

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6108

Chapter 346, Laws of 1998
(partial veto)

55th Legislature
1998 Regular Session

OPERATING BUDGET--SUPPLEMENTAL, 1997-1999

EFFECTIVE DATE: 4/3/98

Passed by the Senate March 11, 1998
YEAS 26 NAYS 23

BRAD OWEN
President of the Senate

Passed by the House March 11, 1998
YEAS 57 NAYS 41

CLYDE BALLARD
**Speaker of the
House of Representatives**

Approved April 3, 1998, with the exception of sections 115(5); 117(18); 120; 122(6); 124(3); 124(4); 125; 204(3)(b); 205(1)(f); 205(1)(k); 207(9); 211(5); 215(2); 217(11); 219(28); 222(3); 222(8); 222(9); 302(18); 302(19); 302(20); 303(4); 303(5); 307(34); 308, page 112, lines 4-5; 308(10); 308(11); 309(6); 309(7); 906; 907; 908; which are vetoed.

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6108** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MIKE O'CONNELL
Secretary

FILED

April 3, 1998 - 5:40 p.m.

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6108

AS RECOMMENDED BY CONFERENCE COMMITTEE

Passed Legislature - 1998 Regular Session

State of Washington 55th Legislature 1998 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senator West)

Read first time 02/25/98.

1 AN ACT Relating to fiscal matters; amending RCW 50.24.014,
2 28B.15.910, 70.105D.070, and 67.70.240; amending 1997 c 149 ss 101,
3 102, 104, 110, 111, 112, 113, 114, 116, 117, 120, 121, 122, 123, 124,
4 129, 130, 134, 136, 141, 142, 145, 146, 147, 152, 201, 204, 205, 206,
5 209, 210, 215, 217, 224, 304, 306, 309, 310, 401, 402, 502, 505, 506,
6 507, 508, 513, 516, 612, 614, 616, 618, 619, 701, 703, 705, 710, 712,
7 717, 718, 902, and 905 (uncodified); amending 1997 c 454 ss 101, 103,
8 104, 105, 202, 203, 204, 205, 206, 207, 208, 210, 211, 209, 212, 213,
9 214, 301, 302, 303, 304, 305, 501, 503, 504, 505, 506, 507, 508, 601,
10 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 704, 801, and 802
11 (uncodified); amending 1997 c 235 ss 676 and 108 (uncodified);
12 reenacting and amending RCW 69.50.520 and 43.88.030; adding new
13 sections to 1997 c 149 (uncodified); creating new sections; repealing
14 1998 c . . . (Second Substitute Senate Bill No. 6214) ss 27, 50, and
15 57; making appropriations; and declaring an emergency.

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

17 NEW SECTION. **Sec. 1.** (1) A budget is hereby adopted and, subject
18 to the provisions set forth in the following sections, the several
19 amounts specified in parts I through VIII of this act, or so much

thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for salaries, wages, and other expenses of the agencies and offices of the state and for other specified purposes for the fiscal biennium beginning July 1, 1997, and ending June 30, 1999, except as otherwise provided, out of the several funds of the state hereinafter named.

(2) Unless the context clearly requires otherwise, the definitions in this section apply throughout this act.

(a) "Fiscal year 1998" or "FY 1998" means the fiscal year ending June 30, 1998.

(b) "Fiscal year 1999" or "FY 1999" means the fiscal year ending June 30, 1999.

(c) "FTE" means full time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose which is unnecessary to fulfill the specified purpose shall lapse.

PART I

GENERAL GOVERNMENT

Sec. 101. 1997 c 149 s 101 (uncodified) is amended to read as follows:

FOR THE HOUSE OF REPRESENTATIVES

General Fund Appropriation (FY 1998)	\$	((24,241,000))
		<u>24,221,000</u>
General Fund Appropriation (FY 1999)	\$	((25,637,000))
		<u>25,907,000</u>
<u>Department of Retirement Systems Expense</u>		
Account Appropriation	\$	<u>25,000</u>
TOTAL APPROPRIATION	\$	((49,878,000))
		<u>50,153,000</u>

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

(1) \$75,000 of the general fund fiscal year 1998 appropriation and \$75,000 of the general fund fiscal year 1999 appropriation are provided solely for the independent operations of the legislative ethics board. Expenditure decisions of the board, including employment of staff, shall be independent of the senate and house of representatives.

~~(2) ((\$25,000 of the general fund fiscal year 1998 appropriation is provided solely to implement Substitute Senate Concurrent Resolution No. 8408 (water policy report). If the concurrent resolution is not enacted by June 30, 1997, the amount provided in this subsection shall lapse))~~ The department of retirement systems expense account appropriation is provided solely to implement the provisions relating to the actuarial audit of the pension contribution rates in Substitute House Bill No. 2544 (funding state retirement systems). If the bill is not enacted by June 30, 1998, the appropriation shall lapse.

(3) \$125,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for a review of the memorandum of agreement signed between the United States environmental protection agency and the department of ecology. The agreement requires the department to conduct total maximum daily loads on polluted water bodies as defined by the federal clean water act. The review may include but is not limited to the department's program for implementing the settlement, an examination of the decisions that affect how water quality problems are defined, the causes of those problems, and the means by which solutions to these problems are to be developed and implemented.

Sec. 102. 1997 c 149 s 102 (uncodified) is amended to read as follows:

FOR THE SENATE

General Fund Appropriation (FY 1998)	\$	19,357,000
General Fund Appropriation (FY 1999)	\$	((20,663,000))
		<u>20,838,000</u>
<u>Department of Retirement Systems Expense Account</u>		
<u>Appropriation</u>	\$	<u>25,000</u>
TOTAL APPROPRIATION	\$	((40,020,000))
		<u>40,220,000</u>

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

(1) \$75,000 of the general fund fiscal year 1998 appropriation and \$75,000 of the general fund fiscal year 1999 appropriation are provided solely for the independent operations of the legislative ethics board. Expenditure decisions of the board, including employment of staff, shall be independent of the senate and house of representatives.

~~(2) ((\$25,000 of the general fund fiscal year 1998 appropriation is provided solely to implement Substitute Senate Concurrent Resolution No. 8408 (water policy report). If the concurrent resolution is not enacted by June 30, 1997, the amount provided in this subsection shall~~
~~lapse.~~

~~(3))~~ \$100,000 of the general fund appropriation for fiscal year 1998 is provided solely for a study of financial aid and tuition by the senate committee on ways and means and the house of representatives committee on appropriations.

(a) The study shall report on the current usage and distribution of financial aid, investigate other resources available to financial aid recipients, and shall compare alternative methods of financial aid distribution and their impacts on the sectors of higher education and students served within each sector.

(b) The study shall also provide comparative data from other states on methods of establishing tuition rates and the relationship of tuition to state funding.

(3) The department of retirement systems expense account appropriation is provided solely to implement the provisions relating to the actuarial audit of the pension contribution rates in Substitute House Bill No. 2544 (funding state retirement systems). If the bill is not enacted by June 30, 1998, the appropriation shall lapse.

(4) \$25,000 of the general fund--state appropriation for fiscal year 1998 and \$50,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the legislature and the office of financial management to contract jointly for a performance review of the state long-term care system. The review shall result in recommendations by October 1, 1998, on strategies for increasing the long-term affordability and cost-effectiveness of the system, and shall include a review of topics such as methods for matching service levels to recipient needs, options for managing growth in entitlement caseloads, and techniques for projecting the number of persons in need of publicly funded services.

1 (5) \$125,000 of the general fund--state appropriation for fiscal
2 year 1999 is provided solely for a review of the memorandum of
3 agreement signed between the United States environmental protection
4 agency and the department of ecology. The agreement requires the
5 department to conduct total maximum daily loads on polluted water
6 bodies as defined by the federal clean water act. The review may
7 include but is not limited to the department's program for implementing
8 the settlement, an examination of the decisions that affect how water
9 quality problems are defined, the causes of those problems, and the
10 means by which solutions to these problems are to be developed and
11 implemented.

12 **Sec. 103.** 1997 c 454 s 101 (uncodified) is amended to read as
13 follows:

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

15	General Fund Appropriation (FY 1998)		\$((1,421,000))
16			1,371,000
17	General Fund Appropriation (FY 1999)		\$((1,425,000))
18			1,890,000
19	TOTAL APPROPRIATION		\$((2,846,000))
20			3,261,000

21 The appropriations in this section are subject to the following
22 conditions and limitations: ~~(((\$50,000 of the general fund~~
23 ~~appropriation for fiscal year 1998 is provided solely to implement~~
24 ~~Substitute Senate Bill No. 5071 (school district territory). If the~~
25 ~~bill is not enacted by June 30, 1997, the amount provided in this~~
26 ~~subsection shall lapse.))~~

27 (1) \$340,000 of the general fund appropriation for fiscal year 1999
28 is provided solely for a study of the system of finance of the
29 Washington common schools as required by section 501 of this act.

30 (2) \$75,000 of the general fund appropriation for fiscal year 1999
31 is provided solely for completion of a management audit of the division
32 of developmental disabilities within the department of social and
33 health services. The objectives of the review shall include, but are
34 not limited to: (a) An analysis and evaluation of the current
35 organizational structures, management practices, and performance
36 measures that are in place to fulfill statutory responsibilities; (b)
37 an assessment of the impact of overlapping statutory or administrative

1 code responsibilities with other department of social and health
2 services divisions and other state agencies; and (c) development of
3 recommendations, as appropriate, that would result in significant
4 management improvements in the division's operations. The audit report
5 shall be provided to the senate committee on ways and means and the
6 house of representatives committee on appropriations by January 8,
7 1999.

8 (3) \$50,000 of the general fund appropriation for fiscal year 1999
9 is provided solely for a study of: (a) The effect of the state
10 certificate of need program under chapter 70.38 RCW on the cost,
11 quality, and availability of hospital, ambulatory surgery, home health,
12 hospice, and kidney disease treatment services; and (b) the effect the
13 repeal of the program would have on the cost, quality, and availability
14 of any of these services, and on the availability of charity care and
15 of health facilities and services in rural areas, including the
16 experience in other states where such programs have been fully or
17 partially repealed. The study shall be submitted to the legislature by
18 January 1, 1999.

19 **Sec. 104.** 1997 c 149 s 104 (uncodified) is amended to read as
20 follows:

21	FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE	
22	General Fund Appropriation (FY 1998)	\$ 1,263,000
23	General Fund Appropriation (FY 1999)	\$((1,332,000))
24		<u>1,482,000</u>
25	TOTAL APPROPRIATION	\$((2,595,000))
26		<u>2,745,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations: The committee shall conduct an inventory
29 and examination of state data processing projects funded in this act
30 and make recommendations to improve the accountability and legislative
31 evaluation and oversight of these projects.

32 **Sec. 105.** 1997 c 149 s 110 (uncodified) is amended to read as
33 follows:

34	FOR THE COURT OF APPEALS	
35	General Fund Appropriation (FY 1998)	\$((10,225,000))
36		<u>10,340,000</u>

1	General Fund Appropriation (FY 1999)	\$(10,133,000))
2		<u>10,307,000</u>
3	TOTAL APPROPRIATION	\$(20,358,000))
4		<u>20,647,000</u>

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

7 (1) \$271,000 of the general fund fiscal year 1999 appropriation is
8 provided solely for an additional judge position and related support
9 staff in division I in King county, effective July 1, 1998.

10 (2) \$490,000 of the general fund fiscal year 1998 appropriation is
11 provided solely for remodeling existing space in division I court
12 facilities to house additional staff.

13 **Sec. 106.** 1997 c 149 s 111 (uncodified) is amended to read as
14 follows:

15 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

16	General Fund Appropriation (FY 1998)	\$ ((652,000))
17		<u>692,000</u>
18	General Fund Appropriation (FY 1999)	\$ ((653,000))
19		<u>714,000</u>
20	TOTAL APPROPRIATION	\$((1,305,000))
21		<u>1,406,000</u>

22 **Sec. 107.** 1997 c 149 s 112 (uncodified) is amended to read as
23 follows:

24 **FOR THE ADMINISTRATOR FOR THE COURTS**

25	General Fund Appropriation (FY 1998)	\$ 12,723,000
26	General Fund Appropriation (FY 1999)	\$ ((12,595,000))
27		<u>12,770,000</u>
28	Public Safety and Education Account	
29	Appropriation	\$ ((31,134,000))
30		<u>27,709,000</u>
31	Judicial Information Systems Account	
32	Appropriation	\$ ((16,305,000))
33		<u>17,489,000</u>
34	TOTAL APPROPRIATION	\$ ((72,757,000))
35		<u>70,691,000</u>

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

3 (1) Funding provided in the judicial information systems account
4 appropriation shall be used for the operations and maintenance of
5 technology systems that improve services provided by the supreme court,
6 the court of appeals, the office of public defense, and the office of
7 the administrator for the courts. \$400,000 of the judicial information
8 systems account appropriation is provided solely for the year 2000 date
9 conversion.

10 (2) No moneys appropriated in this section may be expended by the
11 administrator for the courts for payments in excess of fifty percent of
12 the employer contribution on behalf of superior courts judges for
13 insurance and health care plans and federal social security and
14 medicare and medical aid benefits. Consistent with Article IV, section
15 13 of the state Constitution and 1996 Attorney General's Opinion No. 2,
16 it is the intent of the legislature that the cost of these employer
17 contributions shall be shared equally between the state and county or
18 counties in which the judges serve. The administrator for the courts
19 shall continue to implement procedures for the collection and
20 disbursement of these employer contributions.

21 (3) (~~(\$6,510,000)~~) \$3,255,000 of the public safety and education
22 account appropriation is provided solely for the continuation of
23 treatment alternatives to street crimes (TASC) programs in Pierce,
24 Snohomish, Clark, King, Spokane, and Yakima counties.

25 (4) \$125,000 of the public safety and education account
26 appropriation is provided solely for the workload associated with the
27 increase in state cases filed in Thurston county superior court.

28 (5) \$223,000 of the public safety and education account
29 appropriation is provided solely for the gender and justice commission.

30 (6) \$308,000 of the public safety and education account
31 appropriation is provided solely for the minority and justice
32 commission.

33 (7) \$100,000 of the general fund fiscal year 1998 appropriation and
34 \$100,000 of the general fund fiscal year 1999 appropriation are
35 provided solely for judicial program enhancements. Within the funding
36 provided in this subsection, the office of administrator of courts in
37 consultation with the supreme court shall determine the program or
38 programs to receive an enhancement.

(8) \$35,000 of the general fund fiscal year 1998 appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1771 (guardian certification). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(9) \$100,000 of the general fund fiscal year 1998 appropriation is provided solely for the Snohomish county preprosecution diversion program.

(10) \$175,000 of the general fund appropriation for fiscal year 1999 is provided solely for costs associated with the publication and distribution of a judicial voter pamphlet for the 1998 primary election.

Sec. 108. 1997 c 149 s 113 (uncodified) is amended to read as follows:

FOR THE OFFICE OF PUBLIC DEFENSE

Public Safety and Education Account

Appropriation	\$	((12,187,000))
		<u>12,103,000</u>

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

(1) The cost of defending indigent offenders in death penalty cases has escalated significantly over the last four years. The office of public defense advisory committee shall analyze the current methods for reimbursing private attorneys and shall develop appropriate standards and criteria designed to control costs and still provide indigent defendants their constitutional right to representation at public expense. The office of public defense advisory committee shall report its findings and recommendations to the supreme court and the appropriate legislative committees by September 30, 1998.

(2) \$688,000 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.

Sec. 109. 1997 c 149 s 114 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE GOVERNOR

General Fund--State Appropriation (FY 1998) . . .	\$	((5,047,000))
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1		5,068,000
2	General Fund--State Appropriation (FY 1999) . . . \$	((4,963,000))
3		5,520,000
4	General Fund--Federal Appropriation \$	((188,000))
5		553,000
6	Water Quality Account Appropriation \$	700,000
7	TOTAL APPROPRIATION \$	((10,898,000))
8		11,841,000

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

11 (1) \$1,618,000 of the general fund--state appropriation for fiscal
12 year 1998, \$1,520,000 of the general fund--state appropriation for
13 fiscal year 1999, \$700,000 of the water quality account appropriation,
14 and \$188,000 of the general fund--federal appropriation are provided
15 solely for the implementation of the Puget Sound work plan and agency
16 action items PSAT-01 through PSAT-06.

17 (2) \$12,000 of the general fund--state appropriation for fiscal
18 year 1998 and \$13,000 of the general fund--state appropriation for
19 fiscal year 1999 are provided for the state law enforcement medal of
20 honor committee for the purposes of recognizing qualified law
21 enforcement officers as provided by chapter 41.72 RCW.

22 (3) \$21,000 of the general fund--state appropriation for fiscal
23 year 1998 and \$57,000 of the general fund--state appropriation for
24 fiscal year 1999 are provided solely for the office of the family and
25 children's ombudsman for the Wenatchee investigation, support staff,
26 and increased travel costs.

27 (4) \$500,000 of the general fund--state appropriation for fiscal
28 year 1999 is provided solely for implementation of the salmon recovery
29 office in accordance with sections 3 through 5 of Engrossed Substitute
30 House Bill No. 2496 (salmon recovery planning). If any of sections 3
31 through 5 of the bill are not enacted by June 30, 1998, the amount
32 provided in this subsection shall lapse.

33 **Sec. 110.** 1997 c 149 s 116 (uncodified) is amended to read as
34 follows:

35 **FOR THE PUBLIC DISCLOSURE COMMISSION**

36	General Fund Appropriation (FY 1998) \$	((1,457,000))
37		1,568,000

1	General Fund Appropriation (FY 1999)	\$((1,206,000))
2		<u>1,262,000</u>
3	TOTAL APPROPRIATION	\$((2,663,000))
4		<u>2,830,000</u>

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

7 (1) \$306,000 of the general fund fiscal year 1998 appropriation and
8 \$72,000 of the general fund fiscal year 1999 appropriation are provided
9 solely for technology for customer service improvements.

10 (2) \$111,000 of the fiscal year 1998 general fund appropriation is
11 provided for attorney general services for the public disclosure
12 commission's investigations of the Washington education association and
13 the building industry association of Washington, and other cases.

14 **Sec. 111.** 1997 c 149 s 117 (uncodified) is amended to read as
15 follows:

16 **FOR THE SECRETARY OF STATE**

17	General Fund Appropriation (FY 1998)	\$	((8,055,000))
18			<u>7,970,000</u>
19	General Fund Appropriation (FY 1999)	\$	((5,901,000))
20			<u>7,899,000</u>
21	Archives & Records Management Account--State		
22	Appropriation	\$	4,032,000
23	Archives & Records Management Account--Private/Local		
24	Appropriation	\$	((2,553,000))
25			<u>2,833,000</u>
26	Department of Personnel Service Account		
27	Appropriation	\$	663,000
28	TOTAL APPROPRIATION	\$	((21,204,000))
29			<u>23,397,000</u>

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

32 (1) (~~(\$2,355,000)~~) \$2,255,000 of the general fund appropriation for
33 fiscal year 1998 is provided solely to reimburse counties for the
34 state's share of primary and general election costs and the costs of
35 conducting mandatory recounts on state measures.

1 (2) \$2,011,000 of the general fund appropriation for fiscal year
2 1998 and \$2,536,000 of the general fund appropriation for fiscal year
3 1999 are provided solely for the verification of initiative and
4 referendum petitions, maintenance of related voter registration
5 records, and the publication and distribution of the voters and
6 candidates pamphlet.

7 (3) \$99,000 of the general fund appropriation is provided solely
8 for the state's participation in the United States census block
9 boundary suggestion program.

10 (4) \$125,000 of the fiscal year 1998 general fund appropriation is
11 provided solely for legal advertising of state measures under RCW
12 29.27.072.

13 (5) \$45,000 of the general fund fiscal year 1998 appropriation is
14 provided solely for an economic feasibility study of a state horse
15 park.

16 (6) The election review section under chapter 29.60 RCW shall be
17 administered in a manner consistent with Engrossed Senate Bill No. 5565
18 (election procedures review).

19 (7)(a) \$1,850,000 of the general fund appropriation for fiscal year
20 1999 is provided solely for contracting with a nonprofit organization
21 to produce gavel-to-gavel television coverage of state government
22 deliberations and other events of state-wide significance during fiscal
23 year 1999. An eligible nonprofit organization must be formed solely
24 for the purpose of, and be experienced in, providing gavel-to-gavel
25 television coverage of state government deliberations and other events
26 of state-wide significance and must have received a determination of
27 tax-exempt status under section 501(c)(3) of the federal internal
28 revenue code.

29 (b) The legislature finds that the commitment of on-going funding
30 is necessary to ensure continuous, autonomous, and independent coverage
31 of public affairs. For that purpose, the secretary of state shall
32 enter into a four-year contract with the nonprofit organization to
33 provide public affairs coverage through June 30, 2002. The funding
34 level for each year of the contract shall be based on the amount
35 provided in this subsection and adjusted to reflect the implicit price
36 deflator for the previous year. The nonprofit organization shall be
37 required to raise contributions or commitments to make contributions,
38 in cash or in kind, in an amount equal to forty percent of the state
39 contribution.

(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.

(8) \$280,000 of the archives and records management account-- private/local appropriation is provided solely for preserving and restoring security microfilm.

Sec. 112. 1997 c 149 s 120 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER

State Treasurer's Service Account

Appropriation	\$	((11,567,000))
		<u>12,382,000</u>

Sec. 113. 1997 c 149 s 121 (uncodified) is amended to read as follows:

FOR THE STATE AUDITOR

General Fund Appropriation (FY 1998)	\$	((678,000))
		<u>688,000</u>

General Fund Appropriation (FY 1999)	\$	((678,000))
		<u>1,193,000</u>

State Auditing Services Revolving Account

Appropriation	\$	((11,928,000))
		<u>12,373,000</u>

TOTAL APPROPRIATION	\$	((13,284,000))
		<u>14,254,000</u>

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

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

8 (2) \$420,000 of the general fund appropriation for fiscal year 1998
9 and \$420,000 of the general fund appropriation for fiscal year 1999 are
10 provided solely for staff and related costs to audit special education
11 programs that exhibit unusual rates of growth, extraordinarily high
12 costs, or other characteristics requiring attention of the state safety
13 net committee, and other school districts for baseline purposes and to
14 determine if there are common errors. The auditor shall consult with
15 the superintendent of public instruction regarding training and other
16 staffing assistance needed to provide expertise to the audit staff.

17 (3) \$250,000 of the general fund fiscal year 1998 appropriation and
18 \$250,000 of the general fund fiscal year 1999 appropriation are
19 provided solely for the budget and reporting system (BARS) to improve
20 the reporting of local government fiscal data. Audits of counties and
21 cities by the division of municipal corporations shall include findings
22 regarding the completeness, accuracy, and timeliness of BARS data
23 reported to the state auditor's office.

24 (4) The state auditor shall develop recommendations and curricula
25 for preventing instances of improper governmental actions as defined in
26 chapter 42.20 RCW, the state whistleblower act. In developing these
27 recommendations and curricula, the state auditor shall involve the
28 office of financial management, office of the attorney general,
29 executive ethics board, department of personnel, employee
30 organizations, and other interested parties. These recommendations
31 shall be submitted to the governor and the legislature by June 30,
32 1998.

33 (5) \$120,000 of the auditing services revolving fund appropriation
34 is provided solely to implement Engrossed Second Substitute House Bill
35 No. 2881 (auditing state contractors). If the bill is not enacted by
36 June 30, 1998, the amount provided in this subsection shall lapse.

37 (6) \$25,000 of the general fund fiscal year 1999 appropriation is
38 provided solely to implement Engrossed Second Substitute House Bill No.
39 2831 (a joint report to the legislature on the results of cost studies

and service quality and reliability reports from electric utilities).
If the bill is not enacted by June 30, 1998, the amount provided in
this subsection shall lapse. No fee may be collected from the electric
utilities for this joint report.

(7) \$10,000 of the general fund fiscal year 1998 appropriation and
\$490,000 of the general fund fiscal year 1999 appropriation are
provided solely for staff and related costs to: Verify the accuracy of
reported school district data submitted for state funding purposes or
program audits of state funded public school programs; and establish
the specific amount of funds to be recovered whenever the amount is not
firmly established in the course of any public school audits conducted
by the state auditor's office. The results of the audits shall be
submitted to the superintendent of public instruction for corrections
of data and adjustments of funds.

Sec. 114. 1997 c 149 s 122 (uncodified) is amended to read as
follows:

FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund Appropriation (FY 1998)	\$	((4,000))
		<u>11,000</u>
General Fund Appropriation (FY 1999)	\$	63,000
TOTAL APPROPRIATION	\$	((67,000))
		<u>74,000</u>

***Sec. 115.** 1997 c 149 s 123 (uncodified) is amended to read as
follows:

FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 1998)	\$	((4,361,000))
		<u>4,161,000</u>
General Fund--State Appropriation (FY 1999)	\$	((3,631,000))
		<u>3,831,000</u>
General Fund--Federal Appropriation	\$	2,248,000
Public Safety and Education Account		
Appropriation	\$	((1,300,000))
		<u>1,291,000</u>
New Motor Vehicle Arbitration Account		
Appropriation	\$	1,094,000
Legal Services Revolving Account		
Appropriation	\$	((125,008,000))

1 125,758,000
2 TOTAL APPROPRIATION \$ ((137,642,000))
3 138,383,000

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

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

12 (2) The attorney general shall include, at a minimum, the following
13 information with each bill sent to agencies receiving legal services:

14 (a) The number of hours and cost of attorney services provided during
15 the billing period; (b) cost of support staff services provided during
16 the billing period; (c) attorney general overhead and central support
17 costs charged to the agency for the billing period; (d) direct legal
18 costs, such as filing and docket fees, charged to the agency for the
19 billing period; and (e) other costs charged to the agency for the
20 billing period. The attorney general may, with approval of the office
21 of financial management change its billing system to meet the needs of
22 its user agencies.

23 (3) \$300,000 of the fiscal year 1998 general fund--state
24 appropriation is provided for a comprehensive assessment of
25 environmental and public health impacts and for other costs related to
26 pursuing remedies for pollution in the Spokane river basin.

27 (4) (~~(\$640,000))~~ \$440,000 of the fiscal year 1998 general fund--
28 state appropriation and (~~(\$210,000))~~ \$410,000 of the fiscal year 1999
29 general fund--state appropriation are provided solely to implement the
30 supervision management and recidivist tracking program to allow the
31 department of corrections and local law enforcement agencies to share
32 information concerning the activities of offenders on community
33 supervision. (~~((No information on any person may be entered into or
34 retained in the program unless the person is under the jurisdiction of
35 the department of corrections.))~~)

36 (5) Within the amounts provided in this section, the attorney
37 general shall implement Second Substitute House Bill No. 2027

1 (regulating travel sales). If the bill is not enacted by June 30,
2 1998, this subsection is null and void.

3 *Sec. 115 was partially vetoed. See message at end of chapter.

4 **Sec. 116.** 1997 c 149 s 124 (uncodified) is amended to read as
5 follows:

6 **FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS**

7 Securities Regulation Account Appropriation \$((~~5,445,000~~))
8 5,482,000

9 The appropriation in this section is subject to the following
10 conditions and limitations: \$34,000 of the securities regulation
11 account appropriation is provided solely for the implementation of
12 Engrossed House Bill No. 3901 (implementing welfare reform). If the
13 bill is not enacted by June 30, 1997, the amount provided shall lapse.

14 ***Sec. 117.** 1997 c 454 s 103 (uncodified) is amended to read as
15 follows:

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

17 General Fund--State Appropriation (FY 1998) . . . \$ ((~~57,361,000~~))
18 57,078,000

19 General Fund--State Appropriation (FY 1999) . . . \$ ((~~56,351,000~~))
20 61,451,000

21 General Fund--Federal Appropriation \$ ((~~155,278,000~~))
22 164,000,000

23 General Fund--Private/Local Appropriation \$ 6,903,000

24 Public Safety and Education Account

25 Appropriation \$ ((~~8,781,000~~))
26 8,720,000

27 Public Works Assistance Account

28 Appropriation \$ 2,223,000

29 Building Code Council Account Appropriation . . . \$ ((~~1,318,000~~))
30 1,366,000

31 Administrative Contingency Account

32 Appropriation \$ 1,776,000

33 Low-Income Weatherization Assistance Account

34 Appropriation \$ 923,000

35 Violence Reduction and Drug Enforcement Account

36 Appropriation \$ 6,042,000

1	Manufactured Home Installation Training Account	
2	Appropriation	\$ 250,000
3	Washington Housing Trust Account	
4	Appropriation	\$ 7,999,000
5	Public Facility Construction Loan Revolving Account	
6	Appropriation	\$ 515,000
7	<u>Clean Washington Account Appropriation (FY 1998)</u>	<u>\$ 11,000</u>
8	TOTAL APPROPRIATION	\$ ((305,720,000))
9		<u>319,257,000</u>

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

12 (1) ((~~\$3,282,500~~)) \$2,962,500 of the general fund--state
13 appropriation for fiscal year 1998 and ((~~\$3,282,500~~)) \$3,602,500 of the
14 general fund--state appropriation for fiscal year 1999 are provided
15 solely for a contract with the Washington technology center. For work
16 essential to the mission of the Washington technology center and
17 conducted in partnership with universities, the center shall not pay
18 any increased indirect rate nor increases in other indirect charges
19 above the absolute amount paid during the 1995-97 biennium.

20 (2) \$155,000 of the general fund--state appropriation for fiscal
21 year 1998 and ((~~\$155,000~~)) \$445,000 of the general fund--state
22 appropriation for fiscal year 1999 are provided solely for a contract
23 with the Washington manufacturing extension partnership.

24 (3) \$9,964,000 of the general fund--federal appropriation is
25 provided solely for the drug control and system improvement formula
26 grant program, to be distributed in state fiscal year 1998 as follows:

27 (a) \$3,603,250 to local units of governments to continue the multi-
28 jurisdictional narcotics task forces;

29 (b) \$500,000 to the department to continue the state-wide drug
30 prosecution assistance program in support of multijurisdictional
31 narcotics task forces;

32 (c) \$1,306,075 to the Washington state patrol for coordination,
33 investigative, and supervisory support to the multijurisdictional
34 narcotics task forces and for methamphetamine education and response;

35 (d) \$240,000 to the department for grants to support tribal law
36 enforcement needs;

37 (e) \$900,000 to drug courts in eastern and western Washington;

1 (f) \$300,000 to the department for grants to provide sentencing
2 alternatives training programs to defenders;

3 (g) \$200,000 for grants to support substance-abuse treatment in
4 county jails;

5 (h) \$517,075 to the department for legal advocacy for victims of
6 domestic violence and for training of local law enforcement officers
7 and prosecutors on domestic violence laws and procedures;

8 (i) \$903,000 to the department to continue youth violence
9 prevention and intervention projects;

10 (j) \$91,000 for the governor's council on substance abuse;

11 (k) \$99,000 for program evaluation and monitoring;

12 (l) \$100,000 for the department of corrections for a feasibility
13 study of replacing or updating the offender based tracking system.

14 (m) \$498,200 for development of a state-wide system to track
15 criminal history records; and

16 (n) No more than \$706,400 to the department for grant
17 administration and reporting.

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

30 (4) \$11,715,000 of the general fund--federal appropriation is
31 provided solely for the drug control and system improvement formula
32 grant program, to be distributed in state fiscal year 1999 as follows:

33 (a) \$3,878,250 to local units of government to continue
34 multijurisdictional narcotics task forces;

35 (b) \$531,000 to the department to continue the drug prosecution
36 assistance program in support of multijurisdictional narcotics task
37 forces;

1 (c) \$1,363,075 to the Washington state patrol for coordination,
2 investigative, and supervisory support to the multijurisdictional
3 narcotics task forces and for methamphetamine education and response;

4 (d) \$256,000 to the department for grants to support tribal law
5 enforcement needs;

6 (e) \$1,093,000 to drug courts in eastern and western Washington;

7 (f) \$312,000 to the department for grants assisting in the
8 development, conduct, and training on sentencing alternatives;

9 (g) \$261,000 to the department to continue a substance-abuse
10 treatment in jails program, to test the effect of treatment on future
11 criminal behavior;

12 (h) \$581,075 to the department to continue domestic violence legal
13 advocacy;

14 (i) \$949,000 to the department to continue youth violence
15 prevention and intervention projects;

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

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

20 (l) \$1,496,200 to the office of financial management for the
21 criminal history records improvement program; and

22 (m) \$804,400 to the department for required grant administration,
23 monitoring and reporting on Byrne formula grant programs.

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

36 ((4)) (5) \$1,000,000 of the general fund fiscal year 1998
37 appropriation and \$1,000,000 of the general fund fiscal year 1999
38 appropriation are provided solely to implement Engrossed Substitute
39 House Bill No. 1576 (buildable lands) or Senate Bill No. 6094 (growth

management). If neither bill is enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

~~((5))~~ ~~\$4,800,000~~) (6) \$4,766,000 of the public safety and education account appropriation, \$1,000,000 of the fiscal year 1998 general fund--state appropriation, and ~~((1,000,000))~~ \$1,034,000 of the fiscal year 1999 general fund--state appropriation are provided solely for indigent civil legal representation services contracts and contracts administration. The amounts provided in this subsection are contingent upon enactment of section 2 of Engrossed Substitute House Bill No. 2276 (civil legal services for indigent persons). If section 2 of the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

~~((6))~~) (7) \$643,000 of the general fund--state fiscal year 1998 appropriation and \$643,000 of the general fund--state fiscal year 1999 appropriation are provided solely to increase payment rates for contracted early childhood education assistance program providers. It is the legislature's intent that these amounts shall be used primarily to increase compensation for persons employed in direct, front-line service delivery.

~~((7))~~) (8) \$75,000 of the general fund--state fiscal year 1998 appropriation and \$75,000 of the general fund--state fiscal year 1999 appropriation are provided solely as a grant for the community connections program in Walla Walla county.

~~((8))~~) (9) \$300,000 of the general fund--state fiscal year 1998 appropriation and \$300,000 of the general fund--state fiscal year 1999 appropriation are provided solely to contract with the Washington state association of court-appointed special advocates/guardians ad litem (CASA/GAL) to establish pilot programs in three counties to recruit additional community volunteers to represent the interests of children in dependency proceedings. Of this amount, a maximum of \$30,000 shall be used by the department to contract for an evaluation of the effectiveness of CASA/GAL in improving outcomes for dependent children. The evaluation shall address the cost-effectiveness of CASA/GAL and to the extent possible, identify savings in other programs of the state budget where the savings resulted from the efforts of the CASA/GAL volunteers. The department shall report to the governor and legislature by October 15, 1998.

~~((9))~~) (10) \$75,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for state sponsorship of the "BIO

1 99" international biotechnology conference and exhibition in the
2 Seattle area in 1999.

3 ~~((10))~~ (11) \$698,000 of the general fund--state appropriation for
4 fiscal year 1998, \$697,000 of the general fund--state appropriation for
5 fiscal year 1999, and \$1,101,000 of the administrative contingency
6 account appropriation are provided solely for contracting with
7 associate development organizations.

8 ~~((11))~~ (12) \$50,000 of the general fund--state appropriation for
9 fiscal year 1998 and \$50,000 of the general fund--state appropriation
10 for fiscal year 1999 are provided solely to expand the long-term care
11 ombudsman program.

12 ~~((12))~~ (13) \$60,000 of the general fund--state appropriation for
13 fiscal year 1998 and \$60,000 of the general fund--state appropriation
14 for fiscal year 1999 are provided solely for implementation of the
15 Puget Sound work plan action item DCTED-01.

16 ~~((13))~~ (14) \$20,000 of the general fund--state appropriation for
17 fiscal year 1998 is provided solely for a task force on tourism
18 promotion and development. The task force shall report to the
19 legislature on its findings and recommendations by January 31, 1998.

20 ~~((14))~~ (15) \$61,000 of the general fund--state appropriation for
21 fiscal year 1998 and \$60,000 of the general fund--state appropriation
22 for fiscal year 1999 are provided solely for the pacific northwest
23 economic region (PNWER).

24 ~~((15))~~ (16) \$123,000 of the general fund--state appropriation for
25 fiscal year 1998 and \$124,000 of the general fund--state appropriation
26 for fiscal year 1999 are provided solely for the community development
27 finance program.

28 ~~((16))~~ (17) Within the appropriations provided in this section,
29 the department shall conduct a study of possible financial incentives
30 to assist in revitalization of commercial areas and report its findings
31 and recommendations to the appropriate committees of the legislature by
32 November 15, 1997.

33 (18) \$49,000 of the general fund--state appropriation for fiscal
34 year 1999 is provided solely to implement section 11 of Engrossed
35 Second Substitute House Bill No. 2345 (revising administrative law).
36 If section 11 of the bill is not enacted by June 30, 1998, the amount
37 provided in this subsection shall lapse.

38 (19) \$1,000,000 of the general fund--state appropriation for fiscal
39 year 1999 is provided solely for the development of housing for low-

1 income temporary or migrant farm workers through grants awarded after
2 the effective date of this act. The legislature finds that providing
3 housing for low-income temporary or migrant workers is a public
4 purpose. The department shall prioritize grants and shall award grants
5 on a competitive basis to local governments, nonprofit corporations, or
6 other nonprofit entities. Grant moneys awarded by the department under
7 this subsection may be matched by nonstate sources on a dollar-for-
8 dollar basis, in cash or in-kind. Of the amount provided in this
9 subsection, \$100,000 is provided solely for restroom and shower
10 facilities at the Horn Rapids Park in Benton county; no match need be
11 provided for this project. The amount provided in this subsection is
12 contingent upon enactment of sections 1 through 8 of Second Substitute
13 Senate Bill No. 6168. If any of these sections of the bill are not
14 enacted by June 30, 1998, this subsection is null and void, and the
15 amounts provided in this subsection shall lapse. Any amounts provided
16 in this subsection not committed to grants by June 30, 1999, shall
17 lapse.

18 (20) \$275,000 of the general fund--state appropriation for fiscal
19 year 1999 is provided solely for coastal erosion project grants to the
20 city of Ocean Shores.

21 (21) \$191,000 of the general fund--state appropriation for fiscal
22 year 1999 is provided solely for the implementation of Substitute House
23 Bill No. 2556 (child abuse prevention and treatment). If the bill is
24 not enacted by June 30, 1998, the amount provided in this subsection
25 shall lapse.

26 (22) \$965,000 of the general fund--state appropriation for fiscal
27 year 1999 is provided solely for the implementation of Substitute
28 Senate Bill No 6655 (Spokane intercollegiate research and technology
29 institute).

30 (23) \$92,000 of the general fund--state appropriation for fiscal
31 year 1999 is provided solely for the implementation of Engrossed
32 Substitute Senate Bill No. 6560 (electric power customer rights). For
33 any portion of the appropriation that is expended for contracted
34 services, the department shall: (a) Form an advisory committee
35 consisting of representatives from public utility districts and
36 residential, commercial, and industrial customers; and (b) submit for
37 review and approval by the advisory committee the request for proposal
38 and selection of the successful bidder or bidders. If the bill is not

1 enacted by June 30, 1998, the amount provided in this subsection shall
2 lapse.

3 (24) \$383,000 of the general fund--state appropriation for fiscal
4 year 1999 is provided solely for the emergency food assistance program.

5 (25) \$120,000 of the general fund--state appropriation for fiscal
6 year 1999 is provided solely for grants to licensed overnight youth
7 shelters for the purpose of assisting the shelters in meeting the
8 minimum requirements for receiving a license under chapter 74.15 RCW.
9 The department may provide grants of up to twenty thousand dollars per
10 year for each shelter. Only shelters that are currently licensed are
11 eligible to receive the grants. Funds may be used for the following
12 purposes, including but not limited to: Additional staff, food,
13 facility maintenance, or beds, provided that these costs are necessary
14 to meet the licensing and facility standards adopted by the department
15 of social and health services. For purposes of this subsection,
16 "overnight youth shelter" means a licensed facility operated by a
17 nonprofit agency that provides overnight shelter to homeless or runaway
18 youth because of family problems or dysfunctions.

19 (26) \$27,000 of the general fund--state appropriation for fiscal
20 year 1999 is provided solely for the sexual assault program within the
21 office of crime victims advocacy.

22 (27) \$37,000 of the general fund--state appropriation for fiscal
23 year 1998 and \$128,000 of the general fund--state appropriation for
24 fiscal year 1999 are provided solely for deposit in the state trade
25 fair fund. If Engrossed Second Substitute Senate Bill No. 6562 is not
26 enacted by June 30, 1998, the amounts provided in this subsection shall
27 lapse.

28 (28) \$1,100,000 of the general fund--state appropriation for fiscal
29 year 1999 is provided solely for the early childhood education and
30 assistance program.

31 *Sec. 117 was partially vetoed. See message at end of chapter.

32 **Sec. 118.** 1997 c 454 s 104 (uncodified) is amended to read as
33 follows:

34 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

35	General Fund--State Appropriation (FY 1998) . . . \$	((10,530,000))
36		<u>10,626,000</u>
37	General Fund--State Appropriation (FY 1999) . . . \$	((10,253,000))
38		<u>11,160,000</u>

1	General Fund--Federal Appropriation	\$	23,331,000
2	General Fund--Local Appropriation	\$	190,000
3	TOTAL APPROPRIATION	\$	((44,114,000))
4			45,307,000

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

7 (1) The office of financial management, in cooperation with the
8 higher education coordinating board and the state board for community
9 and technical colleges, shall develop long-term higher education
10 enrollment forecasting models for consideration by the legislature. To
11 the extent possible, the pilot models shall incorporate trends in
12 demography, higher education applications, K-12 graduation rates, labor
13 market needs, and state and national higher education policy and
14 economic considerations. The public institutions of education shall
15 cooperate in the development of models by providing any necessary data
16 in a timely and organized manner. The private education institutions
17 of the state are encouraged to participate in this effort. A
18 preliminary report shall be provided to the appropriate committees of
19 the legislature by November 1, 1998, and a final report shall be
20 provided by January 15, 1999.

21 (2) \$139,000 of the general fund--state appropriation for fiscal
22 year 1999 is provided solely to implement Engrossed Second Substitute
23 House Bill No. 2880 (task force on vendor contracting practices). If
24 the bill is not enacted by June 30, 1998, the amount provided in this
25 subsection shall lapse.

26 (3) \$250,000 of the general fund--state appropriation for fiscal
27 year 1999 is provided solely to contract with an outside management
28 consultant to review the department of fish and wildlife's financial
29 operations and management practices.

30 (4) \$25,000 of the general fund--state appropriation for fiscal
31 year 1998 and \$50,000 of the general fund--state appropriation for
32 fiscal year 1999 are provided solely for the legislature and the office
33 of financial management to contract jointly for a performance review of
34 the state long-term care system. The review shall result in
35 recommendations by October 1, 1998, on strategies for increasing the
36 long-term affordability and cost-effectiveness of the system, and shall
37 include a review of topics such as methods for matching service levels
38 to recipient needs, options for managing growth in entitlement

1 financial management, the information services board, and the office of
2 information technology oversight of the department of information
3 services the following items: (a) The number of state agencies that
4 have received access to the data warehouse (it is anticipated that
5 approximately 40 agencies will receive access during the 1997-99
6 biennium); (b) the change in requests for downloads from the mainframe
7 computer by agencies with access to the data warehouse, to reflect
8 transferring customers use of the mainframe computer to the more
9 economical use of data warehouse information; and (c) a summary of
10 customer feedback from agencies with access to the data warehouse.
11 Authority to expend this amount is conditioned on compliance with
12 section 902 of this act.

13 (6) The department of personnel has the authority to charge
14 agencies for expenses associated with converting its payroll/personnel
15 computer system to accommodate the year 2000 date change. Funding to
16 cover these expenses shall be realized from the agency FICA savings
17 associated with the pretax benefits contributions plan.

18 (7) The department of personnel shall charge all administrative
19 services costs incurred by the department of retirement systems for the
20 deferred compensation program. The billings to the department of
21 retirement systems shall be for actual costs only.

22 **Sec. 120. 1997 c 149 s 130 (uncodified) is amended to read as*
23 *follows:*

24 **FOR THE WASHINGTON STATE LOTTERY**

25 **Industrial Insurance Premium Refund**

26 **Appropriation \$ 9,000**

27 **Lottery Administrative Account**

28 **Appropriation \$ 19,966,000**

29 **TOTAL APPROPRIATION \$ 19,975,000**

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

32 (1) The state lottery shall apportion 30 percent of fiscal year
33 1999 gross revenue to the state general fund. If a lower percentage is
34 apportioned to the general fund in fiscal year 1999, a dollar amount
35 equal to the difference between the actual apportionment and 30 percent
36 of fiscal year 1999 gross revenue shall lapse from the lottery
37 administrative account appropriation.

(2) If the state lottery provides cash bonuses or cash marketing incentives to retailers, a dollar amount equal to the total cash bonuses and marketing incentives shall lapse from the lottery administrative account appropriation.

(3) The requirements of subsections (1) and (2) of this section are contingent upon the enactment of Engrossed House Bill No. 3120 (lottery revenues). If the bill is not enacted by June 30, 1998, subsections (1) and (2) of this section are null and void.

*Sec. 120 was vetoed. See message at end of chapter.

Sec. 121. 1997 c 149 s 134 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS

Dependent Care Administrative Account

Appropriation \$ 357,000

Department of Retirement Systems Expense Account

Appropriation \$ ((31,415,000))

34,481,000

TOTAL APPROPRIATION \$ ((31,772,000))

34,838,000

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

(1) \$1,373,000 of the department of retirement systems expense account appropriation is provided solely for the information systems project known as the electronic document image management system. Authority to expend this amount is conditioned on compliance with section 902 of this act.

(2) \$1,259,000 of the department of retirement systems expense account appropriation is provided solely for the information systems project known as the receivables management system. Authority to expend this amount is conditioned on compliance with section 902 of this act.

(3) The department of retirement systems shall complete a study examining whether it would be cost-effective to contract out the administration functions for the dependent care assistance program and shall report to the fiscal committees of the legislature by December 15, 1997.

(4) \$118,000 of the department of retirement systems expense account appropriation is provided solely to implement Engrossed Substitute House Bill No. 2491 (TRS/PERS plan I gain sharing). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

(5) \$920,000 of the department of retirement systems expense account appropriation is provided solely to implement Substitute Senate Bill No. 6306 (creating the Washington school employees' retirement system). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

(6) \$42,000 of the department of retirement systems expense account appropriation is provided solely for the implementation of Engrossed Senate Bill No. 6305 (death benefits for port and university police). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

*Sec. 122. 1997 c 149 s 136 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE

General Fund Appropriation (FY 1998)	\$	65,033,000
General Fund Appropriation (FY 1999)	\$	((65,320,000))
		<u>65,623,000</u>
Timber Tax Distribution Account		
Appropriation	\$	4,778,000
Enhanced 911 Account Appropriation	\$	<u>100,000</u>
Waste Reduction/Recycling/Litter Control		
Appropriation	\$	100,000
State Toxics Control Account Appropriation	\$	67,000
Solid Waste Management Account		
Appropriation	\$	92,000
Oil Spill Administration Account		
Appropriation	\$	14,000
TOTAL APPROPRIATION	\$	((135,404,000))
		<u>135,807,000</u>

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

(1) \$1,540,000 of the general fund appropriation for fiscal year 1998 and ((~~\$1,710,000~~)) \$1,799,000 of the general fund appropriation

1 for fiscal year 1999 are provided solely for senior citizen property
2 tax deferral distribution. If neither Substitute Senate Bill No. 6321
3 nor Engrossed Substitute Senate Bill No. 6533 (senior/disabled property
4 tax) is enacted by June 30, 1998, \$89,000 of the general fund
5 appropriation for fiscal year 1999 shall lapse.

6 (2) Within the amounts appropriated in this section the department
7 shall conduct a study identifying the impacts of exempting all
8 shellfish species from the tax imposed on enhanced food fish under
9 chapter 82.27 RCW. The study shall include an estimate of the fiscal
10 impacts to state revenues as well as an examination of how such an
11 exemption would impact shellfish-based industries and communities where
12 shellfish-based industries are located. The department shall complete
13 this study and report its findings to the legislature by December 1,
14 1997.

15 (3) \$60,000 of the general fund appropriation for fiscal year 1999
16 is provided solely for a study of the costs incurred by retailers in
17 collecting and remitting state and local sales taxes. The department
18 shall (a) identify and estimate the costs for small, medium, and large
19 retailers, (b) estimate the cost to retailers of implementing changes
20 in tax rates and/or the tax base, (c) identify current statutory and
21 regulatory procedures that impose costs and burdens on retailers, as
22 well as alternatives that would lessen these costs and burdens, (d)
23 estimate any direct or indirect compensation retailers currently
24 receive, if any, and (e) review how many other states provide
25 compensation to retailers and the nature of the compensation. The
26 department shall report its findings to the fiscal committees of the
27 house of representatives and senate by December 31, 1998.

28 (4) \$100,000 of the enhanced 911 account appropriation is provided
29 solely for costs associated with convening a study group on enhanced
30 911 wireless implementation. The department of revenue shall convene
31 a study group consisting of, but not limited to, representatives of the
32 following: The office of financial management, the military
33 department, the state enhanced 911 advisory committee, the department
34 of revenue, and the utilities and transportation commission. The study
35 shall evaluate the most efficient and cost-effective manner to
36 implement state-wide enhanced 911 emergency communications services for
37 radio access telephone lines. The study will also include an
38 evaluation of the technical issues affecting the implementation of
39 wireless enhanced 911 and may hire a telecommunications consultant to

1 conduct this evaluation. The study group shall present its findings
2 and recommendations to the governor and the appropriate committees of
3 the legislature no later than December 31, 1998.

4 (5) \$104,000 of the general fund appropriation for fiscal year 1999
5 is provided solely for the implementation of tax legislation enacted
6 during the 1998 legislative session.

7 (6) \$50,000 of the general fund appropriation for fiscal year 1999
8 is provided solely to implement sections 3 and 4 of Engrossed Second
9 Substitute House Bill No. 2345 (revising administrative law). If
10 sections 3 and 4 of the bill are not enacted by June 30, 1998, the
11 amount provided in this subsection shall lapse.

12 *Sec. 122 was partially vetoed. See message at end of chapter.

13 **Sec. 123.** 1997 c 149 s 141 (uncodified) is amended to read as
14 follows:

15 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

16 Data Processing Revolving Account

17	Appropriation	\$	3,577,000
18	<u>Education Savings Account Appropriation</u>	<u>\$</u>	<u>6,900,000</u>
19	K-20 Technology Account Appropriation	\$	44,028,000
20	TOTAL APPROPRIATION	\$	((47,605,000))
21			<u>54,505,000</u>

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

24 (1) The department shall provide a toll-free telephone number and
25 operator service staff for the general public to call for information
26 about state agencies. The department may provide such staff,
27 equipment, and facilities as are necessary for this purpose. The
28 director shall adopt rules to fix terms and charges for these services.
29 All state agencies and the legislature shall participate in the
30 information program and shall reimburse the department of information
31 services in accordance with rules established by the director. The
32 department shall also provide conference calling services for state and
33 other public agencies on a fee-for-service basis.

34 (2) \$44,028,000 of the K-20 technology account appropriation shall
35 be expended in accordance with the expenditures authorized by the K-20
36 telecommunications oversight and policy committee as currently existing
37 or as modified by Substitute House Bill No. 1698, Substitute Senate

1 Bill No. 5002, or substantially similar legislation (K-20
2 telecommunications network).

3 (3) \$6,900,000 of the education savings account appropriation is
4 provided solely to complete the build-out of phase II of the K-12
5 portion of the K-20 network.

6 *Sec. 124. 1997 c 149 s 142 (uncodified) is amended to read as
7 follows:

8 **FOR THE INSURANCE COMMISSIONER**

9	General Fund--Federal Appropriation	\$	106,000
10	Insurance Commissioners Regulatory Account		
11	Appropriation	\$	22,431,000
12	TOTAL APPROPRIATION	\$	22,537,000

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

15 (1) \$532,000 of the insurance commissioner's regulatory account
16 appropriation is provided solely for the expenditure of funds received
17 under the consent order with the Prudential insurance company. These
18 funds are provided solely for implementing the Prudential remediation
19 process and for examinations of the Prudential company.

20 ~~(2) ((\$206,000 of the insurance commissioner's regulatory account~~
21 ~~appropriation is provided solely to implement Substitute House Bill No.~~
22 ~~1387 (basic health plan benefits). If the bill is not enacted by June~~
23 ~~30, 1997, the amount provided in this subsection shall lapse.~~

24 ~~(3)))~~ \$298,000 of the insurance commissioner's regulatory account
25 appropriation is provided solely for technology improvements that will
26 support the electronic filing of insurance rates and contracts and
27 enable regulators and the industry to share information about licensed
28 agents to protect the public from fraudulent sales practices.

29 (3) \$50,000 of the insurance commissioner's regulatory account
30 appropriation is provided solely to implement sections 10 and 12 of
31 Engrossed Second Substitute House Bill No. 2345 (revising
32 administrative law). If sections 10 and 12 of the bill are not enacted
33 by June 30, 1998, the amount provided in this subsection shall lapse.

34 (4) \$100,000 of the insurance commissioner's regulatory account
35 appropriation is provided solely for allocation to the traffic safety
36 commission for implementation of Engrossed Substitute House Bill No.
37 2439, the Cooper Jones Act (bicycle/pedestrian safety education). If

1 the bill is not enacted by June 30, 1998, the amount provided in this
2 subsection shall lapse.

3 *Sec. 124 was partially vetoed. See message at end of chapter.

4 *Sec. 125. 1997 c 149 s 145 (uncodified) is amended to read as
5 follows:

6 **FOR THE HORSE RACING COMMISSION**

7 Horse Racing Commission Account Appropriation \$ 4,828,000

8 The appropriation in this section is subject to the following
9 conditions and limitations: Within the amounts appropriated in this
10 section, the horse racing commission, in consultation with the gambling
11 commission, shall study the impact on the major live race tracks and
12 the horse racing and breeding industry of allowing gambling activity
13 currently authorized in Washington by state law or under a state/tribal
14 compact agreement to be conducted at the live race track facilities.
15 The horse racing commission shall report to the appropriate committees
16 of the legislature by December 15, 1998.

17 *Sec. 125 was vetoed. See message at end of chapter.

18 Sec. 126. 1997 c 149 s 146 (uncodified) is amended to read as
19 follows:

20 **FOR THE LIQUOR CONTROL BOARD**

21	General Fund Appropriation (FY 1998)	\$	1,603,000
22	General Fund Appropriation (FY 1999)	\$	((1,242,000))
23			<u>1,294,000</u>
24	Liquor Control Board Construction and Maintenance		
25	Account Appropriation	\$	9,919,000
26	Liquor Revolving Account Appropriation	\$	((121,391,000))
27			<u>122,607,000</u>
28	TOTAL APPROPRIATION	\$	((134,155,000))
29			<u>135,423,000</u>

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

32 (1) \$1,250,000 of the liquor revolving account appropriation is
33 provided solely for the agency information technology upgrade. This
34 item is conditioned on satisfying the requirements of section 902 of
35 this act, including the development of a project management plan, a

1 project schedule, a project budget, a project agreement, and
2 incremental funding based on completion of key milestones.

3 (2) \$1,603,000 of the general fund fiscal year 1998 appropriation
4 and \$1,242,000 of the general fund fiscal year 1999 appropriation are
5 provided solely to implement Substitute Senate Bill No. 6084 or
6 Engrossed Substitute House Bill No. 2272 (transferring enforcement
7 provisions regarding cigarette and tobacco taxes to the liquor control
8 board). If neither bill is enacted by June 30, 1997, the amounts
9 provided in this subsection shall lapse.

10 (3) \$459,000 of the liquor revolving account appropriation is
11 provided solely for implementation of Substitute Senate Bill No. 5664
12 (credit and debit cards purchases in state liquor stores). If the bill
13 is not enacted by June 30, 1997, the amount provided in this subsection
14 shall lapse.

15 (4) \$154,000 of the liquor revolving account appropriation is
16 provided solely for the implementation of Engrossed House Bill No. 3901
17 (implementing welfare reform). If the bill is not enacted by June 30,
18 1997, the amount provided in this subsection shall lapse.

19 (5) \$944,000 of the liquor revolving account appropriation is
20 provided solely for the increase in vendor commissions due to the
21 higher than expected growth in sales volume.

22 (6) Within the amounts provided in this section, the liquor control
23 board shall prepare and submit a report on the liquor agency vendor
24 system to the legislature by December 1, 1998. The report shall
25 provide information on: (a) The development and changes to the liquor
26 agency vendor store system during the last twenty years; (b) the
27 business profile of liquor agency vendors, including the number of
28 liquor agency vendors that sell only liquor and the number of liquor
29 agency vendors that sell other items besides liquor; (c) the growth in
30 the number of liquor agency vendors during the last twenty years; (d)
31 the locations served by liquor agency vendors; (e) the criteria used
32 for establishing liquor agency vendors and determining whether to open
33 a state liquor store in a particular location; (f) the average annual
34 commission paid per liquor agency vendor during the last twenty years;
35 (g) the commission rate and components of the commissions provided to
36 liquor agency vendors during the last twenty years; (h) the basis for
37 any changes to the commission rate or components of the commissions
38 provided to liquor agency vendors during the last twenty years; and (i)

1 gross liquor sales by liquor agency vendors during the last twenty
2 years.

3 (7) \$272,000 of the liquor revolving account appropriation is
4 provided solely for the implementation of Substitute Senate Bill No.
5 6253 (credit and debit card purchases in state liquor agency vendors).
6 If the bill is not enacted by June 30, 1998, the amount provided in
7 this subsection shall lapse.

8 (8) \$52,000 of the general fund appropriation for fiscal year 1999
9 is provided solely for equipment for cigarette tax enforcement
10 activities.

11 **Sec. 127.** 1997 c 149 s 147 (uncodified) is amended to read as
12 follows:

13 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

14 Public Service Revolving Account--State

15 Appropriation \$ ((~~24,313,000~~))
16 24,754,000

17 Public Service Revolving Account--Federal

18 Appropriation \$ 292,000

19 TOTAL APPROPRIATION \$ ((~~24,605,000~~))
20 25,046,000

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

23 (1) \$133,000 of the public service revolving account--state
24 appropriation is provided solely for the implementation of Engrossed
25 Substitute Senate Bill No. 6560 (electric power customer rights). For
26 any portion of the appropriation that is expended for contracted
27 services, the commission shall: (a) Form an advisory committee
28 consisting of representatives from electrical companies regulated by
29 the commission, and residential, commercial, and industrial customers
30 served by those companies; and (b) submit for review and approval by
31 the advisory committee the request for proposal and selection of the
32 successful bidder or bidders. If the bill is not enacted by June 30,
33 1998, the amount provided in this subsection shall lapse.

34 (2) \$308,000 of the public service revolving account--state
35 appropriation is provided solely for the implementation of Engrossed
36 Substitute Senate Bill No. 6622 (federal telecommunications act). If

1 the bill is not enacted by June 30, 1998, the amount provided in this
2 subsection shall lapse.

3 **Sec. 128.** 1997 c 454 s 105 (uncodified) is amended to read as
4 follows:

5 **FOR THE MILITARY DEPARTMENT**

6	General Fund--State Appropriation (FY 1998) . . . \$	((8,151,000))
7		<u>8,602,000</u>
8	General Fund--State Appropriation (FY 1999) . . . \$	((8,154,000))
9		<u>9,390,000</u>
10	General Fund--Federal Appropriation \$	34,314,000
11	General Fund--Private/Local Appropriation \$	238,000
12	Flood Control Assistance Account Appropriation . \$	3,000,000
13	Enhanced 911 Account Appropriation \$	26,782,000
14	Disaster Response Account--State Appropriation . \$	((23,977,000))
15		<u>25,487,000</u>
16	Disaster Response Account--Federal Appropriation \$	((95,419,000))
17		<u>110,812,000</u>
18	TOTAL APPROPRIATION \$	((200,035,000))
19		<u>218,625,000</u>

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

22 (1) \$365,000 of the general fund--state appropriation for fiscal
23 year 1998, \$1,145,000 of the general fund--state appropriation for
24 fiscal year 1999, \$3,000,000 of the flood control assistance account
25 appropriation, and \$6,197,000 of the general fund--federal
26 appropriation are provided solely for deposit in the disaster response
27 account to cover costs pursuant to subsection (2) of this section.

28 (2) ((~~\$23,977,000~~)) \$25,122,000 of the disaster response account--
29 state appropriation is provided solely for the state share of response
30 and recovery costs associated with federal emergency management agency
31 (FEMA) disaster number 1079 (November/December 1995 storms), FEMA
32 disaster 1100 (February 1996 floods), FEMA disaster 1152 (November 1996
33 ice storm), FEMA disaster 1159 (December 1996 holiday storm), FEMA
34 disaster 1172 (March 1997 floods) and to assist local governmental
35 entities with the matching funds necessary to earn FEMA funds for FEMA
36 disaster 1100 (February 1996 floods). \$356,000 of the disaster
37 response account--state appropriation is provided solely for fire

1 mobilization costs. \$9,000 of the disaster response account--state
2 appropriation is provided solely for costs associated with FEMA
3 disaster 1182 (Pend Oreille county 1997 spring flood).

4 (3) \$100,000 of the general fund--state fiscal year 1998
5 appropriation and \$100,000 of the general fund--state fiscal year 1999
6 appropriation are provided solely for the implementation of a
7 conditional scholarship program pursuant to chapter 28B.103 RCW.

8 (4) \$35,000 of the general fund--state fiscal year 1998
9 appropriation and \$35,000 of the general fund--state fiscal year 1999
10 appropriation are provided solely for the north county emergency
11 medical service.

12 (5) \$36,000 of the general fund--state fiscal year 1998
13 appropriation and \$72,000 of the general fund--state fiscal year 1999
14 appropriation are provided solely for emergency worker claims pursuant
15 to chapter 38.52 RCW.

16 **Sec. 129.** 1997 c 149 s 152 (uncodified) is amended to read as
17 follows:

18 **FOR THE STATE CONVENTION AND TRADE CENTER**

19 State Convention and Trade Center Operating Account

20	Appropriation	\$	((27,175,000))
21			<u>27,394,000</u>

22 (End of part)

PART II

HUMAN SERVICES

Sec. 201. 1997 c 149 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))~~ subsection (3) of this section, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.

(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) ((The appropriations in sections 202 through 213 of this act shall be expended for the programs and in the amounts listed in those sections.))~~

(a) The appropriations to the department of social and health services in chapters 149 and 454, Laws of 1997, as amended, shall be expended for the programs and in the amounts specified therein. However, after May 1, 1998, unless specifically prohibited by this act, the department may transfer general fund--state appropriations for

fiscal year 1998 among programs after approval by the director of financial management. However, the department shall not transfer general fund--state appropriations from the economic services program for the 1997-99 fiscal biennium.

(b) To the extent that the transfer of appropriations under subsection (a) of this section is insufficient to fund actual expenditures in fiscal year 1998 in the medical assistance program that exceed the expenditures projected in the November 1997 medical assistance caseload forecast, the department may transfer general fund appropriations, not to exceed five million dollars, within the medical assistance program from fiscal year 1999 into fiscal year 1998.

(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.

Sec. 202. 1997 c 454 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 1998) . . . \$	((196,437,000))
	<u>201,453,000</u>
General Fund--State Appropriation (FY 1999) . . . \$	((208,861,000))
	<u>213,035,000</u>
General Fund--Federal Appropriation \$	((252,269,000))
	<u>252,300,000</u>
General Fund--Private/Local Appropriation \$	400,000
Violence Reduction and Drug Enforcement Account	
Appropriation \$	((4,230,000))
	<u>4,332,000</u>
TOTAL APPROPRIATION \$	((662,197,000))
	<u>671,520,000</u>

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

(1) \$16,510,000 of the general fund--state appropriation for fiscal year 1998 and \$17,508,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for purposes consistent with the

1 maintenance of effort requirements under the federal temporary
2 assistance for needy families program established under P.L. 104-193.

3 (2) ~~\$((837,000))~~ 4,332,000 of the violence reduction and drug
4 enforcement account appropriation and ~~\$((7,228,000))~~ 3,733,000 of the
5 general fund--federal appropriation are provided solely for the
6 operation of the family policy council, the community public health and
7 safety networks, and delivery of services authorized under the federal
8 family preservation and support act. Within the funds provided, the
9 family policy council shall contract for an evaluation of the community
10 networks with the institute for public policy and shall provide for
11 audits of ten networks. Within the funds provided, the family policy
12 council may build and maintain a geographic information system database
13 tied to community network geography.

14 (3) \$577,000 of the general fund--state fiscal year 1998
15 appropriation and \$577,000 of the general fund--state fiscal year 1999
16 appropriation are provided solely to contract for the operation of one
17 pediatric interim care facility. The facility shall provide
18 residential care for up to twelve children through two years of age.
19 Seventy-five percent of the children served by the facility must be in
20 need of special care as a result of substance abuse by their mothers.
21 The facility also shall provide on-site training to biological,
22 adoptive, or foster parents. The facility shall provide at least three
23 months of consultation and support to parents accepting placement of
24 children from the facility. The facility may recruit new and current
25 foster and adoptive parents for infants served by the facility. The
26 department shall not require case management as a condition of the
27 contract.

28 (4) \$481,000 of the general fund--state fiscal year 1998
29 appropriation and \$481,000 of the general fund--state fiscal year 1999
30 appropriation are provided solely for up to three nonfacility-based
31 programs for the training, consultation, support, and recruitment of
32 biological, foster, and adoptive parents of children through age three
33 in need of special care as a result of substance abuse by their
34 mothers, except that each program may serve up to three medically
35 fragile nonsubstance-abuse-affected children. In selecting
36 nonfacility-based programs, preference shall be given to programs whose
37 federal or private funding sources have expired or that have
38 successfully performed under the existing pediatric interim care
39 program.

1 (5) \$640,000 of the general fund--state appropriation for fiscal
2 year 1998 and \$640,000 of the general fund--state appropriation for
3 fiscal year 1999 are provided solely to fund Second Substitute Senate
4 Bill No. 5710 (juvenile care and treatment), including section 2 of the
5 bill. Amounts provided in this subsection to implement Second
6 Substitute Senate Bill No. 5710 must be used to serve families who are
7 screened from the child protective services risk assessment process.
8 Services shall be provided through contracts with community-based
9 organizations. If neither bill is enacted by June 30, 1997, the
10 amounts provided in this subsection shall lapse.

11 (6) \$594,000 of the general fund--state appropriation for fiscal
12 year 1998, \$556,000 of the general fund--state appropriation for fiscal
13 year 1999, and \$290,000 of the general fund--federal appropriation are
14 provided solely to fund the provisions of Engrossed Second Substitute
15 House Bill No. 2046 (foster parent liaison). The department shall
16 establish a foster parent liaison in each department of social and
17 health services region of the state and contract with a private
18 provider to implement a recruitment and retention program for foster
19 parents and adoptive families. The department shall provide a minimum
20 of two hundred additional adoptive and foster home placements by June
21 30, 1998. If the bill is not enacted by June 30, 1997, the amounts in
22 this subsection shall lapse.

23 (7) \$433,000 of the fiscal year 1998 general fund--state
24 appropriation, \$395,000 of the fiscal year 1999 general fund--state
25 appropriation, and \$894,000 of the general fund--federal appropriation
26 are provided solely to increase the rate paid to private child-placing
27 agencies.

28 (8) \$580,000 of the general fund--state appropriation for fiscal
29 year 1998 and \$580,000 of the general fund--state appropriation for
30 fiscal year 1999 are provided solely for development and expansion of
31 child care training requirements and optional training programs. The
32 department shall adopt rules to require annual training in early
33 childhood development of all directors, supervisors, and lead staff at
34 child care facilities. Directors, supervisors, and lead staff at child
35 care facilities include persons licensed as family child care
36 providers, and persons employed at child care centers or school age
37 child care centers. The department shall establish a program to fund
38 scholarships and grants to assist persons in meeting these training
39 requirements. The department shall also develop criteria for approving

1 training programs and establish a system for tracking who has received
2 the required level of training. In adopting rules, developing
3 curricula, setting up systems, and administering scholarship programs,
4 the department shall consult with the child care coordinating committee
5 and other community stakeholders.

6 (9) The department shall provide a report to the legislature by
7 November 1997 on the growth in additional rates paid to foster parents
8 beyond the basic monthly rate. This report shall explain why
9 exceptional, personal, and special rates are being paid for an
10 increasing number of children and why the amount paid for these rates
11 per child has risen in recent years. This report must also recommend
12 methods by which the legislature may improve the current foster parent
13 compensation system, allow for some method of controlling the growth in
14 costs per case, and improve the department's and the legislature's
15 ability to forecast the program's needs in future years.

16 (10) \$100,000 of the general fund--state appropriation for fiscal
17 year 1998 and \$100,000 of the general fund--state appropriation for
18 fiscal year 1999 are provided solely for legal costs associated with
19 the defense of vendors operating a secure treatment facility, for
20 actions arising from the good faith performance of treatment services
21 for behavioral difficulties or needs.

22 (11) \$2,745,000 of the fiscal year 1998 general fund--state
23 appropriation, \$2,745,000 of the fiscal year 1999 general fund--state
24 appropriation, and \$1,944,000 of the general fund--federal
25 appropriation are provided solely for the category of services titled
26 "intensive family preservation services."

27 (12) ~~\$((2,200,000))~~ 1,642,000 of the fiscal year 1998 general
28 fund--state appropriation and ~~\$((2,200,000))~~ 1,207,000 of the fiscal
29 year 1999 general fund--state appropriation and \$1,551,000 of the
30 general fund--federal appropriation are provided solely to continue
31 existing continuum of care and street youth projects.

32 (13) \$1,456,000 of the general fund--state appropriation for fiscal
33 year 1998, \$1,474,000 of the general fund--state appropriation for
34 fiscal year 1999 and \$1,141,000 of the general fund--federal
35 appropriation are provided solely for the improvement of quality and
36 capacity of the child care system and related consumer education. The
37 activities funded by this appropriation shall include, but not be
38 limited to: Expansion of child care resource and referral network
39 services to serve additional families, to provide technical assistance

1 to child care providers, and to cover currently unserved areas of the
2 state; development of and incentives for child care during nonstandard
3 work hours; and the development of care for infants, toddlers,
4 preschoolers, and school age youth. These amounts are provided in
5 addition to funding for child care training and fire inspections of
6 child care facilities. These activities shall also improve the quality
7 and capacity of the child care system.

8 (14)(a) \$6,565,000 of the general fund--state appropriation for
9 fiscal year 1998 and \$7,454,000 of the general fund--state
10 appropriation for fiscal year 1999 are provided solely for distribution
11 to county juvenile court administrators to fund the costs of processing
12 truancy, children in need of services, and at-risk youth petitions.
13 The department shall not retain any portion of these funds to cover
14 administrative or any other departmental costs. The department, in
15 conjunction with the juvenile court administrators, shall develop an
16 equitable funding distribution formula. The formula shall neither
17 reward counties with higher than average per petition processing costs
18 nor shall it penalize counties with lower than average per petition
19 processing costs.

20 (b) Each quarter during the 1997-1999 fiscal biennium, each county
21 shall report the number of petitions processed and the total costs of
22 processing the petitions in each of the following categories: Truancy,
23 children in need of services, and at-risk youth. Counties shall submit
24 the reports to the department no later than 45 days after the end of
25 the quarter. The department shall forward this information to the
26 chair and ranking minority member of the house appropriations committee
27 and the senate ways and means committee no later than 60 days after a
28 quarter ends. These reports are deemed informational in nature and are
29 not for the purpose of distributing funds.

30 (15) \$70,000 of the fiscal year 1999 general fund--state
31 appropriation is provided solely for foster parent intervention support
32 teams.

33 (16) \$255,000 of the general fund--state appropriation for fiscal
34 year 1999 and \$67,000 of the general fund--federal appropriation are
35 provided solely for implementation of Substitute House Bill No. 2556
36 (child abuse prevention and treatment). If the bill is not enacted by
37 June 30, 1998, the amounts provided in this subsection shall lapse.

38 (17) The department and the attorney general shall jointly make
39 recommendations to the legislature to reduce or limit the state's

1 liability for damages in child welfare cases, including shelter care
2 and dependency proceedings. The recommendations shall be submitted to
3 the appropriate committees of the legislature by December 1, 1998.

4 (18) To the extent funds are available, the department shall pay
5 the expense of fingerprint criminal history record checks for low-
6 income family day care homes through the federal bureau of
7 investigation. The department may promulgate rules to set eligibility
8 levels.

9 (19) Sufficient funding is provided in this section to implement
10 Engrossed Substitute Senate Bill No. 6238 (dependent children).

11 **Sec. 203.** 1997 c 454 s 203 (uncodified) is amended to read as
12 follows:

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

15 (1) COMMUNITY SERVICES

16 General Fund--State Appropriation (FY 1998) . . . \$	((32,305,000))
	<u>35,894,000</u>
18 General Fund--State Appropriation (FY 1999) . . . \$	((32,348,000))
	<u>35,522,000</u>
20 General Fund--Federal Appropriation \$	((16,125,000))
	<u>13,365,000</u>
22 General Fund--Private/Local Appropriation \$	378,000
23 Violence Reduction and Drug Enforcement Account	
24 Appropriation \$	((11,256,000))
	<u>14,080,000</u>
26 TOTAL APPROPRIATION \$	((92,412,000))
	<u>99,239,000</u>

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

30 (a) \$527,000 of the violence reduction and drug enforcement account
31 appropriation is provided solely for deposit in the county criminal
32 justice assistance account solely for costs to the criminal justice
33 system associated with the implementation of Engrossed Third Substitute
34 House Bill No. 3900 (revising the juvenile code). If Engrossed Third
35 Substitute House Bill No. 3900 is not enacted by June 30, 1997, the
36 amount provided in this subsection shall lapse. The amount provided in
37 this subsection is intended to provide funding for county adult court

costs associated with the implementation of Engrossed Third Substitute House Bill No. 3900 and shall be distributed in accordance with RCW 82.14.310.

(b) \$2,917,000 of the violence reduction and drug enforcement account is provided solely for the implementation of Engrossed Third Substitute Senate Bill No. 3900 (revising the juvenile code). The amount provided in this subsection is intended to provide funding for county impacts associated with the implementation of Third Substitute Senate Bill No. 3900 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula. If the bill is not enacted by June 30, 1997, the amounts provided shall lapse.

(c) \$2,350,000 of the general fund--state fiscal year 1998 appropriation and \$2,350,000 of the general fund--state fiscal year 1999 appropriation are provided solely for an early intervention program to be administered at the county level. Moneys shall be awarded on a competitive basis to counties that have submitted plans for implementation of an early intervention program consistent with proven methodologies currently in place in the state. 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.

(d) \$1,221,000 of the violence reduction and drug enforcement appropriation is provided solely to implement alcohol and substance abuse treatment for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that have submitted a plan for the provision of treatment 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. If Engrossed Third Substitute House Bill No. 3900 (juvenile code revisions) is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(e) \$100,000 of the general fund--state fiscal year 1998 appropriation and \$100,000 of the general fund--state fiscal year 1999 appropriation are provided solely for the juvenile rehabilitation administration to contract with the institute for public policy for the responsibilities assigned in Engrossed Third Substitute House Bill No.

1 3900 (juvenile code revisions). If the bill is not enacted by June 30,
2 1997, the amounts provided in this subsection shall lapse.

3 (f) \$400,000 of the violence reduction and drug enforcement account
4 appropriation is provided solely for the development of standards
5 measuring the effectiveness of chemical dependency treatment and for
6 conducting evaluations of chemical dependency programs pursuant to
7 Engrossed Third Substitute House Bill No. 3900 (revising the juvenile
8 code). If the bill is not enacted by June 30, 1997, the amount
9 provided in this subsection shall lapse. The juvenile rehabilitation
10 administration shall consult with the division of alcohol and substance
11 abuse and contract with the University of Washington to develop the
12 standards and conduct the evaluations.

13 (g) \$150,000 of the general fund--state fiscal year 1998
14 appropriation and \$150,000 of the general fund--state fiscal year 1999
15 appropriation are provided solely for a contract to expand the services
16 of the teamchild project to additional sites. Priority use of these
17 funds shall be to provide teamchild service to early repeat offenders
18 to help ensure they receive appropriate child welfare and educational
19 services.

20 (h) \$2,700,000 of the violence reduction and drug enforcement
21 account appropriation is provided solely to implement community
22 juvenile accountability grants pursuant to chapter 338, Laws of 1997
23 (juvenile justice). Funds provided in this subsection may be used
24 solely for community juvenile accountability grants, administration of
25 the grants, and evaluations of programs funded by the grants.

26 (i) \$2,175,000 of the general fund--state appropriation for fiscal
27 year 1999 is provided solely for the implementation of Second
28 Substitute Senate Bill No. 6445 (child community facility placement).
29 If the bill is not enacted by June 30, 1998, the amounts provided in
30 this subsection shall lapse. The funds are intended to improve the
31 security of state-operated and privately contracted group homes. By
32 June 30, 1999, the juvenile rehabilitation administration shall report
33 to the appropriate policy and fiscal committees of the legislature on
34 the specific actions, and the cost of each action, taken to improve
35 security at both state-operated and contracted group homes.

36 (j) \$150,000 of the general fund--state appropriation for fiscal
37 year 1999 is provided solely for the Skagit county delinquency
38 prevention project.

1	(2) INSTITUTIONAL SERVICES	
2	General Fund--State Appropriation (FY 1998) . . . \$	((44,782,000))
3		<u>43,909,000</u>
4	General Fund--State Appropriation (FY 1999) . . . \$	((44,662,000))
5		<u>45,977,000</u>
6	General Fund--Private/Local Appropriation \$	727,000
7	Violence Reduction and Drug Enforcement Account	
8	Appropriation \$	15,281,000
9	TOTAL APPROPRIATION \$	((105,452,000))
10		<u>105,894,000</u>

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

13 (a) \$3,680,000 of the violence reduction and drug enforcement
14 account appropriation is provided solely for the implementation of
15 Engrossed Third Substitute House Bill No. 3900 (juvenile code
16 revisions). If the bill is not enacted by June 30, 1997, the amount
17 provided in this subsection shall lapse.

18 (b) \$105,000 of the general fund--state appropriation for fiscal
19 year 1998 and \$377,000 of the general fund--state appropriation for
20 fiscal year 1999 are provided solely for costs associated with
21 implementing chapter 386, Laws of 1997 (juvenile care and treatment).

22 (c) \$44,000 of the general fund--state appropriation for fiscal
23 year 1999 is provided solely to implement House Bill No. 1172 (sex
24 offender registration). If the bill is not enacted by June 30, 1998,
25 the amount provided in this subsection shall lapse.

26	(3) PROGRAM SUPPORT	
27	General Fund--State Appropriation (FY 1998) . . . \$	((1,922,000))
28		<u>1,930,000</u>
29	General Fund--State Appropriation (FY 1999) . . . \$	((1,610,000))
30		<u>1,654,000</u>
31	General Fund--Federal Appropriation \$	156,000
32	Violence Reduction and Drug Enforcement Account	
33	Appropriation \$	421,000
34	TOTAL APPROPRIATION \$	((4,109,000))
35		<u>4,161,000</u>

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

3 (a) \$92,000 of the general fund--state fiscal year 1998
4 appropriation and \$36,000 of the general fund--state fiscal year 1999
5 appropriation are provided solely for the implementation of Substitute
6 Senate Bill No. 5759 (risk classification). If the bill is not enacted
7 by June 30, 1997, the amounts provided shall lapse.

8 (b) \$206,000 of the general fund--state fiscal year 1998
9 appropriation is provided solely for the implementation of Engrossed
10 Second Substitute Senate Bill No. 5710 (juvenile care and treatment).
11 If the bill is not enacted by June 30, 1997, the amount provided shall
12 lapse.

13 (c) \$97,000 of the general fund--state fiscal year 1998
14 appropriation and \$36,000 of the general fund--state fiscal year 1999
15 appropriation are provided solely for the implementation of Engrossed
16 Third Substitute House Bill No. 3900 (juvenile code revisions). If the
17 bill is not enacted by June 30, 1997, the amounts provided shall lapse.

18 (d) Within the amounts provided in this subsection, the juvenile
19 rehabilitation administration (JRA) shall develop by January 1, 1998,
20 a staffing model for noncustody functions at JRA institutions and work
21 camps. The models should, whenever possible, reflect the most
22 efficient practices currently being used within the system.

23 (e) \$15,000 of the general fund--state appropriation for fiscal
24 year 1998 and \$175,000 of the general fund--state appropriation for
25 fiscal year 1999 are provided solely for the study required in Second
26 Substitute Senate Bill No. 6445 (child community facility placement).
27 If the bill is not enacted by June 30, 1998, the amounts provided in
28 this subsection shall lapse. The juvenile rehabilitation
29 administration (JRA) shall contract with the institute for public
30 policy for the studies required by the bill.

31 *Sec. 204. 1997 c 149 s 204 (uncodified) is amended to read as
32 follows:

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

34 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

35 General Fund--State Appropriation (FY 1998) . . . \$ ((~~167,577,000~~))
36 170,940,000

37 General Fund--State Appropriation (FY 1999) . . . \$ ((~~170,803,000~~))
38 173,645,000

1	General Fund--Federal Appropriation	\$	((296,006,000))
2			<u>299,651,000</u>
3	General Fund--Private/Local Appropriation	\$	4,000,000
4	TOTAL APPROPRIATION	\$	((638,386,000))
5			<u>648,236,000</u>

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

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

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

18 (c) ~~(((\$2,413,000 of the general fund--state appropriation for~~
19 ~~fiscal year 1998 and \$2,393,000 of the general fund--state~~
20 ~~appropriation for fiscal year 1999 are provided solely to directly~~
21 ~~reimburse eligible providers for the medicaid share of mental health~~
22 ~~services provided to persons eligible for both medicaid and medicare.~~
23 ~~To be reimbursed, the service must be covered by and provided in~~
24 ~~accordance with the state medicaid plan.~~

25 ~~((d)))~~ \$1,304,000 of the general fund--state appropriation for
26 fiscal year 1998, \$3,356,000 of the general fund--state appropriation
27 for fiscal year 1999, and \$5,056,000 of the general fund--federal
28 appropriation are provided solely for distribution to those regional
29 support networks whose 1997-99 allocation would otherwise be less than
30 the regional support network would receive if all funding appropriated
31 in this subsection (1) of this section for medicaid outpatient mental
32 health services were distributed among all regional support networks at
33 the state-wide average per capita rate for each eligibility category.

34 ~~((e)))~~ (d) At least thirty days prior to entering contracts that
35 would capitate payments for voluntary psychiatric hospitalizations, the
36 mental health division shall report the proposed capitation rates, and
37 the assumptions and calculations by which they were established, to the
38 budget and forecasting divisions of the office of financial management,

the appropriations committee of the house of representatives, and the ways and means committee of the senate.

(e) \$533,000 of the general fund--state appropriation for fiscal year 1999 and \$587,000 of the general fund--federal appropriation are provided solely for the implementation of the Second Substitute Senate Bill No. 6214 (mentally ill commitment). If the bill is not enacted by June 30, 1998, the amounts provided in this subsection shall lapse.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 1998) . . .	\$	((59,496,000))
		<u>62,368,000</u>
General Fund--State Appropriation (FY 1999) . . .	\$	((59,508,000))
		<u>60,698,000</u>
General Fund--Federal Appropriation	\$	((127,118,000))
		<u>133,504,000</u>
General Fund--Private/Local Appropriation	\$	((30,940,000))
		<u>25,007,000</u>
TOTAL APPROPRIATION	\$	((277,062,000))
		<u>281,577,000</u>

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) \$246,000 of the general fund--state fiscal year 1998 appropriation and \$318,000 of the general fund--state fiscal year 1999 appropriation are provided solely for funding outside medical costs. The mental health division shall provide a report on outside medical costs to the fiscal committees of the legislature by September 30, 1998, and September 30, 1999. The report shall detail the monthly and per capita expenditures for outside medical costs at each state hospital.

(d) \$256,000 of the general fund--state fiscal year 1998 appropriation and \$254,000 of the general fund--state fiscal year 1999 appropriation are provided solely for funding pharmacy and new drug

costs. The mental health division shall provide a report on pharmacy and new drug costs to the fiscal committees of the legislature by September 30, 1998, and September 30, 1999. The report shall detail monthly and per capita expenditures for pharmacy and new drug costs for each state hospital. Expenditures for each new generation atypical antipsychotic medication including clozapine, resperidone, olanzapine, and any newly introduced medications of this nature shall be specifically reported.

(e) \$1,700,000 of the general fund--state fiscal year 1998 appropriation is provided solely for replacing lost federal revenues in fiscal year 1998 due to a changed definition of discharge for medicare reimbursement purposes. The mental health division must aggressively pursue the prompt resolution of issues resulting in this loss of revenues with the federal health care financing administration. In the event any or all of the lost federal revenues are restored, an equal amount of the general fund--state fiscal year 1998 appropriation shall lapse.

(f) Within the funds provided in this section, the mental health division shall develop by October 1, 1998, a staffing model for direct and indirect functions for the wards at each of the state hospitals. The model should, whenever possible, reflect the most efficient practices for providing treatment and therapeutic services appropriate to the characteristics and needs of the individual patient.

(g) \$1,508,000 of the general fund--state appropriation for fiscal year 1999, \$92,000 of the general fund--federal appropriation, and \$107,000 of the general fund private/local appropriation are provided solely for the implementation of the Second Substitute Senate Bill No. 6214 (mentally ill commitment). If the bill is not enacted by June 30, 1998, the amounts provided in this subsection shall lapse.

(3) CIVIL COMMITMENT

General Fund Appropriation (FY 1998)	\$	((5,423,000))
		<u>7,174,000</u>
General Fund Appropriation (FY 1999)	\$	((6,082,000))
		<u>7,779,000</u>
TOTAL APPROPRIATION	\$	((11,505,000))
		<u>14,953,000</u>

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

(a) \$2,088,000 of the general fund--state fiscal year 1998 appropriation and \$2,415,000 of the general fund--state fiscal year 1999 appropriation are provided solely for court-related costs for residents at the special commitment center.

(b) Within the funds provided in this subsection, the mental health division shall develop by October 1, 1998, a staffing model for direct and indirect functions at the special commitment center. The model should, whenever possible, reflect the most efficient practices for providing treatment and therapeutic services appropriate to the characteristics and needs of the individual patient.

(4) SPECIAL PROJECTS

General Fund--State Appropriation (FY 1998) . . .	\$	50,000
General Fund--State Appropriation (FY 1999) . . .	\$	450,000
General Fund--Federal Appropriation	\$	3,826,000
TOTAL APPROPRIATION	\$	4,326,000

The appropriations in this subsection are subject to the following conditions and limitations: \$50,000 of the general fund--state appropriation for fiscal year 1998 and \$450,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for development and operation of the pilot project for mentally ill offenders described in Substitute Senate Bill No. 6002 (mentally ill offenders). If the bill is not enacted by June 30, 1997, the amounts provided shall lapse.

(5) PROGRAM SUPPORT

General Fund--State Appropriation (FY 1998) . . .	\$	((2,560,000))
		<u>2,537,000</u>
General Fund--State Appropriation (FY 1999) . . .	\$	((2,395,000))
		<u>2,569,000</u>
General Fund--Federal Appropriation	\$	((3,111,000))
		<u>3,085,000</u>
TOTAL APPROPRIATION	\$	((8,066,000))
		<u>8,191,000</u>

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

3 (a) \$60,000 of the general fund--state appropriation for fiscal
4 year 1998 is provided solely to increase the department's capacity to
5 carry out legislative intent set forth in RCW 71.24.400 through
6 71.24.415. To facilitate this activity, the secretary shall appoint an
7 oversight committee of project stakeholders including representatives
8 from: Service providers, mental health regional support networks, the
9 department's mental health division, the department's division of
10 alcohol and substance abuse, the department's division of children and
11 family services, and the department's medical assistance
12 administration. The oversight group shall continue to seek ways to
13 streamline service delivery as set forth in RCW 71.24.405 until at
14 least July 1, 1998.

15 (b) \$96,000 of the general fund--state appropriation for fiscal
16 year 1999 is provided solely for the implementation of Second
17 Substitute Senate Bill No. 6214 (mentally ill commitment). If the bill
18 is not enacted by June 30, 1998, the amount provided in this subsection
19 shall lapse.

20 (c) \$100,000 of the general fund--state appropriation for fiscal
21 year 1999 is provided solely for the evaluation required by Second
22 Substitute Senate Bill No. 6214 (mentally ill commitment). If the bill
23 is not enacted by June 30, 1998, the amount provided in this subsection
24 shall lapse. The mental health division shall contract with the
25 institute for public policy for this evaluation.

26 *Sec. 204 was partially vetoed. See message at end of chapter.

27 *Sec. 205. 1997 c 149 s 205 (uncodified) is amended to read as
28 follows:

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

31 Notwithstanding any other limitations in this section, the
32 secretary shall transfer \$1,140,000 of the general fund--state
33 appropriation, and \$1,060,000 of the general fund--federal
34 appropriation, or so much thereof as may be necessary, among
35 subsections of this section to implement Second Substitute Senate Bill
36 No. 6751 (developmental disabilities service options).

37 (1) COMMUNITY SERVICES

1	General Fund--State Appropriation (FY 1998) . . . \$	((140,172,000))
2		<u>147,757,000</u>
3	General Fund--State Appropriation (FY 1999) . . . \$	((142,643,000))
4		<u>166,773,000</u>
5	General Fund--Federal Appropriation \$	((194,347,000))
6		<u>226,737,000</u>
7	Health Services Account Appropriation \$	((1,695,000))
8		<u>639,000</u>
9	TOTAL APPROPRIATION \$	((478,857,000))
10		<u>541,906,000</u>

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

13 (a) ((~~\$1,695,000 of~~)) The health services account appropriation and
14 \$((~~1,835,000~~)) 692,000 of the general fund--federal appropriation are
15 provided solely for the enrollment in the basic health plan of home
16 care workers with family incomes below 200 percent of the federal
17 poverty level who are employed through state contracts. Enrollment in
18 the basic health plan for home care workers with family incomes at or
19 above 200 percent of poverty shall be covered with general fund--state
20 and matching general fund--federal revenues that were identified by the
21 department to have been previously appropriated for health benefits
22 coverage, to the extent that these funds had not been contractually
23 obligated for worker wage increases prior to March 1, 1996.

24 (b) \$365,000 of the general fund--state appropriation for fiscal
25 year 1998 and \$1,543,000 of the general fund--state appropriation for
26 fiscal year 1999 are provided solely for employment, or other day
27 activities and training programs, for young people who complete their
28 high school curriculum in 1997 or 1998.

29 (c) \$((~~22,974,000~~)) 24,399,000 of the general fund--state
30 appropriation for fiscal year 1998 and \$((~~25,111,000~~)) 28,729,000 of
31 the general fund--state appropriation for fiscal year 1999((~~, plus any~~
32 ~~vendor rate increases allotted in accordance with section 213 of this~~
33 ~~act,~~)) are provided solely to deliver personal care services ((~~to an~~
34 ~~average of 6,250 children and adults in fiscal year 1998 and an average~~
35 ~~of 7,100 children and adults in fiscal year 1999)).~~ Within these
36 amounts, sufficient funding is provided to restore funding for medicaid
37 personal care exceptional rates to the fiscal year 1997 level. If the
38 secretary of social and health services determines that total

1 expenditures are likely to exceed these appropriated amounts, the
2 secretary shall take action as required by RCW 74.09.520 to adjust
3 either functional eligibility standards or service levels or both
4 sufficiently to maintain expenditures within appropriated levels. Such
5 action may include the adoption of emergency rules and may not be taken
6 to the extent that projected over-expenditures are offset by under-
7 expenditures elsewhere within the program's general fund--state
8 appropriation. Prior to making eligibility changes which would
9 terminate all services to some persons, the secretary should first
10 exercise all opportunities to manage the average cost per person
11 served, through methods such as promoting the use of informal care;
12 assuring that local offices are effectively and consistently
13 authorizing the least expensive level of care which can meet recipient
14 needs; and reducing on a sliding-scale basis the amount of service
15 authorized per functional need level, with smaller reductions for
16 greater levels of need.

17 (d) ~~\$((453,000))~~ 144,000 of the general fund--state appropriation
18 for fiscal year 1998, ~~\$((214,000))~~ 453,000 of the general fund--state
19 appropriation for fiscal year 1999, and ~~\$((719,000))~~ 654,000 of the
20 general fund--federal appropriation are provided solely to continue
21 operation of the united cerebral palsy residential center during the
22 period in which its residents are phasing into new community
23 residences.

24 (e) \$197,000 of the general fund--state appropriation for fiscal
25 year 1998 and \$197,000 of the general fund--state appropriation for
26 fiscal year 1999 are provided solely to contract with the Washington
27 initiative for supported employment for the purpose of continuing the
28 promotion of supported employment services for persons with
29 disabilities.

30 (f) The department shall not reduce the number of persons served in
31 community residential, employment and day program, or family support
32 services below the levels identified in the Legislative Budget Notes,
33 1997-99 Biennium, (August 1997) as published by the legislative fiscal
34 committees, in order to undertake activities proposed by the department
35 but not funded in this 1998 supplemental appropriations act.

36 (g) \$2,151,000 of the general fund--state appropriation for fiscal
37 year 1998, \$5,782,000 of the general fund--state appropriation for
38 fiscal year 1999, and \$8,362,000 of the general fund--federal
39 appropriation are provided solely to develop and operate secure

1 residential and day program placements for persons who seem likely to
2 present a significant risk to the public safety if their current
3 residential arrangement were to continue.

4 (h) \$426,000 of the general fund--state appropriation for fiscal
5 year 1999 and \$469,000 of the general fund--federal appropriation are
6 provided solely to develop and operate community services for persons
7 residing at eastern and western state hospitals whose needs are such
8 that they cannot be served in existing community vacancies.

9 (i) \$200,000 of the general fund--state appropriation for fiscal
10 year 1998 and \$1,592,000 of the general fund--state appropriation for
11 fiscal year 1999 are provided solely for employment and day program
12 services for adults who are not currently able to participate in such
13 services because of funding limitations.

14 (j) \$105,000 of the general fund--state appropriation for fiscal
15 year 1998, \$933,000 of the general fund--state appropriation for fiscal
16 year 1999, and \$1,029,000 of the general fund--federal appropriation
17 are provided solely to develop and operate community services for
18 persons moving from the residential habilitation centers as a result of
19 an agreement with the federal department of justice or a settlement
20 agreement to a lawsuit.

21 *(k) Within amounts appropriated in this subsection, the division*
22 *shall contract for a pilot program to test an alternative service*
23 *delivery model for services to persons with autism. The division must*
24 *use a competitive process to determine the site of the pilot. The*
25 *pilot program must be time-limited and subject to an evaluation of*
26 *client outcomes to determine the effectiveness and efficiency of the*
27 *pilot program compared to the standard service model for persons with*
28 *autism.*

29 (2) INSTITUTIONAL SERVICES

30	General Fund--State Appropriation (FY 1998) . . . \$	((63,982,000))
31		65,277,000
32	General Fund--State Appropriation (FY 1999) . . . \$	((63,206,000))
33		64,187,000
34	General Fund--Federal Appropriation \$	((142,955,000))
35		145,897,000
36	General Fund--Private/Local Appropriation \$	9,729,000
37	TOTAL APPROPRIATION \$	((279,872,000))
38		285,090,000

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

3 (a) With the funds appropriated in this subsection, the secretary
4 of social and health services shall develop an eight-bed program at
5 Yakima valley school specifically for the purpose of providing respite
6 services to all eligible individuals on a state-wide basis, with an
7 emphasis on those residing in central Washington.

8 (b) \$112,000 of the general fund--state appropriation for fiscal
9 year 1998, \$113,000 of the general fund--state appropriation for
10 fiscal year 1999, and \$75,000 of the general fund--federal
11 appropriation are provided solely for a nursing community outreach
12 project at Yakima valley school. Registered nursing staff are to
13 provide nursing assessments, consulting services, training, and quality
14 assurance on behalf of individuals residing in central Washington.

15 (c) \$200,000 of the general fund--state appropriation for fiscal
16 year 1998, \$200,000 of the general fund--state appropriation for fiscal
17 year 1999, and \$400,000 of the general fund--federal appropriation are
18 provided solely for the development of a sixteen-bed program at Yakima
19 valley school specifically for the purpose of providing respite
20 services to all eligible individuals on a state-wide basis, with an
21 emphasis on those residing in central Washington.

22 (3) PROGRAM SUPPORT

23	General Fund--State Appropriation (FY 1998) . . . \$	((2,543,000))
24		<u>2,530,000</u>
25	General Fund--State Appropriation (FY 1999) . . . \$	((2,517,000))
26		<u>2,501,000</u>
27	General Fund--Federal Appropriation \$	((1,645,000))
28		<u>1,637,000</u>
29	TOTAL APPROPRIATION \$	((6,705,000))
30		<u>6,668,000</u>

31 (4) SPECIAL PROJECTS

32 General Fund--Federal Appropriation \$ 12,030,000

33 *Sec. 205 was partially vetoed. See message at end of chapter.

1 **Sec. 206.** 1997 c 149 s 206 (uncodified) is amended to read as
2 follows:

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

5	General Fund--State Appropriation (FY 1998) . . . \$	((392,045,000))
6		<u>409,469,000</u>
7	General Fund--State Appropriation (FY 1999) . . . \$	((416,304,000))
8		<u>425,130,000</u>
9	General Fund--Federal Appropriation \$	((878,169,000))
10		<u>910,685,000</u>
11	<u>General Fund--Local Appropriation \$</u>	<u>1,781,000</u>
12	Health Services Account Appropriation \$	((6,087,000))
13		<u>2,232,000</u>
14	TOTAL APPROPRIATION \$	((1,692,605,000))
15		<u>1,749,297,000</u>

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

18 (1) The entire health services account appropriation and
19 \$((~~6,076,000~~)) 2,175,000 of the general fund--federal appropriation are
20 provided solely for the enrollment in the basic health plan of home
21 care workers with family incomes below 200 percent of the federal
22 poverty level who are employed through state contracts. Enrollment in
23 the basic health plan for home care workers with family incomes at or
24 above 200 percent of poverty shall be covered with general fund--state
25 and matching general fund--federal revenues that were identified by the
26 department to have been previously appropriated for health benefits
27 coverage, to the extent that these funds had not been contractually
28 obligated for worker wage increases prior to March 1, 1996.

29 (2) \$1,277,000 of the general fund--state appropriation for fiscal
30 year 1998 and \$1,277,000 of the general fund--state appropriation for
31 fiscal year 1999 are provided solely for operation of the volunteer
32 chore program.

33 (3) \$((~~107,997,000~~)) 113,534,000 of the general fund--state
34 appropriation for fiscal year 1998 ((~~and \$120,397,000~~)), \$125,310,000
35 of the general fund--state appropriation for fiscal year 1999, ((~~plus~~
36 ~~any vendor rate increases allocated to these services in accordance~~
37 ~~with section 213 of this act~~)) of which no less than forty-nine percent
38 shall be allotted for expenditure during the first six months of fiscal

1 year 1999, and \$7,374,000 of the general fund--federal social services
2 block grant appropriation, are provided solely to deliver chore, COPES,
3 and medicaid personal care services. If the secretary of social and
4 health services determines that total expenditures are likely to exceed
5 these amounts, the secretary shall take action as required by RCW
6 74.09.520, 74.39A.120, and 74.09.530 to adjust functional eligibility
7 standards and/or service levels sufficiently to maintain expenditures
8 within appropriated levels. Such action may include the adoption of
9 emergency rules, and shall not be taken to the extent that projected
10 over-expenditures are offset by under-expenditures resulting from lower
11 than budgeted nursing home caseloads. Prior to making eligibility
12 changes which would terminate all services to some persons, the
13 secretary should first exercise all opportunities to manage the average
14 cost per person served, through methods such as promoting the use of
15 informal care; assuring that local offices are effectively and
16 consistently authorizing the least expensive level of care that can
17 meet recipient needs; using waiting lists for individuals with lower
18 levels of need in order to limit monthly growth; and reducing on a
19 sliding-scale basis the amount of service authorized per functional
20 need level, with smaller reductions for greater levels of need.

21 (4) \$1,080,000 of the general fund--state appropriation for fiscal
22 year 1999 is provided to maintain service eligibility for persons
23 receiving services through the chore, COPES, or medicaid personal care
24 programs in the event eligibility adjustments may be necessary or are
25 made in accordance with subsection (3) of this section. The department
26 may use seventy-five percent of amounts not needed for that purpose to
27 implement quality of care enhancements.

28 (5) \$26,000 of the general fund--state appropriation for fiscal
29 year 1998, \$59,000 of the general fund--state appropriation for fiscal
30 year 1999, and \$85,000 of the general fund--federal appropriation are
31 provided solely to employ registered nurses rather than social workers
32 to fill six of the new field positions to be filled in fiscal year 1998
33 and seven more of the new positions to be filled in fiscal year 1999.
34 These registered nurses shall conduct assessments, develop and monitor
35 service plans, and consult with social work staff to assure that
36 persons with medical needs are placed in and receive the appropriate
37 level of care.

38 ((5)) (6) \$425,000 of the general fund--state appropriation for
39 fiscal year 1998 and \$882,000 of the general fund--state appropriation

1 for fiscal year 1999 are provided solely to implement Second Substitute
2 Senate Bill No. 5179 (nursing facility reimbursement). If the bill is
3 not enacted by June 30, 1997, the amounts provided in this subsection
4 shall lapse.

5 ~~((6) A maximum of \$2,193,000 of the general fund--state~~
6 ~~appropriation for fiscal year 1998 and \$2,351,000 of the general fund--~~
7 ~~federal appropriation for fiscal year 1998 are provided to fund the~~
8 ~~medicaid share of any new prospective payment rate adjustments as may~~
9 ~~be necessary in accordance with RCW 74.46.460.))~~

10 (7) \$242,000 of the general fund--state appropriation for fiscal
11 year 1998, \$212,000 of the general fund--state appropriation for fiscal
12 year 1999, and \$498,000 of the general fund--federal appropriation are
13 provided solely for operation of a system for investigating allegations
14 of staff abuse and neglect in nursing homes, as provided in Second
15 Substitute House Bill No. 1850 (long-term care standards of care).

16 ~~((8) \$350,000 of the general fund--state appropriation for fiscal~~
17 ~~year 1998 and \$382,000 of the general fund--state appropriation for~~
18 ~~fiscal year 1999 are provided solely to supplement the incomes of~~
19 ~~disabled legal immigrants who, because of loss of their federal~~
20 ~~supplemental security income benefit, would otherwise be at risk of~~
21 ~~placement into a more expensive long-term care setting.~~

22 (9)(a) The department shall establish a shadow case mix payment
23 system to educate facilities about payment system alternatives. The
24 department shall provide shadow rates beginning July 1, 1997, based on
25 the following:

26 (i) The direct care portion of the rate, usually called "nursing
27 services," shall be set under a case mix methodology that classifies
28 residents under the Resource Utilization Group III (RUG-III) Version
29 5.10 (or subsequent revision) 44 group index maximizing model based on
30 the Minimum Data Set (MDS) Version 2.0.

31 (ii) Payment to a facility shall be based on facility weighted
32 average case mix data which provides one rate to a facility reflecting
33 its mix of residents. For purposes of determining the facility's cost
34 per case mix unit, the facility average case mix score will be based on
35 the case mix of all residents. For purposes of determining the
36 facility's payment rate, the facility average case mix score shall be
37 based on the case mix of medicaid residents.

38 (iii) The direct care rates shall be adjusted prospectively each
39 quarter based on the facility's MDS 2.0 data from the quarter

commencing six months preceding the rate effective date. For example, the MDSs for 1/1/97 – 3/31/97 shall be used to establish shadow rates for 7/1/97 – 9/30/97.

(iv) Those costs which currently comprise nursing services as defined by chapter 74.46 RCW, excluding therapies, shall be included in the direct care component for case mix.

(v) Data from 1994 cost reports (allowable and audited costs) shall be used to establish the shadow rates. The costs shall be inflated comparable to fiscal year 1998 payment rates, according to RCW 74.46.420.

(vi) Separate prices, ceilings, and corridors shall be established for the peer groups of metropolitan statistical area and nonmetropolitan statistical area.

(b) The following methods shall be used to establish the shadow case mix rates:

(i) A pricing system in which payment to a facility shall be based on a price multiplied by each facility's medicaid case mix. The price, per peer group, shall be established at the median direct care cost per case mix unit.

(ii) A pricing system in which payment to a facility shall be based on a price multiplied by each facility's medicaid case mix. The price, per peer group, shall be based on the cost per case mix unit of a group of cost-effective benchmark facilities which meet quality standards.

(iii) A corridor-based system in which payment to a facility shall be the facility's allowable cost per case mix unit adjusted for case mix up to a ceiling and no less than a floor. The floor, per peer group, shall be established at 90 percent of the cost per case mix unit of a group of cost-effective benchmark facilities which meet quality standards. The ceiling, per peer group, shall be established at 110 percent of the cost per case mix unit of the group of benchmark facilities.

(iv) A corridor-based system in which payment to a facility shall be the facility's allowable cost per case mix unit adjusted for case mix up to a ceiling and no less than a floor. The floor, per peer group, shall be established at 90 percent of the industry-wide median direct care cost per case mix unit. The ceiling, per peer group, shall be established at 110 percent of the industry-wide median direct care cost per case mix unit.

1 ~~(c) The department shall provide all data, information, and~~
2 ~~specifications of the methods used in establishing the shadow case mix~~
3 ~~rates to the nursing home provider associations.~~

4 ~~(d) It is the legislature's intent that the average state payment~~
5 ~~for nursing facility services under the new system increase by no more~~
6 ~~than 175 percent of the health care financing administration nursing~~
7 ~~home input price index, excluding capital costs. In designing the new~~
8 ~~payment system, the department shall develop and propose options for~~
9 ~~the combined direct and indirect rate components that assure this.~~

10 ~~((10)))~~ (8) For purposes of implementing Second Substitute House
11 Bill No. 2935 (nursing facility payment rates), the weighted average
12 nursing facility payment rate for fiscal year 1999 shall be no more
13 than \$117.36, excluding nurse's aide training. Each nursing facility's
14 July 1 through September 30, 1998, medicaid payment rate shall be its
15 June 30, 1998, rate increased by 2.0 percent, except for the property
16 and return on investment component rates, which shall not be increased.
17 Beginning October 1, 1998, component rates rebased on 1996 costs shall
18 be adjusted for economic trends and conditions by 5.18 percent.

19 (9) \$50,000 of the general fund--state appropriation for fiscal
20 year 1998 and \$50,000 of the general fund--state appropriation for
21 fiscal year 1999 are provided solely for payments to any nursing
22 facility licensed under chapter 18.51 RCW which meets all of the
23 following criteria: (a) The nursing home entered into an arm's length
24 agreement for a facility lease prior to January 1, 1980; (b) the lessee
25 purchased the leased nursing home after January 1, 1980; and (c) the
26 lessor defaulted on its loan or mortgage for the assets of the home
27 after January 1, 1991, and prior to January 1, 1992. Payments provided
28 pursuant to this subsection shall not be subject to the settlement,
29 audit, or rate-setting requirements contained in chapter 74.46 RCW.

30 ~~((11) \$546,000))~~ (10) \$506,000 of the general fund--state
31 appropriation for fiscal year 1998, ((\$583,000)) \$502,000 of the
32 general fund--state appropriation for fiscal year 1999, and
33 (\$1,220,000)) \$1,095,000 of the general fund--federal appropriation
34 are provided solely for an increase in the state payment rates for
35 adult residential care and enhanced adult residential care.

36 (11) \$274,000 of the general fund--state appropriation for fiscal
37 year 1998, \$1,357,000 of the general fund--state appropriation for
38 fiscal year 1999, and the entire general fund--local appropriation are
39 provided solely for boarding home licensure and quality assurance by

1 the department of social and health services only if Engrossed House
2 Bill No. 2410 (boarding home administration) is enacted by June 30,
3 1998. If the bill is not enacted, the amounts provided in this
4 subsection shall be allocated to the department of health, which will
5 manage the boarding home licensure and quality assurance program.

6 *Sec. 207. 1997 c 454 s 204 (uncodified) is amended to read as
7 follows:

8 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
9 **PROGRAM**

10	General Fund--State Appropriation (FY 1998) . . . \$	((543,150,000))
11		<u>508,243,000</u>
12	General Fund--State Appropriation (FY 1999) . . . \$	((529,985,000))
13		<u>512,200,000</u>
14	General Fund--Federal Appropriation \$	((952,618,000))
15		<u>951,615,000</u>
16	TOTAL APPROPRIATION \$	((2,025,753,000))
17		<u>1,972,058,000</u>

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

20 (({2})) (1) The legislature finds that, with the passage of the
21 federal personal responsibility and work opportunity act and Engrossed
22 House Bill No. 3901, the temporary assistance for needy families is no
23 longer an entitlement. The legislature declares that the currently
24 appropriated level for the program is sufficient for the next few
25 budget cycles. To the extent, however, that currently appropriated
26 amounts exceed costs during the 1997-99 biennium, the department is
27 encouraged to set aside excess federal funds for use in future years.

28 (({3})) (2) \$485,000 of the general fund--state fiscal year 1998
29 appropriation, \$3,186,000 of the general fund--state fiscal year 1999
30 appropriation, and \$3,168,000 of the general fund--federal
31 appropriation are provided solely to continue to implement the
32 previously competitively procured electronic benefits transfer system
33 through the western states EBT alliance for distribution of cash grants
34 and food stamps so as to meet the requirements of P.L. 104-193.

35 (({4})) (3) \$50,000 of the fiscal year 1998 general fund--state
36 appropriation is provided solely for a study of child care
37 affordability as directed in section 403 of Engrossed House Bill No.

1 3901 (implementing welfare reform). The study shall be performed by
2 the Washington institute for public policy. If the bill is not enacted
3 by June 30, 1997, the amount provided in this subsection shall lapse.

4 ~~((5))~~ (4) \$500,000 of the fiscal year 1998 general fund--state
5 appropriation and \$500,000 of the fiscal year 1999 general fund--state
6 appropriation are provided solely for an evaluation of the WorkFirst
7 program as directed in section 705 of Engrossed House Bill No. 3901
8 (implementing welfare reform). The study shall be performed by the
9 joint legislative audit and review committee. If the bill is not
10 enacted by June 30, 1997, the amount provided in this subsection shall
11 lapse.

12 ~~((6))~~ (5) \$73,129,000 of the general fund--federal appropriation
13 is provided solely for child care assistance for low-income families in
14 the WorkFirst program and for low-income working families as authorized
15 in Engrossed House Bill No. 3901 (implementing welfare reform). All
16 child care assistance provided shall be subject to a monthly copay to
17 be paid by the family receiving the assistance.

18 ~~((7))~~ (6) \$7,624,000 of the fiscal year 1998 general fund--state
19 appropriation, \$18,489,000 of the fiscal year 1999 general fund--state
20 appropriation, and \$29,781,000 of the general fund--federal
21 appropriation are provided solely for implementation of Engrossed House
22 Bill No. 3901 (implementing welfare reform), including sections 404 and
23 405. If the bill is not enacted by June 30, 1997, the amounts provided
24 in this subsection shall lapse. The level of benefits in the food
25 program for legal immigrants authorized in the bill shall be equivalent
26 to benefits provided by the federal food stamp program.

27 ~~((8) \$89,722,000)~~ (7) \$56,461,000 of the fiscal year 1998 general
28 fund--state appropriation and ~~\$((75,466,000))~~ 59,393,000 of the fiscal
29 year 1999 general fund--state appropriation are provided solely for
30 cash assistance to recipients in the general assistance--unemployable
31 program. The department shall take any and all actions necessary to
32 maintain expenditures within these amounts.

33 ~~((9))~~ (8) \$55,995,000 of the fiscal year 1998 general fund--state
34 appropriation, \$55,995,000 of the fiscal year 1999 general fund--state
35 appropriation, and \$184,510,000 of the general fund--federal
36 appropriation are provided solely to administer a low-income child care
37 program as authorized in Engrossed House Bill No. 3901 (implementing
38 welfare reform). The child care program funds shall be allotted as
39 follows:

(a) Each six-month period shall have \$27,997,500 general fund--state and \$46,127,500 general fund--federal funds allotted to be spent during that six-month period for low-income child care assistance.

(b) The department may spend up to the allotted amount for child care assistance during each six-month period. Any funds not spent during the six-month period may be held over and allotted in the next six-month period, subject to the provisions of subsection ((6)) (5) of this section.

(c) Federal funds allotted for child care but not spent in fiscal year 1998 may be transferred to fiscal year 1999 for allotment but state funds must be spent in the year appropriated.

(9) \$5,000,000 of the general fund--federal appropriation from the temporary assistance for needy families block grant is provided solely for allocation to the department of community, trade, and economic development to implement the WorkFirst grants to community action agencies or other local nonprofit organizations. The grants shall be used to provide job opportunities, transitional support services, one-on-one assistance, case management, and job retention services to basic skills training program participants.

(10) Within the amounts provided in this section, the department shall implement the study requirements of Engrossed Substitute House Bill No. 2900 (pro rata calculation of temporary assistance for needy families grants).

*Sec. 207 was partially vetoed. See message at end of chapter.

Sec. 208. 1997 c 454 s 205 (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 1998) . . . \$	((14,466,000))
	<u>15,459,000</u>
General Fund--State Appropriation (FY 1999) . . . \$	((14,334,000))
	<u>15,330,000</u>
General Fund--Federal Appropriation \$	((80,497,000))
	<u>81,112,000</u>
General Fund--Private/Local Appropriation \$	630,000
<u>Public Safety and Education Account</u>	
<u>Appropriation \$</u>	<u>3,210,000</u>
Violence Reduction and Drug Enforcement Account	

1	Appropriation	\$	((72,900,000))
2			<u>74,889,000</u>
3	TOTAL APPROPRIATION	\$	((182,827,000))
4			<u>190,630,000</u>

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

(1) \$2,062,000 of the general fund--federal appropriation and \$7,482,000 of the violence reduction and drug enforcement account appropriation are provided solely for the grant programs for school districts and educational service districts set forth in RCW 28A.170.080 through 28A.170.100, including state support activities, as administered through the office of the superintendent of public instruction.

(2) \$1,902,000 of the general fund--state fiscal year 1998 appropriation, \$1,902,000 of the general fund--state fiscal year 1999 appropriation, and \$1,592,000 of the general fund--federal appropriation are provided solely for alcohol and substance abuse assessment, treatment, including treatment for drug affected infants and toddlers, and child care services for clients of the division of children and family services. Assessment shall be provided by approved chemical dependency treatment programs as requested by child protective services personnel in the division of children and family services. Child care shall be provided as deemed necessary by the division of children and family services while parents requiring alcohol and substance abuse treatment are attending treatment programs.

(3) \$760,000 of the fiscal year 1998 general fund--state appropriation and \$760,000 of the fiscal year 1999 general fund--state appropriation are provided solely to fund a program serving mothers of children affected by fetal alcohol syndrome and related conditions, known as the birth-to-three program. The program may be operated in two cities in the state.

32 (4) \$3,210,000 of the public safety and education account
33 appropriation is provided solely for the continuation of treatment
34 alternatives to street crimes (TASC) programs in Pierce, Snohomish,
35 Clark, King, Spokane, and Yakima counties.

36 **Sec. 209.** 1997 c 149 s 209 (uncodified) is amended to read as
37 follows:

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

General Fund--State Appropriation (FY 1998) . . .	\$	((684,033,000))
		<u>666,815,000</u>
General Fund--State Appropriation (FY 1999) . . .	\$	((684,885,000))
		<u>681,372,000</u>
General Fund--Federal Appropriation	\$	((2,038,101,000))
		<u>2,086,149,000</u>
General Fund--Private/Local Appropriation	\$	((223,900,000))
		<u>306,601,000</u>
Health Services Account Appropriation	\$	((253,004,000))
		<u>254,506,000</u>
Emergency Medical and Trauma Care Services		
Account Appropriation	\$	4,600,000
TOTAL APPROPRIATION	\$	((3,888,523,000))
		<u>4,000,043,000</u>

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

(1) The department shall continue to make use of the special eligibility category created for children through age 18 and in households with incomes below 200 percent of the federal poverty level made eligible for medicaid as of July 1, 1994.

(2) It is the intent of the legislature that Harborview medical center continue to be an economically viable component of the health care system and that the state's financial interest in Harborview medical center be recognized.

(3) Funding is provided in this section for the adult dental program for Title XIX categorically eligible and medically needy persons and to provide foot care services by podiatric physicians and surgeons.

(4) \$1,622,000 of the general fund--state appropriation for fiscal year 1998 and \$1,622,000 of the general fund--state appropriation for fiscal year 1999 are provided for treatment of low-income kidney dialysis patients.

(5) \$80,000 of the general fund--state appropriation for fiscal year 1998, \$80,000 of the general fund--state appropriation for fiscal year 1999, and \$160,000 of the general fund--federal appropriation are

provided solely for the prenatal triage clearinghouse to provide access and outreach to reduce infant mortality.

(6) The department shall employ the managed care contracting and negotiation strategies defined in Substitute Senate Bill No. 5125 to assure that the average per-recipient cost of managed care services for temporary assistance to needy families and expansion populations increases by no more than two percent per year in calendar years 1998 and 1999.

(7) The department shall seek federal approval to require adult medicaid recipients who are not elderly or disabled to contribute ten dollars per month toward the cost of their medical assistance coverage. The department shall report on the progress of this effort to the house of representatives and senate health care and fiscal committees by September 1 and November 15, 1997.

(8) \$325,000 of the general fund--state appropriation for fiscal year 1998 and \$325,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to increase rates paid for air ambulance services.

(9) \$1,468,000 of the general fund--state appropriation for fiscal year 1999 is to be expended solely to the extent necessary because the federal government has not approved the department's request to require certain recipients to pay ten dollars per month toward the cost of their medical assistance.

(10) By November 1, 1998, the department shall report to the health care and fiscal committees of the legislature on the estimated average monthly number of nongrant medical assistance recipients who do not meet the earned income eligibility standards that were in effect prior to November 1997.

Sec. 210. 1997 c 149 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 1998) . . . \$	((8,652,000))
	<u>9,046,000</u>
General Fund--State Appropriation (FY 1999) . . . \$	((8,592,000))
	<u>8,603,000</u>
General Fund--Federal Appropriation \$	((79,542,000))
	<u>79,080,000</u>

1	General Fund--Private/Local Appropriation \$	2,904,000
2	TOTAL APPROPRIATION \$	((99,690,000))
3		<u>99,633,000</u>

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

6 (1) The division of vocational rehabilitation shall negotiate
7 cooperative interagency agreements with local organizations, including
8 higher education institutions, mental health regional support networks,
9 and county developmental disabilities programs to improve and expand
10 employment opportunities for people with severe disabilities served by
11 those local agencies.

12 (2) \$363,000 of the general fund--state appropriation for fiscal
13 year 1998, \$506,000 of the general fund--state appropriation for fiscal
14 year 1999, and \$3,208,000 of the general fund--federal appropriation
15 are provided solely for vocational rehabilitation services for
16 individuals enrolled for services with the developmental disabilities
17 program who complete their high school curriculum in 1997 or 1998.

18 *Sec. 211. 1997 c 454 s 206 (uncodified) is amended to read as
19 follows:

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

22	General Fund--State Appropriation (FY 1998) . . . \$	((24,572,000))
23		<u>25,818,000</u>
24	General Fund--State Appropriation (FY 1999) . . . \$	((23,956,000))
25		<u>25,744,000</u>
26	General Fund--Federal Appropriation \$	((40,352,000))
27		<u>43,037,000</u>
28	General Fund--Private/Local Appropriation \$	270,000
29	TOTAL APPROPRIATION \$	((89,150,000))
30		<u>94,869,000</u>

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

33 (1) The department may transfer up to \$1,289,000 of the general
34 fund--state appropriation for fiscal year 1998, \$1,757,000 of the
35 general fund--state appropriation for fiscal year 1999, and \$2,813,000
36 of the general fund--federal appropriation to the administration and

1 supporting services program from various other programs to implement
2 administrative reductions.

3 (2) The secretary of social and health services and the director of
4 labor and industries shall report to the appropriate fiscal and policy
5 committees of the legislature by July 1, 1997, and every six months
6 thereafter on the measurable changes in employee injury and time-loss
7 rates that have occurred in the state developmental disabilities,
8 juvenile rehabilitation, and mental health institutions as a result of
9 the upfront loss-control discount agreement between the agencies.

10 ~~((4))~~ (3) \$60,000 of the general fund--state appropriation for
11 fiscal year 1998 is provided solely for a welfare fraud pilot program
12 as described by House Bill No. 1822 (welfare fraud investigation).

13 ~~((5))~~ (4) \$55,000 of the fiscal year 1998 general fund--state
14 appropriation, \$64,000 of the fiscal year 1999 general fund--state
15 appropriation, and \$231,000 of the general fund--federal appropriation
16 are provided solely for implementation of Engrossed House Bill No. 3901
17 (implementing welfare reform). If the bill is not enacted by June 30,
18 1997, the amounts provided in this subsection shall lapse.

19 (5) \$192,000 of the general fund--state appropriation for fiscal
20 year 1999 and \$131,000 of the general fund--federal appropriation are
21 provided solely to implement sections 3, 4, and 11 of Engrossed Second
22 Substitute House Bill No. 2345 (revising administrative law). If
23 sections 3, 4, and 11 of the bill are not enacted by June 30, 1998, the
24 amounts provided in this subsection shall lapse.

25 (6) The department shall report on the allowance for clothing,
26 personal maintenance, and necessary incidentals provided to persons who
27 receive services funded by state and federal moneys under Title XIX of
28 the social security act. The report shall discuss the range of
29 allowances granted for different populations and programs and compare
30 the allowances to those provided to similar populations in other
31 western states. The report shall also evaluate the need for a uniform
32 amount provided to all populations and, if a uniform allowance is
33 provided, at what level that allowance should be set. In compiling the
34 report, the department shall consult with affected parties and
35 divisions. The report shall be submitted by December 1, 1998, to the
36 chairs and the ranking minority members of the appropriate committees
37 of the legislature.

38 *Sec. 211 was partially vetoed. See message at end of chapter.

1 **Sec. 212.** 1997 c 454 s 207 (uncodified) is amended to read as
2 follows:

3 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILD SUPPORT PROGRAM**

4	General Fund--State Appropriation (FY 1998) . . . \$	((21,122,000))
5		<u>21,344,000</u>
6	General Fund--State Appropriation (FY 1999) . . . \$	((20,877,000))
7		<u>20,965,000</u>
8	General Fund--Federal Appropriation \$	((145,739,000))
9		<u>145,321,000</u>
10	General Fund--Private/Local Appropriation \$	((33,207,000))
11		<u>32,673,000</u>
12	TOTAL APPROPRIATION \$	((220,945,000))
13		<u>220,303,000</u>

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

16 (1) The department shall contract with private collection agencies
17 to pursue collection of AFDC child support arrearages in cases that
18 might otherwise consume a disproportionate share of the department's
19 collection efforts. The department's child support collection staff
20 shall determine which cases are appropriate for referral to private
21 collection agencies. In determining appropriate contract provisions,
22 the department shall consult with other states that have successfully
23 contracted with private collection agencies to the extent allowed by
24 federal support enforcement regulations.

25 (~~((3))~~) (2) The amounts appropriated in this section for child
26 support legal services shall be expended only by means of contracts
27 with local prosecutor's offices.

28 (~~((4))~~) (3) \$305,000 of the general fund--state fiscal year 1998
29 appropriation, \$494,000 of the general fund--state fiscal year 1999
30 appropriation, and \$1,408,000 of the general fund--federal
31 appropriation are provided solely to implement Engrossed House Bill No.
32 3901 (implementing welfare reform). If the bill is not enacted by June
33 30, 1997, the amounts provided in this subsection shall lapse.

34 **Sec. 213.** 1997 c 454 s 208 (uncodified) is amended to read as
35 follows:

36 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER**
37 **AGENCIES PROGRAM**

1	General Fund--State Appropriation (FY 1998) . . . \$	((47,435,000))
2		<u>25,292,000</u>
3	General Fund--State Appropriation (FY 1999) . . . \$	((47,514,000))
4		<u>24,792,000</u>
5	General Fund--Federal Appropriation \$	((54,366,000))
6		<u>18,966,000</u>
7	((Health Services Account Appropriation \$	1,502,000
8	Violence Reduction and Drug Enforcement Account	
9	Appropriation \$	2,215,000))
10	TOTAL APPROPRIATION \$	((153,032,000))
11		<u>69,050,000</u>

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

14 ~~((1) \$22,893,000 of the general fund--state appropriation for~~
15 ~~fiscal year 1998, \$22,835,000 of the general fund--state appropriation~~
16 ~~for fiscal year 1999, \$35,431,000 of the general fund--federal~~
17 ~~appropriation, \$2,215,000 of the violence reduction and drug~~
18 ~~enforcement account appropriation, and \$1,502,000 of the health~~
19 ~~services account appropriation are provided solely to increase the~~
20 ~~rates of contracted service providers. The department need not provide~~
21 ~~all vendors with the same percentage rate increase. Rather, the~~
22 ~~department is encouraged to use these funds to help assure an adequate~~
23 ~~supply of qualified vendors. Vendors providing services in markets~~
24 ~~where recruitment and retention of qualified providers is a problem may~~
25 ~~receive larger rate increases than other vendors. It is the~~
26 ~~legislature's intent that these amounts shall be used primarily to~~
27 ~~increase compensation for persons employed in direct, front-line~~
28 ~~service delivery. Any rate increases granted as a result of this~~
29 ~~section must be implemented so that the carry-forward costs into the~~
30 ~~1999-01 biennium do not exceed the amounts provided in this subsection.~~
31 ~~Within thirty days of granting a vendor rate increase under this~~
32 ~~section, the department shall report the following information to the~~
33 ~~fiscal committees of the legislature: (a) The amounts and effective~~
34 ~~dates of any increases granted; (b) the process and criteria used to~~
35 ~~determine the increases; and (c) any data used in that process. In~~
36 ~~accordance with RCW 43.88.110(1), the department and the office of~~
37 ~~financial management shall allot funds appropriated in this section to~~

1 the programs and budget units from which the funds will be expended.
2 Such allotments shall be completed no later than September 15, 1997.

3 ~~(2))~~ (1) \$263,000 of the fiscal year 1998 general fund--state
4 appropriation, \$349,000 of the fiscal year 1999 general fund--state
5 appropriation, and \$1,186,000 of the general fund--federal
6 appropriation are provided solely for implementation of Engrossed House
7 Bill No. 3901 (implementing welfare reform). If the bill is not
8 enacted by June 30, 1997, the amounts provided in this subsection shall
9 lapse.

10 (2) \$113,000 of the fiscal year 1999 general fund--state
11 appropriation and \$31,000 of the general fund--federal appropriation
12 are provided solely for the implementation of Substitute House Bill No.
13 2556 (child abuse prevention and treatment). If this bill is not
14 enacted by June 30, 1998, the amounts provided in this subsection shall
15 lapse.

16 **Sec. 214.** 1997 c 454 s 210 (uncodified) is amended to read as
17 follows:

18 **FOR THE STATE HEALTH CARE AUTHORITY**

19	General Fund--State Appropriation (FY 1998) . . . \$	6,316,000
20	General Fund--State Appropriation (FY 1999) . . . \$	6,317,000
21	State Health Care Authority Administration	
22	Account Appropriation \$	((14,719,000))
23		<u>14,969,000</u>
24	Health Services Account Appropriation \$	((330,628,000))
25		<u>341,800,000</u>
26	TOTAL APPROPRIATION \$	((357,980,000))
27		<u>369,402,000</u>

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

30 (1) The general fund--state appropriations are provided solely for
31 health care services provided through local community clinics.

32 (2) Within funds appropriated in this section and sections 205 and
33 206 of chapter 149, Laws of 1997, the health care authority shall
34 continue to provide an enhanced basic health plan subsidy option for
35 foster parents licensed under chapter 74.15 RCW and workers in state-
36 funded homecare programs. Under this enhanced subsidy option, foster
37 parents and homecare workers with family incomes below 200 percent of

1 the federal poverty level shall be allowed to enroll in the basic
2 health plan at a cost of ten dollars per covered worker per month.

3 (3)(a) Effective October 1997, the health care authority shall
4 require organizations and individuals that are paid to deliver basic
5 health plan services to contribute a minimum of thirty dollars per
6 enrollee per month if the organization or individual chooses to sponsor
7 an individual's enrollment in the subsidized basic health plan.

8 (b) Effective July 1998, the health care authority shall require
9 organizations and individuals which are paid to deliver basic health
10 plan services and which choose to sponsor enrollment in the subsidized
11 basic health plan to pay the following: (i) A minimum of fifteen
12 dollars per enrollee per month for persons below 100 percent of the
13 federal poverty level; and (ii) a minimum of twenty dollars per
14 enrollee per month for persons whose family income is 100 percent to
15 200 percent of the federal poverty level.

16 (4) \$150,000 of the health services account appropriation is
17 provided solely to implement health care savings accounts. If
18 legislation requiring a pilot project of such accounts is not enacted
19 by June 30, 1997, the amount provided in this subsection shall lapse.

20 ((6)) (5) \$270,000 of the health services account appropriation
21 is provided solely to pay commissions to agents and brokers in
22 accordance with RCW 70.47.015(5) for application assistance provided to
23 persons on the reservation list as of June 30, 1997, who enroll in the
24 subsidized basic health plan on or after July 1, 1997.

25 (6) \$250,000 of the state health care authority administrative
26 account appropriation is provided solely to process claims arising from
27 the settlement in *Retired State Employees v. State of Washington*
28 (Thurston county superior court cause no. 92-2-01294-1).

29 (7) The health care authority administrator is directed to pay
30 claims resulting from a court-approved stipulated settlement in *Retired*
31 *State Employees et al. v. State of Washington* (Thurston county superior
32 court cause no. 92-2-01294-1) using funds in the public employees' and
33 retirees' insurance account. The legislature recognizes that payment
34 of these claims may reduce premium stabilization reserves below target
35 levels on an interim basis. It is the legislature's intent that the
36 viability of health care authority-administered programs be preserved
37 and that the benefit levels for health care authority-administered
38 programs not be reduced in the event premium stabilization reserves are
39 used to pay such claims.

1 (8) \$330,000 of the health services account appropriation is
2 provided solely to implement Substitute House Bill No. 3109 (basic
3 health plan enrollee income verification). If the bill is not enacted
4 by June 30, 1998, the amount provided in this subsection shall lapse.

5 ***Sec. 215.** 1997 c 149 s 215 (uncodified) is amended to read as
6 follows:

7 **FOR THE HUMAN RIGHTS COMMISSION**

8	General Fund--State Appropriation (FY 1998)	\$	2,019,000
9	General Fund--State Appropriation (FY 1999)	\$((2,036,000))	
10			<u>2,538,000</u>
11	General Fund--Federal Appropriation	\$	1,444,000
12	General Fund--Private/Local Appropriation	\$	259,000
13	TOTAL APPROPRIATION	\$((5,758,000))	
14			<u>6,260,000</u>

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

17 (1) \$432,000 of the general fund--state appropriation for fiscal
18 year 1999 is provided solely for elimination of caseload backlog by
19 January 1, 1999, and reduction of case processing time.

20 (2) \$70,000 of the general fund appropriation for fiscal year 1999
21 is provided solely to implement section 4 of Engrossed Second
22 Substitute House Bill No. 2345 (revising administrative law). If
23 section 4 of the bill is not enacted by June 30, 1998, the amount
24 provided in this subsection shall lapse.

25 *Sec. 215 was partially vetoed. See message at end of chapter.

26 **Sec. 216.** 1997 c 149 s 217 (uncodified) is amended to read as
27 follows:

28 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

29	General Fund--State Appropriation (FY 1998)	\$	15,000
30	General Fund--State Appropriation (FY 1999)	\$	285,000
31	General Fund--Federal Appropriation	\$	100,000
32	Death Investigations Account Appropriation	\$	38,000
33	Public Safety and Education Account		
34	Appropriation	\$	((13,434,000))
35			<u>13,341,000</u>
36	Violence Reduction and Drug Enforcement Account		

1	Appropriation	\$	346,000
2	TOTAL APPROPRIATION	\$	((13,918,000))
3			<u>14,125,000</u>

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

6 (1) \$80,000 of the public safety and education account
7 appropriation is provided solely to continue the study of law
8 enforcement and corrections training begun in 1996. In conducting the
9 study, the criminal justice training commission shall consult with the
10 appropriate policy and fiscal committees of the legislature. Specific
11 elements to be addressed in the study include: (a) The feasibility and
12 the rationale for increasing basic law enforcement training from 440 to
13 600 hours; (b) the feasibility and rationale for creating a
14 certification process for law enforcement officers; (c) the feasibility
15 and rationale for expanding the correctional officers academy; (d) the
16 feasibility and rationale for expanding the juvenile service workers
17 academy and/or the adult services academy; and (e) any other items
18 considered relevant by the commission. Any recommendations made shall
19 include a plan and timeline for how they would be implemented. The
20 board on correctional training standards and education and the board on
21 law enforcement training standards and education shall be actively
22 involved in the study effort. Copies of the study shall be provided to
23 the appropriate policy and fiscal committees of the legislature and the
24 director of financial management by October 1, 1997.

25 (2) \$50,000 of the public safety and education account
26 appropriation is provided solely to prepare a cost and fee study of the
27 current and proposed criminal justice course offerings. The analysis
28 shall identify total costs and major cost components for: (a) Any
29 current training classes which are considered mandatory; and (b) any
30 proposed or modified training courses which are considered mandatory.
31 Mandatory classes include, but are not limited to, the following:
32 Basic law enforcement academy, correctional officers academy,
33 supervisory and management training of law enforcement officers,
34 supervisory and management training of correctional officers, juvenile
35 service workers academy, and the adult service academy. The study
36 shall also recommend a methodology for estimating the future demand for
37 these classes. The study shall also estimate the cost of implementing
38 any recommendations made pursuant to subsection (1) of this section.

1 The study shall be conducted by a private sector consultant selected by
2 the office of financial management in consultation with the executive
3 director of the criminal justice training commission. The final report
4 shall be completed by January 1, 1998.

5 (3) \$92,000 of the public safety and education account
6 appropriation is provided solely for the purpose of training law
7 enforcement managers and supervisors.

8 (4) \$40,000 of the public safety and education account
9 appropriation is provided solely to implement the provisions of
10 Substitute House Bill No. 1423 (criminal justice training commission).
11 If this bill is not enacted by June 30, 1997, the amount provided in
12 this subsection shall lapse.

13 (5) \$225,000 of the general fund--state fiscal year 1999
14 appropriation is provided solely for information technology upgrades
15 and improvements for the criminal justice training commission.

16 (6) \$15,000 of the general fund--state fiscal year 1998
17 appropriation and \$25,000 of the general fund--state fiscal year 1999
18 appropriation are provided solely for the relocation and new lease
19 costs of the criminal justice training commission's headquarters in
20 Thurston county.

21 (7) \$35,000 of the general fund--state appropriation for fiscal
22 year 1999 is provided solely for costs associated with the
23 implementation of incident-based crime reporting.

24 *Sec. 217. 1997 c 454 s 211 (uncodified) is amended to read as
25 follows:

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

27	General Fund Appropriation (FY 1998)	\$	6,805,000
28	General Fund Appropriation (FY 1999)	\$	((6,848,000))
29			<u>7,069,000</u>
30	Public Safety and Education Account--		
31	State Appropriation	\$	((16,246,000))
32			<u>16,082,000</u>
33	Public Safety and Education Account--		
34	Federal Appropriation	\$	6,002,000
35	Public Safety and Education Account--		
36	Private/Local Appropriation	\$	((2,014,000))
37			<u>2,178,000</u>
38	Electrical License Account Appropriation	\$	22,542,000

1	Farm Labor Revolving Account Appropriation . . . \$	28,000
2	Worker and Community Right-to-Know Account	
3	Appropriation \$	2,187,000
4	Public Works Administration Account	
5	Appropriation \$	((1,975,000))
6		<u>1,975,000</u>
7	Accident Account--State Appropriation \$	((146,901,000))
8		<u>151,634,000</u>
9	Accident Account--Federal Appropriation \$	9,112,000
10	Medical Aid Account--State Appropriation \$	((155,276,000))
11		<u>154,142,000</u>
12	Medical Aid Account--Federal Appropriation \$	1,592,000
13	Plumbing Certificate Account Appropriation \$	947,000
14	Pressure Systems Safety Account Appropriation \$	2,106,000
15	TOTAL APPROPRIATION \$	((380,581,000))
16		<u>384,401,000</u>

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

19 (1) Expenditures of funds appropriated in this section for the
20 information systems projects identified in agency budget requests as
21 "claims service delivery", "electrical permitting and inspection
22 system", and "credentialing information system" are conditioned upon
23 compliance with section 902 of this act.

24 (2) Pursuant to RCW 7.68.015, the department shall operate the
25 crime victims compensation program within the public safety and
26 education account funds appropriated in this section. In the event
27 that cost containment measures are necessary, the department may (a)
28 institute copayments for services; (b) develop preferred provider and
29 managed care contracts; (c) coordinate with the department of social
30 and health services to use the public safety and education account as
31 matching funds for federal Title XIX reimbursement, to the extent this
32 maximizes total funds available for services to crime victims.

33 (3) \$54,000 of the general fund appropriation for fiscal year 1998
34 and \$54,000 of the general fund appropriation for fiscal year 1999 are
35 provided solely for an interagency agreement to reimburse the board of
36 industrial insurance appeals for crime victims appeals.

37 (4) The secretary of social and health services and the director of
38 labor and industries shall report to the appropriate fiscal and policy

1 committees of the legislature by July 1, 1997, and every six months
2 thereafter on the measurable changes in employee injury and time-loss
3 rates that have occurred in the state developmental disabilities,
4 juvenile rehabilitation, and mental health institutions as a result of
5 the upfront loss-control discount agreement between the agencies.

6 (5) The expenditures of the elevator, factory assembled structures,
7 and contractors' registration and compliance programs may not exceed
8 the revenues generated by these programs.

9 (6) \$101,000 of the plumbing certificate account appropriation is
10 provided solely for the implementation of Substitute Senate Bill No.
11 5749 (pipe installer). If the bill is not enacted by June 30, 1997,
12 the amount provided shall lapse.

13 (7) \$56,000 of the medical aid account appropriation and \$52,000 of
14 the accident account appropriation are provided solely for evaluating
15 agency operational improvements.

16 (8) \$593,000 of nonappropriated funds from the medical aid account
17 shall be provided solely for allocation to the joint legislative audit
18 and review committee for a performance audit and operations review of
19 the state workers' compensation system pursuant to Substitute Senate
20 Bill No. 6030.

21 (9) \$170,000 of the accident account--state appropriation and
22 \$170,000 of the medical aid account--state appropriation are provided
23 solely for payment to the office of the attorney general for legal
24 services provided in the 1995-97 biennium.

25 (10) \$686,000 of the accident account appropriation and \$686,000 of
26 the medical aid account appropriation for fiscal year 1999 are provided
27 solely to fund 24 claims manager positions in fiscal year 1999 (12
28 worker compensation adjudicator 2 and 12 worker compensation
29 adjudicator 3 positions). With these new positions, the department is
30 expected to reduce time-loss duration in claims by 5 percent by June
31 30, 2000, and an additional 2.5 percent by June 30, 2001. The average
32 caseload for level 2 claims managers should also drop to approximately
33 190 by June 30, 2000. The director of the department shall report to
34 the appropriate fiscal and policy committees of the legislature and the
35 office of financial management by June 30, 1998, and every year
36 thereafter, on the measurable progress made toward attaining these
37 goals. The 1998 report shall indicate the baseline figures from July
38 1, 1997. If substantial progress has not been achieved by June 30,

1 2000, the 24 claims manager positions and the funding associated with
2 these positions shall be discontinued.

3 (11) \$41,000 of the general fund appropriation for fiscal year
4 1999, \$160,000 of the accident account--state appropriation, and
5 \$53,000 of the medical aid account--state appropriation are provided
6 solely to implement sections 4 and 11 of Engrossed Second Substitute
7 House Bill No. 2345 (revising administrative law). If sections 4 and
8 11 of the bill are not enacted by June 30, 1998, the amounts provided
9 in this subsection shall lapse.

10 *Sec. 217 was partially vetoed. See message at end of chapter.

11 **Sec. 218.** 1997 c 454 s 209 (uncodified) is amended to read as
12 follows:

13 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

14 (1) HEADQUARTERS

15 General Fund Appropriation (FY 1998)	\$	((1,409,000))
16		<u>1,609,000</u>
17 General Fund Appropriation (FY 1999)	\$	1,404,000
18 Industrial Insurance Premium Refund Account		
19 Appropriation	\$	80,000
20 Charitable, Educational, Penal, and Reformatory		
21 Institutions Account Appropriation	\$	4,000
22 TOTAL APPROPRIATION	\$	((2,897,000))
23		<u>3,097,000</u>

24 The appropriations in this subsection are subject to the following
25 conditions and limitations: \$200,000 of the general fund appropriation
26 for fiscal year 1998 is provided solely as the state's contribution to
27 the construction of a memorial on the state capitol grounds to the men
28 and women who served in the nation's armed forces during the second
29 world war. The department shall raise the remaining two-thirds of the
30 memorial's cost from individual and corporate contributions.

31 (2) FIELD SERVICES

32 General Fund--State Appropriation (FY 1998) . . .	\$	2,418,000
33 General Fund--State Appropriation (FY 1999) . . .	\$	2,420,000
34 General Fund--Federal Appropriation	\$	26,000
35 General Fund--Private/Local Appropriation	\$	85,000
36 TOTAL APPROPRIATION	\$	4,949,000

1	(3) INSTITUTIONAL SERVICES	
2	General Fund--State Appropriation (FY 1998) . . . \$	((6,101,000))
3		<u>6,576,000</u>
4	General Fund--State Appropriation (FY 1999) . . . \$	((5,369,000))
5		<u>5,522,000</u>
6	General Fund--Federal Appropriation \$	((19,556,000))
7		<u>18,950,000</u>
8	General Fund--Private/Local Appropriation \$	((14,583,000))
9		<u>14,561,000</u>
10	TOTAL APPROPRIATION \$	45,609,000

11 ***Sec. 219.** 1997 c 454 s 212 (uncodified) is amended to read as
 12 follows:

13 **FOR THE DEPARTMENT OF HEALTH**

14	General Fund--State Appropriation (FY 1998) . . . \$	((62,996,000))
15		<u>63,189,000</u>
16	General Fund--State Appropriation (FY 1999) . . . \$	((65,741,000))
17		<u>73,170,000</u>
18	General Fund--Federal Appropriation \$	((259,139,000))
19		<u>262,504,000</u>
20	General Fund--Private/Local Appropriation \$	((24,351,000))
21		<u>23,578,000</u>
22	Hospital Commission Account Appropriation \$	3,089,000
23	Health Professions Account Appropriation \$	((36,038,000))
24		<u>36,255,000</u>
25	Emergency Medical and Trauma Care Services Account	
26	Appropriation \$	21,042,000
27	Safe Drinking Water Account Appropriation \$	2,494,000
28	Death Investigations Account Appropriation . . . \$	((1,000,000))
29		<u>650,000</u>
30	Drinking Water Assistance Account--Federal	
31	Appropriation \$	5,385,000
32	Waterworks Operator Certification Appropriation . \$	588,000
33	Water Quality Account Appropriation \$	3,065,000
34	Violence Reduction and Drug Enforcement	
35	Account Appropriation \$	469,000
36	State Toxics Control Account Appropriation . . . \$	2,854,000
37	Medical Test Site Licensure Account	
38	Appropriation \$	1,624,000

1	Youth Tobacco Prevention Account Appropriation	\$	1,812,000
2	Health Services Account Appropriation	\$	((12,474,000))
3			<u>6,115,000</u>
4	TOTAL APPROPRIATION	\$	((504,161,000))
5			<u>507,883,000</u>

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

8 (1) \$2,134,000 of the health professions account appropriation is
9 provided solely for the development and implementation of a licensing
10 and disciplinary management system. Expenditures are conditioned upon
11 compliance with section 902 of this act. These funds shall not be
12 expended without appropriate project approval by the department of
13 information systems.

14 (2) Funding provided in this section for the drinking water program
15 data management system shall not be expended without appropriate
16 project approval by the department of information systems.
17 Expenditures are conditioned upon compliance with section 902 of this
18 act.

19 (3) The department or any successor agency is authorized to raise
20 existing fees charged to the nursing professions and midwives((~~7~~));
21 chemical dependency counselors; by the pharmacy board((~~7~~)); and for
22 boarding home; hospital; and home health, home care, and hospice agency
23 licenses, in excess of the fiscal growth factor established by
24 Initiative Measure No. 601, if necessary, to meet the actual costs of
25 conducting business and the appropriation levels in this section.

26 (4) \$((~~1,633,000~~)) 1,526,000 of the general fund--state fiscal year
27 1998 appropriation and \$((~~1,634,000~~)) 1,741,000 of the general fund--
28 state fiscal year 1999 appropriation are provided solely for the
29 implementation of the Puget Sound water work plan and agency action
30 items, DOH-01, DOH-02, DOH-03, DOH-04, DOH-05, DOH-06, DOH-07, DOH-08,
31 DOH-09, DOH-10, DOH-11, and DOH-12.

32 (5) \$10,000,000 of the health services account appropriation is
33 provided solely for distribution to local health departments for
34 distribution on a per capita basis. Prior to distributing these funds,
35 the department shall adopt rules and procedures to ensure that these
36 funds are not used to replace current local support for public health
37 programs.

1 (6) \$500,000 of the general fund--state appropriation for fiscal
2 year 1998 and \$500,000 of the general fund--state appropriation for
3 fiscal year 1999 are provided solely for operation of a youth suicide
4 prevention program at the state level, including a state-wide public
5 educational campaign to increase knowledge of suicide risk and ability
6 to respond and provision of twenty-four hour crisis hotlines, staffed
7 to provide suicidal youth and caregivers a source of instant help.

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

24 (8) \$259,000 of the health professions account appropriation is
25 provided solely to implement Engrossed House Bill No. 3901
26 (implementing welfare reform). If the bill is not enacted by June 30,
27 1997, the amounts provided in this subsection shall lapse.

28 (9) \$150,000 of the general fund--state fiscal year 1998
29 appropriation and \$150,000 of the general fund--state fiscal year 1999
30 appropriation are provided solely for community-based oral health
31 grants that may fund sealant programs, education, prevention, and other
32 oral health interventions. The grants may be awarded to state or
33 federally funded community and migrant health centers, tribal clinics,
34 or public health jurisdictions. Priority shall be given to communities
35 with established oral health coalitions. Grant applications for oral
36 health education and prevention grants shall include (a) an assessment
37 of the community's oral health education and prevention needs; (b)
38 identification of the population to be served; and (c) a description of
39 the grant program's predicted outcomes.

1 (10) \$21,042,000 of the emergency medical and trauma care services
2 account appropriation is provided solely for implementation of
3 Substitute Senate Bill No. 5127 (trauma care services). If the bill is
4 not enacted by June 30, 1997, the amount provided in this subsection
5 shall lapse.

6 (11) \$500,000 of the general fund--state appropriation for fiscal
7 year 1998 and \$500,000 of the general fund--state appropriation for
8 fiscal year 1999 are provided solely for family support and provider
9 training services for children with special health care needs.

10 (12) \$300,000 of the general fund--federal appropriation is
11 provided solely for an abstinence education program which complies with
12 P.L. 104-193. \$400,000 of the general fund--federal appropriation is
13 provided solely for abstinence education projects at the office of the
14 superintendent of public instruction and shall be transferred to the
15 office of the superintendent of public instruction for the 1998-99
16 school year. The department shall apply for abstinence education funds
17 made available by the federal personal responsibility and work
18 opportunity act of 1996 and implement a program that complies with the
19 requirements of that act.

20 (13) \$50,000 of the general fund--state appropriation for fiscal
21 year 1998 and \$50,000 of the general fund--state appropriation for
22 fiscal year 1999 are provided solely for the implementation of Second
23 Substitute House Bill No. 1191 (mandated health benefit review). If
24 the bill is not enacted by June 30, 1997, the amounts provided in this
25 section shall lapse.

26 (14) \$100,000 of the general fund--state appropriation for fiscal
27 year 1998 and \$100,000 of the general fund--state appropriation for
28 fiscal year 1999 are provided solely for the volunteer retired provider
29 program. Funds shall be used to increase children's access to dental
30 care services in rural and underserved communities by paying
31 malpractice insurance and professional licensing fees for retired
32 dentists participating in the program.

33 (15) \$852,000 of the drinking water assistance account--federal
34 appropriation is provided solely for an interagency agreement with the
35 department of community, trade, and economic development to administer,
36 in cooperation with the public works board, loans to local governments
37 and public water systems for projects and activities to protect and
38 improve the state's drinking water facilities and resources.

1 (16) \$3,347,000 of the fiscal year 1998 general fund--state
2 appropriation and \$3,347,000 of the fiscal year 1999 general fund--
3 state appropriation are provided solely for the AIDS prescription drug
4 program and HIV intervention program. The department shall operate the
5 program within total appropriations. The department shall take such
6 actions as are necessary to control expenditures, including
7 administrative efficiencies such as reductions to provider
8 reimbursement rates, modifications to financial eligibility,
9 modifications to the scope of services, and client cost sharing
10 mechanisms. The department shall identify program policy changes
11 required to manage within the amounts provided.

12 (17) Funding provided in this section is sufficient to implement
13 section 8 of Engrossed Substitute House Bill No. 2264 (eliminating the
14 health care policy board).

15 (18) \$2,075,000 of the fiscal year 1998 general fund--state
16 appropriation and \$2,075,000 of the fiscal year 1999 general fund--
17 state appropriation are provided solely for the Washington poison
18 center.

19 (19) \$((~~1,000,000~~)) 650,000 of the death investigations account
20 appropriation is provided solely for the implementation of state-wide
21 child mortality reviews. Local health jurisdictions shall coordinate
22 child mortality reviews for children from birth to eighteen years of
23 age, develop local child mortality review protocols, and serve as the
24 appointing authority and lead agency for local child death review
25 teams. The department of health shall develop standard aggregate data
26 elements, collect and analyze local child mortality review data,
27 provide technical assistance to local child mortality review teams, and
28 approve local child death review protocols. If House Bill No. 1269
29 (death investigations account) is not enacted by June 30, 1997, the
30 amount provided in this subsection shall lapse.

31 (20) \$1,125,000 of the fiscal year 1998 general fund--state
32 appropriation and \$1,125,000 of the fiscal year 1999 general fund--
33 state appropriation are provided solely for deposit in the county
34 public health account.

35 (21) \$60,000 of the general fund--state appropriation for fiscal
36 year 1998 and \$60,000 of the general fund--state appropriation for
37 fiscal year 1999 are provided solely for attorney general services and
38 such other activities not covered by fee revenues as are necessary for
39 implementation of Engrossed Substitute House Bill No. 2264 (health care

1 policy). If the bill is not enacted by June 30, 1997, the amounts
2 provided in this subsection shall lapse.

3 (22) \$250,000 of the fiscal year 1998 general fund--state
4 appropriation \$250,000 of the fiscal year 1999 general fund--state
5 appropriation are provided solely for operation of a naturopathic
6 health clinic constructed in 1996.

7 (23) \$60,000 of the general fund--state appropriation for fiscal
8 year 1999 is provided solely for the implementation of Second
9 Substitute Senate Bill No. 6168 (temporary worker housing). If the
10 bill is not enacted by June 30, 1998, the amount provided in this
11 subsection shall lapse.

12 (24) \$250,000 of the general fund--federal appropriation is
13 provided solely to conduct monitoring for thyroid diseases for eligible
14 people exposed to radiation from Hanford between 1945 and 1951, and is
15 contingent upon the execution of an agreement with the state of Oregon
16 that the state of Washington will function as a subrecipient for the
17 Hanford medical monitoring program grant. If such an agreement is not
18 executed by September 30, 1998, the amount provided in this subsection
19 shall lapse.

20 (25) \$730,000 of the health professions account appropriation is
21 provided solely for the purposes of the impaired physician program. If
22 Second Substitute House Bill No. 1618 (impaired physician program) or
23 substantially similar legislation is enacted by June 30, 1998, the
24 amounts provided in this subsection shall lapse.

25 (26) \$1,000,000 of the general fund--state appropriation for fiscal
26 year 1999 is provided solely for the breast and cervical cancer
27 screening program.

28 (27) Within existing resources, the department shall maintain
29 funding support for neurodevelopmental centers and in no case shall
30 that support in fiscal year 1999 be reduced below the total sum awarded
31 by contract to neurodevelopmental centers in fiscal year 1998.

32 ***(28) \$37,000 of the general fund--state appropriation and \$3,000 of***
33 ***the health professions account appropriation for fiscal year 1999 are***
34 ***provided solely to implement sections 1, 4, and 11 of Engrossed Second***
35 ***Substitute House Bill No. 2345 (revising administrative law). If***
36 ***sections 1, 4, and 11 of the bill are not enacted by June 30, 1998, the***
37 ***amounts provided in this subsection shall lapse.***

38 (29) \$300,000 of the general fund--state appropriation is provided
39 solely for the implementation of a hepatitis A emergency vaccination

1 program. This entire amount shall be passed through to county health
2 districts that have employed a public education effort and have
3 infection rates in excess of 100 per 100,000 population.
4 *Sec. 219 was partially vetoed. See message at end of chapter.

5 **Sec. 220.** 1997 c 454 s 213 (uncodified) is amended to read as
6 follows:

7 **FOR THE DEPARTMENT OF CORRECTIONS**

8 The appropriations to the department of corrections in chapter 454,
9 Laws of 1997, as amended, shall be expended for the programs and in the
10 amounts specified therein. However, after April 1, 1998, unless
11 specifically prohibited by this act, the department may transfer
12 general fund--state appropriations for fiscal year 1998 between the
13 institutional services and community corrections programs after
14 approval by the director of financial management. The director of
15 financial management shall notify the appropriate fiscal committees of
16 the senate and house of representatives in writing prior to approving
17 any deviations from appropriation levels.

18 (1) ADMINISTRATION AND PROGRAM SUPPORT

19	General Fund Appropriation (FY 1998)	 \$	13,926,000
20	General Fund Appropriation (FY 1999)	 \$	13,910,000
21	Violence Reduction and Drug Enforcement Account		
22	Appropriation	 \$	500,000
23	TOTAL APPROPRIATION	 \$	28,336,000

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

26 (a) \$187,000 of the general fund fiscal year 1998 appropriation and
27 \$155,000 of the general fund fiscal year 1999 appropriation are
28 provided solely for implementation of Substitute Senate Bill No. 5759
29 (risk classification). If the bill is not enacted by July 1, 1997, the
30 amounts provided shall lapse.

31 (b) \$500,000 of the violence reduction and drug enforcement account
32 appropriation is provided solely for a feasibility study regarding the
33 replacement of the department's offender based tracking system. This
34 appropriation is conditioned on the department satisfying the
35 requirements of section 902, chapter 149, Laws of 1997.

actual costs, they 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.

(f) \$70,000 of the general fund--state fiscal year 1999 appropriation is provided solely for the implementation of Senate Bill No. 6139 (amphetamine crimes). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

(g) \$36,000 of the general fund--state fiscal year 1999 appropriation is provided solely for the implementation of House Bill No. 1172 (sex offender registration). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

(h) \$8,000 of the general fund--state fiscal year 1999 appropriation is provided solely for the implementation of House Bill No. 2628 (methamphetamine manufacture). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

(3) COMMUNITY CORRECTIONS

General Fund Appropriation (FY 1998)	 \$	((89,377,000))
		<u>88,830,000</u>
General Fund Appropriation (FY 1999)	 \$	((90,495,000))
		<u>90,670,000</u>
TOTAL APPROPRIATION	 \$	((179,872,000))
		<u>179,500,000</u>

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

(a) \$27,000 of the general fund fiscal year 1998 appropriation and \$185,000 of the general fund fiscal year 1999 appropriation are provided solely for the criminal justice costs associated with the implementation of Engrossed Third Substitute House Bill No. 3900 (revising the juvenile code). If Engrossed Third Substitute House Bill No. 3900 is not enacted by June 30, 1997, the amounts provided shall lapse.

(b) 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.

(c) \$467,000 of the general fund appropriation for fiscal year 1998 and \$505,000 of the general fund appropriation for fiscal year 1999 are provided solely to increase payment rates for contracted education providers and contracted work release facilities. It is the legislature's intent that these amounts shall be used primarily to increase compensation for persons employed in direct, front-line service delivery.

(d) \$45,000 of the general fund--state fiscal year 1999 appropriation is provided solely for the implementation of Substitute Senate Bill No. 5760 (mentally ill offenders). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

(e) \$609,000 of the general fund--state fiscal year 1998 appropriation and \$226,000 of the general fund--state fiscal year 1999 appropriation are provided solely for costs associated with allowing community corrections officers to carry firearms.

(4) CORRECTIONAL INDUSTRIES

General Fund Appropriation (FY 1998)	\$	4,055,000
General Fund Appropriation (FY 1999)	\$	4,167,000
TOTAL APPROPRIATION	\$	8,222,000

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

(a) \$100,000 of the general fund fiscal year 1998 appropriation and \$100,000 of the general fund fiscal year 1999 appropriation 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.

(b) \$50,000 of the general fund appropriation for fiscal year 1998 and \$50,000 of the general fund appropriation for fiscal year 1999 are provided solely for the correctional industries board of directors to hire one staff person, responsible directly to the board, to assist the board in fulfilling its duties.

(5) INTERAGENCY PAYMENTS

General Fund Appropriation (FY 1998)	\$	((6,945,000))
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1		6,851,000
2	General Fund Appropriation (FY 1999) \$	((6,444,000))
3		6,538,000
4	TOTAL APPROPRIATION \$	13,389,000

5 **Sec. 221.** 1997 c 149 s 224 (uncodified) is amended to read as
6 follows:

7 **FOR THE SENTENCING GUIDELINES COMMISSION**

8	General Fund Appropriation (FY 1998) \$	714,000
9	General Fund Appropriation (FY 1999) \$	713,000
10	TOTAL APPROPRIATION \$	1,427,000

11 The appropriations in this section are subject to the following
12 conditions and limitations: The commission shall study the feasibility
13 and desirability of allowing certain older or physically infirm
14 offenders to be released from institutional confinement, with the
15 assumption that these released offenders would remain on community
16 custody for the remainder of their length of confinement. The study
17 shall identify: (1) Groups who would be potential candidates for such
18 a program; (2) how individual offenders in these groups could be
19 screened to maintain public safety; (3) how these offenders, if
20 released, could be supervised in such a way as to maintain public
21 safety; (4) what statutory changes would be necessary to implement such
22 a program; (5) how much savings such a program would generate; and (6)
23 any other items the commission deems relevant. The study shall be
24 transmitted to the chairs and ranking minority members of the
25 appropriate policy and fiscal committees of the legislature not later
26 than December 15, 1998.

27 ***Sec. 222.** 1997 c 454 s 214 (uncodified) is amended to read as
28 follows:

29 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

30	General Fund--State Appropriation (FY 1998) . . . \$	1,260,000
31	General Fund--State Appropriation (FY 1999) . . . \$	1,261,000
32	General Fund--Federal Appropriation \$	((173,595,000))
33		198,628,000
34	General Fund--Private/Local Appropriation \$	((24,842,000))
35		28,650,000
36	Unemployment Compensation Administration Account--	

1	Federal Appropriation	\$	((181,985,000))
2			<u>182,312,000</u>
3	Administrative Contingency Account		
4	Appropriation	\$	((12,579,000))
5			<u>13,527,000</u>
6	Employment Service Administrative Account		
7	Appropriation	\$	((13,176,000))
8			<u>14,500,000</u>
9	Employment & Training Trust Account		
10	Appropriation	\$	600,000
11	TOTAL APPROPRIATION	\$	((409,298,000))
12			<u>440,738,000</u>

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

15 (1) Expenditures of funds appropriated in this section for the
16 information systems projects identified in agency budget requests as
17 "claims and adjudication call centers", "data/wage quality initiative",
18 and "one stop information connectivity" are conditioned upon compliance
19 with section 902 of this act.

20 (2) \$600,000 of the employment and training trust account
21 appropriation is provided solely for the account's share of
22 unemployment insurance tax collection costs.

23 ***(3) \$1,126,000 of the general fund--federal appropriation is***
24 ***provided solely for the continuation of job placement centers colocated***
25 ***on community and technical college campuses. The department shall***
26 ***maintain the current level of service at all 32 colocation sites***
27 ***through the remainder of the 1997-99 biennium.***

28 (4) The employment security department shall spend no more than
29 \$25,049,511 of the unemployment compensation administration account--
30 federal appropriation for the general unemployment insurance
31 development effort (GUIDE) project, except that the department may
32 exceed this amount by up to \$2,600,000 to offset the cost associated
33 with any vendor-caused delay. The additional spending authority is
34 contingent upon the department fully recovering these moneys from any
35 project vendors failing to perform in full. Authority to spend the
36 amount provided by this subsection is conditioned on compliance with
37 section 902 of this act.

(5) \$60,000 of the general fund--state fiscal year 1998 appropriation and \$61,000 of the general fund--state fiscal year 1999 appropriation are provided solely for the King county reemployment support center.

(6) \$1,200,000 of the general fund--state fiscal year 1998 appropriation and \$1,200,000 of the general fund--state fiscal year 1999 appropriation are provided solely for labor market information and employer outreach activities.

(7) \$948,000 of the administrative contingency account appropriation and \$838,000 of the employment service administrative account appropriation are provided solely for the department to evaluate the tax determination system compared to other systems, improve the disclosure of information on the employer rate notice, and address deficiencies in the tax information system (TAXIS).

(8)(a) Within the amounts appropriated in this section, the commissioner shall improve the disclosure of information on the employer rate notice for 1999 rate year unemployment contributions. The information disclosed on the notice must be for the 1997 calendar year and for the period used to calculate the employer's experience rating for the 1999 rate year. The notice must include an explanation in plain language of the disclosed information and the disclosed information relationship to the employer's contributions. The information disclosed must include to the greatest extent possible:

(i) The contributions paid by the employer;

(ii) The benefits charged to the employer's experience rating account; and

(iii) The dollar amount that represents the difference between (a)(i) and (ii) of this subsection.

(b) In addition, the commissioner shall include the following information paid from the trust fund for each of the three most recently completed calendar years for: (i) Total benefits paid; (ii) benefits paid that were in excess of one percent of the base year earnings of all claimants; (iii) benefits paid to claimants and not charged to any employer due to a voluntary quit; and (iv) benefits paid to a claimant but not charged to any employer because of marginal labor force attachment, along with a generic explanation of why these benefits were paid.

(9) \$20,156,000 of the general fund--federal appropriation is provided solely to implement the federal welfare-to-work program only

1 if the governor successfully obtains an approved federal waiver for use
2 of an alternative agency or agents to administer the welfare-to-work
3 grants. If this waiver is not obtained, the amount provided in this
4 subsection shall lapse.

5 (10) \$327,000 of the unemployment compensation administration
6 account--federal appropriation and \$486,000 of the employment service
7 administrative account appropriation are provided solely for the
8 department to replace field office computers that are not compliant
9 with Year 2000 conversion standards.

10 *Sec. 222 was partially vetoed. See message at end of chapter.

11 (End of part)

PART III
NATURAL RESOURCES

Sec. 301. 1997 c 454 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 1998)	\$	213,000
General Fund--State Appropriation (FY 1999)	\$	222,000
General Fund--Private/Local Appropriation	\$	((435,000))
		<u>442,000</u>
TOTAL APPROPRIATION	\$	((870,000))
		<u>877,000</u>

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

(1) \$120,000 of the general fund--state appropriation for fiscal year 1998((,)) and \$120,000 of the general fund--state appropriation for fiscal year 1999((, and \$240,000 of the general fund--local appropriation)) are provided solely for each Washington Columbia river gorge county to receive an \$80,000 grant for the purposes of implementing the scenic area management plan. If a Columbia river gorge county has not adopted an ordinance to implement the scenic area management plan in accordance with the national scenic area act (P.L. 99-663), then the grant funds for that county may be used by the commission to implement the plan for that county.

(2) \$30,000 of the general fund--state appropriation for fiscal year 1998 and \$30,000 of the general fund--state appropriation for fiscal year 1999 provided to Clark county under subsection (1) of this section shall be transferred through an inter-local agreement to Skamania county solely for implementing the national scenic area act.

***Sec. 302.** 1997 c 454 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation		
(FY 1998)	\$	((27,748,000))
		<u>26,013,000</u>

1	General Fund--State Appropriation		
2	(FY 1999)	\$	((27,795,000))
3			<u>25,860,000</u>
4	General Fund--Federal Appropriation	\$	((45,315,000))
5			<u>46,240,000</u>
6	General Fund--Private/Local Appropriation .	\$	((643,000))
7			<u>1,200,000</u>
8	Special Grass Seed Burning Research Account		
9	Appropriation	\$	((42,000))
10			<u>71,000</u>
11	Reclamation Revolving Account		
12	Appropriation	\$	2,441,000
13	Flood Control Assistance Account		
14	Appropriation	\$	4,850,000
15	State Emergency Water Projects Revolving Account		
16	Appropriation	\$	319,000
17	Waste Reduction/Recycling/Litter Control		
18	Appropriation	\$	10,316,000
19	State and Local Improvements Revolving Account		
20	(Waste Facilities) Appropriation	\$	601,000
21	State and Local Improvements Revolving Account		
22	(Water Supply Facilities)		
23	Appropriation	\$	1,366,000
24	Basic Data Account Appropriation	\$	182,000
25	Vehicle Tire Recycling Account		
26	Appropriation	\$	((1,194,000))
27			<u>357,000</u>
28	Water Quality Account Appropriation	\$	2,892,000
29	Wood Stove Education and Enforcement Account		
30	Appropriation	\$	((1,055,000))
31			<u>848,000</u>
32	Worker and Community Right-to-Know Account		
33	Appropriation	\$	469,000
34	State Toxics Control Account		
35	Appropriation	\$	53,715,000
36	Local Toxics Control Account		
37	Appropriation	\$	((4,342,000))
38			<u>4,759,000</u>
39	Water Quality Permit Account		

1	Appropriation	\$	20,378,000
2	Underground Storage Tank Account		
3	Appropriation	\$	((2,443,000))
4			<u>2,638,000</u>
5	Solid Waste Management Account		
6	Appropriation	\$	((1,021,000))
7			<u>971,000</u>
8	Hazardous Waste Assistance Account		
9	Appropriation	\$	3,615,000
10	Air Pollution Control Account		
11	Appropriation	\$	16,224,000
12	Oil Spill Administration Account		
13	Appropriation	\$	((6,958,000))
14			<u>6,998,000</u>
15	Air Operating Permit Account		
16	Appropriation	\$	((4,033,000))
17			<u>3,808,000</u>
18	Freshwater Aquatic Weeds Account		
19	Appropriation	\$	1,829,000
20	Oil Spill Response Account		
21	Appropriation	\$	7,078,000
22	Metals Mining Account Appropriation	\$	42,000
23	Water Pollution Control Revolving Account--State		
24	Appropriation	\$	349,000
25	Water Pollution Control Revolving Account--Federal		
26	Appropriation	\$	1,726,000
27	Biosolids Permit Account Appropriation	\$	567,000
28	Environmental Excellence Account		
29	Appropriation	\$	247,000
30	TOTAL APPROPRIATION	\$	((251,795,000))
31			<u>248,969,000</u>

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

34 (1) \$3,211,000 of the general fund--state appropriation for fiscal
35 year 1998, \$3,211,000 of the general fund--state appropriation for
36 fiscal year 1999, \$394,000 of the general fund--federal appropriation,
37 \$2,017,000 of the oil spill administration account, \$819,000 of the
38 state toxics control account appropriation, and \$3,591,000 of the water

1 quality permit fee account are provided solely for the implementation
2 of the Puget Sound work plan and agency action items DOE-01, DOE-02,
3 DOE-03, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

4 (2) \$2,000,000 of the state toxics control account appropriation is
5 provided solely for the following purposes:

6 (a) To conduct remedial actions for sites for which there are no
7 potentially liable persons, for which potentially liable persons cannot
8 be found, or for which potentially liable persons are unable to pay for
9 remedial actions; and

10 (b) To provide funding to assist potentially liable persons under
11 RCW 70.105D.070(2)(d)(xi) to pay for the cost of the remedial actions;
12 and

13 (c) To conduct remedial actions for sites for which potentially
14 liable persons have refused to conduct remedial actions required by the
15 department; and

16 (d) To contract for services as necessary to support remedial
17 actions.

18 ((~~(6)~~)) (3) \$200,000 of the general fund--state appropriation for
19 fiscal year 1998 is provided solely for the implementation of Engrossed
20 Substitute House Bill No. 1118 (reopening a water rights claim filing
21 period). If the bill is not enacted by June 30, 1997, the amount
22 provided in this subsection shall lapse.

23 ((~~(7)~~)) (4) \$3,600,000 of the general fund--state appropriation for
24 fiscal year 1998 and \$3,600,000 of the general fund--state
25 appropriation for fiscal year 1999 are provided solely for the auto
26 emissions inspection and maintenance program. Expenditures of the
27 amounts provided in this subsection are contingent upon a like amount
28 being deposited in the general fund from the auto emission inspection
29 fees in accordance with RCW 70.120.170(4).

30 ((~~(8)~~)) (5) \$170,000 of the oil spill administration account
31 appropriation is provided solely for implementation of the Puget Sound
32 work plan action item UW-02 through a contract with the University of
33 Washington's Sea Grant program in order to develop an educational
34 program that targets small spills from commercial fishing vessels,
35 ferries, cruise ships, ports, and marinas.

36 ((~~(9)~~)) (6) The merger of the office of marine safety into the
37 department of ecology shall be accomplished in a manner that will
38 maintain a priority focus on oil spill prevention, as well as maintain
39 a strong oil spill response capability. The merged program shall be

1 established to provide a high level of visibility and ensure that there
2 shall not be a diminution of the existing level of effort from the
3 merged programs.

4 ~~((10))~~ (7) The entire environmental excellence account
5 appropriation is provided solely for the implementation of Engrossed
6 Second Substitute House Bill No. 1866 (environmental excellence). If
7 the bill is not enacted by June 30, 1997, the amount provided in this
8 subsection shall lapse. In implementing the bill, the department shall
9 organize the needed expertise to process environmental excellence
10 applications after an application has been received.

11 ~~((11))~~ (8) \$200,000 of the freshwater aquatic weeds account
12 appropriation is provided solely to address saltcedar weed problems.

13 ~~((12))~~ (9) \$4,498,000 of the waste reduction, recycling, and
14 litter control account appropriation is provided for fiscal year 1998
15 and \$5,818,000 is provided for fiscal year 1999 to be expended in the
16 following ratios: Fifty percent for a litter patrol program to employ
17 youth and correctional work crews to remove litter from places that are
18 most visible to the public; twenty percent for grants to local
19 governments for litter cleanup under RCW 70.93.250; and thirty percent
20 for public education and awareness programs and programs to foster
21 local waste reduction and recycling efforts. From the amounts provided
22 in this subsection, the department shall provide \$352,000 through an
23 interagency agreement to the department of corrections to hire
24 correctional crews to remove litter in areas that are not accessible to
25 youth crews.

26 ~~((13))~~ (10) The entire biosolids permit account appropriation is
27 provided solely for implementation of Engrossed Senate Bill No. 5590
28 (biosolids management). If the bill is not enacted by June 30, 1997,
29 the entire appropriation is null and void.

30 ~~((14))~~ (11) \$29,000 of the general fund--state appropriation for
31 fiscal year 1998 and \$99,000 of the general fund--state appropriation
32 for fiscal year 1999 are provided solely for the implementation of
33 Substitute House Bill No. 1985 (landscape management plans). If the
34 bill is not enacted by June 30, 1997, the amounts provided in this
35 subsection shall lapse.

36 ~~((15))~~ (12) \$60,000 of the freshwater aquatic weeds account
37 appropriation is provided solely for a grant to the department of fish
38 and wildlife to control and eradicate purple loosestrife using the most

1 cost-effective methods available, including chemical control where
2 appropriate.

3 ~~((16))~~ (13) \$250,000 of the flood control assistance account
4 appropriation is provided solely as a reappropriation to complete the
5 Skokomish valley flood reduction plan. The amount provided in this
6 subsection shall be reduced by the amount expended from this account
7 for the Skokomish valley flood reduction plan during the biennium
8 ending June 30, 1997.

9 ~~((18))~~ (14) \$600,000 of the flood control assistance account
10 appropriation is provided solely to complete flood control projects
11 that were awarded funds during the 1995-97 biennium. These funds shall
12 be spent only to complete projects that could not be completed during
13 the 1995-97 biennium due to delays caused by weather or delays in the
14 permitting process.

15 ~~((19))~~ (15) \$113,000 of the general fund--state appropriation for
16 fiscal year 1998 and \$112,000 of the general fund--state appropriation
17 for fiscal year 1999 are provided solely for implementation of
18 Substitute Senate Bill No. 5505 (assistance to water applicants). If
19 the bill is not enacted by June 30, 1997, the amounts provided in this
20 subsection shall lapse.

21 ~~((20))~~ (16) \$70,000 of the general fund--state appropriation for
22 fiscal year 1998 and \$70,000 of the general fund--state appropriation
23 for fiscal year 1999 are provided solely for implementation of
24 Substitute Senate Bill No. 5785 (consolidation of groundwater rights).
25 If the bill is not enacted by June 30, 1997, the amounts provided in
26 this subsection shall lapse.

27 ~~((21))~~ (17) \$20,000 of the general fund--state appropriation for
28 fiscal year 1998 and \$20,000 of the general fund--state appropriation
29 for fiscal year 1999 are provided solely for implementation of
30 Substitute Senate Bill No. 5276 (water right applications). If the
31 bill is not enacted by June 30, 1997, the amounts provided in this
32 subsection shall lapse.

33 ~~((23))~~ (18) *\$500,000 of the general fund--state appropriation for*
34 *fiscal year 1998 and \$500,000 of the general fund--state appropriation*
35 *for fiscal year 1999 are provided solely for the continuation of the*
36 *southwest Washington coastal erosion study and for coastal erosion*
37 *project grants. Fifty percent of the amount for fiscal year 1999 shall*
38 *be allocated to the department of community, trade, and economic*
39 *development for coastal erosion project grants.*

1 (19) It is the intent of the legislature that, within the general
2 fund--state appropriations provided in this section, the department
3 shall prioritize its resources to provide expedited assistance to
4 businesses seeking permitting and technical assistance for rural
5 economic development projects. Top priority shall be given to pending
6 economic development projects which are located in rural counties and
7 which have invoked the coordinated permit process pursuant to chapter
8 90.60 RCW, and the relative priority among such projects shall be based
9 upon the date of execution of the project's coordinated permit
10 agreement, with the earliest agreement having top priority.

11 (20) Within the amounts provided in this section, the department
12 shall contract for a scientific review by a panel selected by the
13 society of environmental toxicology and chemistry of the following
14 documents: 1992 environmental impact statement on aquatic weeds; the
15 KCM phase 1 study of Lake Steilacoom; the conditions and requirements
16 of the first permit issued for the 1997 treatment season for Lake
17 Steilacoom; and, studies done in respect to the listing of Lake
18 Steilacoom as a possible model toxic control act site.

19 (21) \$195,000 of the underground storage tank account appropriation
20 is provided solely for the implementation of Substitute Senate Bill No.
21 6130 (underground storage tanks). If the bill is not enacted by June
22 30, 1998, the amount provided in this subsection shall lapse.

23 (22) \$417,000 of the local toxics control account appropriation is
24 provided solely to implement Substitute Senate Bill No. 6474
25 (fertilizer regulation). If the bill is not enacted by June 30, 1998,
26 the amount provided in this subsection shall lapse.

27 (23) Using up to \$19,000 of the special grass seed burning research
28 account appropriation the department shall provide funding to
29 Washington State University to conduct a grass burning emissions study.

30 (24) Within the amounts provided in this section, the department
31 shall conduct a demonstration project on the effectiveness of the
32 state-registered herbicide "Navigate" for the control of Eurasian water
33 milfoil in Loon Lake in Stevens county. The department shall provide
34 a grant to the Stevens county weed board to cover fifty percent of the
35 cost of application of the herbicide. A local match of fifty percent
36 of the cost of application of the herbicide is required. Permits and
37 approvals necessary to implement the demonstration project may be
38 conditioned by the department to protect public health and the
39 environment, but approval may not be withheld.

(25) Within the amounts provided in this section, the department shall provide funds to Yakima county superior court for staff and associated costs to support the Yakima river basin water rights adjudication.

*Sec. 302 was partially vetoed. See message at end of chapter.

*NEW SECTION. Sec. 303. A new section is added to 1997 c 149 (uncodified) to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 1998)	\$	1,700,000
General Fund--State Appropriation (FY 1999)	\$	4,420,000
General Fund--Federal Appropriation	\$	18,000
Water Quality Permit Account Appropriation	\$	9,000
Air Pollution Control Account Appropriation	\$	9,000
TOTAL APPROPRIATION	\$	6,156,000

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

(1) \$1,400,000 of the general fund--state appropriation for fiscal year 1998 and \$3,600,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to implement sections 1 through 9 of Engrossed Substitute House Bill No. 2514 (integrated watershed management). If any of these sections of the bill are not enacted by June 30, 1998, the amount provided in this subsection shall lapse. Of the amounts in this subsection, \$1,400,000 of the general fund--state appropriation for fiscal year 1998 and \$2,500,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for grants to local watershed planning units, and \$1,100,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for technical assistance to local watershed planning groups. The department may provide moneys to other state agencies that provide technical assistance to local watershed planning groups through an interagency agreement.

(2) \$400,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to implement Substitute Senate Bill No. 6161 (dairy nutrient management). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

1 (3) \$300,000 of the general fund--state appropriation for fiscal
2 year 1998 is provided solely for the department to conduct a
3 preconstruction analysis of Pine Hollow, located near the communities
4 of Wiley City and Tampico in Yakima county, regarding its suitability
5 as a site for the construction of a retainment dam and water storage
6 reservoir and the reservoir site's potential to enhance and maintain
7 anadromous fish and other aquatic life and agriculture. The analysis
8 shall include, but is not limited to, a hydrologic and water rights
9 assessment of the Ahtanum Creek watershed to determine water
10 availability to Pine Hollow, an analysis of the geology and hydrology
11 of the site and appropriate dam design and dynamics, its impact on
12 water-related issues, and on Yakama Indian Nation and other water
13 rights. Using amounts appropriated in this section and the associated
14 local match, the department shall conduct portions of its analysis
15 through contracts with private entities and through contracts with, or
16 by providing grant moneys to, the Yakama Indian Nation and other public
17 entities, which may include other state agencies, irrigation districts
18 local to the area, cities, Yakima county, and federal agencies. The
19 department shall consult with stakeholders before conducting this
20 preconstruction analysis. The analysis shall be completed by June 30,
21 1999. The amount provided in this subsection is contingent upon the
22 provision of an equal cash match from the Ahtanum irrigation district,
23 and if such a match is not received the amount provided in this
24 subsection shall lapse.

25 ***(4) \$200,000 of the general fund--state appropriation for fiscal***
26 ***year 1999 is provided solely to implement Engrossed Substitute Senate***
27 ***Bill No. 5703 (water right beneficial use). If the bill is not enacted***
28 ***by June 30, 1998, the amount provided in this subsection shall lapse.***

29 ***(5) \$24,000 of the general fund--state appropriation for fiscal***
30 ***year 1999, \$18,000 of the general fund--federal appropriation, \$9,000***
31 ***of the water quality permit account appropriation, and \$9,000 of the***
32 ***air pollution control account appropriation are provided solely to***
33 ***implement sections 1, 4, and 11 of Engrossed Second Substitute House***
34 ***Bill No. 2345 (revising administrative law). If sections 1, 4, and 11***
35 ***of the bill are not enacted by June 30, 1998, the amounts provided in***
36 ***this subsection shall lapse.***

37 (6) \$196,000 of the general fund--state appropriation for fiscal
38 year 1999 is provided solely to implement Engrossed Second Substitute
39 House Bill No. 2339 (wetlands mitigation banking). If the bill is not

1 enacted by June 30, 1998, the amount provided in this subsection shall
2 lapse.

3 *Sec. 303 was partially vetoed. See message at end of chapter.

4 **Sec. 304.** 1997 c 454 s 303 (uncodified) is amended to read as
5 follows:

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

7	General Fund--State Appropriation (FY 1998) . . . \$	((20,526,000))
8		<u>20,489,000</u>
9	General Fund--State Appropriation (FY 1999) . . . \$	((20,335,000))
10		<u>20,595,000</u>
11	General Fund--Federal Appropriation \$	((2,428,000))
12		<u>3,122,000</u>
13	General Fund--Private/Local Appropriation \$	59,000
14	Winter Recreation Program Account	
15	Appropriation \$	((759,000))
16		<u>779,000</u>
17	Off Road Vehicle Account Appropriation \$	251,000
18	Snowmobile Account Appropriation \$	((2,290,000))
19		<u>3,260,000</u>
20	Aquatic Lands Enhancement Account Appropriation . \$	321,000
21	Public Safety and Education Account	
22	Appropriation \$	48,000
23	Industrial Insurance Premium Refund	
24	Appropriation \$	10,000
25	Waste Reduction/Recycling/Litter Control	
26	Appropriation \$	34,000
27	Water Trail Program Account Appropriation \$	14,000
28	Parks Renewal and Stewardship Account	
29	Appropriation \$	((25,344,000))
30		<u>25,894,000</u>
31	TOTAL APPROPRIATION \$	((72,419,000))
32		<u>74,876,000</u>

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

35 (1) \$189,000 of the aquatic lands enhancement account appropriation
36 is provided solely for the implementation of the Puget Sound work plan
37 agency action items P&RC-01 and P&RC-03.

(2) \$264,000 of the general fund--federal appropriation is provided for boater programs state-wide and for implementation of the Puget Sound work plan.

(3) \$45,000 of the general fund--state appropriation for fiscal year 1998 is provided solely for a feasibility study of a public/private effort to establish a reserve for recreation and environmental studies in southwest Kitsap county.

(4) Within the funds provided in this section, the state parks and recreation commission shall provide to the legislature a status report on implementation of the recommendations contained in the 1994 study on the restructuring of Washington state parks. This status report shall include an evaluation of the campsite reservation system including the identification of any incremental changes in revenues associated with implementation of the system and a progress report on other enterprise activities being undertaken by the commission. The report may also include recommendations on other revenue generating options. In preparing the report, the commission is encouraged to work with interested parties to develop a long-term strategy to support the park system. The commission shall provide this report by December 1, 1997.

(5) (~~(\$85,000)~~) \$48,000 of the general fund--state appropriation for fiscal year 1998 and (~~(\$165,000)~~) \$202,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for development of underwater park programs and facilities. The department shall work with the underwater parks program task force to develop specific plans for the use of these funds.

(6) Fees approved by the state parks and recreation commission in 1997 for camping, snow parks, wood debris collection, and Fort Worden state park are authorized to exceed the fiscal growth factor under RCW 43.135.055.

(7) \$20,000 of the winter recreation program account appropriation and \$20,000 of the snowmobile account appropriation are provided solely for a grant for the operation of the Northwest avalanche center.

Sec. 305. 1997 c 149 s 304 (uncodified) is amended to read as follows:

FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

Firearms Range Account Appropriation	\$	46,000
Recreation Resources Account-- <u>State</u>		
Appropriation	\$	2,352,000

1	<u>Recreation Resources Account--Federal</u>	
2	<u>Appropriation</u>	\$ 11,000
3	NOVA Program Account Appropriation	\$ 590,000
4	TOTAL APPROPRIATION	\$ ((2,988,000))
5		<u>2,999,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations: Any proceeds from the sale of the PRISM
8 software system shall be deposited into the recreation resources
9 account.

10 **Sec. 306.** 1997 c 149 s 306 (uncodified) is amended to read as
11 follows:

12 **FOR THE CONSERVATION COMMISSION**

13	General Fund Appropriation (FY 1998)	\$ 838,000
14	General Fund Appropriation (FY 1999)	\$ ((840,000))
15		<u>3,840,000</u>
16	Water Quality Account Appropriation	\$ 440,000
17	TOTAL APPROPRIATION	\$((2,118,000))
18		<u>5,118,000</u>

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

21 (1) \$181,000 of the general fund appropriation for fiscal year
22 1998, \$181,000 of the general fund appropriation for fiscal year 1999,
23 and \$130,000 of the water quality account appropriation are provided
24 solely for the implementation of the Puget Sound work plan agency
25 action item CC-01.

26 (2) \$1,000,000 of the general fund appropriation for fiscal year
27 1999 is provided solely for grants to conservation districts to provide
28 technical assistance to landowners enrolling in the conservation
29 reserve enhancement program.

30 (3) \$200,000 of the general fund appropriation for fiscal year 1999
31 is provided solely for technical assistance for dairy farmers to
32 implement Substitute Senate Bill No. 6161 (dairy nutrient management).
33 If the bill is not enacted by June 30, 1998, the amount provided in
34 this subsection shall lapse.

35 (4) \$800,000 of the general fund--state appropriation for fiscal
36 year 1999 is provided solely to conduct limiting factor analysis in

accordance with sections 7 through 10 of Engrossed Substitute House Bill No. 2496 (salmon recovery planning). If any of these sections of the bill are not enacted by June 30, 1998, the amount provided in this subsection shall lapse. To the extent possible, the commission shall establish partnerships with the federal natural resources conservation service and other entities conducting watershed or limiting factor analysis. Of this amount, \$150,000 is provided for limiting factor analysis in the Snake river evolutionarily significant unit.

(5) \$1,000,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for a contract with a nonprofit entity on a pilot program basis to develop and implement a volunteer habitat initiative. The initiative must include: A training program for volunteers; a public outreach and education program; and a program to encourage landowners and land managers to use volunteers in salmon habitat improvement projects.

***Sec. 307.** 1997 c 454 s 304 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 1998) . . .	\$	((36,049,000))
		<u>35,857,000</u>
General Fund--State Appropriation (FY 1999) . . .	\$	((36,571,000))
		<u>44,998,000</u>
General Fund--Federal Appropriation	\$	((73,015,000))
		<u>75,037,000</u>
General Fund--Private/Local Appropriation	\$	((26,758,000))
		<u>26,983,000</u>
Off Road Vehicle Account Appropriation	\$	488,000
Aquatic Lands Enhancement Account		
Appropriation	\$	5,593,000
Public Safety and Education Account		
Appropriation	\$	((590,000))
		<u>586,000</u>
Industrial Insurance Premium Refund		
Appropriation	\$	120,000
Recreational Fisheries Enhancement		
Appropriation	\$	2,387,000
Warm Water Game Fish Account Appropriation . . .	\$	2,419,000

1	Wildlife Account Appropriation	\$	((52,372,000))
2			<u>44,122,000</u>
3	Game Special Wildlife Account--State		
4	Appropriation	\$	1,911,000
5	Game Special Wildlife Account--Federal		
6	Appropriation	\$	10,844,000
7	Game Special Wildlife Account--Private/Local		
8	Appropriation	\$	350,000
9	Oil Spill Administration Account Appropriation .	\$	843,000
10	Environmental Excellence Account Appropriation .	\$	20,000
11	Eastern Washington Pheasant Enhancement Account		
12	Appropriation	\$	547,000
13	<u>Regional Fisheries Enhancement--Federal</u>		
14	<u>Appropriation</u>	<u>\$</u>	<u>750,000</u>
15	TOTAL APPROPRIATION	\$	((250,877,000))
16			<u>253,855,000</u>

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

19 (1) \$1,181,000 of the general fund--state appropriation for fiscal
20 year 1998 and \$1,181,000 of the general fund--state appropriation for
21 fiscal year 1999 are provided solely for the implementation of the
22 Puget Sound work plan agency action items DFW-01, DFW-03, DFW-04, and
23 DFW-8 through DFW-15.

24 (2) \$188,000 of the general fund--state appropriation for fiscal
25 year 1998 and \$155,000 of the general fund--state appropriation for
26 fiscal year 1999 are provided solely for a maintenance and inspection
27 program for department-owned dams. The department shall submit a
28 report to the governor and the appropriate legislative committees by
29 October 1, 1998, on the status of department-owned dams. This report
30 shall provide a recommendation, including a cost estimate, on whether
31 each facility should continue to be maintained or should be
32 decommissioned.

33 (3) \$832,000 of the general fund--state appropriation for fiscal
34 year 1998 and \$825,000 of the general fund--state appropriation for
35 fiscal year 1999 are provided solely to implement salmon recovery
36 activities and other actions required to respond to federal listings of
37 salmon species under the endangered species act.

1 (4) \$350,000 of the wildlife account appropriation, \$72,000 of the
2 general fund--state appropriation for fiscal year 1998, and \$73,000 of
3 the general fund--state appropriation for fiscal year 1999 are provided
4 solely for control and eradication of class B designate weeds on
5 department owned and managed lands. The amounts from the general
6 fund--state appropriations are provided solely for control of spartina.

7 (5) \$140,000 of the wildlife account appropriation is provided
8 solely for a cooperative effort with the department of agriculture for
9 research and eradication of purple loosestrife on state lands.

10 (6) In controlling weeds on state-owned lands, the department shall
11 use the most cost-effective methods available, including chemical
12 control where appropriate, and the department shall report to the
13 appropriate committees of the legislature by January 1, 1998, on
14 control methods, costs, and acres treated during the previous year.

15 ~~(7) ((A maximum of \$1,000,000 is provided from the wildlife fund~~
16 ~~for fiscal year 1998. The amount provided in this subsection is for~~
17 ~~the emergency feeding of deer and elk that may be starving and that are~~
18 ~~posing a risk to private property due to severe winter conditions~~
19 ~~during the winter of 1997-98. The amount expended under this~~
20 ~~subsection must not exceed the amount raised pursuant to section 3 of~~
21 ~~Substitute House Bill No. 1478. Of the amount expended under this~~
22 ~~subsection, not more than fifty percent may be from fee revenue~~
23 ~~generated pursuant to section 3 of Substitute House Bill No. 1478. If~~
24 ~~the bill is not enacted by June 30, 1997, the amount provided in this~~
25 ~~subsection shall lapse.~~

26 ~~(8)))~~ \$193,000 of the general fund--state appropriation for fiscal
27 year 1998, \$194,000 of the general fund--state appropriation for fiscal
28 year 1999, and \$300,000 of the wildlife account appropriation are
29 provided solely for the design and development of an automated license
30 system.

31 ~~((9)))~~ (8) The department is directed to offer for sale its Cessna
32 421 aircraft by June 30, 1998. Proceeds from the sale shall be
33 deposited in the wildlife account.

34 ~~((10)))~~ (9) \$500,000 of the general fund--state appropriation for
35 fiscal year 1998 and \$500,000 of the general fund--state appropriation
36 for fiscal year 1999 are provided solely to continue the department's
37 habitat partnerships program during the 1997-99 biennium.

38 ~~((11)))~~ (10) \$350,000 of the general fund--state appropriation for
39 fiscal year 1998 and \$350,000 of the general fund--state appropriation

1 for fiscal year 1999 are provided solely for purchase of monitoring
2 equipment necessary to fully implement mass marking of coho salmon.

3 ~~((12))~~ (11) \$238,000 of the general fund--state appropriation for
4 fiscal year 1998 and \$219,000 of the general fund--state appropriation
5 for fiscal year 1999 are provided solely for the implementation of
6 Substitute House Bill No. 1985 (landscape management plans). If the
7 bill is not enacted by June 30, 1997, the amounts provided in this
8 subsection shall lapse.

9 ~~((13))~~ (12) \$150,000 of the general fund--state appropriation for
10 fiscal year 1998 and \$150,000 of the general fund--state appropriation
11 for fiscal year 1999 are provided solely for a contract with the United
12 States department of agriculture to carry out animal damage control
13 projects throughout the state related to cougars, bears, and coyotes.

14 ~~((14))~~ (13) \$97,000 of the general fund--state appropriation for
15 fiscal year 1998 and \$98,000 of the general fund--state appropriation
16 for fiscal year 1999 are provided solely to implement animal damage
17 control programs for Canada geese in the lower Columbia river basin.

18 ~~((15))~~ (14) \$170,000 of the general fund--state appropriation for
19 fiscal year 1998, \$170,000 of the general fund--state appropriation for
20 fiscal year 1999, and \$360,000 of the wildlife account appropriation
21 are provided solely to hire additional enforcement officers to address
22 problem wildlife throughout the state.

23 ~~((17))~~ (15) \$133,000 of the general fund--state appropriation for
24 fiscal year 1998 and \$133,000 of the general fund--state appropriation
25 for fiscal year 1999 are provided solely to implement Substitute Senate
26 Bill No. 5442 (flood control permitting). If the bill is not enacted
27 by June 30, 1997, the amounts provided in this subsection shall lapse.

28 ~~((18))~~ (16) \$100,000 of the aquatic lands enhancement account
29 appropriation is provided solely for grants to the regional fisheries
30 enhancement groups.

31 ~~((19))~~ (17) \$547,000 of the eastern Washington pheasant
32 enhancement account appropriation is provided solely for implementation
33 of Substitute Senate Bill No. 5104 (pheasant enhancement program). If
34 the bill is not enacted by June 30, 1997, the amounts provided in this
35 subsection shall lapse.

36 ~~((20))~~ (18) \$150,000 of the general fund--state appropriation for
37 fiscal year 1998 and \$150,000 of the general fund--state appropriation
38 for fiscal year 1999 are provided solely to hire Washington

1 conservation corps crews to maintain department-owned and managed
2 lands.

3 ~~((21))~~ (19) The entire environmental excellence account
4 appropriation is provided solely for implementation of Engrossed Second
5 Substitute House Bill No. 1866 (environmental excellence). If the bill
6 is not enacted by June 30, 1997, the entire appropriation is null and
7 void.

8 ~~((22))~~ (20) \$156,000 of the recreational fisheries enhancement
9 appropriation is provided solely for Substitute Senate Bill No. 5102
10 (fishing license surcharge). If the bill is not enacted by June 30,
11 1997, the amount provided in this subsection shall lapse.

12 ~~((23))~~ (21) \$25,000 of the general fund--state appropriation for
13 fiscal year 1998 and \$25,000 of the general fund--state appropriation
14 for fiscal year 1999 are provided solely for staffing and operation of
15 the Tennant Lake interpretive center.

16 (22) It is the intent of the legislature that, within the general
17 fund--state appropriations provided in this section, the department
18 shall prioritize its resources to provide expedited assistance to
19 businesses seeking permitting and technical assistance for rural
20 economic development projects.

21 (23) \$750,000 of the regional fisheries enhancement--federal
22 appropriation is provided solely for the regional fisheries enhancement
23 groups. The amount in this section may be spent for project
24 identification, design, permitting, and implementation; volunteer
25 coordination; and administrative costs as approved under RCW 75.50.100
26 and 75.50.115(1)(d). All amounts not committed to approved project,
27 volunteer coordination, or administrative costs by May 31, 1998, shall
28 be made available to any of the regional fisheries enhancement groups
29 that have submitted project approval requests that exceed their
30 available funding from the regional fisheries enhancement group account
31 and the regional fisheries enhancement salmonid recovery account.
32 Redistribution of the moneys shall be based on the criteria established
33 in RCW 75.50.115(1)(e), and shall ensure to the greatest extent
34 possible that the funds are spent during the 1998 in-stream season.

35 (24) \$700,000 of the general fund--state appropriation for fiscal
36 year 1999 is provided solely for grants to habitat restoration lead
37 entities formed in accordance with sections 7 through 10 of Engrossed
38 Substitute House Bill No. 2496 (salmon recovery planning) for
39 administrative activities and development of habitat-restoration

1 project lists. If any of these sections of the bill are not enacted
2 by June 30, 1998, the amounts provided in this subsection shall lapse.
3 Of this amount, \$100,000 is provided as a grant to the regional
4 committee lead entity for administrative activities in the Snake river
5 evolutionarily significant unit.

6 (25) \$50,000 of the general fund--state appropriation for fiscal
7 year 1999 is provided solely for operation of the independent science
8 panel in accordance with section 6 of Engrossed Substitute House Bill
9 No. 2496 (salmon recovery planning). If this section of the bill is
10 not enacted by June 30, 1998, the amount provided in this subsection
11 shall lapse.

12 (26) \$450,000 of the general fund--state appropriation for fiscal
13 year 1999 is provided solely for fish passage technical assistance to
14 local governments, volunteer groups, and regional fisheries enhancement
15 groups in accordance with Engrossed Substitute House Bill No. 2496
16 (salmon recovery planning). The department shall also contract with
17 the department of transportation to train staff at the department of
18 transportation to become proficient in providing fish passage technical
19 assistance. If the bill is not enacted by June 30, 1998, the amount
20 provided in this subsection shall lapse.

21 (27) \$250,000 of the general fund--state appropriation for fiscal
22 year 1999 is provided solely for excessive deer and elk damage claims.

23 (28) \$393,000 of the general fund--state appropriation for fiscal
24 year 1999 is provided solely for the implementation of Substitute
25 Senate Bill No. 6324 (fish remote site incubators). If the bill is not
26 enacted by June 30, 1998, the amount provided in this subsection shall
27 lapse.

28 (29) \$1,000,000 of the general fund--state appropriation for fiscal
29 year 1999, \$400,000 of the general fund--federal appropriation, and
30 \$225,000 of the general fund--local appropriation are provided solely
31 to contract for the mass marking of all appropriate state-wide
32 department chinook salmon hatchery production in accordance with Second
33 Substitute Senate Bill No. 6264 (chinook salmon mass marking). If the
34 bill is not enacted by June 30, 1998, the amount provided in this
35 subsection shall lapse.

36 (30) \$3,500,000 of the general fund--state appropriation for fiscal
37 year 1999 is provided solely for salmon restoration projects funded
38 according to sections 7 through 10 of Second Substitute House Bill No.
39 2496 (salmon recovery planning). Of this amount, \$500,000 is provided

solely for a block grant to the conservation districts located in the Snake river evolutionarily significant unit for habitat restoration projects. If any of these sections of the bill are not enacted by June 30, 1998, the amounts provided in this subsection shall lapse.

(31) \$1,170,000 of the general fund--state appropriation for fiscal year 1999 and \$3,500,000 of the general fund--federal appropriation are provided solely to implement a license buy-back program for commercial fishing licenses.

(32) \$5,000 of the general fund--state appropriation for fiscal year 1998 and \$40,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for implementation of Substitute Senate Bill No. 6114 (nonindigenous aquatic species). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

(33) \$1,000,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for purchasing computer equipment to support implementation of Second Substitute Senate Bill No. 6330 (fish and wildlife licenses). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

(34) \$70,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to implement sections 1, 4, and 11 of Engrossed Second Substitute House Bill No. 2345 (revising administrative law). If sections 1, 4, and 11 of the bill are not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

*Sec. 307 was partially vetoed. See message at end of chapter.

*Sec. 308. 1997 c 454 s 305 (uncodified) is each amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund--State Appropriation (FY 1998) . . . \$	23,767,000
General Fund--State Appropriation (FY 1999) . . . \$	((24,168,000))
	<u>24,410,000</u>
General Fund--Federal Appropriation \$	1,156,000
General Fund--Private/Local Appropriation \$	422,000
Forest Development Account Appropriation \$	((49,923,000))
	<u>49,963,000</u>
Off Road Vehicle Account Appropriation \$	3,628,000
Surveys and Maps Account Appropriation \$	2,088,000

1	Aquatic Lands Enhancement Account		
2	Appropriation	\$	4,869,000
3	Resource((s)) Management Cost Account		
4	Appropriation	\$	((89,613,000))
5			<u>89,769,000</u>
6	Waste Reduction/Recycling/Litter Control		
7	Appropriation	\$	450,000
8	Surface Mining Reclamation Account		
9	Appropriation	\$	1,420,000
10	Aquatic Land Dredged Material Disposal Site Account		
11	Appropriation	\$	751,000
12	Natural Resources Conservation Areas Stewardship		
13	Account Appropriation	\$	77,000
14	Air Pollution Control Account Appropriation . . .	\$	890,000
15	Metals Mining Account Appropriation	\$	62,000
16	<u>Natural Resources Equipment Account</u>		
17	<u>Appropriation</u>	<u>\$</u>	<u>750,000</u>
18	TOTAL APPROPRIATION	\$	((203,284,000))
19			<u>204,472,000</u>

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

22 (1) \$7,017,000 of the general fund--state appropriation for fiscal
23 year 1998 and \$6,900,000 of the general fund--state appropriation for
24 fiscal year 1999 are provided solely for emergency fire suppression.

25 (2) \$18,000 of the general fund--state appropriation for fiscal
26 year 1998, \$18,000 of the general fund--state appropriation for fiscal
27 year 1999, and \$957,000 of the aquatic lands enhancement account
28 appropriation are provided solely for the implementation of the Puget
29 Sound work plan agency action items DNR-01, DNR-02, and DNR-04.

30 (3) \$450,000 of the resource management cost account appropriation
31 is provided solely for the control and eradication of class B designate
32 weeds on state lands. The department shall use the most cost-effective
33 methods available, including chemical control where appropriate, and
34 report to the appropriate committees of the legislature by January 1,
35 1998, on control methods, costs, and acres treated during the previous
36 year.

(4) \$1,332,000 of the general fund--state appropriation for fiscal year 1998 and \$1,713,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for fire protection activities.

(5) \$541,000 of the general fund--state appropriation for fiscal year 1998 and \$549,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the stewardship of natural area preserves, natural resource conservation areas, and the operation of the natural heritage program.

(6) \$2,300,000 of the aquatic lands enhancement account appropriation is provided for the department's portion of the Eagle Harbor settlement.

(7) \$195,000 of the general fund--state appropriation for fiscal year 1998 and \$220,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the implementation of Substitute House Bill No. 1985 (landscape management plans). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(8) \$600,000 of the general fund--state appropriation for fiscal year 1998 and \$600,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the cooperative monitoring, evaluation, and research projects related to implementation of the timber-fish-wildlife agreement.

(9) \$6,568,000 of the forest development account appropriation is provided solely for silviculture activities on forest board lands. To the extent that forest board counties apply for reconveyance of lands pursuant to Substitute Senate Bill No. 5325 (county land transfers), the amount provided in this subsection shall be reduced by an amount equal to the estimated silvicultural expenditures planned in each county that applies for reconveyance.

(10) The entire natural resources equipment account appropriation is provided solely for replacement of equipment and development of infrastructure necessary to meet new federal communications commission regulations.

(11) \$75,000 of the general fund--state appropriation for fiscal year 1999, \$35,000 from the resource management cost account appropriation, and \$40,000 from the forest development account appropriation are provided solely to implement sections 1, 4, and 11 of Engrossed Second Substitute House Bill No. 2345 (revising administrative law). If sections 1, 4, and 11 of the bill are not

enacted by June 30, 1998, the amounts provided in this subsection shall lapse.

(12) \$71,000 of the resource management cost account appropriation is provided solely for a study of the current method for determining water-dependent rents in accordance with Second Substitute Senate Bill No. 6156 (state aquatic lands leases). If the bill is not enacted by June 30, 1998, the amount provided in this subsection shall lapse.

(13) \$117,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for a geographic information systems inventory of Washington sand, gravel, and construction rock resources.

(14) \$50,000 of the resource management cost account appropriation is provided solely for a field study of biological control methods for eradication of spartina.

(15) \$50,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for a study of potential finfish net-pen aquaculture sites in the Strait of Juan de Fuca and along the Pacific coast.

*Sec. 308 was partially vetoed. See message at end of chapter.

*Sec. 309. 1997 c 149 s 309 (uncodified) is each amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

General Fund--State Appropriation (FY 1998) . . .	\$	((7,596,000))
		<u>7,605,000</u>
General Fund--State Appropriation (FY 1999) . . .	\$	((7,008,000))
		<u>8,285,000</u>
General Fund--Federal Appropriation	\$	((4,716,000))
		<u>5,077,000</u>
General Fund--Private/Local Appropriation	\$	405,000
Aquatic Lands Enhancement Account		
Appropriation	\$	806,000
Industrial Insurance Premium Refund		
Appropriation	\$	184,000
State Toxics Control Account Appropriation . . .	\$	1,338,000
<u>Local Toxics Control Account Appropriation . . .</u>	<u>\$</u>	<u>258,000</u>
TOTAL APPROPRIATION	\$	((22,053,000))
		<u>23,958,000</u>

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

3 (1) \$35,000 of the general fund--state appropriation for fiscal
4 year 1998 and \$36,000 of the general fund--state appropriation for
5 fiscal year 1999 are provided solely for technical assistance on
6 pesticide management including the implementation of the Puget Sound
7 work plan agency action item DOA-01.

8 (2) \$461,000 of the general fund--state appropriation for fiscal
9 year 1998, \$421,000 of the general fund--state appropriation for fiscal
10 year 1999, and ((~~\$361,000~~)) \$722,000 of the general fund--federal
11 appropriation are provided solely to monitor and eradicate the Asian
12 gypsy moth.

13 (3) \$138,000 of the general fund--state appropriation for fiscal
14 year 1998 and \$138,000 of the general fund--state appropriation for
15 fiscal year 1999 are provided solely for two additional staff positions
16 in the plant protection program.

17 (4) \$12,000 of the general fund--state appropriation for fiscal
18 year 1998 and \$13,000 of the general fund--state appropriation for
19 fiscal year 1999 are provided solely for the implementation of
20 Substitute Senate Bill No. 5077 (integrated pest management). If the
21 bill is not enacted by June 30, 1997, the amount provided in this
22 subsection shall lapse.

23 (5) \$258,000 of the local toxics control account appropriation is
24 provided solely to implement Senate Bill No. 6474 (fertilizer
25 regulation). The amount provided in this subsection shall be used to
26 conduct a comprehensive study of plant uptake of metals and to
27 implement new fertilizer registration requirements. If the bill is not
28 enacted by June 30, 1998, the amount provided in this subsection shall
29 lapse.

30 (6) \$50,000 of the general fund--state appropriation for fiscal
31 year 1999 is provided solely to implement section 11 of Engrossed
32 Second Substitute House Bill No. 2345 (revising administrative law).
33 If section 11 of the bill is not enacted by June 30, 1998, the amount
34 provided in this subsection shall lapse.

35 (7) \$95,000 of the general fund--state appropriation for fiscal
36 year 1999 is provided solely for deposit into the livestock
37 identification account to implement sections 2 and 98 of Engrossed
38 Substitute Senate Bill No. 6204 (livestock identification). If either

1 of these sections of the bill is not enacted by June 30, 1998, the
2 amount provided in this subsection shall lapse.

3 *Sec. 309 was partially vetoed. See message at end of chapter.

4 **Sec. 310.** 1997 c 149 s 310 (uncodified) is each amended to read as
5 follows:

6 **FOR THE WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM**

7 Pollution Liability Insurance Program Trust Account

8	Appropriation	\$ ((909,000))
9		<u>1,009,000</u>

10 (End of part)

PART IV
TRANSPORTATION

Sec. 401. 1997 c 149 s 401 (uncodified) is each amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund Appropriation (FY 1998)	\$	((4,536,000))
		<u>4,686,000</u>
General Fund Appropriation (FY 1999)	\$	((4,409,000))
		<u>4,717,000</u>
Architects' License Account Appropriation	\$	((857,000))
		<u>829,000</u>
Cemetery Account Appropriation	\$	((188,000))
		<u>197,000</u>
Professional Engineers' Account Appropriation	\$	((2,674,000))
		<u>2,700,000</u>
Real Estate Commission Account Appropriation	\$	((6,708,000))
		<u>7,062,000</u>
Master License Account Appropriation	\$	((6,998,000))
		<u>6,963,000</u>
Uniform Commercial Code Account Appropriation	\$	((4,291,000))
		<u>3,521,000</u>
Real Estate Education Account Appropriation	\$	606,000
Funeral Directors And Embalmers Account		
Appropriation	\$	((409,000))
		<u>418,000</u>
TOTAL APPROPRIATION	\$	((31,676,000))
		<u>31,699,000</u>

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

(1) \$21,000 of the general fund fiscal year 1998 appropriation and \$22,000 of the general fund fiscal year 1999 appropriation are provided solely to implement House Bill No. 1827 or Senate Bill No. 5754 (boxing, martial arts, wrestling). If neither bill is enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(2) \$40,000 of the master license account appropriation is provided solely to implement Substitute Senate Bill No. 5483 (whitewater river outfitters). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(3) \$229,000 of the general fund fiscal year 1998 appropriation and \$195,000 of the general fund fiscal year 1999 appropriation are provided solely for the implementation of Senate Bill No. 5997 (cosmetology inspections). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(4) \$31,000 of the general fund fiscal year 1998 appropriation, \$1,000 of the general fund fiscal 1999 appropriation, \$7,000 of the architects' license account appropriation, \$18,000 of the professional engineers' account appropriation, \$14,000 of the real estate commission account appropriation, \$40,000 of the master license account appropriation, and \$3,000 of the funeral directors and embalmers account appropriation are provided solely for the implementation of Engrossed House Bill No. 3901 (implementing welfare reform). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(5) \$17,000 of the professional engineers' account appropriation is provided solely to implement Senate Bill No. 5266 (engineers/land surveyors). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(6) \$110,000 of the general fund fiscal year 1998 appropriation is provided solely to implement Senate Bill No. 5998 (cosmetology advisory board). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

~~(7) ((\$74,000 of the uniform commercial code account appropriation is provided solely to implement Engrossed Senate Bill No. 5163 (UCC filing). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.~~

~~(8)))~~ \$11,000 of the general fund fiscal year 1998 appropriation and \$2,000 of the general fund fiscal year 1999 appropriation are provided solely to implement Substitute House Bill No. 1748 or Substitute Senate Bill No. 5513 (vessel registration). If neither bill is enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(8)(a) Pursuant to RCW 43.135.055, during the 1997-99 fiscal biennium, the department may increase fees in excess of the fiscal

1 growth factor in the appraisers and camp resorts programs; however,
2 such increases shall not exceed an annual increase of eight percent.

3 (b) Pursuant to RCW 43.135.055, during the 1997-99 fiscal biennium,
4 the department may increase fees in excess of the fiscal growth factor
5 in the professional athletics, employment agencies, and security guards
6 programs to the extent necessary to defray the costs of the
7 administration of these programs as set forth in RCW 43.24.086.

8 (c) Before raising fees in excess of the fiscal growth factor
9 pursuant to this subsection, the department shall notify the chairs and
10 ranking minority members of the appropriate fiscal committees of the
11 legislature.

12 (9) Within the amounts provided in this section, the department
13 shall provide information detailing each specific component of the
14 overhead costs allocated to each program within the business and
15 professions division. The department shall establish procedures to
16 allow each program within the business and professions division to
17 review and modify its business processes in order to reduce
18 administrative costs. The department of licensing shall provide a
19 report to the fiscal committees of the legislature by October 1, 1998,
20 detailing the specific procedures established pursuant to the
21 requirements of this subsection.

22 (10) \$110,000 of the general fund fiscal year 1999 appropriation is
23 provided solely for the implementation of the Substitute Senate Bill
24 No. 6507 (cosmetology advisory board). If the bill is not enacted by
25 June 30, 1998, the amount provided in this subsection shall lapse.

26 (11) \$75,000 of the general fund fiscal year 1999 appropriation is
27 provided solely for costs associated with fully implementing chapter
28 178, Laws of 1997 (cosmetology inspections).

29 **Sec. 402.** 1997 c 149 s 402 (uncodified) is each amended to read as
30 follows:

31 **FOR THE STATE PATROL**

32	General Fund--State Appropriation (FY 1998) . . . \$	((7,712,000))
33		8,312,000
34	General Fund--State Appropriation (FY 1999) . . . \$	((7,850,000))
35		21,791,000
36	General Fund--Federal Appropriation \$	((3,990,000))
37		5,784,000
38	General Fund--Private/Local Appropriation \$	341,000

1	Public Safety and Education Account	
2	Appropriation	\$ ((4,652,000))
3		<u>4,483,000</u>
4	County Criminal Justice Assistance Account	
5	Appropriation	\$ 3,905,000
6	Municipal Criminal Justice Assistance Account	
7	Appropriation	\$ 1,573,000
8	Fire Service Trust Account Appropriation	\$ 92,000
9	Fire Service Training Account Appropriation . . .	\$ ((1,762,000))
10		<u>2,295,000</u>
11	State Toxics Control Account Appropriation . . .	\$ 439,000
12	Violence Reduction and Drug Enforcement Account	
13	Appropriation	\$ ((310,000))
14		<u>570,000</u>
15	Fingerprint Identification Account	
16	Appropriation	\$ ((3,082,000))
17		<u>3,220,000</u>
18	TOTAL APPROPRIATION	\$ ((35,708,000))
19		<u>52,805,000</u>

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

22 (1) \$254,000 of the fingerprint identification account
23 appropriation is provided solely for an automated system that will
24 facilitate the access of criminal history records remotely by computer
25 or telephone for preemployment background checks and other non-law
26 enforcement purposes. The agency shall submit an implementation status
27 report to the office of financial management and the legislature by
28 September 1, 1997.

29 (2) \$264,000 of the general fund--federal appropriation is provided
30 solely for a feasibility study to develop a criminal investigation
31 computer system. The study will report on the feasibility of
32 developing a system that uses incident-based reporting as its
33 foundation, consistent with FBI standards. The system will have the
34 capability of connecting with local law enforcement jurisdictions as
35 well as fire protection agencies conducting arson investigations. The
36 study will report on the system requirements for incorporating case
37 management, intelligence data, imaging, and geographic information.
38 The system will also provide links to existing crime information

1 databases such as WASIS and WACIC. The agency shall submit a copy of
2 the proposed study workplan to the office of financial management and
3 the department of information services for approval prior to
4 expenditure. A final report shall be submitted to the appropriate
5 committees of the legislature, the office of financial management, and
6 the department of information services no later than June 30, 1998.

7 (3) Pursuant to chapter 43.135 RCW, during the 1997-99 fiscal
8 biennium, the Washington state patrol is authorized to raise existing
9 fees charged for background fingerprint checks on current and potential
10 school district and educational service district employees by six
11 dollars.

12 (4) \$166,000 of the general fund--state appropriation for fiscal
13 year 1998 and \$499,000 of the general fund--state appropriation for
14 fiscal year 1999 are provided solely as state matching funds required
15 to complete changes to the WACIC and WASIS systems.

16 (5) To address year 2000 concerns about the automated fingerprint
17 identification system (AFIS), the Washington state patrol may contract
18 with an intergovernmental consortium for the use of a year 2000
19 compatible AFIS system. Under this approach, the state patrol would
20 begin paying a monthly usage fee starting in fiscal year 2000.

21 (6) \$58,000 of the general fund--state appropriation for fiscal
22 year 1999 is provided solely to implement House Bill No. 1172 (sex
23 offender registration). If the bill is not enacted by June 30, 1998,
24 the amount provided in this subsection shall lapse.

25 (End of part)

1 **PART V**
2 **EDUCATION**

3 NEW SECTION. **Sec. 501.** A new section is added to 1997 c 149
4 (uncodified) to read as follows:

5 **FOR A STUDY OF K-12 FINANCE.** A study of the system of finance of
6 the Washington common schools shall be conducted by the joint
7 legislative audit and review committee subject to the following
8 conditions and limitations:

9 (1) The study shall address:

10 (a) The revenue and expenditure practices of local school
11 districts. To the extent data is available, the study shall identify
12 patterns of resource allocations to selected districts, buildings, and
13 classrooms. The study shall document the extent to which meaningful
14 analysis of resource allocations is limited by data currently available
15 and shall identify means necessary to obtain information necessary to
16 analyze the efficiency and effectiveness of common school expenditures.
17 The study shall also seek to identify districts that have financial
18 data available in a form that facilitates understanding by persons
19 without specialized expertise in public finance.

20 (b) The ratio of students to teachers and other personnel in
21 selected districts, buildings, and classrooms. To the extent data is
22 obtainable, class-size shall include analysis of the use of
23 certificated and noncertificated classroom instructors and assistants,
24 the education and experience of instructional staff, the composition of
25 students in classrooms by status including students who qualify for
26 special education, learning assistance, bilingual education, gifted
27 education, free and reduced-price lunch and other characteristics,
28 including educational outcomes relevant to understanding the nature of
29 class-size and the nature of students and teachers in those classes.

30 (2) The final report shall be presented no later than June 30,
31 1999. Before the final report is presented, an interim briefing shall
32 be presented to the fiscal committees of the legislature for review and
33 comment.

34 (3) Funds appropriated to the joint legislative audit and review
35 committee for the study specified in this section may be used for
36 consulting services as deemed necessary, including, but not limited to,

1 review of studies of a similar nature and consultation with experts in
2 the field of public school finance on the feasibility and best
3 approaches to a state fiscal study with the objectives specified in
4 this section.

5 **Sec. 502.** 1997 c 454 s 501 (uncodified) is each amended to read as
6 follows:

7 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STATE ADMINISTRATION**

8	General Fund--State Appropriation (FY 1998) . . . \$	((20,758,000))
9		<u>20,423,000</u>
10	General Fund--State Appropriation (FY 1999) . . . \$	((40,775,000))
11		<u>58,171,000</u>
12	General Fund--Federal Appropriation \$	49,439,000
13	Public Safety and Education Account	
14	Appropriation \$	2,598,000
15	Violence Reduction and Drug Enforcement Account	
16	Appropriation \$	3,672,000
17	Education Savings Account Appropriation \$	39,312,000
18	TOTAL APPROPRIATION \$	((156,554,000))
19		<u>173,615,000</u>

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

22 (1) AGENCY OPERATIONS

23 (a) \$394,000 of the general fund--state appropriation for fiscal
24 year 1998 and \$394,000 of the general fund--state appropriation for
25 fiscal year 1999 are provided solely for the operation and expenses of
26 the state board of education, including basic education assistance
27 activities.

28 (b)(i) \$250,000 of the general fund--state appropriation for fiscal
29 year 1998 and \$250,000 of the general fund--state appropriation for
30 fiscal year 1999 are provided solely for enhancing computer systems and
31 support in the office of superintendent of public instruction. These
32 amounts shall be used to: Make a database of school information
33 available electronically to schools, state government, and the general
34 public; reduce agency and school district administrative costs through
35 more effective use of technology; and replace paper reporting and
36 publication to the extent feasible with electronic media. The

1 superintendent, in cooperation with the commission on student learning,
2 shall develop a state student record system including elements
3 reflecting student achievement. The system shall be made available to
4 the office of financial management and the legislature with suitable
5 safeguards of student confidentiality. The superintendent shall report
6 to the office of financial management and the legislative fiscal
7 committees by December 1 of each year of the biennium on the progress
8 and plans for the expenditure of these amounts.

9 (ii) The superintendent, in cooperation with the commission on
10 student learning, shall develop a feasibility plan for a state student
11 record system, including elements reflecting student academic
12 achievement on goals 1 and 2 under RCW 28A.150.210. The feasibility
13 plan shall be made available to the office of financial management and
14 the fiscal and education committees of the legislature for approval
15 before a student records database is established, and shall identify
16 data elements to be collected and suitable safeguards of student
17 confidentiality and proper use of database records, with particular
18 attention to eliminating unnecessary and intrusive data about
19 nonacademic related information.

20 (c) \$348,000 of the public safety and education account
21 appropriation is provided solely for administration of the traffic
22 safety education program, including in-service training related to
23 instruction in the risks of driving while under the influence of
24 alcohol and other drugs.

25 (d) \$50,000 of the general fund--state appropriation for fiscal
26 year 1998 and \$50,000 of the general fund--state appropriation for
27 fiscal year 1999 are provided solely to implement Substitute Senate
28 Bill No. 5394 (school audit resolutions).

29 (e) The superintendent shall conduct a study and make
30 recommendations to the 1999 legislature regarding a definition of and
31 standards for skills centers. The standards shall be related to the
32 cost differential of skills centers as compared to secondary vocational
33 education allocations provided in the appropriations act and other
34 relevant factors. The study shall also address proposals for new
35 skills centers known as of August 31, 1998, and compare and analyze,
36 insofar as possible, the proposals with the recommended standards. The
37 study shall be submitted to the governor and the appropriate committees
38 of the legislature by November 25, 1998.

1 (f) The superintendent shall prepare a study which compares the
2 state's administrative and statutory requirements to provide special
3 education with the requirements of federal law. A preliminary report
4 shall be provided to the policy and fiscal committees of the
5 legislature by October 15, 1998, and a final report shall be provided
6 by December 15, 1998.

7 (2) STATE-WIDE PROGRAMS

8 (a) \$2,174,000 of the general fund--state appropriation is provided
9 for in-service training and educational programs conducted by the
10 Pacific Science Center.

11 (b) \$63,000 of the general fund--state appropriation is provided
12 for operation of the Cispus environmental learning center.

13 (c) \$2,754,000 of the general fund--state appropriation is provided
14 for educational centers, including state support activities. \$100,000
15 of this amount is provided to help stabilize funding through
16 distribution among existing education centers that are currently funded
17 by the state at an amount less than \$100,000 a biennium.

18 (d) \$100,000 of the general fund--state appropriation is provided
19 for an organization in southwest Washington that received funding from
20 the Spokane educational center in the 1995-97 biennium and provides
21 educational services to students who have dropped out.

22 (e) (~~(\$2,500,000))~~ \$2,148,000 of the general fund--state fiscal
23 year 1998 appropriation and (~~(\$2,500,000))~~ \$2,151,000 of the general
24 fund--state fiscal year 1999 appropriation are provided solely for
25 implementation of reading initiatives to improve reading in early
26 grades as enacted by the 1997 legislature. Of this amount(~~((÷—(ii)))~~),
27 \$4,300,000 is provided solely to implement Engrossed Substitute House
28 Bill No. 2042. Funds shall be used solely for the selection and
29 purchase of the second grade reading tests in accordance with section
30 2 of the bill, scoring costs associated with the administration of the
31 tests in the 1998-99 school year in accordance with section 5 of the
32 bill, and grants to school districts in accordance with sections 4 and
33 7 of the bill.

34 (f) \$3,672,000 of the violence reduction and drug enforcement
35 account appropriation and \$2,250,000 of the public safety education
36 account appropriation are provided solely for matching grants to
37 enhance security in schools. Not more than seventy-five percent of a
38 district's total expenditures for school security in any school year

1 may be paid from a grant under this subsection. The grants shall be
2 expended solely for the costs of employing or contracting for building
3 security monitors in schools during school hours and school events. Of
4 the amount provided in this subsection, at least \$2,850,000 shall be
5 spent for grants to districts that, during the 1988-89 school year,
6 employed or contracted for security monitors in schools during school
7 hours. However, these grants may be used only for increases in school
8 district expenditures for school security over expenditure levels for
9 the 1988-89 school year.

10 (g) \$200,000 of the general fund--state appropriation for fiscal
11 year 1998, \$200,000 of the general fund--state appropriation for fiscal
12 year 1999, and \$400,000 of the general fund--federal appropriation
13 transferred from the department of health are provided solely for a
14 program that provides grants to school districts for media campaigns
15 promoting sexual abstinence and addressing the importance of delaying
16 sexual activity, pregnancy, and childbearing until individuals are
17 ready to nurture and support their children. Grants to the school
18 districts shall be for projects that are substantially designed and
19 produced by students. The grants shall require a local private sector
20 match equal to one-half of the state grant, which may include in-kind
21 contribution of technical or other assistance from consultants or firms
22 involved in public relations, advertising broadcasting, and graphics or
23 video production or other related fields.

24 (h) \$1,500,000 of the general fund--state appropriation for fiscal
25 year 1998 and \$1,500,000 of the general fund--state appropriation for
26 fiscal year 1999 are provided solely for school district petitions to
27 juvenile court for truant students as provided in RCW 28A.225.030 and
28 28A.225.035. Allocation of this money to school districts shall be
29 based on the number of petitions filed.

30 (i) \$300,000 of the general fund--state appropriation is provided
31 for alcohol and drug prevention programs pursuant to RCW 66.08.180.

32 (j)(i) \$19,656,000 of the education savings account appropriation
33 for fiscal year 1998 and \$19,656,000 of the education savings account
34 appropriation for fiscal year 1999 are provided solely for matching
35 grants and related state activities to provide school district
36 consortia with programs utilizing technology to improve learning. A
37 maximum of ((~~\$100,000~~)) \$150,000 each fiscal year of this amount is
38 provided for administrative support and oversight of the K-20 network
39 by the superintendent of public instruction. The superintendent of

1 public instruction shall convene a technology grants committee
2 representing private sector technology, school districts, and
3 educational service districts to recommend to the superintendent grant
4 proposals that have the best plans for improving student learning
5 through innovative curriculum using technology as a learning tool and
6 evaluating the effectiveness of the curriculum innovations. After
7 considering the technology grants committee recommendations, the
8 superintendent shall make matching grant awards, including granting at
9 least fifteen percent of funds on the basis of criteria in (ii)(A)
10 through (C) of this subsection (2)(j).

11 (ii) Priority for award of funds will be to (A) school districts
12 most in need of assistance due to financial limits, (B) school
13 districts least prepared to take advantage of technology as a means of
14 improving student learning, and (C) school districts in economically
15 distressed areas. The superintendent of public instruction, in
16 consultation with the technology grants committee, shall propose
17 options to the committee for identifying and prioritizing districts
18 according to criteria in (i) and (ii) of this subsection (2)(j).

19 (iii) Options for review criteria to be considered by the
20 superintendent of public instruction include, but are not limited to,
21 free and reduced lunches, levy revenues, ending fund balances,
22 equipment inventories, and surveys of technology preparedness. An
23 "economically distressed area" is (A) a county with an unemployment
24 rate that is at least twenty percent above the state-wide average for
25 the previous three years; (B) a county that has experienced sudden and
26 severe or long-term and severe loss of employment, or erosion of its
27 economic base resulting in decline of its dominant industries; or (C)
28 a district within a county which (I) has at least seventy percent of
29 its families and unrelated individuals with incomes below eighty
30 percent of the county's median income for families and unrelated
31 individuals; and (II) has an unemployment rate which is at least forty
32 percent higher than the county's unemployment rate.

33 (k) \$50,000 of the general fund--state appropriations is provided
34 as matching funds for district contributions to provide analysis of the
35 efficiency of school district business practices. The superintendent
36 of public instruction shall establish criteria, make awards, and
37 provide a report to the fiscal committees of the legislature by
38 December 15, 1997, on the progress and details of analysis funded under
39 this subsection (2)(k).

(l) (~~(\$19,977,000))~~ \$19,797,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for the purchase of classroom instructional materials and supplies. The superintendent shall allocate the funds at a maximum rate of \$20.82 per full-time equivalent student, beginning September 1, 1998, and ending June 30, 1999. The expenditure of the funds shall be determined at each school site by the (~~(school building staff, parents, and the community))~~ individual teacher. School districts shall distribute all funds received to school buildings without deduction.

(m) \$15,000 of the general fund--state appropriation is provided solely to assist local districts vocational education programs in applying for low frequency FM radio licenses with the federal communications commission.

(n) \$35,000 of the general fund--state appropriation is provided solely to the state board of education to design a program to encourage high school students and other adults to pursue careers as vocational education teachers in the subject matter of agriculture.

(o) \$25,000 of the general fund--state appropriation for fiscal year 1998 and \$25,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for allocation to the primary coordinators of the state geographic alliance to improve the teaching of geography in schools.

(p) \$1,000,000 of the general fund--state appropriation is provided for state administrative costs and start-up grants for alternative programs and services that improve instruction and learning for at-risk and expelled students consistent with the objectives of Engrossed House Bill No. 1581 (disruptive students/offenders). Each grant application shall contain proposed performance indicators and an evaluation plan to measure the success of the program and its impact on improved student learning. Applications shall contain the applicant's plan for maintaining the program and/or services after the grant period, shall address the needs of students who cannot be accommodated within the framework of existing school programs or services and shall address how the applicant will serve any student within the proposed program's target age range regardless of the reason for truancy, suspension, expulsion, or other disciplinary action. Up to \$50,000 per year may be used by the superintendent of public instruction for grant administration. The superintendent shall submit an evaluation of the alternative program start-up grants provided under this section, and

1 section 501(2)(q), chapter 283, Laws of 1996, to the fiscal and
2 education committees of the legislature by November 15, 1998. Grants
3 shall be awarded to applicants showing the greatest potential for
4 improved student learning for at-risk students including:

5 (i) Students who have been suspended, expelled, or are subject to
6 other disciplinary actions;

7 (ii) Students with unexcused absences who need intervention from
8 community truancy boards or family support programs;

9 (iii) Students who have left school; and

10 (iv) Students involved with the court system.

11 The office of the superintendent of public instruction shall
12 prepare a report describing student recruitment, program offerings,
13 staffing practices, and available indicators of program effectiveness
14 of alternative education programs funded with state and, to the extent
15 information is available, local funds. The report shall contain a plan
16 for conducting an evaluation of the educational effectiveness of
17 alternative education programs.

18 (q) \$1,600,000 of the general fund--state appropriation is provided
19 for grants for magnet schools to be distributed as recommended by the
20 superintendent of public instruction pursuant to chapter 232, section
21 516(13), Laws of 1992.

22 (r) \$4,300,000 of the general fund--state appropriation is provided
23 for complex need grants. Grants shall be provided according to amounts
24 shown in LEAP Document 30C as developed on April 27, 1997, at 03:00
25 hours.

26 (s) \$17,000,000 of the general fund--state appropriation for fiscal
27 year 1999 is provided solely to implement Engrossed Second Substitute
28 Senate Bill No. 6509 (successful readers act). Of this amount,
29 \$9,000,000 is provided solely for beginning reading instructional
30 programs pursuant to section 2(1) of the bill and \$8,000,000 is
31 provided solely for volunteer tutor and mentor programs pursuant to
32 section 2(2) of the bill. The superintendent shall notify districts of
33 the availability of the funds by April 15th, 1998, and shall include in
34 the notification limitations on rates for stipends and other cost
35 factors. Stipends authorized under section 2(5) of the bill shall not
36 exceed five days per program at a rate not to exceed \$222 per five-hour
37 day, including fringe benefits. The superintendent shall establish
38 allocation guidelines for other cost factors associated with providing

1 the programs. If the bill is not enacted by June 30, 1998, the amounts
2 provided in this subsection shall lapse.

3 (t) \$15,000 of the general fund--state appropriation for fiscal
4 year 1998 and \$100,000 of the general fund--state appropriation for
5 fiscal year 1999 are provided solely for a study and recommendations
6 related to education of offenders prosecuted as adults in accordance
7 with Engrossed Substitute Senate Bill No. 6600 (correctional facilities
8 education program). If the bill is not enacted by June 30, 1998, the
9 amount provided in this subsection shall lapse.

10 (u) \$375,000 of the general fund--state appropriation for fiscal
11 year 1999 is provided solely for increased costs of providing a norm-
12 referenced test to all third grade students and retests of certain
13 third grade students and other costs in accordance with Second
14 Substitute House Bill No. 2849 (student achievement). If the bill is
15 not enacted by June 30, 1998, the amount provided in this subsection
16 shall lapse.

17 (v) \$50,000 of the general fund--state appropriation for fiscal
18 year 1999 is provided solely for development and operation of a skills
19 center in Port Angeles, contingent on meeting the standard for
20 qualifying for skills center funding as developed by the superintendent
21 of public instruction in subsection (1)(e) of this section.

22 (w) \$400,000 of the fiscal year 1999 general fund--state
23 appropriation is provided solely for matching funds to improve the
24 fiscal and student data capabilities of the Washington school
25 information processing cooperative. The funds shall be allocated only
26 if at least 267 school districts remain members of the cooperative for
27 the 1998-99 school year.

28 **Sec. 503.** 1997 c 149 s 502 (uncodified) is each amended to read as
29 follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT**
31 **(BASIC EDUCATION)**

General Fund Appropriation (FY 1998)	 \$ ((3,429,727,000))
	3,405,645,000
General Fund Appropriation (FY 1999)	 \$ ((3,511,157,000))
	3,473,603,000
TOTAL APPROPRIATION	 \$ ((6,940,884,000))
	6,879,248,000

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

3 (1) The appropriation for fiscal year 1998 includes such funds as
4 are necessary for the remaining months of the 1996-97 school year.

5 (2) Allocations for certificated staff salaries for the 1997-98 and
6 1998-99 school years shall be determined using formula-generated staff
7 units calculated pursuant to this subsection. Staff allocations for
8 small school enrollments in (d) through (f) of this subsection shall be
9 reduced for vocational full-time equivalent enrollments. Staff
10 allocations for small school enrollments in grades K-6 shall be the
11 greater of that generated under (a) of this subsection, or under (d)
12 and (e) of this subsection. Certificated staffing allocations shall be
13 as follows:

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

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

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

22 (iii) An additional 5.3 certificated instructional staff units for
23 grades K-3. Any funds allocated for these additional certificated
24 units shall not be considered as basic education funding;

25 (A) Funds provided under this subsection (2)(a)(iii) in excess of
26 the amount required to maintain the statutory minimum ratio established
27 under RCW 28A.150.260(2)(b) shall be allocated only if the district
28 documents an actual ratio equal to or greater than 54.3 certificated
29 instructional staff per thousand full-time equivalent students in
30 grades K-3. For any school district documenting a lower certificated
31 instructional staff ratio, the allocation shall be based on the
32 district's actual grades K-3 certificated instructional staff ratio
33 achieved in that school year, or the statutory minimum ratio
34 established under RCW 28A.150.260(2)(b), if greater;

35 (B) Districts at or above 51.0 certificated instructional staff per
36 one thousand full-time equivalent students in grades K-3 may dedicate
37 up to 1.3 of the 54.3 funding ratio to employ additional classified
38 instructional assistants assigned to basic education classrooms in
39 grades K-3. For purposes of documenting a district's staff ratio under

1 this section, funds used by the district to employ additional
2 classified instructional assistants shall be converted to a
3 certificated staff equivalent and added to the district's actual
4 certificated instructional staff ratio. Additional classified
5 instructional assistants, for the purposes of this subsection, shall be
6 determined using the 1989-90 school year as the base year;

7 (C) Any district maintaining a ratio equal to or greater than 54.3
8 certificated instructional staff per thousand full-time equivalent
9 students in grades K-3 may use allocations generated under this
10 subsection (2)(a)(iii) in excess of that required to maintain the
11 minimum ratio established under RCW 28A.150.260(2)(b) to employ
12 additional basic education certificated instructional staff or
13 classified instructional assistants in grades 4-6. Funds allocated
14 under this subsection (2)(a)(iii) shall only be expended to reduce
15 class size in grades K-6. No more than 1.3 of the certificated
16 instructional funding ratio amount may be expended for provision of
17 classified instructional assistants; and

18 (iv) Forty-six certificated instructional staff units per thousand
19 full-time equivalent students in grades 4-12;

20 (b) For school districts with a minimum enrollment of 250 full-time
21 equivalent students whose full-time equivalent student enrollment count
22 in a given month exceeds the first of the month full-time equivalent
23 enrollment count by 5 percent, an additional state allocation of 110
24 percent of the share that such increased enrollment would have
25 generated had such additional full-time equivalent students been
26 included in the normal enrollment count for that particular month;

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

28 (i) Vocational education programs approved by the superintendent of
29 public instruction, a maximum of 0.92 certificated instructional staff
30 units and 0.08 certificated administrative staff units for each 18.3
31 full-time equivalent vocational students for the 1997-98 school year
32 and for each 19.5 full-time equivalent vocational students in the 1998-
33 99 school year. Beginning with the 1998-99 school year, districts
34 documenting staffing ratios of less than 1 certificated staff per
35 ~~((18.3))~~ 19.5 students shall be allocated the greater of the total
36 ratio in subsections (2)(a)(i) and (iv) of this section or the actual
37 documented ratio;

38 (ii) Skills center programs approved by the superintendent of
39 public instruction for skills centers approved prior to September 1,

1 1997, 0.92 certificated instructional staff units and 0.08 certificated
2 administrative units for each 16.67 full-time equivalent vocational
3 students;

4 (iii) Indirect cost charges, as defined by the superintendent of
5 public instruction, to vocational-secondary programs shall not exceed
6 10 percent; and

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

12 (d) For districts enrolling not more than twenty-five average
13 annual full-time equivalent students in grades K-8, and for small
14 school plants within any school district which have been judged to be
15 remote and necessary by the state board of education and enroll not
16 more than twenty-five average annual full-time equivalent students in
17 grades K-8:

18 (i) For those enrolling no students in grades 7 and 8, 1.76
19 certificated instructional staff units and 0.24 certificated
20 administrative staff units for enrollment of not more than five
21 students, plus one-twentieth of a certificated instructional staff unit
22 for each additional student enrolled; and

23 (ii) For those enrolling students in grades 7 or 8, 1.68
24 certificated instructional staff units and 0.32 certificated
25 administrative staff units for enrollment of not more than five
26 students, plus one-tenth of a certificated instructional staff unit for
27 each additional student enrolled;

28 (e) For specified enrollments in districts enrolling more than
29 twenty-five but not more than one hundred average annual full-time
30 equivalent students in grades K-8, and for small school plants within
31 any school district which enroll more than twenty-five average annual
32 full-time equivalent students in grades K-8 and have been judged to be
33 remote and necessary by the state board of education:

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

37 (ii) For enrollment of up to twenty annual average full-time
38 equivalent students in grades 7 and 8, 0.92 certificated instructional
39 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 1997-98 and 1998-99 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 20.22 percent in the 1997-98 and 1998-99 school years for certificated salary allocations provided under subsection (2) of this section, and a rate of 18.65 percent in the 1997-98 and 1998-99 school years 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(2) 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 \$7,950 per certificated staff unit in the 1997-98 school year and a maximum of (~~(\$8,165))~~ \$8,053 per certificated staff unit in the 1998-99 school year.

(b) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i) of this section, there shall be provided a maximum of \$15,147 per certificated staff unit in the 1997-98 school year and a maximum of (~~(\$15,556))~~ \$19,775 per certificated staff unit in the 1998-99 school year.

(c) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(ii) of this section, there shall be provided a maximum of \$15,147 per certificated

1 staff unit in the 1997-98 school year and a maximum of \$15,344 per
2 certificated staff unit in the 1998-99 school year.

3 (7) Allocations for substitute costs for classroom teachers shall
4 be distributed at a maintenance rate of \$354.64 per allocated classroom
5 teachers exclusive of salary increase amounts provided in section 504
6 of this act. Solely for the purposes of this subsection, allocated
7 classroom teachers shall be equal to the number of certificated
8 instructional staff units allocated under subsection (2) of this
9 section, multiplied by the ratio between the number of actual basic
10 education certificated teachers and the number of actual basic
11 education certificated instructional staff reported state-wide for the
12 1996-97 school year.

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

22 (9) The superintendent may distribute a maximum of (~~(\$6,124,000)~~)
23 \$6,114,000 outside the basic education formula during fiscal years 1998
24 and 1999 as follows:

25 (a) For fire protection for school districts located in a fire
26 protection district as now or hereafter established pursuant to chapter
27 52.04 RCW, a maximum of \$447,000 may be expended in fiscal year 1998
28 and a maximum of (~~(\$459,000)~~) \$453,000 may be expended in fiscal year
29 1999;

30 (b) For summer vocational programs at skills centers, a maximum of
31 \$1,948,000 may be expended each fiscal year;

32 (c) A maximum of (~~(\$321,000)~~) \$318,000 may be expended for school
33 district emergencies; and

34 (d) A maximum of \$500,000 per fiscal year may be expended for
35 programs providing skills training for secondary students who are
36 enrolled in extended day school-to-work programs, as approved by the
37 superintendent of public instruction. The funds shall be allocated at
38 a rate not to exceed \$500 per full-time equivalent student enrolled in
39 those programs.

(10) For the 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 1996-97 school year to the 1997-98 school year, and 1.1 percent from the 1997-98 school year to the 1998-99 school year.

(11) 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. 504. 1997 c 454 s 503 (uncodified) is each amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS

General Fund Appropriation (FY 1998)	 \$	((79,966,000))
		<u>79,412,000</u>
General Fund Appropriation (FY 1999)	 \$	((116,310,000))
		<u>115,187,000</u>
TOTAL APPROPRIATION	 \$	((196,276,000))
		<u>194,599,000</u>

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

(1) ((~~\$176,525,000~~)) \$174,999,000 is provided for a cost of living adjustment of 3.0 percent effective September 1, 1997, for state formula staff units. The appropriations include associated incremental fringe benefit allocations at rates of 19.58 percent for certificated staff and 15.15 percent 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. 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 salary increase and incremental fringe benefit allocations based on formula adjustments as follows:

(i) For pupil transportation, an increase of \$0.60 per weighted pupil-mile for the 1997-98 school year and maintained for the 1998-99 school year;

(ii) For education of highly capable students, an increase of \$6.81 per formula student for the 1997-98 school year and maintained for the 1998-99 school year; and

(iii) For transitional bilingual education, an increase of \$17.69 per eligible bilingual student for the 1997-98 school year and maintained for the 1998-99 school year; and

(iv) For learning assistance, an increase of \$8.74 per entitlement unit for the 1997-98 school year and maintained for the 1998-99 school year.

(c) The appropriations in this section include ~~(\$912,000)~~ \$903,000 for salary increase adjustments for substitute teachers at a rate of \$10.64 per unit in the 1997-98 school year and maintained in the 1998-99 school year.

(2) ~~(\$19,751,000)~~ \$19,600,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$314.51 per month for the 1997-98 and 1998-99 school years. The appropriations in this section provide ~~((increases of \$2.83))~~ for a rate increase to \$317.34 per month for the 1997-98 school year and ~~(\$18.41)~~ \$335.75 per month for the 1998-99 school year at the following rates:

(a) For pupil transportation, an increase of \$0.03 per weighted pupil-mile for the 1997-98 school year and \$0.19 for the 1998-99 school year;

(b) For education of highly capable students, an increase of \$0.20 per formula student for the 1997-98 school year and \$1.35 for the 1998-99 school year;

(c) For transitional bilingual education, an increase of \$.46 per eligible bilingual student for the 1997-98 school year and \$3.44 for the 1998-99 school year; and

(d) For learning assistance, an increase of \$.36 per funded unit for the 1997-98 school year and \$2.70 for the 1998-99 school year.

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

(4)(({a})) For the 1997-98 school year, the superintendent shall prepare a report showing the allowable derived base salary for certificated instructional staff in accordance with RCW 28A.400.200 and LEAP Document 12D, and the actual derived base salary paid by each school district as shown on the S-275 report and shall make the report available to the fiscal committees of the legislature no later than February 15, 1998.

Sec. 505. 1997 c 149 s 505 (uncodified) is each amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION

General Fund Appropriation (FY 1998)	 \$	((174,344,000))
		<u>175,168,000</u>
General Fund Appropriation (FY 1999)	 \$	((179,560,000))
		<u>179,439,000</u>
TOTAL APPROPRIATION	 \$	((353,904,000))
		<u>354,607,000</u>

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

(1) The appropriation for fiscal year 1998 includes such funds as are necessary for the remaining months of the 1996-97 school year.

(2) A maximum of ((~~\$1,451,000~~)) \$1,441,000 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

1 extent practical, reflect the actual transportation activity of each
2 district.

3 (3) \$30,000 of the fiscal year 1998 appropriation and \$40,000 of
4 the fiscal year 1999 appropriation are provided solely for the
5 transportation of students enrolled in "choice" programs.
6 Transportation shall be limited to low-income students who are
7 transferring to "choice" programs solely for educational reasons.

8 (4) Allocations for transportation of students shall be based on
9 reimbursement rates of \$34.47 per weighted mile in the 1997-98 school
10 year and (~~(\$34.76)~~) \$34.61 per weighted mile in the 1998-99 school year
11 exclusive of salary and benefit adjustments provided in section 504 of
12 this act. Allocations for transportation of students transported more
13 than one radius mile shall be based on weighted miles as determined by
14 superintendent of public instruction times the per mile reimbursement
15 rates for the school year pursuant to the formulas adopted by the
16 superintendent of public instruction. Allocations for transportation
17 of students living within one radius mile shall be based on the number
18 of enrolled students in grades kindergarten through five living within
19 one radius mile of their assigned school times the per mile
20 reimbursement rate for the school year times 1.29.

21 **Sec. 506.** 1997 c 149 s 506 (uncodified) is each amended to read as
22 follows:

23 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
24 **PROGRAMS**

25	General Fund--State Appropriation (FY 1998) . . . \$	3,075,000
26	General Fund--State Appropriation (FY 1999) . . . \$	((3,075,000))
27		<u>3,100,000</u>
28	General Fund--Federal Appropriation \$	194,483,000
29	TOTAL APPROPRIATION \$	((200,633,000))
30		<u>200,658,000</u>

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

33 (1) \$6,000,000 of the general fund--state appropriations are
34 provided for state matching money for federal child nutrition programs.

35 (2) (~~(\$150,000)~~) \$175,000 of the general fund--state appropriations
36 are provided for summer food programs for children in low-income areas.

1 **Sec. 507.** 1997 c 149 s 507 (uncodified) is each amended to read as
2 follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
4 **PROGRAMS**

5	General Fund--State Appropriation (FY 1998) . . . \$	((370,486,000))
6		<u>371,687,000</u>
7	General Fund--State Appropriation (FY 1999) . . . \$	((374,327,000))
8		<u>378,405,000</u>
9	General Fund--Federal Appropriation \$	((135,106,000))
10		<u>143,106,000</u>
11	TOTAL APPROPRIATION \$	((879,919,000))
12		<u>893,198,000</u>

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

15 (1) The appropriation for fiscal year 1998 includes such funds as
16 are necessary for the remaining months of the 1996-97 school year.

17 (2) The superintendent of public instruction shall distribute state
18 funds to school districts based on two categories, the optional birth
19 through age two program for special education eligible developmentally
20 delayed infants and toddlers, and the mandatory special education
21 program for special education eligible students ages three to twenty-
22 one. A "special education eligible student" means a student receiving
23 specially designed instruction in accordance with a properly formulated
24 individualized education program.

25 (3) For the 1997-98 and 1998-99 school years, the superintendent
26 shall distribute state funds to each district based on the sum of:

27 (a) A district's annual average headcount enrollment of
28 developmentally delayed infants and toddlers ages birth through two,
29 times the district's average basic education allocation per full-time
30 equivalent student, times 1.15; and

31 (b) A district's annual average full-time equivalent basic
32 education enrollment times the funded enrollment percent determined
33 pursuant to subsection (4)(c) of this section, times the district's
34 average basic education allocation per full-time equivalent student
35 times 0.9309.

36 (4) The definitions in this subsection apply throughout this
37 section.

1 (a) "Average basic education allocation per full-time equivalent
2 student" for a district shall be based on the staffing ratios required
3 by RCW 28A.150.260 (i.e., 49/1000 certificated instructional staff in
4 grades K-3, and 46/1000 in grades 4-12) and shall not include
5 enhancements for K-3, secondary vocational education, or small schools.

6 (b) "Annual average full-time equivalent basic education
7 enrollment" means the resident enrollment including students enrolled
8 through choice (RCW 28A.225.225) and students from nonhigh districts
9 (RCW 28A.225.210) and excluding students residing in another district
10 enrolled as part of an interdistrict cooperative program (RCW
11 28A.225.250).

12 (c) "Enrollment percent" means the district's resident special
13 education annual average enrollment including those students counted
14 under the special education demonstration projects, excluding the birth
15 through age two enrollment, as a percent of the district's annual
16 average full-time equivalent basic education enrollment. For the 1997-
17 98 and the 1998-99 school years, each district's funded enrollment
18 percent shall be:

19 (i) For districts whose enrollment percent for 1994-95 was at or
20 below 12.7 percent, the lesser of the district's actual enrollment
21 percent for the school year for which the allocation is being
22 determined or 12.7 percent.

23 (ii) For districts whose enrollment percent for 1994-95 was above
24 12.7 percent, the lesser of:

25 (A) The district's actual enrollment percent for the school year
26 for which the special education allocation is being determined; or

27 (B) The district's actual enrollment percent for the school year
28 immediately prior to the school year for which the special education
29 allocation is being determined if greater than 12.7 percent; or

30 (C) For 1997-98, the 1994-95 enrollment percent reduced by 75
31 percent of the difference between the district's 1994-95 enrollment
32 percent and 12.7 percent and for 1998-99, 12.7 percent.

33 (5) At the request of any interdistrict cooperative of at least 15
34 districts in which all excess cost services for special education
35 students of the districts are provided by the cooperative, the maximum
36 enrollment percent shall be 12.7, and shall be calculated in the
37 aggregate rather than individual district units. For purposes of this
38 subsection (4) of this section, the average basic education allocation

1 per full-time equivalent student shall be calculated in the aggregate
2 rather than individual district units.

3 (6) A maximum of \$12,000,000 of the general fund--state
4 appropriation for fiscal year 1998 and a maximum of \$12,000,000 of the
5 general fund--state appropriation for fiscal year 1999 are provided as
6 safety net funding for districts with demonstrated needs for state
7 special education funding beyond the amounts provided in subsection (3)
8 of this section. Safety net funding shall be awarded by the state
9 safety net oversight committee.

10 (a) The safety net oversight committee shall first consider the
11 needs of districts adversely affected by the 1995 change in the special
12 education funding formula. Awards shall be based on the amount
13 required to maintain the 1994-95 state special education excess cost
14 allocation to the school district in aggregate or on a dollar per
15 funded student basis.

16 (b) The committee shall then consider unusual needs of districts
17 due to a special education population which differs significantly from
18 the assumptions of the state funding formula. Awards shall be made to
19 districts that convincingly demonstrate need due to the concentration
20 and/or severity of disabilities in the district. Differences in
21 program costs attributable to district philosophy or service delivery
22 style are not a basis for safety net awards.

23 (7) Prior to June 1st of each year, the superintendent shall make
24 available to each school district from available data the district's
25 maximum funded enrollment percent for the coming school year.

26 (8) The superintendent of public instruction may adopt such rules
27 and procedures as are necessary to administer the special education
28 funding and safety net award process. Prior to revising any standards,
29 procedures, or rules in place for the 1996-97 school year, the
30 superintendent shall consult with the office of financial management
31 and the fiscal committees of the legislature.

32 (9) The safety net oversight committee appointed by the
33 superintendent of public instruction shall consist of:

34 (a) Staff of the office of superintendent of public instruction;

35 (b) Staff of the office of the state auditor;

36 (c) Staff from the office of the financial management; and

37 (d) One or more representatives from school districts or
38 educational service districts knowledgeable of special education
39 programs and funding.

1 (10) A maximum of \$4,500,000 of the general fund--federal
2 appropriation shall be expended for safety net funding to meet the
3 extraordinary needs of one or more individual special education
4 students.

5 (11) A maximum of \$678,000 may be expended from the general fund--
6 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
7 full-time equivalent aides at children's orthopedic hospital and
8 medical center. This amount is in lieu of money provided through the
9 home and hospital allocation and the special education program.

10 (12) A maximum of \$1,000,000 of the general fund--federal
11 appropriation is provided for projects to provide special education
12 students with appropriate job and independent living skills, including
13 work experience where possible, to facilitate their successful
14 transition out of the public school system. The funds provided by this
15 subsection shall be from federal discretionary grants.

16 (13) A school district may carry over up to 10 percent of general
17 fund--state funds allocated under this program; however, carry over
18 funds shall be expended in the special education program.

19 (14) Beginning in the 1997-98 school year, the superintendent shall
20 increase the percentage of federal flow-through to school districts to
21 at least 84 percent. In addition to other purposes, school districts
22 may use increased federal funds for high cost students, for purchasing
23 regional special education services from educational service districts,
24 and for staff development activities particularly relating to inclusion
25 issues.

26 (15) Up to one percent of the general fund--federal appropriation
27 shall be expended by the superintendent for projects related to use of
28 inclusion strategies by school districts for provision of special
29 education services. The superintendent shall prepare an information
30 database on laws, best practices, examples of programs, and recommended
31 resources. The information may be disseminated in a variety of ways,
32 including workshops and other staff development activities.

33 (16) Amounts appropriated within this section are sufficient to
34 fund (~~(section 5 of Second Substitute House Bill No. 1709 (mandate on~~
35 ~~school districts))~~) the provisions of House Bill No. 2682 (school
36 medicaid incentive payments).

37 **Sec. 508.** 1997 c 149 s 508 (uncodified) is each amended to read as
38 follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY**
2 **EDUCATION PROGRAMS**

3 Public Safety and Education Account

4 Appropriation \$ ((~~17,179,000~~))
5 16,883,000

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

8 (1) The appropriation includes such funds as are necessary for the
9 remaining months of the 1996-97 school year.

10 (2) A maximum of \$507,000 shall be expended for regional traffic
11 safety education coordinators.

12 (3) The maximum basic state allocation per student completing the
13 program shall be \$137.16 in the 1997-98 and 1998-99 school years.

14 (4) Additional allocations to provide tuition assistance for
15 students from low-income families who complete the program shall be a
16 maximum of \$66.81 per eligible student in the 1997-98 and 1998-99
17 school years.

18 **Sec. 509.** 1997 c 454 s 504 (uncodified) is each amended to read as
19 follows:

20 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
21 **ASSISTANCE**

22 General Fund Appropriation (FY 1998) \$ ((~~84,347,000~~))
23 82,079,000

24 General Fund Appropriation (FY 1999) \$ ((~~89,605,000~~))
25 86,272,000

26 TOTAL APPROPRIATION \$ ((~~173,952,000~~))
27 168,351,000

28 **Sec. 510.** 1997 c 454 s 505 (uncodified) is amended to read as
29 follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
31 **EDUCATION PROGRAMS**

32 General Fund--State Appropriation (FY 1998) . . . \$ ((~~18,026,000~~))
33 16,897,000

34 General Fund--State Appropriation (FY 1999) . . . \$ ((~~18,983,000~~))
35 18,596,000

36 General Fund--Federal Appropriation \$ 8,548,000

1 TOTAL APPROPRIATION \$ ((45,557,000))
2 44,041,000

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

5 (1) The general fund--state appropriation for fiscal year 1998
6 includes such funds as are necessary for the remaining months of the
7 1996-97 school year.

8 (2) State funding provided under this section is based on salaries
9 and other expenditures for a 220-day school year. The superintendent
10 of public instruction shall monitor school district expenditure plans
11 for institutional education programs to ensure that districts plan for
12 a full-time summer program.

13 (3) State funding for each institutional education program shall be
14 based on the institution's annual average full-time equivalent student
15 enrollment. Staffing ratios for each category of institution shall
16 remain the same as those funded in the 1995-97 biennium.

17 (4) (~~(\$341,000 of the general fund--state fiscal year 1998~~
18 ~~appropriation and \$407,000 of the general fund--state fiscal year 1999~~
19 ~~appropriation are provided solely for the implementation of Engrossed~~
20 ~~Third Substitute House Bill No. 3900 (revising the juvenile code).)~~
21 \$1,196,000 of the fiscal year 1999 general fund--state appropriation is
22 provided to implement Engrossed Substitute Senate Bill No. 6600
23 (correctional facilities education programs). If Engrossed Substitute
24 Senate Bill No. 6600 is enacted, beginning in the 1998-99 school year,
25 the funded staffing ratios for education programs for juveniles age 18
26 or less in department of corrections facilities shall be the same as
27 those provided for education programs in delinquent institutions under
28 the department of social and health services. If the bill is not
29 enacted by June 30, ((1997)) 1998, the amounts provided in this
30 subsection shall lapse.

31 **Sec. 511.** 1997 c 149 s 513 (uncodified) is amended to read as
32 follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
34 **CAPABLE STUDENTS**

35 General Fund Appropriation (FY 1998) \$ ((5,752,000))
36 5,701,000

37 General Fund Appropriation (FY 1999) \$ ((6,176,000))

1 6,121,000
2 TOTAL APPROPRIATION \$ ((11,928,000))
3 11,822,000

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

6 (1) The appropriation for fiscal year 1998 includes such funds as
7 are necessary for the remaining months of the 1996-97 school year.

8 (2) Allocations for school district programs for highly capable
9 students shall be distributed at a maximum rate of \$311.12 per funded
10 student for the 1997-98 school year and ((~~\$311.58~~)) \$311.35 per funded
11 student for the 1998-99 school year, exclusive of salary and benefit
12 adjustments pursuant to section 504 of this act. The number of funded
13 students shall be a maximum of two percent of each district's full-time
14 equivalent basic education enrollment.

15 (3) \$350,000 of the appropriation is for the centrum program at
16 Fort Worden state park.

17 (4) \$186,000 of the appropriation is for the odyssey of the mind
18 and future problem-solving programs.

19 **Sec. 512.** 1997 c 454 s 506 (uncodified) is amended to read as
20 follows:

21 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS**

22 General Fund Appropriation (FY 1998) \$ ((18,905,000))
23 18,605,000

24 General Fund Appropriation (FY 1999) \$ ((21,868,000))
25 22,017,000

26 TOTAL APPROPRIATION \$ ((40,773,000))
27 40,622,000

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

30 (1) ((~~\$18,103,000~~)) \$17,153,000 is provided for the operation of
31 the commission on student learning and the development and
32 implementation of student assessments. The commission shall cooperate
33 with the superintendent of public instruction in defining measures of
34 student achievement to be included in the student record system
35 developed by the superintendent pursuant to section 501(1)(b) of this
36 act.

1 (2) \$2,190,000 is provided solely for training of paraprofessional
2 classroom assistants and certificated staff who work with classroom
3 assistants as provided in RCW 28A.415.310.

4 (3) \$2,970,000 is provided for mentor teacher assistance, including
5 state support activities, under RCW 28A.415.250 and 28A.415.260. Funds
6 for the teacher assistance program shall be allocated to school
7 districts based on the number of beginning teachers.

8 (4) \$4,050,000 is provided for improving technology infrastructure,
9 monitoring and reporting on school district technology development,
10 promoting standards for school district technology, promoting statewide
11 coordination and planning for technology development, and providing
12 regional educational technology support centers, including state
13 support activities, under chapter 28A.650 RCW.

14 (5) \$7,200,000 is provided for grants to school districts to
15 provide a continuum of care for children and families to help children
16 become ready to learn. Grant proposals from school districts shall
17 contain local plans designed collaboratively with community service
18 providers. If a continuum of care program exists in the area in which
19 the school district is located, the local plan shall provide for
20 coordination with existing programs to the greatest extent possible.
21 Grant funds shall be allocated pursuant to RCW 70.190.040.

22 (6) \$5,000,000 is provided solely for the meals for kids program
23 under RCW 28A.235.145 through 28A.235.155.

24 (7) \$1,260,000 is provided for technical assistance related to
25 education reform through the office of the superintendent of public
26 instruction, in consultation with the commission on student learning,
27 as specified in RCW 28A.300.130 (center for the improvement of student
28 learning).

29 (8) \$799,000 of the fiscal year 1999 appropriation is provided
30 solely for the leadership internship program for superintendents,
31 principals, and program administrators. The purpose of the program is
32 to provide funds to school districts to provide partial release time
33 for district employees in an internship with an appropriate mentor.
34 The funds shall be distributed by the superintendent to school
35 districts subject to the following conditions and limitations:

36 (i) The superintendent with the assistance of an advisory board
37 that includes school administrators and higher education
38 representatives shall select internship participants giving priority to

1 candidates who intend to serve in school districts where finding
2 qualified applicants has been difficult.

3 (ii) Candidates if accepted in the internship program must agree to
4 seek employment in Washington after receiving certification,
5 participate in education improvement training activities, and
6 participate in evaluations of the effectiveness of the internship
7 program.

8 (iii) The maximum amount of state funding for each internship shall
9 not exceed the daily rate of providing a substitute teacher for the
10 equivalent of up to forty-five days and the funds shall be used to pay
11 for partial release time while the school district employee is
12 completing the internship.

13 (iv) The superintendent may withhold a maximum of seven percent of
14 the funds for costs of implementing the program.

15 **Sec. 513.** 1997 c 454 s 507 (uncodified) is amended to read as
16 follows:

17 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
18 **BILINGUAL PROGRAMS**

19	General Fund Appropriation (FY 1998)	 \$	((31,146,000))
20			<u>30,711,000</u>
21	General Fund Appropriation (FY 1999)	 \$	((33,414,000))
22			<u>32,185,000</u>
23	TOTAL APPROPRIATION	 \$	((64,560,000))
24			<u>62,896,000</u>

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

27 (1) The appropriation for fiscal year 1998 provides such funds as
28 are necessary for the remaining months of the 1996-97 school year.

29 (2) The superintendent of public instruction shall study the
30 formula components proposed for the 1998-99 school year and prepare a
31 report to the legislature no later than January 15, 1998.

32 (3) The superintendent shall distribute a maximum of \$643.78 per
33 eligible bilingual student in the 1997-98 and 1998-99 school years,
34 exclusive of salary and benefit adjustments provided in section 503 of
35 this act.

1 **Sec. 514.** 1997 c 149 s 516 (uncodified) is amended to read as
2 follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
4 **ASSISTANCE PROGRAM**

5	General Fund Appropriation (FY 1998)		\$	((60,309,000))
6				<u>60,224,000</u>
7	General Fund Appropriation (FY 1999)		\$	((60,862,000))
8				<u>61,000,000</u>
9	TOTAL APPROPRIATION		\$	((121,171,000))
10				<u>121,224,000</u>

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

13 (1) The appropriation for fiscal year 1998 provides such funds as
14 are necessary for the remaining months of the 1996-97 school year.

15 (2) For making the calculation of the percentage of students
16 scoring in the lowest quartile as compared with national norms,
17 beginning with the 1991-92 school year, the superintendent shall
18 multiply each school district's 4th and 8th grade test results by 0.86.

19 (3) Funding for school district learning assistance programs shall
20 be allocated at maximum rates of \$378.33 per funded unit for the 1997-
21 98 school year and ((~~\$379.47~~)) \$378.88 per funded unit for the 1998-99
22 school year exclusive of salary and benefit adjustments provided in
23 section 504 of this act. School districts may carryover up to 10
24 percent of funds allocated under this program; however, carryover funds
25 shall be expended for the learning assistance program.

26 (a) A school district's funded units for the 1997-98 and 1998-99
27 school years shall be the sum of the following:

28 (i) The district's full-time equivalent enrollment in kindergarten
29 through 6th grade, times the 5-year average 4th grade test result as
30 adjusted pursuant to subsection (2) of this section, times 0.92; and

31 (ii) The district's full-time equivalent enrollment in grades 7
32 through 9, times the 5-year average 8th grade test result as adjusted
33 pursuant to subsection (2) of this section, times 0.92; and

34 (iii) If in the prior school year the district's percentage of
35 October headcount enrollment in grades K-12 eligible for free and
36 reduced price lunch exceeded the state average, subtract the state
37 average percentage of students eligible for free and reduced price
38 lunch from the district's percentage and multiply the result by the

(ii) Maintain a policy regarding the involvement of school staff, parents, and community members in instructional decisions;

(iii) File a report by October 1, 1998, and October 1, 1999, with the office of the superintendent of public instruction, in a format developed by the superintendent that: Enumerates the activities funded by these allocations; the amount expended for each activity; describes how the activity improved understanding, teaching, and assessment of the essential academic learning requirements by instructional staff; and identifies any amounts expended from this allocation for supplemental contracts; and

(iv) Provide parents and the local community with specific information on the use of this allocation by including in the annual performance report required in RCW 28A.320.205, information on how funds allocated under this subsection were spent and the results achieved.

(c) The superintendent of public instruction shall compile and analyze the school district reports and present the results to the office of financial management and the appropriate committees of the legislature no later than November 15, 1998, and November 15, 1999.

(2) (~~(\$55,937,000))~~ \$54,734,000 is provided for local education program enhancements to meet educational needs as identified by the school district, including alternative education programs. This amount includes such amounts as are necessary for the remainder of the 1996-97 school year. Allocations for the 1997-98 (~~and 1998-99~~) school year shall be at a maximum annual rate of \$29.86 per full-time equivalent student and \$28.81 per full-time equivalent student for the 1998-99 school year as determined pursuant to subsection (3) of this section. Allocations shall be made on the monthly apportionment payment schedule provided in RCW 28A.510.250.

(3) Allocations provided under this section 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 60 average annual full-time equivalent students in grades kindergarten through six shall generate funding based on sixty full-time equivalent students;

1 (b) Enrollment of not more than 20 average annual full-time
2 equivalent students in grades seven and eight shall generate funding
3 based on twenty full-time equivalent students; and

4 (c) Enrollment of not more than 60 average annual full-time
5 equivalent students in grades nine through twelve shall generate
6 funding based on sixty full-time equivalent students.

7 (4) Funding provided pursuant to this section does not fall within
8 the definition of basic education for purposes of Article IX of the
9 state Constitution and the state's funding duty thereunder.

10 (5) Receipt by a school district of one-fourth of the district's
11 allocation of funds under this section, shall be conditioned on a
12 finding by the superintendent that:

13 (a) The district is enrolled as a medicaid service provider and is
14 actively pursuing federal matching funds for medical services provided
15 through special education programs, pursuant to RCW 74.09.5241 through
16 74.09.5256 (Title XIX funding); and

17 (b) The district is filing truancy petitions as required under
18 chapter 312, Laws of 1995 and RCW 28A.225.030.

19 (End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 1997 c 454 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 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.

(b) Each institution of higher education shall provide to each classified staff employee as defined by the office of financial management a salary increase of 3.0 percent on July 1, 1997. Each institution of higher education shall provide 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, including those employees under RCW 28B.16.015, an average salary increase of 3.0 percent on July 1, 1997. For employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015, 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. 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.

1 (c) Each institution of higher education receiving appropriations
2 under sections 604 through 609 of this act may provide to instructional
3 and research faculty, exempt professional staff, academic
4 administrators, academic librarians, counselors, teaching and research
5 assistants, as classified by the office of financial management, and
6 all other nonclassified staff, but not including employees under RCW
7 28B.16.015, an additional average salary increase of 1.0 percent on
8 July 1, 1997, and an average salary increase of 2.0 percent on July 1,
9 1998. Any salary increases authorized under this subsection (2)(c)
10 shall not be included in an institution's salary base. It is the
11 intent of the legislature that general fund--state support for an
12 institution shall not increase during the current or any future
13 biennium as a result of any salary increases authorized under this
14 subsection (2)(c).

15 (d) Specific salary increases authorized in sections 603 through
16 609 of this act are in addition to any salary increase provided in this
17 subsection.

18 (3)(a) Each institution receiving appropriations under sections 604
19 through 609 of this act shall submit plans for achieving measurable and
20 specific improvements in academic years 1997-98 and 1998-99 to the
21 higher education coordinating board. The plans, to be prepared at the
22 direction of the board, shall be submitted by August 15, 1997 (for
23 academic year 1997-98) and June 30, 1998 (for academic year 1998-99).
24 The following measures and goals will be used for the 1997-99 biennium:

25		Goal
26	(i) Undergraduate graduation efficiency index:	
27	For students beginning as freshmen	95
28	For transfer students	90
29	(ii) Undergraduate student retention, defined as the percentage of	
30	all undergraduate students who return for the next year at the same	
31	institution, measured from fall to fall:	
32	Research universities	95%
33	Comprehensive universities and college	90%
34	(iii) Graduation rates, defined as the percentage of an entering	
35	freshmen class at each institution that graduates within five years:	
36	Research universities	65%

(iv) A measure of faculty productivity, with goals and targets in accord with the legislative intent to achieve measurable and specific improvements, to be determined by the higher education coordinating board, in consultation with the institutions receiving appropriations under sections 604 through 609 of this act.

(v) An additional measure and goal to be selected by the higher education coordinating board for each institution, in consultation with each institution.

(b) Academic year 1995-96 shall be the baseline year against which performance in academic year 1997-98 shall be measured. Academic year 1997-98 shall be the baseline year against which performance in academic year 1998-99 shall be measured. The difference between each institution's baseline year and the state-wide performance goals shall be calculated and shall be the performance gap for each institution for each measure for each year. The higher education coordinating board shall set performance targets for closing the performance gap for each measure for each institution. Performance targets shall be set at levels that reflect meaningful and substantial progress towards the state-wide performance goals. Each institution shall report to the higher education coordinating board on its actual performance achievement for each measure for academic year 1997-98 by ~~((June 30, 1998, except that performance reporting for the student retention measure shall be completed by October 15, 1998))~~ November 1, 1998.

(4) The state board for community and technical colleges shall develop an implementation plan for measurable and specific improvements in productivity, efficiency, and student retention in academic years 1997-98 and 1998-99 consistent with the performance management system developed by the work force training and education coordinating board and for the following long-term performance goals:

	Goal
(a) Hourly wages for vocational graduates	\$12/hour
(b) Academic students transferring to Washington higher education institutions	67%
(c) Core course completion rates	85%
(d) Graduation efficiency index	95

(5) The state's public institutions of higher education increasingly are being called upon to become more efficient in conducting the business operations necessary to support the carrying out of their academic missions. The legislature recognizes that state laws and regulations may have the unintended effect of acting as barriers to efficient operation in some instances, and desires to encourage the institutions of higher education to think beyond the constraints of current law in identifying opportunities for improved efficiency. Accordingly, the legislature requests that the institutions of higher education, working together through the council of presidents' office and the state board for community and technical colleges, identify opportunities for changes in state law that would form the basis for a new efficiency compact with the state, for consideration no later than the 1999 legislative session.

(6) Pursuant to RCW 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 1997-99 fiscal biennium. Tuition levels increased pursuant to this subsection shall not exceed the per credit hour rate calculated from the academic year tuition levels established by the legislature in RCW 28B.15.067.

Sec. 602. 1997 c 454 s 602 (uncodified) is amended to read as follows:

~~((1))~~ The appropriations in sections 603 through 609 of this act provide state general fund support or employment and training trust account support for full-time equivalent student enrollments at each institution of higher education. Listed below are the annual full-time equivalent student enrollments by institution assumed in this act.

	1997-98	1998-99
	Annual	Annual
	Average	Average
University of Washington		
Main campus	31,297	31,527
Bothell branch	775	895
Tacoma branch	847	992

1	Washington State University		
2	Main campus	17,403	((17,723))
3			<u>17,272</u>
4	Spokane branch	352	442
5	Tri-Cities branch	754	((814))
6			<u>754</u>
7	Vancouver branch	851	971
8	Central Washington University	7,346	7,446
9	Eastern Washington University	7,739	7,739
10	The Evergreen State College	3,496	3,576
11	Western Washington University	10,188	10,338
12	State Board for Community and		
13	Technical Colleges	116,426	118,526
14	Higher Education Coordinating		
15	Board	50	50

16 **Sec. 603.** 1997 c 454 s 603 (uncodified) is amended to read as
17 follows:

18 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

19	General Fund--State Appropriation (FY 1998) . . . \$	((382,891,000))
20		<u>380,445,000</u>
21	General Fund--State Appropriation (FY 1999) . . . \$	((420,961,000))
22		<u>421,647,000</u>
23	General Fund--Federal Appropriation \$	11,404,000
24	Employment and Training Trust Account	
25	Appropriation \$	((26,346,000))
26		<u>29,114,000</u>
27	TOTAL APPROPRIATION \$	((841,602,000))
28		<u>842,610,000</u>

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

31 (1) \$2,718,000 of the general fund--state appropriation for fiscal
32 year 1998 and \$4,079,000 of the general fund--state appropriation for
33 fiscal year 1999 shall be held in reserve by the board. These funds
34 are provided for improvements in productivity, efficiency, and student
35 retention. The board may approve the fiscal year 1998 allocation of

1 funds under this subsection upon completion of an implementation plan.
2 The implementation plan shall be submitted by the board to the
3 appropriate legislative committees and the office of financial
4 management in accordance with section 601(4) of this act by September
5 1, 1997. The board may approve the fiscal year 1999 allocation of
6 funds under this subsection based on the board's evaluation of:

7 (a) College performance compared to the goals for productivity,
8 efficiency, and student retention as submitted in the plan required in
9 section 601(4) of this act; and

10 (b) The quality and effectiveness of the strategies the colleges
11 propose to achieve continued improvement in quality and efficiency
12 during the 1998-99 academic year.

13 (2) (~~(\$2,553,000 of the general fund--state appropriation for~~
14 ~~fiscal year 1998, \$28,761,000))~~ \$28,546,000 of the general fund--state
15 appropriation for fiscal year 1999(~~(7)~~) and the entire employment and
16 training trust account appropriation are provided solely as special
17 funds for training and related support services, including financial
18 aid, child care, and transportation, as specified in chapter 226, Laws
19 of 1993 (employment and training for unemployed workers) and Substitute
20 House Bill No. 2214.

21 (a) Funding is provided to support up to 7,200 full-time equivalent
22 students in each fiscal year.

23 (b) The state board for community and technical colleges shall
24 submit a plan for the allocation of the full-time equivalent students
25 provided in this subsection to the workforce training and education
26 coordinating board for review and approval.

27 (3) \$1,441,000 of the general fund--state appropriation for fiscal
28 year 1998 and \$1,441,000 of the general fund--state appropriation for
29 fiscal year 1999 are provided solely for 500 FTE enrollment slots to
30 implement RCW 28B.50.259 (timber-dependent communities).

31 (4) \$1,862,500 of the general fund--state appropriation for fiscal
32 year 1998 and \$1,862,500 of the general fund--state appropriation for
33 fiscal year 1999 are provided solely for assessment of student outcomes
34 at community and technical colleges.

35 (5) \$706,000 of the general fund--state appropriation for fiscal
36 year 1998 and \$706,000 of general fund--state appropriation for fiscal
37 year 1999 are provided solely to recruit and retain minority students
38 and faculty.

(6) Up to \$1,035,000 of the general fund--state appropriation for fiscal year 1998 and up to \$2,102,000 of the general fund--state appropriation for fiscal year 1999 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.

(7) To address part-time faculty salary disparities and to increase the ratio of full-time to part-time faculty instructors, the board shall provide salary increases to part-time instructors or hire additional full-time instructional staff under the following conditions and limitations: (a) The amount used for such purposes shall not exceed an amount equivalent to an additional salary increase of 1.0 percent on July 1, 1997, and an additional salary increase of 2.0 percent on July 1, 1998, for instructional faculty as classified by the office of financial management; and (b) at least \$2,934,000 shall be spent for the purposes of this subsection.

(8) \$83,000 of the general fund--state appropriation for fiscal year 1998 and (~~(\$1,567,000)~~) \$867,000 of the general fund--state appropriation for fiscal year 1999 are provided for personnel and expenses to develop curricula, library resources, and operations of Cascadia Community College. It is the legislature's intent to use the opportunity provided by the establishment of the new institution to conduct a pilot project of budgeting based on instructional standards and outcomes. The college shall use a portion of the available funds to develop a set of measurable standards and outcomes as the basis for budget development in the 1999-01 biennium.

(9) The technical colleges may increase tuition and fees to conform with the percentage increase in community college operating fees enacted by the 1997 legislature. The community colleges may charge up to the maximum level authorized for services and activities fees in RCW 28B.15.069.

(10) Community and technical colleges with below-average faculty salaries may use funds identified by the state board in the 1997-98 and 1998-99 operating allocations to increase faculty salaries no higher than the system-wide average.

(11) \$1,000,000 of the general fund--state appropriation for fiscal year 1998 and \$1,000,000 of the general fund--state appropriation for

fiscal year 1999 are provided solely for tuition support for students enrolled in work-based learning programs.

(12) \$700,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for a technology equipment matching program for community and technical colleges. Each college district shall match its allocation of this appropriation with an equal amount of cash donations from private sources.

(13) \$125,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in *Burbage et al. v. State of Washington* (Thurston county superior court cause no. 94-2-02560-8), as referenced in section 707(1)(c) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

(14) \$669,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in *Retired State Employees et al. v. State of Washington* (Thurston county superior court cause no. 92-2-01294-1), as referenced in section 707(1)(d) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

Sec. 604. 1997 c 454 s 604 (uncodified) is amended to read as follows:

FOR UNIVERSITY OF WASHINGTON

General Fund Appropriation (FY 1998)	\$	283,923,000
General Fund Appropriation (FY 1999)	\$	((289,807,000))
		<u>293,988,000</u>
Death Investigations Account Appropriation	\$	((1,810,000))
		<u>2,162,000</u>
Industrial Insurance Premium Refund Account		
Appropriation	\$	514,000
Accident Account Appropriation	\$	4,969,000
Medical Aid Account Appropriation	\$	4,989,000
TOTAL APPROPRIATION	\$	((586,012,000))
		<u>590,545,000</u>

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

1 (1) \$2,019,000 of the general fund appropriation for fiscal year
2 1998 and \$3,029,000 of the general fund appropriation for fiscal year
3 1999 shall be placed in reserve. The office of financial management
4 shall approve the allotment of amounts under this subsection upon
5 notification by the higher education coordinating board. These amounts
6 are provided for the preparation of plans and for the achievement of
7 measurable and specific improvements towards performance and
8 accountability goals as outlined in section 601(3) of this act.

9 (2) \$800,000 of the general fund appropriation for fiscal year 1998
10 and \$1,896,000 of the general fund appropriation for fiscal year 1999
11 are provided solely to support additional upper-division and graduate
12 level enrollments at the Tacoma branch campus above the 1996-97
13 budgeted FTE level.

14 (3) \$593,000 of the general fund appropriation for fiscal year 1998
15 and \$1,547,000 of the general fund appropriation for fiscal year 1999
16 are provided solely to support additional upper-division and graduate
17 level enrollments at the Bothell branch campus above the 1996-97
18 budgeted FTE level.

19 (4) \$186,000 of the general fund appropriation for fiscal year 1998
20 and \$186,000 of the general fund appropriation for fiscal year 1999 are
21 provided solely for assessment of student outcomes.

22 (5) \$324,000 of the general fund appropriation for fiscal year 1998
23 and \$324,000 of the general fund appropriation for fiscal year 1999 are
24 provided solely to recruit and retain minority students and faculty.

25 (6) \$130,000 of the general fund appropriation for fiscal year 1998
26 and \$130,000 of the general fund appropriation for fiscal year 1999 are
27 provided solely for the implementation of the Puget Sound work plan
28 agency action item UW-01.

29 (7) \$1,200,000 of the general fund appropriation for fiscal year
30 1998 and \$1,200,000 of the general fund appropriation for fiscal year
31 1999 are provided solely for competitively offered faculty recruitment
32 and retention salary adjustments. The university shall provide a
33 report in their 1999-01 biennial operating budget request submittal on
34 the effective expenditure of funds for the purposes of this subsection.

35 (8) \$47,000 of the fiscal year 1998 general fund appropriation and
36 \$47,000 of the fiscal year 1999 general fund appropriation are provided
37 solely to employ a fossil preparator/educator in the Burke Museum. The
38 entire amounts provided in this subsection shall be provided directly
39 to the Burke Museum.

(9) \$75,000 of the general fund appropriation for fiscal year 1998 and \$75,000 of the general fund appropriation for fiscal year 1999 are provided solely for enhancements to research capabilities at the Olympic natural resources center.

(10) \$150,000 of the general fund appropriation for fiscal year 1999 is provided solely for remodeling and equipment necessary to accommodate enrollment growth at the Bothell branch campus.

(11) \$560,000 of the general fund appropriation for fiscal year 1999 is provided solely for the disabilities, opportunities, internetworking, and technology program.

(12) \$3,000,000 of the general fund appropriation for fiscal year 1999 is provided solely to establish a high speed internet-2 hub.

(13) \$150,000 of the general fund appropriation for fiscal year 1999 is provided solely to support the physicians assistant program in Spokane.

(14) \$352,000 of the death investigations account appropriation is provided solely for staff and equipment for the state toxicology laboratory to support implementation of quality control procedures and laboratory certification, and for enhanced screening of sexual assault victims, blood alcohol and volatile intoxicants analysis, and blood tests for marijuana in driving cases.

(15) \$74,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in Burbage et al. v. State of Washington (Thurston county superior court cause no. 94-2-02560-8), as referenced in section 707(1)(c) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

(16) \$397,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in Retired State Employees et al. v. State of Washington (Thurston county superior court cause no. 92-2-01294-1), as referenced in section 707(1)(d) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

Sec. 605. 1997 c 454 s 605 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

1 provided solely for the implementation of the Puget Sound work plan
2 agency action item WSU-01.

3 (8) \$600,000 of the general fund appropriation for fiscal year 1998
4 and \$600,000 of the general fund appropriation for fiscal year 1999 are
5 provided solely for competitively offered faculty recruitment and
6 retention salary adjustments. The university shall provide a report in
7 their 1999-01 biennial operating budget request submittal on the
8 effective expenditure of funds for the purposes of this subsection.

9 (9) \$50,000 of the general fund appropriation for fiscal year 1998
10 and \$50,000 of the general fund appropriation for fiscal year 1999 are
11 provided solely for yellow star thistle research.

12 (10) \$55,000 of the general fund appropriation for fiscal year 1998
13 and \$55,000 of the general fund appropriation for fiscal year 1999 are
14 provided solely for the Goldendale distance learning center.

15 (11) \$3,250,000 of the general fund appropriation for fiscal year
16 1998 is provided solely for legal costs and settlement payments
17 associated with construction claims for the Vancouver branch campus and
18 the veterinary teaching hospital capital projects.

19 (12) \$590,000 of the general fund appropriation for fiscal year
20 1999 is provided solely for the management of the Spokane riverpoint
21 campus as provided in Substitute Senate Bill No. 6655.

22 (13) \$100,000 of the fiscal year 1999 general fund appropriation is
23 provided solely for the aquatic animal health diagnostic center to
24 accommodate an unanticipated caseload increase.

25 (14) \$43,000 of the general fund--state appropriation for fiscal
26 year 1999 is provided solely to pay the increased employer funding rate
27 resulting from the settlement in *Burbage et al. v. State of Washington*
28 (Thurston county superior court cause no. 94-2-02560-8), as referenced
29 in section 707(1)(c) of this act. If the stipulated settlement is not
30 approved by the court by August 1, 1998, the amount provided in this
31 subsection shall lapse.

32 (15) \$228,000 of the general fund--state appropriation for fiscal
33 year 1999 is provided solely to pay the increased employer funding rate
34 resulting from the settlement in *Retired State Employees et al. v.*
35 *State of Washington* (Thurston county superior court cause no. 92-2-
36 01294-1), as referenced in section 707(1)(d) of this act. If the
37 stipulated settlement is not approved by the court by August 1, 1998,
38 the amount provided in this subsection shall lapse.

1 **Sec. 606.** 1997 c 454 s 606 (uncodified) is amended to read as
2 follows:

3 **FOR EASTERN WASHINGTON UNIVERSITY**

4	General Fund Appropriation (FY 1998)	 \$	39,211,000
5	General Fund Appropriation (FY 1999)	 \$	((39,489,000))
6			<u>39,563,000</u>
7	TOTAL APPROPRIATION	 \$	((78,700,000))
8			<u>78,774,000</u>

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

11 (1) \$285,000 of the general fund appropriation for fiscal year 1998
12 and \$428,000 of the general fund appropriation for fiscal year 1999
13 shall be placed in reserve. The office of financial management shall
14 approve the allotment of amounts under this subsection upon
15 notification by the higher education coordinating board. These amounts
16 are provided for the preparation of plans and for the achievement of
17 measurable and specific improvements towards performance and
18 accountability goals as outlined in section 601(3) of this act.

19 (2) \$186,000 of the general fund appropriation for fiscal year 1998
20 and \$186,000 of the general fund appropriation for fiscal year 1999 are
21 provided solely for assessment of student outcomes.

22 (3) \$93,000 of the general fund appropriation for fiscal year 1998
23 and \$93,000 of the general fund appropriation for fiscal year 1999 are
24 provided solely to recruit and retain minority students and faculty.

25 (4) \$53,000 of the general fund--state appropriation for fiscal
26 year 1998 and \$54,000 of the general fund--state appropriation for
27 fiscal year 1999 are provided solely for competitively offered faculty
28 recruitment and retention salary adjustments. The university shall
29 provide a report in their 1999-01 biennial operating budget request
30 submittal on the effective expenditure of funds for the purposes of
31 this subsection.

32 (5) \$3,188,000 of the general fund appropriation for fiscal year
33 1998 and \$3,188,000 of the general fund appropriation for fiscal year
34 1999 shall be placed in reserve pending attainment of budgeted
35 enrollments of 6,942 FTEs. The office of financial management shall
36 approve the allotment of funds under this subsection at the annual rate
37 of \$4,000 for annual student FTEs in excess of 6,942 based on tenth day
38 quarterly enrollment and the office of financial management's quarterly

budget driver report. In addition, allotments of reserve funds in this section shall be approved by the office of financial management upon approval by the higher education coordinating board for (a) actions that will result in additional enrollment growth, and (b) contractual obligations in fiscal year 1998 to the extent such funds are required.

(6) Pursuant to section 904 of this act and within current appropriation levels, the waiver limit for Eastern Washington University is increased from 11 percent to 14 percent during the 1997-99 fiscal biennium. Eastern Washington University shall report by December 15, 1998, to the appropriate committees of the legislature, the office of financial management, and the higher education coordinating board on its implementation of the increased waiver limit.

(7) \$12,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in *Burbage et al. v. State of Washington* (Thurston county superior court cause no. 94-2-02560-8), as referenced in section 707(1)(c) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

(8) \$62,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in *Retired State Employees et al. v. State of Washington* (Thurston county superior court cause no. 92-2-01294-1), as referenced in section 707(1)(d) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

Sec. 607. 1997 c 454 s 607 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund Appropriation (FY 1998)	 \$	((37,214,000))
		<u>37,244,000</u>
General Fund Appropriation (FY 1999)	 \$	((38,616,000))
		<u>38,749,000</u>
TOTAL APPROPRIATION	 \$	((75,830,000))
		<u>75,993,000</u>

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

(1) \$269,000 of the general fund appropriation for fiscal year 1998 and \$403,000 of the general fund appropriation for fiscal year 1999 shall be placed in reserve. The office of financial management shall approve the allotment of amounts under this subsection upon notification by the higher education coordinating board. These amounts are provided for the preparation of plans and for the achievement of measurable and specific improvements towards performance and accountability goals as outlined in section 601(3) of this act.

(2) \$186,000 of the general fund appropriation for fiscal year 1998 and \$186,000 of the general fund appropriation for fiscal year 1999 are provided solely for assessment of student outcomes.

(3) \$70,000 of the general fund appropriation for fiscal year 1998 and \$70,000 of the general fund appropriation for fiscal year 1999 are provided solely to recruit and retain minority students and faculty.

(4) \$51,000 of the general fund appropriation for fiscal year 1998 and \$51,000 of the general fund appropriation for fiscal year 1999 are provided solely for competitively offered faculty recruitment and retention salary adjustments. The college shall provide a report in their 1999-01 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this subsection.

(5) \$11,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in *Burbage et al. v. State of Washington* (Thurston county superior court cause no. 94-2-02560-8), as referenced in section 707(1)(c) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

(6) \$62,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in *Retired State Employees et al. v. State of Washington* (Thurston county superior court cause no. 92-2-01294-1), as referenced in section 707(1)(d) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

Sec. 608. 1997 c 454 s 608 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

General Fund Appropriation (FY 1998) \$ ((20,151,000))

1		20,401,000
2	General Fund Appropriation (FY 1999) \$	((20,518,000))
3		20,596,000
4	TOTAL APPROPRIATION \$	((40,669,000))
5		40,997,000

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

8 (1) \$144,000 of the general fund appropriation for fiscal year 1998
9 and \$217,000 of the general fund appropriation for fiscal year 1999
10 shall be placed in reserve. The office of financial management shall
11 approve the allotment of amounts under this subsection upon
12 notification by the higher education coordinating board. These amounts
13 are provided for the preparation of plans and for the achievement of
14 measurable and specific improvements towards performance and
15 accountability goals as outlined in section 601(3) of this act.

16 (2) \$186,000 of the general fund appropriation for fiscal year 1998
17 and \$186,000 of the general fund appropriation for fiscal year 1999 are
18 provided solely for assessment of student outcomes.

19 (3) \$47,000 of the general fund appropriation for fiscal year 1998
20 and \$47,000 of the general fund appropriation for fiscal year 1999 are
21 provided solely to recruit and retain minority students and faculty.

22 (4) \$29,000 of the general fund appropriation for fiscal year 1998
23 and \$29,000 of the general fund appropriation for fiscal year 1999 are
24 provided solely for competitively offered faculty recruitment and
25 retention salary adjustments. The college shall provide a report in
26 their 1999-01 biennial operating budget request submittal on the
27 effective expenditure of funds for the purposes of this subsection.

28 (5) \$35,000 of the general fund appropriation for fiscal year 1999
29 is provided solely for the Washington institute for public policy to
30 conduct a study of college students' employment. The study shall
31 include, but need not be limited to, matching student enrollment
32 information with unemployment insurance information. The office of
33 financial management, higher education coordinating board, state board
34 for community and technical colleges, and the employment security
35 department shall assist the institute in the performance of the study.
36 Results of the study are to be reported to the legislature by January
37 15, 1999.

(6) \$250,000 of the general fund appropriation for fiscal year 1998 is provided solely for equipment and expenses necessary to accommodate enrollment growth.

(7) \$7,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in *Burbage et al. v. State of Washington* (Thurston county superior court cause no. 94-2-02560-8), as referenced in section 707(1)(c) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

(8) \$36,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in *Retired State Employees et al. v. State of Washington* (Thurston county superior court cause no. 92-2-01294-1), as referenced in section 707(1)(d) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

Sec. 609. 1997 c 454 s 609 (uncodified) is amended to read as follows:

FOR WESTERN WASHINGTON UNIVERSITY

General Fund Appropriation (FY 1998)	\$	47,822,000
General Fund Appropriation (FY 1999)	\$	((48,855,000))
		<u>48,951,000</u>
TOTAL APPROPRIATION	\$	((96,677,000))
		<u>96,773,000</u>

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

(1) \$342,000 of the general fund appropriation for fiscal year 1998 and \$514,000 of the general fund appropriation for fiscal year 1999 shall be placed in reserve. The office of financial management shall approve the allotment of amounts under this subsection upon notification by the higher education coordinating board. These amounts are provided for the preparation of plans and for the achievement of measurable and specific improvements towards performance and accountability goals as outlined in section 601(3) of this act.

(2) \$186,000 of the general fund appropriation for fiscal year 1998 and \$186,000 of the general fund appropriation for fiscal year 1999 are provided solely for assessment of student outcomes.

(3) \$93,000 of the general fund appropriation for fiscal year 1998 and \$93,000 of the general fund appropriation for fiscal year 1999 are provided solely to recruit and retain minority students and faculty.

(4) \$66,000 of the general fund appropriation for fiscal year 1998 and \$67,000 of the general fund appropriation for fiscal year 1999 are provided solely for competitively offered faculty recruitment and retention salary adjustments. The university shall provide a report in their 1999-01 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this subsection.

(5) \$15,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in *Burbage et al. v. State of Washington* (Thurston county superior court cause no. 94-2-02560-8), as referenced in section 707(1)(c) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

(6) \$81,000 of the general fund--state appropriation for fiscal year 1999 is provided solely to pay the increased employer funding rate resulting from the settlement in *Retired State Employees et al. v. State of Washington* (Thurston county superior court cause no. 92-2-01294-1), as referenced in section 707(1)(d) of this act. If the stipulated settlement is not approved by the court by August 1, 1998, the amount provided in this subsection shall lapse.

Sec. 610. 1997 c 454 s 610 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 1998)	\$((2,734,000))
	<u>2,809,000</u>
General Fund--State Appropriation (FY 1999)	\$((2,615,000))
	<u>3,604,000</u>
General Fund--Federal Appropriation	\$ ((693,000))
	<u>704,000</u>
TOTAL APPROPRIATION	\$((6,042,000))
	<u>7,117,000</u>

1 The appropriations in this section are provided to carry out the
2 accountability, performance measurement, policy coordination, planning,
3 studies and administrative functions of the board and are subject to
4 the following conditions and limitations:

5 (1) The board shall set performance targets, review, recommend
6 changes if necessary, and approve plans defined in section 601(3)(a) of
7 this act for achieving measurable and specific improvements in academic
8 years 1997-98 and 1998-99. By October 1, 1997, the board shall notify
9 the office of financial management to allot institutions' fiscal year
10 1998 performance funds held in reserve, based upon the adequacy of
11 plans prepared by the institutions.

12 (2) The board shall develop criteria to assess institutions'
13 performance and shall use those criteria in determining the allotment
14 of performance and accountability funds. The board shall evaluate each
15 institution's achievement of performance targets for the 1997-98
16 academic year and, by ~~((August 1))~~ November 15, 1998, the board shall
17 notify the office of financial management to allot institutions' fiscal
18 year 1999 performance funds held in reserve, based upon each
19 institution's performance(~~(, except for performance funds held for~~
20 ~~achievement of the student retention measure. For the student~~
21 ~~retention measure, the board shall notify the office of financial~~
22 ~~management by November 1, 1998, to allot institutions' fiscal year 1999~~
23 ~~performance funds held in reserve, based upon each institution's~~
24 ~~performance))~~).

25 (3) By January, 1999, the board shall recommend to the office of
26 financial management and appropriate legislative committees any
27 recommended additions, deletions, or revisions to the performance and
28 accountability measures in sections 601(3) of this act as part of the
29 next master plan for higher education. The recommendations shall be
30 developed in consultation with the institutions of higher education and
31 may include additional performance indicators to measure successful
32 student learning and other student outcomes for possible inclusion in
33 the 1999-01 operating budget. The recommendations shall include
34 measures of performance demonstrating specific and measurable
35 improvements related to distance education and education provided
36 primarily through technology, to be determined by the board, in
37 consultation with the institutions of higher education.

38 (4) \$280,000 of the general fund--state appropriation for fiscal
39 year 1998 and \$280,000 of the general fund--state appropriation for

1 fiscal year 1999 are provided solely for enrollment to implement RCW
2 28B.80.570 through 28B.80.585 (rural natural resources impact areas).
3 The number of students served shall be 50 full-time equivalent students
4 per fiscal year. The board shall ensure that enrollments reported
5 under this subsection meet the criteria outlined in RCW 28B.80.570
6 through 28B.80.585.

7 (5) \$70,000 of the general fund--state appropriation for fiscal
8 year 1998 and \$70,000 of the general fund--state appropriation for
9 fiscal year 1999 are provided to develop a competency based admissions
10 system for higher education institutions. The board shall complete the
11 competency based admissions system and issue a report outlining the
12 competency based admissions system by January 1999.

13 (6) \$500,000 of the general fund--state appropriation for fiscal
14 year 1998 and \$500,000 of the general fund--state appropriation for
15 fiscal year 1999 are provided solely for activities related to higher
16 education facilities planning, project monitoring, and access issues
17 related to capital facilities. Of this amount, \$50,000 is provided for
18 a study of higher education needs of Okanogan county and surrounding
19 communities with consideration given to alternative approaches to
20 educational service delivery, facility expansion, relocation or
21 partnership, and long-term growth and future educational demands of the
22 region.

23 (7) \$150,000 of the general fund--state appropriation for fiscal
24 year 1998 is provided solely as one-time funding for computer upgrades.

25 (8) \$75,000 of the general fund--state appropriation for fiscal
26 year 1998 and \$175,000 of the general fund--state appropriation for
27 fiscal year 1999 are provided solely to conduct a higher education and
28 economic assessment of the Spokane area as described in Substitute
29 Senate Bill No. 6655.

30 (9) \$810,000 of the general fund--state appropriation for fiscal
31 year 1999 is provided solely to complete the cooperative library
32 project for the four-year public higher education institutions. Funds
33 shall be transferred to the University of Washington for one-time
34 equipment acquisition, ongoing support of the system, and acquisition
35 of shared electronic journals for use by all the member institutions.

36 (10) \$1,000 of the general fund--state appropriation for fiscal
37 year 1999 is provided solely to pay the increased employer funding rate
38 resulting from the settlement in *Burbage et al. v. State of Washington*
39 (Thurston county superior court cause no. 94-2-02560-8), as referenced

1 in section 707(1)(c) of this act. If the stipulated settlement is not
2 approved by the court by August 1, 1998, the amount provided in this
3 subsection shall lapse.

4 (11) \$3,000 of the general fund--state appropriation for fiscal
5 year 1999 is provided solely to pay the increased employer funding rate
6 resulting from the settlement in *Retired State Employees et al. v.*
7 *State of Washington* (Thurston county superior court cause no. 92-2-
8 01294-1), as referenced in section 707(1)(d) of this act. If the
9 stipulated settlement is not approved by the court by August 1, 1998,
10 the amount provided in this subsection shall lapse.

11 **Sec. 611.** 1997 c 454 s 611 (uncodified) is amended to read as
12 follows:

13 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
14 **PROGRAMS**

15	General Fund--State Appropriation (FY 1998) . . . \$	((89,369,000))
16		<u>89,606,000</u>
17	General Fund--State Appropriation (FY 1999) . . . \$	((96,209,000))
18		<u>97,232,000</u>
19	General Fund--Federal Appropriation \$	((8,255,000))
20		<u>8,278,000</u>
21	<u>Advanced College Tuition Payment Program Account</u>	
22	<u>Appropriation</u> \$	<u>1,198,000</u>
23	TOTAL APPROPRIATION \$	((193,833,000))
24		<u>196,314,000</u>

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

27 (1) \$527,000 of the general fund--state appropriation for fiscal
28 year 1998 and \$526,000 of the general fund--state appropriation for
29 fiscal year 1999 are provided solely for the displaced homemakers
30 program.

31 (2) \$216,000 of the general fund--state appropriation for fiscal
32 year 1998 and \$220,000 of the general fund--state appropriation for
33 fiscal year 1999 are provided solely for the western interstate
34 commission for higher education.

35 (3) \$118,000 of the general fund--state appropriation for fiscal
36 year 1998 and \$118,000 of the general fund--state appropriation for

1 fiscal year 1999 are provided solely for the health personnel resources
2 plan.

3 (4) \$1,000,000 of the general fund--state appropriation for fiscal
4 year 1998 and \$1,000,000 of the general fund--state appropriation for
5 fiscal year 1999 are provided solely for the scholarships and loans
6 program under chapter 28B.115 RCW, the health professional conditional
7 scholarship program. This amount shall be deposited to the health
8 professional loan repayment and scholarship trust fund to carry out the
9 purposes of the program.

10 (5) \$86,783,000 of the general fund--state appropriation for fiscal
11 year 1998 and \$93,728,000 of the general fund--state appropriation for
12 fiscal year 1999 are provided solely for student financial aid,
13 including all administrative costs. The amounts in (a), (b), and (c)
14 of this subsection are sufficient to implement Second Substitute House
15 Bill No. 1851 (higher education financial aid). Of these amounts:

16 (a) \$67,266,000 of the general fund--state appropriation for fiscal
17 year 1998 and \$73,968,000 of the general fund--state appropriation for
18 fiscal year 1999 are provided solely for the state need grant program.
19 ~~((i))~~ After April 1 of each fiscal year, up to one percent of the
20 annual appropriation for the state need grant program may be
21 transferred to the state work study program.

22 (b) \$15,350,000 of the general fund--state appropriation for fiscal
23 year 1998 and \$15,350,000 of the general fund--state appropriation for
24 fiscal year 1999 are provided solely for the state work study program.
25 After April 1 of each fiscal year, up to one percent of the annual
26 appropriation for the state work study program may be transferred to
27 the state need grant program;

28 (c) \$2,420,000 of the general fund--state appropriation for fiscal
29 year 1998 and \$2,420,000 of the general fund--state appropriation for
30 fiscal year 1999 are provided solely for educational opportunity
31 grants. For the purpose of establishing eligibility for the equal
32 opportunity grant program for placebound students under RCW
33 28B.101.020, Thurston county lies within the branch campus service area
34 of the Tacoma branch campus of the University of Washington;

35 (d) A maximum of 2.1 percent of the general fund--state
36 appropriation for fiscal year 1998 and 2.1 percent of the general
37 fund--state appropriation for fiscal year 1999 may be expended for
38 financial aid administration, excluding the four percent state work
39 study program administrative allowance provision;

1 (e) \$230,000 of the general fund--state appropriation for fiscal
2 year 1998 and \$201,000 of the general fund--state appropriation for
3 fiscal year 1999 are provided solely for the educator's excellence
4 awards. Any educator's excellence moneys not awarded by April 1st of
5 each year may be transferred by the board to either the Washington
6 scholars program or, in consultation with the workforce training and
7 education coordinating board, to the Washington award for vocational
8 excellence;

9 (f) \$1,011,000 of the general fund--state appropriation for fiscal
10 year 1998 and \$1,265,000 of the general fund--state appropriation for
11 fiscal year 1999 are provided solely to implement the Washington
12 scholars program. Any Washington scholars program moneys not awarded
13 by April 1st of each year may be transferred by the board to either the
14 educator's excellence awards or, in consultation with the workforce
15 training and education coordinating board, to the Washington award for
16 vocational excellence;

17 (g) \$456,000 of the general fund--state appropriation for fiscal
18 year 1998 and \$474,000 of the general fund--state appropriation for
19 fiscal year 1999 are provided solely to implement Washington award for
20 vocational excellence program. Any Washington award for vocational
21 program moneys not awarded by April 1st of each year may be transferred
22 by the board to either the educator's excellence awards or the
23 Washington scholars program;

24 (h) \$51,000 of the general fund--state appropriation for fiscal
25 year 1998 and \$51,000 of the general fund--state appropriation for
26 fiscal year 1999 are provided solely for community scholarship matching
27 grants of \$2,000 each. To be eligible for the matching grant, a
28 nonprofit community organization organized under section 501(c)(3) of
29 the internal revenue code must demonstrate that it has raised \$2,000 in
30 new moneys for college scholarships after the effective date of this
31 act. No organization may receive more than one \$2,000 matching grant;
32 and

33 ~~(6) ((\$175,000 of the general fund--state appropriation for fiscal~~
34 ~~year 1998 and \$175,000 of the general fund--state appropriation for~~
35 ~~fiscal year 1999 are provided solely to implement Engrossed Second~~
36 ~~Substitute House Bill No. 1372 or Second Substitute Senate Bill No.~~
37 ~~5106 (Washington advanced college tuition payment program). If neither~~
38 ~~Engrossed Second Substitute House Bill No. 1372 nor Second Substitute~~
39 ~~Senate Bill No. 5106 is enacted by June 30, 1997, the amounts provided~~

1 ~~in this subsection shall lapse.))~~ \$412,000 of the general fund--state
2 appropriation for fiscal year 1998 and \$1,198,000 of the general fund--
3 state appropriation for fiscal year 1999 are provided solely for
4 working capital for the advanced tuition payment program. The funds
5 provided in this subsection may be expended only to the extent that
6 revenue from application fees and interest earnings deposited in the
7 advanced college tuition payment program account are insufficient to
8 support program operation. Prior to the end of fiscal year 1999,
9 expenditures shall be transferred between funds to the extent that
10 program application fees and interest earnings are available to
11 minimize the expenditure from the general fund.

12 (7) \$187,000 of the general fund--state appropriation for fiscal
13 year 1998 and \$188,000 of the general fund--state appropriation for
14 fiscal year 1999 are provided solely for a demonstration project in the
15 1997-99 biennium to provide undergraduate fellowships based upon the
16 graduate fellowship program.

17 (8) Funding is provided in this section for the development of
18 three models for tuition charges for distance learning programs.
19 Institutions involved in distance education or extended learning shall
20 provide information to the board on the usage, cost, and revenue
21 generated by such programs.

22 **Sec. 612.** 1997 c 149 s 612 (uncodified) is amended to read as
23 follows:

24 **FOR THE JOINT CENTER FOR HIGHER EDUCATION**

25	General Fund Appropriation (FY 1998)		\$	1,469,000
26	((General Fund Appropriation (FY 1999)		\$	1,470,000))
27	TOTAL APPROPRIATION		\$	((2,939,000))
28				<u>1,469,000</u>

29 **Sec. 613.** 1997 c 149 s 614 (uncodified) is amended to read as
30 follows:

31 **FOR WASHINGTON STATE LIBRARY**

32	General Fund--State Appropriation (FY 1998)	. . . \$	((7,483,000))
33			<u>7,533,000</u>
34	General Fund--State Appropriation (FY 1999)	. . . \$	((7,281,000))
35			<u>7,631,000</u>
36	General Fund--Federal Appropriation	 \$	((4,847,000))
37			<u>6,817,000</u>

1 TOTAL APPROPRIATION \$ ((19,611,000))
2 21,981,000

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

5 (1) At least \$2,524,000 shall be expended for a contract with the
6 Seattle public library for library services for the Washington book and
7 braille library.

8 (2) \$198,000 of the general fund--state appropriation for fiscal
9 year 1998 ((is)) and \$200,000 of the general fund--state appropriation
10 for fiscal year 1999 are provided solely for the state library to
11 continue the government information locator service in accordance with
12 chapter 171, Laws of 1996. The state library, in consultation with
13 interested parties, shall prepare an evaluation of the government
14 information locator service by October 1, 1997. The evaluation shall
15 include a cost-benefit analysis, a determination of fiscal impacts to
16 the state, and programmatic information. The evaluation report shall
17 be provided to the appropriate legislative fiscal committees.

18 (3) \$100,000 of the general fund--state appropriation for fiscal
19 year 1999 is provided solely for enhancement of the state library's
20 collection.

21 **Sec. 614.** 1997 c 149 s 616 (uncodified) is amended to read as
22 follows:

23 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

24 General Fund Appropriation (FY 1998) \$((2,502,000))
25 2,658,000

26 General Fund Appropriation (FY 1999) \$((2,531,000))
27 2,745,000

28 TOTAL APPROPRIATION \$((5,033,000))
29 5,403,000

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

32 (1) \$216,200 of the general fund appropriation for fiscal year 1998
33 and \$216,200 of the general fund appropriation for fiscal year 1999 are
34 provided solely for exhibit and educational programming.

35 (2) \$156,000 of the general fund appropriation for fiscal year 1998
36 and \$164,000 of the general fund appropriation for fiscal year 1999 are

1 provided solely for the temporary relocation of research center
2 operations.

3 (3) \$50,000 of the general fund appropriation for fiscal year 1999
4 is provided solely for activities related to the Lewis and Clark
5 Bicentennial.

6 **Sec. 615.** 1997 c 149 s 618 (uncodified) is amended to read as
7 follows:

8 **FOR THE STATE SCHOOL FOR THE BLIND**

9	General Fund--State Appropriation (FY 1998)	\$((3,714,000))
10		<u>3,723,000</u>
11	General Fund--State Appropriation (FY 1999)	\$((3,738,000))
12		<u>3,747,000</u>
13	General Fund--Private/Local Appropriation	\$ ((192,000))
14		<u>418,000</u>
15	TOTAL APPROPRIATION	\$((7,644,000))
16		<u>7,888,000</u>

17 **Sec. 616.** 1997 c 149 s 619 (uncodified) is amended to read as
18 follows:

19 **FOR THE STATE SCHOOL FOR THE DEAF**

20	General Fund Appropriation (FY 1998)	\$ ((6,458,000))
21		<u>6,467,000</u>
22	General Fund Appropriation (FY 1999)	\$ ((6,459,000))
23		<u>6,468,000</u>
24	TOTAL APPROPRIATION	\$ ((12,917,000))
25		<u>12,935,000</u>

26 (End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 1997 c 149 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 GENERAL FUND BOND DEBT

General Fund Appropriation (FY 1998)	 \$	((447,283,000))
		<u>448,355,000</u>
General Fund Appropriation (FY 1999)	 \$	((485,077,000))
		<u>484,005,000</u>
General Fund Bonds Subject to the Limit Bond		
Retirement Account Appropriation	 \$	932,360,000
TOTAL APPROPRIATION	 \$	\$1,864,720,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for deposit into the general fund bonds subject to the limit bond retirement account.

Sec. 702. 1997 c 149 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 Appropriation (FY 1998)	 \$	((23,096,000))
		<u>23,186,000</u>
General Fund Appropriation (FY 1999)	 \$	((25,603,000))
		<u>25,642,000</u>
General Fund Bonds Excluded from the Limit		
Bond Retirement Account Appropriation	 \$	((48,699,000))
		<u>48,828,000</u>
Reimbursable Bonds Excluded from the Limit Bond		
Retirement Account Appropriation	 \$	104,933,000
Reimbursable Bonds Subject to the Limit Bond		
Retirement Account Appropriation	 \$	((402,000))
		<u>2,264,000</u>

1 TOTAL APPROPRIATION \$ ((202,733,000))
2 204,853,000

3 The appropriations in this section are subject to the following
4 conditions and limitations: The general fund appropriation is for
5 deposit into the general fund bonds excluded from the limit bond
6 retirement account.

7 **Sec. 703.** 1997 c 149 s 705 (uncodified) is amended to read as
8 follows:

9 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
10 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

11 General Fund Appropriation (FY 1998) \$ 475,000
12 General Fund Appropriation (FY 1999) \$ 475,000
13 Higher Education Construction Account
14 Appropriation \$ ((215,000))
15 440,000
16 State Building Construction Account
17 Appropriation \$ ((6,374,000))
18 7,683,000
19 Public Safety Reimbursable Bond Account
20 Appropriation \$ ((8,000))
21 23,000
22 TOTAL APPROPRIATION \$ ((7,547,000))
23 9,096,000

24 Total Bond Retirement and Interest Appropriations
25 contained in sections 701 through 705 of this
26 act \$ ((2,121,748,000))
27 2,125,417,000

28 **Sec. 704.** 1997 c 149 s 710 (uncodified) is amended to read as
29 follows:

30 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--YEAR 2000 ALLOCATIONS**

31 ~~((General Fund--State Appropriation (FY 1998) . . . \$ 3,380,000~~
32 ~~General Fund--State Appropriation (FY 1999) . . . \$ 1,960,000))~~
33 General Fund--Federal Appropriation \$ 2,883,000
34 Liquor Revolving Account Appropriation \$ 131,000
35 Health Care Authority Administrative Account

1	Appropriation	\$	631,000
2	Accident Account Appropriation	\$	1,102,000
3	Medical Aid Account Appropriation	\$	1,102,000
4	Unemployment Compensation Administration Account--		
5	Federal Appropriation	\$	1,313,000
6	((Administrative Contingency Account		
7	Appropriation	\$	948,000))
8	Employment Services Administrative Account		
9	Appropriation	\$	((500,000))
10			<u>461,000</u>
11	Forest Development Account Appropriation	\$	156,000
12	Off Road Vehicle Account Appropriation	\$	7,000
13	Surveys and Maps Account Appropriation	\$	1,000
14	Aquatic Lands Enhancement Account Appropriation	\$	8,000
15	Resource Management Cost Account Appropriation	\$	348,000
16	TOTAL APPROPRIATION	\$	((14,470,000))
17			<u>8,143,000</u>

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

20 (1) The appropriations will be allocated by the office of financial
 21 management to agencies to complete Year 2000 date conversion
 22 maintenance on their computer systems. Agencies shall submit their
 23 estimated costs of conversion to the office of financial management by
 24 July 1, 1997.

25 (2) Up to \$10,000,000 of the cash balance of the data processing
 26 revolving account may be expended on agency Year 2000 date conversion
 27 costs. The \$10,000,000 will be taken from the cash balances of the
 28 data processing revolving account's two major users, as follows:
 29 \$7,000,000 from the department of information services and \$3,000,000
 30 from the office of financial management. The office of financial
 31 management in consultation with the department of information services
 32 shall allocate these funds as needed to complete the date conversion
 33 projects.

34 (3) Agencies receiving these allocations shall report at a minimum
 35 to the information services board and to the governor every six months
 36 on the progress of Year 2000 maintenance efforts.

NEW SECTION. **Sec. 705.** A new section is added to 1997 c 149 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--YEAR 2000 CONVERSION

General Fund Appropriation (FY 1998)	\$	233,000
General Fund Appropriation (FY 1999)	\$	33,000
Hospital Commission Account Appropriation	\$	115,000
Architects' License Account Appropriation	\$	3,000
Professional Engineers' Account Appropriation	\$	9,000
Real Estate Commission Account Appropriation	\$	24,000
Health Professions Account Appropriation	\$	275,000
Master License Account Appropriation	\$	70,000
Safe Drinking Water Account Appropriation	\$	50,000
Uniform Commercial Code Account Appropriation	\$	11,000
Unemployment Compensation Administration Account--		
Federal Appropriation	\$	3,245,000
Department of Retirement Systems Expense Account		
Appropriation	\$	890,000
Health Services Account Appropriation	\$	254,000
TOTAL APPROPRIATION	\$	5,212,000

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

(1) The appropriations will be allocated by the office of financial management to agencies to perform Year 2000 date conversion maintenance on their computer systems and are provided solely for these purposes.

(2) Agencies receiving these allocations shall report at a minimum to the information services board and to the governor every six months on the progress of Year 2000 maintenance efforts.

NEW SECTION. **Sec. 706.** A new section is added to 1997 c 149 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--YEAR 2000 CONTINGENCY POOL

General Fund Appropriation (FY 1998)	\$	800,000
General Fund Appropriation (FY 1999)	\$	4,200,000
Year 2000 Contingency Revolving Account		
Appropriation	\$	5,000,000
TOTAL APPROPRIATION	\$	10,000,000

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

3 (1) The appropriations will be allocated by the office of financial
4 management, in consultation with the department of information systems,
5 to agencies to perform Year 2000 maintenance on their computer systems
6 and are provided solely for these purposes.

7 (2) To facilitate the transfer of moneys from dedicated funds and
8 accounts, the state treasurer is directed to transfer sufficient moneys
9 from each dedicated fund or account to the Year 2000 contingency
10 revolving account, hereby created in the state treasury, in accordance
11 with schedules provided by the office of financial management for
12 additional Year 2000 maintenance on their computer systems.

13 (3) All agencies that receive these allocations will report upon
14 request throughout the biennium to the information services board and
15 to the governor on the progress of Year 2000 maintenance efforts.

16 **Sec. 707.** 1997 c 149 s 712 (uncodified) is amended to read as
17 follows:

18 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

19	General Fund--State Appropriation (FY 1998) . . . \$	823,000
20	General Fund--State Appropriation (FY 1999) . . . \$	((6,257,000))
21		<u>8,355,000</u>
22	General Fund--Federal Appropriation \$	((2,431,000))
23		<u>3,152,000</u>
24	General Fund--Private/Local Appropriation \$	((146,000))
25		<u>190,000</u>
26	Salary and Insurance Increase Revolving Account	
27	Appropriation \$	((5,465,000))
28		<u>7,081,000</u>
29	TOTAL APPROPRIATION \$	((15,122,000))
30		<u>19,601,000</u>

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

33 (1)(a) The monthly ~~((contribution))~~ employer funding rate for
34 insurance benefit premiums shall not exceed \$312.35 per eligible
35 employee for fiscal year 1998, and \$331.31 for fiscal year 1999.

36 (b) The monthly ~~((contribution))~~ employer funding rate for the
37 operating costs of the health care authority shall not exceed \$4.99 per

1 eligible employee for fiscal year 1998, and (~~(\$4.44)~~) \$4.67 for fiscal
2 year 1999.

3 (c) An additional \$1.12 per eligible employee shall be included in
4 the employer funding rate for fiscal year 1999 to increase life
5 insurance coverage in accordance with the stipulated settlement in
6 *Burbage et al. v. State of Washington* (Thurston county superior court
7 cause no. 94-2-02560-8). \$330,000 of the fiscal year 1999 general
8 fund--state appropriation, \$113,000 of the general fund--federal
9 appropriation, \$7,000 of the general fund--private/local appropriation,
10 and \$254,000 of the salary and insurance increase revolving account
11 appropriation are provided solely for the additional \$1.12 employer
12 funding rate. If the stipulated settlement is not approved by August
13 1, 1998, these amounts shall lapse.

14 (d) An additional \$5.77 per eligible employee shall be included in
15 the employer funding rate for fiscal year 1999 to begin repaying the
16 public employees' and retirees' insurance account for any claims paid
17 as a result of a court-approved stipulated settlement in *Retired State*
18 *Employees et al. v. State of Washington* (Thurston county superior court
19 cause no. 92-2-01294-1). \$1,768,000 of the fiscal year 1999 general
20 fund--state appropriation, \$608,000 of the general fund--federal
21 appropriation, \$37,000 of the general fund--private/local
22 appropriation, and \$1,362,000 of the salary and insurance increase
23 revolving account appropriation are provided solely for the additional
24 \$5.77 employer funding rate. If the stipulated settlement is not
25 approved by August 1, 1998, these amounts shall lapse.

26 (e) Surplus moneys accruing to the public employees' and retirees'
27 insurance account due to lower-than-projected insurance costs may not
28 be reallocated by the health care authority to increase the actuarial
29 value of public employee insurance plans. Such funds shall be held in
30 reserve in the public employees' and retirees' insurance account and
31 may not be expended without prior legislative authorization.

32 (~~((d))~~) (f) In order to achieve the level of funding provided for
33 health benefits, the public employees' benefits board may require
34 employee premium co-payments, increase point-of-service cost sharing,
35 and/or implement managed competition.

36 (2) To facilitate the transfer of moneys from dedicated funds and
37 accounts, the state treasurer is directed to transfer sufficient moneys
38 from each dedicated fund or account to the special fund salary and

1 insurance contribution increase revolving fund in accordance with
2 schedules provided by the office of financial management.

3 (3) The health care authority, subject to the approval of the
4 public employees' benefits board, shall provide subsidies for health
5 benefit premiums to eligible retired or disabled public employees and
6 school district employees who are eligible for parts A and B of
7 medicare, pursuant to RCW 41.05.085. From January 1, 1998, through
8 December 31, 1998, the subsidy shall be \$41.26 per month. Starting
9 January 1, 1999, the subsidy shall be \$43.16 per month.

10 (4) Technical colleges, school districts, and educational service
11 districts shall remit to the health care authority for deposit in the
12 public employees' and retirees' insurance account established in RCW
13 41.05.120:

14 (a) For each full-time employee, \$14.80 per month beginning
15 September 1, 1997;

16 (b) For each part-time employee who, at the time of the remittance,
17 is employed in an eligible position as defined in RCW 41.32.010 or
18 41.40.010 and is eligible for employer fringe benefit contributions for
19 basic benefits, \$14.80 each month beginning September 1, 1997, prorated
20 by the proportion of employer fringe benefit contributions for a full-
21 time employee that the part-time employee receives.

22 The remittance requirements specified in this subsection shall not
23 apply to employees of a technical college, school district, or
24 educational service district who purchase insurance benefits through
25 contracts with the health care authority.

26 (5) The salary and insurance increase revolving account
27 appropriation includes amounts sufficient to fund health benefits for
28 ferry workers at the premium levels specified in subsection (1) of this
29 section, consistent with the 1997-99 transportation appropriations act.

30 NEW SECTION. **Sec. 708.** A new section is added to 1997 c 149
31 (uncodified) to read as follows:

32 **FOR THE STATE TREASURER--FOR THE PUBLIC EMPLOYEES' AND RETIREES'**
33 **INSURANCE ACCOUNT**

34 Pension Funding Account Appropriation (FY 1998) . . . \$ 25,000,000

35 The appropriation in this section shall be deposited in the public
36 employees' and retirees' insurance account and is provided solely to
37 pay claims resulting from a court-approved stipulated agreement in

1 *Retired State Employees et al. v. State of Washington* (Thurston county
2 superior court cause no. 92-2-01294-1).

3 NEW SECTION. **Sec. 709.** A new section is added to 1997 c 149
4 (uncodified) to read as follows:

5 **COMMUNITY AND TECHNICAL COLLEGES CAPITAL PROJECTS ACCOUNT**

6 General Fund Appropriation (FY 1999) \$ 5,200,000

7 The appropriation in this section is provided solely for deposit in
8 the community and technical colleges capital projects account.

9 **Sec. 710.** 1997 c 454 s 704 (uncodified) is amended to read as
10 follows:

11 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--COMPENSATION ACTIONS OF**
12 **PERSONNEL RESOURCES BOARD**

13 General Fund--State Appropriation (FY 1998) \$ 5,289,000

14 General Fund--State Appropriation (FY 1999) \$ 10,642,000

15 General Fund--Federal Appropriation \$ 2,777,000

16 Salary and Insurance Increase Revolving

17 Account Appropriation \$((~~8,862,000~~))

18 6,085,000

19 TOTAL APPROPRIATION \$ 24,793,000

20 The appropriations in this section shall be expended solely for the
21 purposes designated in this section and are subject to the conditions
22 and limitations in this section.

23 (1) Funding is provided to fully implement the recommendations of
24 the Washington personnel resources board consistent with the provisions
25 of chapter 319, Laws of 1996.

26 (2) Implementation of the salary adjustments for the various
27 clerical classes, physicians, dental classifications, pharmacists,
28 maintenance custodians, medical records technicians, fish/wildlife
29 biologists, fish/wildlife enforcement, habitat technicians, and fiscal
30 technician classifications will be effective July 1, 1997.
31 Implementation of the salary adjustments for safety classifications,
32 park rangers, park aides, correctional officers/sergeants, community
33 corrections specialists, tax information specialists, industrial
34 relations specialists, electrical classifications at the department of
35 labor and industries, fingerprint technicians, some labor relations

1 classifications, health benefits specialists, foresters/land managers,
2 and liquor enforcement officers will be effective July 1, 1998.

3 NEW SECTION. **Sec. 711. LEOFF RETIREMENT STUDY.** The joint
4 committee on pension policy shall study (1) providing additional
5 benefits to members of the law enforcement officers' and fire fighters'
6 plan II retirement system and funding those benefit increases through
7 the member contribution rate rather than the state and employer
8 contribution rates, and (2) creating a new law enforcement officers'
9 and fire fighters' retirement plan that includes a defined benefit
10 portion and a defined contribution portion. The joint committee on
11 pension policy shall report its findings to the legislature by January
12 15, 1999.

13 NEW SECTION. **Sec. 712.** A new section is added to 1997 c 149
14 (uncodified) to read as follows:

15 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
16 be necessary, are appropriated from the general fund, unless otherwise
17 indicated, for relief of various individuals, firms, and corporations
18 for sundry claims. These appropriations are to be disbursed on
19 vouchers approved by the director of general administration, except as
20 otherwise provided, as follows:

21 (1) Reimbursement of criminal defendants acquitted on the basis of
22 self-defense, pursuant to RCW 9A.16.110:

23	(a) Steven M. Lauritz, claim number SCJ 97-11	\$ 2,534
24	(b) George Greenland, claim number SCJ 97-13	\$ 16,235
25	(c) Edwin H. Evans, claim number SCJ 97-14	\$ 3,997
26	(d) Bryan E. Vance, claim number SCJ 97-16	\$ 14,866
27	(e) Jesse L. Smith, claim number SCJ 97-17	\$ 23,027
28	(f) Thomas N. Klein, claim number SCJ 97-18	\$ 14,338
29	(g) John F. Richards, claim number SCJ 97-19	\$ 7,335
30	(h) Anthony C. Otto, claim number SCJ 97-09	\$ 16,962
31	(i) Eric C. Swanson, claim number SCJ 97-21	\$ 86,152
32	(j) Mark J. Campbell, claim number SCJ 98-01	\$ 7,218

33 (2) Payment from the state wildlife account for damage to crops by
34 wildlife, pursuant to RCW 77.36.040:

35	(a) D.F. Spurgeon, claim number SCG 97-03	\$ 980
36	(b) Kenneth Kunes, claim number SCG 97-06	\$ 2,288

1 NEW SECTION. **Sec. 713.** A new section is added to 1997 c 149
2 (uncodified) to read as follows:

3 **FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE**
4 **ACCOUNT**

5 Impaired Driving Safety Account Appropriation \$ 720,000

6 The appropriation in this section is subject to the following
7 conditions and limitations: The amount appropriated in this section
8 shall be distributed in accordance with RCW 82.14.310. \$360,000 of the
9 appropriation shall be distributed in January 1999 and the remaining
10 \$360,000 of the appropriation shall be distributed in April 1999. This
11 funding is provided to counties for the costs of implementing criminal
12 justice legislation including, but not limited to, Substitute House
13 Bill No. 2885 (drunk driving penalties), Second Substitute House Bill
14 No. 3070 (DUI penalties), Second Substitute House Bill No. 3089
15 (deferred prosecution), Engrossed Senate Bill No. 6142 (DUI/license
16 suspension), Engrossed Substitute Senate Bill No. 6165 (ignition
17 interlock violations), Engrossed Substitute Senate Bill No. 6166 (DUI
18 penalties), Engrossed Substitute Senate Bill No. 6187 (DUI penalties),
19 Engrossed Senate Bill No. 6257 (intoxication levels lowered), and
20 Engrossed Second Substitute Senate Bill No. 6293 (DUI penalties).

21 NEW SECTION. **Sec. 714.** A new section is added to 1997 c 149
22 (uncodified) to read as follows:

23 **FOR THE STATE TREASURER--FOR THE MUNICIPAL CRIMINAL JUSTICE ASSISTANCE**
24 **ACCOUNT**

25 Impaired Driving Safety Account Appropriation . . . \$ 480,000

26 The appropriation in this section is subject to the following
27 conditions and limitations: The amount appropriated in this section
28 shall be distributed in accordance with RCW 82.14.320. \$240,000 of the
29 appropriation shall be distributed in January 1999 and the remaining
30 \$240,000 of the appropriation shall be distributed in April 1999. This
31 funding is provided to cities for the costs of implementing criminal
32 justice legislation including, but not limited to, Substitute House
33 Bill No. 2885 (drunk driving penalties), Second Substitute House Bill
34 No. 3070 (DUI penalties), Second Substitute House Bill No. 3089
35 (deferred prosecution), Engrossed Senate Bill No. 6142 (DUI/license
36 suspension), Engrossed Substitute Senate Bill No. 6165 (ignition

1 interlock violations), Engrossed Substitute Senate Bill No. 6166 (DUI
2 penalties), Engrossed Substitute Senate Bill No. 6187 (DUI penalties),
3 Engrossed Senate Bill No. 6257 (intoxication levels lowered), and
4 Engrossed Second Substitute Senate Bill No. 6293 (DUI penalties).

5 NEW SECTION. **Sec. 715.** A new section is added to 1997 c 149
6 (uncodified) to read as follows:

7 **TRANSPORTATION FUND.** (1) The sum of three million dollars is
8 appropriated from the general fund to the transportation fund for
9 fiscal year 1998.

10 (2) The sum of nine million six hundred fifty thousand dollars is
11 appropriated from the general fund to the transportation fund for
12 fiscal year 1999.

13 **Sec. 716.** 1997 c 149 s 717 (uncodified) is amended to read as
14 follows:

15 **INCENTIVE SAVINGS--FY 1998.** The sum of seventy-five million
16 dollars or so much thereof as may be available on June 30, 1998, from
17 the total amount of unspent fiscal year 1998 state general fund
18 appropriations is appropriated for the purposes of House Bill No. 2240
19 or Substitute Senate Bill No. 6045 in the manner provided in this
20 section.

21 (1) Of the total appropriated amount, one-half of that portion that
22 is attributable to incentive savings, not to exceed twenty-five million
23 dollars, is appropriated to the savings incentive account for the
24 purpose of improving the quality, efficiency, and effectiveness of
25 agency services, and credited to the agency that generated the savings.

26 (2) The remainder of the total amount, not to exceed seventy
27 million dollars, is appropriated to the education savings account (~~for~~
28 ~~the purpose of common school construction projects and education~~
29 ~~technology~~)).

30 (3) For purposes of this section, the total amount of unspent state
31 general fund appropriations does not include the appropriations made in
32 this section or any amounts included in across-the-board allotment
33 reductions under RCW 43.88.110.

34 **Sec. 717.** 1997 c 149 s 718 (uncodified) is amended to read as
35 follows:

INCENTIVE SAVINGS--FY 1999. The sum of seventy-five million dollars or so much thereof as may be available on June 30, 1999, from the total amount of unspent fiscal year 1999 state general fund appropriations is appropriated for the purposes of House Bill No. 2240 or Substitute Senate Bill No. 6045 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) The remainder of the total amount, not to exceed seventy million dollars, is appropriated to the education savings account ((for the purpose of common school construction projects and education technology)).

(3) For purposes of this section, the total amount of unspent state general fund appropriations does not include the appropriations made in this section or any amounts included in across-the-board allotment reductions under RCW 43.88.110.

(End of part)

PART VIII
OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 1997 c 454 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance	
premiums distribution	\$ 6,617,250
General Fund Appropriation for public utility	
district excise tax distribution	\$ 35,183,803
General Fund Appropriation for prosecuting attorneys	
salaries	\$ 2,960,000
General Fund Appropriation for motor vehicle excise	
tax distribution	\$ 84,721,573
General Fund Appropriation for local mass transit	
assistance	\$ 383,208,166
General Fund Appropriation for camper and travel	
trailer excise tax distribution	\$ 3,904,937
General Fund Appropriation for boating	
safety/education and law enforcement	
distribution	\$ 3,616,000
Aquatic Lands Enhancement Account Appropriation	
for harbor improvement revenue distribution .	\$ 142,000
Liquor Excise Tax Account Appropriation for liquor	
excise tax distribution	\$ 22,287,746
Liquor Revolving Fund Appropriation for liquor	
profits distribution	\$ 36,989,000
Timber Tax Distribution Account Appropriation	
for distribution to "Timber" counties	\$ 107,146,000
Municipal Sales and Use Tax Equalization Account	
Appropriation	\$ 66,860,014
County Sales and Use Tax Equalization Account	
Appropriation	\$ 11,843,224
Death Investigations Account Appropriation for	
distribution to counties for publicly funded	
autopsies	\$ 1,266,000
County Criminal Justice Account Appropriation . .	\$ ((80,634,471))

1		81,354,471
2	Municipal Criminal Justice Account	
3	Appropriation	\$ ((32,042,450))
4		32,522,450
5	County Public Health Account Appropriation . . .	\$ ((43,773,588))
6		44,279,086
7	TOTAL APPROPRIATION	\$ ((923,196,222))
8		924,901,720

9 The total expenditures from the state treasury under the
10 appropriations in this section shall not exceed the funds available
11 under statutory distributions for the stated purposes.

12 **NEW SECTION. Sec. 802. WILDLIFE ACCOUNT LOAN.** On June 30, 1998,
13 the state treasurer shall lend three million five hundred thousand
14 dollars from the state general fund to the wildlife account.
15 Expenditure of funds is dependent upon the following conditions:

16 (1) By April 17, 1998, the department of fish and wildlife shall
17 submit an expenditure reduction plan for the 1997-99 biennium for the
18 state wildlife account to the office of financial management, the
19 senate ways and means committee, and the house of representatives
20 appropriations committee. The plan shall specify positions to be
21 eliminated by program. The reductions shall be limited to activities
22 currently funded by the wildlife account.

23 (2) By April 17, 1998, the department of fish and wildlife shall
24 submit a list of properties proposed for sale, with a site description
25 of each property, to the office of financial management, the senate
26 ways and means committee, and the house of representatives
27 appropriations committee.

28 (3) Beginning with the fourth quarter of fiscal year 1998, the
29 department of fish and wildlife shall submit quarterly revenue and
30 expenditure reports for the wildlife account to the office of financial
31 management, the senate ways and means committee, and the house of
32 representatives appropriations committee.

33 (4) The department of fish and wildlife shall develop, with the
34 office of financial management and the department of revenue, a model
35 for forecasting revenues to the state wildlife account. This forecast
36 shall be incorporated into the quarterly revenue and expenditure
37 reports.

(5) By November 1, 1998, the department of fish and wildlife shall submit a six-year financial plan for the state wildlife account for fiscal years 1999-05 to the office of financial management, the senate ways and means committee, and the house of representatives appropriations committee. The plan shall include repayment of this loan by June 30, 2001.

Failure to comply with the terms and conditions of this section shall cause the loan to be immediately payable.

Sec. 803. 1997 c 454 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

General Fund: For transfer to the Water Quality

Account	\$	((26,607,000))
		<u>28,595,900</u>

General Fund: For transfer to the Flood Control

Assistance Account	\$	4,000,000
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State Convention and Trade Center Account: For transfer to the State Convention and Trade

Center Operations Account	\$	3,877,000
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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 \$ 21,688,000

State Treasurer's Service Account: For transfer to the general fund on or before June 30, 1999 an amount up to \$3,600,000 in excess of the cash requirements of the State Treasurer's Service

Account	\$	3,600,000
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Public Works Assistance Account: For transfer to the Drinking Water Assistance Account \$

9,949,000

County Sales and Use Tax Equalization Account:

For transfer to the County Public Health

Account	\$	((1,686,000))
		<u>2,191,498</u>

1 and affordable housing units for persons eligible for services from the
2 division of developmental disabilities within the department of social
3 and health services.

4 (2) \$2,000,000 of the reappropriation from the state building
5 construction account is provided solely to promote development of safe
6 and affordable housing units for persons eligible for services from the
7 division of developmental disabilities within the department of social
8 and health services.

9 (3) \$1,000,000 of the new appropriation from the state building
10 construction account is provided solely for the development of housing
11 for low-income temporary or migrant farm workers through grants awarded
12 after the effective date of this act. The legislature finds that
13 providing farm worker housing for low-income temporary or migrant
14 workers is a public purpose. The department shall prioritize grants
15 and shall award grants on a competitive basis to local governments,
16 nonprofit corporations, or other nonprofit entities. Grant moneys
17 awarded by the department under this subsection may be matched by
18 nonstate sources on a dollar-for-dollar basis, in cash or in-kind. The
19 amount in this subsection is contingent upon enactment of sections 1
20 through 8 of Second Substitute Senate Bill No. 6168. If any of these
21 sections of the bill are not enacted by June 30, 1998, this subsection
22 is null and void.

23 **Reappropriation:**

24	St Bldg Constr Acct--State	\$ 25,000,000
25	Washington Housing Trust Acct--State	\$ 400,000
26		-----
27	Subtotal Reappropriation	\$ 25,400,000

28 **Appropriation:**

29	St Bldg Constr Acct--State	\$ 50,000,000
30	Prior Biennia (Expenditures)	\$ 125,116,142
31	Future Biennia (Projected Costs)	\$ 200,000,000
32		-----
33	TOTAL	\$ 400,516,142

34 (End of part)

PART IX
MISCELLANEOUS

Sec. 901. RCW 50.24.014 and 1994 c 187 s 3 are each amended to read as follows:

(1)(a) A separate and identifiable account to provide for the financing of special programs to assist the unemployed is established in the administrative contingency fund. Contributions to this account shall accrue and become payable by each employer, except employers as described in RCW 50.44.010 and 50.44.030 who have properly elected to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, at a basic rate of two one-hundredths of one percent. The amount of wages subject to tax shall be determined under RCW 50.24.010.

(b) For the first calendar quarter of 1994 only, the basic two one-hundredths of one percent contribution payable under (a) of this subsection shall be increased by one-hundredth of one percent to a total rate of three one-hundredths of one percent. The proceeds of this incremental one-hundredth of one percent shall be used solely for the purposes described in section 22, chapter 483, Laws of 1993, and for the purposes described in RCW 50.40.060. During the 1997-1999 fiscal biennium, any surplus from contributions payable under this subsection (b) ((will)) may be deposited in the unemployment compensation trust fund, used to support tax and wage automated systems projects that simplify and streamline employer reporting, or both.

(2)(a) Contributions under this section shall become due and be paid by each employer under rules as the commissioner may prescribe, and shall not be deducted, in whole or in part, from the remuneration of individuals in the employ of the employer. Any deduction in violation of this section is unlawful.

(b) In the payment of any contributions under this section, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

(3) If the commissioner determines that federal funding has been increased to provide financing for the services specified in chapter 50.62 RCW, the commissioner shall direct that collection of

1 contributions under this section be terminated on the following January
2 1st.

3 **Sec. 902.** 1997 c 149 s 902 (uncodified) is amended to read as
4 follows:

5 **INFORMATION SYSTEMS PROJECTS.** Agencies shall comply with the
6 following requirements regarding information systems projects when
7 specifically directed to do so by this act.

8 ~~((1) The agency shall produce a feasibility study for each~~
9 ~~information systems project in accordance with published department of~~
10 ~~information services instructions.— In addition to department of~~
11 ~~information services requirements, the study shall examine and evaluate~~
12 ~~the costs and benefits of maintaining the status quo and the costs and~~
13 ~~benefits of the proposed project. The study shall identify when and in~~
14 ~~what amount any fiscal savings will accrue, and what programs or fund~~
15 ~~sources will be affected.~~

16 ~~(2) The agency shall produce a project management plan for each~~
17 ~~project.— The plan or plans shall address all factors critical to~~
18 ~~successful completion of each project. The plan shall include, but is~~
19 ~~not limited to, the following elements: A description of the problem~~
20 ~~or opportunity that the information systems project is intended to~~
21 ~~address; a statement of project objectives and assumptions; definition~~
22 ~~of phases, tasks, and activities to be accomplished and the estimated~~
23 ~~cost of each phase; a description of how the agency will facilitate~~
24 ~~responsibilities of oversight agencies; a description of key decision~~
25 ~~points in the project life cycle; a description of variance control~~
26 ~~measures; a definitive schedule that shows the elapsed time estimated~~
27 ~~to complete the project and when each task is to be started and~~
28 ~~completed; and a description of resource requirements to accomplish the~~
29 ~~activities within specified time, cost, and functionality constraints.~~

30 ~~(3) A copy of each feasibility study and project management plan~~
31 ~~shall be provided to the department of information services, the office~~
32 ~~of financial management, and legislative fiscal committees.— Authority~~
33 ~~to expend any funds for individual information systems projects is~~
34 ~~conditioned on approval of the relevant feasibility study and project~~
35 ~~management plan by the department of information services and the~~
36 ~~office of financial management.~~

37 ~~(4) A project status report shall be submitted to the department of~~
38 ~~information services, the office of financial management, and~~

1 legislative fiscal committees for each project prior to reaching key
2 decision points identified in the project management plan. Project
3 status reports shall examine and evaluate project management,
4 accomplishments, budget, action to address variances, risk management,
5 costs and benefits analysis, and other aspects critical to completion
6 of a project.

7 Work shall not commence on any task in a subsequent phase of a
8 project until the status report for the preceding key decision point
9 has been approved by the department of information services and the
10 office of financial management.

11 (5) If a project review is requested in accordance with department
12 of information services policies, the reviews shall examine and
13 evaluate: System requirements specifications; scope; system
14 architecture; change controls; documentation; user involvement;
15 training; availability and capability of resources; programming
16 languages and techniques; system inputs and outputs; plans for testing,
17 conversion, implementation, and postimplementation; and other aspects
18 critical to successful construction, integration, and implementation of
19 automated systems. Copies of project review written reports shall be
20 forwarded to the office of financial management and appropriate
21 legislative committees by the agency.

22 (6) A written postimplementation review report shall be prepared by
23 the agency for each information systems project in accordance with
24 published department of information services instructions. In addition
25 to the information requested pursuant to the department of information
26 services instructions, the postimplementation report shall evaluate the
27 degree to which a project accomplished its major objectives including,
28 but not limited to, a comparison of original cost and benefit estimates
29 to actual costs and benefits achieved. Copies of the
30 postimplementation review report shall be provided to the department of
31 information services, the office of financial management, and
32 appropriate legislative committees.))

33 (1) Agency planning and decisions
34 concerning information technology shall be made in the context of its
35 information technology portfolio. "Information technology portfolio"
36 means a strategic management approach in which the relationships
37 between agency missions and information technology investments can be
38 seen and understood, such that: Technology efforts are linked to
39 agency objectives and business plans; the impact of new investments on
existing infrastructure and business functions are assessed and

1 understood before implementation; and agency activities are consistent
2 with the development of an integrated, nonduplicative state-wide
3 infrastructure.

4 (2) Agencies shall use their information technology portfolios in
5 making decisions on matters related to the following:

6 (a) System refurbishment, acquisitions, and development efforts;

7 (b) Setting goals and objectives for using information technology
8 in meeting legislatively-mandated missions and business needs;

9 (c) Assessment of overall information processing performance,
10 resources, and capabilities;

11 (d) Ensuring appropriate transfer of technological expertise for
12 the operation of any new systems developed using external resources;
13 and

14 (e) Progress toward enabling electronic access to public
15 information.

16 (3) The agency shall produce a feasibility study for information
17 technology projects at the direction of the information services board
18 and in accordance with published department of information services
19 policies and guidelines. At a minimum, such studies shall include a
20 statement of: (a) The purpose or impetus for change; (b) the business
21 value to the agency, including an examination and evaluation of
22 benefits, advantages, and cost; (c) a comprehensive risk assessment
23 based on the proposed project's impact on both citizens and state
24 operations, its visibility, and the consequences of doing nothing; (d)
25 the impact on agency and state-wide information infrastructure; and (e)
26 the impact of the proposed enhancements to an agency's information
27 technology capabilities on meeting service delivery demands.

28 (4) The agency shall produce a comprehensive management plan for
29 each project. The plan or plans shall address all factors critical to
30 successful completion of each project. The plan(s) shall include, but
31 is not limited to, the following elements: A description of the
32 problem or opportunity that the information technology project is
33 intended to address; a statement of project objectives and assumptions;
34 a definition and schedule of phases, tasks, and activities to be
35 accomplished; and the estimated cost of each phase. The planning for
36 the phased approach shall be such that the business case justification
37 for a project needs to demonstrate how the project recovers cost or
38 adds measurable value or positive cost benefit to the agency's business
39 functions within each development cycle.

1 (5) The agency shall produce quality assurance plans for
2 information technology projects. Consistent with the direction of the
3 information services board and the published policies and guidelines of
4 the department of information services, the quality assurance plan
5 shall address all factors critical to successful completion of the
6 project and successful integration with the agency and state
7 information technology infrastructure. At a minimum, quality assurance
8 plans shall provide time and budget benchmarks against which project
9 progress can be measured, a specification of quality assurance
10 responsibilities, and a statement of reporting requirements. The
11 quality assurance plans shall set out the functionality requirements
12 for each phase of a project.

13 (6) A copy of each feasibility study, project management plan, and
14 quality assurance plan shall be provided to the department of
15 information services, the office of financial management, and
16 legislative fiscal committees. The plans and studies shall demonstrate
17 a sound business case that justifies the investment of taxpayer funds
18 on any new project, an assessment of the impact of the proposed system
19 on the existing information technology infrastructure, the disciplined
20 use of preventative measures to mitigate risk, and the leveraging of
21 private-sector expertise as needed. Authority to expend any funds for
22 individual information systems projects is conditioned on the approval
23 of the relevant feasibility study, project management plan, and quality
24 assurance plan by the department of information services and the office
25 of financial management.

26 (7) Quality assurance status reports shall be submitted to the
27 department of information services, the office of financial management,
28 and legislative fiscal committees at intervals specified in the
29 project's quality assurance plan.

30 **Sec. 903.** 1997 c 149 s 905 (uncodified) is amended to read as
31 follows:

32 **STATUTORY APPROPRIATIONS.** In addition to the amounts appropriated
33 in this act for revenues for distribution, state contributions to the
34 law enforcement officers' and fire fighters' retirement system, and
35 bond retirement and interest including ongoing bond registration and
36 transfer charges, transfers, interest on registered warrants, and
37 certificates of indebtedness, there is also appropriated such further
38 amounts as may be required or available for these purposes under any

1 statutory formula or under chapters 39.94 and 39.96 RCW or any proper
2 bond covenant made under law.

3 **Sec. 904.** RCW 28B.15.910 and 1997 c 433 s 5 are each amended to
4 read as follows:

5 (1) Except for revenue waived under programs listed in subsection
6 (3) of this section, and unless otherwise expressly provided in the
7 omnibus state appropriations act, the total amount of operating fees
8 revenue waived, exempted, or reduced by a state university, a regional
9 university, The Evergreen State College, or the community colleges as
10 a whole, shall not exceed the percentage of total gross authorized
11 operating fees revenue set forth below. As used in this section,
12 "gross authorized operating fees revenue" means the estimated gross
13 operating fees revenue as estimated under RCW 82.33.020 or as revised
14 by the office of financial management, before granting any waivers.
15 This limitation applies to all tuition waiver programs established
16 before or after July 1, 1992.

17	(a) University of Washington	21 percent
18	(b) Washington State University	20 percent
19	(c) Eastern Washington University	11 percent
20	(d) Central Washington University	8 percent
21	(e) Western Washington University	10 percent
22	(f) The Evergreen State College	6 percent
23	(g) Community colleges as a whole	35 percent

24 (2) The limitations in subsection (1) of this section apply to
25 waivers, exemptions, or reductions in operating fees contained in the
26 following:

27 (a) RCW 28B.10.265;
28 (b) RCW 28B.15.014;
29 (c) RCW 28B.15.100;
30 (d) RCW 28B.15.225;
31 (e) RCW 28B.15.380;
32 (f) ~~((Ungraded courses under RCW 28B.15.502(4);~~
33 ~~(g)))~~ RCW 28B.15.520;
34 ~~((h)))~~ (g) RCW 28B.15.526;
35 ~~((i)))~~ (h) RCW 28B.15.527;
36 ~~((j)))~~ (i) RCW 28B.15.543;
37 ~~((k)))~~ (j) RCW 28B.15.545;
38 ~~((l)))~~ (k) RCW 28B.15.555;

1 (~~((m))~~) (l) RCW 28B.15.556;
2 (~~((n))~~) (m) RCW 28B.15.615;
3 (~~((o))~~) (n) RCW 28B.15.620;
4 (~~((p))~~) (o) RCW 28B.15.628;
5 (~~((q))~~) (p) RCW 28B.15.730;
6 (~~((r))~~) (q) RCW 28B.15.740;
7 (~~((s))~~) (r) RCW 28B.15.750;
8 (~~((t))~~) (s) RCW 28B.15.756;
9 (~~((u))~~) (t) RCW 28B.50.259;
10 (~~((v))~~) (u) RCW 28B.70.050; (~~and~~
11 ~~(w))~~) (v) RCW 28B.80.580; and
12 (w) During the 1997-99 fiscal biennium, the western interstate
13 commission for higher education undergraduate exchange program for
14 students attending Eastern Washington University.
15 (3) The limitations in subsection (1) of this section do not apply
16 to waivers, exemptions, or reductions in services and activities fees
17 contained in the following:
18 (a) RCW 28B.15.522;
19 (b) (~~((RCW 28B.15.535;~~
20 ~~(c))~~) RCW 28B.15.540; and
21 (~~((d))~~) (c) RCW 28B.15.558.

22 **Sec. 905.** RCW 70.105D.070 and 1997 c 406 s 5 are each amended to
23 read as follows:

24 (1) The state toxics control account and the local toxics control
25 account are hereby created in the state treasury.

26 (2) The following moneys shall be deposited into the state toxics
27 control account: (a) Those revenues which are raised by the tax
28 imposed under RCW 82.21.030 and which are attributable to that portion
29 of the rate equal to thirty-three one-hundredths of one percent; (b)
30 the costs of remedial actions recovered under this chapter or chapter
31 70.105A RCW; (c) penalties collected or recovered under this chapter;
32 and (d) any other money appropriated or transferred to the account by
33 the legislature. Moneys in the account may be used only to carry out
34 the purposes of this chapter, including but not limited to the
35 following activities:

36 (i) The state's responsibility for hazardous waste planning,
37 management, regulation, enforcement, technical assistance, and public
38 education required under chapter 70.105 RCW;

1 (ii) The state's responsibility for solid waste planning,
2 management, regulation, enforcement, technical assistance, and public
3 education required under chapter 70.95 RCW;

4 (iii) The hazardous waste cleanup program required under this
5 chapter;

6 (iv) State matching funds required under the federal cleanup law;

7 (v) Financial assistance for local programs in accordance with
8 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

9 (vi) State government programs for the safe reduction, recycling,
10 or disposal of hazardous wastes from households, small businesses, and
11 agriculture;

12 (vii) Hazardous materials emergency response training;

13 (viii) Water and environmental health protection and monitoring
14 programs;

15 (ix) Programs authorized under chapter 70.146 RCW;

16 (x) A public participation program, including regional citizen
17 advisory committees;

18 (xi) Public funding to assist potentially liable persons to pay for
19 the costs of remedial action in compliance with cleanup standards under
20 RCW 70.105D.030(2)(e) but only when the amount and terms of such
21 funding are established under a settlement agreement under RCW
22 70.105D.040(4) and when the director has found that the funding will
23 achieve both (A) a substantially more expeditious or enhanced cleanup
24 than would otherwise occur, and (B) the prevention or mitigation of
25 unfair economic hardship; and

26 (xii) Development and demonstration of alternative management
27 technologies designed to carry out the top two hazardous waste
28 management priorities of RCW 70.105.150.

29 (3) The following moneys shall be deposited into the local toxics
30 control account: Those revenues which are raised by the tax imposed
31 under RCW 82.21.030 and which are attributable to that portion of the
32 rate equal to thirty-seven one-hundredths of one percent.

33 (a) Moneys deposited in the local toxics control account shall be
34 used by the department for grants or loans to local governments for the
35 following purposes in descending order of priority: (i) Remedial
36 actions; (ii) hazardous waste plans and programs under chapter 70.105
37 RCW; and (iii) solid waste plans and programs under chapters 70.95,
38 70.95C, 70.95I, and 70.105 RCW. Funds for plans and programs shall be
39 allocated consistent with the priorities and matching requirements

1 established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During
2 the 1997-1999 fiscal biennium, moneys in the account may also be used
3 for the following activities: Conducting a study of whether dioxins
4 occur in fertilizers, soil amendments, and soils; reviewing
5 applications for registration of fertilizers; and conducting a study of
6 plant uptake of metals.

7 (b) Funds may also be appropriated to the department of health to
8 implement programs to reduce testing requirements under the federal
9 safe drinking water act for public water systems. The department of
10 health shall reimburse the account from fees assessed under RCW
11 70.119A.115 by June 30, 1995.

12 (4) Except for unanticipated receipts under RCW 43.79.260 through
13 43.79.282, moneys in the state and local toxics control accounts may be
14 spent only after appropriation by statute.

15 (5) One percent of the moneys deposited into the state and local
16 toxics control accounts shall be allocated only for public
17 participation grants to persons who may be adversely affected by a
18 release or threatened release of a hazardous substance and to not-for-
19 profit public interest organizations. The primary purpose of these
20 grants is to facilitate the participation by persons and organizations
21 in the investigation and remedying of releases or threatened releases
22 of hazardous substances and to implement the state's solid and
23 hazardous waste management priorities. No grant may exceed sixty
24 thousand dollars. Grants may be renewed annually. Moneys appropriated
25 for public participation from either account which are not expended at
26 the close of any biennium shall revert to the state toxics control
27 account.

28 (6) No moneys deposited into either the state or local toxics
29 control account may be used for solid waste incinerator feasibility
30 studies, construction, maintenance, or operation.

31 (7) The department shall adopt rules for grant or loan issuance and
32 performance.

33 ****NEW SECTION. Sec. 906. During the 1997-99 fiscal biennium, the***
34 ***lottery commission shall conduct at least two, but not more than four,***
35 ***scratch games with agricultural fair themes per year. These games are***
36 ***intended to generate additional moneys sufficient to cover the***
37 ***distributions under RCW 67.70.240(6).***

38 ****Sec. 906 was vetoed. See message at end of chapter.***

1 **Sec. 907. RCW 67.70.240 and 1997 c 220 s 206 are each amended to*
2 *read as follows:*

3 *The moneys in the state lottery account shall be used only:*

4 *(1) For the payment of prizes to the holders of winning lottery*
5 *tickets or shares;*

6 *(2) For purposes of making deposits into the reserve account*
7 *created by RCW 67.70.250 and into the lottery administrative account*
8 *created by RCW 67.70.260;*

9 *(3) For purposes of making deposits into the state's general fund;*

10 *(4) For distribution to a county for the purpose of paying the*
11 *principal and interest payments on bonds issued by the county to*
12 *construct a baseball stadium, as defined in RCW 82.14.0485, including*
13 *reasonably necessary preconstruction costs. Three million dollars*
14 *shall be distributed under this subsection during calendar year 1996.*
15 *During subsequent years, such distributions shall equal the prior*
16 *year's distributions increased by four percent. Distributions under*
17 *this subsection shall cease when the bonds issued for the construction*
18 *of the baseball stadium are retired, but not more than twenty years*
19 *after the tax under RCW 82.14.0485 is first imposed;*

20 *(5) For distribution to the stadium and exhibition center account,*
21 *created in RCW 43.99N.060. Subject to the conditions of RCW*
22 *43.99N.070, six million dollars shall be distributed under this*
23 *subsection during the calendar year 1998. During subsequent years,*
24 *such distribution shall equal the prior year's distributions increased*
25 *by four percent. No distribution may be made under this subsection*
26 *after December 31, 1999, unless the conditions for issuance of the*
27 *bonds under RCW 43.99N.020(2) are met. Distributions under this*
28 *subsection shall cease when the bonds are retired, but not later than*
29 *December 31, 2020;*

30 *(6) For distribution to the fair fund, created in chapter 15.76*
31 *RCW. Five hundred sixty-five thousand dollars shall be distributed*
32 *under this subsection during the remainder of fiscal year 1998. Two*
33 *million dollars shall be distributed under this subsection during*
34 *fiscal year 1999.*

35 *(7) For the purchase and promotion of lottery games and game-*
36 *related services; and*

37 *((7)) (8) For the payment of agent compensation.*

38 *The office of financial management shall require the allotment of*
39 *all expenses paid from the account and shall report to the ways and*

1 *means committees of the senate and house of representatives any changes*
2 *in the allotments.*

3 *Sec. 907 was vetoed. See message at end of chapter.

4 ***NEW SECTION.** *Sec. 908. If Engrossed Second Substitute Senate*
5 *Bill No. 6562 is not enacted by June 30, 1998, sections 906 and 907 of*
6 *this act are null and void.*

7 *Sec. 908 was vetoed. See message at end of chapter.

8 **Sec. 909.** RCW 69.50.520 and 1997 c 451 s 2 and 1997 c 338 s 69 are
9 each reenacted and amended to read as follows:

10 The violence reduction and drug enforcement account is created in
11 the state treasury. All designated receipts from RCW 9.41.110(8),
12 66.24.210(4), 66.24.290(2), 69.50.505(h)(1), 82.08.150(5),
13 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
14 shall be deposited into the account. Expenditures from the account may
15 be used only for funding services and programs under chapter 271, Laws
16 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
17 incarceration costs. Funds from the account may also be appropriated
18 to reimburse local governments for costs associated with implementing
19 criminal justice legislation including chapter 338, Laws of 1997.
20 During the 1997-1999 biennium, funds from the account may also be used
21 for costs associated with conducting a feasibility study of the
22 department of corrections' offender-based tracking system, providing
23 grants to local governments in accordance with chapter 338, Laws of
24 1997, and for multijurisdictional narcotics task forces. After July 1,
25 1999, at least seven and one-half percent of expenditures from the
26 account shall be used for providing grants to community networks under
27 chapter 70.190 RCW by the family policy council.

28 **Sec. 910.** RCW 43.88.030 and 1997 c 168 s 5 and 1997 c 96 s 4 are
29 each reenacted and amended to read as follows:

30 (1) The director of financial management shall provide all agencies
31 with a complete set of instructions for submitting biennial budget
32 requests to the director at least three months before agency budget
33 documents are due into the office of financial management. The
34 director shall provide agencies that are required under RCW 44.40.070
35 to develop comprehensive six-year program and financial plans with a
36 complete set of instructions for submitting these program and financial
37 plans at the same time that instructions for submitting other budget

1 requests are provided. The budget document or documents shall consist
2 of the governor's budget message which shall be explanatory of the
3 budget and shall contain an outline of the proposed financial policies
4 of the state for the ensuing fiscal period, as well as an outline of
5 the proposed six-year financial policies where applicable, and shall
6 describe in connection therewith the important features of the budget.
7 The message shall set forth the reasons for salient changes from the
8 previous fiscal period in expenditure and revenue items and shall
9 explain any major changes in financial policy. Attached to the budget
10 message shall be such supporting schedules, exhibits and other
11 explanatory material in respect to both current operations and capital
12 improvements as the governor shall deem to be useful to the
13 legislature. The budget document or documents shall set forth a
14 proposal for expenditures in the ensuing fiscal period, or six-year
15 period where applicable, based upon the estimated revenues and
16 caseloads as approved by the economic and revenue forecast council and
17 caseload forecast council or upon the estimated revenues and caseloads
18 of the office of financial management for those funds, accounts,
19 sources, and programs for which the forecast councils do not prepare an
20 official forecast, including those revenues anticipated to support the
21 six-year programs and financial plans under RCW 44.40.070. In
22 estimating revenues to support financial plans under RCW 44.40.070, the
23 office of financial management shall rely on information and advice
24 from the interagency revenue task force. Revenues shall be estimated
25 for such fiscal period from the source and at the rates existing by law
26 at the time of submission of the budget document, including the
27 supplemental budgets submitted in the even-numbered years of a
28 biennium. However, the estimated revenues and caseloads for use in the
29 governor's budget document may be adjusted to reflect budgetary revenue
30 transfers and revenue and caseload estimates dependent upon budgetary
31 assumptions of enrollments, workloads, and caseloads. All adjustments
32 to the approved estimated revenues and caseloads must be set forth in
33 the budget document. The governor may additionally submit, as an
34 appendix to each supplemental, biennial, or six-year agency budget or
35 to the budget document or documents, a proposal for expenditures in the
36 ensuing fiscal period from revenue sources derived from proposed
37 changes in existing statutes.

38 Supplemental and biennial documents shall reflect a six-year
39 expenditure plan consistent with estimated revenues from existing

1 sources and at existing rates for those agencies required to submit
2 six-year program and financial plans under RCW 44.40.070. Any
3 additional revenue resulting from proposed changes to existing statutes
4 shall be separately identified within the document as well as related
5 expenditures for the six-year period.

6 The budget document or documents shall also contain:

7 (a) Revenues classified by fund and source for the immediately past
8 fiscal period, those received or anticipated for the current fiscal
9 period, those anticipated for the ensuing biennium, and those
10 anticipated for the ensuing six-year period to support the six-year
11 programs and financial plans required under RCW 44.40.070;

12 (b) The undesignated fund balance or deficit, by fund;

13 (c) Such additional information dealing with expenditures,
14 revenues, workload, performance, and personnel as the legislature may
15 direct by law or concurrent resolution;

16 (d) Such additional information dealing with revenues and
17 expenditures as the governor shall deem pertinent and useful to the
18 legislature;

19 (e) Tabulations showing expenditures classified by fund, function,
20 activity, and ~~((object))~~ agency;

21 (f) A delineation of each agency's activities, including those
22 activities funded from nonbudgeted, nonappropriated sources, including
23 funds maintained outside the state treasury;

24 (g) Identification of all proposed direct expenditures to implement
25 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
26 agency and in total; and

27 (h) Tabulations showing each postretirement adjustment by
28 retirement system established after fiscal year 1991, to include, but
29 not be limited to, estimated total payments made to the end of the
30 previous biennial period, estimated payments for the present biennium,
31 and estimated payments for the ensuing biennium.

32 (2) The budget document or documents shall include detailed
33 estimates of all anticipated revenues applicable to proposed operating
34 or capital expenditures and shall also include all proposed operating
35 or capital expenditures. The total of beginning undesignated fund
36 balance and estimated revenues less working capital and other reserves
37 shall equal or exceed the total of proposed applicable expenditures.
38 The budget document or documents shall further include:

1 (a) Interest, amortization and redemption charges on the state
2 debt;

3 (b) Payments of all reliefs, judgments and claims;

4 (c) Other statutory expenditures;

5 (d) Expenditures incident to the operation for each agency;

6 (e) Revenues derived from agency operations;

7 (f) Expenditures and revenues shall be given in comparative form
8 showing those incurred or received for the immediately past fiscal
9 period and those anticipated for the current biennium and next ensuing
10 biennium, as well as those required to support the six-year programs
11 and financial plans required under RCW 44.40.070;

12 (g) A showing and explanation of amounts of general fund and other
13 funds obligations for debt service and any transfers of moneys that
14 otherwise would have been available for appropriation;

15 (h) Common school expenditures on a fiscal-year basis;

16 (i) A showing, by agency, of the value and purpose of financing
17 contracts for the lease/purchase or acquisition of personal or real
18 property for the current and ensuing fiscal periods; and

19 (j) A showing and explanation of anticipated amounts of general
20 fund and other funds required to amortize the unfunded actuarial
21 accrued liability of the retirement system specified under chapter
22 41.45 RCW, and the contributions to meet such amortization, stated in
23 total dollars and as a level percentage of total compensation.

24 (3) A separate capital budget document or schedule shall be
25 submitted that will contain the following:

26 (a) A statement setting forth a long-range facilities plan for the
27 state that identifies and includes the highest priority needs within
28 affordable spending levels;

29 (b) A capital program consisting of proposed capital projects for
30 the next biennium and the two biennia succeeding the next biennium
31 consistent with the long-range facilities plan. Insomuch as is
32 practical, and recognizing emergent needs, the capital program shall
33 reflect the priorities, projects, and spending levels proposed in
34 previously submitted capital budget documents in order to provide a
35 reliable long-range planning tool for the legislature and state
36 agencies;

37 (c) A capital plan consisting of proposed capital spending for at
38 least four biennia succeeding the next biennium;

1 (d) A strategic plan for reducing backlogs of maintenance and
2 repair projects. The plan shall include a prioritized list of specific
3 facility deficiencies and capital projects to address the deficiencies
4 for each agency, cost estimates for each project, a schedule for
5 completing projects over a reasonable period of time, and
6 identification of normal maintenance activities to reduce future
7 backlogs;

8 (e) A statement of the reason or purpose for a project;

9 (f) Verification that a project is consistent with the provisions
10 set forth in chapter 36.70A RCW;

11 (g) A statement about the proposed site, size, and estimated life
12 of the project, if applicable;

13 (h) Estimated total project cost;

14 (i) For major projects valued over five million dollars, estimated
15 costs for the following project components: Acquisition, consultant
16 services, construction, equipment, project management, and other costs
17 included as part of the project. Project component costs shall be
18 displayed in a standard format defined by the office of financial
19 management to allow comparisons between projects;

20 (j) Estimated total project cost for each phase of the project as
21 defined by the office of financial management;

22 (k) Estimated ensuing biennium costs;

23 (l) Estimated costs beyond the ensuing biennium;

24 (m) Estimated construction start and completion dates;

25 (n) Source and type of funds proposed;

26 (o) Estimated ongoing operating budget costs or savings resulting
27 from the project, including staffing and maintenance costs;

28 (p) For any capital appropriation requested for a state agency for
29 the acquisition of land or the capital improvement of land in which the
30 primary purpose of the acquisition or improvement is recreation or
31 wildlife habitat conservation, the capital budget document, or an
32 omnibus list of recreation and habitat acquisitions provided with the
33 governor's budget document, shall identify the projected costs of
34 operation and maintenance for at least the two biennia succeeding the
35 next biennium. Omnibus lists of habitat and recreation land
36 acquisitions shall include individual project cost estimates for
37 operation and maintenance as well as a total for all state projects
38 included in the list. The document shall identify the source of funds

1 from which the operation and maintenance costs are proposed to be
2 funded;

3 (q) Such other information bearing upon capital projects as the
4 governor deems to be useful;

5 (r) Standard terms, including a standard and uniform definition of
6 normal maintenance, for all capital projects;

7 (s) Such other information as the legislature may direct by law or
8 concurrent resolution.

9 For purposes of this subsection (3), the term "capital project"
10 shall be defined subsequent to the analysis, findings, and
11 recommendations of a joint committee comprised of representatives from
12 the house capital appropriations committee, senate ways and means
13 committee, legislative transportation committee, legislative evaluation
14 and accountability program committee, and office of financial
15 management.

16 (4) No change affecting the comparability of agency or program
17 information relating to expenditures, revenues, workload, performance
18 and personnel shall be made in the format of any budget document or
19 report presented to the legislature under this section or RCW
20 43.88.160(1) relative to the format of the budget document or report
21 which was presented to the previous regular session of the legislature
22 during an odd-numbered year without prior legislative concurrence.
23 Prior legislative concurrence shall consist of (a) a favorable majority
24 vote on the proposal by the standing committees on ways and means of
25 both houses if the legislature is in session or (b) a favorable
26 majority vote on the proposal by members of the legislative evaluation
27 and accountability program committee if the legislature is not in
28 session.

29 NEW SECTION. **Sec. 911.** Sections 27, 50, and 57, chapter . . .
30 (Second Substitute Senate Bill No. 6214), Laws of 1998 are each
31 repealed.

32 NEW SECTION. **Sec. 912.** This act shall not be construed as
33 affecting any right or cause of action asserted in *Washington State*
34 *Legislature v. State of Washington* (Thurston county superior court
35 cause no. 98-2-00105-1).

NEW SECTION. **Sec. 913.** A new section is added to 1997 c 149 (uncodified) to read as follows:

Amounts provided in this act are sufficient to implement Engrossed Senate Bill No. 6325 (ferry vessels authorized). If the bill is not enacted by June 30, 1998, this section is null and void.

Sec. 914. 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.

Sec. 915. 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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Passed the Senate March 11, 1998.

Passed the House March 11, 1998.

Approved by the Governor April 3, 1998, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State April 3, 1998.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to sections 115(5); 117(18); 120; 122(6); 124(3); 124(4); 125; 204(3)(b); 205(1)(f); 205(1)(k); 207(9); 211(5); 215(2); 217(11); 219(28); 222(3); 222(8); 222(9); 302(18); 302(19); 302(20); 303(4); 303(5); 307(34); 308, page 112, lines 4-5; 308(10); 308(11); 309(6); 309(7); 906; 907; 908; Engrossed Substitute Senate Bill No. 6108 entitled:

"AN ACT Relating to fiscal matters;"

Section 125, Page 32 (For the Horse Racing Commission)

The proviso in section 125 directs the Horse Racing Commission to conduct a study with the Gambling Commission on the impact to the race tracks and the horse racing and breeding industry of allowing gambling at race tracks. This proviso does not provide the direction or the funds that are needed to ensure that all affected interests, including the tribes, will come together to perform a thorough study of a very complex issue.

Section 204(3)(b), Pages 50-51 (For the Department of Social and Health Services, Mental Health Program«Special Commitment Center)

Section 204(3)(b) requires the Department to develop a staffing model for the Special Commitment Center by October 1, 1998. I am vetoing this proviso because the October 1998 deadline does not provide adequate time to develop a proper staffing model after the scheduled relocation of the Special Commitment Center from Monroe to McNeil Island in April 1998. I am, however, directing the Department to submit an interim report on staffing by October 1, 1998, to be followed up with a comprehensive staffing model that will be completed in time for budget development for the 1999-01 Biennium.

Section 205(1)(f), Page 54 (For the Department of Social and Health Services, Developmental Disabilities Program«Number of Developmentally Disabled Clients Served)

Section 205(1)(f) directs that the Department shall not reduce the number of persons served in community residential, employment and day programs, or family support below levels identified in the 1997 Legislative Budget Notes in order to undertake activities proposed by the Department but not funded in the supplemental appropriations act. Because the Legislature did not fully fund the costs of maintaining current service levels in community programs, this proviso could have required reductions in current services to families and disabled individuals. This proviso unduly restricts the ability of the secretary to manage the division's programs. In addition, I do not support attempts to enact Legislative Budget Notes into law through reference in a proviso. For these reasons I am vetoing this section. I am, however, directing that the Department shall make all efforts not to reduce the number of persons being served in these three programs below their current levels.

Section 205(1)(k), Page 55 (For the Department of Social and Health Services, Developmental Disabilities Program«Autism Pilot Program)

1 Section 205(1)(k) requires the Department to contract for a pilot
2 program to test an alternative delivery model for services to persons
3 with autism. I am vetoing this section for the reason that no funding
4 was provided in the supplemental appropriations act for this
5 requirement.

6 **Section 207(9), Page 63 (For the Department of Social and Health**
7 **Services, Economic Services Program«TANF Funding For Local Nonprofit**
8 **Agencies)**

9 This subsection earmarks \$5 million in federal Temporary Assistance
10 to Needy Families (TANF) block funding to provide grants to community
11 action agencies and other local nonprofit organizations. As welfare
12 caseloads decline, it will be necessary to reinvest a portion of our
13 budgetary savings into community-based programs « similar in purpose to
14 those described in this subsection « for WorkFirst participants who
15 need intensive assistance in order to get and keep a job. It is,
16 however, too early in the implementation of WorkFirst to earmark a set
17 amount of funding for the specific purposes identified in this
18 subsection. For this reason, I am vetoing this subsection.

19 **Section 222(3), Page 90 (For the Employment Security Department« Job**
20 **Placement Levels)**

21 Section 222(3) requires the Department to maintain the current
22 level of job placement services at all 32 community and technical
23 college location sites through the remainder of the 1997-99 Biennium.
24 Because the Legislature did not provide resources to maintain this
25 activity, it would be impossible for the Department to continue the
26 current level of service. Therefore, I am vetoing section 222(3);
27 however, I am directing the Employment Security Department to
28 coordinate with the State Board for Community and Technical Colleges to
29 ensure the greatest level of service possible is provided.

30 **Section 222(8), Page 91 (For the Employment Security**
31 **Department«Additional Tax Information)**

32 Section 222(8) requires the Department to disclose additional tax
33 information on the 1999 employer tax rate notice. While I support the
34 disclosure of tax related information, this section requires
35 information that could mislead employers about the relationship between
36 the taxes they had paid and the benefits their former employees had
37 received. In addition, tax rates are calculated on a fiscal year
38 basis, while this subsection requires information be provided for a
39 calendar year. It is impossible for the Department to correlate the
40 fiscal year tax rate calculation with the calendar year information.
41 For these reasons, I am vetoing this subsection and directing the
42 Employment Security Department to conduct a study, in consultation with
43 all interested parties, on how to improve the disclosure of information
44 on the employer rate notice.

45 **Section 222(9), Pages 91-92 (For the Employment Security**
46 **Department«Federal Waiver For Welfare-To-Work Grant Program)**

47 As a condition for receiving \$20,157,000 in federal funding,
48 Section 222(9) requires the Governor to successfully obtain an approved
49 federal waiver for use of an alternative agency or agents to administer
50 the welfare-to-work grants. I am vetoing this subsection because I do
51 not want the success of an important program to depend on the success

1 of obtaining a federal waiver; however, I have directed the Employment
2 Security Department to pursue a federal waiver as required by the
3 Legislature.

4 **Section 302(18), Page 98 (For the Department of Ecology«Coastal**
5 **Erosion Project Grants)**

6 I am deeply concerned for people whose homes and businesses are
7 threatened by erosion along our state's coastline. As a result, I am
8 signing provisions which provide \$275,000 in the operating budget and
9 \$150,000 in the capital budget for coastal erosion projects in Ocean
10 Shores. However, the Legislature has redirected \$250,000 of funds
11 previously committed to the Department of Ecology for a long-term
12 coastal erosion study to the Department of Community, Trade, and
13 Economic Development (CTED) for new coastal erosion project grants.
14 The Coastal Erosion Study begun by the Department of Ecology and the
15 U.S. Geological Survey in 1996 is already providing sound information
16 for decision making and will continue to provide important information
17 over the next three years. This redirection of funds would seriously
18 compromise this effort. The study is critical to the state, as well as
19 local communities, to make decisions based upon sound science and good
20 information. Therefore I am vetoing this subsection.

21 Although I am vetoing this subsection, I am directing CTED to
22 immediately begin designing a collaborative process, involving all
23 appropriate interests, to develop short- and long-term policy
24 recommendations on coastal erosion. These recommendations will be
25 based on sound economic and environmental principles, as well as solid
26 scientific research and information. Because I believe the people who
27 will be most directly affected by the outcome should have a say in the
28 process, CTED is to include representatives from communities
29 experiencing coastal erosion, state agencies with mandates to protect
30 coastal resources, and other affected stakeholders.

31 **Section 302(19), Pages 98-99 (For the Department of Ecology«Rural**
32 **Economic Development Project Assistance To Businesses)**

33 This subsection requires the Department of Ecology (DOE) to
34 expedite its assistance to businesses seeking permitting and technical
35 help, and to give top priority to projects in rural counties which have
36 initiated coordinated permit processing through DOE's Permit Assistance
37 Center. To date, only one project has met these conditions. Although
38 I strongly support efforts to promote business development in rural
39 areas, it is unfair to give one potential project preference over all
40 others in rural communities throughout the state.

41 **Section 302(20), Page 99 (For the Department of Ecology«Lake**
42 **Steilacoom Scientific Review Contract)**

43 This subsection requires the Department of Ecology to contract with
44 a panel selected by the Society of Environmental Toxicology and
45 Chemistry for a scientific review of various permits and studies
46 related to efforts to control aquatic weeds in Lake Steilacoom. The
47 Legislature failed to provide any funding for this study, which is
48 estimated to cost \$150,000 to \$200,000. In addition, a review of DOE
49 permits related to Lake Steilacoom would have very little benefit
50 because such a review would not have any legal standing and would be
51 after the allowable time limit for appeals has expired.

Section 308, Page 112, Lines 4-5 and Section 308(10) Page 113 (For the Department of Natural Resources« Mobile Radio Replacement)

To comply with Federal Communication Commission requirements, the Department of Natural Resources needs to replace the mobile radio system it now uses for communications while fighting wildfires, an activity funded by the state General Fund. The appropriation in this section, however, is from the Natural Resources Equipment Account, a revolving fund at the Department for ongoing maintenance and replacement of equipment primarily used in the management of public lands held in trust for a variety of beneficiaries, including public schools. Revenues from trust lands, other than those necessary to manage the lands, must be distributed to the trust beneficiaries in accordance with constitutional requirements. Since there is only a nominal fund balance in the Natural Resources Equipment Account attributable to the fire program, the effect of this appropriation would be to inappropriately use revenues generated from trust lands to subsidize fire fighting activities. Therefore, I have vetoed this appropriation and proviso. I will work with the Department to explore alternative options for both the short- and long-term replacement of mobile radio equipment.

Sections 906, 907, and 908, Pages 204-206 (Agricultural Fair Theme Games and Lottery Distribution to the Fair Fund)

Section 906, 907 and 908 seek to replace pari-mutuel tax revenues that support the State Fair Fund and the State Trade Fair Fund with lottery proceeds. Section 906 requires the Washington State Lottery to conduct two to four games with agricultural themes per year in the 1997-99 Biennium. The Washington State Lottery will be unable to meet this obligation for Fiscal Year 1998 due to the length of time required to develop the agricultural theme scratch games. Section 907 distributes lottery proceeds to the State Fair Fund. Lottery proceeds support the General Fund and this proposal could potentially lower the expenditure limit under Initiative 601 if the new games did not increase total lottery revenues. For these reasons, I am vetoing Sections 906, 907, and 908 of the appropriations act to eliminate the possibility of lowering the Initiative 601 expenditure limit and to eliminate confusion regarding conducting agricultural fair theme scratch games by the Washington State Lottery.

I am vetoing the following sections in the operating appropriations bill because the language in each relates to bills that did not pass the Legislature.

Section 115(5), Page 16 (For the Attorney General«Regulating Travel Sales)

This subsection stipulates that if Engrossed Substitute House Bill 2027 is not enacted, the subsection is null and void. Engrossed Substitute House Bill 2027 was not passed by the Legislature, therefore, I have vetoed Section 115(5) of the appropriations act to eliminate confusion regarding the conditions and limitations for the Attorney General.

Section 120, Page 27 (For the Washington State Lottery Commission« Implementation of EHB 3120)

1 Subsection 3 stipulates that if Engrossed House Bill 3120 is not
2 enacted, subsections 1 and 2 are null and void. Engrossed House Bill
3 3120 was not passed by the Legislature; therefore, I have vetoed
4 Section 120 of the appropriations act to eliminate confusion regarding
5 the conditions and limitations for the Washington State Lottery.

6 The following sections are vetoed in the appropriations bill
7 because of provisions or vetoes in other bills:

8 Section 124(4), Page 32 (For the Insurance Commissioner« ESHB 2439,
9 Bicycle Safety)

10 This subsection allocates \$100,000 from the Insurance Commissioners
11 Regulatory Account to the Traffic Safety Commission to implement the
12 Cooper Jones Act (Engrossed Substitute House Bill 2439). The bill that
13 passed the Legislature, which I signed, has the authority to expend
14 \$100,000 from the Bicycle and Pedestrian Safety Account. Therefore
15 this appropriation from the Insurance Commissioners Regulatory Account
16 is not needed. For these reasons I am vetoing this subsection.

17 Section 303(4), Page 101 (For the Department of Ecology« ESSB 5703,
18 Water Right Beneficial Use)

19 ESSB 5703 allows the interim use of water without authorization (a
20 water right) until either the court grants a water right or DOE grants
21 a water right based on completion of a watershed plan where a planning
22 effort is underway. Allowing the use of this water is unfair to those
23 who have forgone the use of water by following the normal process for
24 obtaining a water right. Because I have vetoed this bill, I have also
25 vetoed this section to avoid confusion.

26 Section 117(18), Page 22 (For the Department of Community, Trade,
27 and Economic Development); Section 122(6), Page 30 (For the Department
28 of Revenue); Section 124(3), Page 32 (For the Insurance Commissioner);
29 Section 211(5), Pages 68 and 69 (For Department of Social and Health
30 Services, Administration and Supporting Services Program); Section
31 215(2), Page 73 (For the Human Rights Commission); Section 217(11),
32 Page 78 (For the Department of Labor and Industries); Section 219(28),
33 Pages 84 and 85 (For the Department of Health); Section 303(5), Page
34 101 (For the Department of Ecology); Section 307(34), Page 111 (For the
35 Department of Fish and Wildlife); Section 308(11), Page 113 (For the
36 Department of Natural Resources); Section 309(6), Page 115 (For the
37 Department of Agriculture)« E2SHB 2345, Regulatory Reform

38 These subsections stipulate that the funding provided to implement
39 Engrossed Second Substitute House Bill 2345, Regulatory Reform, will
40 lapse if sections 1, 3, 4, 10, 11, and 12 are not enacted. I have
41 vetoed these sections of Engrossed Second Substitute House Bill 2345
42 because I do not believe that these provisions are in the best interest
43 of the state. Therefore, I have also vetoed these sections of the
44 appropriations act to eliminate confusion regarding the expenditure
45 authority for these agencies.

46 Section 309(7) Page 115 (For the Department of Agriculture« ESSB
47 6204 Livestock Identification)

1 This subsection stipulates that the funding provided to implement
2 sections 2 and 98 of Engrossed Substitute Senate Bill 6204 shall lapse
3 if these sections of the bill are not enacted. I have vetoed these
4 sections of Engrossed Substitute Senate Bill 6204, and most other
5 sections of the bill, because they do not address programmatic and
6 financial issues pertaining to the livestock identification program in
7 an effective and fiscally responsible manner. Therefore, I have also
8 vetoed Section 309(7) of the appropriations act to eliminate confusion
9 regarding the appropriation authority of the Department of Agriculture.

10 Other Comments

11 Section 301(2) for the Columbia River Gorge Commission requires
12 Clark County to direct \$30,000 each year from its grants for
13 implementing the Scenic Area Management Plan to Skamania County to
14 cover the county's cost of implementing this same plan. Although I am
15 not vetoing this section, I continue to be troubled by the
16 Legislature's decision not to provide adequate funding for both the
17 Gorge Commission and the counties within the National Scenic Area. The
18 current budget is still \$85,000 a year below what the county has
19 identified as its costs to implement the Scenic Area Act. The
20 Legislature also failed to provide adequate funding for the Gorge
21 Commission itself. As we develop the budgets for next biennium, it is
22 important to understand that the Scenic Area Act cannot be successful
23 without stable and adequate funding.

24 Section 304(7) for the State Parks and Recreation Commission
25 requires that the Snowmobile Account and the Winter Recreation Program
26 Account provide funds to support the Northwest Avalanche Center (NWAC).
27 The NWAC provides important weather and avalanche forecasts that
28 benefit back country users, search and rescue personnel, counties, ski
29 patrols, the state Department of Transportation (WSDOT), and the
30 Washington State Patrol, as well as snowmobilers and winter
31 recreationalists. Although I have not vetoed this section, I do not
32 support the decision by the Legislature to appropriate \$40,000 from
33 these accounts for the operation of the NWAC. These programs have
34 already voluntarily contributed \$11,000 to the NWAC. This higher level
35 of funding is disproportionate to the benefit derived by the winter
36 recreationalists whose user fees would be diverted from direct program
37 services to the NWAC. Furthermore, these user fees are collected
38 statewide, while the NWAC only provides services in the Cascades and
39 Olympics. As a result, I anticipate seeking future General Fund-State
40 support to reimburse these dedicated funds. I also urge the NWAC, user
41 groups, State Parks, and WSDOT, to continue to work with the Office of
42 Financial Management and the Legislature to find alternative long term
43 funding sources for the NWAC.

44 With the exception of sections 115(5); 117(18); 120; 122(6);
45 124(3); 124(4); 125; 204(3)(b); 205(1)(f); 205(1)(k); 207(9); 211(5);
46 215(2); 217(11); 219(28); 222(3); 222(8); 222(9); 302(18); 302(19);
47 302(20); 303(4); 303(5); 307(34); 308, page 112, lines 4-5; 308(10);
48 308(11); 309(6); 309(7); 906; 907; 908; Engrossed Substitute Senate
49 Bill No. 6108 is approved."