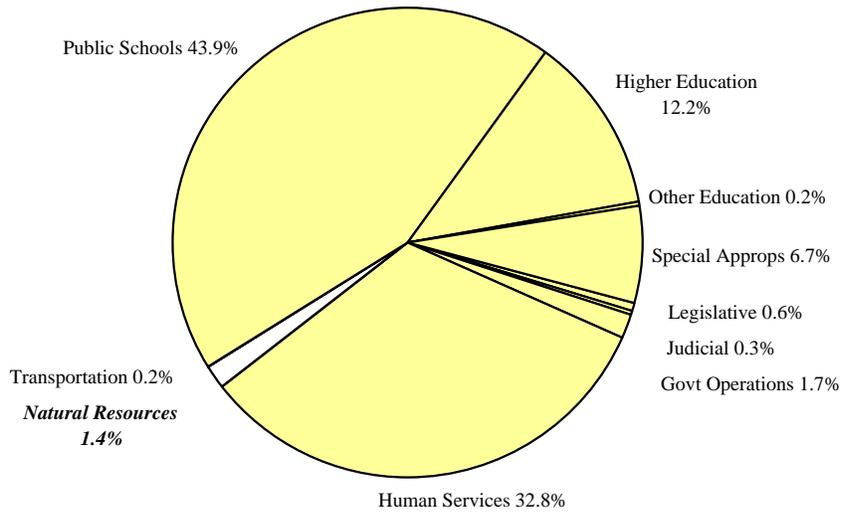


Natural Resources

2001-03 Washington State Omnibus Operating Budget General Fund-State

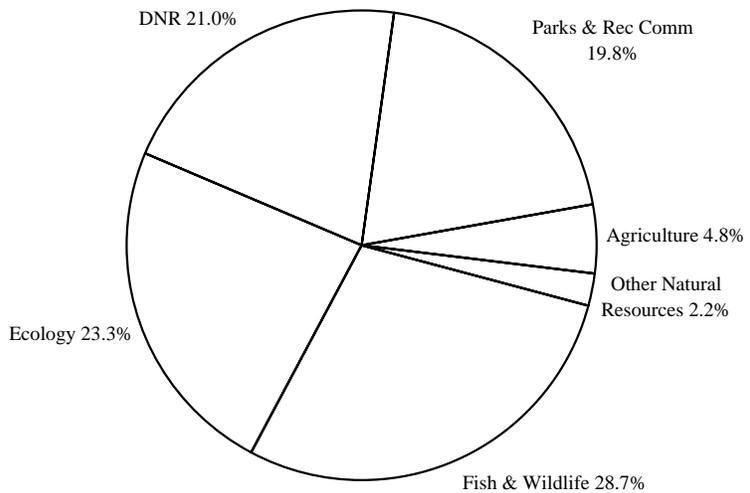
(Dollars in Thousands)

Legislative	129,818
Judicial	73,294
Governmental Operations	383,769
Human Services	7,361,197
<i>Natural Resources</i>	<i>315,637</i>
Transportation	40,166
Public Schools	9,854,332
Higher Education	2,731,564
Other Education	54,473
Special Appropriations	1,506,941
Statewide Total	22,451,191



Washington State

Dept of Fish & Wildlife	90,709
Dept of Ecology	73,687
Dept of Natural Resources	66,414
Parks & Recreation Comm	62,538
Dept of Agriculture	15,249
Other Natural Resources	7,040
<i>Natural Resources</i>	<i>315,637</i>



Natural Resources

Columbia River Gorge Commission

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	789	749	1,538
Policy Changes			
1. Efficiencies & Savings	-12	0	-12
Total Policy Changes	-12	0	-12
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2001-03 Revised Appropriations	777	749	1,526
Fiscal Year 2002 Total	398	378	776
Fiscal Year 2003 Total	379	371	750

Comments:

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

Department of Ecology

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	91,114	235,222	326,336
Policy Changes			
1. U.S. v. Washington (Culverts)	16	28	44
2. Agricultural Burning Costs	0	300	300
3. Administrative Reduction	-1,400	0	-1,400
4. Drought Response Reduction	0	-3,000	-3,000
5. Stream Gauging Fund Shift	-500	500	0
6. Reduce Auto Emission Program	-711	0	-711
7. Aquatic Pesticides Shift to Fees	-359	359	0
8. Limit Rescue Tug to 200 Days	-348	0	-348
9. Ground Water Data System	0	125	125
10. Water Quality Certifications	-600	600	0
11. Shorelines Management	-180	0	-180
12. Loan Tracking System	0	555	555
13. Neah Bay Rescue Tug	700	700	1,400
14. Watershed Grants & Assistance	-11,900	9,000	-2,900
15. Salmon Recovery Office	-82	0	-82
16. Forest Management	-200	0	-200
17. Hanford Liaison	-108	108	0
18. Contaminated Sediments	-362	362	0
19. Salmon Recovery Monitoring	-182	0	-182
20. Stormwater Phase 2	-600	600	0
21. SEPA Technical Assistance	-150	0	-150
22. Willapa River TMDL	0	200	200
23. Permit Assistance Center	-580	0	-580
24. Wetlands Technical Assistance	-70	0	-70
25. Local Litter Clean-Up Assistance	0	750	750
26. Septic Management Strategy	0	175	175
27. Water Strategy 2002 Legislation	189	0	189
Total Policy Changes	-17,427	11,362	-6,065
2001-03 Revised Appropriations	73,687	246,584	320,271
Fiscal Year 2002 Total	39,404	122,995	162,399
Fiscal Year 2003 Total	34,283	123,589	157,872

Comments:

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| <p>1. U.S. v. Washington (Culverts) - Funding is provided for the state's role in the United States v. Washington State (Culverts) litigation. (General Fund-State, Water Quality Permit Account, Water Quality Account)</p> <p>2. Agricultural Burning Costs - Funding is provided for the Department of Ecology (DOE) to comply with the direction of the court regarding the public health impacts associated with cereal grain burning. DOE will complete a health assessment to better quantify human health impacts, improve ambient monitoring and smoke management, and carry out other tasks outlined in a recent settlement agreement. Existing fund balance will support these one-time activities. (Air Pollution Control Account)</p> <p>3. Administrative Reduction - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by the Office of Financial Management (OFM) and the Department of</p> | <p>Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.</p> <p>4. Drought Response Reduction - The unexpended balance from the State Drought Preparedness Account is transferred back into the state general fund. (State Drought Preparedness Account)</p> <p>5. Stream Gauging Fund Shift - The enhanced streamflow monitoring activities funded in the biennial budget are shifted from the state general fund to the State Drought Preparedness Account and the Salmon Recovery Account. (General Fund-State, State Drought Preparedness Account, Salmon Recovery Account)</p> |
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Department of Ecology

6. **Reduce Auto Emission Program** - The emission testing program is downsized to fit the revenue from a statutorily-reduced population of vehicles being tested.
7. **Aquatic Pesticides Shift to Fees** - State general fund activities related to aquatic pesticides permitting are shifted to the Water Quality Permit Account. Adequate fund balance and revenue is projected in this account to allow for this permanent transfer. (General Fund-State, Water Quality Permit Account)
8. **Limit Rescue Tug to 200 Days** - The contract for the Neah Bay rescue tug is reduced from 222 to 200 days during FY 2002. This reduction conforms with the 2001-03 omnibus budget proviso regarding the rescue tug. Funding for "other safety tug services" for emergency (preventive) tug contracting in Puget Sound is eliminated.
9. **Ground Water Data System** - Funding is provided to upgrade the DOE data system used to track and manage well drilling information. This system will be updated to provide data on water wells (location, driller licensing, unique well number, size, etc.) via the Internet. Updating and modernizing the Well Drilling Information System will assist local watershed planning units, local government, and DOE in managing water resources. (Reclamation Account)
10. **Water Quality Certifications** - Funding for water quality certifications is shifted from the state general fund to the Water Quality Account. (General Fund State, Water Quality Account)
11. **Shorelines Management** - Funding for DOE's shoreline planning and technical assistance is reduced. Two FTEs from a staff of 14 are eliminated.
12. **Loan Tracking System** - Funding is provided to develop and implement an automated loan tracking system. The system will track current and future loan portfolio and support long-term loan account administration, revenue tracking and forecasting, and loan activity reporting and analysis. (Water Pollution Control Revolving Account)
13. **Neah Bay Rescue Tug** - Funding is provided for a dedicated rescue tug stationed at Neah Bay. The existing contract for the rescue tug will be extended to provide tug services to respond to vessel emergencies. (General Fund-State, Water Quality Account)
14. **Watershed Grants & Assistance** - DOE's watershed planning grant funding is shifted from the state general fund to the Water Quality Account. Watershed planning grants are provided to local planning units to address water quantity, water quality, and habitat issues, and DOE will provide technical assistance. The Department may apply to the Salmon Recovery Funding Board for resources to fund instream flow components of watershed plans for watersheds where flows are a limiting factor for salmon. (General Fund-State, Water Quality Account)
15. **Salmon Recovery Office** - Funding is eliminated for a DOE position in the Governor's Salmon Recovery Office.
16. **Forest Management** - Staffing is reduced for work on a Memorandum of Agreement with the Forest Service to improve water quality on federal forest lands.
17. **Hanford Liaison** - Funding is shifted from the state general fund to the State Toxics Control Account for a Congressional liaison position. (General Fund-State, State Toxics Control Account)
18. **Contaminated Sediments** - Funding is shifted from the state general fund to the State Toxics Control Account for contaminated sediment clean-up. (General Fund-State, State Toxics Control Account)
19. **Salmon Recovery Monitoring** - Funding for monitoring activities associated with salmon recovery is eliminated. The budget assumes the Department will apply to the Salmon Recovery Funding Board to fund these activities.
20. **Stormwater Phase 2** - Funding is shifted from the state general fund to the State Toxics Control Account for activities associated with implementation of Stormwater Phase II rules. (General Fund-State, State Toxics Control Account)
21. **SEPA Technical Assistance** - Funding for DOE's State Environmental Policy Act (SEPA) document management, technical assistance, and streamlining is reduced. One FTE from a staff of nine working on SEPA is eliminated.
22. **Willapa River TMDL** - Funding is provided for DOE to contract with Pacific County for development of the Willapa River total maximum daily load. (Water Quality Account)
23. **Permit Assistance Center** - The Permit Assistance Center is transferred to the Office of Financial Management within the Governor's Office under Chapter 153, Laws of 2002, Partial Veto (E2SHB 2671).
24. **Wetlands Technical Assistance** - Funding and staff are reduced for the wetlands program at the Department affecting the amount of staff time available for technical assistance.
25. **Local Litter Clean-Up Assistance** - Funding is provided for an interagency agreement with the Department of Natural Resources (\$500,000) and counties (\$250,000) to utilize corrections crews to increase litter pickup activities. (Waste Reduction, Recycling and Litter Control Account)
26. **Septic Management Strategy** - A one-time fund balance is provided for DOE to create a stakeholder advisory committee to develop a statewide septic strategy. The strategy will address septic permit requirements, changes to existing rules, clarification of state and local responsibilities, technical assistance needs, and fee structure changes that are necessary to support the program in future biennia. (Biosolids Permit Account)
27. **Water Strategy 2002 Legislation** - Funding is provided for a series of studies to continue the policy discussions on water strategy. The study topics include: federal and Indian reserved

Department of Ecology

water rights, alternatives for resolving water disputes, streamlining the water right general adjudication process, conducting negotiations with other states and Canada, and improving the administration of water right records. Funding is also provided for facilitation of water law reform.

State Parks and Recreation Commission

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	65,164	35,475	100,639
Policy Changes			
1. San Juan Island Parks	157	68	225
2. Reservation System Savings	-105	0	-105
3. U.S. v. Washington (Culverts)	22	0	22
4. Parks Maintenance	-500	0	-500
5. Forest Road Inventory	-200	200	0
6. Increased Revenue Options	0	500	500
7. Sno-Park Compliance	0	-1	-1
8. Better Financial Information	0	115	115
9. Computer Compatibility	0	90	90
10. Efficiencies & Savings	-500	0	-500
11. Temporary Park Closure	-1,500	0	-1,500
12. Non-Motorized Winter Recreation	0	300	300
Total Policy Changes	-2,626	1,272	-1,354
2001-03 Revised Appropriations	62,538	36,747	99,285
Fiscal Year 2002 Total	32,198	17,207	49,405
Fiscal Year 2003 Total	30,340	19,540	49,880

Comments:

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| <p>1. San Juan Island Parks - Funding is provided for the Commission to assume ownership and management of sites closed by the Department of Natural Resources (DNR) in the San Juan Islands (Griffin Bay, Upright Channel, Obstruction Pass, and Pt. Doughty). State Parks will also resume management of three State Parks facilities (Blind Island, James Island, and Doe Island) previously managed by DNR. (General Fund-State, Parks Renewal and Stewardship Account)</p> <p>2. Reservation System Savings - On October 1, 2001, the State Parks' on-line reservation system was switched from the Oregon Parks and Recreation Department to Camis, a Canadian call center provider. Cost savings have been realized due to this successful negotiation.</p> <p>3. U.S. v. Washington (Culverts) - Funding is provided for the state's role in the United States v. Washington State (Culverts) litigation.</p> <p>4. Parks Maintenance - During the 2001 legislative session, State Parks received \$4 million in funding to address a deferred maintenance backlog. Ongoing funding is reduced to \$1.5 million per year.</p> <p>5. Forest Road Inventory - The State Parks forest road inventory project is shifted from the state general fund to the Salmon Recovery Account. This project is currently evaluating, surveying, and mapping all forest roads on state park lands to determine future actions needed to protect salmon and water quality. (General Fund-State, Salmon Recovery Account)</p> <p>6. Increased Revenue Options - Additional spending authority is provided to support increased enterprise and revenue</p> | <p>generating opportunities implemented by the Commission. (Parks Renewal and Stewardship Account)</p> <p>7. Sno-Park Compliance - Due to a revenue shortfall in the Public Safety and Education Account, a 2.0 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)</p> <p>8. Better Financial Information - Funding is provided to develop information to strengthen management decisions by capturing financial data across numerous cost centers. (Parks Renewal and Stewardship Account)</p> <p>9. Computer Compatibility - Funding is provided for State Parks to contract with the Department of Information Services (DIS) to upgrade its current computer systems and manage future computer needs. (Parks Renewal and Stewardship Account)</p> <p>10. Efficiencies & Savings - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.</p> <p>11. Temporary Park Closure - Based on an assessment of state parks facility attributes, the Commission may close parks to achieve cost savings. In addition, State Parks will assess</p> |
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State Parks and Recreation Commission

whether to continue operating facilities owned by others, such as Public Utility Districts, counties, the U.S. Army Corps of Engineers, and the Bureau of Reclamation. If the owners are unable to pay for State Parks' operating costs, operation of the parks will be returned to the owners.

12. **Non-Motorized Winter Recreation** - A good snow season in 2001-02 has increased revenue to the Winter Recreation Account and allows more non-motorized Sno-Park grooming and clearing of snow from parking lots. (Winter Recreation Account)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The State Parks & Recreation Commission received an appropriation of \$1,582,000 in the original 2001-03 transportation budget.

Interagency Committee for Outdoor Recreation

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	788	13,447	14,235
Policy Changes			
1. Statewide Monitoring Strategy	-500	500	0
2. Biodiversity Conservation Strategy	35	0	35
Total Policy Changes	-465	500	35
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2001-03 Revised Appropriations	323	13,947	14,270
Fiscal Year 2002 Total	143	6,987	7,130
Fiscal Year 2003 Total	180	6,960	7,140

Comments:

1. **Statewide Monitoring Strategy** - Funding for the state general fund portion of the statewide monitoring strategy is shifted to the Salmon Recovery Account. (General Fund-State, Salmon Recovery Account)

2. **Biodiversity Conservation Strategy** - Funding is provided to convene and facilitate a biodiversity conservation committee to develop recommendations for a state biodiversity program.

Environmental Hearings Office

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	1,693	0	1,693
Policy Changes			
1. Efficiencies & Savings	-25	0	-25
Total Policy Changes	-25	0	-25
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2001-03 Revised Appropriations	1,668	0	1,668
Fiscal Year 2002 Total	846	0	846
Fiscal Year 2003 Total	822	0	822

Comments:

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

State Conservation Commission

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	4,403	3,739	8,142
Policy Changes			
1. CREP Technical Assistance	-100	0	-100
2. Efficiencies & Savings	-31	-40	-71
3. Engineering Grants	0	600	600
4. Limiting Factors Analysis	0	-801	-801
Total Policy Changes	-131	-241	-372
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2001-03 Revised Appropriations	4,272	3,498	7,770
Fiscal Year 2002 Total	2,141	1,995	4,136
Fiscal Year 2003 Total	2,131	1,503	3,634

Comments:

1. **CREP Technical Assistance** - Technical assistance grants to Conservation Districts will be reduced by an average of \$1,600 dollars per district qualified to receive Conservation Reserve Enhancement Program (CREP) technical assistance grants.
2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
3. **Engineering Grants** - Funding is provided for engineering grants to conservation districts for project design and approval of dairy waste management systems, irrigation systems, salmon recovery projects, and other natural resource protection activities that benefit salmon. (Water Quality Account)
4. **Limiting Factors Analysis** - Funding for Limiting Factors Analysis for FY 2003 is eliminated. The Conservation Commission may apply to the Salmon Recovery Funding Board to fund this activity for FY 2003. (Water Quality Account)

Department of Fish and Wildlife

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	102,362	194,275	296,637
Total Maintenance Changes	72	60	132
Policy Changes			
1. Administrative Program Savings	-1,444	482	-962
2. Enforcement Reductions and Savings	-822	0	-822
3. Hatchery and Production Elimination	-273	0	-273
4. Resource Program Reductions	-512	0	-512
5. Public Safety and Education Account	0	-12	-12
6. Salmon Recovery Reallocation	-1,612	1,612	0
7. Puget Sound Action Plan Reductions	-493	0	-493
8. Resource Program Fund Shifts	-1,064	1,064	0
9. U.S. v. Washington (Culverts)	111	0	111
10. Enforcement Staff Settlement	0	400	400
11. Efficiencies & Savings	-550	0	-550
12. Critical Wildlife Disease Testing	0	180	180
13. Lake Whatcom Kokanee	0	200	200
14. Emergency Fire Costs	0	148	148
15. Regional Fisheries Enhancement	0	429	429
16. Governor's Salmon Team	-173	0	-173
17. Pacific Salmon Treaty State Match	400	0	400
18. Regional Salmon Recovery Planning	0	-1,000	-1,000
19. SSHEAR Construction	-300	0	-300
20. Priority Habitat and Species	-80	0	-80
21. Coordinate Salmon Recovery Grants	-3,250	0	-3,250
22. Salmon Recovery Monitoring	-1,100	0	-1,100
23. Construction Crew Consolidation	-500	0	-500
24. Watershed Technical Assistance	-200	0	-200
25. HPA Advisory Group	62	0	62
26. JLARC Fish Program Review	75	0	75
27. ALEA Adjustment to Revenue	0	-961	-961
Total Policy Changes	-11,725	2,542	-9,183
2001-03 Revised Appropriations	90,709	196,877	287,586
Fiscal Year 2002 Total	46,375	96,077	142,452
Fiscal Year 2003 Total	44,334	100,800	145,134

Comments:

1. **Administrative Program Savings** - Funding is reduced for administrative programs to achieve state general fund savings. The Legislative and External Affairs Program as well as positions in the Intergovernmental Policy Unit will be restructured. Funding for habitat and recreational lands leased from the Department of Natural Resources are shifted to the State Wildlife Account. The Department will eliminate the third of three mailings that encourages anglers to return catch record cards. Closer management of Attorney General time and expenses will be utilized to achieve savings. One-time savings are accrued from holding vacancies for two customer service positions in regional offices. (General Fund-State, General Fund-Federal, Wildlife Account-State)
2. **Enforcement Reductions and Savings** - One permanent position will be eliminated. Current and anticipated vacancies within the Department's Enforcement Program will remain unfilled until the start of the 2003-05 biennium.
3. **Hatchery and Production Elimination** - Funding for the hatchery program is reduced and the McAllister Creek hatchery will be closed. Savings to the Puget Sound Recreational Enhancement Account as a result of closing McAllister Creek hatchery must be used to increase production for recreational fishers elsewhere in Puget Sound under the Puget Sound Recreational Enhancement Program.
4. **Resource Program Reductions** - Half of an FTE position that provides public information will be eliminated. Departmental property management will be reduced on agency lands. Pilot projects relating to fish screen, fishway, and fish passage barrier assessments for landowners seeking Endangered Species Act (ESA) cooperative compliance agreements will be reduced from four to three. One-half FTE position relating to shellfish policy coordination, development and policy analysis and one-half FTE position relating to shellfish and salmon fishery

Department of Fish and Wildlife

management will be eliminated. A support position related to steelhead data management will be reduced.

5. **Public Safety and Education Account** - Due to a revenue shortfall in the Public Safety and Education Account, a 2.0 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)
6. **Salmon Recovery Reallocation** - Funding for one-time activities supporting salmon recovery will be shifted from the state general fund to the Salmon Recovery Account. Activities include Forest Roads Management Plans, Pacific Salmon Coastal License Buyback, and the Lower Skykomish Habitat Conservation Plan. (General Fund-State, Salmon Recovery Account)
7. **Puget Sound Action Plan Reductions** - Data collection, contaminant monitoring, and technical assistance activities for the Puget Sound Water Quality Action Plan are reduced or eliminated to achieve state general fund savings. Annual contaminant monitoring of marine fish will be replaced by biennial monitoring.
8. **Resource Program Fund Shifts** - Funding for Dusky Goose hunting is shifted from the state general fund to federal funding to maintain current opportunities and the number of hunting days. Resident native non-game fish management and stock assessment activities are shifted to a federal funding source for one year. The substitution of funding sources will affect data entry of native non-game species. ESA take permits for activities related to federal hatcheries, fisheries, and research activities are shifted from the state general fund to federal funding sources available for one year. Partial Habitat program funding as well as a resident game fish manager is shifted from the state general fund to the State Wildlife Account. (General Fund-Federal, Wildlife Account-State)
9. **U.S. v. Washington (Culverts)** - Funding is provided for the state's role in the United States v. Washington State (Culverts) litigation.
10. **Enforcement Staff Settlement** - Funding is provided to fully compensate eligible union members for overtime back pay. During the 1997-99 biennium, the Department eliminated overtime compensation for the Enforcement Program as part of the response to the agency's fiscal situation. The Sergeant's Union filed and won their grievance with the Department and was awarded overtime back pay. (Wildlife Account-State)
11. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
12. **Critical Wildlife Disease Testing** - Chronic Wasting Disease (CWD) has been documented in free-ranging deer and elk in several states and provinces although no cases have been confirmed in Washington. Nearly one-third of a local trumpeter swan population in Whatcom County was killed by an unknown source of lead shot poisoning. In order to stop the continued demise of trumpeter swans and to determine the status of CWD in Washington State, funding is provided for the Department to conduct a study and implement steps to control and clean up affected areas and diseased animals. (Wildlife Account-State)
13. **Lake Whatcom Kokanee** - The Department and tribes have begun implementing a plan to restore anadromous fish passage above a barrier in the middle fork of the Nooksack River. Once passage is achieved, the water supply to Lake Whatcom will be contaminated with fish pathogens and thus prevent transfer of the current disease-free Kokanee eggs to other watersheds in the state. (Kokanee are the land-locked form of sockeye salmon.) Funding is provided for the Department to investigate the feasibility of, and to initiate actions for, establishing a viable Kokanee brood program at an alternative location. (Wildlife Account-State)
14. **Emergency Fire Costs** - Funding is provided to pay for fire suppression costs during the 2001 fire season. Special Appropriations to the Governor provides \$60,000 to the Department for fire suppression costs. (Wildlife Account-State)
15. **Regional Fisheries Enhancement** - The Puget Sound Recreational Enhancement Program and the Regional Fishery Enhancement Program provide financial assistance to regional and recreational fisheries enhancement groups to participate in enhancing the state's salmon population including salmon research, increased natural and artificial production, and habitat improvement. Additional funding will allow these groups to complete additional enhancement and habitat restoration projects. (Regional Fisheries Enhancement Group Account-Non-Appropriated, Recreational Fisheries Enhancement Account)
16. **Governor's Salmon Team** - Funding is eliminated for two Fish and Wildlife positions in the Governor's Salmon Recovery Office.
17. **Pacific Salmon Treaty State Match** - Funding is provided as a state match to federal funding to implement the Pacific Salmon Treaty. Funds will be used to continue the commercial license buyback program.
18. **Regional Salmon Recovery Planning** - Funding for regional salmon recovery planning grants is shifted from the Omnibus Operating budget to the Capital Budget. (Water Quality Account)
19. **SSHEAR Construction** - Funding is reduced for Salmonid Screening, Habitat Enhancement, and Restoration (SSHEAR)

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construction projects to limit competition between Department construction crews and private contractors performing projects on non-Department lands.

20. **Priority Habitat and Species** - Funding is reduced for the Priority Habitats and Species System, delaying the development and dissemination of information.
21. **Coordinate Salmon Recovery Grants** - Funding for grants to lead entities established under chapter 77.85 RCW is eliminated. Funding for lead entities will be considered by the Salmon Recovery Funding Board.
22. **Salmon Recovery Monitoring** - Funding for salmon smolt production monitoring is eliminated. The Department may apply to the Salmon Recovery Funding Board for funding this activity.
23. **Construction Crew Consolidation** - Savings are realized from the consolidation of habitat engineering and construction crews, hatcheries maintenance crews, and the business services construction crew.
24. **Watershed Technical Assistance** - Funding is reduced for technical assistance for lead entities, Regional Fisheries Enhancement Groups, and local watershed efforts working on salmon recovery activities.
25. **HPA Advisory Group** - Funding is provided for the Department to assist the hydraulic project approval (HPA) permit program technical advisory group.
26. **JLARC Fish Program Review** - Funding is provided for the Joint Legislative Audit and Review Committee (JLARC) to conduct a review of the fish management division of the Fish Program.
27. **ALEA Adjustment to Revenue** - Because of declining revenue, expenditures from the Aquatic Lands Enhancement Account (ALEA) will be reduced. Reductions will be made to fish management programs and cooperative volunteer grants and technical assistance. (ALEA-State)

Department of Natural Resources

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	72,975	210,241	283,216
Policy Changes			
1. Thea Foss Waterway Settlement	0	1,865	1,865
2. Natural Resource Conservation Areas	-175	175	0
3. Agricultural College Trust Lands	-541	0	-541
4. U.S. v. Washington (Culverts)	0	310	310
5. Surface Mining Reclamation	0	-133	-133
6. Efficiencies & Savings	-1,200	0	-1,200
7. GIS Statewide Radio System	22	44	66
8. Regulatory Technical Assistance	-138	0	-138
9. Forest Practices	-900	0	-900
10. Fire Suppression Transfer	-3,504	0	-3,504
11. Derelict Vessel Removal	0	89	89
12. Recreational Lands Management	-525	0	-525
13. Fire Suppression	0	7,496	7,496
14. Correctional Camps Funding	400	800	1,200
15. Trust Land Management	0	-10,000	-10,000
16. Aquatic Lands Enhancement Account	0	-535	-535
Total Policy Changes	-6,561	111	-6,450
2001-03 Revised Appropriations	66,414	210,352	276,766
Fiscal Year 2002 Total	35,949	107,203	143,152
Fiscal Year 2003 Total	30,465	103,149	133,614

Comments:

1. **Thea Foss Waterway Settlement** - Funding is provided to partially resolve the Department of Natural Resources' (DNR's) Superfund liability for cleanup of contamination in the Thea Foss Waterway. (State Toxics Control Account)
2. **Natural Resource Conservation Areas** - Natural area program costs are temporarily shifted to the Natural Resources Conservation Areas Stewardship Account. Funding will continue educational programs and maintenance activities for natural resource conservation areas. (General Fund-State, Natural Resources Conservation Areas Stewardship Account)
3. **Agricultural College Trust Lands** - Funding from the state general fund for management of Agricultural College trust lands is reduced, and the existing fund balance remaining in the Agricultural Trust Land Management Account will be used to manage these lands.
4. **U.S. v. Washington (Culverts)** - Funding is provided for the state's role in the United States v. Washington State (Culverts) litigation. (Forest Development Account, Resource Management Cost Account)
5. **Surface Mining Reclamation** - Funding is reduced to bring appropriation authority in line with revenue from surface mining permits. DNR will reduce surface mining compliance activities. (Surface Mine Reclamation Account)
6. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
7. **GIS Statewide Radio System** - Funding is provided for development of a geographic information system (GIS) database of existing communication systems and networks to make decisions regarding the coordination of communication systems statewide. (General Fund-State, Resource Management Cost Account, Forest Development Account)
8. **Regulatory Technical Assistance** - A funding reduction postpones development of the small forest landowner database. Funding is retained for the acquisition of riparian easements and the development of alternative plans.
9. **Forest Practices** - The Forest Practices Board's consideration of "reasonable use rules" will be delayed by one year. The upgrade of the Forest Practices Program's wetlands database is delayed one year.
10. **Fire Suppression Transfer** - A portion of the funding for fire suppression in FY 2003 is shifted to the fire contingency pool which is included in the Special Appropriations to the Governor section of the budget.

Department of Natural Resources

11. **Derelict Vessel Removal** - Funding is provided for DNR's costs associated with implementation of Chapter 286, Laws of 2002 (ESHB 2376). (Derelict Vessels Removal Account)
12. **Recreational Lands Management** - Funding is reduced for management of natural areas, public use enforcement, and campgrounds closest to urban areas.
13. **Fire Suppression** - Funding is provided to pay for fire suppression costs during the 2001 fire season. DNR anticipates receiving \$7.496 million in Federal Emergency Management Assistance for some of these fires and additional funds from the U.S. Forest Service and other federal agencies for their share of the fire costs. Special Appropriations to the Governor provide \$24.009 million to DNR for fire suppression costs. (General Fund-Federal)
14. **Correctional Camps Funding** - Funding is provided for correctional camp supervisors at DNR. In addition to these funds, DNR shall receive funds through an interagency agreement with the Department of Ecology for increased levels of litter pickup. (General Fund-Local, Forest Development Account)
15. **Trust Land Management** - DNR projects a revenue decrease caused by a decline in timber sales. Trust land management activities are reduced, including a reduction in agency administration and silvicultural thinning activities. (Resource Management Cost Account, Forest Development Account)
16. **Aquatic Lands Enhancement Account** - DNR will reduce agency overhead expenses for the Aquatic Lands Enhancement grant program because of a projected revenue decrease. (Aquatic Lands Enhancement Account-State)

Governor's Vetoes:

The Governor vetoed Section 308(18) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which required DNR, in managing recreation sites and natural resources conservation areas in the San Juan Islands, to employ cost recovery methods comparable to those employed at similarly situated state park facilities. No appropriations are affected by the veto.

Department of Agriculture

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	16,189	72,873	89,062
Policy Changes			
1. Fruit & Vegetable Inspection Acct	0	0	0
2. International Marketing	-700	700	0
3. Efficiencies & Savings	-240	0	-240
4. Microbiological Data Program	0	360	360
5. Citrus Longhorned Beetle	0	1,500	1,500
6. Pesticide Surface Water Monitoring	0	490	490
Total Policy Changes	-940	3,050	2,110
2001-03 Revised Appropriations	15,249	75,923	91,172
Fiscal Year 2002 Total	7,815	36,988	44,803
Fiscal Year 2003 Total	7,434	38,935	46,369

Comments:

1. **Fruit & Vegetable Inspection Acct** - Funding is provided to implement Chapter 322, Laws of 2002 (SSB 6254). Currently, revenue from fruit and vegetable inspections are deposited into one of three district bank accounts. The bill would move the deposit of program revenues from local district accounts to a new Fruit and Vegetable Inspection Account in the State Treasury that would be managed by the Department of Agriculture. (Agricultural Local Account-Non-Appropriated, Horticultural Districts Account-Non-Appropriated, Fruit and Vegetable Inspection Account-Non-Appropriated)
2. **International Marketing** - In October 2001, the Department of Agriculture received \$10.1 million in unanticipated federal funds to promote agriculture and specialty crops. A portion of these funds will replace the 2001 enhancements for market development. (General Fund-Federal)
3. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
4. **Microbiological Data Program** - Funding is provided to collect data on pathogens and indicator organisms in food to be used by state and federal agencies for policy making, regulatory, and educational purposes. (General Fund-Federal)
5. **Citrus Longhorned Beetle** - Funding is provided to survey for Citrus Longhorned Beetle in Washington. In August 2001, imported maple trees at a Tukwila nursery were found to be infested with the Citrus Longhorned Beetle, a tree-killing pest not known to occur in the United States. The Department of

Agriculture is in the process of surveying for infestation and plans to treat or remove suspect trees during the spring and summer of 2002. (General Fund-Federal)

6. **Pesticide Surface Water Monitoring** - Funding is provided to contract with the United States Geological Survey and/or the Department of Ecology to sample and analyze surface waters for pesticide residues. Surface water sampling will be completed in basins that represent the various agricultural cropping patterns in Washington State and provide habitat for salmon. (State Toxics Control Account, General Fund-Federal)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The Department of Agriculture received an appropriation of \$305,000 in the original 2001-03 transportation budget.