

ESHB 2459 - S COMM AMD
By Committee on Ways & Means

ADOPTED 03/11/2004

1 Strike everything after the enacting clause and insert the
2 following:

3 "PART I
4 GENERAL GOVERNMENT

5 **Sec. 101.** 2003 1st sp.s. c 25 s 101 (uncodified) is amended to
6 read as follows:

7 **FOR THE HOUSE OF REPRESENTATIVES**

8	General Fund--State Appropriation (FY 2004)	\$28,109,000
9	General Fund--State Appropriation (FY 2005)	((\$28,233,000))
10		<u>\$28,308,000</u>
11	Department of Retirement Systems Expense Account--	
12	State Appropriation	\$45,000
13	TOTAL APPROPRIATION	((\$56,387,000))
14		<u>\$56,462,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations: \$25,000 of the general fund--state
17 appropriation is provided for allocation to Project Citizen, a program
18 of the national conference of state legislatures to promote student
19 civic involvement.

20 **Sec. 102.** 2003 1st sp.s. c 25 s 102 (uncodified) is amended to
21 read as follows:

22 **FOR THE SENATE**

23	General Fund--State Appropriation (FY 2004)	\$22,001,000
24	General Fund--State Appropriation (FY 2005)	((\$23,173,000))
25		<u>\$23,248,000</u>
26	Department of Retirement Systems Expense Account--	
27	State Appropriation	\$45,000
28	TOTAL APPROPRIATION	((\$45,219,000))
29		<u>\$45,294,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations: \$25,000 of the general fund--state
3 appropriation is provided for allocation to Project Citizen, a program
4 of the national conference of state legislatures to promote student
5 civic involvement.

6 **Sec. 103.** 2003 1st sp.s. c 25 s 103 (uncodified) is amended to
7 read as follows:

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

9	General Fund--State Appropriation (FY 2004)	\$1,627,000
10	General Fund--State Appropriation (FY 2005)	((\$1,717,000))
11		<u>\$2,242,000</u>
12	TOTAL APPROPRIATION	((\$3,344,000))
13		<u>\$3,869,000</u>

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

16 (1) \$150,000 of the state general fund appropriation for fiscal
17 year 2005 is provided for a performance audit of the policies and
18 practices of the state wildfire suppression program. Annual fire
19 suppression costs averaged \$11,000,000 for the ten years ending with
20 fiscal year 2001, yet have increased to an average of \$31,000,000 per
21 year for fiscal years 2002, 2003, and 2004. The legislature realizes
22 that overall forest health issues may contribute to some of this
23 increase, but the legislature intends to evaluate the full range of
24 causes for such large increases in fire suppression costs. The
25 performance audit shall include, but not be limited to:

26 (a) A review of how current fire suppression practices comply with
27 the policies and intent of chapter 76.04 RCW;

28 (b) An examination of the factors that are contributing to the
29 recent increase in the cost of fire suppression. The examination shall
30 include a review of changes in the use of high-cost equipment and
31 services; changes in the level of reimbursement for contractors and
32 employees; changes in the use of permanent agency employees for fire
33 suppression compared to the use of temporary employees, inmate labor,
34 and contractors; and changes in other significant costs. The
35 examination shall include an analysis of how the respective
36 responsibilities of various state agencies, local fire districts, and
37 federal agencies are used to determine cost allocation among the
38 responsible agencies;

1 (c) An examination of how the department of natural resources
2 determines the proportion of fire suppression costs charged to private
3 parties and the landowners contingency account; and

4 (d) Any findings and recommendations from the state auditor's
5 office related to fire suppression costs.

6 A final report of the performance audit shall be provided to the
7 appropriate fiscal and policy committees of the legislature by June 30,
8 2005.

9 (2) \$50,000 of the general fund--state appropriation for fiscal
10 year 2005 is provided solely for a study of state and national trends
11 for prevalence of developmental disabilities including autism, mental
12 retardation, cerebral palsy, and other major developmental
13 disabilities. The study shall include but not be limited to a review
14 of:

15 (a) Epidemiological studies on the causes of developmental
16 disabilities;

17 (b) On-going population-based surveillance being conducted in other
18 states;

19 (c) Genetic and environmental factors that may be contributing to
20 an increase in developmental disabilities; and

21 (d) Data sources specific to Washington state.

22 A report shall be submitted to the appropriate committees of the
23 legislature by December 1, 2004.

24 (3) \$25,000 of the general fund--state appropriation for fiscal
25 year 2005 is provided solely for a study of the distribution of
26 gambling revenues in Washington and other states. The study shall
27 include, but not necessarily be limited to, a survey of the types of
28 gambling allowed by state, local, and tribal governments; the types of
29 revenues from gambling, such as fees, taxation, and revenue sharing;
30 and the distribution to state, local, and tribal governments of those
31 revenues. The committee shall report the study findings to the
32 appropriate policy and fiscal committees of the legislature no later
33 than December 1, 2004.

34 (4) \$25,000 of the fiscal year 2005 general fund--state
35 appropriation is provided solely for a study evaluating the state's
36 current rules related to the licensing and testing requirements for
37 heating, ventilation and air conditioning contractors and installers.
38 The study shall develop recommendations for modifications in licensing
39 and testing requirements.

1 (5) \$100,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely for the joint legislative audit and review
3 committee and the state auditor's office to conduct a legal and
4 financial review of alternative learning experience programs under WAC
5 392-121-182. The joint legislative audit and review committee shall be
6 the lead agency in conducting the review. Prior to undertaking this
7 review, the joint legislative audit and review committee and the state
8 auditor's office shall develop a mutually acceptable work plan for
9 conducting the review, detailing the roles and responsibilities of the
10 two agencies and the topics to be covered in the review. The topics
11 should include, but not be limited to: (a) Numbers of students served,
12 variations in program types, and funding patterns for alternative
13 learning experience programs, including digital curriculum and online
14 courses; (b) the adequacy of current rules, regulations, and procedures
15 to safeguard against the misuse of public resources based on any
16 deficiencies identified in the state auditor's audit of alternative
17 learning experience programs due to be completed in May 2004; (c)
18 identification of policy and administrative options to address and
19 correct such identified deficiencies; and (d) the potential fiscal
20 impacts of any proposed options for changes to alternative learning
21 experience programs. The staff of the joint legislative audit and
22 review committee shall work with fiscal staff of the senate, the house
23 of representatives, and the office of financial management in
24 identifying these potential fiscal impacts. The joint legislative
25 audit and review committee shall provide an interim report by February
26 1, 2005, and a final report by July 1, 2005, of its findings and
27 recommendations to the appropriate policy and fiscal committees of the
28 legislature. School districts are authorized to operate digital
29 learning curriculum and/or online courses of study under current
30 district procedures and practices until June 30, 2005.

31 (6) \$25,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely to study current and potential methods of
33 bidding and purchasing school buses for home-to-school transportation.
34 The purpose of the study is to recommend methods and systems for
35 obtaining competitive prices for state reimbursement purposes and for
36 district purchasing purposes while at the same time allowing local
37 school district control over decisions concerning the management of
38 pupil transportation systems and the make-up of bus fleets. The study
39 shall examine bidding and purchasing methods and procedures used in

1 other states and compare the results of those methods with the results
2 of current and past methods employed by the office of the
3 superintendent of public instruction, purchasing organizations, and
4 school districts in this state. A preliminary report, including
5 recommendations, shall be available by December 2004.

6 (7) \$150,000 of the general fund--state appropriation for fiscal
7 year 2005 is provided solely to implement Third Engrossed Substitute
8 House Bill No. 1053 (government accountability). If the bill is not
9 enacted by June 30, 2004, the amount provided in this subsection shall
10 lapse.

11 **Sec. 104.** 2003 1st sp.s. c 25 s 104 (uncodified) is amended to
12 read as follows:

13 **FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**

14 General Fund--State Appropriation (FY 2004)	((\$1,656,000))
	<u>\$1,631,000</u>
16 General Fund--State Appropriation (FY 2005)	((\$1,799,000))
	<u>\$1,774,000</u>
18 TOTAL APPROPRIATION	((\$3,455,000))
	<u>\$3,405,000</u>

20 ~~((The appropriations in this section are subject to the following~~
21 ~~conditions and limitations:— \$25,000 of the general fund state~~
22 ~~appropriation for fiscal year 2004 and \$25,000 of the general fund—~~
23 ~~state appropriation for fiscal year 2005 are provided solely for the~~
24 ~~legislative evaluation and accountability program committee, in~~
25 ~~consultation with the economic and revenue forecast council, to~~
26 ~~establish and maintain a set of economic indicators that could be used~~
27 ~~for adjusting the statewide salary schedule by a regional cost of—~~
28 ~~living index. The economic indicators to be included in this index~~
29 ~~include but are not limited to the median cost of housing.~~

30 ~~(1) In developing the regional cost of living index, the~~
31 ~~legislative evaluation and accountability program committee shall~~
32 ~~collect data on the economic activity comprising the cost of living~~
33 ~~indexes for geographic areas of the state coterminous with the~~
34 ~~boundaries of the nine educational service districts established under~~
35 ~~RCW 28A.310.010.~~

36 ~~(2) Not later than July 1, 2004, the legislative evaluation and~~
37 ~~accountability program committee shall submit the regional cost of—~~
38 ~~living index to an advisory committee for its review. The advisory~~

1 ~~committee shall be appointed by the governor and shall consist of one~~
2 ~~member representing the office of financial management, one member~~
3 ~~representing the employment security department, one member~~
4 ~~representing the office of the superintendent of public instruction,~~
5 ~~and three representatives of the private sector having demonstrated~~
6 ~~expertise in regional economics. The advisory committee shall not~~
7 ~~receive compensation for performance of its duties but may be~~
8 ~~reimbursed for travel expenses in accordance with RCW 43.03.050 and~~
9 ~~43.03.060.~~

10 ~~(3) Not later than October 1, 2004, the advisory committee created~~
11 ~~under this section shall submit to the director of the legislative~~
12 ~~evaluation and accountability program committee written comment on the~~
13 ~~proposed regional cost of living index. The written comment may~~
14 ~~include recommendations for revision to the index or its components.)~~

15 **Sec. 105.** 2003 1st sp.s. c 25 s 109 (uncodified) is amended to
16 read as follows:

17 **FOR THE SUPREME COURT**

18	General Fund--State Appropriation (FY 2004)	((\$5,462,000))
19		<u>\$5,475,000</u>
20	General Fund--State Appropriation (FY 2005)	((\$5,665,000))
21		<u>\$5,720,000</u>
22	TOTAL APPROPRIATION	((\$11,127,000))
23		<u>\$11,195,000</u>

24 **Sec. 106.** 2003 1st sp.s. c 25 s 110 (uncodified) is amended to
25 read as follows:

26 **FOR THE LAW LIBRARY**

27	General Fund--State Appropriation (FY 2004)	((\$2,045,000))
28		<u>\$2,049,000</u>
29	General Fund--State Appropriation (FY 2005)	\$2,050,000
30	TOTAL APPROPRIATION	((\$4,095,000))
31		<u>\$4,099,000</u>

32 **Sec. 107.** 2003 1st sp.s. c 25 s 111 (uncodified) is amended to
33 read as follows:

34 **FOR THE COURT OF APPEALS**

35	General Fund--State Appropriation (FY 2004)	((\$12,510,000))
36		<u>\$12,523,000</u>

1	General Fund--State Appropriation (FY 2005)	((\$12,747,000))
2		<u>\$12,931,000</u>
3	TOTAL APPROPRIATION	((\$25,257,000))
4		<u>\$25,454,000</u>

5 **Sec. 108.** 2003 1st sp.s. c 25 s 113 (uncodified) is amended to
6 read as follows:

7 **FOR THE ADMINISTRATOR FOR THE COURTS**

8	General Fund--State Appropriation (FY 2004)	((\$17,295,000))
9		<u>\$17,374,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$17,340,000))
11		<u>\$18,036,000</u>
12	Public Safety and Education Account--State	
13	Appropriation	((\$43,389,000))
14		<u>\$43,534,000</u>
15	Judicial Information Systems Account--State	
16	Appropriation	((\$27,903,000))
17		<u>\$31,803,000</u>
18	TOTAL APPROPRIATION	((\$105,927,000))
19		<u>\$110,747,000</u>

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

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

26 (2) \$750,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$750,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for court-appointed special
29 advocates in dependency matters. The administrator for the courts,
30 after consulting with the association of juvenile court administrators
31 and the association of court-appointed special advocate/guardian ad
32 litem programs, shall distribute the funds to volunteer court-appointed
33 special advocate/guardian ad litem programs. The distribution of
34 funding shall be based on the number of children who need volunteer
35 court-appointed special advocate representation and shall be equally
36 accessible to all volunteer court-appointed special advocate/guardian
37 ad litem programs. The administrator for the courts shall not retain

1 more than six percent of total funding to cover administrative or any
2 other agency costs.

3 (3) (~~(\$12,572,000)~~) \$16,172,000 of the judicial information systems
4 account--state appropriation is provided solely for improvements and
5 enhancements to the judicial information system. (~~(This funding shall
6 only be expended after the office of the administrator for the courts
7 certifies to the office of financial management that there will be at
8 least a \$1,000,000 ending fund balance in the judicial information
9 systems account at the end of the 2003-05 biennium.)~~) Of this amount,
10 \$1,100,000 is provided solely for disaster recovery planning,
11 equipment, and testing for the judicial information system.

12 (4) \$3,000,000 of the public safety and education account--state
13 appropriation is provided solely for school district petitions to
14 juvenile court for truant students as provided in RCW 28A.225.030 and
15 28A.225.035. The office of the administrator for the courts shall
16 develop an interagency agreement with the office of the superintendent
17 of public instruction to allocate the funding provided in this
18 subsection. Allocation of this money to school districts shall be
19 based on the number of petitions filed.

20 (5) \$13,224,000 of the public safety and education account--state
21 appropriation is provided solely for distribution to county juvenile
22 court administrators to fund the costs of processing truancy, children
23 in need of services, and at-risk youth petitions. The office of the
24 administrator for the courts shall not retain any portion of these
25 funds to cover administrative costs. The office of the administrator
26 for the courts, in conjunction with the juvenile court administrators,
27 shall develop an equitable funding distribution formula. The formula
28 shall neither reward counties with higher than average per-petition
29 processing costs nor shall it penalize counties with lower than average
30 per-petition processing costs.

31 (6) The distributions made under subsection (6) of this section and
32 distributions from the county criminal justice assistance account made
33 pursuant to section 801 of this act constitute appropriate
34 reimbursement for costs for any new programs or increased level of
35 service for purposes of RCW 43.135.060.

36 (7) Each fiscal year during the 2003-05 fiscal biennium, each
37 county shall report the number of petitions processed and the total
38 actual costs of processing truancy, children in need of services, and
39 at-risk youth petitions. Counties shall submit the reports to the

1 ((department)) administrator for the courts no later than 45 days after
2 the end of the fiscal year. The ((department)) administrator for the
3 courts shall electronically transmit this information to the chairs and
4 ranking minority members of the house of representatives appropriations
5 committee and the senate ways and means committee no later than 60 days
6 after a fiscal year ends. These reports are deemed informational in
7 nature and are not for the purpose of distributing funds.

8 (8) \$813,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$762,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for billing and related costs for
11 the office of the administrator for the courts pursuant to Engrossed
12 Substitute Senate Bill No. 5990 (supervision of offenders).

13 (9) \$1,800,000 of the public safety and education account
14 appropriation is provided solely for distribution to the county clerks
15 for the collection of legal financial obligations pursuant to Engrossed
16 Substitute Senate Bill No. 5990 (supervision of offenders). The
17 funding shall be distributed by the office of the administrator for the
18 courts to the county clerks in accordance with the funding formula
19 determined by the Washington association of county officials pursuant
20 to Engrossed Substitute Senate Bill No. 5990 (supervision of
21 offenders).

22 **Sec. 109.** 2003 1st sp.s. c 25 s 114 (uncodified) is amended to
23 read as follows:

24 **FOR THE OFFICE OF PUBLIC DEFENSE**

25	General Fund--State Appropriation (FY 2004)	\$666,000
26	General Fund--State Appropriation (FY 2005)	\$884,000
27	Public Safety and Education Account--State	
28	Appropriation	((\$12,395,000))
29		<u>\$12,783,000</u>
30	TOTAL APPROPRIATION	((\$13,945,000))
31		<u>\$14,333,000</u>

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

34 (1) \$51,000 of the public safety and education account
35 appropriation is provided solely for the office of public defense's
36 costs in implementing chapter 303, Laws of 1999 (court funding).

37 (2) Amounts provided from the public safety and education account

1 appropriation in this section include funding for investigative
2 services in death penalty personal restraint petitions.

3 **Sec. 110.** 2003 1st sp.s. c 25 s 115 (uncodified) is amended to
4 read as follows:

5 **FOR THE OFFICE OF THE GOVERNOR**

6	General Fund--State Appropriation (FY 2004)	\$3,773,000
7	General Fund--State Appropriation (FY 2005)	(\$3,776,000)
8		<u>\$4,011,000</u>
9	General Fund--Federal Appropriation	\$1,140,000
10	Water Quality Account--State	
11	Appropriation	\$3,854,000
12	TOTAL APPROPRIATION	(\$12,543,000)
13		<u>\$12,778,000</u>

14 The appropriations in this section are subject to the following
15 conditions and limitations: \$3,854,000 of the water quality account
16 appropriation and \$1,140,000 of the general fund--federal appropriation
17 are provided solely for the Puget Sound water quality action team to
18 implement the Puget Sound work plan and agency action items PSAT-01
19 through PSAT-05.

20 **Sec. 111.** 2003 1st sp.s. c 25 s 118 (uncodified) is amended to
21 read as follows:

22 **FOR THE SECRETARY OF STATE**

23	General Fund--State Appropriation (FY 2004)	(\$24,336,000)
24		<u>\$18,298,000</u>
25	General Fund--State Appropriation (FY 2005)	\$17,092,000
26	General Fund--Federal Appropriation	\$6,967,000
27	Archives and Records Management Account--State	
28	Appropriation	(\$8,150,000)
29		<u>\$8,414,000</u>
30	Department of Personnel Service Account--State	
31	Appropriation	\$699,000
32	<u>Election Account--State Appropriation</u>	<u>\$3,140,000</u>
33	Election Account--Federal Appropriation	(\$13,121,000)
34		<u>\$33,121,000</u>
35	Local Government Archives Account--State Appropriation	(\$7,067,000)
36		<u>\$9,010,000</u>
37	TOTAL APPROPRIATION	(\$77,432,000)

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

(1) \$2,296,000 of the general fund--state appropriation for fiscal year 2004 is provided solely to reimburse counties for the state's share of primary and general election costs and the costs of conducting mandatory recounts on state measures. Counties shall be reimbursed only for those odd-year election costs that the secretary of state validates as eligible for reimbursement.

(2) \$1,826,000 of the general fund--state appropriation for fiscal year 2004 and \$2,686,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the verification of initiative and referendum petitions, maintenance of related voter registration records, and the publication and distribution of the voters and candidates pamphlet.

(3) \$125,000 of the general fund--state appropriation for fiscal year 2004 and \$118,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for legal advertising of state measures under RCW 29.27.072.

(4)(a) \$1,944,004 of the general fund--state appropriation for fiscal year 2004 and \$1,986,772 of the general fund--state appropriation for fiscal year 2005 are provided solely for contracting with a nonprofit organization to produce gavel-to-gavel television coverage of state government deliberations and other events of statewide significance during the 2003-05 biennium. The funding level for each year of the contract shall be based on the amount provided in this subsection. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in (a) and (b) of this subsection have been satisfactorily documented.

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

(c) The nonprofit organization shall prepare an annual independent

1 audit, an annual financial statement, and an annual report, including
2 benchmarks that measure the success of the nonprofit organization in
3 meeting the intent of the program.

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

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

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

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

15 (5) (~~(\$6,038,000 of the general fund state appropriation for~~
16 ~~fiscal year 2004 is provided solely to reimburse the counties for the~~
17 ~~state's share of the cost of conducting the presidential primary.))
18 \$252,000 of the archives and records management account--state
19 appropriation and \$1,504,000 of the local government archives account--
20 state appropriation are provided solely for additional facility capital
21 costs, digital archive technology architecture costs, and additional
22 digital archive staff and operational costs, associated with the new
23 eastern regional archives and digital archives facility.~~

24 (6) The entire election account--state appropriation in this
25 section is provided solely as state match funding for federal moneys
26 provided under the Help America Vote act (P.L. 107-252). Of the state
27 match funding provided, the secretary of state may expend only the
28 amount required to match the federal funding received, and any amount
29 that is not necessary to match the federal funding shall lapse. After
30 receipt of the federal moneys, the office of the secretary of state
31 shall notify the appropriations committee of the house of
32 representatives and the ways and means committee of the senate of the
33 amount of federal funding received and the associated required state
34 match.

35 **Sec. 112.** 2003 1st sp.s. c 25 s 121 (uncodified) is amended to
36 read as follows:

37 **FOR THE STATE TREASURER**

38 State Treasurer's Service Account--State

1 Appropriation ((~~\$13,149,000~~))
2 \$13,463,000

3 **Sec. 113.** 2003 1st sp.s. c 25 s 122 (uncodified) is amended to
4 read as follows:

5 **FOR THE STATE AUDITOR**

6 General Fund--State Appropriation (FY 2004) \$701,000
7 General Fund--State Appropriation (FY 2005) ((~~\$702,000~~))
8 \$802,000
9 State Auditing Services Revolving Account--State
10 Appropriation \$12,810,000
11 TOTAL APPROPRIATION ((~~\$14,213,000~~))
12 \$14,313,000

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

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

20 (2) \$701,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$702,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for staff and related costs to
23 verify the accuracy of reported school district data submitted for
24 state funding purposes; conduct school district program audits of state
25 funded public school programs; establish the specific amount of state
26 funding adjustments whenever audit exceptions occur and the amount is
27 not firmly established in the course of regular public school audits;
28 and to assist the state special education safety net committee when
29 requested.

30 (3) \$100,000 of the general fund--state appropriation for fiscal
31 year 2005 is provided solely for a review of emergency fire suppression
32 costs in the department of natural resources. The state auditor's
33 office shall coordinate this study with the joint legislative audit and
34 review committee performance audit of the emergency fire suppression
35 program. The state auditor's review of fire suppression costs shall
36 examine payroll documents and invoices to determine if appropriate
37 controls are in place to ensure that only appropriate emergency fires
38 suppression costs are charged to the emergency fire suppression budget.

1 **Sec. 114.** 2003 1st sp.s. c 25 s 123 (uncodified) is amended to
2 read as follows:

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

4	General Fund--State Appropriation (FY 2004)	((\$83,000))
5		<u>\$112,000</u>
6	General Fund--State Appropriation (FY 2005)	((\$157,000))
7		<u>\$192,000</u>
8	TOTAL APPROPRIATION	((\$240,000))
9		<u>\$304,000</u>

10 **Sec. 115.** 2003 1st sp.s. c 25 s 124 (uncodified) is amended to
11 read as follows:

12 **FOR THE ATTORNEY GENERAL**

13	General Fund--State Appropriation (FY 2004)	((\$4,057,000))
14		<u>\$4,345,000</u>
15	General Fund--State Appropriation (FY 2005)	((\$4,109,000))
16		<u>\$4,166,000</u>
17	General Fund--Federal Appropriation	\$2,845,000
18	Public Safety and Education Account--State	
19	Appropriation	((\$1,814,000))
20		<u>\$2,001,000</u>
21	Tobacco Prevention and Control Account--State	
22	Appropriation	\$270,000
23	New Motor Vehicle Arbitration Account--State	
24	Appropriation	\$1,180,000
25	Legal Services Revolving Account--State	
26	Appropriation	((\$165,275,000))
27		<u>\$166,624,000</u>
28	TOTAL APPROPRIATION	((\$179,550,000))
29		<u>\$181,431,000</u>

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

32 (1) The attorney general shall report each fiscal year on actual
33 legal services expenditures and actual attorney staffing levels for
34 each agency receiving legal services. The report shall be submitted to
35 the office of financial management and the fiscal committees of the
36 senate and house of representatives no later than ninety days after the
37 end of each fiscal year.

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

6 (3) \$818,000 of the legal services revolving account--state
7 appropriation is provided solely for legal defense costs associated
8 with *Pacific Sound Resources v. Burlington Northern Santa Fe Railroad*
9 *et al.*

10 (4) \$70,000 of the legal services revolving account--state
11 appropriation is provided solely to implement Engrossed Second
12 Substitute Senate Bill No. 6489 (correctional industries). If the bill
13 is not enacted by June 30, 2004, the amount provided in this subsection
14 shall lapse.

15 **Sec. 116.** 2003 1st sp.s. c 25 s 125 (uncodified) is amended to
16 read as follows:

17 **FOR THE CASELOAD FORECAST COUNCIL**

18	General Fund--State Appropriation (FY 2004)	((\$638,000))
19		<u>\$669,000</u>
20	General Fund--State Appropriation (FY 2005)	((\$639,000))
21		<u>\$671,000</u>
22	TOTAL APPROPRIATION	((\$1,277,000))
23		<u>\$1,340,000</u>

24 **Sec. 117.** 2003 1st sp.s. c 25 s 126 (uncodified) is amended to
25 read as follows:

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

27	General Fund--State Appropriation (FY 2004)	((\$61,459,000))
28		<u>\$61,805,000</u>
29	General Fund--State Appropriation (FY 2005)	((\$60,801,000))
30		<u>\$66,566,000</u>
31	General Fund--Federal Appropriation	((\$213,287,000))
32		<u>\$236,264,000</u>
33	General Fund--Private/Local Appropriation	((\$10,574,000))
34		<u>\$15,075,000</u>
35	Public Safety and Education Account--State	
36	Appropriation	\$10,095,000
37	Public Works Assistance Account--State	

1	Appropriation	((\$1,913,000))
2		<u>\$2,088,000</u>
3	Building Code Council Account--State	
4	Appropriation	\$1,061,000
5	Administrative Contingency Account--State	
6	Appropriation	\$1,776,000
7	Low-Income Weatherization Assistance Account--State	
8	Appropriation	((\$3,293,000))
9		<u>\$8,293,000</u>
10	Violence Reduction and Drug Enforcement Account--	
11	State Appropriation	\$9,013,000
12	Manufactured Home Installation Training Account--	
13	State Appropriation	\$256,000
14	Community Economic Development Account--	
15	State Appropriation	((\$1,909,000))
16		<u>\$1,581,000</u>
17	Washington Housing Trust Account--State	
18	Appropriation	\$16,740,000
19	Public Facility Construction Loan Revolving	
20	Account--State Appropriation	\$622,000
21	Lead Paint Account--State Appropriation	\$6,000
22	<u>Developmental Disabilities Endowment Trust Fund--</u>	
23	<u>State Appropriation</u>	<u>\$120,000</u>
24	<u>Homeless Families Services Fund--State</u>	
25	<u>Appropriation</u>	<u>\$150,000</u>
26	TOTAL APPROPRIATION	((\$392,805,000))
27		<u>\$431,511,000</u>

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

30 (1) \$2,838,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$2,838,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for a contract with the Washington
33 technology center. For work essential to the mission of the Washington
34 technology center and conducted in partnership with universities, the
35 center shall not pay any increased indirect rate nor increases in other
36 indirect charges above the absolute amount paid during the 1995-97
37 fiscal biennium.

38 (2) \$61,000 of the general fund--state appropriation for fiscal

1 year 2004 and \$62,000 of the general fund--state appropriation for
2 fiscal year 2005 are provided solely for the implementation of the
3 Puget Sound work plan and agency action item OCD-01.

4 (3) \$10,180,797 of the general fund--federal appropriation is
5 provided solely for the drug control and system improvement formula
6 grant program, to be distributed in state fiscal year 2004 as follows:

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

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

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

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

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

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

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

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

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

30 (j) \$89,705 to the department to continue the governor's council on
31 substance abuse;

32 (k) \$97,591 to the department to continue evaluation of Byrne
33 formula grant programs;

34 (l) \$572,919 to the office of financial management for criminal
35 history records improvement; and

36 (m) \$804,228 to the department for required grant administration,
37 monitoring, and reporting on Byrne formula grant programs.

38 These amounts represent the maximum Byrne grant expenditure
39 authority for each program. No program may expend Byrne grant funds in

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

11 (4) \$125,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$125,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for implementing the industries of
14 the future strategy.

15 (5) \$200,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$200,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for a contract with the Washington
18 manufacturing services.

19 (6) \$205,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$205,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for grants to Washington Columbia
22 River Gorge counties to implement their responsibilities under the
23 national scenic area management plan. Of this amount, \$390,000 is
24 provided for Skamania county and \$20,000 is provided for Clark county.

25 (7) \$50,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$50,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for a contract with international
28 trade alliance of Spokane.

29 (8) \$5,085,000 of the general fund--state appropriation for fiscal
30 year 2004, \$5,085,000 of the general fund--state appropriation for
31 fiscal year 2005, \$4,250,000 of the general fund--federal
32 appropriation, and \$6,145,000 of the Washington housing trust account
33 are provided solely for providing housing and shelter for homeless
34 people, including but not limited to grants to operate, repair, and
35 staff shelters; grants to operate transitional housing; partial
36 payments for rental assistance; consolidated emergency assistance;
37 overnight youth shelters; and emergency shelter assistance.

38 (9) (~~(\$697,000)~~) \$369,000 of the community economic development
39 account appropriation (~~(is)~~) and \$120,000 of the developmental

1 disabilities endowment trust fund appropriation are provided solely for
2 support of the developmental disabilities endowment governing board and
3 costs of the endowment program. The governing board may use
4 appropriations to implement a sliding-scale fee waiver for families
5 earning below 150 percent of the state median family income.

6 (10) \$800,000 of the general fund--federal appropriation and \$6,000
7 of the lead paint account--state appropriation are provided solely to
8 implement Engrossed Substitute Senate Bill No. 5586 (lead-based paint).
9 If the bill is not enacted by June 30, 2003, the amounts provided in
10 this subsection shall lapse.

11 (11) (~~(\$300,000)~~) \$125,000 of the general fund--state appropriation
12 for fiscal year 2004 and (~~(\$300,000)~~) \$475,000 of the general fund--
13 state appropriation for fiscal year 2005 are provided solely for the
14 business retention and expansion program to fund contracts with locally
15 based development organizations for local business and job retention
16 activities. In administering new and existing funding for the business
17 retention and expansion program, the department shall ensure the
18 existing local programs are funded at levels that meet or exceed the
19 funding provided in the 2001-2003 biennium.

20 (12) \$200,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$200,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for the tourism office to market
23 Washington state as a travel destination to northwest states,
24 California, and British Columbia. By December 1, 2004, the department
25 shall report to the relevant legislative policy and fiscal committees
26 on the effectiveness of these expenditures.

27 (13) \$200,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$200,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for business development
30 activities to conduct statewide and/or regional business recruitment
31 and client lead generation services. In administering this funding,
32 the department shall solicit recommendations from a statewide economic
33 development organization representing associate development
34 organizations.

35 (14) \$60,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$60,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely for the community services block
38 grant program for pass-through to community action agencies.

1 (15) \$26,862,000 of the general fund--state appropriation for
2 fiscal year 2004 and \$26,862,000 of the general fund--state
3 appropriation for fiscal year 2005 are provided solely for providing
4 early childhood education assistance.

5 (16) Within the amounts appropriated in this section, funding is
6 provided for Washington state dues for the Pacific northwest economic
7 region.

8 (17) \$200,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$200,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the foreign offices (overseas
11 representatives) to expand local capacity for China, expand operations
12 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington
13 exporters in expanding their sales opportunities.

14 (18) \$600,000 of the public safety and education account
15 appropriation is provided solely for sexual assault prevention and
16 treatment programs.

17 (19) \$65,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$65,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for a contract with a food
20 distribution program for communities in the southwestern portion of the
21 state and for workers impacted by timber and salmon fishing closures
22 and reductions. The department may not charge administrative overhead
23 or expenses to the funds provided in this subsection.

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

37 (21) Within amounts provided in this section, sufficient funding is
38 provided to implement Engrossed House Bill No. 1090 (trafficking of
39 persons).

1 (22) \$10,208,818 of the general fund--federal appropriation is
2 provided solely for the drug control and system improvement formula
3 grant program, to be distributed in state fiscal year 2005 as follows:

4 (a) \$3,533,522 to local units of government to continue
5 multijurisdictional narcotics task forces;

6 (b) \$608,002 to the department to continue the drug prosecution
7 assistance program in support of multijurisdictional narcotics task
8 forces;

9 (c) \$1,336,624 to the Washington state patrol for coordination,
10 investigative, and supervisory support to the multijurisdictional
11 narcotics task forces and for methamphetamine education and response;

12 (d) \$196,130 to the department for grants to support tribal law
13 enforcement needs;

14 (e) \$971,823 to the department of social and health services,
15 division of alcohol and substance abuse, for drug courts in eastern and
16 western Washington;

17 (f) \$296,697 to the department for training and technical
18 assistance of public defenders representing clients with special needs;

19 (g) \$683,586 to the department to continue domestic violence legal
20 advocacy;

21 (h) \$885,526 to the department of social and health services,
22 juvenile rehabilitation administration, to continue youth violence
23 prevention and intervention projects;

24 (i) \$59,688 to the department for community-based advocacy services
25 to victims of violent crime, other than sexual assault and domestic
26 violence;

27 (j) \$89,239 to the department to continue the governor's council on
28 substance abuse;

29 (k) \$97,084 to the department to continue evaluation of Byrne
30 formula grant programs;

31 (l) \$650,846 to the office of financial management for criminal
32 history records improvement; and

33 (m) \$800,051 to the department for required grant administration,
34 monitoring, and reporting on Byrne formula grant programs.

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

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

8 (23) \$100,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$400,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the purpose of grants to
11 support the base realignment and closure process. The department shall
12 develop and implement criteria and procedures such as the types of
13 activities that can be funded by the grants and requirements for local
14 matching funds for the issuance of grants to one organization within:
15 Island county, Kitsap county, Pierce county, Snohomish county, and
16 Spokane county. The department shall use a portion of the funding
17 provided to support the related activities of state agencies as
18 identified by the governor.

19 (24) \$163,000 of the general fund--state appropriation for fiscal
20 year 2005 is provided solely for pass through to community voice mail
21 agencies as identified in this subsection, in order for these agencies
22 to provide people in crisis and transition free and personalized voice
23 mail services:

- 24 (a) The Opportunity Council, Bellingham, \$15,000;
- 25 (b) Skagit Community Action, Skagit county, \$12,000;
- 26 (c) The Opportunity Council, Island county, \$11,000;
- 27 (d) Volunteers of America, Snohomish county, \$10,616;
- 28 (e) Fremont Public Association, Seattle, \$27,909;
- 29 (f) Metropolitan Development Council, Tacoma, \$10,475;
- 30 (g) Community Voice Mail National, Olympia, \$18,000;
- 31 (h) Council on Homelessness, Vancouver, \$12,500;
- 32 (i) Chelan-Douglas Community Action, north central Washington,
33 \$13,000;
- 34 (j) Benton-Franklin Community Action, south central Washington,
35 \$17,500; and
- 36 (k) SNAP, Spokane, \$15,000.

37 (25) \$634,000 of the general fund--state appropriation for fiscal
38 year 2004, \$634,000 of the general fund--state appropriation for fiscal

1 year 2005, and \$1,101,000 of the administrative contingency account
2 appropriation are provided solely for contracting with associate
3 development organizations to maintain existing programs.

4 (26) \$150,000 of the general fund--state appropriation for fiscal
5 year 2005 is provided solely to the department of community, trade, and
6 economic development for the northwest orthopaedic institute to develop
7 additional organizational infrastructure to assist community-based
8 musculoskeletal health research.

9 (27) \$300,000 of the general fund--state appropriation for fiscal
10 year 2005 is provided solely to the department of community, trade, and
11 economic development for the youth assessment center in Pierce county
12 for activities dedicated to reducing the rate of incarceration of
13 juvenile offenders.

14 (28) \$99,000 of the general fund--state appropriation for fiscal
15 year 2005 is provided solely for the retired senior volunteer program.

16 (29) \$2,000,000 of the general fund--state appropriation for fiscal
17 year 2005 is provided solely for increased civil legal services for the
18 indigent. Of this amount, \$100,000 shall be allocated to a general
19 farm organization with members in every county of the state to develop
20 and administer an alternative dispute resolution system for disputes
21 between farmers and farm workers.

22 (30) \$2,000,000 of the general fund--state appropriation for fiscal
23 year 2005 is provided solely for deposit in the homeless families
24 services fund created in section 718 of this act.

25 (31) The entire homeless families services fund--state
26 appropriation is provided solely to administer the homeless families
27 fund and program created in section 718 of this act. It is the intent
28 of the legislature that beginning with the 2005-07 biennium, the
29 department choose a qualified contractor to administer the homeless
30 families services fund program.

31 (32) \$421,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$193,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely to coordinate the state's efforts
34 in siting the 7E7 final assembly plant.

35 (33) \$60,000 of the general fund--state appropriation for fiscal
36 year 2005 is provided solely for a study under (a) through (i) of this
37 subsection. Expenditure of this amount is contingent upon a \$60,000
38 match from a county with a population exceeding one million. The
39 department shall conduct a study to:

1 (a) Detail the progress in each of the buildable land counties to
2 date in achieving annexation or incorporation of its urban growth area
3 since adoption of the county's county-wide planning policies to the
4 present time by documenting:

5 (i) The number of acres annexed;

6 (ii) The number of acres incorporated;

7 (iii) The number of residents annexed, incorporated, and remaining
8 in urban unincorporated areas; and

9 (iv) The characteristic of urban land remaining unincorporated in
10 terms of assessed value, infrastructure deficits, service needs, land
11 use, commercial development, and residential development;

12 (b) Determine the characteristics of remaining urban unincorporated
13 areas and current statutes, and estimate when all urban unincorporated
14 areas in each county will be annexed or incorporated, based on the rate
15 of progress to date;

16 (c) Survey the counties to identify those obstacles which, in their
17 experience, slow or prohibit annexation;

18 (d) Survey the cities in each of the subject counties to identify
19 obstacles, which in their experience, slow or prohibit annexation;

20 (e) Survey residents of urban unincorporated areas in each of the
21 subject counties to identify their attitudes towards annexation or
22 incorporation;

23 (f) Propose possible changes to city and county taxing authority
24 which will serve to aid the transfer of annexation of remaining urban
25 growth areas in a timely manner;

26 (g) Identify and discuss the need for funding of capital
27 improvement projects needed to provide urban levels of service;

28 (h) Assess the role and statutory authority of the boundary review
29 board and how altering their role and authority might facilitate
30 annexation; and

31 (i) Propose possible changes to growth management or annexation
32 processes which will facilitate annexation.

33 The department shall report to the local government committees of
34 the legislature no later than December 1, 2004.

35 If a county does not wish to participate in this study, the county
36 administrative officer shall submit those intentions, in writing, to
37 the department no later than July 1, 2004.

38 (34) \$150,000 of the general fund--state appropriation for fiscal
39 year 2005 is provided solely for deposit in the small business

1 incubator account to implement Engrossed Substitute House Bill No. 2784
2 (small business incubator program). If this bill is not enacted by
3 June 30, 2004, the amount provided in this subsection shall lapse.

4 (35) \$75,000 of the general fund--state appropriation for fiscal
5 year 2004 is provided solely to implement Substitute Senate Bill No.
6 6488 (agricultural lands study). If the bill is not enacted by June
7 30, 2004, the amount provided in this subsection shall lapse.

8 **Sec. 118.** 2003 1st sp.s. c 25 s 128 (uncodified) is amended to
9 read as follows:

10 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

11	General Fund--State Appropriation (FY 2004)	((\$12,662,000))
12		<u>\$12,617,000</u>
13	General Fund--State Appropriation (FY 2005)	((\$12,383,000))
14		<u>\$12,860,000</u>
15	General Fund--Federal Appropriation	((\$23,500,000))
16		<u>\$23,924,000</u>
17	Violence Reduction and Drug Enforcement	
18	Account--State Appropriation	\$242,000
19	State Auditing Services Revolving	
20	Account--State Appropriation	\$25,000
21	TOTAL APPROPRIATION	((\$48,812,000))
22		<u>\$49,668,000</u>

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

25 (1) ((~~\$127,000~~)) \$67,000 of the general fund--state appropriation
26 for fiscal year 2004 and ((~~\$122,000~~)) \$232,000 of the general fund--
27 state appropriation for fiscal year 2005 are provided solely to
28 implement Second Substitute Senate Bill No. 5694 (integrated permit
29 system) and Second Substitute Senate Bill No. 6217 (regulatory
30 improvement center). ((~~If the bill is not enacted by June 30, 2003,~~
31 ~~the amounts provided in this subsection shall lapse.~~)) If Second
32 Substitute Senate Bill No. 6217 is not enacted by June 30, 2004,
33 \$50,000 of the general fund--state appropriation for fiscal year 2005
34 shall lapse.

35 (2) By November 15, 2003, the office of financial management shall
36 report to the house of representatives committees on appropriations,
37 capital budget, and transportation and to the senate committees on ways
38 and means and highways and transportation on the ten general priorities

1 of government upon which the 2005-07 biennial budgets will be
2 structured. Each priority must include a proposed set of cross agency
3 activities with definitions and outcome measures. For historical
4 comparisons, the 2001-03 expenditures and 2003-05 appropriations must
5 be restated in this format and organized by priority, activity, fund
6 source, and agency.

7 (3) \$40,000 of the general fund--state appropriation for fiscal
8 year 2005 is provided solely for the office of financial management to
9 contract for an evaluation of the costs and benefits of additional
10 efforts aimed at encouraging K-12 employee collective bargaining units
11 to elect coverage under public employee benefits board (PEBB)
12 administered health care plans. This evaluation will include, but is
13 not limited to, the following: A review of current processes for the
14 procurement of health benefit coverage by K-12 employees; an assessment
15 of the costs and benefits for the state, local school districts, and K-
16 12 employees of moving to PEBB administered health care plans; and
17 options for creating incentives for K-12 employee collective bargaining
18 units moving to PEBB administered plans. The office of financial
19 management shall report regarding the results of this study to the
20 governor and the fiscal committees of the legislature by December 1,
21 2004.

22 (4)(a) \$75,000 of the general fund--state appropriation for fiscal
23 year 2005 is provided solely for a task force on noneconomic damages.
24 On or before October 31, 2005, the task force shall prepare a study and
25 develop, for consideration by the legislature, a proposed plan for
26 implementation of an advisory schedule of noneconomic damages in
27 actions for injuries resulting from health care under chapter 7.70 RCW.
28 Implementation of any proposed plan is contingent upon statutory
29 authorization by the legislature.

30 (b) The task force shall develop a proposed plan for use of an
31 advisory schedule of noneconomic damages, as defined in RCW 4.56.250,
32 that will increase the predictability and proportionality of
33 settlements and awards for noneconomic damages in actions for injuries
34 resulting from health care. The task force shall consider:

35 (i) The information that can most appropriately be used to provide
36 guidance to the trier of fact regarding noneconomic damage awards,
37 giving consideration to past noneconomic damage awards for similar
38 injuries, considering severity and duration of the injuries, and other

1 factors deemed appropriate by the task force; past noneconomic damage
2 awards for similar claims for damages; and such other information the
3 task force finds appropriate;

4 (ii) The most appropriate format in which to present the
5 information to the trier of fact; and

6 (iii) When and under what circumstances an advisory schedule should
7 be utilized in alternative dispute resolution settings and presented to
8 the trier of fact at trial.

9 (c) A proposed implementation plan shall include, at a minimum:

10 (i) The information developed under subsection (b) of this section;

11 (ii) Identification of statutory, regulatory, or court rule changes
12 necessary to implement the advisory schedule, as well as forms or other
13 documents necessary to implement the schedule; and

14 (iii) Identification of the time required to implement an advisory
15 schedule authorized by the legislature.

16 (d) The task force is composed of fourteen members, as follows:

17 (i) One member from each of the two largest caucuses in the senate, to
18 be appointed by the president of the senate, and one member from each
19 of the two largest caucuses in the house of representatives, to be
20 appointed by the speaker of the house of representatives; (ii) one
21 health care ethicist; (iii) one economist; (iv) one actuary; (v) two
22 attorneys with expertise or significant experience in medical
23 malpractice actions, one representing the plaintiff's bar and one
24 representing the insurance defense bar; (vi) two superior court judges;
25 (vii) one representative of a hospital; (viii) one physician; (ix) one
26 representative of a medical malpractice insurer; and (x) two consumers.
27 The governor shall appoint the nonlegislative members of the task force
28 and select a chair.

29 (e) Legislative members of the task force shall be reimbursed for
30 travel expenses under RCW 44.04.120. Nonlegislative members of the
31 task force shall be reimbursed for travel expenses as provided in RCW
32 43.03.050 and 43.03.060.

33 (f) The office of financial management shall provide support to the
34 task force with the assistance of staff from the administrative office
35 of the courts, the house of representatives office of program research,
36 and senate committee services.

37 (5) \$252,000 of the general fund--state appropriation for fiscal
38 year 2005 is provided solely for the office to study land use and local
39 government finance and make recommendations on the impact that current

1 trends in city and county revenue sources and expenditures may have on
 2 land use decisions made by counties and cities and meeting goals of the
 3 growth management act. Among the areas to be studied: Local
 4 government revenue sources and expenditures over the past decade; the
 5 relationship between local government finances and land use decisions
 6 including commercial, residential, and industrial development;
 7 cooperation or competition of adjoining jurisdictions over land use and
 8 annexation; the relationship new development has to existing commercial
 9 and residential areas and its affect on a community's infrastructure
 10 and quality of life. The study shall include recommendations for state
 11 and local government fiscal partnerships that encourage cooperation
 12 among jurisdictions to meet the goals of the growth management act, and
 13 how the state and local government fiscal structure can better meet the
 14 responsibilities of providing services to citizens and meeting the
 15 goals of the growth management act.

16 **Sec. 119.** 2003 1st sp.s. c 25 s 129 (uncodified) is amended to
 17 read as follows:

18 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

19 Administrative Hearings Revolving Account--State

20 Appropriation	((\$24,619,000))
21	<u>\$26,983,000</u>

22 **Sec. 120.** 2003 1st sp.s. c 25 s 130 (uncodified) is amended to
 23 read as follows:

24 **FOR THE DEPARTMENT OF PERSONNEL**

25 Department of Personnel Service Account--State

26 Appropriation	\$16,247,000
27 Higher Education Personnel Services Account--State	
28 Appropriation	\$1,612,000
29 TOTAL APPROPRIATION	\$17,859,000

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

32 (1) The department is authorized to enter into a financing contract
 33 for up to ((~~\$32,095,000~~)) \$38,911,000, plus necessary financing
 34 expenses and required reserves, pursuant to chapter 39.94 RCW. The
 35 contract shall be to purchase, develop, and implement a new statewide
 36 payroll system and shall be for a term of not more than twelve years.
 37 The legislature recognizes the critical nature of the human resource

1 management system and its relationship to successful implementation of
 2 civil service reform, collective bargaining, and the ability to permit
 3 contracting out of services to the private sector. Projects of this
 4 size and complexity have many risks associated with their successful
 5 and timely completion, therefore, to help ensure project success, the
 6 department of personnel and the office of financial management shall
 7 jointly report to the legislature by January 15, 2004, on progress
 8 toward implementing the human resource management system. The report
 9 shall include a description of mitigation strategies employed to
 10 address the risks related to: Business requirements not fully defined
 11 at the project outset; short time frame for system implementation; and
 12 delays experienced by other states. The report shall assess the
 13 probability of meeting the system implementation schedule and recommend
 14 contingency strategies as needed. The report shall establish the
 15 timelines, the critical path, and the dependencies for realizing each
 16 of the benefits articulated in the system feasibility study.

17 (2) The department shall coordinate with the governor's office of
 18 Indian affairs on providing one-day government to government training
 19 sessions for federal, state, local, and tribal government employees.
 20 The training sessions must cover tribal historical perspectives, legal
 21 issues, tribal sovereignty, and tribal governments. Costs of the
 22 training sessions shall be recouped through a fee charged to the
 23 participants of each session.

24 **Sec. 121.** 2003 1st sp.s. c 25 s 137 (uncodified) is amended to
 25 read as follows:

26 **FOR THE DEPARTMENT OF REVENUE**

27	General Fund--State Appropriation (FY 2004)	\$82,644,000
28	General Fund--State Appropriation (FY 2005)	(\$81,916,000)
29		<u>\$82,036,000</u>
30	Timber Tax Distribution Account--State	
31	Appropriation	(\$5,191,000)
32		<u>\$5,327,000</u>
33	Waste Education/Recycling/Litter Control--State	
34	Appropriation	\$101,000
35	State Toxics Control Account--State	
36	Appropriation	\$67,000
37	Oil Spill Administration Account--State	
38	Appropriation	\$14,000

1 TOTAL APPROPRIATION ((~~\$169,933,000~~))
2 \$170,189,000

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

5 (1) \$120,000 of the general fund--state appropriation for fiscal
6 year 2005 is provided solely to implement Senate Bill No. 5034 (senior
7 citizen property tax exemption). If the bill is not enacted by June
8 30, 2004, the amount provided in this subsection shall lapse.

9 (2) \$136,000 of the timber tax distribution account appropriation
10 is provided solely to implement Engrossed Substitute House Bill No.
11 2693 (taxation of timber). If the bill is not enacted by June 30,
12 2004, the amount provided in this subsection shall lapse.

13 **Sec. 122.** 2003 1st sp.s. c 25 s 138 (uncodified) is amended to
14 read as follows:

15 **FOR THE BOARD OF TAX APPEALS**

16 General Fund--State Appropriation (FY 2004) ((~~\$1,141,000~~))
17 \$1,186,000

18 General Fund--State Appropriation (FY 2005) ((~~\$988,000~~))
19 \$1,033,000

20 TOTAL APPROPRIATION ((~~\$2,129,000~~))
21 \$2,219,000

22 **Sec. 123.** 2003 1st sp.s. c 25 s 140 (uncodified) is amended to
23 read as follows:

24 **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

25 OMWBE Enterprises Account--State

26 Appropriation \$1,990,000

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

29 (1) The office's revolving fund charges to state agencies may not
30 exceed ((~~\$1,282,000~~)) \$1,534,000.

31 (2) During the 2003-05 biennium, the office may receive gifts,
32 grants, or endowments from public or private sources that are made from
33 time to time, in trust or otherwise, for the use and benefit of the
34 purposes of the office and spend gifts, grants, or endowments or income
35 from the public or private sources according to their terms, unless the
36 receipt of the gifts, grants, or endowments violates RCW 42.17.710.

1 (3) During (~~fiscal year 2004~~) the 2003-05 biennium, the office
2 may raise fees in excess of the fiscal growth factor.

3 **Sec. 124.** 2003 1st sp.s. c 25 s 141 (uncodified) is amended to
4 read as follows:

5 **FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

6	General Fund--State Appropriation (FY 2004)	((\$193,000))
7		<u>\$235,000</u>
8	General Fund--State Appropriation (FY 2005)	((\$275,000))
9		<u>\$233,000</u>
10	General Fund--Federal Appropriation	((\$3,215,000))
11		<u>\$3,865,000</u>
12	General Administration Services Account--State	
13	Appropriation	((\$38,086,000))
14		<u>\$38,856,000</u>
15	TOTAL APPROPRIATION	((\$41,769,000))
16		<u>\$43,189,000</u>

17 **Sec. 125.** 2003 1st sp.s. c 25 s 135 (uncodified) is amended to
18 read as follows:

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

20	Dependent Care Administrative Account--State	
21	Appropriation	\$384,000
22	Department of Retirement Systems Expense Account--	
23	State Appropriation	((\$44,485,000))
24		<u>\$45,216,000</u>
25	TOTAL APPROPRIATION	((\$44,869,000))
26		<u>\$45,600,000</u>

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

- 29 (1) \$31,000 of the retirement systems expense account appropriation
30 is provided solely to implement House Bill No. 1519, chapter 155, Laws
31 of 2003 (unreduced duty death survivor benefits).
- 32 (2) \$1,678,000 of the retirement systems expense account
33 appropriation is provided solely to implement House Bill No. 2197,
34 chapter 92, Laws of 2003 (law enforcement officers' and fire fighters'
35 plan 2 board implementation).
- 36 (3) \$2,083,000 of the retirement systems expense account

1 appropriation is provided solely for the support of the information
2 systems project known as the electronic document image management
3 system.

4 (4) \$124,000 of the department of retirement systems expense
5 account--state appropriation is provided solely to implement Senate
6 Bill No. 5094, chapter 157, Laws of 2003 (substitute employees'
7 retirement credit).

8 (5) \$77,000 of the department of retirement systems expense
9 account--state appropriation is provided solely to implement Senate
10 Bill No. 5100, chapter 32, Laws of 2003 (fallen hero survivor
11 benefits).

12 (6) \$21,000 of the department of retirement systems expense
13 account--state appropriation is provided solely to implement House Bill
14 No. 1206, chapter 156, Laws of 2003 (plan 3 contributions).

15 (7) \$30,000 of the department of retirement systems expense
16 account--state appropriation is provided solely to implement House Bill
17 No. 1207, chapter 402, Laws of 2003 (employee death benefits).

18 (8) \$324,000 of the department of retirement systems expense
19 account--state appropriation is provided solely to implement Substitute
20 House Bill No. 1829, chapter 412, Laws of 2003 (retire-rehire reform).

21 (9) \$125,000 of the department of retirement systems expense
22 account--state appropriation is provided solely to implement Substitute
23 House Bill No. 1202, chapter 293, Laws of 2003 (emergency medical
24 technicians' retirement).

25 (10) \$188,000 of the department of retirement systems expense
26 account--state appropriation is provided solely to implement House Bill
27 No. 2418 (minimum disability benefits). If the bill is not enacted by
28 June 30, 2004, the amount provided in this subsection shall lapse.

29 (11) \$7,000 of the department of retirement systems expense
30 account--state appropriation is provided solely to implement House Bill
31 No. 2419 (unreduced line-duty death benefits). If the bill is not
32 enacted by June 30, 2004, the amount provided in this subsection shall
33 lapse.

34 (12) \$5,000 of the department of retirement systems expense
35 account--state appropriation is provided solely to implement Senate
36 Bill No. 6254 (state patrol line-duty death benefits). If the bill is
37 not enacted by June 30, 2004, the amount provided in this subsection
38 shall lapse.

1 (13) \$128,000 of the department of retirement systems expense
2 account--state appropriation is provided solely to implement House Bill
3 No. 2538 (\$1,000 minimum benefit). If the bill is not enacted by June
4 30, 2004, the amount provided in this subsection shall lapse.

5 (14) \$403,000 of the department of retirement systems expense
6 account--state appropriation is provided solely to implement House Bill
7 No. 2537 (public safety employees' retirement system). If the bill is
8 not enacted by June 30, 2004, the amount provided in this subsection
9 shall lapse.

10 **Sec. 126.** 2003 1st sp.s. c 25 s 142 (uncodified) is amended to
11 read as follows:

12 **FOR THE DEPARTMENT OF INFORMATION SERVICES**

13	General Fund--State Appropriation (FY 2004)	\$1,000,000
14	General Fund--State Appropriation (FY 2005)	(\$1,000,000)
15		<u>\$1,650,000</u>
16	Data Processing Revolving Account--State Appropriation . .	\$3,569,000
17	TOTAL APPROPRIATION	(\$5,569,000)
18		<u>\$6,219,000</u>

19 The appropriations in this section are subject to the following
20 conditions and limitations: ~~(\$1,000,000)~~ \$1,650,000 of the general
21 fund--state appropriation for fiscal year 2004 and \$1,000,000 of the
22 general fund--state appropriation for fiscal year 2005 are provided
23 solely for the digital learning commons to create a demonstration
24 project, in collaboration with schools, which will provide a web-based
25 portal where students, parents, and teachers from around the state will
26 have access to digital curriculum resources, learning tools, and online
27 classes. The intent is to establish a clearinghouse of high quality
28 online courses and curriculum materials that are aligned with the
29 state's essential learning requirements. The clearinghouse shall be
30 designed for ease of use and shall pool the purchasing power of the
31 state so that these resources and courses are affordable and accessible
32 to schools, teachers, students, and parents. These appropriations are
33 subject to the following conditions and limitations:

34 (1) The funding provided in this section shall be expended
35 primarily for acquiring online courses and curriculum materials that
36 are aligned with the state "essential learning requirements" and that
37 meet standards of quality. No more than ten percent of the funds

1 provided in this subsection shall be used for administrative expenses
2 of the digital learning commons.

3 (2) To the maximum extent possible, funds shall be used on
4 demonstration projects that utilize online course materials and
5 curricula that are already available. The commons may also consider
6 utilizing existing products in establishing the entire digital learning
7 commons.

8 (3) By September 1, 2003, the digital learning commons shall begin
9 offering access to and reimbursement for online courses and services.

10 (4) In consultation with the department of information services,
11 the office of financial management shall monitor compliance with these
12 conditions and limitations. By February 1, 2004, the digital learning
13 commons shall submit a report to the governor and the appropriate
14 legislative committees detailing the types of courses and services
15 offered and the number of students served through the digital learning
16 commons.

17 **Sec. 127.** 2003 1st sp.s. c 25 s 143 (uncodified) is amended to
18 read as follows:

19 **FOR THE INSURANCE COMMISSIONER**

20	General Fund--Federal Appropriation	\$631,000
21	Insurance Commissioners Regulatory Account--State	
22	Appropriation	(\$32,307,000)
23		<u>\$33,209,000</u>
24	TOTAL APPROPRIATION	(\$32,938,000)
25		<u>\$33,840,000</u>

26 The appropriations in this section are subject to the following
27 conditions and limitations: \$200,000 of the insurance commissioner's
28 regulatory account--state appropriation is provided solely to assess
29 conditions in liability insurance markets in Washington. The
30 commissioner will develop and provide information to Washington
31 businesses, insurance agents, and brokers to assist such businesses in
32 obtaining liability insurance coverage. The commissioner will also
33 assist such businesses in determining which Washington agents and
34 brokers have access to authorized and surplus lines insurers writing
35 such liability coverages. The commissioner shall provide this
36 information in a manner that does not discriminate or favor any agent,
37 broker, or insurer writing business directly. Nothing in this section

1 shall impair the authority of the commissioner to activate a market
2 assistance plan under RCW 48.22.050.

3 **Sec. 128.** 2003 1st sp.s. c 25 s 146 (uncodified) is amended to
4 read as follows:

5 **FOR THE HORSE RACING COMMISSION**

6 Horse Racing Commission Account--State
7 Appropriation \$4,609,000

8 The appropriation in this section is subject to the following
9 conditions and limitations: During fiscal year 2005, the commission
10 may increase license fees in excess of the fiscal growth factor as
11 provided in RCW 43.135.055.

12 **Sec. 129.** 2003 1st sp.s. c 25 s 147 (uncodified) is amended to
13 read as follows:

14 **FOR THE LIQUOR CONTROL BOARD**

15 General Fund--State Appropriation (FY 2004) \$1,454,000
16 General Fund--State Appropriation (FY 2005) \$1,455,000
17 Liquor Control Board Construction and Maintenance
18 Account--State Appropriation \$5,717,000
19 Liquor Revolving Account--State
20 Appropriation ((~~\$133,842,000~~))
21 \$135,303,000
22 TOTAL APPROPRIATION ((~~\$142,468,000~~))
23 \$143,929,000

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

26 (1) \$2,000,000 of the liquor revolving account appropriation is
27 provided solely for the costs associated with ((~~the completion of~~)) the
28 merchandising business system, with priority placed on the point-of-
29 sale component of the system. Actual expenditures are limited to the
30 balance of funds remaining from the \$4,803,000 appropriation provided
31 for the merchandise business system in the 2001-03 budget.

32 (2) \$1,309,000 of the liquor revolving account appropriation is
33 provided solely for the costs associated with ((~~purchasing merchandise~~
34 ~~business system software and hardware related items, and hiring system-~~
35 ~~related staff~~)) the merchandising business system solution, with
36 priority placed on the point-of-sale component of the system. These

1 costs include hiring system-related staff and procuring system-related
2 hardware and software.

3 (3) As required under RCW 66.16.010, the liquor control board shall
4 add an equivalent surcharge of \$0.42 per liter on all retail sales of
5 spirits, excluding licensee, military and tribal sales, effective no
6 later than September 1, 2003. The intent of this surcharge is to raise
7 \$14,000,000 in additional revenue for the 2003-05 biennium. To the
8 extent that a lesser surcharge is sufficient to raise \$14,000,000, the
9 board may reduce the amount of the surcharge. The board shall remove
10 the surcharge once it generates \$14,000,000, but no later than June 30,
11 2005.

12 (4) During the 2003-2005 fiscal biennium, the board may increase
13 the fee for the certificate of approval in excess of the fiscal growth
14 factor under RCW 43.135.055 if the increase is necessary to fully fund
15 the costs of administering the certificate of approval program under
16 Substitute Senate Bill No. 6655, as amended. If the bill is not
17 enacted by June 30, 2004, this subsection is null and void.

18 (5) \$385,000 of the liquor revolving account--state appropriation
19 is provided solely to implement Engrossed Substitute Senate Bill No.
20 6655 (beer/wine manufacturers). If the bill is not enacted by June 30,
21 2004, the amount provided in this subsection shall lapse.

22 **Sec. 130.** 2003 1st sp.s. c 25 s 148 (uncodified) is amended to
23 read as follows:

24 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

25	Public Service Revolving Account--State	
26	Appropriation	((\$25,872,000))
27		<u>\$26,458,000</u>
28	Pipeline Safety Account--State	
29	Appropriation	\$2,768,000
30	Pipeline Safety Account--Federal	
31	Appropriation	\$1,041,000
32	TOTAL APPROPRIATION	((\$29,681,000))
33		<u>\$30,267,000</u>

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

36 (1) The commission shall report back to the appropriate policy
37 committees of the legislature by July 1st of 2003 and 2004 a list of
38 authorized out-of-state travel for the preceding calendar year.

1 ~~((3))~~ (2) \$135,000 of the public services revolving account
 2 appropriation and \$15,000 of the pipeline safety account--state
 3 appropriation are provided solely for the implementation of the
 4 commission's financial systems project. If final approval for the
 5 project is not granted by the office of financial management, the
 6 amounts provided in this subsection shall lapse.

7 ~~((4) \$200,000 of the public services revolving account
 8 appropriation is provided solely for an interagency transfer to the
 9 joint legislative audit and review committee for the implementation of
 10 Substitute House Bill No. 1013 (UTC performance audit). If the bill is
 11 not enacted by June 30, 2003, the amount provided in this subsection
 12 shall lapse.))~~

13 **Sec. 131.** 2003 1st sp.s. c 25 s 150 (uncodified) is amended to
 14 read as follows:

15 **FOR THE MILITARY DEPARTMENT**

16	General Fund--State Appropriation (FY 2004)	((\$8,486,000))
17		<u>\$8,578,000</u>
18	General Fund--State Appropriation (FY 2005)	((\$8,223,000))
19		<u>\$8,466,000</u>
20	General Fund--Federal Appropriation	((\$72,094,000))
21		<u>\$143,243,000</u>
22	General Fund--Private/Local Appropriation	\$371,000
23	Enhanced 911 Account--State Appropriation	\$33,955,000
24	Disaster Response Account--State Appropriation	((\$190,000))
25		<u>\$3,387,000</u>
26	<u>Disaster Response Account--Federal Appropriation</u>	<u>\$7,857,000</u>
27	Worker and Community Right to Know Fund--State	
28	Appropriation	\$290,000
29	Nisqually Earthquake Account--State	
30	Appropriation	((\$13,128,000))
31		<u>\$17,869,000</u>
32	Nisqually Earthquake Account--Federal	
33	Appropriation	((\$48,725,000))
34		<u>\$62,103,000</u>
35	TOTAL APPROPRIATION	((\$185,462,000))
36		<u>\$286,119,000</u>

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

1 (1) \$190,000 of the disaster response account--state appropriation
2 is provided solely to develop and implement a disaster grant management
3 system. The military department shall also submit a report quarterly
4 to the office of financial management and the legislative fiscal
5 committees detailing information on the disaster response account,
6 including: (a) The amount and type of deposits into the account; (b)
7 the current available fund balance as of the reporting date; and (c)
8 the projected fund balance at the end of the 2003-05 biennium based on
9 current revenue and expenditure patterns.

10 (2) (~~(\$10,128,000)~~) \$14,869,000 of the Nisqually earthquake
11 account--state appropriation and (~~(\$48,725,000)~~) \$62,103,000 of the
12 Nisqually earthquake account--federal appropriation are provided solely
13 for response and recovery costs associated with the February 28, 2001,
14 earthquake. The military department shall submit a report quarterly to
15 the office of financial management and the legislative fiscal
16 committees detailing earthquake recovery costs, including: (a)
17 Estimates of total costs; (b) incremental changes from the previous
18 estimate; (c) actual expenditures; (d) estimates of total remaining
19 costs to be paid; and (e) estimates of future payments by biennium.
20 This information shall be displayed by fund, by type of assistance, and
21 by amount paid on behalf of state agencies or local organizations. The
22 military department shall also submit a report quarterly to the office
23 of financial management and the legislative fiscal committees detailing
24 information on the Nisqually earthquake account, including: (a) The
25 amount and type of deposits into the account; (b) the current available
26 fund balance as of the reporting date; and (c) the projected fund
27 balance at the end of the 2003-05 biennium based on current revenue and
28 expenditure patterns.

29 (3) \$3,000,000 of the Nisqually earthquake account--state
30 appropriation is provided solely to cover other response and recovery
31 costs associated with the Nisqually earthquake that are not eligible
32 for federal emergency management agency reimbursement. Prior to
33 expending funds provided in this subsection, the military department
34 shall obtain prior approval of the director of financial management.
35 Prior to approving any single project of over \$1,000,000, the office of
36 financial management shall notify the fiscal committees of the
37 legislature. The military department is to submit a quarterly report
38 detailing the costs authorized under this subsection to the office of
39 financial management and the legislative fiscal committees.

1 (4) \$200,000 of the general fund--state appropriation for fiscal
2 year 2004, \$200,000 of the general fund--state appropriation for fiscal
3 year 2005, and (~~(\$43,555,000)~~) \$105,952,000 of the general fund--
4 federal appropriation are provided solely for homeland security, to be
5 distributed as follows:

6 (a) \$9,469,000 of the general fund--federal appropriation to units
7 of local government for homeland security purposes. Any communications
8 equipment purchased shall be consistent with standards set by the
9 Washington state interoperability executive committee;

10 (b) \$200,000 of the general fund--state appropriation for fiscal
11 year 2004, \$200,000 of the general fund--state appropriation for fiscal
12 year 2005, and (~~(\$200,000)~~) \$2,713,000 of the general fund--federal
13 appropriation to the department to conduct the terrorism consequence
14 management program;

15 (c) \$100,000 of the general fund--federal appropriation to the
16 department to conduct a critical infrastructure assessment;

17 (d) (~~(\$500,000)~~) \$674,000 of the general fund--federal
18 appropriation to the office of financial management for the citizen
19 corps and the community emergency response teams;

20 (e) \$1,384,000 of the general fund--federal appropriation to the
21 department to provide homeland security exercise and training
22 opportunities to state and local governments, and to develop, monitor,
23 coordinate, and manage statewide homeland security programs, including
24 required grant administration, monitoring, and reporting;

25 (f) (~~(\$29,917,000)~~) \$89,677,000 of the general fund--federal
26 appropriation for other anticipated homeland security needs. This
27 amount shall not be allotted until a spending plan is approved by the
28 governor's domestic security advisory group and the office of financial
29 management;

30 (g) The remaining general fund--federal appropriation may be
31 expended according to federal requirements;

32 (h) Federal moneys shall be carried forward and applied to the pool
33 of moneys available for appropriation for programs and projects in the
34 succeeding fiscal year. Funding is contingent upon receipt of federal
35 awards. As part of its budget request in each year, the department
36 shall estimate and request authority to spend any federal funds
37 remaining available as a result of this subsection;

38 (i) The department shall submit a quarterly report to the office of
39 financial management and the legislative fiscal committees detailing

1 the governor's domestic security advisory group recommendations;
2 homeland security revenues and expenditures, including estimates of
3 total federal funding for Washington state; incremental changes from
4 the previous estimate, planned and actual homeland security
5 expenditures by the state and local governments with this federal
6 funding; and matching or accompanying state or local expenditures.

7 **Sec. 132.** 2003 1st sp.s. c 25 s 151 (uncodified) is amended to
8 read as follows:

9 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

10	General Fund--State Appropriation (FY 2004)	\$2,362,000
11	General Fund--State Appropriation (FY 2005)	((\$2,436,000))
12		<u>\$2,437,000</u>
13	Department of Personnel Service Account--State	
14	Appropriation	\$2,542,000
15	TOTAL APPROPRIATION	((\$7,340,000))
16		<u>\$7,341,000</u>

17 The appropriations in this section are subject to the following
18 conditions and limitations: ~~((\$40,000 of the general fund state~~
19 ~~appropriation for fiscal year 2005 is provided solely for the~~
20 ~~implementation of Second Substitute Senate Bill No. 5012 (charter~~
21 ~~schools). If the bill is not enacted by June 30, 2003, the amount~~
22 ~~provided in this subsection shall lapse.)) \$41,000 of the general
23 fund--state appropriation for fiscal year 2005 is provided solely for
24 the implementation of Second Substitute House Bill No. 2295 or Second
25 Engrossed Substitute Senate Bill No. 5012 (charter schools). If
26 neither bill is enacted by June 30, 2004, the amount provided in this
27 subsection shall lapse.~~

(End of part)

1 a specified purpose except as expressly provided in subsection (3)(b)
2 of this section.

3 (b) To the extent that transfers under subsection (3)(a) of this
4 section are insufficient to fund actual expenditures in excess of
5 fiscal year 2004 caseload forecasts and utilization assumptions in the
6 medical assistance, long-term care, foster care, adoption support, and
7 child support programs, the department may transfer state moneys that
8 are provided solely for a specified purpose after approval by the
9 director of financial management.

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

14 (4) ((The department)) After consultation and coordination with
15 local elected officials and community groups to assure there will be no
16 degradation in existing services as a result of implementing the
17 Washington medicaid integration project, the department shall report
18 its progress to the appropriate committees of the legislature during
19 the 2004 September committee assembly days and is authorized to develop
20 an integrated health care program designed to slow the progression of
21 illness and disability and better manage Medicaid expenditures for the
22 aged and disabled population. Under this Washington medicaid
23 integration partnership (WMIP) the department may combine and transfer
24 such Medicaid funds appropriated under sections 204, 206, 208, and 209
25 of this act as may be necessary to finance a unified health care plan
26 for the WMIP program enrollment. The WMIP pilot projects shall not
27 exceed a daily enrollment of 6,000 persons during the 2003-05 biennium.
28 The amount of funding assigned to the pilot projects from each program
29 may not exceed the average per capita cost assumed in this act for
30 individuals covered by that program, actuarially adjusted for the
31 health condition of persons enrolled in the pilot, times the number of
32 clients enrolled in the pilot. In implementing the WMIP pilot
33 projects, the department may: (a) Withhold from calculations of
34 "available resources" as set forth in RCW 71.24.025 a sum equal to the
35 capitated rate for individuals enrolled in the pilots; and (b) employ
36 capitation financing and risk-sharing arrangements in collaboration
37 with health care service contractors licensed by the office of the
38 insurance commissioner and qualified to participate in both the
39 medicaid and medicare programs. The department shall conduct an

1 evaluation of the WMIP, measuring changes in participant health
2 outcomes, changes in patterns of service utilization, participant
3 satisfaction, participant access to services, and the state fiscal
4 impact.

5 **Sec. 202.** 2003 1st sp.s. c 25 s 202 (uncodified) is amended to
6 read as follows:

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

9	General Fund--State Appropriation (FY 2004)	((\$231,566,000))
10		<u>\$219,291,000</u>
11	General Fund--State Appropriation (FY 2005)	((\$232,468,000))
12		<u>\$229,924,000</u>
13	General Fund--Federal Appropriation	((\$416,043,000))
14		<u>\$422,870,000</u>
15	General Fund--Private/Local Appropriation	\$400,000
16	Public Safety and Education Account--	
17	State Appropriation	((\$23,920,000))
18		<u>\$21,488,000</u>
19	Violence Reduction and Drug Enforcement Account--	
20	State Appropriation	((\$5,640,000))
21		<u>\$1,488,000</u>
22	TOTAL APPROPRIATION	((\$910,037,000))
23		<u>\$895,461,000</u>

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

26 (1) \$2,271,000 of the fiscal year 2004 general fund--state
27 appropriation, \$2,271,000 of the fiscal year 2005 general fund--state
28 appropriation, and \$1,584,000 of the general fund--federal
29 appropriation are provided solely for the category of services titled
30 "intensive family preservation services."

31 (2) \$701,000 of the general fund--state fiscal year 2004
32 appropriation and \$701,000 of the general fund--state fiscal year 2005
33 appropriation are provided to contract for the operation of one
34 pediatric interim care facility. The facility shall provide
35 residential care for up to thirteen children through two years of age.
36 Seventy-five percent of the children served by the facility must be in
37 need of special care as a result of substance abuse by their mothers.
38 The facility shall also provide on-site training to biological,

1 adoptive, or foster parents. The facility shall provide at least three
2 months of consultation and support to parents accepting placement of
3 children from the facility. The facility may recruit new and current
4 foster and adoptive parents for infants served by the facility. The
5 department shall not require case management as a condition of the
6 contract.

7 (3) \$375,000 of the general fund--state fiscal year 2004
8 appropriation, \$375,000 of the general fund--state fiscal year 2005
9 appropriation, and \$322,000 of the general fund--federal appropriation
10 are provided for up to three nonfacility-based programs for the
11 training, consultation, support, and recruitment of biological, foster,
12 and adoptive parents of children through age three in need of special
13 care as a result of substance abuse by their mothers, except that each
14 program may serve up to three medically fragile nonsubstance-abuse-
15 affected children. In selecting nonfacility-based programs, preference
16 shall be given to programs whose federal or private funding sources
17 have expired or that have successfully performed under the existing
18 pediatric interim care program.

19 (4) The providers for the 31 HOPE beds shall be paid a \$1,000 base
20 payment per bed per month, and reimbursed for the remainder of the bed
21 cost only when the beds are occupied.

22 (5) \$125,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$125,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for a foster parent retention
25 program. This program is directed at foster parents caring for
26 children who act out sexually.

27 (6) Within funding provided for the foster care and adoption
28 support programs, the department shall control reimbursement decisions
29 for foster care and adoption support cases such that the aggregate
30 average cost per case for foster care and for adoption support does not
31 exceed the amounts assumed in the projected caseload expenditures. The
32 department shall adjust adoption support benefits to account for the
33 availability of the new federal adoption support tax credit for special
34 needs children.

35 (7) \$50,000 of the fiscal year 2004 general fund--state
36 appropriation and \$50,000 of the fiscal year 2005 general fund--state
37 appropriation are provided solely for a street youth program in
38 Spokane.

1 (8) \$2,000,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely to increase shelter and other services for
3 victims of domestic violence, including \$65,000 for domestic violence
4 shelter operating costs in Shelton.

5 (9) \$1,773,000 of the general fund--state appropriation for fiscal
6 year 2005 and \$531,000 of the general fund--federal appropriation are
7 provided solely to implement Engrossed Substitute Senate Bill No. 6642
8 (case conferences), CAMIS user interface improvements, and family team
9 decision meetings, as part of the department's program improvement plan
10 implementation.

11 (10) The department shall convene regional and local department
12 staff and community-based agency staff to develop recommended policies
13 and protocols concerning collaborative decision making, including
14 contracting, referrals, and resource allocation. The department shall
15 submit these recommendations to the governor and the appropriate
16 committees of the legislature by December 1, 2004.

17 **Sec. 203.** 2003 1st sp.s. c 25 s 203 (uncodified) is amended to
18 read as follows:

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

21	General Fund--State Appropriation (FY 2004)	((\$74,095,000))
22		<u>\$72,362,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$72,697,000))
24		<u>\$70,565,000</u>
25	General Fund--Federal Appropriation	((\$12,062,000))
26		<u>\$6,260,000</u>
27	General Fund--Private/Local Appropriation	\$1,098,000
28	Juvenile Accountability Incentive	
29	Account--Federal Appropriation	((\$9,139,000))
30		<u>\$7,300,000</u>
31	Violence Reduction and Drug Enforcement Account--	
32	State Appropriation	((\$37,338,000))
33		<u>\$37,699,000</u>
34	TOTAL APPROPRIATION	((\$206,429,000))
35		<u>\$195,284,000</u>

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

1 (1) \$695,000 of the violence reduction and drug enforcement account
2 appropriation is provided solely for deposit in the county criminal
3 justice assistance account for costs to the criminal justice system
4 associated with the implementation of chapter 338, Laws of 1997
5 (juvenile code revisions). The amounts provided in this subsection are
6 intended to provide funding for county adult court costs associated
7 with the implementation of chapter 338, Laws of 1997 and shall be
8 distributed in accordance with RCW 82.14.310.

9 (2) \$6,065,000 of the violence reduction and drug enforcement
10 account appropriation is provided solely for the implementation of
11 chapter 338, Laws of 1997 (juvenile code revisions). The amounts
12 provided in this subsection are intended to provide funding for county
13 impacts associated with the implementation of chapter 338, Laws of 1997
14 and shall be distributed to counties as prescribed in the current
15 consolidated juvenile services (CJS) formula.

16 (3) \$1,204,000 of the general fund--state appropriation for fiscal
17 year 2004, \$1,204,000 of the general fund--state appropriation for
18 fiscal year 2005, and \$5,262,000 of the violence reduction and drug
19 enforcement account appropriation are provided solely to implement
20 community juvenile accountability grants pursuant to chapter 338, Laws
21 of 1997 (juvenile code revisions). Funds provided in this subsection
22 may be used solely for community juvenile accountability grants,
23 administration of the grants, and evaluations of programs funded by the
24 grants.

25 (4) \$2,544,000 of the violence reduction and drug enforcement
26 account appropriation is provided solely to implement alcohol and
27 substance abuse treatment programs for locally committed offenders.
28 The juvenile rehabilitation administration shall award these moneys on
29 a competitive basis to counties that submitted a plan for the provision
30 of services approved by the division of alcohol and substance abuse.
31 The juvenile rehabilitation administration shall develop criteria for
32 evaluation of plans submitted and a timeline for awarding funding and
33 shall assist counties in creating and submitting plans for evaluation.

34 ~~(5) ((\$100,000 of the general fund--state appropriation for fiscal~~
35 ~~year 2004 and \$100,000 of the general fund--state appropriation for~~
36 ~~fiscal year 2005 are provided solely for a contract for expanded~~
37 ~~services of the teamchild project.~~

38 ~~(6))~~ \$16,000 of the general fund--state appropriation for fiscal
39 year 2004 and \$16,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for the implementation of chapter
2 167, Laws of 1999 (firearms on school property). The amounts provided
3 in this subsection are intended to provide funding for county impacts
4 associated with the implementation of chapter 167, Laws of 1999, and
5 shall be distributed to counties as prescribed in the current
6 consolidated juvenile services (CJS) formula.

7 ~~((+8))~~ (6) \$16,000 of the violence reduction and drug enforcement
8 account appropriation is provided solely for the evaluation of the
9 juvenile offender co-occurring disorder pilot program ~~((implemented~~
10 ~~pursuant to subsection (7) of this section))~~.

11 ~~((+9) \$900,000 of the general fund state appropriation for fiscal~~
12 ~~year 2004 and \$900,000 of the general fund state appropriation for~~
13 ~~fiscal year 2005 are provided solely for the continued implementation~~
14 ~~of the juvenile violence prevention grant program established in~~
15 ~~section 204, chapter 309, Laws of 1999.~~

16 ~~(+11))~~ (7) For the purposes of a pilot project recommended by the
17 family policy council, the juvenile rehabilitation administration shall
18 provide a block grant, rather than categorical funding, for
19 consolidated juvenile services, community juvenile accountability act
20 grants, the chemically dependent disposition alternative, and the
21 special sex offender disposition alternative to the Pierce county
22 juvenile court. To evaluate the effect of decategorizing funding for
23 youth services, the juvenile court shall do the following:

24 (a) Develop intermediate client outcomes according to the risk
25 assessment tool (RAT) currently used by juvenile courts and in
26 coordination with the juvenile rehabilitation administration and the
27 family policy council;

28 (b) Track the number of youth participating in each type of
29 service, intermediate outcomes, and the incidence of recidivism within
30 twenty-four months of completion of services;

31 (c) Track similar data as in (b) of this subsection with an
32 appropriate control group, selected in coordination with the juvenile
33 rehabilitation administration and the family policy council;

34 (d) Document the process for managing block grant funds on a
35 quarterly basis, and provide this report to the juvenile rehabilitation
36 administration and the family policy council; and

37 (e) Provide an initial process evaluation to the juvenile
38 rehabilitation administration and the family policy council by January
39 30, 2004, and an intermediate evaluation by December 31, 2004. The

1 court shall develop this evaluation in consultation with the juvenile
2 rehabilitation administration, the family policy council, and the
3 Washington state institute for public policy.

4 ~~((13) \$308,000))~~ (8) \$158,000 of the general fund--state
5 appropriation for fiscal year 2004 and ~~((875,000))~~ \$580,000 of the
6 general fund--state appropriation for fiscal year 2005 are provided
7 solely to reimburse counties for local juvenile disposition
8 alternatives implemented pursuant to Senate Bill No. 5903 (juvenile
9 offender sentencing). The juvenile rehabilitation administration, in
10 consultation with the juvenile court administrators, shall develop an
11 equitable distribution formula for the funding provided in this
12 subsection. The juvenile rehabilitation administration may adjust this
13 funding level in the event that utilization rates of the disposition
14 alternatives are lower than the level anticipated by the total
15 appropriations to the juvenile rehabilitation administration in this
16 section. If the bill is not enacted by June 30, 2003, the amounts
17 provided in this subsection shall lapse.

18 ~~((14))~~ (9) \$1,416,000 of the general fund--state appropriation
19 for fiscal year 2004 and \$1,417,000 of the general fund--state
20 appropriation for fiscal year 2005 are provided solely for additional
21 research-based services to the juvenile parole population, including
22 quality control efforts to ensure appropriate implementation of
23 research-based services. The juvenile rehabilitation administration
24 shall consult with the Washington state institute for public policy in
25 deciding which interventions to provide to the parole population and
26 appropriate levels of quality control. Of the total general fund--
27 state appropriation for fiscal year 2004, up to \$55,000 may be used for
28 additional suicide precaution training for staff.

29 **Sec. 204.** 2003 1st sp.s. c 25 s 204 (uncodified) is amended to
30 read as follows:

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

33 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

34 General Fund--State Appropriation (FY 2004)	((209,818,000))
	<u>\$200,251,000</u>
36 General Fund--State Appropriation (FY 2005)	((211,317,000))
37	<u>\$214,010,000</u>
38 General Fund--Federal Appropriation	((384,801,000))

1		<u>\$405,549,000</u>
2	General Fund--Local Appropriation	\$1,970,000
3	TOTAL APPROPRIATION	((\$807,906,000))
4		<u>\$821,780,000</u>

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

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

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

17 (c) \$4,222,000 of the general fund--state appropriation for fiscal
18 year 2004, \$4,222,000 of the general fund--state appropriation for
19 fiscal year 2005, and \$8,444,000 of the general fund--federal
20 appropriation are provided solely for the continued operation of
21 community residential and support services for persons whose treatment
22 needs constitute substantial barriers to community placement and who no
23 longer require active psychiatric treatment at an inpatient hospital
24 level of care, no longer meet the criteria for inpatient involuntary
25 commitment, and have been discharged from a state psychiatric hospital.
26 Primary responsibility and accountability for provision of appropriate
27 community support for persons placed with these funds shall reside with
28 the mental health program and the regional support networks, with
29 partnership and active support from the alcohol and substance abuse
30 division and from the aging and disability services administration.
31 The department shall continue performance-based incentive contracts to
32 provide appropriate community support services for individuals leaving
33 the state hospitals under this subsection. The department shall first
34 seek to contract with regional support networks before offering a
35 contract to any other party. The funds appropriated in this subsection
36 shall not be considered "available resources" as defined in RCW
37 71.24.025 and are not subject to the standard allocation formula
38 applied in accordance with RCW 71.24.035(13)(a).

1 (d) At least \$902,000 of the federal block grant funding
2 appropriated in this subsection shall be used for the continued
3 operation of the mentally ill offender pilot program.

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

23 ~~((g))~~ (f) The department shall assure that each regional support
24 network increases spending on direct client services in fiscal years
25 2004 and 2005 by at least the same percentage as the total state,
26 federal, and local funds allocated to the regional support network in
27 those years exceed the amounts allocated to it in fiscal year 2003.

28 (2) INSTITUTIONAL SERVICES

29	General Fund--State Appropriation (FY 2004)	(((\$94,196,000))
30		<u>\$86,607,000</u>
31	General Fund--State Appropriation (FY 2005)	(((\$92,964,000))
32		<u>\$87,592,000</u>
33	General Fund--Federal Appropriation	(((\$134,755,000))
34		<u>\$146,945,000</u>
35	General Fund--Private/Local Appropriation	(((\$26,342,000))
36		<u>\$29,063,000</u>
37	TOTAL APPROPRIATION	(((\$348,257,000))
38		<u>\$350,207,000</u>

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

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

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

9 (c) \$124,000 of the general fund--state appropriation for fiscal
10 year 2005, \$19,000 of the general fund--private/local appropriation,
11 and \$17,000 of the general fund--federal appropriation are provided
12 solely for implementation of Senate Bill No. 6358 (treatment orders).
13 If Senate Bill No. 6358 is not enacted by June 30, 2004, the amount
14 provided in this subsection shall lapse.

15 (d) During the 2003-05 biennium, the department may not reduce the
16 number of inpatient psychiatric hospital beds in the state hospitals
17 below existing levels of 642 at Western State Hospital and 191 at
18 Eastern State Hospital, until such time as there are available
19 community resources, especially inpatient facilities, at an average
20 cost equal to or less than the respective hospital's daily rate and the
21 reduction receives legislative approval. In addition, residential beds
22 in the program for adaptive living skills at Western State Hospital may
23 be closed only if the department provides sufficient resources for
24 these patients' mental health care to the communities in which they are
25 placed.

26 (3) CIVIL COMMITMENT

27	General Fund--State Appropriation (FY 2004)	((\$28,695,000))
28		<u>\$29,194,000</u>
29	General Fund--State Appropriation (FY 2005)	((\$32,081,000))
30		<u>\$34,400,000</u>
31	TOTAL APPROPRIATION	((\$60,776,000))
32		<u>\$63,594,000</u>

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

35 ~~(a) ((\$1,381,000 of the general fund state appropriation for~~
36 ~~fiscal year 2004 and \$2,090,000 of the general fund state~~
37 ~~appropriation for fiscal year 2005 are provided solely for operational~~
38 ~~costs associated with a less restrictive step down placement facility~~
39 ~~on McNeil Island.~~

1 ~~(b))~~ \$300,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$300,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for public safety mitigation
4 funding for jurisdictions affected by the placement of ~~((less~~
5 ~~restrictive alternative facilities for persons conditionally released~~
6 ~~from the special commitment center facility being constructed))~~ the
7 secure community transition facility on McNeil Island. Of this amount,
8 \$45,000 per year shall be provided to the city of Lakewood on September
9 1, 2003, and September 1, 2004, for police protection ~~((reimbursement))~~
10 services provided by the city at Western State Hospital and adjacent
11 areas~~((; up to \$45,000 per year shall be provided on September 1, 2003,~~
12 ~~and September 1, 2004, for training police personnel under chapter 12,~~
13 ~~Laws of 2001, 2nd sp. sess. (3ESSB 6151); up to \$125,000 per year shall~~
14 ~~be provided to Pierce county on September 1, 2003, and September 1,~~
15 ~~2004, for reimbursement of additional costs; and the remaining amounts~~
16 ~~are for other documented costs by jurisdictions directly impacted by~~
17 ~~the placement of the secure community transition facility on McNeil~~
18 ~~Island. Pursuant to chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB~~
19 ~~6151), the department shall continue to work with local jurisdictions~~
20 ~~towards reaching agreement for mitigation costs)).~~ Of the remaining
21 \$255,000 per year, the department shall reimburse the affected
22 jurisdictions for their documented costs that have been negotiated in
23 an interagency agreement between the department and each jurisdiction,
24 as follows:

25 (i) Up to \$125,000 per year shall be provided to Pierce county for
26 its additional public safety costs as defined in RCW 71.09.344(2).

27 (ii) Up to \$45,000 per year shall be provided to affected
28 jurisdictions other than Pierce county for the costs of training their
29 law enforcement and administrative personnel as defined in RCW
30 71.09.344(2)(a).

31 (iii) The remaining amounts are for affected jurisdictions other
32 than Pierce county for reimbursement of their documented public safety
33 costs as defined in RCW 71.09.344(2) (b), (c), and (d).

34 ~~((c) \$924,000 of the general fund--state appropriation for fiscal~~
35 ~~year 2004 and \$1,429,000 of the general fund--state appropriation for~~
36 ~~fiscal year 2005 are provided solely for operational costs associated~~
37 ~~with a less restrictive step down placement facility located outside of~~
38 ~~Pierce county. In selecting a site, the department is encouraged to~~

~~purchase or lease a site in an industrial area close to employment opportunities and treatment services, in an effort to reduce operating expenditures related to transportation and staff time.))~~

(b) \$4,000 of the general fund--state appropriation for fiscal year 2004 and \$354,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for mitigation costs associated with the development and occupancy of the secure community transition facility in Seattle, as described in the settlement agreement dated February 3, 2004, between the department and the city of Seattle. If City of Seattle v. DSHS, King County Superior Court Cause No. 03-2-37882-SEA is not dismissed with prejudice by July 1, 2004, this appropriation shall lapse. If the proceeding requested by the city under RCW 71.09.342(5) is not withdrawn or dismissed with prejudice by July 1, 2004, this appropriation shall lapse.

(c) \$1,212,000 of the general fund--state appropriation for fiscal year 2004 and \$1,260,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for legal fees charged to the special commitment program, including increased hourly rates.

(4) SPECIAL PROJECTS

General Fund--Federal Appropriation \$2,082,000

(5) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2004) ((\$2,863,000))
\$3,124,000

General Fund--State Appropriation (FY 2005) ((\$2,751,000))
\$3,208,000

General Fund--Federal Appropriation ((\$5,011,000))
\$5,918,000

TOTAL APPROPRIATION ((\$10,625,000))
\$12,250,000

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

(a) \$113,000 of the general fund--state appropriation for fiscal year 2004, \$125,000 of the general fund--state appropriation for fiscal year 2005, and \$164,000 of the general fund--federal appropriation are provided solely for the institute for public policy to evaluate the impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter 297, Laws of 1998 (commitment of mentally ill persons), and chapter 334, Laws of 2001 (mental health performance audit).

1 (b) \$50,000 of the general fund--state appropriation for fiscal
 2 year 2004 and \$50,000 of the general fund--federal appropriation are
 3 provided solely for a study of the prevalence of mental illness among
 4 the state's regional support networks. The study shall examine how
 5 reasonable estimates of the prevalence of mental illness relate to the
 6 incidence of persons enrolled in medical assistance programs in each
 7 regional support network area. In conducting this study, the
 8 department shall consult with the joint legislative audit and review
 9 committee, regional support networks, community mental health
 10 providers, and mental health consumer representatives. The department
 11 shall submit a final report on its findings to the fiscal, health care,
 12 and human services committees of the legislature by November 1, 2003.

13 (c) \$53,000 of the general fund--state appropriation and \$47,000 of
 14 the general fund--federal appropriation for fiscal year 2005 are
 15 provided solely for development of a plan for maintaining and
 16 increasing the number of beds available for treatment of persons
 17 experiencing acute psychiatric emergencies. The plan is to provide an
 18 estimate of the number of state hospital and community acute care beds
 19 needed in different areas of the state, and to estimate the
 20 construction and operating cost of meeting that need under alternative
 21 operating arrangements.

22 **Sec. 205.** 2003 1st sp.s. c 25 s 205 (uncodified) is amended to
 23 read as follows:

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

26 (1) COMMUNITY SERVICES

27	General Fund--State Appropriation (FY 2004)	((\$262,458,000))
28		<u>\$250,633,000</u>
29	General Fund--State Appropriation (FY 2005)	((\$268,826,000))
30		<u>\$274,414,000</u>
31	General Fund--Federal Appropriation	((\$439,489,000))
32		<u>\$453,434,000</u>
33	Health Services Account--State	
34	Appropriation	((\$1,038,000))
35		<u>\$971,000</u>
36	TOTAL APPROPRIATION	((\$971,811,000))
37		<u>\$979,452,000</u>

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

3 (a) Any new funding for family support and high school transition
4 along with a portion of existing funding for these programs shall be
5 provided as supplemental security income (SSI) state supplemental
6 payments for persons with developmental disabilities in families with
7 taxable incomes at or below 150 percent of median family income.
8 Individuals receiving family support or high school transition payments
9 shall not become eligible for medical assistance under RCW 74.09.510
10 due solely to the receipt of SSI state supplemental payments.

11 (b) The health services account appropriation and (~~(\$1,038,000)~~)
12 \$971,000 of the general fund--federal appropriation are provided solely
13 for health care benefits for home care workers with family incomes
14 below 200 percent of the federal poverty level who are employed through
15 state contracts for twenty hours per week or more.

16 (i) Premium payments for individual provider home care workers
17 shall be made only to the subsidized basic health plan.

18 (ii) Home care agencies may obtain coverage either through the
19 basic health plan or through an alternative plan with substantially
20 equivalent benefits. Premium payments made to home care agencies shall
21 be limited to home care workers who are employed at least twenty hours
22 per week to serve state-funded clients. It is the intent of the
23 legislature to fund the purchase of health care benefits for agency
24 home care providers in a more fiscally prudent manner. The legislature
25 encourages agency providers to purchase more cost-effective health care
26 benefits, including increasing participation in the basic health plan
27 or purchasing substantially equivalent benefits with substantially
28 equivalent costs.

29 (c) (~~(\$510,000)~~) \$562,000 of the general fund--state appropriation
30 for fiscal year 2004, (~~(\$784,000)~~) \$1,767,000 of the general fund--
31 state appropriation for fiscal year 2005, and (~~(\$1,225,000)~~) \$2,266,000
32 of the general fund--federal appropriation are provided solely for
33 community residential and support services. Funding in this subsection
34 shall be prioritized for (i) residents of residential habilitation
35 centers who are able to be adequately cared for in community settings
36 and who choose to live in those community settings; (~~and~~) (ii)
37 clients without residential services who are at immediate risk of
38 institutionalization or in crisis; (iii) children who are aging out of
39 other state services; and (iv) current home and community-based waiver

1 program clients who have been assessed as having an immediate need for
2 increased services. The department shall ensure that the average cost
3 per day for all program services other than start-up costs shall not
4 exceed \$300. In order to maximize the number of clients served and
5 ensure the cost-effectiveness of the waiver programs, the department
6 will strive to limit new client placement expenditures to 90 percent of
7 the budgeted daily rate. If this can be accomplished, additional
8 clients may be served with excess funds provided the total projected
9 carry-forward expenditures do not exceed the amounts estimated. The
10 department shall implement the four new waiver programs such that
11 decisions about enrollment levels and the amount, duration, and scope
12 of services maintain expenditures within appropriations. The
13 department shall electronically report to the appropriate committees of
14 the legislature, within 45 days following each fiscal year quarter, the
15 number of residents moving into community settings and the actual
16 expenditures for all community services to support those residents.

17 (d) (~~(\$511,000)~~) \$563,000 of the general fund--state appropriation
18 for fiscal year 2004, (~~(\$616,000)~~) \$1,390,000 of the general fund--
19 state appropriation for fiscal year 2005, and (~~(\$1,073,000)~~) \$1,905,000
20 of the general fund--federal appropriation are provided solely for
21 expanded community services for persons with developmental disabilities
22 who also have community protection issues (~~(or are diverted or~~
23 ~~discharged from state psychiatric hospitals)~~). Funding in this
24 subsection shall be prioritized for (i) clients being diverted or
25 discharged from the state psychiatric hospitals; (ii) clients
26 participating in the dangerous mentally ill offender program; (iii)
27 clients participating in the community protection program; and (iv)
28 mental health crisis diversion outplacements. The department shall
29 ensure that the average cost per day for all program services other
30 than start-up costs shall not exceed \$300. In order to maximize the
31 number of clients served and ensure the cost-effectiveness of the
32 waiver programs, the department will strive to limit new client
33 placement expenditures to 90 percent of the budgeted daily rate. If
34 this can be accomplished, additional clients may be served with excess
35 funds provided the total projected carry-forward expenditures do not
36 exceed the amounts estimated. The department shall implement the four
37 new waiver programs such that decisions about enrollment levels and the
38 amount, duration, and scope of services maintain expenditures within
39 appropriations. The department shall electronically report to the

1 appropriate committees of the legislature, within 45 days following
2 each fiscal year quarter, the number of persons served with these
3 additional community services, where they were residing, what kinds of
4 services they were receiving prior to placement, and the actual
5 expenditures for all community services to support these clients.

6 (e) The department shall provide a status report on the transition,
7 implementation, and operation of the four home and community-based
8 waivers that will replace the community alternatives program waiver.
9 The department shall electronically report to the appropriate
10 committees of the legislature, within 45 days following each fiscal
11 year quarter for the quarters through December 2004, the following
12 information for each home and community-based waiver: Total projected
13 state and federal fiscal year expenditures, year-to-date actual
14 expenditures compared to projected expenditures, year-to-date
15 unduplicated clients compared to projected clients, actual average per
16 capita costs compared to projected per capita costs, number of
17 transfers between waivers, amount of emergency funds spent to date
18 compared to projected emergency costs, state and federal funds
19 transferred from the medicaid personal care program to the four home
20 and community-based waiver programs, and the year-to-date number of new
21 clients added to a waiver program.

22 (f) The department may transfer funding provided in this subsection
23 to meet the purposes of subsection (2) of this section to the extent
24 that fewer residents of residential habilitation centers choose to move
25 to community placements than was assumed in this appropriation.

26 ~~((f) \$3,290,000))~~ (g) \$3,202,000 of the general fund--state
27 appropriation for fiscal year 2004, ~~((\$4,773,000))~~ \$4,472,000 of the
28 general fund--state appropriation for fiscal year 2005, and
29 ~~((\$7,504,000))~~ \$7,633,000 of the general fund--federal appropriation
30 are provided solely for the purpose of providing a wage increase
31 effective October 1, 2003, for individual home care workers providing
32 state-funded services. The amounts in this subsection also include the
33 funds needed for the employer share of unemployment and social security
34 taxes on the amount of the increase.

35 ~~((g) \$355,000))~~ (h) \$213,000 of the general fund--state
36 appropriation for fiscal year 2004, ~~((\$517,000))~~ \$289,000 of the
37 general fund--state appropriation for fiscal year 2005, and
38 ~~((\$848,000))~~ \$500,000 of the general fund--federal appropriation are
39 provided solely to increase payments to agency home care providers from

1 \$13.44 per hour to \$14.27 per hour effective October 1, 2003. The
 2 amounts in this subsection shall be used to increase ((wages))
 3 compensation for direct care workers by 75 cents per hour. The amounts
 4 in this subsection also include the funds needed for the employer share
 5 of unemployment and social security taxes on the amount of the
 6 increase.

7 (i) \$1,000,000 of the general fund--state appropriation for fiscal
 8 year 2005 and \$300,000 of the general fund--federal appropriation are
 9 provided solely for employment and day services. Priority
 10 consideration for this new funding shall be young adults with
 11 developmental disabilities living with their family who need employment
 12 opportunities and assistance after high school graduation. Services
 13 shall be provided proportionately between waiver and nonwaiver clients.
 14 Federal funds may be used to enhance this funding only to the extent
 15 that a client is already on a home and community-based waiver. This
 16 funding shall not be used to add new clients to a home and community-
 17 based waiver.

18 (j) \$312,000 of the general fund--state appropriation for fiscal
 19 year 2005 and \$290,000 of the general fund--federal appropriation are
 20 provided solely to increase payments to agency home care providers from
 21 \$14.27 per hour to \$14.93 per hour, effective October 1, 2004. The
 22 amounts in this subsection shall be used to increase compensation for
 23 direct care workers by 50 cents per hour. The amounts in this
 24 subsection also include the funds needed for the employer share of
 25 unemployment and social security taxes on the amount of the increase.

26 (2) INSTITUTIONAL SERVICES

27	General Fund--State Appropriation (FY 2004)	((\$71,862,000))
28		<u>\$67,708,000</u>
29	General Fund--State Appropriation (FY 2005)	((\$70,926,000))
30		<u>\$70,794,000</u>
31	General Fund--Federal Appropriation	((\$144,682,000))
32		<u>\$148,998,000</u>
33	General Fund--Private/Local Appropriation	\$11,228,000
34	TOTAL APPROPRIATION	((\$298,698,000))
35		<u>\$298,728,000</u>

36 The appropriations in this subsection are subject to the following
 37 conditions and limitations: The department may transfer funding
 38 provided in this subsection to meet the purposes of subsection (1) of

1 this section to the extent that more residents of residential
2 habilitation centers choose to move to community placements than was
3 assumed in this appropriation.

4 (3) PROGRAM SUPPORT

5	General Fund--State Appropriation (FY 2004)	((\$2,245,000))
6		<u>\$2,474,000</u>
7	General Fund--State Appropriation (FY 2005)	((\$2,245,000))
8		<u>\$3,208,000</u>
9	General Fund--Federal Appropriation	((\$2,965,000))
10		<u>\$4,209,000</u>
11	Telecommunications Devices for the Hearing and	
12	Speech Impaired Account Appropriation	((\$1,782,000))
13		<u>\$891,000</u>
14	TOTAL APPROPRIATION	((\$9,237,000))
15		<u>\$10,782,000</u>

16 The appropriation in this subsection is subject to the following
17 conditions and limitations: \$245,000 of the general fund--state
18 appropriation for fiscal year 2004, \$996,000 of the general fund--state
19 appropriation for fiscal year 2005, and \$1,258,000 of the general
20 fund--federal appropriation are provided solely for the purpose of
21 developing and implementing a consistent needs assessment instrument
22 for use on all clients with developmental disabilities. In developing
23 the instrument, the department shall develop a process for collecting
24 data on family income for minor children with developmental
25 disabilities who are clients of the department and shall ensure that
26 this information is captured as part of the client assessment process.

27 (4) SPECIAL PROJECTS

28	General Fund--Federal Appropriation	((\$11,993,000))
29		<u>\$13,604,000</u>

30 **Sec. 206.** 2003 1st sp.s. c 25 s 206 (uncodified) is amended to
31 read as follows:

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

34	General Fund--State Appropriation (FY 2004)	((\$557,645,000))
35		<u>\$523,896,000</u>
36	General Fund--State Appropriation (FY 2005)	((\$570,669,000))
37		<u>\$578,270,000</u>

1	General Fund--Federal Appropriation	((\$1,162,511,000))
2		<u>\$1,187,250,000</u>
3	General Fund--Private/Local Appropriation	\$18,644,000
4	Health Services Account--State	
5	Appropriation	\$4,888,000
6	TOTAL APPROPRIATION	((\$2,314,357,000))
7		<u>\$2,312,948,000</u>

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

10 (1) The entire health services account appropriation, \$1,476,000 of
11 the general fund--state appropriation for fiscal year 2004,
12 ((~~\$1,476,000~~)) \$1,043,000 of the general fund--state appropriation for
13 fiscal year 2005, and ((~~\$7,284,000~~)) \$6,851,000 of the general fund--
14 federal appropriation are provided solely for health care benefits for
15 home care workers who are employed through state contracts for at least
16 twenty hours per week.

17 (a) Premium payments for individual provider home care workers
18 shall be made only to the subsidized basic health plan, and only for
19 persons with incomes below 200 percent of the federal poverty level.

20 (b) Home care agencies may obtain coverage either through the basic
21 health plan or through an alternative plan with substantially
22 equivalent benefits. Premium payments made to home care agencies shall
23 be limited to home care workers who are employed at least twenty hours
24 per week to serve state-funded clients. It is the intent of the
25 legislature to fund the purchase of health care benefits for agency
26 home care providers in a more fiscally prudent manner. The legislature
27 encourages agency providers to purchase more cost-effective health care
28 benefits, including increasing participation in the basic health plan
29 or purchasing substantially equivalent benefits with substantially
30 equivalent costs.

31 (2) \$1,768,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$1,768,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for operation of the volunteer
34 chore services program.

35 (3) For purposes of implementing chapter 74.46 RCW, the weighted
36 average nursing facility payment rate shall be no more than ((~~\$144.54~~))
37 \$142.04 for fiscal year 2004, and no more than ((~~\$147.43~~)) \$148.11 for
38 fiscal year 2005. For all facilities, the direct care, therapy care,
39 support services, and operations component rates established in

1 accordance with chapter 74.46 RCW shall be adjusted for economic trends
2 and conditions by 3.0 percent effective July 1, 2003, and by an
3 additional 2.4 percent effective July 1, 2004.

4 (4) In accordance with chapter 74.46 RCW, the department shall
5 issue certificates of capital authorization that result in up to \$32
6 million of increased asset value completed and ready for occupancy in
7 fiscal year 2004; up to \$32 million of increased asset value completed
8 and ready for occupancy in fiscal year 2005; and up to \$32 million of
9 increased asset value completed and ready for occupancy in fiscal year
10 2006.

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

14 (6) In accordance with chapter 74.39 RCW, the department may
15 implement ~~((a))~~ two medicaid waiver programs for persons who do not
16 qualify for such services as categorically needy, subject to federal
17 approval and the following conditions and limitations:

18 (a) ~~((The))~~ One waiver program shall include coverage of care in
19 community residential facilities. Enrollment in the waiver shall not
20 exceed 600 persons ~~((by the end of fiscal year 2004, nor 600 persons by~~
21 ~~the end of fiscal year 2005))~~ at any time.

22 (b) The second waiver program shall include coverage of in-home
23 care. Enrollment in this second waiver shall not exceed 200 persons at
24 any time.

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

28 ~~((e))~~ (d) The department shall track and electronically report to
29 health care and fiscal committees of the legislature by November 15,
30 2004, on the types of long-term care support a sample of waiver
31 participants were receiving prior to their enrollment in the waivers,
32 how those services were being paid for, and an assessment of their
33 adequacy.

34 (e) If it is necessary to establish a waiting list for either
35 waiver because the budgeted number of enrollment opportunities has been
36 reached, the department shall track how the long-term care needs of
37 applicants assigned to the waiting list are met.

38 (7) \$118,000 of the general fund--state appropriation for fiscal
39 year 2004, \$118,000 of the general fund--state appropriation for fiscal

1 year 2005, and \$236,000 of the general fund--federal appropriation are
2 provided solely for the department to assess at least annually each
3 elderly resident residing in residential habilitation centers and
4 state-operated living alternatives to determine if the resident can be
5 more appropriately served in a less restrictive setting.

6 (a) The department shall consider the proximity to the resident of
7 the family, friends, and advocates concerned with the resident's
8 well-being in determining whether the resident should be moved from a
9 residential habilitation center to a different facility or program.

10 (b) In assessing an elderly resident under this section and to
11 ensure appropriate placement, the department shall identify the special
12 needs of the resident, the types of services that will best meet those
13 needs, and the type of facility that will best provide those services.

14 (c) The appropriate interdisciplinary team shall conduct the
15 evaluation.

16 (d) If appropriate, the department shall coordinate with the local
17 mental health authority.

18 (e) The department may explore whether an enhanced rate is needed
19 to serve this population.

20 (8) Within funds appropriated in this section, the department may
21 ~~((assess nursing facility residents with Alzheimer's disease or related~~
22 ~~dementias to determine whether such residents can be more appropriately~~
23 ~~served in licensed boarding home facilities that specialize in caring~~
24 ~~for such conditions. The department may, based upon the assessments~~
25 ~~and within existing funds, pay dementia pilot project rates on behalf~~
26 ~~of)) expand the number of boarding home beds participating in the~~
27 ~~dementia pilot project by up to 200. These additional beds shall~~
28 ~~provide~~ persons with Alzheimer's disease or related dementias who
29 ~~((move from nursing facilities to specialized boarding homes)) might~~
30 ~~otherwise require nursing home care accommodation in licensed boarding~~
31 ~~home facilities that specialize in caring for such conditions.~~

32 (9) The department shall establish waiting lists to the extent
33 necessary to assure that annual expenditures on the community options
34 program entry systems (COPES) program do not exceed appropriated
35 levels. In establishing and managing any such waiting list, the
36 department shall assure priority access to persons with the greatest
37 unmet needs, as determined by department assessment processes.

38 (10) ~~((\$7,102,000)) \$6,418,000 of the general fund--state~~
39 ~~appropriation for fiscal year 2004, ~~((\$10,065,000)) \$8,620,000 of the~~~~

1 general fund--state appropriation for fiscal year 2005, and
2 (~~(\$17,029,000)~~) \$15,038,000 of the general fund--federal appropriation
3 are provided solely for the purpose of providing a wage increase
4 effective October 1, 2003, for individual home care workers providing
5 state-funded services. The amounts in this subsection also include the
6 funds needed for the employer share of unemployment and social security
7 taxes on the amount of the increase.

8 (11) (~~(\$2,219,000)~~) \$2,294,000 of the general fund--state
9 appropriation for fiscal year 2004, (~~(\$3,192,000)~~) \$3,266,000 of the
10 general fund--state appropriation for fiscal year 2005, and
11 (~~(\$5,263,000)~~) \$5,560,000 of the general fund--federal appropriation
12 are provided solely to increase payments to agency home care providers
13 from \$13.44 per hour to \$14.27 per hour effective October 1, 2003. The
14 amounts in this subsection shall be used to increase (~~wages~~)
15 compensation for direct care workers by 75 cents per hour. The amounts
16 in this subsection also include the funds needed for the employer share
17 of unemployment and social security taxes on the amount of the
18 increase.

19 (12) \$1,952,000 of the general fund--state appropriation for fiscal
20 year 2005 and \$1,941,000 of the general fund--federal appropriation are
21 provided solely to increase payments to agency home care providers from
22 \$14.27 per hour to \$14.93 per hour, effective October 1, 2004. The
23 amounts in this subsection shall be used to increase compensation for
24 direct care workers by 50 cents per hour. The amounts in this
25 subsection also include the funds needed for the employer share of
26 unemployment and social security taxes on the amount of the increase.

27 (13) \$500,000 of the general fund--state appropriation for fiscal
28 year 2005 is provided solely for area agencies on aging, or entities
29 with which area agencies on aging contract, to provide support services
30 for grandparents and other formal and informal kinship caregivers of
31 children throughout the state.

32 (a) Support services shall include but not be limited to assistance
33 in gaining access to those services, counseling, organization of
34 support groups, and respite care.

35 (b) In providing support services under the kinship caregivers
36 support program, area agencies on aging shall give priority to kinship
37 caregivers who are at the greatest risk of being unable to maintain the
38 caregiving role.

1 (c) In carrying out the kinship caregivers support program, each
2 area agency on aging shall coordinate the activities of the agency, or
3 entities with which the agency contracts, with the activities of other
4 public and private agencies or organizations providing similar services
5 for kinship caregivers.

6 **Sec. 207.** 2003 1st sp.s. c 25 s 207 (uncodified) is amended to
7 read as follows:

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

10	General Fund--State Appropriation (FY 2004)	((\$408,184,000))
11		<u>\$445,968,000</u>
12	General Fund--State Appropriation (FY 2005)	((\$407,363,000))
13		<u>\$437,720,000</u>
14	General Fund--Federal Appropriation	((\$1,209,758,000))
15		<u>\$1,208,746,000</u>
16	General Fund--Private/Local Appropriation	((\$33,880,000))
17		<u>\$33,891,000</u>
18	TOTAL APPROPRIATION	((\$2,059,185,000))
19		<u>\$2,126,325,000</u>

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

22 (1) \$273,652,000 of the general fund--state appropriation for
23 fiscal year 2004, \$273,695,000 of the general fund--state appropriation
24 for fiscal year 2005, and \$1,000,222,000 of the general fund--federal
25 appropriation are provided solely for all components of the WorkFirst
26 program. Within the amounts provided for the WorkFirst program, the
27 department shall:

28 (a) Continue to implement WorkFirst program improvements that are
29 designed to achieve progress against outcome measures specified in RCW
30 74.08A.410. Valid outcome measures of job retention and wage
31 progression shall be developed and reported quarterly to appropriate
32 fiscal and policy committees of the legislature for families who leave
33 assistance, measured after 12 months, 24 months, and 36 months. The
34 department shall also report the percentage of families who have
35 returned to temporary assistance for needy families after 12 months, 24
36 months, and 36 months;

37 (b) Submit a report by October 1, 2003, to the fiscal committees of
38 the legislature containing a spending plan for the WorkFirst program.

1 The plan shall identify how spending levels in the 2003-2005 biennium
2 will be adjusted to stay within available federal grant levels and the
3 appropriated state-fund levels; and

4 ~~((c) Include an urban adjustment factor for child care providers~~
5 ~~in urban areas of region 1.))~~

6 (2) ~~((\$45,639,000))~~ \$57,547,000 of the general fund--state
7 appropriation for fiscal year 2004 and ~~((\$39,335,000))~~ \$59,953,000 of
8 the general fund--state appropriation for fiscal year 2005 are provided
9 solely for cash assistance and other services to recipients in the
10 general assistance--unemployable program. Within these amounts, the
11 department may expend funds for services that assist recipients to
12 reduce their dependence on public assistance, provided that
13 expenditures for these services and cash assistance do not exceed the
14 funds provided.

15 (3) ~~((\$1,436,000))~~ \$936,000 of the general fund--state
16 appropriation for fiscal year 2004 and ~~((\$1,436,000))~~ \$936,000 of the
17 general fund--state appropriation for fiscal year 2005 are provided for
18 the department to assist in naturalization efforts for legal aliens
19 whose eligibility for federal supplemental security income has expired.
20 The department shall use funding previously spent on general assistance
21 employment supports for these naturalization services.

22 (4) \$3,940,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$3,940,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for the food assistance program
25 for legal immigrants. The level of benefits shall be equivalent to the
26 benefits provided by the federal food stamp program.

27 (5) \$9,142,000 of the general fund--federal appropriation is
28 provided solely for increased reimbursement of county legal-clerk
29 services for child support enforcement. The department shall ensure
30 this increase in cost does not reduce federal incentive payments.

31 (6) In reviewing the budget for the division of child support, the
32 legislature has conducted a review of the Washington state child
33 support schedule, chapter 26.19 RCW, and supporting documentation as
34 required by federal law. The legislature concludes that the
35 application of the support schedule continues to result in the correct
36 amount of child support to be awarded. No further changes will be made
37 to the support schedule or the economic table at this time.

38 (7) \$1,250,000 of the general fund--state appropriation for fiscal
39 year 2005 is provided solely for the department to maintain specialized

1 employment services through the WorkFirst/LEP pathway program for
 2 refugees and other limited-English-proficient (LEP) families and
 3 individuals that receive temporary assistance for needy families, state
 4 family assistance, or refugee cash assistance benefits. These
 5 employment services include but are not limited to English as a second
 6 language (ESL), job placement assistance, and work support services.

7 (8) \$96,000 of the general fund--state appropriation for fiscal
 8 year 2005, \$16,000 of the general fund--federal appropriation, and
 9 \$11,000 of the general fund--local appropriation are provided solely
 10 for the implementation of Engrossed Senate Bill No. 6411 (reducing
 11 hunger), including section 2 of the act. If the bill is not enacted by
 12 June 30, 2004, the amounts provided in this section shall lapse.

13 (9) \$500,000 of the general fund--state appropriation for fiscal
 14 year 2005 is provided solely for a subsidy rate increase for child care
 15 providers in urban areas of region 1.

16 **Sec. 208.** 2003 1st sp.s. c 25 s 208 (uncodified) is amended to
 17 read as follows:

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

20	General Fund--State Appropriation (FY 2004)	((\$40,320,000))
21		<u>\$39,979,000</u>
22	General Fund--State Appropriation (FY 2005)	((\$40,320,000))
23		<u>\$41,201,000</u>
24	General Fund--Federal Appropriation	((\$90,632,000))
25		<u>\$94,105,000</u>
26	General Fund--Private/Local Appropriation	\$630,000
27	Public Safety and Education Account--State	
28	Appropriation	((\$7,160,000))
29		<u>\$2,060,000</u>
30	Criminal Justice Treatment Account--State	
31	Appropriation	\$8,950,000
32	Violence Reduction and Drug Enforcement Account--	
33	State Appropriation	((\$44,342,000))
34		<u>\$49,142,000</u>
35	<u>Problem Gambling Treatment Account--State</u>	
36	<u>Appropriation</u>	<u>\$500,000</u>
37	TOTAL APPROPRIATION	((\$232,354,000))
38		<u>\$236,567,000</u>

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

3 (1) \$966,197 of the general fund--state appropriation for fiscal
4 year 2004 and \$966,197 of the general fund-- state appropriation for
5 fiscal year 2005 are provided solely for the parent child assistance
6 program. The department shall contract with the University of
7 Washington and community-based providers in Spokane and Yakima for the
8 provision of this program. For all contractors, indirect charges for
9 administering the program shall not exceed ten percent of the total
10 contract amount.

11 (2) \$250,000 of the general fund--state appropriation for fiscal
12 year 2005 is provided for the Washington state mentoring partnership.

13 (3) \$500,000 of the problem gambling treatment account
14 appropriation is provided solely to implement Second Substitute House
15 Bill No. 2776 (problem gambling). If the bill is not enacted by June
16 30, 2004, the amount provided in this subsection shall lapse.

17 **Sec. 209.** 2003 1st sp.s. c 25 s 209 (uncodified) is amended to
18 read as follows:

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

21	General Fund--State Appropriation (FY 2004)	((\$1,184,774,000))
22		<u>\$1,119,073,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$1,265,423,000))
24		<u>\$1,248,580,000</u>
25	General Fund--Federal Appropriation	((\$3,764,258,000))
26		<u>\$3,892,248,000</u>
27	General Fund--Private/Local Appropriation	((\$262,736,000))
28		<u>\$278,296,000</u>
29	Emergency Medical Services and Trauma Care Systems	
30	Trust Account--State Appropriation	((\$23,700,000))
31		<u>\$14,004,000</u>
32	Health Services Account--State Appropriation	((\$756,012,000))
33		<u>\$708,854,000</u>
34	TOTAL APPROPRIATION	((\$7,256,903,000))
35		<u>\$7,261,055,000</u>

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

1 (1) Based on quarterly expenditure reports and caseload forecasts,
2 if the department estimates that expenditures for the medical
3 assistance program will exceed the appropriations, the department shall
4 take steps including but not limited to reduction of rates or
5 elimination of optional services to reduce expenditures so that total
6 program costs do not exceed the annual appropriation authority.

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

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

14 (4) (~~(\$999,000)~~) \$493,000 of the health services account
15 appropriation for fiscal year 2004, (~~(\$1,519,000)~~) \$748,000 of the
16 health services account appropriation for fiscal year 2005, and
17 (~~(\$2,142,000)~~) \$1,241,000 of the general fund--federal appropriation
18 are provided solely for implementation of a "ticket to work" medicaid
19 buy-in program for working persons with disabilities, operated in
20 accordance with the following conditions:

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

23 (b) Participants shall participate in the cost of the program by
24 paying (i) a monthly enrollment fee equal to fifty percent of any
25 unearned income in excess of the medicaid medically needy standard; and
26 (ii) a monthly premium equal to 5 percent of all unearned income, plus
27 5 percent of all earned income after disregarding the first sixty-five
28 dollars of monthly earnings, and half the remainder;

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

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

36 (5) Sufficient funds are appropriated in this section for the
37 department to continue podiatry services for medicaid-eligible adults.

38 (6) Sufficient funds are appropriated in this section for the
39 department to provide an adult dental benefit equivalent to

1 approximately 75 percent of the dental benefit provided during the
2 2001-03 biennium. The department shall establish the scope of services
3 to be provided within the available funds in consultation with dental
4 providers and consumer representatives.

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

8 (8) In accordance with RCW 74.46.625, (~~(\$52,057,000)~~) \$35,953,000
9 of the fiscal year 2004 health services account appropriation,
10 (~~(\$35,016,000)~~) \$20,577,000 of the fiscal year 2005 health services
11 account appropriation, and (~~(\$87,074,000)~~) \$61,037,000 of the general
12 fund--federal appropriation are provided solely for supplemental
13 payments to nursing homes operated by rural public hospital districts.
14 The payments shall be conditioned upon (a) a contractual commitment by
15 the association of public hospital districts and participating rural
16 public hospital districts to make an intergovernmental transfer to the
17 state treasurer, for deposit into the health services account, equal to
18 at least (~~(94.5)~~) 91.9 percent of the supplemental payments; (b) a
19 contractual commitment by the association of public hospital districts
20 to return at least (~~(5.5)~~) 8.1 percent of the supplemental payments to
21 the participating rural hospital districts; and (c) a contractual
22 commitment by the participating districts to not allow expenditures
23 covered by the supplemental payments to be used for medicaid nursing
24 home rate setting. A hospital which does not participate in the
25 supplemental payment intergovernmental transfer budgeted for fiscal
26 year 2003 shall not be eligible to participate in the supplemental
27 payments budgeted in this subsection for fiscal year(~~(s)~~) 2004 (~~and~~
28 ~~2005~~). The participating districts shall retain no more than a total
29 of \$9,600,000 for the 2003-05 biennium.

30 (9) (~~(\$14,616,000)~~) \$12,318,000 of the health services account
31 appropriation for fiscal year 2004, (~~(\$12,394,000)~~) \$10,738,000 of the
32 health services account appropriation for fiscal year 2005, and
33 (~~(\$27,010,000)~~) \$23,056,000 of the general fund--federal appropriation
34 are provided solely for additional disproportionate share and medicare
35 upper payment limit payments to public hospital districts and to the
36 state's teaching hospitals. The payments shall be conditioned upon a
37 contractual commitment by the participating public hospitals to make an
38 intergovernmental transfer to the health services account equal to at
39 least 91 percent of the additional payments. The state's teaching

1 hospitals shall retain at least 28 percent of the amounts retained by
2 hospitals under these programs, or the maximum allowable under the
3 teaching hospitals' limits as established under federal rule, whichever
4 is less.

5 (10) (~~(\$3,100,000)~~) \$3,178,000 of the health services account
6 appropriation, (~~(\$8,416,000)~~) \$4,208,000 of the general fund--local
7 appropriation, and (~~(\$11,516,000)~~) \$7,308,000 of the general fund--
8 federal appropriation are provided solely for grants to rural
9 hospitals. The department shall distribute the funds under a formula
10 that provides a relatively larger share of the available funding to
11 hospitals that (a) serve a disproportionate share of low-income and
12 medically indigent patients and (b) have relatively smaller net
13 financial margins, to the extent allowed by the federal medicaid
14 program.

15 (11) (~~(\$26,080,000)~~) \$36,002,000 of the health services account
16 appropriation and \$26,080,000 of the general fund--federal
17 appropriation are provided solely for grants to nonrural hospitals.
18 The department shall distribute the funds under a formula that provides
19 a relatively larger share of the available funding to hospitals that
20 (a) serve a disproportionate share of low-income and medically indigent
21 patients and (b) have relatively smaller net financial margins, to the
22 extent allowed by the federal medicaid program.

23 (~~(+13)~~ ~~-\$156,000~~) (12) \$302,000 of the general fund--state
24 appropriation for fiscal year 2004, \$1,671,000 of the general fund--
25 state appropriation for fiscal year 2005, and (~~(\$1,403,000)~~)
26 \$17,757,000 of the general fund--federal appropriation are provided
27 solely for (~~(a study to assess alternatives for replacing the existing~~
28 ~~medicaid management information system. The department shall report to~~
29 ~~the information services board and to the fiscal committees of the~~
30 ~~legislature by December 1, 2003, on the anticipated costs and benefits~~
31 ~~of the major alternative approaches)) development and implementation of
32 a replacement system for the existing medicaid management information
33 system. The medicaid management information system replacement project
34 shall comply with section 902, chapter 25, Laws of 2003 1st sp. sess.~~

35 (~~(+14)~~) (13) The department shall implement a combination of cost
36 containment and utilization strategies sufficient to reduce general
37 fund--state costs for durable medical equipment and supplies in fiscal
38 year 2005 by approximately 5 percent below the level projected for
39 fiscal year 2005 in the February 2003 forecast. In designing

1 strategies, the primary strategy considered shall be selective or
2 direct contracting with durable medical equipment and supplies vendors
3 or manufacturers.

4 ~~((+15+))~~ (14) The department shall, within available resources,
5 design and implement a medical care services care management pilot
6 project for clients receiving general assistance benefits. The pilot
7 project shall be operated in at least two of the counties with the
8 highest concentration of general assistance clients, and may use a full
9 or partial capitation model. In designing the project, the department
10 shall consult with the mental health division and its managed care
11 contractors that include community and migrant health centers in their
12 provider network. The pilot project shall be designed to maximize care
13 coordination, high-risk medical management, and chronic care management
14 to achieve better health outcomes. The pilot project shall begin
15 enrollment on July 1, 2004.

16 ~~((+16+))~~ (15) Within available resources and to the extent
17 possible, the department shall evaluate and pilot a nurse consultant
18 services program to assist fee-for-service clients in accessing medical
19 information, with the goal of reducing administrative burdens on
20 physicians and unnecessary emergency room utilization.

21 ~~((+17+))~~ (16) The department shall include in any pending medicaid
22 reform section 1115 waiver application, or in any existing section 1115
23 waiver, a request for authorization to provide optional medicaid
24 services that have been eliminated in this act to American Indian and
25 Alaska Native persons as defined in relevant federal law who are
26 eligible for medicaid only to the extent that such services are
27 provided through the American Indian health system and are financed
28 with one hundred percent federal medicaid matching funds.

29 ~~((+18+))~~ (17) The department shall establish managed care rates
30 within available funds(~~(, giving specific consideration to each plan's~~
31 ~~programmatic and financial performance, and ability to assure access in~~
32 ~~under served areas))~~, in a manner that promotes health plan efficiency,
33 encourages continuity of service, and assures access in underserved
34 areas.

35 ~~((+19+))~~ (18) The department of social and health services, the
36 office of the superintendent of public instruction, and the department
37 of health should jointly identify opportunities for early intervention
38 and prevention activities that can help prevent disease and reduce oral
39 health issues among children. Disease prevention among infants at the

1 age of one year and among children entering the K-12 education system
2 provides cost-effective ways to avoid higher health care spending later
3 in life.

4 ~~((+20))~~ (19) The department shall secure a federal waiver,
5 effective no later than September 1, 2003, which will enable it to
6 charge co-premiums for medical and dental coverage of children whose
7 family incomes exceed the federal poverty level.

8 ~~((+21))~~ (20) For purposes of RCW 74.09.800(2), ~~(((\$9,549,000))~~
9 \$8,017,000 of the general fund--state appropriation for fiscal year
10 2004, ~~(((\$10,779,000))~~ \$8,454,000 of the general fund--state
11 appropriation for fiscal year 2005, and ~~(((\$37,753,000))~~ \$30,588,000 of
12 the general fund--federal appropriation are provided solely to provide
13 prenatal care services to low-income women who are not eligible to
14 receive such services under the medical assistance program, Title XIX
15 of the federal social security act. If the department is unable to
16 secure federal matching funds under Title XXI of the social security
17 act, the department shall take all actions necessary to manage the
18 program within these appropriated levels.

19 (21) \$13,588,000 of the health services account appropriation for
20 fiscal year 2004, \$11,008,000 of the health services account
21 appropriation for fiscal year 2005, and \$24,595,000 of the general
22 fund--federal appropriation are provided solely for additional
23 disproportionate share hospital payments to public hospital districts.
24 The payments shall be conditioned upon a contractual commitment by the
25 participating hospital districts to make an intergovernmental transfer
26 to the health services account equal to at least 86.5 percent of the
27 additional disproportionate share payment. The participating districts
28 shall retain no more than \$6,607,000 of the total additional amount
29 paid.

30 (22) \$10,000,000 of the general fund--federal and \$10,000,000 of
31 the general fund--local funds are provided solely to increase payments
32 in the inpatient upper payment limit program for the state's teaching
33 hospitals. Payments shall be made to the extent allowable under
34 federal medicaid rule and law. The department shall work with the
35 teaching hospitals to identify allowable sources of funding for the
36 required match and to assure that the teaching hospitals are
37 responsible for repayment of any disallowed federal matching funds.

1 **Sec. 210.** 2003 1st sp.s. c 25 s 210 (uncodified) is amended to
2 read as follows:

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

5	General Fund--State Appropriation (FY 2004)	((\$10,180,000))
6		<u>\$10,172,000</u>
7	General Fund--State Appropriation (FY 2005)	((\$10,202,000))
8		<u>\$10,191,000</u>
9	General Fund--Federal Appropriation	((\$85,803,000))
10		<u>\$85,804,000</u>
11	General Fund--Local Appropriation	\$440,000
12	<u>Telecommunications Devices for the Hearing and</u>	
13	<u>Speech Impaired Account--State Appropriation</u>	<u>\$891,000</u>
14	TOTAL APPROPRIATION	((\$106,625,000))
15		<u>\$107,498,000</u>

16 **Sec. 211.** 2003 1st sp.s. c 25 s 211 (uncodified) is amended to
17 read as follows:

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

20	General Fund--State Appropriation (FY 2004)	((\$35,926,000))
21		<u>\$37,620,000</u>
22	General Fund--State Appropriation (FY 2005)	((\$25,968,000))
23		<u>\$29,382,000</u>
24	General Fund--Federal Appropriation	((\$45,752,000))
25		<u>\$52,580,000</u>
26	General Fund--Private/Local Appropriation	\$810,000
27	<u>Public Safety and Education Account--State</u>	
28	<u>Appropriation</u>	<u>\$2,444,000</u>
29	<u>Violence Reduction and Drug Enforcement Account--</u>	
30	<u>State Appropriation</u>	<u>\$4,152,000</u>
31	TOTAL APPROPRIATION	((\$108,456,000))
32		<u>\$126,988,000</u>

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

35 (1) \$467,000 of the general fund--state appropriation for fiscal
36 year 2004, \$769,000 of the general fund--state appropriation for fiscal
37 year 2005, and \$1,236,000 of the general fund--federal appropriation
38 are provided solely for transition costs associated with the downsizing

1 effort at Fircrest school. The department shall organize the
2 downsizing effort so as to minimize disruption to clients, employees,
3 and the developmental disabilities program. The employees responsible
4 for the downsizing effort shall report to the assistant secretary of
5 the aging and disability services administration. Within the funds
6 provided in this subsection, the department shall:

7 (a) Determine appropriate ways to maximize federal reimbursement
8 during the downsizing process;

9 (b) Meet and confer with representatives of affected employees on
10 how to assist employees who need help to relocate to other state jobs
11 or to transition to private sector positions;

12 (c) Review opportunities for state employees to continue caring for
13 clients by assisting them in developing privately operated community
14 residential alternatives. In conducting the review, the department
15 will examine efforts in this area pursued by other states as part of
16 institutional downsizing efforts;

17 (d) Keep appropriate committees of the legislature apprised,
18 through regular reports and periodic e-mail updates, of the development
19 of and revisions to the work plan regarding this downsizing effort; and

20 (e) Provide a preliminary transition plan to the fiscal and policy
21 committees of the legislature by January 1, 2004. The transition plan
22 shall include recommendations on ways to continue to provide some of
23 the licensed professional services offered at Fircrest school to
24 clients being served in community settings.

25 (2) \$10,000,000 of the general fund--state appropriation for fiscal
26 year 2004 is provided solely for one-time expenditures needed to meet
27 the federally required level for state supplemental payments (SSP).
28 The department shall transfer appropriate portions of this amount to
29 other programs within the agency to accomplish this purpose. The
30 department shall not initiate new services with this funding that will
31 cause total future SSP expenditures to exceed the required annual
32 maintenance-of-effort level.

33 (3) \$100,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$100,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for a contract for expanded
36 services of the teamchild project.

37 (4) \$900,000 of the general fund--state appropriation for fiscal
38 year 2004 and \$900,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for the continued implementation
2 of the juvenile violence prevention grant program established in
3 section 204, chapter 309, Laws of 1999.

4 **Sec. 212.** 2003 1st sp.s. c 25 s 212 (uncodified) is amended to
5 read as follows:

6 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER**
7 **AGENCIES PROGRAM**

8	General Fund--State Appropriation (FY 2004)	((\$42,011,000))
9		<u>\$43,454,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$42,011,000))
11		<u>\$43,493,000</u>
12	General Fund--Federal Appropriation	((\$41,994,000))
13		<u>\$43,321,000</u>
14	TOTAL APPROPRIATION	((\$126,016,000))
15		<u>\$130,268,000</u>

16 **Sec. 213.** 2003 1st sp.s. c 25 s 213 (uncodified) is amended to
17 read as follows:

18 **FOR THE STATE HEALTH CARE AUTHORITY**

19	State Health Care Authority Administrative	
20	Account--State Appropriation	((\$17,665,000))
21		<u>\$18,942,000</u>
22	Health Services Account--State Appropriation	((\$415,459,000))
23		<u>\$417,890,000</u>
24	General Fund--Federal Appropriation	((\$3,307,000))
25		<u>\$3,875,000</u>
26	Medical Aid Account--State Appropriation	((\$128,000))
27		<u>\$213,000</u>
28	TOTAL APPROPRIATION	((\$436,559,000))
29		<u>\$440,920,000</u>

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

32 (1) ((~~\$6,000,000 of~~)) \$2,500,000 of the health services account--
33 state appropriation is provided solely to increase funding for health
34 care services provided through local community clinics.

35 (2) The health services account--state appropriation ((is provided
36 solely to increase the number of persons not eligible for medicaid
37 receiving dental care from nonprofit community clinics)) contains

1 funding to provide dental care at community clinics for persons who are
2 not current medicaid recipients, and for interpreter services to
3 support dental and medical services for persons for whom interpreters
4 are not available from any other source.

5 ~~((+2))~~ (3) \$50,000 of the health services account--state
6 appropriation is provided solely to support the operation of an
7 innovative clinic model for the delivery of health services to
8 uninsured or publicly insured persons that is located in an urban
9 underserved area and operated as a department or subsidiary of a
10 hospital located in that underserved area; has been in operation for
11 fewer than six months as of the effective date of this act; utilizes an
12 innovative service delivery model that relies upon midlevel
13 practitioners, volunteers, and students enrolled in health education
14 programs and offers group visits for common conditions; and has a
15 sliding fee schedule that assumes that every patient of the clinic will
16 make some contribution towards the cost of his or her care.

17 (4) In order to maximize the number of enrollees who can be
18 supported within appropriated amounts, the health care authority is
19 directed to make modifications that will reduce the actuarial value of
20 the basic health plan benefit by approximately 18 percent effective
21 January 1, 2004. Modifications may include changes in enrollee premium
22 obligations, enrollee cost-sharing, benefits, and incentives to access
23 preventative services. To the extent that additional actions are
24 needed in order to operate within appropriated funds, new enrollments
25 to the program shall be limited in a manner consistent with the
26 authority's September 6, 2001, administrative policy on basic health
27 plan enrollment management.

28 ~~((+3))~~ (5) Within funds appropriated in this section and sections
29 205 and 206 of this act, the health care authority shall continue to
30 provide an enhanced basic health plan subsidy for foster parents
31 licensed under chapter 74.15 RCW and workers in state-funded home care
32 programs. Under this enhanced subsidy option, foster parents and home
33 care workers with family incomes below 200 percent of the federal
34 poverty level shall be allowed to enroll in the basic health plan at
35 the minimum premium amount charged to enrollees with incomes below
36 sixty- five percent of the federal poverty level.

37 ~~((+4))~~ (6) The health care authority shall require organizations
38 and individuals which are paid to deliver basic health plan services

1 and which choose to sponsor enrollment in the subsidized basic health
2 plan to pay 133 percent of the premium amount which would otherwise be
3 due from the sponsored enrollees.

4 ~~((+5+))~~ (7) The administrator shall take at least the following
5 actions to assure that persons participating in the basic health plan
6 are eligible for the level of assistance they receive: (a) Require
7 submission of (i) income tax returns, and recent pay history, from all
8 applicants, or (ii) other verifiable evidence of earned and unearned
9 income from those persons not required to file income tax returns; (b)
10 check employment security payroll records at least once every twelve
11 months on all enrollees; (c) require enrollees whose income as
12 indicated by payroll records exceeds that upon which their subsidy is
13 based to document their current income as a condition of continued
14 eligibility; (d) require enrollees for whom employment security payroll
15 records cannot be obtained to document their current income at least
16 once every six months; (e) not reduce gross family income for self-
17 employed persons by noncash-flow expenses such as, but not limited to,
18 depreciation, amortization, and home office deductions, as defined by
19 the United States internal revenue service; and (f) pursue repayment
20 and civil penalties from persons who have received excessive subsidies,
21 as provided in RCW 70.47.060(9).

22 ~~((+6+))~~ (8) To decrease administrative burdens for providers and
23 plans participating in state purchased health care programs, the
24 administrator, the assistant secretary for the medical assistance
25 administration of the department of social and health services, and the
26 director of the department of labor and industries, in collaboration
27 with health carriers, health care providers, and the office of the
28 insurance commissioner shall, within available resources:

29 (a) Improve the timeliness of claims processing and the
30 distribution of medical assistance program fee schedules, and more
31 clearly define the scope of coverage under managed care contracts;

32 (b) Improve the capacity for electronic billing and claims
33 submission and provide electronic access to eligibility, benefits, and
34 exclusion information;

35 (c) Develop clear audit and data requirements for contracting
36 managed health care plans and improve consistency between claims
37 processing and published fee schedules;

38 (d) Conform billing codes with providers and between agencies with
39 national and regional standards wherever possible; and

1 (e) Take steps to implement cost-effective measures pursuant to
 2 this section by December 2004, and on or before December 1, 2003,
 3 provide a progress report to the relevant policy and fiscal committees
 4 of the legislature on the feasibility of implementation and any fiscal
 5 constraints or regulatory or statutory barriers.

6 **Sec. 214.** 2003 1st sp.s. c 25 s 217 (uncodified) is amended to
 7 read as follows:

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

9	General Fund--State Appropriation (FY 2004)	\$5,863,000
10	General Fund--State Appropriation (FY 2005)	(\$5,860,000)
11		<u>\$6,145,000</u>
12	Public Safety and Education Account--State	
13	Appropriation	\$22,391,000
14	Public Safety and Education Account--Federal	
15	Appropriation	\$8,462,000
16	Asbestos Account--State Appropriation	(\$693,000)
17		<u>\$717,000</u>
18	Electrical License Account--State	
19	Appropriation	(\$28,966,000)
20		<u>\$29,589,000</u>
21	Farm Labor Revolving Account--Private/Local	
22	Appropriation	\$28,000
23	Worker and Community Right-to-Know Account--State	
24	Appropriation	(\$2,544,000)
25		<u>\$2,557,000</u>
26	Public Works Administration Account--State	
27	Appropriation	(\$2,411,000)
28		<u>\$2,477,000</u>
29	Accident Account--State Appropriation	(\$187,843,000)
30		<u>\$188,181,000</u>
31	Accident Account--Federal Appropriation	\$13,396,000
32	Medical Aid Account--State Appropriation	(\$186,724,000)
33		<u>\$186,408,000</u>
34	Medical Aid Account--Federal Appropriation	\$2,960,000
35	Plumbing Certificate Account--State	
36	Appropriation	(\$1,451,000)
37		<u>\$1,490,000</u>
38	Pressure Systems Safety Account--State	

1	Appropriation	((\$2,807,000))
2		<u>\$2,878,000</u>
3	TOTAL APPROPRIATION	((\$472,399,000))
4		<u>\$473,542,000</u>

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

7 ~~((+2))~~ (1) \$90,000 of the electrical license account--state
8 appropriation and \$206,000 of the plumbing certificate account--state
9 appropriation are provided solely to implement Engrossed Substitute
10 Senate Bill No. 5713 (electrical contractors). If the bill is not
11 enacted by June 30, 2003, the amounts provided in this subsection shall
12 lapse.

13 ~~((+3) \$378,000)~~ (2) \$578,000 of the accident account--state
14 appropriation is provided solely for the purpose of contracting with
15 medical laboratories, health care providers, and other appropriate
16 entities to provide cholinesterase medical monitoring of farm workers
17 who handle cholinesterase-inhibiting pesticides, and to collect and
18 analyze data related to such monitoring.

19 (3) \$453,000 of the accident account--state appropriation is
20 provided solely for the purpose of reimbursing agricultural employers
21 for the costs of training, record-keeping, and travel related to
22 cholinesterase medical monitoring of farm workers who handle
23 cholinesterase-inhibiting pesticides.

24 (4) The department shall report to the office of financial
25 management and the appropriate fiscal and policy committees of the
26 legislature detailed information regarding administrative staffing
27 levels and services by October 1, 2004, and prior to implementing phase
28 II of the indirect cost study.

29 (5) \$399,000 of the accident account--state appropriation and
30 \$399,000 of the medical aid account--state appropriation are provided
31 solely for the expansion of workers' compensation fraud investigation
32 activities. The department shall report quarterly to the office of
33 financial management and the appropriate policy and fiscal committees
34 of the legislature regarding the cost effectiveness of fraud
35 activities, including the total dollars expended compared to total
36 dollars recovered.

37 **Sec. 215.** 2003 1st sp.s. c 25 s 219 (uncodified) is amended to
38 read as follows:

1	FOR THE DEPARTMENT OF VETERANS AFFAIRS	
2	(1) HEADQUARTERS	
3	General Fund--State Appropriation (FY 2004)	((\$1,527,000))
4		<u>\$1,531,000</u>
5	General Fund--State Appropriation (FY 2005)	((\$1,528,000))
6		<u>\$1,536,000</u>
7	Charitable, Educational, Penal, and Reformatory	
8	Institutions Account--State	
9	Appropriation	\$11,000
10	TOTAL APPROPRIATION	((\$3,066,000))
11		<u>\$3,078,000</u>
12	(2) FIELD SERVICES	
13	General Fund--State Appropriation (FY 2004)	((\$2,579,000))
14		<u>\$2,588,000</u>
15	General Fund--State Appropriation (FY 2005)	((\$2,579,000))
16		<u>\$2,596,000</u>
17	General Fund--Federal Appropriation	\$309,000
18	General Fund--Private/Local Appropriation	\$1,668,000
19	TOTAL APPROPRIATION	((\$7,135,000))
20		<u>\$7,161,000</u>
21	(3) INSTITUTIONAL SERVICES	
22	General Fund--State Appropriation (FY 2004)	((\$7,473,000))
23		<u>\$7,380,000</u>
24	General Fund--State Appropriation (FY 2005)	((\$5,890,000))
25		<u>\$6,020,000</u>
26	General Fund--Federal Appropriation	((\$27,207,000))
27		<u>\$27,365,000</u>
28	General Fund--Private/Local Appropriation	\$27,822,000
29	TOTAL APPROPRIATION	((\$68,392,000))
30		<u>\$68,587,000</u>

31 **Sec. 216.** 2003 1st sp.s. c 25 s 220 (uncodified) is amended to
32 read as follows:

33	FOR THE HOME CARE QUALITY AUTHORITY	
34	General Fund--State Appropriation (FY 2004)	((\$412,000))
35		<u>\$360,000</u>
36	General Fund--State Appropriation (FY 2005)	((\$259,000))
37		<u>\$471,000</u>
38	TOTAL APPROPRIATION	((\$671,000))

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

(1) (~~(\$150,000)~~) \$98,000 of the general fund--state appropriation for fiscal year 2004 (~~is~~) and \$212,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the design and development of (~~the~~) a home care provider referral registry (~~mandated by Initiative Measure No. 775~~) as provided in RCW 74.39A.250. The authority and the department of social and health services shall jointly report to the fiscal committees of the legislature by December 1, 2004, with options for operating the regional and local components of the registry through cooperative agreements with area agencies on aging and/or the department's home and community services offices. The options shall identify the costs and benefits associated with several alternative levels of ongoing operational funding, at least one of which shall be to operate the registry within current levels of state and federal funding for the regional and local offices.

(2) Pursuant to RCW 74.39A.300(1), the legislature (~~rejects~~) rejected the collective bargaining agreement entered into by the home care quality authority and the exclusive bargaining representative of individual providers on January 13, 2003, under chapter 74.39A RCW (Initiative Measure No. 775).

Sec. 217. 2003 1st sp.s. c 25 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund--State Appropriation (FY 2004)	((\$58,143,000))
	<u>\$57,853,000</u>
General Fund--State Appropriation (FY 2005)	((\$60,224,000))
	<u>\$60,346,000</u>
Health Services Account--State Appropriation	((\$34,289,000))
	<u>\$36,989,000</u>
General Fund--Federal Appropriation	((\$348,897,000))
	<u>\$392,762,000</u>
General Fund--Private/Local Appropriation	\$93,601,000
Hospital Commission Account--State	
Appropriation	\$2,490,000
Health Professions Account--State	

1	Appropriation	((\$40,097,000))
2		<u>\$40,285,000</u>
3	Emergency Medical Services and Trauma Care Systems	
4	Trust Account--State Appropriation	\$12,558,000
5	Safe Drinking Water Account--State	
6	Appropriation	\$2,728,000
7	Drinking Water Assistance Account--Federal	
8	Appropriation	((\$13,498,000))
9		<u>\$15,654,000</u>
10	Waterworks Operator Certification--State	
11	Appropriation	((\$633,000))
12		<u>\$1,053,000</u>
13	<u>Drinking Water Assistance Administrative Account--</u>	
14	<u>State Appropriation</u>	<u>\$326,000</u>
15	Water Quality Account--State Appropriation	\$3,359,000
16	Accident Account--State Appropriation	\$258,000
17	Medical Aid Account--State Appropriation	\$46,000
18	State Toxics Control Account--State	
19	Appropriation	\$2,761,000
20	Medical Test Site Licensure Account--State	
21	Appropriation	\$1,718,000
22	Youth Tobacco Prevention Account--State	
23	Appropriation	\$1,806,000
24	Tobacco Prevention and Control Account--State	
25	Appropriation	\$52,510,000
26	TOTAL APPROPRIATION	((\$729,616,000))
27		<u>\$779,103,000</u>

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

30 (1) The department or any successor agency is authorized to raise
31 existing fees charged for health care assistants, commercial shellfish
32 paralytic shellfish poisoning, commercial shellfish licenses, (~~and~~)
33 newborn screening programs, psychiatrically impaired children and youth
34 residential treatment, and in-home services in excess of the fiscal
35 growth factor established by Initiative Measure No. 601, if necessary,
36 to meet the actual costs of conducting business and the appropriation
37 levels in this section.

38 (2) \$1,337,000 of the general fund--state fiscal year 2004
39 appropriation and \$1,338,000 of the general fund--state fiscal year

1 2005 appropriation are provided solely for the implementation of the
2 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
3 DOH-03, and DOH-04.

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

20 (4) (~~(\$21,650,000)~~) \$24,350,000 of the health services account--
21 state appropriation is provided solely for the state's program of
22 universal access to essential childhood vaccines. The department shall
23 utilize all available federal funding before expenditure of these
24 funds.

25 (5) \$2,984,000 of the general fund--local appropriation is provided
26 solely for development and implementation of an internet-based system
27 for preparing and retrieving death certificates as provided in
28 Substitute Senate Bill No. 5545 (chapter 241, Laws of 2003, web-based
29 vital records).

30 (6) The department of social and health services, the office of the
31 superintendent of public instruction, and the department of health
32 should jointly identify opportunities for early intervention and
33 prevention activities that can help prevent disease and reduce oral
34 health issues among children. Disease prevention among infants at the
35 age of one year and among children entering the K-12 education system
36 provides cost-effective ways to avoid higher health care spending later
37 in life.

38 (7) \$92,000 of the general fund--state appropriation for fiscal
39 year 2004, \$19,000 of the general fund--state appropriation for fiscal

1 year 2005, and \$987,000 of the general fund--local appropriation are
2 provided solely for implementation of Substitute House Bill No. 1338
3 (municipal water rights). If Substitute House Bill No. 1338 is not
4 enacted by June 30, 2003, the amounts provided in this subsection shall
5 lapse.

6 (8) \$188,000 of the health professions account--state appropriation
7 is provided solely to increase the regulation of sales of precursor
8 drugs that are often used to illegally manufacture methamphetamine to
9 implement Senate Bill No. 6478 (ephedrine). If the bill is not enacted
10 by June 30, 2004, the amount provided in this subsection shall lapse.

11 (9) \$25,000 of the general fund--state appropriation for fiscal
12 year 2005 is provided solely to develop and implement best practices in
13 preventative health care for children. The department and the kids get
14 care program of public health - Seattle and King county will work in
15 collaboration with local health care agencies to disseminate strategic
16 interventions that are focused on evidence-based best practices for
17 improving health outcomes in children and saving health care costs. A
18 report shall be provided to the appropriate committees of the
19 legislature by June 30, 2005, on the program effectiveness and cost
20 savings. This funding shall be matched by an equal amount of local
21 funding.

22 (10) \$250,000 of the general fund--state appropriation for fiscal
23 year 2005 is provided solely for the department to implement a
24 multiyear pilot project in Yakima county for persons with household
25 income at or below 200 percent of the federal poverty level who are
26 ineligible for family planning services through the medicaid program.
27 Individuals who will be served under the pilot include women who have
28 never been pregnant, are not currently pregnant, or are beyond the
29 family planning extension period allowed for first steps program
30 eligibility. It is anticipated that the pilot project will serve
31 approximately 1,000 women annually. The department will provide a
32 preliminary report to the appropriate committees of the legislature by
33 December 1, 2005.

34 **Sec. 218.** 2003 1st sp.s. c 25 s 222 (uncodified) is amended to
35 read as follows:

36 **FOR THE DEPARTMENT OF CORRECTIONS.** The appropriations to the
37 department of corrections in this act shall be expended for the
38 programs and in the amounts specified herein. However, after May 1,

1 2004, after approval by the director of financial management and unless
 2 specifically prohibited by this act, the department may transfer
 3 general fund--state appropriations for fiscal year 2004 between
 4 programs. The director of financial management shall notify the
 5 appropriate fiscal committees of the senate and house of
 6 representatives in writing prior to approving any deviations from
 7 appropriation levels.

8 (1) ADMINISTRATION AND SUPPORT SERVICES

9	General Fund--State Appropriation (FY 2004)	((\$38,317,000))
10		<u>\$36,534,000</u>
11	General Fund--State Appropriation (FY 2005)	((\$35,473,000))
12		<u>\$38,835,000</u>
13	Public Safety and Education Account--State	
14	Appropriation	\$3,657,000
15	Violence Reduction and Drug Enforcement	
16	Account Appropriation	\$26,000
17	TOTAL APPROPRIATION	((\$77,473,000))
18		<u>\$79,052,000</u>

19 The appropriations in this subsection are subject to the following
 20 conditions and limitations: ((~~\$3,250,000~~)) \$700,000 of the general
 21 fund--state appropriation for fiscal year 2004 ((~~is~~)) and \$2,550,000 of
 22 the general fund--state appropriation for fiscal year 2005 are provided
 23 solely for the continuation of phase two of the department's offender-
 24 based tracking system replacement project. ((~~This~~)) These amounts
 25 ((~~is~~)) are conditioned on the department satisfying the requirements of
 26 section 902 of this act.

27 (2) CORRECTIONAL OPERATIONS

28	General Fund--State Appropriation (FY 2004)	((\$441,122,000))
29		<u>\$458,402,000</u>
30	General Fund--State Appropriation (FY 2005)	((\$449,520,000))
31		<u>\$477,061,000</u>
32	General Fund--Federal Appropriation	((\$8,746,000))
33		<u>\$4,090,000</u>
34	Violence Reduction and Drug Enforcement Account--	
35	State Appropriation	\$3,008,000
36	TOTAL APPROPRIATION	((\$902,396,000))
37		<u>\$942,561,000</u>

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

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

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

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

17 (d) During the 2003-05 biennium, when contracts are established or
18 renewed for offender pay phone and other telephone services provided to
19 inmates, the department shall select the contractor or contractors
20 primarily based on the following factors: (i) The lowest rate charged
21 to both the inmate and the person paying for the telephone call; and
22 (ii) the lowest commission rates paid to the department, while
23 providing reasonable compensation to cover the costs of the department
24 to provide the telephone services to inmates and provide sufficient
25 revenues for the activities funded from the institutional welfare
26 betterment account.

27 (e) For the acquisition of properties and facilities, the
28 department of corrections is authorized to enter into financial
29 contracts, paid for from operating resources, for the purposes
30 indicated and in not more than the principal amounts indicated, plus
31 financing expenses and required reserves pursuant to chapter 39.94 RCW.
32 This authority applies to the following: Lease-develop with the option
33 to purchase or lease-purchase approximately 50 work release beds in
34 facilities throughout the state for \$3,500,000.

35 (3) COMMUNITY SUPERVISION

36	General Fund--State Appropriation (FY 2004)	((\$73,952,000))
37		<u>\$87,626,000</u>
38	General Fund--State Appropriation (FY 2005)	((\$74,200,000))
39		<u>\$88,564,000</u>

1	Public Safety and Education	
2	Account--State Appropriation	\$15,492,000
3	TOTAL APPROPRIATION	((\$163,644,000))
4		<u>\$191,682,000</u>

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

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

12 (b) \$75,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$75,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for the department of corrections
15 to contract with the institute for public policy for responsibilities
16 assigned in chapter 196, Laws of 1999 (offender accountability act) and
17 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
18 sentencing).

19 (c) \$100,000 of the general fund--state appropriation for fiscal
20 year 2004 is provided solely for a pilot project to test the
21 availability, reliability, and effectiveness of an electronic
22 monitoring system based on passive data logging global positioning
23 system technology for monitoring sex offenders.

24 (i) The department of corrections shall work with the Washington
25 association of sheriffs and police chiefs and the department of social
26 and health services to establish the pilot project.

27 (ii) The pilot project shall be of sufficient size to test the
28 reliability of the technology in a variety of geographical
29 circumstances including both urban and rural locations.

30 (iii) The pilot project shall test the system using sex or
31 kidnapping offenders under the jurisdiction of the department of
32 corrections and persons civilly committed under chapter 71.09 RCW under
33 a variety of supervision circumstances. Offenders included in the
34 pilot project shall be offenders who have been classified as level
35 three offenders by the end of sentence review committee and over whom
36 the department of corrections has authority to establish conditions of
37 supervision or persons who have been ordered to be electronically
38 monitored by the court in a proceeding under chapter 71.09 RCW and who

1 have been classified as level three offenders by the end of sentence
2 review committee.

3 (iv) The pilot project shall specifically examine the feasibility
4 of electronic monitoring for level three sex offenders or kidnapping
5 offenders who register as homeless or transient.

6 (v) The Washington association of sheriffs and police chiefs shall
7 report to the appropriate committees of the legislature and the
8 governor on the results of the pilot project by January 31, 2004. The
9 report must include, but is not limited to:

10 (A) The availability of the technology, including a description of
11 the system used and a discussion of the various types of global
12 positioning system-based monitoring available and appropriate for a sex
13 offender population;

14 (B) Any geographic or weather-related limitations posed by the
15 technology;

16 (C) The reliability, including the false alarm rate of the
17 technology;

18 (D) Any training requirements for department of corrections staff
19 or supervised persons;

20 (E) Any distinctions in effectiveness or feasibility for different
21 supervision populations;

22 (F) Costs, including equipment costs, monitoring fees, and any
23 changes to department of corrections staffing levels;

24 (G) The ability of the subjects of the pilot to pay for daily
25 and/or equipment costs;

26 (H) The rate of loss or damage to equipment used by the subjects of
27 the pilot project; and

28 (I) Limitations in the pilot project to determining the answers to
29 the items in this subsection (3)(c)(v).

30 The association shall make a recommendation in the report about the
31 frequency and timing of monitoring reports, and the need for further
32 study of the issue to determine efficacy and reliability.

33 (4) CORRECTIONAL INDUSTRIES

34	General Fund--State Appropriation (FY 2004)	\$626,000
35	General Fund--State Appropriation (FY 2005)	\$626,000
36	TOTAL APPROPRIATION	\$1,252,000

37 The appropriations in this subsection are subject to the following
38 conditions and limitations: \$110,000 of the general fund--state
39 appropriation for fiscal year 2004 and \$110,000 of the general fund--

1 state appropriation for fiscal year 2005 are provided solely for
2 transfer to the jail industries board. The board shall use the amounts
3 provided only for administrative expenses, equipment purchases, and
4 technical assistance associated with advising cities and counties in
5 developing, promoting, and implementing consistent, safe, and efficient
6 offender work programs.

7 (5) INTERAGENCY PAYMENTS

8	General Fund--State Appropriation (FY 2004)	((\$25,099,000))
9		<u>\$26,259,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$25,134,000))
11		<u>\$26,288,000</u>
12	TOTAL APPROPRIATION	((\$50,233,000))
13		<u>\$52,547,000</u>

14 The appropriations in this subsection are subject to the following
15 conditions and limitations: \$70,000 of the general fund--state
16 appropriation for fiscal year 2005 is provided solely for the
17 implementation of Engrossed Second Substitute Senate Bill No. 6489
18 (correctional industries). If the bill is not enacted by June 30,
19 2004, the amount provided in this subsection shall lapse.

20 **Sec. 219.** 2003 1st sp.s. c 25 s 226 (uncodified) is amended to
21 read as follows:

22 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

23	General Fund--Federal Appropriation	\$267,586,000
24	General Fund--Private/Local Appropriation	\$30,103,000
25	Unemployment Compensation Administration Account--	
26	Federal Appropriation	((\$184,878,000))
27		<u>\$192,366,000</u>
28	Administrative Contingency Account--State	
29	Appropriation	((\$14,721,000))
30		<u>\$11,221,000</u>
31	Employment Service Administrative Account--State	
32	Appropriation	\$23,184,000
33	TOTAL APPROPRIATION	((\$520,472,000))
34		<u>\$524,460,000</u>

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

1 (1) \$100,000 of the administrative contingency account
 2 appropriation is provided solely to ((establish an advisory partnership
 3 on the Washington manufacturing sector as outlined in Substitute House
 4 Bill No. 2164 (manufacturing advisory partnership) and recommended in
 5 the report entitled manufacturing in Washington state, 1990-2002:
 6 trends and implications for the industry and state)) the employment
 7 security department for manufacturing economic research and surveys
 8 with findings reported to relevant legislative committees, business,
 9 and labor.

10 (2) \$3,988,000 of the unemployment compensation administration
 11 account--federal appropriation is provided from funds made available to
 12 the state by section 903(d) of the Social Security Act (Reed Act).
 13 These funds are provided to replace obsolete information technology
 14 infrastructure.

15 (3) \$3,500,000 of the unemployment compensation administration
 16 account--federal appropriation is provided from funds made available to
 17 the state by section 903(d) of the Social Security Act (Reed Act).
 18 These funds are authorized for employer outreach activities, employment
 19 service activities, and to prevent, detect, and collect unemployment
 20 insurance benefit overpayments.

21 **Sec. 220.** 2003 1st sp.s. c 25 s 216 (uncodified) is amended to
 22 read as follows:

23 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

24 Municipal Criminal Justice Assistance Account--

25 Local Appropriation	\$460,000
26 Death Investigations Account--State	
27 Appropriation	\$148,000
28 Public Safety and Education Account--State	
29 Appropriation	(((\$18,078,000))
30	<u>\$18,153,000</u>
31 TOTAL APPROPRIATION	(((\$18,686,000))
32	<u>\$18,761,000</u>

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

35 (1) \$124,000 of the public safety and education account
 36 appropriation is provided solely to allow the Washington association of
 37 sheriffs and police chiefs to increase the technical and training

1 support provided to the local criminal justice agencies on the new
2 incident-based reporting system and the national incident-based
3 reporting system.

4 (2) \$136,000 of the public safety and education account
5 appropriation is provided solely to allow the Washington association of
6 prosecuting attorneys to enhance the training provided to criminal
7 justice personnel.

8 (3) \$65,000 of the public safety and education account
9 appropriation is provided solely for regionalized training programs for
10 school district and local law enforcement officials on school safety
11 issues.

12 (4) \$250,000 of the public safety and education account
13 appropriation is provided solely to the Washington association of
14 sheriffs and police chiefs for staffing and support of a web site to
15 provide information about sex offenders.

16 (5) \$25,000 of the public safety and education account
17 appropriation is provided solely for allocation to the Washington
18 association of sheriffs and police chiefs to coordinate jail and prison
19 capacity and population projects with local governments, the sentencing
20 guidelines commission, and the department of corrections. The
21 association shall build on its existing work and that of the commission
22 on regional jails and capacity issues, and may:

23 (a) Pursue options for regional jails where the cost is the same or
24 lower than existing state and local corrections costs;

25 (b) Pursue options for the state to rent or purchase bed or
26 facility space from local governments;

27 (c) Pursue options to manage population overcapacity and special
28 populations; and

29 (d) Pursue options to develop better communication and information
30 sharing processes between state and local correctional facilities.

31 The association shall provide an interim progress report to the
32 appropriate fiscal and policy committees of the legislature no later
33 than December 1, 2004.

34 (6) \$50,000 of the public safety and education account
35 appropriation is provided solely for the implementation of Engrossed
36 Substitute House Bill No. 2556 (criminal background checks). If the
37 bill is not enacted by June 30, 2004, the amount provided in this
38 subsection shall lapse.

1 **Sec. 221.** 2003 1st sp.s. c 25 s 225 (uncodified) is amended to
2 read as follows:

3 **FOR THE SENTENCING GUIDELINES COMMISSION**

4	General Fund--State Appropriation (FY 2004)	\$737,000
5	General Fund--State Appropriation (FY 2005)	\$741,000
6	TOTAL APPROPRIATION	\$1,478,000

7 The appropriations in this section are subject to the following
8 conditions and limitations: The sentencing guidelines commission shall
9 review the use, effectiveness, and cost effectiveness of sex offender
10 sentencing, including the special sex offender sentencing alternative
11 as follows:

12 (1) The review and evaluation shall include an analysis of whether
13 current sex offense sentencing ranges and standards, as well as
14 existing mandatory minimum sentences, existing sentence enhancements,
15 and the special sex offender sentencing alternative, are consistent
16 with the purposes of the sentencing reform act, as set out in RCW
17 9.94A.010, and the community protection act. The review in this area
18 may summarize findings of the sentencing study required by chapter 7,
19 Laws of 2001, and the work of the Washington state institute for public
20 policy, and shall not be duplicative.

21 (2) In conducting the review and evaluation, the commission shall
22 consult with the superior court judges' association, the Washington
23 association of prosecuting attorneys, the Washington defenders'
24 association, the Washington association of criminal defense lawyers,
25 the Washington association of sheriffs and police chiefs, the
26 Washington state institute for public policy, treatment providers,
27 organizations representing crime victims, and other organizations and
28 individuals with expertise and interest in sex offender sentencing
29 policy and treatment. To the extent possible within available
30 appropriations, the commission shall conduct open public hearings to
31 obtain input from the victims, families, advocates, and others.
32 Comments from the public shall be included in the report to the
33 legislature.

34 (3) Not later than December 1, 2004, the commission shall present
35 to the appropriate standing committees of the legislature the findings
36 of its review and evaluation, together with any recommendations for
37 revisions and modifications to sex offender sentencing and supervision
38 policy, including sentencing ranges and standards, mandatory minimum
39 sentences, sentencing alternatives, and sentence enhancements. If

1 implementation of the recommendations of the commission would result in
2 exceeding the capacity of local or state correctional facilities, the
3 commission shall also present the fiscal impact of proposed changes.

4 (4) If Engrossed Substitute House Bill No. 2400 (sex crimes against
5 minors) is enacted, the commission shall ensure that the study required
6 by the bill is coordinated with the study required by this act.

(End of part)

PART III
NATURAL RESOURCES

Sec. 301. 2003 1st sp.s. c 25 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2004)	((\$33,464,000))
	<u>\$35,828,000</u>
General Fund--State Appropriation (FY 2005)	((\$33,263,000))
	<u>\$35,911,000</u>
General Fund--Federal Appropriation	\$57,143,000
General Fund--Private/Local Appropriation	\$3,696,000
Special Grass Seed Burning Research Account--	
State Appropriation	\$14,000
Reclamation Revolving Account--State	
Appropriation	\$2,760,000
Flood Control Assistance Account--	
State Appropriation	((\$2,019,000))
	<u>\$2,159,000</u>
State Emergency Water Projects Revolving Account--	
State Appropriation	((\$552,000))
	<u>\$725,000</u>
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation	\$13,714,000
State Drought Preparedness Account--State	
Appropriation	((\$1,708,000))
	<u>\$1,858,000</u>
State and Local Improvements Revolving Account	
(Water Supply Facilities)--State	
Appropriation	\$593,000
Site Closure Account--State Appropriation	\$629,000
Water Quality Account--State Appropriation	\$25,252,000
Wood Stove Education and Enforcement Account--	
State Appropriation	\$356,000
Worker and Community Right-to-Know Account--	
State Appropriation	\$3,348,000
State Toxics Control Account--State	

1	Appropriation	((\$59,268,000))
2		<u>\$59,427,000</u>
3	State Toxics Control Account--Private/Local	
4	Appropriation	\$353,000
5	Local Toxics Control Account--State	
6	Appropriation	\$4,878,000
7	Water Quality Permit Account--State	
8	Appropriation	((\$25,205,000))
9		<u>\$25,741,000</u>
10	Underground Storage Tank Account--State	
11	Appropriation	\$2,710,000
12	Environmental Excellence Account--State	
13	Appropriation	\$504,000
14	Biosolids Permit Account--State Appropriation	\$784,000
15	Hazardous Waste Assistance Account--State	
16	Appropriation	((\$4,185,000))
17		<u>\$4,535,000</u>
18	Air Pollution Control Account--State	
19	Appropriation	\$1,654,000
20	Oil Spill Prevention Account--State	
21	Appropriation	((\$7,745,000))
22		<u>\$7,889,000</u>
23	Air Operating Permit Account--State	
24	Appropriation	\$3,693,000
25	Freshwater Aquatic Weeds Account--State	
26	Appropriation	\$2,503,000
27	Oil Spill Response Account--State	
28	Appropriation	\$7,078,000
29	Metals Mining Account--State Appropriation	\$19,000
30	Water Pollution Control Revolving Account--	
31	State Appropriation	((\$380,000))
32		<u>\$387,000</u>
33	Water Pollution Control Revolving Account--	
34	Federal Appropriation	((\$1,867,000))
35		<u>\$1,901,000</u>
36	TOTAL APPROPRIATION	((\$301,337,000))
37		<u>\$308,042,000</u>

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

1 (1) \$2,757,696 of the general fund--state appropriation for fiscal
2 year 2004, \$2,757,696 of the general fund--state appropriation for
3 fiscal year 2005, \$394,000 of the general fund--federal appropriation,
4 \$2,581,000 of the state toxics account--state appropriation, \$217,830
5 of the water quality account--state appropriation, \$322,976 of the
6 state drought preparedness account--state appropriation, \$3,748,220 of
7 the water quality permit account--state appropriation, and \$704,942 of
8 the oil spill prevention account are provided solely for the
9 implementation of the Puget Sound work plan and agency action items
10 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

11 (2) \$4,059,000 of the state toxics control account appropriation is
12 provided solely for methamphetamine lab clean-up activities.

13 (3) \$170,000 of the oil spill prevention account appropriation is
14 provided solely for implementation of the Puget Sound work plan action
15 item UW-02 through a contract with the University of Washington's sea
16 grant program to develop an educational program targeted to small
17 spills from commercial fishing vessels, ferries, cruise ships, ports,
18 and marinas.

19 (4) (~~(\$1,000,000)~~) \$730,000 of the general fund--state
20 appropriation for fiscal year 2004 and (~~(\$1,000,000)~~) \$1,270,000 of the
21 general fund--state appropriation for fiscal year 2005 are provided
22 solely for shoreline grants to local governments to implement
23 Substitute Senate Bill No. 6012 (shoreline management), chapter 262,
24 Laws of 2003.

25 (5) Fees approved by the department of ecology in the 2003-05
26 biennium are authorized to exceed the fiscal growth factor under RCW
27 43.135.055.

28 (6) \$200,000 of the water quality account--state appropriation is
29 provided solely for the department to contract with Washington State
30 University cooperative extension program to provide statewide
31 coordination and support for coordinated resource management.

32 (7) \$100,000 of the state toxics control account--state
33 appropriation is provided solely to implement Engrossed Substitute
34 House Bill No. 1002 (mercury), chapter 260, Laws of 2003. If the bill
35 is not enacted by June 30, 2003, the amount provided in this subsection
36 shall lapse.

37 (8) The department of ecology is authorized to take one of the
38 following actions related to the grant awarded in the 2001-03 biennium
39 to Lincoln county for the Negro Creek flood control project, flood

1 control assistance account program grant G0200049: (a) Carry forward
2 to the 2003-05 biennium any unspent portion of the grant, or (b) extend
3 the time of performance for the grant contract to the end of the 2003-
4 2005 biennium.

5 (9) \$144,000 of the oil spill prevention account--state
6 appropriation is provided solely to implement the provisions of
7 Substitute Senate Bill No. 6641 (oil spills). If the bill is not
8 enacted by June 30, 2004, the amount provided in this subsection shall
9 lapse.

10 (10) \$536,000 of the water quality permit account--state
11 appropriation is provided solely to implement the provisions of
12 Engrossed Substitute Senate Bill No. 6415 (storm water discharge
13 permits). If the bill is not enacted by June 30, 2004, the amount
14 provided in this subsection shall lapse.

15 (11) \$218,000 of the general fund--state appropriation for fiscal
16 year 2005 is provided solely to implement the provisions of Engrossed
17 Second Substitute Senate Bill No. 5957 (water quality data). If the
18 bill is not enacted by June 30, 2004, the amounts provided in this
19 subsection shall lapse.

20 (12) \$100,000 of the general fund--state appropriation for fiscal
21 year 2005 is provided solely to support the initial phase of the
22 federal United States Geological Survey study of the Spokane
23 Valley-Rathdrum Prairie aquifer.

24 (13) \$65,000 of the general fund--state appropriation for fiscal
25 year 2005 is provided solely to implement Engrossed Substitute House
26 Bill No. 2488 (electronic products). If the bill is not enacted by
27 June 30, 2004, the amounts provided in this subsection shall lapse.

28 (14) \$1,043,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely for (a) establishing instream flows by
30 rule for main stem rivers and their key tributaries. In watersheds
31 where planning is not being conducted pursuant to chapter 90.82 RCW,
32 the department shall follow the procedures and applicable requirements
33 of chapters 90.22 and 90.54 RCW, and shall create a process of public
34 involvement similar to that of a watershed planning unit under the
35 provisions of chapter 90.82 RCW, in order to ensure that citizens are
36 informed and afforded the opportunity to participate in the development
37 of instream flow recommendations in collaboration with the department;
38 (b) working with counties that have existing geographic information
39 systems to map existing water rights and document current ownership and

1 evaluating alternative administrative systems for determining existing
2 water rights; and (c) assigning one water master to a basin that has
3 been adjudicated.

4 (15) \$2,500,000 of the general fund--state appropriation for fiscal
5 year 2004 is provided solely for a one-time payment to settle all
6 claims in a suit against the state in the *Envirotest v. Department of*
7 *Ecology*, Thurston Co. Sup. Ct. Case No. 02-2-00255-0.

8 (16) \$350,000 of the hazardous waste assistance account
9 appropriation is provided solely for rulemaking to require closure
10 plans, liability coverage, and financial assurances for hazardous waste
11 management facilities.

12 (17) \$300,000 of the general fund--state appropriation for fiscal
13 year 2005 is provided solely to assist in watershed planning efforts.
14 Of this amount, \$200,000 is provided solely for mediation efforts with
15 the Lummi nation to pursue resolution of federal and tribal rights to
16 water in Washington state consistent with comprehensive state water
17 resources planning under chapter 90.54 RCW and \$100,000 is provided
18 solely for coordination and staff support for the Nisqually river
19 council watershed initiative program.

20 (18)(a) \$166,000 of the general fund--state appropriation for
21 fiscal year 2005 is provided solely for rulemaking and development of
22 chemical action plans for persistent bioaccumulative toxins. Of this
23 amount:

24 (i) \$83,000 is provided solely for the development of a chemical
25 action plan for the chemical compounds known as PBDE (polybrominated
26 diphenyl ethers); and

27 (ii) \$83,000 is provided solely for rulemaking to develop specific
28 criteria by which chemicals may be included on a persistent
29 bioaccumulative toxins list, develop a specific list of persistent
30 bioaccumulative toxins and establish criteria for selecting chemicals
31 for chemical action plans. The department shall develop the criteria
32 and list consistent with the administrative procedure act provided
33 under chapter 34.05 RCW and shall not adopt the rule prior to the
34 adjournment of the 2005 legislative session. The department shall make
35 recommendations to the legislature by December 31, 2004, regarding
36 future funding alternatives to address persistent bioaccumulative
37 toxins.

38 (b) \$159,000 of the state toxics control account appropriation is
39 provided solely to implement the mercury chemical action plan. Of this

1 amount: (i) \$84,000 is provided for development of a memorandum of
2 understanding with the Washington state hospital association and the
3 auto recyclers of Washington to ensure the safe removal and disposal of
4 products containing mercury; and (ii) \$75,000 is provided for ongoing
5 fluorescent lamp recycling.

6 Any pesticide with a valid registration on or after the effective
7 date of this act issued by the environmental protection agency under
8 the federal insecticide, fungicide and rodenticide act, 7 U.S.C. 136 et
9 seq., or any fertilizer regulated under the Washington fertilizer act,
10 chapter 15.54 RCW, shall not be included in a persistent
11 bioaccumulative toxin rulemaking process, list, or chemical action plan
12 undertaken by the department of ecology.

13 (19) \$120,000 of the general fund--state appropriation for fiscal
14 year 2005 is provided solely for a wetland mitigation banking pilot
15 project. The department shall work with representatives from involved
16 state agencies, the army corps of engineers, business, mitigation
17 banking organizations, and environmental organizations to develop and
18 implement a wetland banking rule. The department shall report to the
19 appropriate committees of the legislature on the progress of the rule
20 by December 2004.

21 (20) Within the amounts appropriated in this section the department
22 shall convene and provide staff support for a water resources
23 administration and funding task force. The task force shall develop
24 proposals for and recommend several options for funding the state's
25 water resource programs, including both operating programs and capital
26 costs for water program implementation. The task force must report its
27 findings and recommendations to the governor and the appropriate
28 committees of the legislature by December 15, 2004. The task force
29 shall include representatives of each of the following interests,
30 selected by the associations representing those interests:

31 (i) One representative from each of the following interests:
32 Agriculture, industry, environmental, fisheries, water utilities, and
33 power utilities;

34 (ii) One representative of cities and one representative of
35 counties;

36 (iii) Two representatives of Indian tribes, one from eastern
37 Washington and one from western Washington;

38 (iv) Three representatives of the executive branch of state
39 government; and

1 (v) The department of ecology shall invite a representative of the
2 United States bureau of reclamation to participate as a member of the
3 task force.

4 **Sec. 302.** 2003 1st sp.s. c 25 s 303 (uncodified) is amended to
5 read as follows:

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

7	General Fund--State Appropriation (FY 2004)	((\$29,986,000))
8		<u>\$30,015,000</u>
9	General Fund--State Appropriation (FY 2005)	((\$29,976,000))
10		<u>\$30,034,000</u>
11	General Fund--Federal Appropriation	\$2,666,000
12	General Fund--Private/Local Appropriation	\$63,000
13	Winter Recreation Program Account--State	
14	Appropriation	\$1,079,000
15	Off Road Vehicle Account--State Appropriation	\$285,000
16	Snowmobile Account--State Appropriation	\$4,790,000
17	Aquatic Lands Enhancement Account--State	
18	Appropriation	\$332,000
19	Public Safety and Education Account--State	
20	Appropriation	\$47,000
21	<u>Parks Renewal and Stewardship Account--</u>	
22	<u> Private/Local Appropriation</u>	<u>\$300,000</u>
23	Parks Renewal and Stewardship Account--	
24	State Appropriation	((\$33,769,000))
25		<u>\$34,431,000</u>
26	TOTAL APPROPRIATION	((\$102,993,000))
27		<u>\$104,042,000</u>

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

30 (1) Fees approved by the state parks and recreation commission in
31 the 2003-05 biennium are authorized to exceed the fiscal growth factor
32 under RCW 43.135.055.

33 (2) \$79,000 of the general fund--state appropriation for fiscal
34 year 2004, \$79,000 of the general fund--state appropriation for fiscal
35 year 2005, and \$8,000 of the winter recreation program account--state
36 appropriation are provided solely for a grant for the operation of the
37 Northwest avalanche center.

1 (3) \$191,000 of the aquatic lands enhancement account appropriation
2 is provided solely for the implementation of the Puget Sound work plan
3 and agency action item P+RC-02.

4 (4) At each state park at which a parking fee is collected, the
5 state parks and recreation commission shall provide notice that the
6 revenue collected from the parking fee shall be used to fund
7 expenditures to maintain and improve the state park system.

8 (5) \$72,000 of the parks renewal and stewardship account--state
9 appropriation is provided solely for one-time and ongoing computer
10 system improvements and technical support.

11 **Sec. 303.** 2003 1st sp.s. c 25 s 304 (uncodified) is amended to
12 read as follows:

13 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

14	General Fund--State Appropriation (FY 2004)	\$1,246,000
15	General Fund--State Appropriation (FY 2005)	(\$1,256,000)
16		<u>\$1,381,000</u>
17	General Fund--Federal Appropriation	\$17,983,000
18	<u>General Fund--Private/Local Appropriation</u>	<u>\$125,000</u>
19	Firearms Range Account--State Appropriation	\$22,000
20	Recreation Resources Account--State	
21	Appropriation	\$2,608,000
22	NOVA Program Account--State Appropriation	\$691,000
23	Water Quality Account--State Appropriation	\$200,000
24	Aquatic Lands Enhancement Account--State Appropriation . . .	\$254,000
25	TOTAL APPROPRIATION	(\$24,260,000)
26		<u>\$24,510,000</u>

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

29 (1) \$16,000,000 of the general fund--federal appropriation is
30 provided solely for implementation of the forest and fish agreement
31 rules. These funds will be passed through to the department of natural
32 resources and the department of fish and wildlife.

33 (2) \$41,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$41,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for the operation and maintenance
36 of the natural resources data portal.

37 (3) \$812,000 of the general fund--state appropriation for fiscal
38 year 2004, \$813,000 of the general fund--state appropriation for fiscal

1 year 2005, and \$1,625,000 of the general fund--federal appropriation
 2 are provided to the salmon recovery funding board for distribution to
 3 lead entities. The board may establish policies to require
 4 coordination of funding requests from lead entities and regional
 5 recovery boards to ensure that recovery efforts are synchronized. At
 6 the discretion of the board, funding shall be concentrated in
 7 watersheds within the highest priority salmon recovery regions as
 8 defined by the statewide strategy to recover salmon. The board shall
 9 also coordinate funding decisions with the northwest power planning
 10 council to ensure maximum efficiency and investment return.

11 (4) \$234,000 of the general fund--state appropriation for fiscal
 12 year 2004 and \$234,000 of the general fund--state appropriation for
 13 fiscal year 2005 are provided solely to implement priority
 14 recommendations developed by the monitoring oversight committee as
 15 directed by RCW 77.85.210. Within these funds, activity shall be
 16 directed to improve monitoring oversight within watersheds, enhance
 17 data coordination and access among recovery partners, and produce a
 18 state watershed health report card.

19 (5) \$125,000 of the general fund--state appropriation for fiscal
 20 year 2005 and \$125,000 of the general fund--private/local appropriation
 21 are provided solely for implementation of a statewide biodiversity
 22 conservation strategy.

23 **Sec. 304.** 2003 1st sp.s. c 25 s 305 (uncodified) is amended to
 24 read as follows:

25 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

26	General Fund--State Appropriation (FY 2004)	((\$923,000))
27		<u>\$934,000</u>
28	General Fund--State Appropriation (FY 2005)	((\$960,000))
29		<u>\$998,000</u>
30	TOTAL APPROPRIATION	((\$1,883,000))
31		<u>\$1,932,000</u>

32 The appropriations in this section are subject to the following
 33 conditions and limitations: \$30,000 of the general fund--state
 34 appropriation for fiscal year 2004 and \$20,000 of the general fund--
 35 state appropriation for fiscal year 2005 are provided solely to
 36 implement Engrossed Substitute Senate Bill No. 5776 (review of permit
 37 decisions), chapter 393, Laws of 2003.

1 **Sec. 305.** 2003 1st sp.s. c 25 s 306 (uncodified) is amended to
2 read as follows:

3 **FOR THE CONSERVATION COMMISSION**

4	General Fund--State Appropriation (FY 2004)	\$2,234,000
5	General Fund--State Appropriation (FY 2005)	\$2,245,000
6	Water Quality Account--State Appropriation	(\$2,162,000)
7		<u>\$2,412,000</u>
8	TOTAL APPROPRIATION	(\$6,641,000)
9		<u>\$6,891,000</u>

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

12 (1) \$247,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$247,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for the implementation of the
15 Puget Sound work plan and agency action item CC-01.

16 (2) \$118,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$121,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely to implement Engrossed Second
19 Substitute House Bill No. 1418 (drainage infrastructure), chapter 391,
20 Laws of 2003.

21 (3) \$250,000 of the water quality account--state appropriation is
22 provided solely for grants to conservation districts. Grants shall
23 provide for education, outreach, and technical assistance programs to
24 assist owners and operators of concentrated animal feeding operations
25 with compliance issues related to federal concentrated animal feeding
26 operations requirements and the department of agriculture's livestock
27 nutrient management program.

28 **Sec. 306.** 2003 1st sp.s. c 25 s 307 (uncodified) is amended to
29 read as follows:

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

31	General Fund--State Appropriation (FY 2004)	(\$41,453,000)
32		<u>\$41,600,000</u>
33	General Fund--State Appropriation (FY 2005)	(\$40,179,000)
34		<u>\$40,584,000</u>
35	General Fund--Federal Appropriation	(\$31,632,000)
36		<u>\$40,316,000</u>
37	General Fund--Private/Local Appropriation	(\$24,300,000)
38		<u>\$29,420,000</u>

1	Off Road Vehicle Account--State	
2	Appropriation	\$501,000
3	Aquatic Lands Enhancement Account--State	
4	Appropriation	\$5,620,000
5	Public Safety and Education Account--State	
6	Appropriation	\$562,000
7	Recreational Fisheries Enhancement Account--	
8	State Appropriation	((\$3,392,000))
9		<u>\$3,467,000</u>
10	Warm Water Game Fish Account--State	
11	Appropriation	\$2,568,000
12	Eastern Washington Pheasant Enhancement Account--	
13	State Appropriation	\$750,000
14	Wildlife Account--State Appropriation	((\$57,138,000))
15		<u>\$58,922,000</u>
16	Wildlife Account--Federal Appropriation	((\$38,216,000))
17		<u>\$29,532,000</u>
18	Wildlife Account--Private/Local	
19	Appropriation	((\$15,158,000))
20		<u>\$10,038,000</u>
21	((Game)) Special Wildlife Account--State	
22	Appropriation	((\$1,949,000))
23		<u>\$2,068,000</u>
24	((Game)) Special Wildlife Account--Federal	
25	Appropriation	((\$9,598,000))
26		<u>\$8,720,000</u>
27	((Game)) Special Wildlife Account--Private/Local	
28	Appropriation	((\$350,000))
29		<u>\$450,000</u>
30	Environmental Excellence Account--State	
31	Appropriation	\$15,000
32	Regional Fisheries Salmonid Recovery Account--	
33	Federal Appropriation	\$1,750,000
34	Oil Spill Prevention Account--State	
35	Appropriation	\$981,000
36	Oyster Reserve Land Account--State	
37	Appropriation	((\$137,000))
38		<u>\$411,000</u>
39	TOTAL APPROPRIATION	((\$276,249,000))

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

(1) \$1,355,714 of the general fund--state appropriation for fiscal year 2004, \$1,355,713 of the general fund--state appropriation for fiscal year 2005, and \$402,000 of the wildlife account--state appropriation are provided solely for the implementation of the Puget Sound work plan and agency action items DFW-01 through DFW-06.

(2) \$225,000 of the general fund--state appropriation for fiscal year 2004, \$225,000 of the general fund--state appropriation for fiscal year 2005, and \$550,000 of the wildlife account--state appropriation are provided solely for the implementation of hatchery reform recommendations defined by the hatchery scientific review group.

(3) (~~(\$850,000)~~) \$1,016,000 of the wildlife account--state appropriation is provided solely for stewardship and maintenance needs on agency-owned lands and water access sites.

(4) \$900,000 of the wildlife fund--state appropriation is provided solely for wetland restoration activities for migratory waterfowl by providing landowner incentives to create or maintain waterfowl habitat and management activities.

(5) \$2,000,000 of the aquatic lands enhancement account appropriation is provided for cooperative volunteer projects.

(6) The department shall support the activities of the aquatic nuisance species coordination committee to foster state, federal, tribal, and private cooperation on aquatic nuisance species issues. The committee shall strive to prevent the introduction of nonnative aquatic species and to minimize the spread of species that are introduced.

(7) The department shall develop and implement an activity-based costing system. The system shall be operational no later than January 1, 2004.

(8) \$400,000 of the wildlife account--state appropriation is provided solely to implement the department's information systems strategic plan to include continued implementation of a personal computer leasing plan, an upgrade of computer back-up systems, systems architecture assessment, and network security analysis.

(9) Within funds provided, the department shall make available enforcement and biological staff to respond and take appropriate action

1 to ensure public safety in response to public complaints regarding bear
2 and cougar.

3 (10) \$43,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$42,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for staffing and operation of the
6 Tennant Lake interpretive center.

7 (11) \$80,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$77,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely to implement Second Substitute
10 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
11 2003.

12 (12) \$25,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$25,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely to implement Engrossed Second
15 Substitute House Bill No. 1338 (municipal water rights). If the bill
16 is not enacted by June 30, 2003, the amounts provided in this
17 subsection shall lapse.

18 (13) \$110,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$110,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for economic adjustment assistance
21 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

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

27 (15) \$75,000 of the recreational fisheries enhancement account and
28 \$75,000 of the state wildlife account--state appropriation are provided
29 solely to implement additional selective recreational fisheries to
30 include one additional fishery each in eastern and western Washington.
31 The department shall determine the eastern Washington fishery, and the
32 western Washington fishery shall be for Lake Washington sockeye.

33 (16) \$16,000 of the wildlife account--state appropriation is
34 provided solely for implementation of Substitute House Bill No. 2621
35 (razor clam license). If the bill is not enacted by June 30, 2004, the
36 amount provided in this subsection shall lapse.

37 (17) \$417,000 of the wildlife account--state appropriation is
38 provided solely to implement Substitute House Bill No. 2431 (Dungeness

1 crab card). If the bill is not enacted by June 30, 2004, the amount
2 provided in this subsection shall lapse.

3 (18) \$112,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely to buy back purse seine fishing licenses.

5 (19) \$180,000 of the wildlife account--state appropriation is
6 provided solely to test deer and elk for chronic wasting disease and to
7 document the extent of swan lead poisoning. Of this amount, \$65,000 is
8 provided solely to document the extent of swan lead poisoning and to
9 begin environmental cleanup.

10 (20) \$122,000 of the wildlife account--state appropriation is
11 provided solely to reimburse the department of natural resources for
12 fire suppression costs incurred on department of fish and wildlife
13 lands.

14 (21) \$150,000 of the general fund--state appropriation for fiscal
15 year 2005 and \$150,000 of the wildlife account--state appropriation are
16 provided solely to complete phase II of the contract management system
17 (CAPS). The CAPS system phase II shall be operational no later than
18 June 30, 2005.

19 (22) From within existing funding, the department shall provide a
20 report to the appropriate committees of the legislature identifying
21 options for reducing future allocations for the harvest of salmon in
22 the event that a group's actual catch exceeds a current allocation.
23 The report shall identify any statutory changes that would be required
24 to implement such an accountability system.

25 (23) \$50,000 of the general fund--state appropriation for fiscal
26 year 2005 is provided solely for lease payments for the Vancouver
27 hatchery staff residence and for the development of plans for an
28 educational facility in cooperation with the Columbia Springs
29 environmental education center.

30 **Sec. 307.** 2003 1st sp.s. c 25 s 308 (uncodified) is amended to
31 read as follows:

32 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

33	General Fund--State Appropriation (FY 2004)	((\$30,307,000))
34		<u>\$54,189,000</u>
35	General Fund--State Appropriation (FY 2005)	((\$34,233,000))
36		<u>\$36,554,000</u>
37	General Fund--Federal Appropriation	((\$3,809,000))
38		<u>\$5,116,000</u>

1	General Fund--Private/Local Appropriation	\$2,482,000
2	Forest Development Account--State	
3	Appropriation	(\$52,060,000)
4		<u>\$52,075,000</u>
5	Off Road Vehicle Account--State	
6	Appropriation	(\$4,028,000)
7		<u>\$4,029,000</u>
8	Surveys and Maps Account--State	
9	Appropriation	(\$2,760,000)
10		<u>\$2,761,000</u>
11	Aquatic Lands Enhancement Account--State	
12	Appropriation	(\$6,884,000)
13		<u>\$8,925,000</u>
14	Resources Management Cost Account--State	
15	Appropriation	(\$70,391,000)
16		<u>\$70,418,000</u>
17	Surface Mining Reclamation Account--State	
18	Appropriation	\$2,293,000
19	Disaster Response Account--State Appropriation	\$7,200,000
20	<u>State Toxic Control Account--State Appropriation</u>	<u>\$750,000</u>
21	Water Quality Account--State Appropriation	\$2,479,000
22	Aquatic Land Dredged Material Disposal Site	
23	Account--State Appropriation	\$1,311,000
24	Natural Resource Conservation Areas Stewardship	
25	Account Appropriation	\$83,000
26	Air Pollution Control Account--State	
27	Appropriation	\$526,000
28	Agricultural College Trust Management Account	
29	Appropriation	\$1,868,000
30	Derelict Vessel Removal Account--State	
31	Appropriation	\$1,130,000
32	TOTAL APPROPRIATION	(\$223,844,000)
33		<u>\$254,189,000</u>

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

- 36 (1) \$18,000 of the general fund--state appropriation for fiscal
37 year 2004, \$18,000 of the general fund--state appropriation for fiscal
38 year 2005, and \$1,006,950 of the aquatic lands enhancement account

1 appropriation are provided solely for the implementation of the Puget
2 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

3 (2) \$908,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$910,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for deposit into the agricultural
6 college trust management account and are provided solely to manage
7 approximately 70,700 acres of Washington State University's
8 agricultural college trust lands.

9 (3) (~~(\$1,158,000)~~) \$24,674,000 of the general fund--state
10 appropriation for fiscal year 2004, \$8,358,000 of the general fund--
11 state appropriation for fiscal year 2005, and \$7,200,000 of the
12 disaster response account--state appropriation are provided solely for
13 emergency fire suppression. These funds shall not be allocated to
14 cover any portion of agency indirect and administrative expenses. The
15 legislature finds that general fund and disaster response account
16 support for emergency fire suppression is a significant and direct
17 subsidy of the costs to administer and manage various trust lands. It
18 would be an unintended additional subsidy if a portion of the general
19 fund and disaster response account amounts provided in this subsection
20 were used to fund agency indirect and administrative expenses. To
21 avoid this unintended additional subsidy, agency indirect and
22 administrative costs shall be allocated among the agency's remaining
23 accounts and appropriations.

24 (4) \$582,000 of the aquatic lands enhancement account appropriation
25 is provided solely for spartina control.

26 (5) Fees approved by the board of natural resources in the 2003-05
27 biennium are authorized to exceed the fiscal growth factor under RCW
28 43.135.055.

29 (6) The department shall prepare a report of actual and planned
30 expenditures by task and activity from all fund sources for all aspects
31 of the forest and fish program for the 2001-03 and 2003-05 biennia.
32 The report shall be submitted to the director of financial management
33 and the legislative fiscal committees by August 31, 2003.

34 (7) Authority to expend funding for acquisition of technology
35 equipment and software associated with development of a new revenue
36 management system is conditioned on compliance with section 902 of this
37 act.

38 (8) \$1,000,000 of the aquatic lands enhancement account--state

1 appropriation is provided solely for the department to meet its
2 obligations with the U.S. environmental protection agency for the
3 clean-up of Commencement Bay.

4 ~~(9) ((For the 2003-05 fiscal biennium, the department has revised~~
5 ~~the methodology by which administrative costs of the department are~~
6 ~~allocated among the state general fund and the various dedicated funds~~
7 ~~and accounts from which the department receives appropriations. The~~
8 ~~legislature recognizes that the revised methodology represents a fair~~
9 ~~and equitable allocation of costs under state law and accounting rules.~~
10 ~~The legislature further finds that retroactive application of the~~
11 ~~revised methodology is neither practical nor desirable.~~

12 ~~(10))~~ The department of natural resources shall provide a report
13 to the appropriate committees of the legislature, the office of
14 financial management, and the board of natural resources concerning the
15 costs and effectiveness of the contract harvesting program as
16 authorized by Second Substitute Senate Bill No. 5074 (contract
17 harvesting), chapter 313, Laws of 2003. The report shall be submitted
18 by December 31, 2006, and shall include the following information:

19 (a) Number of sales conducted through contract harvesting;

20 (b) For each sale conducted, the (i) number of board feet sold;
21 (ii) stumpage and pond prices; (iii) difference in revenues received
22 compared to revenues that would have accrued through noncontract
23 harvest sales, and the distribution of revenues to the contract
24 harvesting revolving account, and to applicable management and trust
25 accounts; and (iv) total cost to conduct the contract harvest, by fund
26 and object of expenditure; and

27 (c) Other costs and benefits attributable to contract harvesting.

28 ~~((11))~~ (10) \$208,000 of the general fund--state appropriation of
29 fiscal year 2004 and \$70,000 of the general fund--state appropriation
30 for fiscal year 2005 are provided solely to implement Second Substitute
31 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
32 2003.

33 ~~((12))~~ (11) The department of natural resources shall not close
34 Sahara Creek facility, campground, or trailhead. The appropriations in
35 this section are deemed sufficient to provide service for these
36 recreational opportunities.

37 ~~((13))~~ (12) \$4,000 of the general fund--state appropriation for
38 fiscal year 2004 and \$4,000 of the general fund--state appropriation

1 for fiscal year 2005 are provided solely to compensate the forest board
2 trust for a portion of the lease to the Crescent television improvement
3 district consistent with RCW 79.12.055.

4 ~~((14))~~ (13) \$2,700,000 of the general fund--state appropriation
5 for fiscal year 2004 is provided solely to the department of natural
6 resources to acquire approximately 232 acres of land and timber in
7 Klickitat county from the SDS lumber company. Expenditure of the
8 moneys provided in this subsection shall not be made until the SDS
9 lumber company accepts the land and timber acquisition as full and
10 complete settlement of the current litigation brought by the SDS lumber
11 company against the state and the litigation is dismissed, with
12 prejudice. The land and timber acquired with the funding in this
13 subsection shall be managed for the benefit of the common schools. By
14 June 30, 2004, if the department has not recovered through trust asset
15 management the state's capital investment from the land acquisition
16 provided in this subsection, the department shall seek reimbursement
17 from the federal government.

18 ~~((15))~~ (14) \$265,000 of the aquatic lands enhancement account
19 appropriation is provided solely for developing a pilot project to
20 study the feasibility of geoduck aquaculture on both intertidal and
21 subtidal lands in the state of Washington.

22 (15) \$60,000 of the general fund--state appropriation for fiscal
23 year 2004 is provided solely for habitat restoration work in the Loomis
24 natural resource area.

25 (16) \$200,000 of the general fund--state appropriation for fiscal
26 year 2005 is provided solely for providing public access to camp sites
27 and trails maintained by the department. This additional funding,
28 along with existing funding from the off road vehicle account is
29 intended to fully fund current access to camp sites and trails. If
30 additional funding is required to avoid closures to camp sites and
31 trails during the 2003-05 biennium, the department shall reduce
32 expenditures for agency administration by five percent and redeploy
33 those general fund resources to the recreation program prior to closing
34 any camp sites or trails.

35 (17) \$40,000 of the aquatic lands enhancement account appropriation
36 is provided solely for the department to (a) calculate the rent for
37 DNR-leased marinas based on a percentage of a marina's income and (b)
38 recommend an appropriate formula to the 2005 legislature.

1 (18)(a) \$2,000,000 of the general fund--state appropriation for
2 fiscal year 2005, \$750,000 of the state toxics control account--state
3 appropriation, and \$2,000,000 of the aquatic lands enhancement
4 account--state appropriation are provided solely for the purpose of
5 settling *Pacific Sound Resources v. Burlington Northern Santa Fe*
6 *Railroad, et al.* In the event: (i) A final settlement agreement is
7 not signed by the port of Seattle, Pacific Sound Resources, and the
8 department of natural resources by March 25, 2004; or (ii) the U.S.
9 environmental protection agency, or the department of justice if
10 necessary, fail to settle with the state and the department and provide
11 a covenant not to sue and contribution protection with no additional
12 consideration required, then \$550,000 of the general fund--state
13 appropriation for fiscal year 2005 shall be available to use to fund
14 the existing PSR litigation and the remainder of the amounts provided
15 in this subsection (a) shall lapse.

16 (b) \$300,000 of the general fund--state appropriation for fiscal
17 year 2004 is provided solely for legal defense costs in *Pacific Sound*
18 *Resources v. Burlington Northern Santa Fe Railroad et al.*

19 **Sec. 308.** 2003 1st sp.s. c 25 s 309 (uncodified) is amended to
20 read as follows:

21 **FOR THE DEPARTMENT OF AGRICULTURE**

22	General Fund--State Appropriation (FY 2004)	((\$7,444,000))
23		<u>\$7,636,000</u>
24	General Fund--State Appropriation (FY 2005)	((\$7,244,000))
25		<u>\$10,941,000</u>
26	General Fund--Federal Appropriation	\$10,068,000
27	General fund--Private/Local Appropriation	\$1,110,000
28	Aquatic Lands Enhancement Account--State	
29	Appropriation	((\$1,942,000))
30		<u>\$2,027,000</u>
31	Water Quality Account--State Appropriation	\$692,000
32	State Toxics Control Account--State	
33	Appropriation	((\$2,580,000))
34		<u>\$2,780,000</u>
35	Water Quality Permit Account--State Appropriation	\$165,000
36	TOTAL APPROPRIATION	((\$31,245,000))
37		<u>\$35,419,000</u>

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

3 (1) \$37,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$37,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for implementation of the Puget
6 Sound work plan and agency action item WSDA-01.

7 (2) Fees and assessments approved by the department in the 2003-05
8 biennium are authorized to exceed the fiscal growth factor under RCW
9 43.135.055.

10 (3) \$165,000 of the water quality permit account--state
11 appropriation and \$692,000 of the water quality account--state
12 appropriation are provided solely to implement Engrossed Substitute
13 Senate Bill No. 5889 (animal feeding operations), chapter 325, Laws of
14 2003.

15 (4) \$53,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$15,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely to implement Engrossed Substitute
18 House Bill No. 1754 (chickens), chapter 397, Laws of 2003.

19 (5) \$42,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$287,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for animal identification, food
22 safety, and commercial feed inspection programs.

23 (6) \$150,000 of the general fund--state appropriation for fiscal
24 year 2004 is provided solely for response costs to the discovery of
25 bovine spongiform encephalopathy in a Washington dairy cow.

26 (7) \$630,000 of the general fund--state appropriation for fiscal
27 year 2005 is provided solely for the "from the heart of Washington"
28 campaign, southeast Asia/China trade representatives, domestic
29 marketing/economic development, food and agriculture industry security,
30 and for the small farm and direct marketing program.

31 (8) \$85,000 of the aquatic lands enhancement account appropriation
32 is provided solely for spartina eradication efforts in Willapa Bay and
33 Grays Harbor.

34 (9) \$330,000 of the general fund--state appropriation for fiscal
35 year 2005 is provided solely to contract with Washington State
36 University for research and development activities related to asparagus
37 harvesting and automation technology.

38 (10) \$1,500,000 of the general fund--state appropriation for fiscal

1 year 2005 is provided solely for the purchase of agricultural products
2 packing equipment. The department shall negotiate an appropriate
3 agreement with the agricultural industry for the use of the equipment.

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2003 1st sp.s. c 25 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2004)	((\$4,986,000))
	<u>\$5,141,000</u>
General Fund--State Appropriation (FY 2005)	((\$4,988,000))
	<u>\$5,225,000</u>
Architects' License Account--State	
Appropriation	((\$696,000))
	<u>\$706,000</u>
Cemetery Account--State Appropriation	((\$235,000))
	<u>\$249,000</u>
Professional Engineers' Account--State	
Appropriation	((\$3,025,000))
	<u>\$2,938,000</u>
Real Estate Commission Account--State Appropriation	((\$7,111,000))
	<u>\$7,048,000</u>
Master License Account--State Appropriation	((\$9,110,000))
	<u>\$8,920,000</u>
Uniform Commercial Code Account--State	
Appropriation	((\$2,987,000))
	<u>\$2,837,000</u>
Real Estate Education Account--State	
Appropriation	((\$277,000))
	<u>\$275,000</u>
Real Estate Appraisers Commission Account--State	
Appropriation	((\$927,000))
	<u>\$946,000</u>
Geologist's Account--State	
Appropriation	((\$7,000))
	<u>\$21,000</u>
Funeral Directors and Embalmers Account--State	
Appropriation	((\$521,000))
	<u>\$532,000</u>

1	Washington Real Estate Research Account--State	
2	Appropriation	((\$308,000))
3		<u>\$302,000</u>
4	Data Processing Revolving Account--State	
5	Appropriation	\$29,000
6	<u>Derelict Vessel Removal Account--State</u>	
7	<u>Appropriation</u>	<u>\$31,000</u>
8	TOTAL APPROPRIATION	((\$35,207,000))
9		<u>\$35,200,000</u>

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

12 (1) In accordance with RCW 43.24.086, it is the policy of the state
13 of Washington that the cost of each professional, occupational, or
14 business licensing program be fully borne by the members of that
15 profession, occupation, or business. For each licensing program
16 covered by RCW 43.24.086, the department shall set fees at levels
17 sufficient to fully cover the cost of administering the licensing
18 program, including any costs associated with policy enhancements funded
19 in the 2003-05 fiscal biennium. Pursuant to RCW 43.135.055, during the
20 2003-05 fiscal biennium, the department may increase fees in excess of
21 the fiscal growth factor if the increases are necessary to fully fund
22 the costs of the licensing programs.

23 (2) \$56,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$262,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely to implement Substitute Senate
26 Bill No. 6341 (cosmetologists). If the bill is not enacted by June 30,
27 2004, the amount provided in this subsection shall lapse.

28 **Sec. 402.** 2003 1st sp.s. c 25 s 402 (uncodified) is amended to
29 read as follows:

30 **FOR THE STATE PATROL**

31	General Fund--State Appropriation (FY 2004)	\$20,005,000
32	General Fund--State Appropriation (FY 2005)	\$18,855,000
33	General Fund--Federal Appropriation	\$4,240,000
34	General Fund--Private/Local Appropriation	\$378,000
35	Death Investigations Account--State	
36	Appropriation	\$4,489,000
37	Public Safety and Education Account--State	
38	Appropriation	((\$20,852,000))

1		<u>\$21,969,000</u>
2	Enhanced 911 Account--State Appropriation	\$612,000
3	County Criminal Justice Assistance Account--State	
4	Appropriation	\$2,649,000
5	Municipal Criminal Justice Assistance Account--	
6	State Appropriation	\$1,087,000
7	Fire Service Trust Account--State	
8	Appropriation	\$125,000
9	Fire Service Training Account--State	
10	Appropriation	\$7,374,000
11	State Toxics Control Account--State	
12	Appropriation	\$436,000
13	Violence Reduction and Drug Enforcement Account--	
14	State Appropriation	\$286,000
15	Fingerprint Identification Account--State	
16	Appropriation	((<u>\$4,405,000</u>))
17		<u>\$5,393,000</u>
18	TOTAL APPROPRIATION	((<u>\$85,793,000</u>))
19		<u>\$87,898,000</u>

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

22 (1) \$750,000 of the fire service training account--state
23 appropriation is provided solely for the implementation of Senate Bill
24 No. 5176 (fire fighting training). If the bill is not enacted by June
25 30, 2003, the amount provided in this subsection shall lapse.

26 (2) \$200,000 of the fire service training account--state
27 appropriation is provided solely for two FTE's in the office of state
28 fire marshal to exclusively review K-12 construction documents for fire
29 and life safety in accordance with the state building code. It is the
30 intent of this appropriation to provide these services only to those
31 districts that are located in counties without qualified review
32 capabilities.

33 (3) \$376,000 of the public safety and education account--state
34 appropriation is provided solely for additional DNA testing kits.

35 (4) \$276,000 of the fingerprint identification account--state
36 appropriation is provided solely for the implementation of Substitute
37 House Bill No. 2532 (modifying commercial driver's license provisions).

1 If the bill is not enacted by June 30, 2004, the amount provided in
2 this subsection shall lapse.

(End of part)

PART V
EDUCATION

Sec. 501. 2003 1st sp.s. c 25 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004)	(\$11,772,000)
	<u>\$11,615,000</u>
General Fund--State Appropriation (FY 2005)	(\$11,761,000)
	<u>\$11,846,000</u>
General Fund--Federal Appropriation	(\$15,921,000)
	<u>\$26,968,000</u>
TOTAL APPROPRIATION	(\$39,454,000)
	<u>\$50,429,000</u>

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

(a) \$10,771,000 of the general fund--state appropriation for fiscal year 2004 and \$10,768,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Within the amounts provided in this subsection, the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award. The students selected for the award must demonstrate understanding through completion of at least one of the classroom-based civics assessment models developed by the superintendent of public instruction, and through leadership in the civic life of their communities. The superintendent shall select two students from eastern Washington and two students from western Washington to receive the award, and shall notify the governor and legislature of the names of the recipients.

(b) \$428,000 of the general fund--state appropriation for fiscal year 2004 and \$428,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

1 (c) \$416,000 of the general fund--state appropriation for fiscal
2 year 2004 and (~~(\$416,000)~~) \$476,000 of the general fund--state
3 appropriation for fiscal year 2005 are provided solely for the
4 operation and expenses of the Washington professional educator
5 standards board. Within the amounts provided, the Washington
6 professional educator standards board (WPESB) shall submit a report
7 regarding specific implementation strategies to strengthen mathematics
8 initiatives by improving teacher knowledge and skill development
9 including: (i) Teacher preparation program approval standard changes;
10 (ii) teacher certification requirement changes and the development of
11 new expertise credentials; (iii) state-established standards to guide
12 the approval of professional development providers and offerings
13 related to mathematics; and (iv) other related recommendations. The
14 WPESB shall base the recommendations on determinations of the status of
15 teacher preparation and professional development opportunities and work
16 with appropriate parties. The WPESB shall submit the report to the
17 governor, superintendent of public instruction, state board of
18 education, and the education and fiscal committees of the legislature
19 by November 1, 2004.

20 (d) (~~(\$157,000 of the general fund--state appropriation for fiscal~~
21 ~~year 2004 and \$149,000))~~ \$130,000 of the general fund--state
22 appropriation for fiscal year 2005 (~~(are)~~) is provided solely for the
23 implementation of Second Engrossed Substitute Senate Bill No. 5012 or
24 Second Substitute House Bill No. 2295 (charter schools). If (~~(the)~~)
25 neither bill is (~~(not)~~) enacted by June 30, (~~(2003)~~) 2004, the
26 amount(~~(s)~~) provided in this subsection shall lapse.

27 (e) The department of social and health services, the office of the
28 superintendent of public instruction, and the department of health
29 should work together to identify opportunities for early intervention
30 and prevention activities that can help prevent disease and reduce oral
31 health issues among children. Disease prevention among infants at the
32 age of one year and among children entering the K-12 education system
33 provide cost-effective ways to avoid higher health spending later in
34 life.

35 (f) \$44,000 of the general fund--state appropriation for fiscal
36 year 2005 is provided solely to implement Substitute Senate Bill No.
37 6171 (complaints against school employees) or Second Substitute Senate
38 Bill No. 5533 (disclosure of misconduct). If neither bill is enacted
39 by June 30, 2004, the amount provided in this subsection shall lapse.

1	(2) STATEWIDE PROGRAMS	
2	General Fund--State Appropriation (FY 2004)	((\$8,966,000))
3		<u>\$8,676,000</u>
4	General Fund--State Appropriation (FY 2005)	((\$9,345,000))
5		<u>\$9,885,000</u>
6	General Fund--Federal Appropriation	((\$66,405,000))
7		<u>\$61,656,000</u>
8	TOTAL APPROPRIATION	((\$84,716,000))
9		<u>\$80,217,000</u>

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

13 (a) HEALTH AND SAFETY

14 (i) A maximum of \$2,541,000 of the general fund--state
15 appropriation for fiscal year 2004 and a maximum of \$2,541,000 of the
16 general fund--state appropriation for fiscal year 2005 are provided for
17 a corps of nurses located at educational service districts, as
18 determined by the superintendent of public instruction, to be
19 dispatched to the most needy schools to provide direct care to
20 students, health education, and training for school staff.

21 (ii) A maximum of \$96,000 of the general fund--state appropriation
22 for fiscal year 2004 and a maximum of \$96,000 of the general fund--
23 state appropriation for fiscal year 2005 are provided for the school
24 safety center in the office of the superintendent of public instruction
25 subject to the following conditions and limitations:

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

35 (B) The superintendent of public instruction shall participate in
36 a school safety center advisory committee that includes representatives
37 of educators, classified staff, principals, superintendents,
38 administrators, the American society for industrial security, the state
39 criminal justice training commission, and others deemed appropriate and

1 approved by the school safety center advisory committee. Members of
2 the committee shall be chosen by the groups they represent. In
3 addition, the Washington association of sheriffs and police chiefs
4 shall appoint representatives of law enforcement to participate on the
5 school safety center advisory committee. The advisory committee shall
6 select a chair.

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

10 (iii) A maximum of \$100,000 of the general fund--state
11 appropriation for fiscal year 2004 and a maximum of \$100,000 of the
12 general fund--state appropriation for fiscal year 2005 are provided for
13 a school safety training program provided by the criminal justice
14 training commission subject to the following conditions and
15 limitations:

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

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

25 (~~(v)~~) (iv) (~~(\$13,663,000)~~) \$12,917,000 of the general fund--
26 federal appropriation is provided for safe and drug free schools and
27 communities grants for drug and violence prevention activities and
28 strategies.

29 (~~(vi)~~) (v) A maximum of \$146,000 of the general fund--state
30 appropriation for fiscal year 2004 and a maximum of \$146,000 of the
31 general fund--state appropriation for fiscal year 2005 are provided for
32 a nonviolence and leadership training program provided by the institute
33 for community leadership. The program shall provide the following:

34 (A) Statewide nonviolence leadership coaches training program for
35 certification of educational employees and community members in
36 nonviolence leadership workshops;

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

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

5 (b) TECHNOLOGY

6 A maximum of \$1,939,000 of the general fund--state appropriation
7 for fiscal year 2004 and a maximum of \$1,939,000 of the general fund--
8 state appropriation for fiscal year 2005 are provided for K-20
9 telecommunications network technical support in the K-12 sector to
10 prevent system failures and avoid interruptions in school utilization
11 of the data processing and video-conferencing capabilities of the
12 network. These funds may be used to purchase engineering and advanced
13 technical support for the network.

14 (c) GRANTS AND ALLOCATIONS

15 (i) (~~(\$306,000)~~) \$16,000 of the fiscal year 2004 appropriation and
16 \$689,000 of the fiscal year 2005 appropriation are provided solely for
17 the special services pilot projects provided by Second Substitute House
18 Bill No. 2012 (special services pilot program). The office of the
19 superintendent of public instruction shall allocate these funds to the
20 district or districts participating in the pilot program according to
21 the provisions of section 2 subsection (4) of Second Substitute House
22 Bill No. 2012, chapter 33, Laws of 2003.

23 (ii) A maximum of \$761,000 of the general fund--state appropriation
24 for fiscal year 2004 and a maximum of (~~(\$757,000)~~) \$1,097,000 of the
25 general fund--state appropriation for fiscal year 2005 are provided for
26 alternative certification routes. Funds may be used by the
27 professional educator standards board to continue existing alternative-
28 route grant programs and to create new alternative-route programs in
29 regions of the state with service shortages.

30 (iii) A maximum of \$31,000 of the general fund--state appropriation
31 for fiscal year 2004 and a maximum of \$31,000 of the general fund--
32 state appropriation for fiscal year 2005 are provided for operation of
33 the Cispus environmental learning center.

34 (iv) A maximum of \$1,224,000 of the general fund--state
35 appropriation for fiscal year 2004 and a maximum of \$1,224,000 of the
36 general fund--state appropriation for fiscal year 2005 are provided for
37 in-service training and educational programs conducted by the Pacific
38 Science Center.

1 (v) A maximum of \$1,079,000 of the general fund--state
2 appropriation for fiscal year 2004 and a maximum of \$1,079,000 of the
3 general fund--state appropriation for fiscal year 2005 are provided for
4 the Washington state leadership assistance for science education reform
5 (LASER) regional partnership coordinated at the Pacific Science Center.

6 (vi) A maximum of \$97,000 of the general fund--state appropriation
7 for fiscal year 2004 and a maximum of \$97,000 of the general fund--
8 state appropriation for fiscal year 2005 are provided to support
9 vocational student leadership organizations.

10 (vii) A maximum of \$146,000 of the general fund--state
11 appropriation for fiscal year 2004 and a maximum of \$146,000 of the
12 general fund--state appropriation for fiscal year 2005 are provided for
13 the Washington civil liberties education program.

14 (viii) \$500,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$500,000 of the general fund--state appropriation for
16 fiscal year 2005 are provided solely for the Washington state achievers
17 scholarship program. The funds shall be used to support community
18 involvement officers that recruit, train, and match community volunteer
19 mentors with students selected as achievers scholars.

20 (ix) (~~(\$1,433,000)~~) \$25,000 of the general fund--state
21 appropriation for fiscal year 2005 is provided solely for the school
22 safety center advisory committee to identify instructional materials
23 and resources for students, parents, and teachers that are designed to
24 prevent the abduction of children.

25 (x) \$75,000 of the general fund--state appropriation for fiscal
26 year 2005 is provided solely for deposit in the natural science,
27 wildlife, and environmental partnership account--state for the grant
28 program established in chapter 22, Laws of 2003 (ESHB 1466).

29 (xi) \$100,000 of the general fund--state appropriation for fiscal
30 year 2005 is provided solely as one-time funding for the Washington
31 virtual classroom consortium administered by the Quillayute valley
32 school district.

33 (xii) \$1,650,000 of the general fund--federal appropriation is
34 provided for the advanced placement fee program to increase
35 opportunities for low-income students and under-represented populations
36 to participate in advanced placement courses and to increase the
37 capacity of schools to provide advanced placement courses to students.

38 (~~(x) \$9,510,000~~) (xiii) \$9,953,000 of the general fund--federal
39 appropriation is provided for comprehensive school reform demonstration

1 projects to provide grants to low-income schools for improving student
2 achievement through adoption and implementation of research-based
3 curricula and instructional programs.

4 ((~~(xi) \$12,977,000~~)) (xiv) \$12,941,000 of the general fund--federal
5 appropriation is provided for 21st century learning center grants,
6 providing after-school and inter-session activities for students.

7 **Sec. 502.** 2003 1st sp.s. c 25 s 502 (uncodified) is amended to
8 read as follows:

9 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**
10 **APPORTIONMENT**

11	General Fund--State Appropriation (FY 2004)	((\$3,969,407,000))
12		<u>\$3,976,507,000</u>
13	General Fund--State Appropriation (FY 2005)	((\$3,977,209,000))
14		<u>\$3,988,649,000</u>
15	TOTAL APPROPRIATION	((\$7,946,616,000))
16		<u>\$7,965,156,000</u>

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

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

22 (2) Allocations for certificated staff salaries for the 2003-04 and
23 2004-05 school years shall be determined using formula-generated staff
24 units calculated pursuant to this subsection. Staff allocations for
25 small school enrollments in (d) through (f) of this subsection shall be
26 reduced for vocational full-time equivalent enrollments. Staff
27 allocations for small school enrollments in grades K-6 shall be the
28 greater of that generated under (a) of this subsection, or under (d)
29 and (e) of this subsection. Certificated staffing allocations shall be
30 as follows:

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

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

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

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

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

8 (v) For class size reduction and expanded learning opportunities
9 under the better schools program, an additional 0.8 certificated
10 instructional staff units for the 2003-04 school year for grades K-4
11 per thousand full-time equivalent students. Funds allocated for these
12 additional certificated units shall not be considered as basic
13 education funding. The allocation may be used for reducing class sizes
14 in grades K-4 or to provide additional classroom contact hours for
15 kindergarten, before-and-after-school programs, weekend school
16 programs, summer school programs, and intercession opportunities to
17 assist elementary school students in meeting the essential academic
18 learning requirements and student assessment performance standards.
19 For purposes of this subsection, additional classroom contact hours
20 provided by teachers beyond the normal school day under a supplemental
21 contract shall be converted to a certificated full-time equivalent by
22 dividing the classroom contact hours by 900.

23 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
24 excess of the amount required to maintain the statutory minimum ratio
25 established under RCW 28A.150.260(2)(b) shall be allocated only if the
26 district documents an actual ratio in grades K-4 equal to or greater
27 than 54.0 certificated instructional staff per thousand full-time
28 equivalent students in the 2003-04 school year and 53.2 certificated
29 instructional staff per thousand full-time equivalent students in the
30 2004-05 school year. For any school district documenting a lower
31 certificated instructional staff ratio, the allocation shall be based
32 on the district's actual grades K-4 certificated instructional staff
33 ratio 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-4 may dedicate
37 up to 1.3 of the 54.0 funding ratio in the 2003-04 school year, and up
38 to 1.3 of the 53.2 funding ratio in the 2004-05 school year, to employ
39 additional classified instructional assistants assigned to basic

1 education classrooms in grades K-4. For purposes of documenting a
2 district's staff ratio under this section, funds used by the district
3 to employ additional classified instructional assistants shall be
4 converted to a certificated staff equivalent and added to the
5 district's actual certificated instructional staff ratio. Additional
6 classified instructional assistants, for the purposes of this
7 subsection, shall be determined using the 1989-90 school year as the
8 base year;

9 (C) Any district maintaining a ratio in grades K-4 equal to or
10 greater than 54.0 certificated instructional staff per thousand full-
11 time equivalent students in the 2003-04 school year and 53.2
12 certificated instructional staff per thousand full-time equivalent
13 students in the 2004-05 school year may use allocations generated under
14 this subsection (2)(a)(iv) and (v) in excess of that required to
15 maintain the minimum ratio established under RCW 28A.150.260(2)(b) to
16 employ additional basic education certificated instructional staff or
17 classified instructional assistants in grades 5-6. Funds allocated
18 under this subsection (2)(a)(iv) and (v) shall only be expended to
19 reduce class size in grades K-6. No more than 1.3 of the certificated
20 instructional funding ratio amount may be expended for provision of
21 classified instructional assistants;

22 (b) For school districts with a minimum enrollment of 250 full-time
23 equivalent students whose full-time equivalent student enrollment count
24 in a given month exceeds the first of the month full-time equivalent
25 enrollment count by 5 percent, an additional state allocation of 110
26 percent of the share that such increased enrollment would have
27 generated had such additional full-time equivalent students been
28 included in the normal enrollment count for that particular month;

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

30 (A) Vocational education programs approved by the superintendent of
31 public instruction, a maximum of 0.92 certificated instructional staff
32 units and 0.08 certificated administrative staff units for each 19.5
33 full-time equivalent vocational students; and

34 (B) Skills center programs meeting the standards for skills center
35 funding established in January 1999 by the superintendent of public
36 instruction, 0.92 certificated instructional staff units and 0.08
37 certificated administrative units for each 16.67 full-time equivalent
38 vocational students;

1 (ii) Vocational full-time equivalent enrollment shall be reported
2 on the same monthly basis as the enrollment for students eligible for
3 basic support, and payments shall be adjusted for reported vocational
4 enrollments on the same monthly basis as those adjustments for
5 enrollment for students eligible for basic support; and

6 (iii) Indirect cost charges by a school district to vocational-
7 secondary programs shall not exceed 15 percent of the combined basic
8 education and vocational enhancement allocations of state funds;

9 (d) For districts enrolling not more than twenty-five average
10 annual full-time equivalent students in grades K-8, and for small
11 school plants within any school district which have been judged to be
12 remote and necessary by the state board of education and enroll not
13 more than twenty-five average annual full-time equivalent students in
14 grades K-8:

15 (i) For those enrolling no students in grades 7 and 8, 1.76
16 certificated instructional staff units and 0.24 certificated
17 administrative staff units for enrollment of not more than five
18 students, plus one-twentieth of a certificated instructional staff unit
19 for each additional student enrolled; and

20 (ii) For those enrolling students in grades 7 or 8, 1.68
21 certificated instructional staff units and 0.32 certificated
22 administrative staff units for enrollment of not more than five
23 students, plus one-tenth of a certificated instructional staff unit for
24 each additional student enrolled;

25 (e) For specified enrollments in districts enrolling more than
26 twenty-five but not more than one hundred average annual full-time
27 equivalent students in grades K-8, and for small school plants within
28 any school district which enroll more than twenty-five average annual
29 full-time equivalent students in grades K-8 and have been judged to be
30 remote and necessary by the state board of education:

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

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

37 (f) For districts operating no more than two high schools with
38 enrollments of less than three hundred average annual full-time

1 equivalent students, for enrollment in grades 9-12 in each such school,
2 other than alternative schools:

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

8 (ii) For all other small high schools under this subsection, nine
9 certificated instructional staff units and one-half of a certificated
10 administrative staff unit for the first sixty average annual full time
11 equivalent students, and additional staff units based on a ratio of
12 0.8732 certificated instructional staff units and 0.1268 certificated
13 administrative staff units per each additional forty-three and one-half
14 average annual full time equivalent students.

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

19 (g) For each nonhigh school district having an enrollment of more
20 than seventy annual average full-time equivalent students and less than
21 one hundred eighty students, operating a grades K-8 program or a grades
22 1-8 program, an additional one-half of a certificated instructional
23 staff unit; and

24 (h) For each nonhigh school district having an enrollment of more
25 than fifty annual average full-time equivalent students and less than
26 one hundred eighty students, operating a grades K-6 program or a grades
27 1-6 program, an additional one-half of a certificated instructional
28 staff unit.

29 (3) Allocations for classified salaries for the 2003-04 and 2004-05
30 school years shall be calculated using formula-generated classified
31 staff units determined as follows:

32 (a) For enrollments generating certificated staff unit allocations
33 under subsection (2)(d) through (h) of this section, one classified
34 staff unit for each three certificated staff units allocated under such
35 subsections;

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

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

5 (4) Fringe benefit allocations shall be calculated at a rate of
6 9.68 percent in the 2003-04 school year and (~~(9.68)~~) 9.69 percent in
7 the 2004-05 school year for certificated salary allocations provided
8 under subsection (2) of this section, and a rate of 12.25 percent in
9 the 2003-04 school year and 12.25 percent in the 2004-05 school year
10 for classified salary allocations provided under subsection (3) of this
11 section.

12 (5) Insurance benefit allocations shall be calculated at the
13 maintenance rate specified in section 504(2) of this act, based on the
14 number of benefit units determined as follows:

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

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

23 (6)(a) For nonemployee-related costs associated with each
24 certificated staff unit allocated under subsection (2)(a), (b), and (d)
25 through (h) of this section, there shall be provided a maximum of
26 \$8,785 per certificated staff unit in the 2003-04 school year and a
27 maximum of (~~(\$8,952)~~) \$8,855 per certificated staff unit in the 2004-05
28 school year.

29 (b) For nonemployee-related costs associated with each vocational
30 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
31 section, there shall be provided a maximum of \$21,573 per certificated
32 staff unit in the 2003-04 school year and a maximum of (~~(\$21,983)~~)
33 \$21,746 per certificated staff unit in the 2004-05 school year.

34 (c) For nonemployee-related costs associated with each vocational
35 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
36 section, there shall be provided a maximum of \$16,739 per certificated
37 staff unit in the 2003-04 school year and a maximum of (~~(\$17,057)~~)
38 \$16,873 per certificated staff unit in the 2004-05 school year.

1 (7) Allocations for substitute costs for classroom teachers shall
2 be distributed at a maintenance rate of \$531.09 for the 2003-04 and
3 2004-05 school years per allocated classroom teachers exclusive of
4 salary increase amounts provided in section 504 of this act. Solely
5 for the purposes of this subsection, allocated classroom teachers shall
6 be equal to the number of certificated instructional staff units
7 allocated under subsection (2) of this section, multiplied by the ratio
8 between the number of actual basic education certificated teachers and
9 the number of actual basic education certificated instructional staff
10 reported statewide for the prior school year.

11 (8) Any school district board of directors may petition the
12 superintendent of public instruction by submission of a resolution
13 adopted in a public meeting to reduce or delay any portion of its basic
14 education allocation for any school year. The superintendent of public
15 instruction shall approve such reduction or delay if it does not impair
16 the district's financial condition. Any delay shall not be for more
17 than two school years. Any reduction or delay shall have no impact on
18 levy authority pursuant to RCW 84.52.0531 and local effort assistance
19 pursuant to chapter 28A.500 RCW.

20 (9) The superintendent may distribute a maximum of (~~(\$6,392,000)~~)
21 \$6,385,000 outside the basic education formula during fiscal years 2004
22 and 2005 as follows:

23 (a) For fire protection for school districts located in a fire
24 protection district as now or hereafter established pursuant to chapter
25 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
26 and a maximum of (~~(\$504,000)~~) \$499,000 may be expended in fiscal year
27 2005;

28 (b) For summer vocational programs at skills centers, a maximum of
29 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of
30 \$2,035,000 for the 2005 fiscal year;

31 (c) A maximum of (~~(\$353,000)~~) \$351,000 may be expended for school
32 district emergencies; and

33 (d) A maximum of \$485,000 each fiscal year may be expended for
34 programs providing skills training for secondary students who are
35 enrolled in extended day school-to-work programs, as approved by the
36 superintendent of public instruction. The funds shall be allocated at
37 a rate not to exceed \$500 per full-time equivalent student enrolled in
38 those programs.

1 (10) For purposes of RCW 84.52.0531, the increase per full-time
2 equivalent student is 3.4 percent from the 2002-03 school year to the
3 2003-04 school year and 2.5 percent from the 2003-04 school year to the
4 2004-05 school year.

5 (11) If two or more school districts consolidate and each district
6 was receiving additional basic education formula staff units pursuant
7 to subsection (2)(b) through (h) of this section, the following shall
8 apply:

9 (a) For three school years following consolidation, the number of
10 basic education formula staff units shall not be less than the number
11 of basic education formula staff units received by the districts in the
12 school year prior to the consolidation; and

13 (b) For the fourth through eighth school years following
14 consolidation, the difference between the basic education formula staff
15 units received by the districts for the school year prior to
16 consolidation and the basic education formula staff units after
17 consolidation pursuant to subsection (2)(a) through (h) of this section
18 shall be reduced in increments of twenty percent per year.

19 (12) (~~(\$159,000)~~) \$401,000 of the general fund--state appropriation
20 for fiscal year (~~(2004 and \$1,181,000 of the general fund state~~
21 ~~appropriation for fiscal year 2005 are)~~) 2005 is provided solely for
22 the implementation of Second Engrossed Substitute Senate Bill No. 5012
23 or Second Substitute House Bill No. 2295 (charter schools). If (~~(the)~~)
24 neither bill is (~~(not)~~) enacted by June 30, (~~(2003)~~) 2004, the
25 amount(~~(s)~~) provided in this subsection shall lapse.

26 **Sec. 503.** 2003 1st sp.s. c 25 s 503 (uncodified) is amended to
27 read as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION**
29 **EMPLOYEE COMPENSATION.** (1) The following calculations determine the
30 salaries used in the general fund allocations for certificated
31 instructional, certificated administrative, and classified staff units
32 under section 502 of this act:

33 (a) Salary allocations for certificated instructional staff units
34 shall be determined for each district by multiplying the district's
35 certificated instructional total base salary shown on LEAP Document 12E
36 by the district's average staff mix factor for certificated
37 instructional staff in that school year, computed using LEAP Document

1 1Sa for the 2003-04 school year and LEAP Document 1Sb for the 2004-05
2 school year; and

3 (b) Salary allocations for certificated administrative staff units
4 and classified staff units for each district shall be based on the
5 district's certificated administrative and classified salary allocation
6 amounts shown on LEAP Document 12E.

7 (2) For the purposes of this section:

8 (a) "LEAP Document 1Sa" means the computerized tabulation
9 establishing staff mix factors for certificated instructional staff for
10 the 2003-04 school year according to education and years of experience,
11 as developed by the legislative evaluation and accountability program
12 committee on March 31, 2003, at 09:06 hours;

13 (b) "LEAP Document 1Sb" means the computerized tabulation
14 establishing staff mix factors for certificated instructional staff for
15 the 2004-05 school year according to education and years of experience,
16 as developed by the legislative evaluation and accountability program
17 committee on March 31, 2003, at 09:06 hours; and

18 (c) "LEAP Document 12E" means the computerized tabulation of 2003-
19 04 and 2004-05 school year salary allocations for certificated
20 administrative staff and classified staff and derived and total base
21 salaries for certificated instructional staff as developed by the
22 legislative evaluation and accountability program committee on March
23 31, 2003, at 09:06 hours.

24 (3) Incremental fringe benefit factors shall be applied to salary
25 adjustments at a rate of 9.04 percent for school year 2003-04 and
26 ((9.04)) 9.05 percent for school year 2004-05 for certificated staff
27 and for classified staff 8.75 percent for school year 2003-04 and 8.75
28 percent for the 2004-05 school year.

29 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary
30 allocation schedules for certificated instructional staff are
31 established for basic education salary allocations:

32 K-12 Salary Allocation Schedule For Certificated Instructional Staff

33 2003-04 School Year

34	Years of										MA+90
35	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45		or PHD

36

1	0	29,149	29,936	30,752	31,568	34,192	35,881	34,947	37,570	39,262
2	1	29,540	30,339	31,165	32,019	34,669	36,350	35,335	37,985	39,665
3	2	30,060	30,870	31,709	32,633	35,289	36,995	35,901	38,556	40,262
4	3	30,747	31,574	32,429	33,392	36,069	37,833	36,630	39,306	41,071
5	4	31,285	32,151	33,017	34,018	36,724	38,510	37,208	39,914	41,701
6	5	31,840	32,716	33,594	34,655	37,365	39,196	37,798	40,509	42,340
7	6	32,251	33,108	34,016	35,131	37,827	39,667	38,213	40,910	42,750
8	7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836
9	8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172
10	9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548
11	10			38,477	39,898	42,788	44,894	42,964	45,855	47,960
12	11				41,243	44,196	46,344	44,309	47,263	49,410
13	12				42,545	45,642	47,854	45,707	48,708	50,921
14	13					47,123	49,401	47,154	50,189	52,467
15	14					48,611	51,006	48,644	51,775	54,073
16	15					49,876	52,333	49,908	53,121	55,479
17	16 or More					50,873	53,379	50,906	54,183	56,588

K-12 Salary Allocation Schedule For Certificated Instructional Staff

2004-05 School Year

20	Years of										MA+90
21	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	or PHD	
22											
23	0	30,023	30,834	31,674	32,516	35,218	36,958	35,995	38,697	40,439	
24	1	30,427	31,249	32,100	32,979	35,709	37,440	36,395	39,125	40,855	
25	2	30,812	31,642	32,502	33,449	36,171	37,920	36,798	39,520	41,269	
26	3	31,209	32,047	32,916	33,893	36,610	38,401	37,180	39,895	41,687	
27	4	31,598	32,473	33,347	34,358	37,091	38,895	37,580	40,313	42,118	
28	5	32,000	32,879	33,762	34,829	37,552	39,392	37,987	40,711	42,551	
29	6	32,413	33,273	34,186	35,306	38,016	39,866	38,404	41,114	42,963	
30	7	33,139	34,012	34,937	36,118	38,868	40,769	39,185	41,934	43,836	
31	8	34,202	35,122	36,069	37,348	40,135	42,106	40,414	43,202	45,172	
32	9		36,272	37,266	38,591	41,443	43,481	41,656	44,510	46,548	
33	10			38,477	39,898	42,788	44,894	42,964	45,855	47,960	
34	11				41,243	44,196	46,344	44,309	47,263	49,410	
35	12				42,545	45,642	47,854	45,707	48,708	50,921	
36	13					47,123	49,401	47,154	50,189	52,467	
37	14					48,611	51,006	48,644	51,775	54,073	

1	15	49,876	52,333	49,908	53,121	55,479
2	16 or More	50,873	53,379	50,906	54,183	56,588

3 (b) As used in this subsection, the column headings "BA+(N)" refer
4 to the number of credits earned since receiving the baccalaureate
5 degree.

6 (c) For credits earned after the baccalaureate degree but before
7 the masters degree, any credits in excess of forty-five credits may be
8 counted after the masters degree. Thus, as used in this subsection,
9 the column headings "MA+(N)" refer to the total of:

- 10 (i) Credits earned since receiving the masters degree; and
- 11 (ii) Any credits in excess of forty-five credits that were earned
12 after the baccalaureate degree but before the masters degree.

13 (5) For the purposes of this section:

- 14 (a) "BA" means a baccalaureate degree.
- 15 (b) "MA" means a masters degree.
- 16 (c) "PHD" means a doctorate degree.

17 (d) "Years of service" shall be calculated under the same rules
18 adopted by the superintendent of public instruction.

19 (e) "Credits" means college quarter hour credits and equivalent in-
20 service credits computed in accordance with RCW 28A.415.020 and
21 28A.415.023.

22 (6) No more than ninety college quarter-hour credits received by
23 any employee after the baccalaureate degree may be used to determine
24 compensation allocations under the state salary allocation schedule and
25 LEAP documents referenced in this act, or any replacement schedules and
26 documents, unless:

- 27 (a) The employee has a masters degree; or
- 28 (b) The credits were used in generating state salary allocations
29 before January 1, 1992.

30 (7) The certificated instructional staff base salary specified for
31 each district in LEAP Document 12E and the salary schedules in
32 subsection (4)(a) of this section include two learning improvement
33 days. A school district is eligible for the learning improvement day
34 funds only if the learning improvement days have been added to the 180-
35 day contract year. If fewer days are added, the additional learning
36 improvement allocation shall be adjusted accordingly. The additional
37 days shall be for activities related to improving student learning
38 consistent with education reform implementation, and shall not be
39 considered part of basic education. The length of a learning

1 improvement day shall not be less than the length of a full day under
2 the base contract. The superintendent of public instruction shall
3 ensure that school districts adhere to the intent and purposes of this
4 subsection.

5 (8) The salary allocation schedules established in this section are
6 for allocation purposes only except as provided in RCW 28A.400.200(2),
7 subsection (7) of this section, and section 504(1) of this act.

8 **Sec. 504.** 2003 1st sp.s. c 25 s 504 (uncodified) is amended to
9 read as follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
11 **COMPENSATION ADJUSTMENTS**

12	General Fund--State Appropriation (FY 2004)	((\$28,511,000))
13		<u>\$28,604,000</u>
14	General Fund--State Appropriation (FY 2005)	((\$116,670,000))
15		<u>\$132,202,000</u>
16	General Fund--Federal Appropriation	((\$559,000))
17		<u>\$663,000</u>
18	TOTAL APPROPRIATION	((\$145,740,000))
19		<u>\$161,469,000</u>

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

22 (1) ((~~\$8,913,000~~)) \$8,944,000 of the general fund--state
23 appropriation for fiscal year 2004 and ((~~\$20,238,000~~)) \$20,339,000 of
24 the general fund--state appropriation for fiscal year 2005 are provided
25 solely to provide a salary adjustment for state formula certificated
26 instructional staff units in their first seven years of service.
27 Consistent with the statewide certificated instructional staff salary
28 allocation schedule in section 503 of this act, sufficient funding is
29 provided to increase the salary of certificated instructional staff
30 units in the 2003-04 school year and the 2004-05 school year by the
31 following percentages: Three percent for certificated instructional
32 staff in their first and second years of service; two and one-half
33 percent for certificated instructional staff in their third year of
34 service; one and one-half percent for certificated instructional staff
35 in their fourth year of service; one percent for certificated
36 instructional staff in their fifth year of service; and one-half of a
37 percent for certificated instructional staff in their sixth and seventh

1 years of service. These increases will take effect September 1, 2003
2 and September 1, 2004.

3 (a) In order to receive funding provided in this subsection, school
4 districts shall certify to the office of superintendent of public
5 instruction that they will provide the percentage increases in the
6 amounts specified in this subsection. In cases where a school district
7 providing the increases in the amounts specified in this subsection
8 would cause that school district to be out of compliance with RCW
9 28A.400.200, they may provide salary increases in different amounts but
10 only to the extent necessary to come into compliance with RCW
11 28A.400.200. Funds provided in this subsection shall be used
12 exclusively for providing the percentage increases specified in this
13 subsection to the certificated staff units in their first seven years
14 of service and shall not be used to supplant any other state or local
15 funding for compensation for these staff.

16 (b) The appropriations include associated incremental fringe
17 benefit allocations at rates of 9.04 percent for school year 2003-04
18 and (~~(9.04)~~) 9.05 percent for school year 2004-05 for certificated
19 staff. Increases for general apportionment (basic education) are based
20 on the salary allocation schedules and methodology in sections 502 and
21 503 of this act. Increases for special education result from increases
22 in each district's basic education allocation per student. Increases
23 for educational service districts and institutional education programs
24 are determined by the superintendent of public instruction using the
25 methodology for general apportionment salaries and benefits in sections
26 502 and 503 of this act.

27 (2) \$5,452,000 of the general fund--state appropriation is provided
28 solely to provide a salary adjustment for state formula classified
29 units of one percent effective September 1, 2004, and \$126,598,000 is
30 provided solely for adjustments to insurance benefit allocations.

31 (a)(i) In order to receive funding provided in this subsection for
32 salary adjustments for state formula classified units, school districts
33 shall certify to the office of superintendent of public instruction
34 that they will provide the percentage increases in the amounts
35 specified in this subsection. Funds provided in this subsection for
36 this purpose shall be used exclusively for providing the percentage
37 increases specified in this subsection to classified staff units and
38 shall not be used to supplant any other state or local funding for
39 compensation for these staff.

1 (ii) The appropriations include associated incremental fringe
 2 benefit allocations at rates of 8.75 percent for the 2004-05 school
 3 year for classified staff. The appropriations in this section include
 4 the increased portion of salaries and incremental fringe benefits for
 5 all relevant state-funded school programs in this part V of this act.
 6 Increases for general apportionment (basic education) are based on the
 7 salary allocation schedules and methodology in sections 502 and 503 of
 8 this act. Increases for special education result from increases in
 9 each district's basic education allocation per student. Increases for
 10 educational service districts and institutional education programs are
 11 determined by the superintendent of public instruction using the
 12 methodology for general apportionment salaries and benefits in sections
 13 502 and 503 of this act.

14 (b) The maintenance rate for insurance benefit allocations is
 15 \$457.07 per month for the 2003-04 and 2004-05 school years. The
 16 appropriations in this section provide for a rate increase to \$481.31
 17 per month for the 2003-04 school year and \$582.47 per month for the
 18 2004-05 school year.

19 (3) The appropriations in this section provide salary adjustments
 20 and incremental fringe benefit allocations based on formula adjustments
 21 as follows:

	School Year	
	2003-04	2004-05
Pupil Transportation (per weighted pupil mile)	<u>\$0.00</u>	<u>\$0.22</u>
Highly Capable (per formula student)	\$0.93	\$1.89
Transitional Bilingual Education (per eligible bilingual student)	\$2.45	\$4.97
Learning Assistance (per entitlement unit)	\$0.69	(((\$1.40)) <u>\$2.94</u>

28 ~~((3) \$116,483,000 is provided for adjustments to insurance benefit~~
 29 ~~allocations. The maintenance rate for insurance benefit allocations is~~
 30 ~~\$457.07 per month for the 2003-04 and 2004-05 school years. The~~
 31 ~~appropriations in this section provide for a rate increase to \$481.31~~
 32 ~~per month for the 2003-04 school year and \$570.74 per month for the~~
 33 ~~2004-05 school year at the following rates:))~~

34 (4) The adjustments to insurance benefit allocations are at the
 35 following rates:

	School Year		
	2003-04	2004-05	
Pupil Transportation (per weighted pupil mile)	\$0.22	((\$1.03))	<u>\$1.14</u>
Highly Capable (per formula student)	\$1.52	((\$7.00))	<u>\$7.72</u>
Transitional Bilingual Education (per eligible bilingual student)	\$3.92	((\$18.40))	<u>\$20.30</u>
Learning Assistance (per entitlement unit)	\$3.08	((\$14.46))	<u>\$15.95</u>

7 ((~~+4~~)) (5) The rates specified in this section are subject to
8 revision each year by the legislature.

9 **Sec. 505.** 2003 1st sp.s. c 25 s 505 (uncodified) is amended to
10 read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION		
General Fund--State Appropriation (FY 2004)	((\$201,638,000))	
		<u>\$215,454,000</u>
General Fund--State Appropriation (FY 2005)	((\$210,279,000))	
		<u>\$219,899,000</u>
TOTAL APPROPRIATION	((\$411,917,000))	
		<u>\$435,353,000</u>

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

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

23 (2) A maximum of \$768,000 of this fiscal year 2004 appropriation
24 and a maximum of ((~~\$782,000~~)) \$774,000 of the fiscal year 2005
25 appropriation may be expended for regional transportation coordinators
26 and related activities. The transportation coordinators shall ensure
27 that data submitted by school districts for state transportation
28 funding shall, to the greatest extent practical, reflect the actual
29 transportation activity of each district.

30 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the
31 fiscal year 2005 appropriation are provided solely for the
32 transportation of students enrolled in "choice" programs.
33 Transportation shall be limited to low-income students who are
34 transferring to "choice" programs solely for educational reasons.

35 (4) Allocations for transportation of students shall be based on
36 reimbursement rates of \$39.21 per weighted mile in the 2003-04 school

1 year and (~~(\$39.43)~~) \$39.30 per weighted mile in the 2004-05 school year
 2 exclusive of salary and benefit adjustments provided in section 504 of
 3 this act. Allocations for transportation of students transported more
 4 than one radius mile shall be based on weighted miles as determined by
 5 superintendent of public instruction multiplied by the per mile
 6 reimbursement rates for the school year pursuant to the formulas
 7 adopted by the superintendent of public instruction. Allocations for
 8 transportation of students living within one radius mile shall be based
 9 on the number of enrolled students in grades kindergarten through five
 10 living within one radius mile of their assigned school multiplied by
 11 the per mile reimbursement rate for the school year multiplied by 1.29.

12 (5) (~~Beginning with~~) For busses purchased (~~on or after~~) between
 13 July 1, 2003, and June 30, 2004, the office of superintendent of public
 14 instruction shall provide reimbursement funding to a school district
 15 only after the superintendent of public instruction determines that the
 16 school bus was purchased from the list established pursuant to RCW
 17 28A.160.195(2) or a comparable competitive bid process based on the
 18 lowest price quote based on similar bus categories to those used to
 19 establish the list pursuant to RCW 28A.160.195. The competitive
 20 specifications shall meet federal motor vehicle safety standards,
 21 minimum state specifications as established by rule by the
 22 superintendent, and supported options as determined by the
 23 superintendent in consultation with the regional transportation
 24 coordinators of the educational service districts.

25 **Sec. 506.** 2003 1st sp.s. c 25 s 506 (uncodified) is amended to
 26 read as follows:

27 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
 28 **PROGRAMS**

29	General Fund--State Appropriation (FY 2004)	\$3,100,000
30	General Fund--State Appropriation (FY 2005)	\$3,100,000
31	General Fund--Federal Appropriation	((\$272,069,000))
32		<u>\$252,128,000</u>
33	TOTAL APPROPRIATION	((\$278,269,000))
34		<u>\$258,328,000</u>

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

- 37 (1) \$3,000,000 of the general fund--state appropriation for fiscal

1 year 2004 and \$3,000,000 of the general fund--state appropriation for
2 fiscal year 2005 are provided for state matching money for federal
3 child nutrition programs.

4 (2) \$100,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
6 provided for summer food programs for children in low-income areas.

7 **Sec. 507.** 2003 1st sp.s. c 25 s 507 (uncodified) is amended to
8 read as follows:

9 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
10 **PROGRAMS**

11	General Fund--State Appropriation (FY 2004)	((\$433,984,000))
12		<u>\$435,061,000</u>
13	General Fund--State Appropriation (FY 2005)	((\$427,214,000))
14		<u>\$426,802,000</u>
15	General Fund--Federal Appropriation	((\$409,637,000))
16		<u>\$426,450,000</u>
17	TOTAL APPROPRIATION	((\$1,270,835,000))
18		<u>\$1,288,313,000</u>

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

21 (1) Funding for special education programs is provided on an excess
22 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
23 that special education students as a class receive their full share of
24 the general apportionment allocation accruing through sections 502 and
25 504 of this act. To the extent a school district cannot provide an
26 appropriate education for special education students under chapter
27 28A.155 RCW through the general apportionment allocation, it shall
28 provide services through the special education excess cost allocation
29 funded in this section.

30 (2)(a) The superintendent of public instruction shall use the
31 excess cost methodology developed and implemented for the 2001-02
32 school year using the S-275 personnel reporting system and all related
33 accounting requirements to ensure that:

- 34 (i) Special education students are basic education students first;
- 35 (ii) As a class, special education students are entitled to the
36 full basic education allocation; and
- 37 (iii) Special education students are basic education students for
38 the entire school day.

1 (b) The S-275 and accounting changes in effect since the 2001-02
2 school year shall supercede any prior excess cost methodologies and
3 shall be required of all school districts.

4 (3) Each fiscal year appropriation includes such funds as are
5 necessary to complete the school year ending in the fiscal year and for
6 prior fiscal year adjustments.

7 (4) The superintendent of public instruction shall distribute state
8 and federal funds to school districts based on two categories: The
9 optional birth through age two program for special education eligible
10 developmentally delayed infants and toddlers, and the mandatory special
11 education program for special education eligible students ages three to
12 twenty-one. A "special education eligible student" means a student
13 receiving specially designed instruction in accordance with a properly
14 formulated individualized education program.

15 (5)(a) For the 2003-04 and 2004-05 school years, the superintendent
16 shall make allocations to each district based on the sum of:

17 (i) A district's annual average headcount enrollment of
18 developmentally delayed infants and toddlers ages birth through two,
19 multiplied by the district's average basic education allocation per
20 full-time equivalent student, multiplied by 1.15; and

21 (ii) A district's annual average full-time equivalent basic
22 education enrollment multiplied by the funded enrollment percent
23 determined pursuant to subsection (6)(b) of this section, multiplied by
24 the district's average basic education allocation per full-time
25 equivalent student multiplied by 0.9309.

26 (b) For purposes of this subsection, "average basic education
27 allocation per full-time equivalent student" for a district shall be
28 based on the staffing ratios required by RCW 28A.150.260 and shall not
29 include enhancements, secondary vocational education, or small schools.

30 (6) The definitions in this subsection apply throughout this
31 section.

32 (a) "Annual average full-time equivalent basic education
33 enrollment" means the resident enrollment including students enrolled
34 through choice (RCW 28A.225.225) and students from nonhigh districts
35 (RCW 28A.225.210) and excluding students residing in another district
36 enrolled as part of an interdistrict cooperative program (RCW
37 28A.225.250).

38 (b) "Enrollment percent" means the district's resident special

1 education annual average enrollment, excluding the birth through age
2 two enrollment, as a percent of the district's annual average full-time
3 equivalent basic education enrollment.

4 Each district's general fund--state funded special education
5 enrollment shall be the lesser of the district's actual enrollment
6 percent or 12.7 percent. Increases in enrollment percent from 12.7
7 percent to 13.0 percent shall be funded from the general fund--federal
8 appropriation.

9 (7) At the request of any interdistrict cooperative of at least 15
10 districts in which all excess cost services for special education
11 students of the districts are provided by the cooperative, the maximum
12 enrollment percent shall be calculated in accordance with subsection
13 (6)(b) of this section, and shall be calculated in the aggregate rather
14 than individual district units. For purposes of this subsection, the
15 average basic education allocation per full-time equivalent student
16 shall be calculated in the aggregate rather than individual district
17 units.

18 (8) To the extent necessary, \$25,746,000 of the general fund--
19 federal appropriation is provided for safety net awards for districts
20 with demonstrated needs for state special education funding beyond the
21 amounts provided in subsection (5) of this section. If safety net
22 awards exceed the amount appropriated in this subsection (8), the
23 superintendent shall expend all available federal discretionary funds
24 necessary to meet this need. Safety net funds shall be awarded by the
25 state safety net oversight committee subject to the following
26 conditions and limitations:

27 (a) The committee shall consider unmet needs for districts that can
28 convincingly demonstrate that all legitimate expenditures for special
29 education exceed all available revenues from state funding formulas.
30 In the determination of need, the committee shall also consider
31 additional available revenues from federal and local sources.
32 Differences in program costs attributable to district philosophy,
33 service delivery choice, or accounting practices are not a legitimate
34 basis for safety net awards.

35 (b) The committee shall then consider the extraordinary high cost
36 needs of one or more individual special education students.
37 Differences in costs attributable to district philosophy, service
38 delivery choice, or accounting practices are not a legitimate basis for
39 safety net awards.

1 (c) The maximum allowable indirect cost for calculating safety net
2 eligibility may not exceed the federal restricted indirect cost rate
3 for the district plus one percent.

4 (d) Safety net awards shall be adjusted based on the percent of
5 potential medicaid eligible students billed as calculated by the
6 superintendent in accordance with chapter 318, Laws of 1999.

7 (e) Safety net awards must be adjusted for any audit findings or
8 exceptions related to special education funding.

9 (9) The superintendent of public instruction may adopt such rules
10 and procedures as are necessary to administer the special education
11 funding and safety net award process. Prior to revising any standards,
12 procedures, or rules, the superintendent shall consult with the office
13 of financial management and the fiscal committees of the legislature.

14 (10) The safety net oversight committee appointed by the
15 superintendent of public instruction shall consist of:

16 (a) One staff from the office of superintendent of public
17 instruction;

18 (b) Staff of the office of the state auditor; and

19 (c) One or more representatives from school districts or
20 educational service districts knowledgeable of special education
21 programs and funding.

22 (11) A maximum of \$678,000 may be expended from the general fund--
23 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
24 full-time equivalent aides at children's orthopedic hospital and
25 medical center. This amount is in lieu of money provided through the
26 home and hospital allocation and the special education program.

27 (12) \$1,000,000 of the general fund--federal appropriation is
28 provided for projects to provide special education students with
29 appropriate job and independent living skills, including work
30 experience where possible, to facilitate their successful transition
31 out of the public school system. The funds provided by this subsection
32 shall be from federal discretionary grants.

33 (13) The superintendent shall maintain the percentage of federal
34 flow-through to school districts at 85 percent. In addition to other
35 purposes, school districts may use increased federal funds for high-
36 cost students, for purchasing regional special education services from
37 educational service districts, and for staff development activities
38 particularly relating to inclusion issues.

1 (14) A maximum of \$1,200,000 of the general fund--federal
2 appropriation may be expended by the superintendent for projects
3 related to use of inclusion strategies by school districts for
4 provision of special education services. The superintendent shall
5 prepare an information database on laws, best practices, examples of
6 programs, and recommended resources. The information may be
7 disseminated in a variety of ways, including workshops and other staff
8 development activities.

9 (15) A school district may carry over from one year to the next
10 year up to 10 percent of the general fund--state funds allocated under
11 this program; however, carry over funds shall be expended in the
12 special education program.

13 **Sec. 508.** 2003 1st sp.s. c 25 s 508 (uncodified) is amended to
14 read as follows:

15 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
16 **DISTRICTS**

17	General Fund--State Appropriation (FY 2004)	\$3,538,000
18	General Fund--State Appropriation (FY 2005)	(\$3,537,000)
19		<u>\$3,538,000</u>
20	TOTAL APPROPRIATION	(\$7,075,000)
21		<u>\$7,076,000</u>

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

24 (1) The educational service districts shall continue to furnish
25 financial services required by the superintendent of public instruction
26 and RCW 28A.310.190 (3) and (4).

27 (2) The educational service districts, at the request of the state
28 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
29 receive and screen applications for school accreditation, conduct
30 school accreditation site visits pursuant to state board of education
31 rules, and submit to the state board of education post-site visit
32 recommendations for school accreditation. The educational service
33 districts may assess a cooperative service fee to recover actual plus
34 reasonable indirect costs for the purposes of this subsection.

35 **Sec. 509.** 2003 1st sp.s. c 25 s 509 (uncodified) is amended to
36 read as follows:

1 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
2 **ASSISTANCE**

3	General Fund--State Appropriation (FY 2004)	((\$162,236,000))
4		<u>\$163,049,000</u>
5	General Fund--State Appropriation (FY 2005)	((\$167,073,000))
6		<u>\$165,578,000</u>
7	TOTAL APPROPRIATION	((\$329,309,000))
8		<u>\$328,627,000</u>

9 **Sec. 510.** 2003 1st sp.s. c 25 s 510 (uncodified) is amended to
10 read as follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
12 **EDUCATION PROGRAMS**

13	General Fund--State Appropriation (FY 2004)	((\$18,596,000))
14		<u>\$18,207,000</u>
15	General Fund--State Appropriation (FY 2005)	((\$19,092,000))
16		<u>\$18,176,000</u>
17	TOTAL APPROPRIATION	((\$37,688,000))
18		<u>\$36,383,000</u>

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

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

24 (2) State funding provided under this section is based on salaries
25 and other expenditures for a 220-day school year. The superintendent
26 of public instruction shall monitor school district expenditure plans
27 for institutional education programs to ensure that districts plan for
28 a full-time summer program.

29 (3) State funding for each institutional education program shall be
30 based on the institution's annual average full-time equivalent student
31 enrollment. Staffing ratios for each category of institution shall
32 remain the same as those funded in the 1995-97 biennium.

33 (4) The funded staffing ratios for education programs for juveniles
34 age 18 or less in department of corrections facilities shall be the
35 same as those provided in the 1997-99 biennium.

36 (5) ((~~\$279,000~~)) \$190,000 of the general fund--state appropriation
37 for fiscal year 2004 and ((~~\$286,000~~)) \$142,000 of the general fund--
38 state appropriation for fiscal year 2005 are provided solely to

1 maintain at least one certificated instructional staff and related
2 support services at an institution whenever the K-12 enrollment is not
3 sufficient to support one full-time equivalent certificated
4 instructional staff to furnish the educational program. The following
5 types of institutions are included: Residential programs under the
6 department of social and health services for developmentally disabled
7 juveniles, programs for juveniles under the department of corrections,
8 and programs for juveniles under the juvenile rehabilitation
9 administration.

10 (6) Ten percent of the funds allocated for each institution may be
11 carried over from one year to the next.

12 **Sec. 511.** 2003 1st sp.s. c 25 s 511 (uncodified) is amended to
13 read as follows:

14 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY**
15 **CAPABLE STUDENTS**

16	General Fund--State Appropriation (FY 2004)	((\$6,597,000))
17		<u>\$6,620,000</u>
18	General Fund--State Appropriation (FY 2005)	((\$6,614,000))
19		<u>\$6,632,000</u>
20	TOTAL APPROPRIATION	((\$13,211,000))
21		<u>\$13,252,000</u>

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

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

27 (2) Allocations for school district programs for highly capable
28 students shall be distributed at a maximum rate of \$334.89 per funded
29 student for the 2003-04 school year and ((~~\$334.89~~)) \$334.91 per funded
30 student for the 2004-05 school year, exclusive of salary and benefit
31 adjustments pursuant to section 504 of this act. The number of funded
32 students shall be a maximum of two percent of each district's full-time
33 equivalent basic education enrollment.

34 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
35 the fiscal year 2005 appropriation are provided for the centrum program
36 at Fort Worden state park.

37 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of

1 the fiscal year 2005 appropriation are provided for the Washington
2 destination imagination network and future problem-solving programs.

3 **Sec. 512.** 2003 1st sp.s. c 25 s 512 (uncodified) is amended to
4 read as follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
6 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
7 **THE NO CHILD LEFT BEHIND ACT**

8 General Fund--Federal Appropriation ((\$46,198,000))
9 \$42,817,000

10 **Sec. 513.** 2003 1st sp.s. c 25 s 513 (uncodified) is amended to
11 read as follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
13 **PROGRAMS**

14 General Fund--State Appropriation (FY 2004) ((\$39,107,000))
15 \$38,417,000

16 General Fund--State Appropriation (FY 2005) ((\$36,501,000))
17 \$37,709,000

18 General Fund--Federal Appropriation ((\$128,402,000))
19 \$164,087,000

20 TOTAL APPROPRIATION ((\$204,010,000))
21 \$240,213,000

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

24 (1) \$310,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$310,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely for the academic achievement and
27 accountability commission.

28 (2) (~~(\$16,050,000)~~) \$15,486,000 of the general fund--state
29 appropriation for fiscal year 2004, (~~(\$12,511,000)~~) \$13,103,000 of the
30 general fund--state appropriation for fiscal year 2005, and
31 (~~(\$15,455,000)~~) \$12,310,000 of the general fund--federal appropriation
32 are provided solely for development and implementation of the
33 Washington assessments of student learning(~~(. Of the general fund~~
34 ~~state amounts provided:~~

35 ~~(a) \$222,000 in fiscal year 2004 and \$244,000 in fiscal year 2005~~
36 ~~are for providing high school students who are not successful in one or~~
37 ~~more content areas of the Washington assessment of student learning the~~

1 opportunity to retake the test and \$75,000 of the fiscal year 2004
2 appropriation is provided for developing alternative assessments as
3 provided in Engrossed Substitute House Bill No. 2195 (state academic
4 standards). If Engrossed Substitute House Bill No. 2195 is not enacted
5 by June 30, 2003, the amounts in this subsection (a) shall lapse.

6 (b) ~~\$300,000 in fiscal year 2004 is for independent research on the~~
7 ~~alignment and technical review of the reading, writing, and science~~
8 ~~content areas of the Washington assessment of student learning, as~~
9 ~~provided by Engrossed Substitute House Bill No. 2195 (state academic~~
10 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~
11 ~~by June 30, 2003, the amount in this subsection (b) shall lapse))~~
12 (WASL), including development and implementation of retake assessments
13 for high school students who are not successful in one or more content
14 areas of the WASL, development of alternative assessments or appeals
15 procedures to implement the certificate of academic achievement, and
16 independent research on the alignment and technical review of reading,
17 writing, and science.

18 (3) \$548,000 of the fiscal year 2004 general fund--state
19 appropriation and \$548,000 of the fiscal year 2005 general fund--state
20 appropriation are provided solely for training of paraprofessional
21 classroom assistants and certificated staff who work with classroom
22 assistants as provided in RCW 28A.415.310.

23 (4) \$2,348,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$2,348,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for mentor teacher assistance,
26 including state support activities, under RCW 28A.415.250 and
27 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
28 this subsection may be used each fiscal year to operate a mentor
29 academy to help districts provide effective training for peer mentors.
30 Funds for the teacher assistance program shall be allocated to school
31 districts based on the number of first year beginning teachers.

32 (a) A teacher assistance program is a program that provides to a
33 first year beginning teacher peer mentor services that include but are
34 not limited to:

35 (i) An orientation process and individualized assistance to help
36 beginning teachers who have been hired prior to the start of the school
37 year prepare for the start of a school year;

38 (ii) The assignment of a peer mentor whose responsibilities to the

1 beginning teacher include but are not limited to constructive feedback,
2 the modeling of instructional strategies, and frequent meetings and
3 other forms of contact;

4 (iii) The provision by peer mentors of strategies, training, and
5 guidance in critical areas such as classroom management, student
6 discipline, curriculum management, instructional skill, assessment,
7 communication skills, and professional conduct. A district may provide
8 these components through a variety of means including one-on-one
9 contact and workshops offered by peer mentors to groups, including
10 cohort groups, of beginning teachers;

11 (iv) The provision of release time, substitutes, mentor training in
12 observation techniques, and other measures for both peer mentors and
13 beginning teachers, to allow each an adequate amount of time to observe
14 the other and to provide the classroom experience that each needs to
15 work together effectively;

16 (v) Assistance in the incorporation of the essential academic
17 learning requirements into instructional plans and in the development
18 of complex teaching strategies, including strategies to raise the
19 achievement of students with diverse learning styles and backgrounds;
20 and

21 (vi) Guidance and assistance in the development and implementation
22 of a professional growth plan. The plan shall include a professional
23 self-evaluation component and one or more informal performance
24 assessments. A peer mentor may not be involved in any evaluation under
25 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
26 assisted through this program.

27 (b) In addition to the services provided in (a) of this subsection,
28 an eligible peer mentor program shall include but is not limited to the
29 following components:

30 (i) Strong collaboration among the peer mentor, the beginning
31 teacher's principal, and the beginning teacher;

32 (ii) Stipends for peer mentors and, at the option of a district,
33 for beginning teachers. The stipends shall not be deemed compensation
34 for the purposes of salary lid compliance under RCW 28A.400.200 and are
35 not subject to the continuing contract provisions of Title 28A RCW; and

36 (iii) To the extent that resources are available for this purpose
37 and that assistance to beginning teachers is not adversely impacted,
38 the program may serve second year and more experienced teachers who
39 request the assistance of peer mentors.

1 (5) \$1,959,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$1,959,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for improving technology
4 infrastructure, monitoring and reporting on school district technology
5 development, promoting standards for school district technology,
6 promoting statewide coordination and planning for technology
7 development, and providing regional educational technology support
8 centers, including state support activities, under chapter 28A.650 RCW.
9 The superintendent of public instruction shall coordinate a process to
10 facilitate the evaluation and provision of online curriculum courses to
11 school districts which includes the following: Creation of a general
12 listing of the types of available online curriculum courses; a survey
13 conducted by each regional educational technology support center of
14 school districts in its region regarding the types of online curriculum
15 courses desired by school districts; a process to evaluate and
16 recommend to school districts the best online courses in terms of
17 curriculum, student performance, and cost; and assistance to school
18 districts in procuring and providing the courses to students.

19 (6) \$3,594,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$3,594,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for grants to school districts to
22 provide a continuum of care for children and families to help children
23 become ready to learn. Grant proposals from school districts shall
24 contain local plans designed collaboratively with community service
25 providers. If a continuum of care program exists in the area in which
26 the school district is located, the local plan shall provide for
27 coordination with existing programs to the greatest extent possible.
28 Grant funds shall be allocated pursuant to RCW 70.190.040.

29 (7) \$2,500,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$2,500,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for the meals for kids program
32 under RCW 28A.235.145 through 28A.235.155.

33 (8) \$705,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$705,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely for the leadership internship
36 program for superintendents, principals, and program administrators.

37 (9) A maximum of \$250,000 of the general fund--state appropriation
38 for fiscal year 2004 and a maximum of \$250,000 of the general fund--
39 state appropriation for fiscal year 2005 are provided for summer

1 accountability institutes offered by the superintendent of public
2 instruction and the academic achievement and accountability commission.
3 The institutes shall provide school district staff with training in the
4 analysis of student assessment data, information regarding successful
5 district and school teaching models, research on curriculum and
6 instruction, and planning tools for districts to improve instruction in
7 reading, mathematics, language arts, social studies, including civics,
8 and guidance and counseling.

9 (10) \$3,713,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$3,713,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the Washington reading corps
12 subject to the following conditions and limitations:

13 (a) Grants shall be allocated to schools and school districts to
14 implement proven, research-based mentoring and tutoring programs in
15 reading that may include research-based reading skills development
16 software for low-performing students in grades K-6. If the grant is
17 made to a school district, the principals of schools enrolling targeted
18 students shall be consulted concerning design and implementation of the
19 program.

20 (b) The programs may be implemented before, after, or during the
21 regular school day, or on Saturdays, summer, intercessions, or other
22 vacation periods.

23 (c) Two or more schools may combine their Washington reading corps
24 programs.

25 (d) A program is eligible for a grant if it meets the following
26 conditions:

27 (i) The program employs methods of teaching and student learning
28 based on reliable reading/literacy research and effective practices;

29 (ii) The program design is comprehensive and includes instruction,
30 on-going student assessment, professional development,
31 parental/community involvement, and program management aligned with the
32 school's reading curriculum;

33 (iii) It provides quality professional development and training for
34 teachers, staff, and volunteer mentors and tutors;

35 (iv) It has measurable goals for student reading aligned with the
36 essential academic learning requirements;

37 (v) It contains an evaluation component to determine the
38 effectiveness of the program; and

1 (vi) The program may include a software-based solution to increase
2 the student/tutor ratio to a minimum of 5:1. The selected software
3 program shall be scientifically researched-based.

4 (e) Funding priority shall be given to low-performing schools.

5 (f) Beginning and end-of-program testing data shall be available to
6 determine the effectiveness of funded programs and practices. Common
7 evaluative criteria across programs, such as grade-level improvements
8 shall be available for each reading corps program. The superintendent
9 of public instruction shall provide program evaluations to the governor
10 and the appropriate committees of the legislature. Administrative and
11 evaluation costs may be assessed from the annual appropriation for the
12 program.

13 (g) Grants provided under this section may be used by schools and
14 school districts for expenditures from September 2003 through August
15 31, 2005.

16 (11) (~~(\$1,564,000)~~) \$1,313,000 of the general fund--state
17 appropriation for fiscal year 2004 and (~~(\$2,497,000)~~) \$2,473,000 of the
18 general fund--state appropriation for fiscal year 2005 are provided
19 solely for salary bonuses for teachers who attain certification by the
20 national board for professional teaching standards, subject to the
21 following conditions and limitations:

22 (a) Teachers who hold a valid certificate from the national board
23 during the 2003-04 or 2004-05 school years shall receive an annual
24 bonus not to exceed \$3,500 in each of these school years in which they
25 hold a national board certificate.

26 (b) The annual bonus shall be paid in a lump sum amount and shall
27 not be included in the definition of "earnable compensation" under RCW
28 41.32.010(10).

29 (12) \$313,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$313,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for a principal support program.
32 The office of the superintendent of public instruction may contract
33 with an independent organization to administer the program. The
34 program shall include: (a) Development of an individualized
35 professional growth plan for a new principal or principal candidate;
36 and (b) participation of a mentor principal who works over a period of
37 between one and three years with the new principal or principal
38 candidate to help him or her build the skills identified as critical to
39 the success of the professional growth plan.

1 (13) \$126,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$126,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided for the development and posting of web-
4 based instructional tools, assessment data, and other information that
5 assists schools and teachers implementing higher academic standards.

6 (14) \$3,046,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$3,046,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely to the office of the
9 superintendent of public instruction for focused assistance. The
10 office of the superintendent of public instruction shall conduct
11 educational audits of low-performing schools and enter into performance
12 agreements between school districts and the office to implement the
13 recommendations of the audit and the community. Each educational audit
14 shall include recommendations for best practices and ways to address
15 identified needs and shall be presented to the community in a public
16 meeting to seek input on ways to implement the audit and its
17 recommendations.

18 (15) \$1,764,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$1,764,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for the mathematics helping corps
21 subject to the following conditions and limitations:

22 (a) In order to increase the availability and quality of technical
23 mathematics assistance statewide, the superintendent of public
24 instruction shall employ mathematics school improvement specialists to
25 provide assistance to schools and districts. The specialists shall be
26 hired by and work under the direction of a statewide school improvement
27 coordinator. The mathematics improvement specialists shall not be
28 permanent employees of the superintendent of public instruction.

29 (b) The school improvement specialists shall provide the following:

30 (i) Assistance to schools to disaggregate student performance data
31 and develop improvement plans based on those data;

32 (ii) Consultation with schools and districts concerning their
33 performance on the Washington assessment of student learning and other
34 assessments emphasizing the performance on the mathematics assessments;

35 (iii) Consultation concerning curricula that aligns with the
36 essential academic learning requirements emphasizing the academic
37 learning requirements for mathematics, the Washington assessment of
38 student learning, and meets the needs of diverse learners;

1 (iv) Assistance in the identification and implementation of
2 research-based instructional practices in mathematics;

3 (v) Staff training that emphasizes effective instructional
4 strategies and classroom-based assessment for mathematics;

5 (vi) Assistance in developing and implementing family and community
6 involvement programs emphasizing mathematics; and

7 (vii) Other assistance to schools and school districts intended to
8 improve student mathematics learning.

9 (16) (~~(\$87,901,000)~~) \$125,000 of the general fund--state
10 appropriation for fiscal year 2004 and \$125,000 of the general fund--
11 state appropriation for fiscal year 2005 are provided for the Tukwila
12 school district and the Selah school district for a two-year project
13 designed to improve the districts' performance in reading and math and
14 to close the achievement gap within the district, subject to the
15 following conditions and limitations:

16 (a) Funds shall be allocated to all schools within the Tukwila
17 school district and Selah school district to implement proven,
18 research-based reading and math intervention software for low-
19 performing students in grades K-12.

20 (b) The programs may be implemented before, during, or after the
21 regular school day, on Saturdays, or summer intercessions.

22 (c) A program is eligible for funding if it meets the following
23 conditions:

24 (i) The program employs methods of teaching and student learning
25 based on reliable research and best practices;

26 (ii) The program design is comprehensive and includes instruction,
27 ongoing student assessment, professional development, and program
28 management aligned with the district's reading and math curriculum;

29 (iii) The program provides quality professional development and
30 training for teachers, staff, and volunteer mentors or tutors;

31 (iv) The program contains an evaluation component to determine the
32 effectiveness of the program, which will be reported to the legislature
33 and the superintendent of public instruction on an annual basis for the
34 duration of the project.

35 (d) Beginning and end-of-program testing data shall be available to
36 determine the effectiveness of funded programs and practices. Common
37 evaluative criteria across programs, such as grade-level improvements,
38 shall be available for each program.

1 (e) All materials related to the project shall be retained by the
2 district at the end of the two-year term.

3 (17) \$515,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely for the math initiative. The office of
5 the superintendent of public instruction shall evaluate textbooks and
6 other instructional materials for math to determine the extent to which
7 they are aligned with the state standards. A scorecard of the analysis
8 shall be made available to school districts. The superintendent shall
9 also develop and disseminate information on essential components of
10 comprehensive, school-based math programs and shall work with mentor
11 teachers from around the state to develop guidelines for eligibility,
12 training, and professional development for mentor math teachers.

13 (18) \$125,822,000 of the general fund--federal appropriation is
14 provided for preparing, training, and recruiting high quality teachers
15 and principals under Title II of the no child left behind act. Of this
16 amount, \$50,000 of the general fund--federal appropriation for state
17 administration under Title II is provided solely for the joint
18 legislative audit and review committee to conduct a study of state and
19 school district expenditures of Title II monies. The office of
20 superintendent of public instruction shall establish an interagency
21 agreement with the joint legislative audit and review committee to
22 carry out this study.

23 ((~~(17) \$25,046,000~~)) (19) \$25,955,000 of the general fund--federal
24 appropriation is provided for the reading first program under Title I
25 of the no child left behind act.

26 **Sec. 514.** 2003 1st sp.s. c 25 s 514 (uncodified) is amended to
27 read as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
29 **BILINGUAL PROGRAMS**

30	General Fund--State Appropriation (FY 2004)	((\$49,791,000))
31		<u>\$50,678,000</u>
32	General Fund--State Appropriation (FY 2005)	((\$52,062,000))
33		<u>\$54,050,000</u>
34	General Fund--Federal Appropriation (FY 2005)	((\$46,309,000))
35		<u>\$44,544,000</u>
36	TOTAL APPROPRIATION	((\$148,162,000))
37		<u>\$149,272,000</u>

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

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

6 (2) The superintendent shall distribute a maximum of \$725.11 per
7 eligible bilingual student in the 2003-04 school year and (~~(\$725.11)~~)
8 \$725.17 in the 2004-05 school year, exclusive of salary and benefit
9 adjustments provided in section 504 of this act.

10 (3) The superintendent may withhold up to \$700,000 in school year
11 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
12 eligible pupil rates in subsection (2) of this section accordingly, for
13 the central provision of assessments as provided in RCW 28A.180.090 (1)
14 and (2).

15 (4) \$70,000 of the amounts appropriated in this section are
16 provided solely to develop a system for the tracking of current and
17 former transitional bilingual program students.

18 (5) The general fund--federal appropriation in this section is
19 provided for migrant education under Title I Part C and English
20 language acquisition, and language enhancement grants under Title III
21 of the elementary and secondary education act.

22 **Sec. 515.** 2003 1st sp.s. c 25 s 515 (uncodified) is amended to
23 read as follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
25 **ASSISTANCE PROGRAM**

26	General Fund--State Appropriation (FY 2004)	((\$65,385,000))
27		<u>\$64,366,000</u>
28	General Fund--State Appropriation (FY 2005)	((\$64,051,000))
29		<u>\$62,929,000</u>
30	General Fund--Federal Appropriation	((\$307,178,000))
31		<u>\$301,322,000</u>
32	TOTAL APPROPRIATION	((\$436,614,000))
33		<u>\$428,617,000</u>

34 (1) The general fund--state appropriations in this section are
35 subject to the following conditions and limitations:

36 (a) Each general fund--state fiscal year appropriation includes
37 such funds as are necessary to complete the school year ending in the
38 fiscal year and for prior fiscal year adjustments.

1 (b) Funding for school district learning assistance programs shall
2 be allocated at maximum rates of \$432.15 per funded unit for the 2003-
3 04 school year and (~~(\$433.03)~~) \$432.53 per funded unit for the 2004-05
4 school year exclusive of salary and benefit adjustments provided under
5 section 504 of this act.

6 (c) For purposes of this section, "test results" refers to the
7 district results from the norm-referenced test administered in the
8 specified grade level. The norm-referenced test results used for the
9 third and sixth grade calculations shall be consistent with the third
10 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

11 (d) A school district's general fund--state funded units shall be
12 the sum of the following:

13 (i) The district's full-time equivalent enrollment in grades K-6,
14 multiplied by the 5-year average 4th grade lowest quartile test results
15 as adjusted for funding purposes in the school years prior to 1999-
16 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
17 shall be phased into the 5-year average on a 1-year lag;

18 (ii) The district's full-time equivalent enrollment in grades 7-9,
19 multiplied by the 5-year average 8th grade lowest quartile test results
20 as adjusted for funding purposes in the school years prior to 1999-
21 2000, multiplied by 0.82. As the 6th grade test becomes available, it
22 shall be phased into the 5-year average for these grades on a 1-year
23 lag;

24 (iii) The district's full-time equivalent enrollment in grades 10-
25 11 multiplied by the 5-year average 11th grade lowest quartile test
26 results, multiplied by 0.82. As the 9th grade test becomes available,
27 it shall be phased into the 5-year average for these grades on a 1-year
28 lag;

29 (iv) If, in the prior school year, the district's percentage of
30 October headcount enrollment in grades K-12 eligible for free and
31 reduced price lunch exceeded the state average, subtract the state
32 average percentage of students eligible for free and reduced price
33 lunch from the district's percentage and multiply the result by the
34 district's K-12 annual average full-time equivalent enrollment for the
35 current school year multiplied by 22.3 percent; and

36 (v) In addition to amounts allocated under (d) of this subsection,
37 for school districts in which the effective Title I Part A (basic
38 program) increase is insufficient to cover the formula change in the
39 multiplier from .92 to .82, a state allocation shall be provided that,

1 when combined with the effective increase in federal Title I Part A
2 (basic program) funds from the 2001-02 school year, is sufficient to
3 cover this amount. The effective Title I Part A (basic program)
4 increase is the current school year federal Title I Part A (basic
5 program) allocation minus the 2001-02 school year federal Title I Part
6 A (basic program) allocation, after the 2001-02 Title I Part A
7 allocation has been inflated by three percent.

8 (2) The general fund--federal appropriation in this section is
9 provided for Title I Part A allocations of the no child left behind act
10 of 2001.

11 (3) A school district may carry over from one year to the next up
12 to 10 percent of the general fund--state funds allocated under this
13 program; however, carryover funds shall be expended for the learning
14 assistance program.

15 **Sec. 516.** 2003 1st sp.s. c 25 s 516 (uncodified) is amended to
16 read as follows:

17 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
18 **PROGRAM**

19	Student Achievement Fund--State	
20	Appropriation (FY 2004)	((\$203,123,000))
21		<u>\$214,107,000</u>
22	Student Achievement Fund--State	
23	Appropriation (FY 2005)	((\$195,080,000))
24		<u>\$195,535,000</u>
25	TOTAL APPROPRIATION	((\$398,203,000))
26		<u>\$409,642,000</u>

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

29 (1) Funding for school district student achievement programs shall
30 be allocated at a maximum rate of ((~~\$211.67~~)) \$219.32 per FTE student
31 for the 2003-04 school year and \$254.00 per FTE student for the 2004-
32 05 school year. For the purposes of this section and in accordance
33 with RCW 84.52.068, FTE student refers to the annual average full-time
34 equivalent enrollment of the school district in grades kindergarten
35 through twelve for the prior school year.

36 (2) The appropriation is allocated for the following uses as
37 specified in RCW 28A.505.210:

1 (a) To reduce class size by hiring certificated elementary
2 classroom teachers in grades K-4 and paying nonemployee-related costs
3 associated with those new teachers;

4 (b) To make selected reductions in class size in grades 5-12, such
5 as small high school writing classes;

6 (c) To provide extended learning opportunities to improve student
7 academic achievement in grades K-12, including, but not limited to,
8 extended school year, extended school day, before-and-after-school
9 programs, special tutoring programs, weekend school programs, summer
10 school, and all-day kindergarten;

11 (d) To provide additional professional development for educators
12 including additional paid time for curriculum and lesson redesign and
13 alignment, training to ensure that instruction is aligned with state
14 standards and student needs, reimbursement for higher education costs
15 related to enhancing teaching skills and knowledge, and mentoring
16 programs to match teachers with skilled, master teachers. The funding
17 shall not be used for salary increases or additional compensation for
18 existing teaching duties, but may be used for extended year and
19 extended day teaching contracts;

20 (e) To provide early assistance for children who need
21 prekindergarten support in order to be successful in school; or

22 (f) To provide improvements or additions to school building
23 facilities which are directly related to the class size reductions and
24 extended learning opportunities under (a) through (c) of this
25 subsection (2).

26 (3) For the 2003-04 school year, the office of the superintendent
27 of public instruction shall distribute ten percent of the school year
28 allocation to districts each month for the months of September through
29 June. For the 2004-05 school year, the superintendent of public
30 instruction shall distribute the school year allocation according to
31 the monthly apportionment schedule defined in RCW 28A.510.250.

32 **Sec. 517.** 2003 1st sp.s. c 25 s 517 (uncodified) is amended to
33 read as follows:

34 **K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS.** State
35 general fund and state student achievement fund appropriations provided
36 to the superintendent of public instruction for state entitlement
37 programs in the public schools in this part V of this act may be
38 expended as needed by the superintendent for adjustments to

1 apportionment for prior fiscal periods. Recoveries of state general
2 fund moneys from school districts and educational service districts for
3 a prior fiscal period shall be made as reductions in apportionment
4 payments for the current fiscal period and shall be shown as prior year
5 adjustments on apportionment reports for the current period. Such
6 recoveries shall not be treated as revenues to the state, but as a
7 reduction in the amount expended against the appropriation for the
8 current fiscal period.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2003 1st sp.s. c 25 s 602 (uncodified) is amended to read as follows:

(1) The appropriations in sections 603 through 610 of this act provide state general fund support for full-time equivalent student enrollments at each institution of higher education. Listed below are the annual full-time equivalent student enrollments by institutions assumed in this act.

	2003-04		2004-05	
	Annual		Annual	
	Average		Average	
University of Washington				
Main campus	((32,427))	<u>32,458</u>	((32,427))	<u>32,796</u>
Bothell branch	1,235		1,235	
Tacoma branch	((1,484))	<u>1,494</u>	((1,484))	<u>1,494</u>
Washington State University				
Main campus	((17,348))	<u>17,479</u>	((17,364))	<u>17,670</u>
Spokane branch	((593))	<u>616</u>	((593))	<u>616</u>
Tri-Cities branch	((616))	<u>633</u>	((616))	<u>633</u>
Vancouver branch	((1,153))	<u>1,162</u>	((1,153))	<u>1,162</u>
Central Washington University	((7,666))	<u>7,809</u>	((7,666))	<u>7,934</u>
Eastern Washington University	((8,017))	<u>8,150</u>	((8,017))	<u>8,228</u>
The Evergreen State College	((3,837))	<u>3,871</u>	((3,837))	<u>3,908</u>
Western Washington University	((11,126))	<u>11,242</u>	((11,126))	<u>11,350</u>
State Board for Community and Technical Colleges	((126,070))	<u>127,189</u>	((126,070))	<u>128,412</u>
Higher Education Coordinating Board	((246))	<u>0</u>	((500))	<u>603</u>

(2)(a) In addition to the annual full-time equivalent student enrollments enumerated in this section, funding is provided in (i) section 603 of this act for additional community or technical college

1 full-time equivalent student enrollments in high-demand fields of study
2 and (ii) section 722 of this act (special appropriations to the
3 governor) for additional full-time equivalent transfer student
4 enrollments with junior-class standing.

5 (b) For the state universities, the number of full-time equivalent
6 student enrollments enumerated in this section for the branch campuses
7 are the minimum required enrollment levels for those campuses. At the
8 start of an academic year, the governing board of a state university
9 may transfer full-time equivalent student enrollments from the main
10 campus to one or more branch campus. Intent notice shall be provided
11 to the office of financial management and reassignment of funded
12 enrollment is contingent upon satisfying data needs of the forecast
13 division who is responsible to track and monitor state-supported
14 college enrollment.

15 (3) It is the intent of the legislature that baccalaureate higher
16 education institutions manage actual full-time equivalent student
17 enrollments to be within a band of two percent of budgeted enrollments,
18 over a period of three years.

19 **Sec. 602.** 2003 1st sp.s. c 25 s 603 (uncodified) is amended to
20 read as follows:

21 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

22	General Fund--State Appropriation (FY 2004)	((\$507,960,000))
23		<u>\$509,539,000</u>
24	General Fund--State Appropriation (FY 2005)	((\$517,854,000))
25		<u>\$526,108,000</u>
26	Administrative Contingency Account--State	
27	Appropriation	((\$3,200,000))
28		<u>\$6,700,000</u>
29	TOTAL APPROPRIATION	((\$1,029,014,000))
30		<u>\$1,042,347,000</u>

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

33 (1) The technical colleges may increase tuition and fees in excess
34 of the fiscal growth factor to conform with the percentage increase in
35 community college operating fees.

36 (2) \$1,250,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$1,250,000 of the general fund--state appropriation for
38 fiscal year 2005 are provided solely to increase salaries and related

1 benefits for part-time faculty. The board shall report by January 30,
2 2004, to the office of financial management and legislative fiscal and
3 higher education committees on (a) the distribution of state funds; and
4 (b) wage adjustments for part-time faculty.

5 (3) \$1,250,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$1,250,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for faculty salary increments and
8 associated benefits and may be used in combination with salary and
9 benefit savings from faculty turnover to provide salary increments and
10 associated benefits.

11 (4) \$1,000,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$1,000,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided for a program to fund the start-up of new
14 community and technical college programs in rural counties as defined
15 under RCW 43.160.020(12) and in communities impacted by business
16 closures and job reductions. Successful proposals must respond to
17 local economic development strategies and must include a plan to
18 continue programs developed with this funding.

19 (5) \$675,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$675,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for allocation to Clark Community
22 College and Lower Columbia Community College to prepare a total of 168
23 full-time equivalent students for transfer to the engineering and
24 science institute at the Vancouver branch campus of Washington State
25 University. The appropriations in this section are intended to
26 supplement, not supplant, general enrollment allocations by the board
27 to districts named in this subsection.

28 (6) \$640,000 of the general fund--state appropriation for fiscal
29 year 2004 and \$640,000 of the general fund--state appropriation for
30 fiscal year 2005 are provided solely for allocation to twelve college
31 districts identified in (a) through (l) of this subsection to prepare
32 students for transfer to the state technology institute at the Tacoma
33 branch campus of the University of Washington. The appropriations in
34 this section are intended to supplement, not supplant, general
35 enrollment allocations by the board to the districts under (a) through
36 (l) of this subsection:

- 37 (a) Bates Technical College;
- 38 (b) Bellevue Community College;
- 39 (c) Centralia Community College;

- 1 (d) Clover Park Community College;
- 2 (e) Grays Harbor Community College;
- 3 (f) Green River Community College;
- 4 (g) Highline Community College;
- 5 (h) Tacoma Community College;
- 6 (i) Olympic Community College;
- 7 (j) Pierce District;
- 8 (k) Seattle District; and
- 9 (l) South Puget Sound Community College.

10 (7) \$28,761,000 of the general fund--state appropriation for fiscal
11 year 2004 (~~and \$28,761,000~~), \$25,261,000 of the general fund--state
12 appropriation for fiscal year 2005, and \$3,500,000 of the
13 administrative contingency account--state appropriation are provided
14 solely as special funds for training and related support services,
15 including financial aid, as specified in chapter 226, Laws of 1993
16 (employment and training for unemployed workers). Funding is provided
17 to support up to (~~6,200~~) 7,219 full-time equivalent students in each
18 fiscal year.

19 (8) \$1,000,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$1,000,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for tuition support for students
22 enrolled in work-based learning programs.

23 (9) \$2,950,000 of the administrative contingency account--state
24 appropriation is provided solely for administration and customized
25 training contracts through the job skills program, which shall be made
26 available broadly and not to the exclusion of private nonprofit
27 baccalaureate degree granting institutions or vocational arts career
28 schools operating in Washington state who partner with a firm,
29 hospital, group, or industry association concerned with commerce,
30 trade, manufacturing, or the provision of services to train current or
31 prospective employees. The state board shall make an annual report by
32 January 1 of each fiscal year to the governor and appropriate policy
33 and fiscal committees of the legislature regarding the implementation
34 of this section listing the scope of grant awards, the distribution of
35 funds by educational sector and region of the state, as well as
36 successful partnerships being supported by these state funds.

37 (10) \$250,000 of the administrative contingency account--state
38 appropriation is provided solely and on a one-time basis to start up a
39 college district consortium organized under the name "alliance for

1 corporate education." Financial operations shall be self-sustaining by
2 no later than June 30, 2005, after which time any amount remaining
3 unexpended from this amount shall lapse.

4 (11) \$50,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$50,000 of the general fund--state appropriation for
6 fiscal year 2005 are solely for higher education student child care
7 matching grants under chapter 28B.135 RCW.

8 (12) \$212,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$212,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided for allocation to Olympic college. The
11 college shall contract with accredited baccalaureate institution(s) to
12 bring a program of upper-division courses to Bremerton. The state
13 board for community and technical colleges shall report to the office
14 of financial management and the fiscal and higher education committees
15 of the legislature on the implementation of this subsection by December
16 1st of each fiscal year.

17 (13) \$6,304,000 of the general fund--state appropriation for fiscal
18 year 2004 and (~~(\$6,305,000)~~) \$9,868,000 of the general fund--state
19 appropriation for fiscal year 2005 are provided solely to expand
20 enrollment in high-demand fields.

21 (a) High-demand fields means (i) health services, (ii) applied
22 science and engineering, (iii) viticulture and enology, (~~and~~) (iv)
23 information technology, and (v) expansion of worker retraining
24 programs. The state board shall allocate resources among the four
25 areas specified in this subsection and shall manage a competitive
26 process for awarding resources for health services, viticulture,
27 enology, and applied science and engineering programs.

28 (b) The state board shall provide information on the number of
29 additional headcount and full-time equivalent students enrolled in
30 high-demand fields (~~by November 1 of each fiscal year~~) at the
31 conclusion of each academic year, as soon as final enrollment data
32 becomes available, to the office of financial management and the fiscal
33 and higher education committees of the legislature.

34 (14) \$111,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$86,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely to support the development of a
37 comprehensive viticulture (grape growing) and enology (wine making)
38 higher education program in Washington state. From these sums, the
39 state board shall allocate:

1 (a) \$75,000 a year to Walla Walla community college for its
2 associate science and associate arts degree programs for the purpose of
3 vineyard and wine-making equipment purchases, student labor,
4 instructional supplies, field work, and travel expenses;

5 (b) \$25,000 on a one-time basis to Wenatchee community college for
6 the purpose of adapting its orchard employee educational program; and

7 (c) \$22,000 on a one-time basis to Yakima Valley community college
8 for the purpose of vineyard and wine-making equipment and supply
9 purchases.

10 The college districts named in this subsection are encouraged to
11 seek a portion of the high-demand student enrollment funding made
12 available on a competitive basis through the state board to address
13 their respective need for additional instructors and professional
14 staff.

15 (15) \$300,000 of the general fund--state appropriation for fiscal
16 year 2005 is provided solely for the transition math project to address
17 the need to reduce remedial math courses taken at institutions of
18 higher education.

19 (a) The project will bring together representatives from the K-12
20 system, the two-year college system, and the public four-year
21 institutions of higher education to: (i) Align standards and
22 expectations for mathematics so that high school graduates will be well
23 prepared to enter college-level math courses; (ii) increase student
24 success in completing math requirements in high school and college
25 through careful attention to improved instruction and assessment; and
26 (iii) communicate math expectations to students through clear and
27 consistent messages and focused educational advising. The state board
28 for community and technical colleges will serve as fiscal agent for the
29 project.

30 (b) By December 1, 2004, the state board, in coordination with the
31 K-12 system and the public four-year institutions of higher education,
32 shall provide a progress report on the transition math project to the
33 office of financial management and the fiscal and higher education
34 committees of the legislature. A final report will be submitted by
35 December 1, 2005 and shall identify specific strategies implemented to
36 reduce remedial math courses taken at higher education institutions, as
37 well as a long-term plan to achieve measurable and specific
38 improvements each academic year for substantial progress towards the
39 achievement of this goal.

1 **Sec. 603.** 2003 1st sp.s. c 25 s 604 (uncodified) is amended to
2 read as follows:

3 **FOR THE UNIVERSITY OF WASHINGTON**

4	General Fund--State Appropriation (FY 2004)	\$311,628,000
5	General Fund--State Appropriation (FY 2005)	(\$319,584,000)
6		<u>\$325,668,000</u>
7	General Fund--Private/Local Appropriation	\$300,000
8	Death Investigations Account--State	
9	Appropriation	\$261,000
10	Accident Account--State Appropriation	\$5,937,000
11	Medical Aid Account--State Appropriation	\$5,960,000
12	TOTAL APPROPRIATION	(\$643,670,000)
13		<u>\$649,754,000</u>

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

16 (1) \$1,875,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$1,875,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely to create a state resource for
19 technology education in the form of an institute located at the
20 University of Washington, Tacoma. The university will continue to
21 provide undergraduate and graduate degree programs meeting regional
22 technology needs including, but not limited to, computing and software
23 systems. As a condition of these appropriations:

24 (a) The university will work with the state board for community and
25 technical colleges, or individual colleges where necessary, to
26 establish articulation agreements in addition to the existing associate
27 of arts and associate of science transfer degrees. Such agreements
28 shall improve the transferability of students and in particular,
29 students with substantial applied information technology credits.

30 (b) The university will establish performance measures for
31 recruiting, retaining and graduating students, including nontraditional
32 students, and report back to the governor and legislature by September
33 2004 as to its progress and future steps.

34 (2) \$150,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$150,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for research faculty clusters in
37 the advanced technology initiative program.

38 (3) The entire death investigations account appropriation is
39 provided for the forensic pathologist fellowship program.

1 (4) \$150,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$150,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the implementation of the
4 Puget Sound work plan and agency action item UW-01.

5 (5) \$75,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$75,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for the Olympic natural resources
8 center.

9 (6) \$1,526,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$3,096,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for competitively offered
12 recruitment and retention salary adjustments for instructional and
13 research faculty, exempt professional staff, academic administrators,
14 academic librarians, counselors, teaching and research assistants, as
15 classified by the office of financial management, and all other
16 nonclassified staff, but not including employees under RCW 28B.16.015.
17 Tuition revenues may be expended in addition to those required by this
18 section to further provide recruitment and retention salary
19 adjustments.

20 (7) \$1,250,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$1,250,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for state match to attract or
23 retain federal research grants in high demand and technologically
24 advanced fields.

25 (8) \$300,000 of the general fund--private/local appropriation is
26 provided solely for shellfish biotoxin monitoring as specified in
27 Chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

28 (9) \$2,275,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely for a proteomics center and an autism
30 center. Of the amount provided in this subsection, \$1,600,000 is
31 provided solely for the University of Washington school of medicine for
32 recruitment of biosciences research faculty to establish a proteomics
33 center and \$675,000 is provided solely as one-time funding to establish
34 an autism center at the University of Washington Tacoma campus. The
35 amount provided for the proteomics center is contingent on receipt of
36 \$6,000,000 in one-time, nonstate matching funds. If the nonstate
37 matching funds are not received by June 30, 2005, \$1,600,000 of the
38 amount provided in this subsection shall lapse.

1 (10) \$1,897,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely for the training and support of primary
3 care physicians and primary care providers through the network of
4 family practice residency programs. All of the funding provided in
5 this section shall be distributed directly to the family practice
6 residency programs to assist with cost increases experienced by the
7 programs, including the cost of medical malpractice premiums.

8 (11) The University of Washington shall present a preliminary
9 report to the fiscal committees of the legislature detailing the use of
10 state research funds by November 1, 2004, and shall present a final
11 report by November 1, 2005. For each research project supported by the
12 state general fund in the 2003-05 biennium, including projects funded
13 in the university's base budget, the report shall include: (a) A brief
14 description of the research project; (b) the amount of state and
15 institutional funds contributed to the project; (c) the level of
16 federal or other sources of match received for the state's investment;
17 and (d) any other information deemed pertinent by the institution.

18 (12) By December 15, 2004, the University of Washington Bothell
19 shall submit to the higher education and fiscal committees of the
20 legislature a plan to phase in lower-division courses at the campus.
21 At a minimum, the following issues should be addressed in the plan:

22 (a) An enrollment plan that provides adequate capacity for
23 community college transfer students;

24 (b) Appropriate levels of state general fund support and tuition
25 and fees for the campus, commensurate with a role and mission similar
26 to a comprehensive university;

27 (c) Identification of any start-up costs to implement the phase-in
28 of lower division courses; and

29 (d) Other issues deemed pertinent by the institution.

30 **Sec. 604.** 2003 1st sp.s. c 25 s 605 (uncodified) is amended to
31 read as follows:

32 **FOR WASHINGTON STATE UNIVERSITY**

33 General Fund--State Appropriation (FY 2004) \$185,265,000
34 General Fund--State Appropriation (FY 2005) (~~(\$189,954,000)~~)
35 \$191,047,000

36 Washington State University Building Account--

37 State Appropriation \$150,000

38 TOTAL APPROPRIATION (~~(\$375,369,000)~~)

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

(1) \$507,000 of the general fund--state appropriation for fiscal year 2004 and \$1,014,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to expand the entering class of veterinary medicine students by 16 full-time equivalent residents each academic year during the 2003-05 biennium.

(2) \$657,000 of the general fund--state appropriation for fiscal year 2004, \$180,000 of the general fund--state appropriation for fiscal year 2005, and the entire Washington state university building account appropriation are provided solely to support the development of a comprehensive viticulture (grape growing) and enology (wine making) higher education program in Washington state. In consideration of these appropriations, the legislature intends to provide ongoing support of not less than \$180,000 a year for extension field personnel and services. The balance of the amount provided from the fiscal year 2004 appropriation is provided on a one-year basis to enable the university to appoint jointly shared faculty between the Pullman main campus and its branch campus in the TriCities. The legislature expects the university to meet ongoing faculty, staff, and related expenses to support the delivery of baccalaureate degree programs in viticulture and enology by making a successful bid for a portion of high-demand enrollment funding that will be distributed on a competitive basis by the state higher education coordinating board for student instruction pursuant to section 610(3) of this act.

(3) \$675,000 of the general fund--state appropriation for fiscal year 2004 and \$675,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for allocation in full to the branch campus in Vancouver to create and operate a state institute for engineering and science in partnership with Clark and Lower Columbia community colleges and regional industry leaders in southwest Washington. As a condition of this appropriation, the university shall develop and provide to the satisfaction of the office of financial management a business plan for the new institute. The university, together with its two-year college and industry partners, shall provide the governor, legislature, and state higher education coordinating board with an annual summary of its progress to produce more graduates trained in applied science technologies and engineering. Annual

1 reports to inform and advise policymakers of the partners' success,
2 emerging issues, and resource needs if any shall occur by no later than
3 November 15 during the 2003-05 biennium.

4 (4) \$150,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$150,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for research faculty clusters in
7 the advanced technology initiative program.

8 (5) \$165,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$166,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the implementation of the
11 Puget Sound work plan and agency action item WSU-01.

12 (6) \$949,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$1,927,000 of general fund--state appropriation for
14 fiscal year 2005 are provided solely for competitively offered
15 recruitment and retention salary adjustments for instructional and
16 research faculty, exempt professional staff, academic administrators,
17 academic librarians, counselors, teaching and research assistants, as
18 classified by the office of financial management, and all other
19 nonclassified staff, but not including employees under RCW 28B.16.015.
20 Tuition revenues may be expended in addition to those required by this
21 section to further provide recruitment and retention salary
22 adjustments.

23 (7) \$50,000 of the general fund--state appropriation for fiscal
24 year 2005 is provided solely for research to develop alternative
25 control mechanisms for burrowing shrimp.

26 (8) Washington State University shall present a preliminary report
27 to the fiscal committees of the legislature detailing the use of state
28 research funds by November 1, 2004, and shall present a final report by
29 November 1, 2005. For each research project supported by the state
30 general fund in the 2003-05 biennium, including projects funded in the
31 university's base budget, the report shall include: (a) A brief
32 description of the research project; (b) the amount of state and
33 institutional funds contributed to the project; (c) the level of
34 federal or other sources of match received for the state's investment;
35 and (d) any other information deemed pertinent by the institution.

36 (9)(a) By December 15, 2004, Washington State University Vancouver
37 shall submit to the higher education and fiscal committees of the
38 legislature a plan to phase in lower-division courses at the campus.
39 At a minimum, the following issues should be addressed in the plan:

- 1 (i) An enrollment plan that provides adequate capacity for
- 2 community college transfer students;
- 3 (ii) Appropriate levels of state general fund support and tuition
- 4 and fees for the campus, commensurate with a role and mission that
- 5 includes an innovative combination of instruction and research suitable
- 6 for meeting the region's needs for access as well as supporting the
- 7 expansion of the region's economic viability;
- 8 (iii) Capital needs;
- 9 (iv) Identification of any start-up costs to implement the phase-in
- 10 of lower-division courses; and
- 11 (v) Other issues deemed pertinent by the institution.
- 12 (b) In developing its plan, Washington State University Vancouver
- 13 shall solicit input from students, local community and technical
- 14 colleges, the main campus, and community stakeholders such as economic
- 15 development councils and business and labor leaders.

16 **Sec. 605.** 2003 1st sp.s. c 25 s 606 (uncodified) is amended to
 17 read as follows:

18 **FOR EASTERN WASHINGTON UNIVERSITY**

19	General Fund--State Appropriation (FY 2004)	\$40,861,000
20	General Fund--State Appropriation (FY 2005)	(\$42,183,000)
21		<u>\$42,620,000</u>
22	TOTAL APPROPRIATION	(\$83,044,000)
23		<u>\$83,481,000</u>

24 The appropriations in this section are subject to the following
 25 conditions and limitations: \$248,000 of the general fund--state
 26 appropriation for fiscal year 2004 and \$503,000 of general fund--state
 27 appropriation for fiscal year 2005 are provided solely for
 28 competitively offered recruitment and retention salary adjustments for
 29 instructional and research faculty, exempt professional staff, academic
 30 administrators, academic librarians, counselors, teaching and research
 31 assistants, as classified by the office of financial management, and
 32 all other nonclassified staff, but not including employees under RCW
 33 28B.16.015. Tuition revenues may be expended in addition to those
 34 required by this section to further provide recruitment and retention
 35 salary adjustments.

36 **Sec. 606.** 2003 1st sp.s. c 25 s 607 (uncodified) is amended to
 37 read as follows:

1 **FOR CENTRAL WASHINGTON UNIVERSITY**

2	General Fund--State Appropriation (FY 2004)	\$39,765,000
3	General Fund--State Appropriation (FY 2005)	(\$41,391,000)
4		<u>\$42,291,000</u>
5	TOTAL APPROPRIATION	(\$81,156,000)
6		<u>\$82,056,000</u>

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

9 (1) \$1,050,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$1,050,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided to expand university enrollment by 196
12 full-time equivalent students.

13 (2) \$206,000 of the general fund--state appropriation for fiscal
14 year 2004 and \$418,000 of general fund--state appropriation for fiscal
15 year 2005 are provided solely for competitively offered recruitment and
16 retention salary adjustments for instructional and research faculty,
17 exempt professional staff, academic administrators, academic
18 librarians, counselors, teaching and research assistants, as classified
19 by the office of financial management, and all other nonclassified
20 staff, but not including employees under RCW 28B.16.015. Tuition
21 revenues may be expended in addition to those required by this section
22 to further provide recruitment and retention salary adjustments.

23 **Sec. 607.** 2003 1st sp.s. c 25 s 608 (uncodified) is amended to
24 read as follows:

25 **FOR THE EVERGREEN STATE COLLEGE**

26	General Fund--State Appropriation (FY 2004)	(\$22,881,000)
27		<u>\$22,856,000</u>
28	General Fund--State Appropriation (FY 2005)	(\$23,618,000)
29		<u>\$24,035,000</u>
30	TOTAL APPROPRIATION	(\$46,499,000)
31		<u>\$46,891,000</u>

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

34 (1) \$124,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$252,000 of general fund--state appropriation for fiscal
36 year 2005 are provided solely for competitively offered recruitment and
37 retention salary adjustments for instructional and research faculty,
38 exempt professional staff, academic administrators, academic

1 librarians, counselors, teaching and research assistants, as classified
2 by the office of financial management, and all other nonclassified
3 staff, but not including employees under RCW 28B.16.015. Tuition
4 revenues may be expended in addition to those required by this section
5 to further provide recruitment and retention salary adjustments.

6 (2) The Washington state institute for public policy shall research
7 the following issues and provide reports to the legislature as
8 directed. The institute board shall prioritize and schedule all
9 studies based on staff capacity.

10 (a) \$110,000 of the general fund--state appropriation for fiscal
11 year 2004 is provided solely for the Washington state institute for
12 public policy to review research assessing the effectiveness of
13 prevention and early intervention programs concerning children and
14 youth, including but not limited to, programs designed to reduce the
15 at-risk behaviors for children and youth identified in RCW
16 70.190.010(4).

17 Using this research, the institute shall identify specific
18 research-proven programs that produce a positive return on the dollar
19 compared to the costs of the program. The institute shall also develop
20 criteria designed to ensure quality implementation and program fidelity
21 of research-proven programs in the state. The criteria shall include
22 measures for ongoing monitoring and continual improvement of treatment
23 delivery, and shall be feasible for inclusion in a contract for
24 services. The institute shall develop recommendations for potential
25 state legislation that encourages local government investment in
26 research-proven prevention and early intervention programs by
27 reimbursing local governments for a portion of the savings that accrue
28 to the state as the result of local investments in such programs. The
29 institute shall present a preliminary report of its findings to the
30 appropriate committees of the legislature by December 1, 2003, and
31 shall present a final report by (~~March~~) July 1, 2004.

32 (b) \$26,000 of the general fund--state appropriation for fiscal
33 year 2004 is provided solely for the Washington state institute for
34 public policy to develop adherence and outcome standards for measuring
35 the effectiveness of treatment programs referred to in Chapter 378,
36 Laws of 2003 (ESSB 5903). The standards shall be developed and
37 presented to the governor and legislature by no later than January 1,
38 2004.

1 (c) \$100,000 of the general fund--state appropriation for fiscal
2 year 2004 is provided solely for the Washington state institute for
3 public policy to study the relationship between prison overcrowding and
4 construction, and the current state criminal sentencing structure.

5 (i) The institute shall determine whether any changes could be made
6 to the current state sentencing structure to address prison
7 overcrowding and the need for new prison construction, giving great
8 weight to the primary purposes of the criminal justice system. These
9 purposes include: Protecting community safety; making frugal use of
10 state and local government resources by concentrating resources on
11 violent offenders and sex offenders who pose the greatest risk to our
12 communities; achieving proportionality in sentencing; and reducing the
13 risk of reoffending by offenders in the community.

14 (ii) In developing its research plan, the institute may consult
15 with the sentencing guidelines commission, the caseload forecast
16 council, and interested stakeholders.

17 (iii) The institute for public policy shall present a preliminary
18 report of its findings to the governor and to the appropriate standing
19 committees of the legislature by December 15, 2003, and shall present
20 a final report regarding its findings and recommendations by March 15,
21 2004.

22 (d) \$12,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$12,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for the Washington state institute
25 for public policy to examine the results of the changes in earned
26 release under Chapter 379, Laws of 2003 (ESSB 5990). The study shall
27 determine whether the changes in earned release affect the rate of
28 recidivism or the type of offenses committed by persons whose release
29 dates were affected by the changes under the bill. The institute shall
30 report its findings to the governor and appropriate committees of the
31 legislature by no later than December 1, 2008.

32 (e) (~~(\$25,000 of the general fund--state appropriation for fiscal~~
33 ~~year 2004 and \$25,000))~~ \$65,000 of the general fund--state
34 appropriation for fiscal year 2005 (~~are~~) is provided solely for the
35 Washington state institute for public policy to conduct the evaluation
36 outlined in Second Engrossed Substitute Senate Bill No. 5012 or Second
37 Substitute House Bill No. 2295 (charter schools). If (~~the~~) neither
38 bill is (~~not~~) enacted by June 30, (~~2003~~) 2004, the amount(~~s~~)
39 provided in this subsection shall lapse.

1 (f) \$150,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely for the Washington state institute for
3 public policy to implement the study in Engrossed Substitute House Bill
4 No. 2400 (sex crimes against minors). If the bill is not enacted by
5 June 30, 2004, the amount provided in this subsection shall lapse. The
6 institute shall conduct the study required by the bill in a manner that
7 does not duplicate the study required by the sentencing guidelines
8 commission in this act.

9 (g) \$25,000 of the general fund--state appropriation for fiscal
10 year 2005 is provided solely for the Washington state institute for
11 public policy to examine issues related to the state's transitional
12 bilingual education program. The examination shall include, but is not
13 limited to, a review of the following issues: Trends in enrollment and
14 average length of stay in the transitional bilingual program; the
15 different types of programs and delivery methods that exist in
16 Washington state and other states; the academic and language
17 acquisition effectiveness of different types of programs and service
18 delivery methods; the cost benefits of these different types of
19 programs and service delivery methods; and potential changes that would
20 result in more effective program delivery and cost-effectiveness. The
21 office of superintendent of public instruction shall provide technical
22 assistance and needed data to assist in the institute's examination.
23 The institute shall provide a report of its findings to the governor
24 and appropriate committees of the legislature by December 1, 2004.

25 **Sec. 608.** 2003 1st sp.s. c 25 s 609 (uncodified) is amended to
26 read as follows:

27 **FOR WESTERN WASHINGTON UNIVERSITY**

28	General Fund--State Appropriation (FY 2004)	\$53,645,000
29	General Fund--State Appropriation (FY 2005)	((\$55,537,000))
30		<u>\$56,127,000</u>
31	TOTAL APPROPRIATION	((\$109,182,000))
32		<u>\$109,772,000</u>

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

35 (1) \$980,400 of the general fund--state appropriation for fiscal
36 year 2004 and \$980,400 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely for the operations of the North
38 Snohomish, Island, Skagit (NSIS) higher education consortium.

1 (2) \$248,000 of the general fund--state appropriation for fiscal
 2 year 2004 and \$503,000 of general fund--state appropriation for fiscal
 3 year 2005 are provided solely for competitively offered recruitment and
 4 retention salary adjustments for instructional and research faculty,
 5 exempt professional staff, academic administrators, academic
 6 librarians, counselors, teaching and research assistants, as classified
 7 by the office of financial management, and all other nonclassified
 8 staff, but not including employees under RCW 28B.16.015. Tuition
 9 revenues may be expended in addition to those required by this section
 10 to further provide recruitment and retention salary adjustments.

11 **Sec. 609.** 2003 1st sp.s. c 25 s 610 (uncodified) is amended to
 12 read as follows:

13 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION**
 14 **AND ADMINISTRATION**

15	General Fund--State Appropriation (FY 2004)	((\$4,952,000))
16		<u>\$4,988,000</u>
17	General Fund--State Appropriation (FY 2005)	((\$7,716,000))
18		<u>\$11,584,000</u>
19	General Fund--Federal Appropriation	((\$642,000))
20		<u>\$649,000</u>
21	TOTAL APPROPRIATION	((\$13,310,000))
22		<u>\$17,221,000</u>

23 The appropriations in this section are provided to carry out the
 24 policy coordination, planning, studies and administrative functions of
 25 the board and are subject to the following conditions and limitations:

26 (1) Within the appropriations provided in this section, funds are
 27 provided to continue the teacher training pilot program pursuant to
 28 chapter 28B.80 RCW until standing authority for this program expires as
 29 scheduled on January 1, 2005.

30 (2) \$175,000 of the general fund--state appropriation for fiscal
 31 year 2004 and \$175,000 of the general fund--state appropriation for
 32 fiscal year 2005 are provided solely to continue a demonstration
 33 project to improve rural access to post-secondary education by bringing
 34 distance learning technologies into Jefferson county.

35 (3) ((~~\$2,755,000~~)) \$2,740,000 of the general fund--state
 36 appropriation for fiscal year 2004 and ((~~\$5,520,000~~)) \$9,098,000 of the
 37 general fund--state appropriation for fiscal year 2005 are provided
 38 solely to contract for ((~~246~~)) 247 full-time equivalent students in

1 high demand fields in fiscal year 2004 and an additional ((254)) 603
2 full-time equivalent students in high demand fields in fiscal year
3 2005. High-demand fields are programs where enrollment access is
4 limited and employers are experiencing difficulty finding qualified
5 graduates to fill job openings. Of the amounts provided, up to \$70,000
6 may be used for management of the competitive process for awarding
7 high-demand student FTEs during the 2003-05 biennium.

8 (a) The board will manage a competitive process for awarding high-
9 demand student FTEs. Public baccalaureate institutions and independent
10 four-year institutions are eligible to apply for funding and may submit
11 proposals ((that include cooperative partnerships with private
12 independent institutions)). Independent four-year institutions must
13 comply with standards and reporting requirements established by the
14 board to ensure accountability. Any funding provided to an independent
15 four-year institution is solely for the biennial budget period.

16 (b) Among coequals, the board shall make it a priority to fund
17 proposals that prepare students for careers in (i) nursing and other
18 health services; (ii) applied science and engineering; (iii) teaching
19 and speech pathology; (iv) computing and information technology; and
20 (v) viticulture and enology, but not to the exclusion of compelling
21 proposals that document specific regional student and employer demand
22 in fields not listed in this subsection. Proposals and grant awards
23 will separately identify one-time, nonrecurring costs and ongoing
24 costs.

25 (c) The board will establish a proposal review committee that will
26 include, but not be limited to, representatives from the board, the
27 office of financial management, and economic development and labor
28 market analysts. The board will develop the request for proposals,
29 including the criteria for awarding grants, in consultation with the
30 proposal review committee.

31 (d) Baccalaureate institutions that receive grants shall provide
32 the board and the forecast division of the office of financial
33 management with data specified by the board or the office of financial
34 management that shows the impact of this subsection, particularly the
35 degree of improved access to high-demand programs for students and
36 successful job placements for graduates. The board will report on the
37 implementation of this subsection by November 1 of each fiscal year to
38 the office of financial management and the fiscal and higher education
39 committees of the legislature.

1 (4) \$205,000 of the general fund--state appropriation in fiscal
2 year 2005 is provided solely for a comprehensive and ongoing assessment
3 system as outlined in Substitute House Bill No. 3103 (higher
4 education). If the bill is not enacted by June 30, 2004, the amount
5 provided in this subsection shall lapse.

6 (5) \$30,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$70,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely to evaluate the policy
9 alternatives described in this subsection.

10 (a) By December 15, 2004, the board shall provide a report of the
11 evaluation to the governor and the fiscal and higher education
12 committees of the legislature. This evaluation, where appropriate,
13 shall incorporate the analysis and recommendations that are contained
14 in (i) the final strategic master plan for higher education adopted by
15 the board in June 2004 and (ii) the public agenda for higher education
16 as presented and refined by the national collaborative for
17 postsecondary education.

18 (b) For each policy alternative, the board shall identify:

19 (i) The implementation costs in the 2005-07, 2007-09, and 2009-11
20 biennia from both the state general fund and tuition revenue;

21 (ii) The distribution of enrollments by specific institution,
22 location, and type of program;

23 (iii) The allocation to high demand and general enrollments;

24 (iv) The methods of delivery;

25 (v) The capital facility needs to ensure the physical and quality
26 capacity of the institutions; and

27 (vi) The funding needs for financial aid and the implications for
28 students depending on whether these needs are met.

29 (c) The policy alternatives to be evaluated shall include, but are
30 not limited to:

31 (i) Current participation and distribution of enrollments by
32 institution and sector are maintained; general fund subsidy and total
33 funding increase at the rate of the consumer price index; no capital
34 funding is provided to increase capacity; and the state need grant
35 policies are maintained;

36 (ii) Graduation rates and participation rates are in the top
37 quarter of all states, overall and within each sector, such as
38 community colleges, comprehensive universities, and research
39 universities; enrollments are distributed to sectors and locations

1 based upon population demand, and include evaluation of demand in Puget
2 Sound and southwest Washington; the state general fund subsidy
3 increases to pay for new enrollments at peer averages; total funding
4 increases to peer averages, capital funding increases to meet growth,
5 and current state need grant practices are maintained;

6 (iii) Graduation rates and participation rates are in the top
7 quarter of all states, overall and within each sector; enrollments are
8 distributed to sectors and locations based upon population demand, and
9 include evaluation of demand in Puget Sound and southwest Washington;
10 state general fund increases pay for estimated increases in financial
11 need; total funding increases to peer averages, capital funding
12 increases to meet growth, and current state need grant practices are
13 maintained, plus state funding to meet increased need;

14 (iv) The tuition levels necessary to achieve total funding per
15 student to average level in other states;

16 (v) Financial aid increases so that half of all students are able
17 to graduate debt free based on information provided to the institutions
18 of higher education, and, for those who have loan repayment
19 obligations, the obligations do not exceed 10 percent of graduates'
20 average annual post-graduation income; and

21 (vi) Engaging private independent colleges by replacing the state
22 general fund subsidy for public institutions with vouchers, which
23 students may use at any accredited higher education institution.

24 (d) In evaluating these policy alternatives, the board shall
25 construct a simulation model of the impacts and costs. The purpose of
26 the model is to assist the legislature and governor in evaluating
27 various investment alternatives. The board shall consult with the
28 office of financial management, staff of the legislative fiscal and
29 higher education committees, and public and private higher education
30 institutions to refine the policy alternatives and delineate the
31 content of the model. The public institutions, the office of financial
32 management, and the legislative evaluation and accountability program
33 committee shall cooperate with the board in providing information to
34 construct the model. The model shall be operational by December 15,
35 2004.

36 (e) The governor's office, with assistance from the higher
37 education coordinating board, may create a prototype of a research
38 university performance contract.

1 (i) The prototype performance contract shall, at a minimum: (A)
2 Reflect statewide goals and priorities of the legislature; (B) contain
3 goals and commitments from both the institutions and the state; (C)
4 include quantifiable performance measures and benchmarks; (D) identify
5 specific resources needed to implement the contract; (E) and include
6 any other information deemed pertinent by the governor.

7 (ii) By December 1, 2004, the governor shall submit to the higher
8 education and fiscal committees of the legislature the prototype
9 performance contract, including any implementing legislation.

10 **Sec. 610.** 2003 1st sp.s. c 25 s 611 (uncodified) is amended to
11 read as follows:

12 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
13 **PROGRAMS**

14	General Fund--State Appropriation (FY 2004)	((\$145,217,000))
15		<u>\$145,228,000</u>
16	General Fund--State Appropriation (FY 2005)	((\$154,412,000))
17		<u>\$163,345,000</u>
18	General Fund--Federal Appropriation	((\$7,530,000))
19		<u>\$7,537,000</u>
20	TOTAL APPROPRIATION	((\$307,159,000))
21		<u>\$316,110,000</u>

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

24 (1) \$259,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$273,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely for the western interstate
27 commission for higher education.

28 (2) \$1,100,000 of the general fund--state appropriation for fiscal
29 year 2004 and ((~~\$1,100,000~~)) \$3,100,000 of the general fund--state
30 appropriation for fiscal year 2005 are provided solely for the health
31 professional conditional scholarship and loan program under chapter
32 28B.115 RCW. This amount shall be deposited to the health professional
33 loan repayment and scholarship trust fund to carry out the purposes of
34 the program.

35 (3) \$75,000 of the general fund--state appropriation for fiscal
36 year 2004 and \$75,000 of the general fund--state appropriation for
37 fiscal year 2005 are provided solely for higher education student child
38 care matching grants under chapter 28B.135 RCW.

1 (4) \$25,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$25,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the benefit of students who
4 participate in college assistance migrant programs (CAMP) operating in
5 Washington state. To ensure timely state aid, the board may establish
6 a date after which no additional grants would be available for the
7 2003-04 and 2004-05 academic years. The board shall disperse grants in
8 equal amounts to eligible post-secondary institutions so that state
9 money in all cases supplements federal CAMP awards.

10 (5) \$111,628,000 of the general fund--state appropriation for
11 fiscal year 2004 and (~~(\$120,420,000)~~) \$124,901,000 of the general
12 fund--state appropriation for fiscal year 2005 are provided solely for
13 the state need grant program. After April 1 of each fiscal year, up to
14 one percent of the annual appropriation for the state need grant
15 program may be transferred to the state work study program.

16 (6) \$17,048,000 of the general fund--state appropriation for fiscal
17 year 2004 and \$17,048,000 of the general fund--state appropriation for
18 fiscal year 2005 are provided solely for the state work study program.
19 After April 1 of each fiscal year, up to one percent of the annual
20 appropriation for the state work study program may be transferred to
21 the state need grant program. In addition to the administrative
22 allowance in subsection (12) of this section, four percent of the
23 general fund--state amount in this subsection may be expended for state
24 work study program administration.

25 (7) \$2,867,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$2,867,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for educational opportunity grants
28 pursuant to Chapter 233, Laws of 2003 (ESB 5676). The board may
29 deposit sufficient funds from its appropriation into the state
30 education trust fund as established in RCW 28B.10.821 to provide a one-
31 year renewal of the grant for each new recipient of the educational
32 opportunity grant award.

33 (8) \$1,919,000 of the general fund--state appropriation for fiscal
34 year 2004 and \$2,155,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely to implement the Washington
36 scholars program. Any Washington scholars program moneys not awarded
37 by April 1st of each year may be transferred by the board to the
38 Washington award for vocational excellence.

1 (9) \$794,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$845,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely to implement Washington award for
4 vocational excellence program. Any Washington award for vocational
5 program moneys not awarded by April 1st of each year may be transferred
6 by the board to the Washington scholars program.

7 (10) \$246,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$246,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for community scholarship matching
10 grants of \$2,000 each. To be eligible for the matching grant, a
11 nonprofit community organization organized under section 501(c)(3) of
12 the internal revenue code must demonstrate that it has raised \$2,000 in
13 new moneys for college scholarships after the effective date of this
14 act. An organization may receive more than one \$2,000 matching grant
15 and preference shall be given to organizations affiliated with the
16 citizens' scholarship foundation.

17 (11) Subject to state need grant service requirements pursuant to
18 chapter 28B.119 RCW, \$6,050,000 of the general fund--state
19 appropriation for fiscal year 2004 and (~~(\$6,050,000)~~) \$8,390,000 of the
20 general fund--state appropriation for fiscal year 2005 are provided
21 solely for the Washington promise scholarship program. For fiscal year
22 2005, the income eligibility for the graduating high school class of
23 2004 shall not exceed one hundred twenty percent of the state median
24 family income adjusted for family size. The income eligibility for the
25 graduating high school class of 2003 shall be retained at one hundred
26 thirty-five percent of the state median family income adjusted for
27 family size.

28 (12) (~~(\$2,667,000)~~) \$2,678,000 of the general fund--state
29 appropriation for fiscal year 2004 and (~~(\$2,768,000)~~) \$2,820,000 of the
30 general fund--state appropriation for fiscal year 2005 are provided
31 solely for financial aid administration, in addition to the four
32 percent cost allowance provision for state work study under subsection
33 (6) of this section. These funds are provided to administer all the
34 financial aid and grant programs assigned to the board by the
35 legislature and administered by the agency. To the extent the
36 executive director finds the agency will not require the full sum
37 provided in this subsection, a portion may be transferred to supplement
38 financial grants-in-aid to eligible clients after notifying the board
39 and the office of financial management of the intended transfer.

1 (13) \$539,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$540,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the displaced homemakers
4 program.

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2003 1st sp.s. c 25 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2004) (~~(\$570,186,000)~~)
\$655,886,000

General Fund--State Appropriation (FY 2005) (~~(\$626,814,000)~~)
\$528,766,000

Debt-Limit General Fund Bond Retirement Account--
State Appropriation (~~(\$10,000,000)~~)
\$17,300,000

State Building Construction Account--State
Appropriation (~~(\$7,014,000)~~)
\$8,922,000

Debt-Limit Reimbursable Bond Retirement Account--
State Appropriation \$2,587,000

State Taxable Building Construction Account--
State Appropriation (~~(\$322,000)~~)
\$465,000

Gardner-Evans Higher Education Construction Account--
State Appropriation \$2,087,000

TOTAL APPROPRIATION (~~(\$1,216,923,000)~~)
\$1,216,013,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2004 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2004.

Sec. 702. 2003 1st sp.s. c 25 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

1	REIMBURSED AS PRESCRIBED BY STATUTE	
2	General Fund--State Appropriation (FY 2004)	\$26,394,000
3	General Fund--State Appropriation (FY 2005)	\$24,805,000
4	Capitol Historic District Construction	
5	Account--State Appropriation	(\$299,000)
6		<u>\$323,000</u>
7	Higher Education Construction Account--State	
8	Appropriation	\$238,000
9	State Vehicle Parking Account--State	
10	Appropriation	\$102,000
11	Nondebt-Limit Reimbursable Bond Retirement Account--	
12	State Appropriation	\$128,375,000
13	TOTAL APPROPRIATION	(\$180,213,000)
14		<u>\$180,237,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations: The general fund appropriation is for
17 deposit into the nondebt-limit general fund bond retirement account.

18 **Sec. 703.** 2003 1st sp.s. c 25 s 704 (uncodified) is amended to
19 read as follows:

20 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
21 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

22	General Fund--State Appropriation (FY 2004)	\$526,000
23	General Fund--State Appropriation (FY 2005)	\$526,000
24	Higher Education Construction Account--State	
25	Appropriation	\$35,000
26	State Building Construction Account--State	
27	Appropriation	(\$2,032,000)
28		<u>\$2,083,000</u>
29	State Vehicle Parking Account--State	
30	Appropriation	\$17,000
31	Capitol Historic District Construction	
32	Account--State Appropriation	\$45,000
33	State Taxable Building Construction Account--	
34	State Appropriation	(\$50,000)
35		<u>\$60,000</u>
36	<u>Gardner-Evans Higher Education Construction Account--</u>	
37	<u>State Appropriation</u>	<u>\$180,000</u>
38	TOTAL APPROPRIATION	(\$3,231,000)

2 **Sec. 704.** 2003 1st sp.s. c 25 s 709 (uncodified) is amended to
3 read as follows:

4 **FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

5	General Fund--State Appropriation (FY 2004)	\$8,243,000
6	General Fund--State Appropriation (FY 2005)	(\$38,879,000)
7		<u>\$33,909,000</u>
8	Dedicated Funds and Accounts Appropriation	(\$41,232,000)
9		<u>\$38,822,000</u>
10	TOTAL APPROPRIATION	(\$88,354,000)
11		<u>\$80,974,000</u>

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

14 (1) The appropriation from dedicated funds and accounts shall be
15 made in the amounts specified and from the dedicated funds and accounts
16 specified in (a) LEAP document 2003-38, a computerized tabulation
17 developed by the legislative evaluation and accountability program
18 committee on June 2, 2003, and (b) LEAP document 2004-38 dated March
19 10, 2004, which ~~((is))~~ are hereby incorporated by reference. The
20 office of financial management shall allocate the moneys appropriated
21 in this section in the amounts specified and to the state agencies
22 specified in LEAP document 2003-38 and LEAP document 2004-38, and
23 adjust appropriation schedules accordingly.

24 (2)(a) The monthly employer funding rate for insurance benefit
25 premiums, public employees' benefits board administration, and the
26 uniform medical plan, shall not exceed \$504.89 per eligible employee
27 for fiscal year 2004, and ~~(\$592.30)~~ \$584.58 for fiscal year 2005.

28 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
29 employee shall be included in the employer funding rate for fiscal year
30 2004, and \$2.11 per eligible employee shall be included in the employer
31 funding rate for fiscal year 2005, solely to increase life insurance
32 coverage in accordance with a court approved settlement in *Burbage et*
33 *al. v. State of Washington* (Thurston county superior court cause no.
34 94-2-02560-8).

35 (c) In order to achieve the level of funding provided for health
36 benefits, the public employees' benefits board shall require any or all
37 of the following: Employee premium copayments, increases in point-of-

1 service cost sharing, the implementation of managed competition, or
2 make other changes to benefits consistent with RCW 41.05.065.

3 (d) The health care authority shall deposit any moneys received on
4 behalf of the uniform medical plan as a result of rebates on
5 prescription drugs, audits of hospitals, subrogation payments, or any
6 other moneys recovered as a result of prior uniform medical plan claims
7 payments, into the public employees' and retirees' insurance account to
8 be used for insurance benefits. Such receipts shall not be used for
9 administrative expenditures.

10 (3) The health care authority, subject to the approval of the
11 public employees' benefits board, shall provide subsidies for health
12 benefit premiums to eligible retired or disabled public employees and
13 school district employees who are eligible for parts A and B of
14 medicare, pursuant to RCW 41.05.085. From January 1, 2004, through
15 December 31, 2004, the subsidy shall be \$102.35. Starting January 1,
16 2005, the subsidy shall be \$116.19 per month.

17 (4) Technical colleges, school districts, and educational service
18 districts shall remit to the health care authority for deposit into the
19 public employees' and retirees' insurance account established in RCW
20 41.05.120 the following amounts:

21 (a) For each full-time employee, \$42.76 per month beginning
22 September 1, 2003, and (~~(\$49.14)~~) \$45.50 beginning September 1, 2004;

23 (b) For each part-time employee who, at the time of the remittance,
24 is employed in an eligible position as defined in RCW 41.32.010 or
25 41.40.010 and is eligible for employer fringe benefit contributions for
26 basic benefits, \$42.76 each month beginning September 1, 2003, and
27 (~~(\$49.14)~~) \$45.50 beginning September 1, 2004, prorated by the
28 proportion of employer fringe benefit contributions for a full-time
29 employee that the part-time employee receives.

30 The remittance requirements specified in this subsection shall not
31 apply to employees of a technical college, school district, or
32 educational service district who purchase insurance benefits through
33 contracts with the health care authority.

34 (5) The appropriations in this section include amounts sufficient
35 to fund health benefits for ferry workers at the premium levels
36 specified in subsection (2) of this section, consistent with the 2003-
37 2005 transportation appropriations act.

1 **Sec. 705.** 2003 1st sp.s. c 25 s 712 (uncodified) is amended to
2 read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION TECHNOLOGY**
4 **REVOLVING ACCOUNT**

5	General Fund--State Appropriation (FY 2004)	\$10,468,000
6	General Fund--State Appropriation (FY 2005)	(((\$10,468,000))
7		<u>\$9,264,000</u>
8	TOTAL APPROPRIATION	(((\$20,936,000))
9		<u>\$19,732,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations: The appropriation in this section is for
12 appropriation to the education technology revolving account for the
13 purpose of covering operational and transport costs incurred by the K-
14 20 educational network program in providing telecommunication services
15 to network participants.

16 **Sec. 706.** 2003 1st sp.s. c 25 s 715 (uncodified) is amended to
17 read as follows:

18 **INCREASED FEDERAL ASSISTANCE.** (1) If the department of social and
19 health services or the department of veterans affairs receives federal
20 funding to enhance the federal medical assistance percentage for the
21 2001-2003 (~~or 2003-2005 fiscal biennia~~) biennium as a result of the
22 jobs and growth tax relief reconciliation act of 2003 (P.L. 108-27),
23 the moneys shall be expended as an unanticipated receipt under RCW
24 43.79.270 and 43.79.280, subject to the following conditions and
25 limitations:

26 (a) The moneys shall be expended in the manner required by the
27 federal act;

28 (b) The federal moneys shall be expended in a manner that will
29 maximize the conservation of state moneys, which shall be placed in
30 reserve status and remain unexpended; and

31 (c) The director of financial management shall notify the
32 appropriate legislative fiscal committees of proposed allotment
33 modifications prior to expenditure of the federal moneys.

34 (2) If the state receives federal funding for the 2001-2003 or
35 2003-2005 fiscal biennia as a result of the jobs and growth tax relief
36 reconciliation act of 2003 (P.L. 108-27) in addition to the funding
37 described in subsection (1) of this section, the moneys may be expended

1 as an unanticipated receipt under RCW 43.79.270 and 43.79.280, subject
2 to the following conditions and limitations:

3 (a) The moneys shall be expended in the manner required by the
4 federal act;

5 (b) The federal moneys shall be expended for necessary state
6 services and in a manner that will maximize the conservation of state
7 moneys, which shall be placed in reserve status and remain unexpended;
8 and

9 (c) The director of financial management shall notify the
10 appropriate legislative fiscal committees of proposed allotment
11 modifications prior to expenditure of the federal moneys.

12 **Sec. 707.** 2003 1st sp.s. c 25 s 718 (uncodified) is amended to
13 read as follows:

14 **AGENCY EXPENDITURES FOR TORT LIABILITY.**

15 General Fund--State Appropriation (FY 2005) (\$10,638,000)
16 Dedicated Funds and Accounts Appropriation (\$4,317,000)
17 TOTAL APPROPRIATION (\$14,955,000)

18 The appropriations in this section are subject to the following
19 conditions and limitations: The office of financial management shall
20 (~~reduce allotments for all agencies by \$10,638,000 from 2003-05~~
21 ~~biennial general fund appropriations in this act~~) update agency
22 appropriation schedules to reflect the reduction in contributions to
23 the liability account(~~. The general fund allotment reduction shall be~~
24 ~~placed in unallotted status and remain unexpended~~) as identified by
25 agency and account in LEAP document 2004-05 dated February 21, 2004,
26 which is hereby incorporated by reference.

27 NEW SECTION. **Sec. 708.** A new section is added to 2003 1st sp.s.
28 c 25 (uncodified) to read as follows:

29 **AGENCY EXPENDITURES FOR TORT LIABILITY.** The office of financial
30 management shall reduce allotments for all agencies by \$1,203,000 from
31 fiscal year 2005 general fund--state appropriations in this act to
32 reflect the reduction in state tort expenses. The general fund
33 allotment reduction shall be placed in unallotted status and remain
34 unexpended.

35 **Sec. 709.** 2003 1st sp.s. c 25 s 723 (uncodified) is amended to
36 read as follows:

1 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
2 be necessary, are appropriated from the general fund, unless otherwise
3 indicated, for relief of various individuals, firms, and corporations
4 for sundry claims. These appropriations are to be disbursed on
5 vouchers approved by the director of (~~general administration~~) the
6 office of financial management, except as otherwise provided, as
7 follows:

8 (1) Reimbursement of criminal defendants acquitted on the basis of
9 self-defense, pursuant to RCW 9A.16.110:

- 10 (a) Kelly C. Schwartz, claim number SCJ 03-10 \$18,250
- 11 (b) Clinton Johnston, claim number SCJ 04-02 \$8,225
- 12 (c) Johnny Riley, claim number SCJ 04-05 \$1,500
- 13 (d) Gregory Nichols, claim number SCJ 04-06 \$3,995
- 14 (e) William Poll, claim number SCJ 04-07 \$31,106
- 15 (f) John Obert, claim number SCJ 04-09 \$15,957
- 16 (g) David McCown, claim number SCJ 04-10 \$2,900

17 (2) Payment from the state wildlife account for damage to crops by
18 wildlife, pursuant to RCW 77.36.050:

- 19 (a) Circle S Landscape Supplies, claim number
20 SCG 03-05 \$49,380
- 21 (b) Marilyn Lund Farms, claim number SCG 03-08 \$17,175
- 22 (c) Paul Gibbons, claim number SCG 03-09 \$12,414
- 23 (d) Bud Hamilton, claim number SCG 03-10 \$15,591
- 24 (e) Richard Anderson, claim number SCG 03-11 \$75,933
- 25 (f) Neil Ice, claim number SCG 03-12 \$73,474
- 26 (g) Carl Anderson, claim number SCG 03-13 \$120,943
- 27 (h) Lafe Wilson, claim number SCG 04-02 \$626
- 28 (i) Richard Anderson, claim number SCG 04-04 \$28,998

29 NEW SECTION. Sec. 710. A new section is added to 2003 1st sp.s.
30 c 25 (uncodified) to read as follows:

31 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--HELP AMERICA VOTE ACT**
32 General Fund--State Appropriation (FY 2004) \$3,140,000

33 The appropriation in this section is subject to the following
34 conditions and limitations: The appropriation in this section is
35 provided solely for deposit in the state election account.

36 NEW SECTION. Sec. 711. A new section is added to 2003 1st sp.s.
37 c 25 (uncodified) to read as follows:

1 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONTRIBUTIONS TO RETIREMENT**
2 **SYSTEMS**

3	General Fund--State Appropriation (FY 2005)	\$150,000
4	General Fund--Federal Appropriation	\$25,000
5	General Fund--Private/Local Appropriation	\$3,000
6	Special Account Retirement Contribution Increase	
7	Revolving Account Appropriation	\$100,000
8	TOTAL APPROPRIATION	\$278,000

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

11 (1) The appropriations in this section are provided solely to
12 increase agency and institution appropriations to reflect a 0.01
13 percent increase in employer pension contributions to the public
14 employees' retirement system and the teachers' retirement system
15 required to implement House Bill No. 2538 (\$1000 minimum benefit). If
16 the bill is not enacted by June 30, 2004, the appropriations provided
17 in this section shall lapse.

18 (2) The appropriations from dedicated funds and accounts shall be
19 made in the amounts specified and from the dedicated funds and accounts
20 specified in LEAP document 2004-39, a computerized tabulation developed
21 by the legislative evaluation and accountability program committee on
22 March 8, 2004, which is hereby incorporated by reference. The office
23 of financial management shall allocate the moneys appropriated in this
24 section in the amounts specified and to the state agencies specified in
25 LEAP document 2004-39, and adjust appropriation schedules accordingly.

26 NEW SECTION. **Sec. 712.** A new section is added to 2003 1st sp.s.
27 c 25 (uncodified) to read as follows:

28 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--MADER LAWSUIT SETTLEMENT**

29	General Fund--State Appropriation (FY 2005)	\$11,000,000
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30 The appropriation in this section is provided solely for the
31 purposes of settling all claims in *Mader et al. v. Health Care*
32 *Authority and State of Washington* (cause number 98-2-30850-8SEA). The
33 expenditure of this appropriation is contingent on the release of all
34 claims in the case, and total settlement costs shall not exceed the
35 appropriation in this section.

36 If settlement is not executed by June 30, 2004, the appropriation
37 in this section shall lapse.

1 NEW SECTION. **Sec. 713.** A new section is added to 2003 1st sp.s.
2 c 25 (uncodified) to read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE**
4 **COSTS**

5 General Fund--State Appropriation (FY 2004) \$954,000

6 The appropriation in this section is subject to the following
7 conditions and limitations: The director of financial management shall
8 distribute the appropriation to the following counties in the amounts
9 designated for extraordinary criminal justice costs:

10 King \$807,000
11 Pacific \$147,000

12 NEW SECTION. **Sec. 714.** A new section is added to 2003 1st sp.s.
13 c 25 (uncodified) to read as follows:

14 **FOR THE OFFICE OF THE GOVERNOR--JOINT TASK FORCE ON MENTAL HEALTH**

15 General Fund--State Appropriation (FY 2005) \$50,000
16 General Fund--Federal Appropriation \$30,000
17 TOTAL APPROPRIATION \$80,000

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

20 (1) The appropriations are provided solely for a joint legislative
21 and executive task force on mental health services delivery and
22 financing. The joint task force shall consist of eight members, as
23 follows: The secretary of the department of social and health services
24 or his or her designee; the president of the Washington state
25 association of counties or his or her designee; a representative from
26 the governor's office; two members of the senate appointed by the
27 president of the senate, one of whom shall be a member of the majority
28 caucus and one of whom shall be a member of the minority caucus; two
29 members of the house of representatives appointed by the speaker of the
30 house of representatives, one of whom shall be a member of the majority
31 caucus and one of whom shall be a member of the minority caucus; and
32 the chair of the joint legislative audit and review committee or his or
33 her designee. Staff support for the joint task force shall be provided
34 by the office of financial management, the house of representatives
35 office of program research, and senate committee services.

36 (2) The joint task force may create advisory committees to assist
37 the joint task force in its work.

1 (3) Joint task force members may be reimbursed for travel expenses
2 as authorized under RCW 43.03.050 and 43.03.060 and chapter 44.04 RCW,
3 as appropriate. Advisory committee members, if appointed, shall not
4 receive compensation or reimbursement for travel or expenses.

5 (4) The joint task force shall assess and make recommendations
6 related to:

7 (a) Progress made by the department of social and health services
8 and the regional support networks (i) towards implementation of a
9 performance-based measurement system that focuses on outcomes for
10 consumers served by the mental health system, and (ii) to reduce
11 duplicative and burdensome administrative and oversight requirements;

12 (b) The funding requirements for mental health services for
13 nonmedicaid consumers for the priority populations under chapter 71.24
14 RCW;

15 (c) The extent to which the current funding distribution
16 methodology achieves equity in funding and access to services for
17 mental health services consumers;

18 (d) The administrative structure of the community mental health
19 system as it relates to effectively meeting the goals established in
20 statute;

21 (e) The most effective and efficient mental health funding and
22 payment models (including capitated managed care), in light of
23 requirements of the federal balanced budget act of 1997 related to
24 state medicaid managed care contracting; and

25 (f) The types, numbers, and locations of inpatient psychiatric
26 hospital and community residential beds in both the private and public
27 sector.

28 (5) The joint task force shall report its initial findings and
29 recommendations to the governor and appropriate committees of the
30 legislature by January 1, 2005, and its final findings and
31 recommendations by June 30, 2005.

32 **Sec. 715.** 2003 1st sp.s. c 25 s 710 (uncodified) is amended to
33 read as follows:

34 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO**
35 **RETIREMENT SYSTEMS.** The appropriations in this section are subject
36 to the following conditions and limitations: The appropriations for
37 the law enforcement officers' and firefighters' retirement system shall
38 be made on a monthly basis beginning July 1, 2003, consistent with

1 chapter 41.45 RCW, and the appropriations for the judges and judicial
2 retirement systems shall be made on a quarterly basis consistent with
3 chapters 2.10 and 2.12 RCW.

4 (1) There is appropriated for state contributions to the law
5 enforcement officers' and fire fighters' retirement system:

6	General Fund--State Appropriation (FY 2004)	((\$21,256,000))
7		<u>\$20,256,000</u>
8	General Fund--State Appropriation (FY 2005)	((\$20,914,000))
9		<u>\$21,414,000</u>

10 (2) There is appropriated for contributions to the judicial
11 retirement system:

12	General Fund--State Appropriation (FY 2004)	((\$6,000,000))
13		<u>\$5,995,000</u>
14	General Fund--State Appropriation (FY 2005)	((\$6,000,000))
15		<u>\$5,995,000</u>

16 (3) There is appropriated for contributions to the judges
17 retirement system:

18	General Fund--State Appropriation (FY 2004)	\$500,000
19	General Fund--State Appropriation (FY 2005)	\$500,000
20	TOTAL APPROPRIATION	((\$55,170,000))
21		<u>\$54,660,000</u>

22 **Sec. 716.** 2003 1st sp.s. c 25 s 720 (uncodified) is amended to
23 read as follows:

24 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
25 **COUNTY ASSISTANCE**

26	General Fund--Federal Appropriation	\$5,000,000
27	<u>General Fund--State Appropriation (FY 2005)</u>	<u>\$4,000,000</u>
28	<u>TOTAL APPROPRIATION</u>	<u>\$9,000,000</u>

29 The appropriations in this section are subject to the following
30 conditions and limitations: The director of community, trade, and
31 economic development shall distribute the appropriations in this
32 section to the following counties in the amounts designated:

33 **FY 2004** **FY 2005**

1	Adams	\$334,400	<u>\$267,520</u>
2	Asotin	\$361,900	<u>\$289,520</u>
3	Columbia	\$679,700	<u>\$543,760</u>
4	Douglas	\$264,000	<u>\$211,200</u>
5	Ferry	\$283,600	<u>\$226,880</u>
6	Garfield	\$759,800	<u>\$607,840</u>
7	Island	\$66,400	<u>\$53,120</u>
8	Lincoln	\$297,700	<u>\$238,160</u>
9	Mason	\$298,000	<u>\$238,400</u>
10	Okanogan	\$280,000	<u>\$224,000</u>
11	Pacific	\$89,700	<u>\$71,760</u>
12	Pend Oreille	\$181,600	<u>\$145,280</u>
13	Skamania	\$88,000	<u>\$70,400</u>
14	Stevens	\$418,000	<u>\$334,400</u>
15	Wahkiakum	\$452,900	<u>\$362,320</u>
16	Walla Walla	\$144,300	<u>\$115,440</u>
17	TOTAL		
18	APPROPRIATIONS	\$5,000,000	<u>\$4,000,000</u>

19 NEW SECTION. **Sec. 717.** A new section is added to 2003 1st sp.s.
20 c 25 (uncodified) to read as follows:

21 **AGENCY EXPENDITURES FOR TRAVEL, EQUIPMENT, AND CONTRACTS.** The
22 office of financial management shall reduce allotments for all agencies
23 for personal service contracts, equipment, and travel by \$11,400,000
24 from fiscal year 2005 general fund--state appropriations in this act to
25 reflect the elimination of expenditures identified in LEAP document
26 2004-32, a computerized tabulation developed by the legislative
27 evaluation and accountability program committee on January 23, 2004.
28 The general fund allotment reduction shall be placed in unallotted
29 status and remain unexpended.

30 NEW SECTION. **Sec. 718.** A new section is added to chapter 43.330
31 RCW to read as follows:

32 **HOMELESS FAMILIES SERVICES FUND.** (1)(a) There is created in the
33 custody of the state treasurer an account to be known as the homeless
34 families services fund. Revenues to the fund consist of a one-time
35 appropriation by the legislature, private contributions, and all other
36 sources deposited in the fund.

1 (b) Expenditures from the fund may only be used for the purposes of
2 the program established in this section, including administrative
3 expenses. Only the director of the department of community, trade, and
4 economic development, or the director's designee, may authorize
5 expenditures.

6 (c) Expenditures from the fund are exempt from appropriations and
7 the allotment provisions of chapter 43.88 RCW. However, money used for
8 program administration by the department is subject to the allotment
9 and budgetary controls of chapter 43.88 RCW, and an appropriation is
10 required for these expenditures.

11 (2) The department may expend moneys from the fund to provide state
12 matching funds for housing-based supportive services for homeless
13 families over a period of at least ten years.

14 (3) Activities eligible for funding through the fund include, but
15 are not limited to, the following:

16 (a) Case management;

17 (b) Counseling;

18 (c) Referrals to employment support and job training services and
19 direct employment support and job training services;

20 (d) Domestic violence services and programs;

21 (e) Mental health treatment, services, and programs;

22 (f) Substance abuse treatment, services, and programs;

23 (g) Parenting skills education and training;

24 (h) Transportation assistance;

25 (i) Child care; and

26 (j) Other supportive services identified by the department to be an
27 important link for housing stability.

28 (4) Organizations that may receive funds from the fund include
29 local housing authorities, nonprofit community or neighborhood-based
30 organizations, public development authorities, federally recognized
31 Indian tribes in the state, and regional or statewide nonprofit housing
32 assistance organizations.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2003 1st sp.s. c 25 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions ((~~\$4,711,500~~)) \$5,344,000

General Fund Appropriation for public utility district excise tax distributions ((~~\$39,273,684~~)) \$40,012,876

General Fund Appropriation for prosecuting attorney distributions ((~~\$3,441,197~~)) \$3,671,015

General Fund Appropriation for boating safety and education distributions ((~~\$4,074,300~~)) \$4,147,426

General Fund Appropriation for other tax distributions \$34,750

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies \$2,123,723

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution \$187,068

Timber Tax Distribution Account Appropriation for distribution to "timber" counties \$51,192,170

County Criminal Justice Assistance Appropriation ((~~\$52,131,000~~)) \$53,130,820

Municipal Criminal Justice Assistance Appropriation ((~~\$21,069,000~~)) \$21,069,120

Liquor Excise Tax Account Appropriation for liquor excise tax distribution \$32,624,831

Liquor Revolving Account Appropriation for

1 liquor profits distribution ((~~\$57,511,693~~))
2 \$57,369,693
3 TOTAL APPROPRIATION ((~~\$268,374,916~~))
4 \$270,907,492

5 The total expenditures from the state treasury under the
6 appropriations in this section shall not exceed the funds available
7 under statutory distributions for the stated purposes.

8 **Sec. 802.** 2003 1st sp.s. c 25 s 805 (uncodified) is amended to
9 read as follows:

10 **FOR THE STATE TREASURER--TRANSFERS.** For transfers in this section
11 to the state general fund, pursuant to RCW 43.135.035(5), the state
12 expenditure limit shall be increased by the amount of the transfer.
13 The increase shall occur in the fiscal year in which the transfer
14 occurs.

15 State Convention and Trade Center Account:
16 For transfer to the state general fund \$10,000,000
17 County Sale/Use Tax Equalization Account:
18 For transfer to the state general fund for
19 fiscal year 2004 \$74,000
20 Financial Services Regulation Fund: For transfer
21 to the state general fund at the beginning
22 of fiscal year 2005 ((~~\$1,632,000~~))
23 \$7,285,000

24 Municipal Sale/Use Tax Equalization Account:
25 For transfer to the state general fund for
26 fiscal year 2004 \$374,000
27 Asbestos Account: For transfer to the state
28 general fund \$200,000
29 Electrical License Account: For transfer
30 to the state general fund \$7,000,000
31 Local Toxics Control Account: For transfer
32 to the state toxics control account \$4,059,000
33 Pressure Systems Safety Account: For transfer
34 to the state general fund \$1,000,000
35 Health Services Account: For transfer
36 to the water quality account \$8,182,000
37 State Treasurer's Service Account: For
38 transfer to the general fund ((~~\$10,000,000~~))

1 \$14,000,000
2 Public Works Assistance Account: For
3 transfer to the drinking water
4 assistance account \$8,387,000
5 Tobacco Settlement Account: For transfer
6 to the health services account, in an
7 amount not to exceed the actual balance
8 of the tobacco settlement account (~~(\$185,000,000)~~)
9 \$181,000,000
10 Health Service Account: For transfer
11 to the violence reduction and drug
12 enforcement account \$7,789,000
13 Nisqually Earthquake Account: For transfer to
14 the disaster response account \$6,200,000
15 Industrial Insurance Premium Refund Account:
16 For transfer to the state general fund \$577,000
17 Public Service Revolving Account: For transfer
18 to the state general fund \$1,600,000
19 State Forest Nursery Revolving Account: For transfer
20 to the state general fund, \$250,000 for fiscal
21 year 2004 and \$250,000 for fiscal year 2005 \$500,000
22 Flood Control Assistance Account: For transfer
23 to the state general fund, \$1,350,000 for
24 fiscal year 2004 and \$1,350,000 for fiscal
25 year 2005 \$2,700,000
26 Water Quality Account: For transfer to the water
27 pollution control account (~~(\$10,500,000)~~)
28 \$14,034,513
29 General Fund: For transfer to the water quality
30 account, \$3,870,000 for fiscal year 2004 and
31 \$4,557,000 for fiscal year 2005 \$8,427,000
32 Insurance Commissioner's Regulatory Account:
33 For transfer to the state general fund (~~(\$1,500,000)~~)
34 \$2,500,000
35 Health Services Account: For transfer to the
36 tobacco prevention and control account (~~(\$24,216,000)~~)
37 \$23,796,000
38 From the Emergency Reserve Fund: For transfer
39 to the state general fund, not to exceed

1 the actual balance of the emergency reserve fund.
2 This transfer is intended to liquidate the
3 emergency reserve fund ((~~\$59,350,000~~))
4 \$58,100,000
5 Department of Retirement Systems Expense Account:
6 For transfer to the state general fund ((~~\$1,500,000~~))
7 \$5,500,000
8 Woodstove Education and Enforcement Account:
9 For transfer to the air pollution control account \$600,000
10 Multimodal Transportation Account: For transfer
11 to the air pollution control account for
12 fiscal year 2004. The amount transferred
13 shall be deposited into the segregated
14 subaccount of the air pollution control
15 account created in Engrossed Substitute
16 Senate Bill No. 6072, chapter 264, Laws of
17 2003. The state treasurer shall perform the
18 transfer from the multimodal transportation
19 account to the air pollution control subaccount
20 on a quarterly basis \$4,170,726
21 Multimodal Transportation Account: For transfer
22 to the vessel response account for fiscal
23 year 2004 \$1,213,704
24 Resource Management Cost Account: For transfer
25 to the contract harvesting revolving account \$250,000
26 Forest Development Account: For transfer to the
27 contract harvesting revolving account \$250,000
28 Site Closure Account: For transfer to the
29 state general fund \$13,800,000
30 Health Services Account: For transfer to the
31 general fund--state for fiscal year 2005 ((~~\$1,250,000~~))
32 \$46,250,000
33 K-20 Technology Account: For transfer to the state
34 general fund \$1,281
35 Gambling Revolving Fund, Nontribal Sources: For
36 transfer to the state general fund \$2,500,000
37 State Building Construction Account: For transfer
38 to the conservation assistance revolving account \$500,000
39 Wildlife Account: For transfer to the special

1	<u>wildlife account, \$250,000 in fiscal year 2004</u>	
2	<u>and \$250,000 in fiscal year 2005</u>	<u>\$500,000</u>
3	<u>Education Technology Revolving Account: For transfer</u>	
4	<u>to the data processing revolving account</u>	<u>\$296,000</u>
5	<u>Digital Government Revolving Account: For transfer</u>	
6	<u>to the data processing revolving account</u>	<u>\$154,000</u>
7	<u>Gambling Revolving Fund: For transfer to the problem</u>	
8	<u>gambling treatment account. If Second Substitute</u>	
9	<u>House Bill No. 2776 is not enacted by June 30, 2004,</u>	
10	<u>this amount shall be transferred to the general</u>	
11	<u>fund</u>	<u>\$500,000</u>

12 **Sec. 803.** 2003 1st sp.s. c 25 s 806 (uncodified) is amended to
13 read as follows:

14 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--TRANSFERS**

15	General Fund--State Appropriation: For	
16	transfer to the department of retirement	
17	systems expense account: For the	
18	administrative expenses of the judicial	
19	retirement system	((\$21,901))
20		<u>\$12,000</u>

(End of part)

1 **PART IX**
2 **MISCELLANEOUS**

3 NEW SECTION. **Sec. 901.** A new section is added to 2003 1st sp.s.
4 c 25 (uncodified) to read as follows:

5 **FUND BALANCE TRANSFER.** At the end of fiscal year 2004, the office
6 of financial management shall transfer to the general fund-state fund
7 balance the unspent federal fiscal relief grant moneys received as a
8 result of P.L. 108-27 (federal jobs and growth tax relief
9 reconciliation act of 2003). Pursuant to RCW 43.135.035(5), the state
10 expenditure limit shall be increased by the amount of the transfer.

11 NEW SECTION. **Sec. 902.** A new section is added to 2003 1st sp.s.
12 c 25 (uncodified) to read as follows:

13 **AGENCY EXPENDITURES FOR MOTOR VEHICLES.** The use of hybrid motor
14 vehicles reduces air contaminants, greenhouse gas emissions and
15 reliance on imported sources of petroleum. To foster the use of hybrid
16 motor vehicles, beginning July 1, 2004, before the purchase or lease of
17 a motor vehicle, state agencies should first consider the feasibility
18 of hybrid motor vehicles. State agencies should strive to purchase or
19 lease a hybrid motor vehicle when the use of such vehicle is consistent
20 with and can accomplish the agency's mission and when the purchase is
21 financially reasonable. The financial assessment should include
22 savings accruing from reduced fuel purchases over the life of the
23 vehicle. Agencies shall report on their purchases of hybrid vehicles
24 in their biennial sustainability plans as required under executive
25 order 02-03.

26 **Sec. 903.** RCW 9.46.100 and 2002 c 371 s 901 are each amended to
27 read as follows:

28 There is hereby created the gambling revolving fund which shall
29 consist of all moneys receivable for licensing, penalties, forfeitures,
30 and all other moneys, income, or revenue received by the commission.
31 The state treasurer shall be custodian of the fund. All moneys
32 received by the commission or any employee thereof, except for change
33 funds and an amount of petty cash as fixed by rule or regulation of the
34 commission, shall be deposited each day in a depository approved by the

1 state treasurer and transferred to the state treasurer to be credited
2 to the gambling revolving fund. Disbursements from the revolving fund
3 shall be on authorization of the commission or a duly authorized
4 representative thereof. In order to maintain an effective expenditure
5 and revenue control the gambling revolving fund shall be subject in all
6 respects to chapter 43.88 RCW but no appropriation shall be required to
7 permit expenditures and payment of obligations from such fund. All
8 expenses relative to commission business, including but not limited to
9 salaries and expenses of the director and other commission employees
10 shall be paid from the gambling revolving fund.

11 During the ~~((2001-))~~2003-2005 fiscal biennium, the legislature may
12 transfer from the gambling revolving fund to the problem gambling
13 treatment account, contingent on enactment of chapter ..., Laws of 2004
14 (Second Substitute House Bill No. 2776, problem gambling treatment).
15 Also during the 2003-2005 fiscal biennium, the legislature may transfer
16 from the gambling revolving fund to the state general fund such amounts
17 as reflect the excess nontribal fund balance of the fund (~~and~~
18 ~~reductions made by the 2002 supplemental appropriations act for~~
19 ~~administrative efficiencies and savings)). The commission shall not
20 increase fees during the 2003-2005 fiscal biennium for the purpose of
21 restoring the excess fund balance transferred under this section.~~

22 **Sec. 904.** RCW 28A.160.195 and 1995 1st sp.s. c 10 s 1 are each
23 amended to read as follows:

24 (1) The superintendent of public instruction, in consultation with
25 the regional transportation coordinators of the educational service
26 districts, shall establish a minimum number of school bus categories
27 considering the capacity and type of vehicles required by school
28 districts in Washington. The superintendent, in consultation with the
29 regional transportation coordinators of the educational service
30 districts, shall establish competitive specifications for each category
31 of school bus. The categories shall be developed to produce minimum
32 long-range operating costs, including costs of equipment and all costs
33 in operating the vehicles. The categories, for purposes of comparative
34 studies, will be at a minimum the same as those in the beginning of the
35 1994-95 school year. The competitive specifications shall meet federal
36 motor vehicle safety standards, minimum state specifications as
37 established by rule by the superintendent, and supported options as
38 determined by the superintendent in consultation with the regional

1 transportation coordinators of the educational service districts. In
2 fiscal year 2005, the superintendent may solicit and accept price
3 quotes for a rear-engine category school bus that shall be reimbursed
4 at the price of the corresponding front engine category.

5 (2) After establishing school bus categories and competitive
6 specifications, the superintendent of public instruction shall solicit
7 competitive price quotes from school bus dealers to be in effect for
8 one year and shall (a) except in fiscal year 2005, establish a list of
9 the lowest competitive price quotes obtained under this subsection, and
10 (b) in fiscal year 2005, establish a list of all accepted price quotes
11 in each category obtained under this subsection.

12 (3) The superintendent shall base the level of reimbursement to
13 school districts and educational service districts for school buses on
14 the lowest quote in each category.

15 (4) Notwithstanding RCW 28A.335.190, school districts and
16 educational service districts may purchase at the quoted price directly
17 from the dealer who is providing the lowest competitive price quote on
18 the list established under subsection (2) of this section and in fiscal
19 year 2005 from any dealer on the list established under subsection
20 (2)(b) of this section. School districts and educational service
21 districts may make their own selections for school buses, but shall be
22 reimbursed at the rates determined under (~~this section~~) subsection
23 (3) of this section and RCW 28A.160.200. District-selected options
24 shall not be reimbursed by the state. For the 2003-05 fiscal biennium,
25 school districts and educational service districts shall be reimbursed
26 for buses purchased only through a lowest-price competitive bid process
27 conducted pursuant to RCW 28A.335.190 or through the state bid process
28 established by this section.

29 (5) This section does not prohibit school districts or educational
30 service districts from conducting their own competitive bid process.

31 (6) The superintendent of public instruction may adopt rules under
32 chapter 34.05 RCW to implement this section.

33 **Sec. 905.** RCW 28B.102.040 and 1987 c 437 s 4 are each amended to
34 read as follows:

35 The higher education coordinating board shall establish a planning
36 committee to develop criteria for the screening and selection of
37 recipients of the conditional scholarships. These criteria shall
38 emphasize factors demonstrating excellence including but not limited to

1 superior scholastic achievement, leadership ability, community
2 contributions, and an ability to act as a role model for targeted
3 ethnic minority students. These criteria also may include, for
4 approximately half of the recipients, requirements that those
5 recipients meet the definition of "needy student" under RCW 28B.10.802.

6 Subject to enactment of chapter . . . , Laws of 2004 (SHB 2708), for
7 fiscal year 2005, additional priority shall be given to such
8 individuals who are also bilingual. It is the intent of the
9 legislature to develop a pool of dual-language teachers in order to
10 meet the challenge of educating students who are dominant in languages
11 other than English.

12 **Sec. 906.** RCW 28B.119.010 and 2003 c 233 s 5 are each amended to
13 read as follows:

14 The higher education coordinating board shall design the Washington
15 promise scholarship program based on the following parameters:

16 (1) Scholarships shall be awarded to students graduating from
17 public and approved private high schools under chapter 28A.195 RCW,
18 students participating in home-based instruction as provided in chapter
19 28A.200 RCW, and persons twenty-one years of age or younger receiving
20 a GED certificate, who meet both an academic and a financial
21 eligibility criteria.

22 (a) Academic eligibility criteria shall be defined as follows:

23 (i) Beginning with the graduating class of 2002, students
24 graduating from public and approved private high schools under chapter
25 28A.195 RCW must be in the top fifteen percent of their graduating
26 class, as identified by each respective high school at the completion
27 of the first term of the student's senior year; or

28 (ii) Students graduating from public high schools, approved private
29 high schools under chapter 28A.195 RCW, students participating in home-
30 based instruction as provided in chapter 28A.200 RCW, and persons
31 twenty-one years of age or younger receiving a GED certificate, must
32 equal or exceed a cumulative scholastic assessment test I score of
33 twelve hundred on their first attempt or must equal or exceed a
34 composite American college test score of twenty-seven on their first
35 attempt.

36 (b) To meet the financial eligibility criteria, a student's family
37 income shall not exceed one hundred thirty-five percent of the state
38 median family income adjusted for family size, as determined by the

1 higher education coordinating board for each graduating class.
2 Students not meeting the eligibility requirements for the first year of
3 scholarship benefits may reapply for the second year of benefits, but
4 must still meet the income standard set by the board for the student's
5 graduating class. Beginning with the graduating class of 2004, a
6 student's family income shall not exceed one hundred twenty percent of
7 the state median family income adjusted for family size, as determined
8 by the higher education coordinating board.

9 (2) Promise scholarships are not intended to supplant any grant,
10 scholarship, or tax program related to postsecondary education. If the
11 board finds that promise scholarships supplant or reduce any grant,
12 scholarship, or tax program for categories of students, then the board
13 shall adjust the financial eligibility criteria or the amount of
14 scholarship to the level necessary to avoid supplanting.

15 (3) Within available funds, each qualifying student shall receive
16 two consecutive annual awards, the value of each not to exceed the
17 full-time annual resident tuition rates charged by Washington's
18 community colleges. The higher education coordinating board shall
19 award scholarships to as many students as possible from among those
20 qualifying under this section.

21 (4) By October 15th of each year, the board shall determine the
22 award amount of the scholarships, after taking into consideration the
23 availability of funds.

24 (5) The scholarships may only be used for undergraduate coursework
25 at accredited institutions of higher education in the state of
26 Washington.

27 (6) The scholarships may be used for undergraduate coursework at
28 Oregon institutions of higher education that are part of the border
29 county higher education opportunity project in RCW 28B.80.806 when
30 those institutions offer programs not available at accredited
31 institutions of higher education in Washington state.

32 (7) The scholarships may be used for college-related expenses,
33 including but not limited to, tuition, room and board, books, and
34 materials.

35 (8) The scholarships may not be awarded to any student who is
36 pursuing a degree in theology.

37 (9) The higher education coordinating board may establish
38 satisfactory progress standards for the continued receipt of the
39 promise scholarship.

1 (10) The higher education coordinating board shall establish the
2 time frame within which the student must use the scholarship.

3 **Sec. 907.** RCW 43.83.020 and 1991 sp.s. c 13 s 46 are each amended
4 to read as follows:

5 (1) The proceeds from the sale of the bonds authorized herein shall
6 be deposited in the state building construction account which is hereby
7 established in the state treasury and shall be used exclusively for the
8 purposes of carrying out the provisions of the capital appropriation
9 acts, and for payment of the expense incurred in the printing,
10 issuance, and sale of such bonds.

11 (2) During the 2003-2005 biennium, the legislature may transfer
12 moneys from the state building construction account to the conservation
13 assistance revolving account such amounts as reflect the excess fund
14 balance of the account.

15 **Sec. 908.** RCW 43.88.030 and 2002 c 371 s 911 are each amended to
16 read as follows:

17 (1) The director of financial management shall provide all agencies
18 with a complete set of instructions for submitting biennial budget
19 requests to the director at least three months before agency budget
20 documents are due into the office of financial management. The
21 director shall provide agencies and committees that are required under
22 RCW 44.40.070 to develop comprehensive six-year program and financial
23 plans with a complete set of instructions for submitting these program
24 and financial plans at the same time that instructions for submitting
25 other budget requests are provided. The budget document or documents
26 shall consist of the governor's budget message which shall be
27 explanatory of the budget and shall contain an outline of the proposed
28 financial policies of the state for the ensuing fiscal period, as well
29 as an outline of the proposed six-year financial policies where
30 applicable, and shall describe in connection therewith the important
31 features of the budget. The message shall set forth the reasons for
32 salient changes from the previous fiscal period in expenditure and
33 revenue items and shall explain any major changes in financial policy.
34 Attached to the budget message shall be such supporting schedules,
35 exhibits and other explanatory material in respect to both current
36 operations and capital improvements as the governor shall deem to be
37 useful to the legislature. The budget document or documents shall set

1 forth a proposal for expenditures in the ensuing fiscal period, or six-
2 year period where applicable, based upon the estimated revenues and
3 caseloads as approved by the economic and revenue forecast council and
4 caseload forecast council or upon the estimated revenues and caseloads
5 of the office of financial management for those funds, accounts,
6 sources, and programs for which the forecast councils do not prepare an
7 official forecast, including those revenues anticipated to support the
8 six-year programs and financial plans under RCW 44.40.070. In
9 estimating revenues to support financial plans under RCW 44.40.070, the
10 office of financial management shall rely on information and advice
11 from the transportation revenue forecast council. Revenues shall be
12 estimated for such fiscal period from the source and at the rates
13 existing by law at the time of submission of the budget document,
14 including the supplemental budgets submitted in the even-numbered years
15 of a biennium. However, the estimated revenues and caseloads for use
16 in the governor's budget document may be adjusted to reflect budgetary
17 revenue transfers and revenue and caseload estimates dependent upon
18 budgetary assumptions of enrollments, workloads, and caseloads. All
19 adjustments to the approved estimated revenues and caseloads must be
20 set forth in the budget document. The governor may additionally
21 submit, as an appendix to each supplemental, biennial, or six-year
22 agency budget or to the budget document or documents, a proposal for
23 expenditures in the ensuing fiscal period from revenue sources derived
24 from proposed changes in existing statutes.

25 Supplemental and biennial documents shall reflect a six-year
26 expenditure plan consistent with estimated revenues from existing
27 sources and at existing rates for those agencies required to submit
28 six-year program and financial plans under RCW 44.40.070. Any
29 additional revenue resulting from proposed changes to existing statutes
30 shall be separately identified within the document as well as related
31 expenditures for the six-year period.

32 The budget document or documents shall also contain:

33 (a) Revenues classified by fund and source for the immediately past
34 fiscal period, those received or anticipated for the current fiscal
35 period, those anticipated for the ensuing biennium, and those
36 anticipated for the ensuing six-year period to support the six-year
37 programs and financial plans required under RCW 44.40.070;

38 (b) The undesignated fund balance or deficit, by fund;

1 (c) Such additional information dealing with expenditures,
2 revenues, workload, performance, and personnel as the legislature may
3 direct by law or concurrent resolution;

4 (d) Such additional information dealing with revenues and
5 expenditures as the governor shall deem pertinent and useful to the
6 legislature;

7 (e) Tabulations showing expenditures classified by fund, function,
8 activity, and agency. However, documents submitted for the ((2003-05))
9 2005-07 biennial budget request need not show expenditures by activity;

10 (f) A delineation of each agency's activities, including those
11 activities funded from nonbudgeted, nonappropriated sources, including
12 funds maintained outside the state treasury;

13 (g) Identification of all proposed direct expenditures to implement
14 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
15 agency and in total; and

16 (h) Tabulations showing each postretirement adjustment by
17 retirement system established after fiscal year 1991, to include, but
18 not be limited to, estimated total payments made to the end of the
19 previous biennial period, estimated payments for the present biennium,
20 and estimated payments for the ensuing biennium.

21 (2) The budget document or documents shall include detailed
22 estimates of all anticipated revenues applicable to proposed operating
23 or capital expenditures and shall also include all proposed operating
24 or capital expenditures. The total of beginning undesignated fund
25 balance and estimated revenues less working capital and other reserves
26 shall equal or exceed the total of proposed applicable expenditures.
27 The budget document or documents shall further include:

28 (a) Interest, amortization and redemption charges on the state
29 debt;

30 (b) Payments of all reliefs, judgments, and claims;

31 (c) Other statutory expenditures;

32 (d) Expenditures incident to the operation for each agency;

33 (e) Revenues derived from agency operations;

34 (f) Expenditures and revenues shall be given in comparative form
35 showing those incurred or received for the immediately past fiscal
36 period and those anticipated for the current biennium and next ensuing
37 biennium, as well as those required to support the six-year programs
38 and financial plans required under RCW 44.40.070;

1 (g) A showing and explanation of amounts of general fund and other
2 funds obligations for debt service and any transfers of moneys that
3 otherwise would have been available for appropriation;

4 (h) Common school expenditures on a fiscal-year basis;

5 (i) A showing, by agency, of the value and purpose of financing
6 contracts for the lease/purchase or acquisition of personal or real
7 property for the current and ensuing fiscal periods; and

8 (j) A showing and explanation of anticipated amounts of general
9 fund and other funds required to amortize the unfunded actuarial
10 accrued liability of the retirement system specified under chapter
11 41.45 RCW, and the contributions to meet such amortization, stated in
12 total dollars and as a level percentage of total compensation.

13 (3) A separate capital budget document or schedule shall be
14 submitted that will contain the following:

15 (a) A statement setting forth a long-range facilities plan for the
16 state that identifies and includes the highest priority needs within
17 affordable spending levels;

18 (b) A capital program consisting of proposed capital projects for
19 the next biennium and the two biennia succeeding the next biennium
20 consistent with the long-range facilities plan. Inasmuch as is
21 practical, and recognizing emergent needs, the capital program shall
22 reflect the priorities, projects, and spending levels proposed in
23 previously submitted capital budget documents in order to provide a
24 reliable long-range planning tool for the legislature and state
25 agencies;

26 (c) A capital plan consisting of proposed capital spending for at
27 least four biennia succeeding the next biennium;

28 (d) A strategic plan for reducing backlogs of maintenance and
29 repair projects. The plan shall include a prioritized list of specific
30 facility deficiencies and capital projects to address the deficiencies
31 for each agency, cost estimates for each project, a schedule for
32 completing projects over a reasonable period of time, and
33 identification of normal maintenance activities to reduce future
34 backlogs;

35 (e) A statement of the reason or purpose for a project;

36 (f) Verification that a project is consistent with the provisions
37 set forth in chapter 36.70A RCW;

38 (g) A statement about the proposed site, size, and estimated life
39 of the project, if applicable;

- 1 (h) Estimated total project cost;
- 2 (i) For major projects valued over five million dollars, estimated
3 costs for the following project components: Acquisition, consultant
4 services, construction, equipment, project management, and other costs
5 included as part of the project. Project component costs shall be
6 displayed in a standard format defined by the office of financial
7 management to allow comparisons between projects;
- 8 (j) Estimated total project cost for each phase of the project as
9 defined by the office of financial management;
- 10 (k) Estimated ensuing biennium costs;
- 11 (l) Estimated costs beyond the ensuing biennium;
- 12 (m) Estimated construction start and completion dates;
- 13 (n) Source and type of funds proposed;
- 14 (o) Estimated ongoing operating budget costs or savings resulting
15 from the project, including staffing and maintenance costs;
- 16 (p) For any capital appropriation requested for a state agency for
17 the acquisition of land or the capital improvement of land in which the
18 primary purpose of the acquisition or improvement is recreation or
19 wildlife habitat conservation, the capital budget document, or an
20 omnibus list of recreation and habitat acquisitions provided with the
21 governor's budget document, shall identify the projected costs of
22 operation and maintenance for at least the two biennia succeeding the
23 next biennium. Omnibus lists of habitat and recreation land
24 acquisitions shall include individual project cost estimates for
25 operation and maintenance as well as a total for all state projects
26 included in the list. The document shall identify the source of funds
27 from which the operation and maintenance costs are proposed to be
28 funded;
- 29 (q) Such other information bearing upon capital projects as the
30 governor deems to be useful;
- 31 (r) Standard terms, including a standard and uniform definition of
32 normal maintenance, for all capital projects;
- 33 (s) Such other information as the legislature may direct by law or
34 concurrent resolution.

35 For purposes of this subsection (3), the term "capital project"
36 shall be defined subsequent to the analysis, findings, and
37 recommendations of a joint committee comprised of representatives from
38 the house capital appropriations committee, senate ways and means

1 committee, legislative transportation committee, legislative evaluation
2 and accountability program committee, and office of financial
3 management.

4 (4) No change affecting the comparability of agency or program
5 information relating to expenditures, revenues, workload, performance
6 and personnel shall be made in the format of any budget document or
7 report presented to the legislature under this section or RCW
8 43.88.160(1) relative to the format of the budget document or report
9 which was presented to the previous regular session of the legislature
10 during an odd-numbered year without prior legislative concurrence.
11 Prior legislative concurrence shall consist of (a) a favorable majority
12 vote on the proposal by the standing committees on ways and means of
13 both houses if the legislature is in session or (b) a favorable
14 majority vote on the proposal by members of the legislative evaluation
15 and accountability program committee if the legislature is not in
16 session.

17 **Sec. 909.** RCW 43.105.830 and 1999 c 285 s 9 are each amended to
18 read as follows:

19 (1) The K-20 technology account is hereby created in the state
20 treasury. The department of information services shall deposit into
21 the account moneys received from legislative appropriations, gifts,
22 grants, and endowments for the buildout and installation of the K-20
23 telecommunication system. The account shall be subject to
24 appropriation and may be expended solely for the K-20 telecommunication
25 system. Disbursements from the account shall be on authorization of
26 the director of the department of information services with approval of
27 the board.

28 (2) During the 2003-2005 biennium, the legislature may transfer
29 moneys from the K-20 technology account to the state general fund such
30 amounts as reflect the excess fund balance of the account.

31 **Sec. 910.** RCW 43.105.835 and 1999 c 285 s 10 are each amended to
32 read as follows:

33 (1) The education technology revolving fund is created in the
34 custody of the state treasurer. All receipts from billings under
35 subsection (2) of this section must be deposited in the revolving fund.
36 Only the director of the department of information services or the
37 director's designee may authorize expenditures from the fund. The

1 revolving fund shall be used to pay for network operations, transport,
2 equipment, software, supplies, and services, maintenance and
3 depreciation of on-site data, and shared infrastructure, and other
4 costs incidental to the development, operation, and administration of
5 shared educational information technology services, telecommunications,
6 and systems. The revolving fund shall not be used for the acquisition,
7 maintenance, or operations of local telecommunications infrastructure
8 or the maintenance or depreciation of on-premises video equipment
9 specific to a particular institution or group of institutions.

10 (2) The revolving fund and all disbursements from the revolving
11 fund are subject to the allotment procedure under chapter 43.88 RCW,
12 but an appropriation is not required for expenditures. The department
13 of information services shall, in consultation with entities connected
14 to the network under RCW 43.105.820 and subject to the review and
15 approval of the office of financial management, establish and implement
16 a billing structure for network services identified in subsection (1)
17 of this section.

18 (3) The department shall charge those public entities connected to
19 the K-20 telecommunications [telecommunication system] under RCW
20 43.105.820 an annual copayment per unit of transport connection as
21 determined by the legislature after consideration of the K-20 board's
22 recommendations. This copayment shall be deposited into the revolving
23 fund to be used for the purposes in subsection (1) of this section. It
24 is the intent of the legislature to appropriate to the revolving fund
25 such moneys as necessary to cover the costs for transport, maintenance,
26 and depreciation of data equipment located at the individual public
27 institutions, maintenance and depreciation of the network backbone, and
28 services provided to the network under RCW 43.105.815.

29 (4) During the 2003-05 biennium, the legislature may transfer
30 moneys from the education technology revolving fund to the state
31 general fund and the data processing revolving fund such amounts as
32 reflect the excess fund balance of the account.

33 **Sec. 911.** RCW 49.70.170 and 2001 2nd sp.s. c 7 s 913 are each
34 amended to read as follows:

35 (1) The worker and community right to know fund is hereby
36 established in the custody of the state treasurer. The department
37 shall deposit all moneys received under this chapter in the fund.
38 Moneys in the fund may be spent only for the purposes of this chapter

1 following legislative appropriation. Disbursements from the fund shall
2 be on authorization of the director or the director's designee. During
3 the ((2001-))2003-2005 fiscal biennium, moneys in the fund may also be
4 used by the military department for the purpose of assisting the state
5 emergency response commission and coordinating local emergency planning
6 activities. The fund is subject to the allotment procedure provided
7 under chapter 43.88 RCW.

8 (2) The department shall assess each employer who reported ten
9 thousand four hundred or more worker hours in the prior calendar year
10 an annual fee to provide for the implementation of this chapter. The
11 department shall promulgate rules establishing a fee schedule for all
12 employers who reported ten thousand four hundred or more worker hours
13 in the prior calendar year and are engaged in business operations
14 having a standard industrial classification, as designated in the
15 standard industrial classification manual prepared by the federal
16 office of management and budget, within major group numbers 01 through
17 08 (agriculture and forestry industries), numbers 10 through 14 (mining
18 industries), numbers 15 through 17 (construction industries), numbers
19 20 through 39 (manufacturing industries), numbers 41, 42, and 44
20 through 49 (transportation, communications, electric, gas, and sanitary
21 services), number 75 (automotive repair, services, and garages), number
22 76 (miscellaneous repair services), number 80 (health services), and
23 number 82 (educational services). The department shall establish the
24 annual fee for each employer who reported ten thousand four hundred or
25 more worker hours in the prior calendar year in industries identified
26 by this section, provided that fees assessed shall not be more than two
27 dollars and fifty cents per full time equivalent employee. The annual
28 fee shall not exceed fifty thousand dollars. The fees shall be
29 collected solely from employers whose industries have been identified
30 by rule under this chapter. The department shall promulgate rules
31 allowing employers who do not have hazardous substances at their
32 workplace to request an exemption from the assessment and shall
33 establish penalties for fraudulent exemption requests. All fees
34 collected by the department pursuant to this section shall be collected
35 in a cost-efficient manner and shall be deposited in the fund.

36 (3) Records required by this chapter shall at all times be open to
37 the inspection of the director, or his designee including, the
38 traveling auditors, agents or assistants of the department provided for

1 in RCW 51.16.070 and 51.48.040. The information obtained from employer
2 records under the provisions of this section shall be subject to the
3 same confidentiality requirements as set forth in RCW 51.16.070.

4 (4) An employer may appeal the assessment of the fee or penalties
5 pursuant to the procedures set forth in Title 51 RCW and accompanying
6 rules except that the employer shall not have the right of appeal to
7 superior court as provided in Title 51 RCW. The employer from whom the
8 fee or penalty is demanded or enforced, may however, within thirty days
9 of the board of industrial insurance appeal's final order, pay the fee
10 or penalty under written protest setting forth all the grounds upon
11 which such fee or penalty is claimed to be unlawful, excessive or
12 otherwise improper and thereafter bring an action in superior court
13 against the department to recover such fee or penalty or any portion of
14 the fee or penalty which was paid under protest.

15 (5) Repayment shall be made to the general fund of any moneys
16 appropriated by law in order to implement this chapter.

17 **Sec. 912.** RCW 69.50.520 and 2003 1st sp.s. c 25 s 930 are each
18 amended to read as follows:

19 The violence reduction and drug enforcement account is created in
20 the state treasury. All designated receipts from RCW 9.41.110(8),
21 66.24.210(4), 66.24.290(2), 69.50.505(~~((+i)+(1))~~) (9)(a), 82.08.150(5),
22 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
23 shall be deposited into the account. Expenditures from the account may
24 be used only for funding services and programs under chapter 271, Laws
25 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
26 incarceration costs. Funds from the account may also be appropriated
27 to reimburse local governments for costs associated with implementing
28 criminal justice legislation including chapter 338, Laws of 1997.
29 During the 2003-2005 biennium, funds from the account may also be used
30 for costs associated with providing grants to local governments in
31 accordance with chapter 338, Laws of 1997, funding drug offender
32 treatment services in accordance with RCW 70.96A.350, maintenance and
33 operating costs of the Washington association of sheriffs and police
34 chiefs jail reporting system, maintenance and operating costs of the
35 juvenile rehabilitation administration's client activity tracking
36 system, civil indigent legal representation, multijurisdictional
37 narcotics task forces, and grants to community networks under chapter
38 70.190 RCW by the family policy council.

1 **Sec. 913.** RCW 74.46.431 and 2001 1st sp.s. c 8 s 5 are each
2 amended to read as follows:

3 (1) Effective July 1, 1999, nursing facility medicaid payment rate
4 allocations shall be facility-specific and shall have seven components:
5 Direct care, therapy care, support services, operations, property,
6 financing allowance, and variable return. The department shall
7 establish and adjust each of these components, as provided in this
8 section and elsewhere in this chapter, for each medicaid nursing
9 facility in this state.

10 (2) All component rate allocations for essential community
11 providers as defined in this chapter shall be based upon a minimum
12 facility occupancy of eighty-five percent of licensed beds, regardless
13 of how many beds are set up or in use. For all facilities other than
14 essential community providers, effective July 1, 2001, component rate
15 allocations in direct care, therapy care, support services, variable
16 return, operations, property, and financing allowance shall continue to
17 be based upon a minimum facility occupancy of eighty-five percent of
18 licensed beds. For all facilities other than essential community
19 providers, effective July 1, 2002, the component rate allocations in
20 operations, property, and financing allowance shall be based upon a
21 minimum facility occupancy of ninety percent of licensed beds,
22 regardless of how many beds are set up or in use.

23 (3) Information and data sources used in determining medicaid
24 payment rate allocations, including formulas, procedures, cost report
25 periods, resident assessment instrument formats, resident assessment
26 methodologies, and resident classification and case mix weighting
27 methodologies, may be substituted or altered from time to time as
28 determined by the department.

29 (4)(a) Direct care component rate allocations shall be established
30 using adjusted cost report data covering at least six months. Adjusted
31 cost report data from 1996 will be used for October 1, 1998, through
32 June 30, 2001, direct care component rate allocations; adjusted cost
33 report data from 1999 will be used for July 1, 2001, through June 30,
34 (~~2004~~) 2005, direct care component rate allocations.

35 (b) Direct care component rate allocations based on 1996 cost
36 report data shall be adjusted annually for economic trends and
37 conditions by a factor or factors defined in the biennial
38 appropriations act. A different economic trends and conditions
39 adjustment factor or factors may be defined in the biennial

1 appropriations act for facilities whose direct care component rate is
2 set equal to their adjusted June 30, 1998, rate, as provided in RCW
3 74.46.506(5)(i).

4 (c) Direct care component rate allocations based on 1999 cost
5 report data shall be adjusted annually for economic trends and
6 conditions by a factor or factors defined in the biennial
7 appropriations act. A different economic trends and conditions
8 adjustment factor or factors may be defined in the biennial
9 appropriations act for facilities whose direct care component rate is
10 set equal to their adjusted June 30, 1998, rate, as provided in RCW
11 74.46.506(5)(i).

12 (5)(a) Therapy care component rate allocations shall be established
13 using adjusted cost report data covering at least six months. Adjusted
14 cost report data from 1996 will be used for October 1, 1998, through
15 June 30, 2001, therapy care component rate allocations; adjusted cost
16 report data from 1999 will be used for July 1, 2001, through June 30,
17 ((2004)) 2005, therapy care component rate allocations.

18 (b) Therapy care component rate allocations shall be adjusted
19 annually for economic trends and conditions by a factor or factors
20 defined in the biennial appropriations act.

21 (6)(a) Support services component rate allocations shall be
22 established using adjusted cost report data covering at least six
23 months. Adjusted cost report data from 1996 shall be used for October
24 1, 1998, through June 30, 2001, support services component rate
25 allocations; adjusted cost report data from 1999 shall be used for July
26 1, 2001, through June 30, ((2004)) 2005, support services component
27 rate allocations.

28 (b) Support services component rate allocations shall be adjusted
29 annually for economic trends and conditions by a factor or factors
30 defined in the biennial appropriations act.

31 (7)(a) Operations component rate allocations shall be established
32 using adjusted cost report data covering at least six months. Adjusted
33 cost report data from 1996 shall be used for October 1, 1998, through
34 June 30, 2001, operations component rate allocations; adjusted cost
35 report data from 1999 shall be used for July 1, 2001, through June 30,
36 ((2004)) 2005, operations component rate allocations.

37 (b) Operations component rate allocations shall be adjusted
38 annually for economic trends and conditions by a factor or factors
39 defined in the biennial appropriations act.

1 (8) For July 1, 1998, through September 30, 1998, a facility's
2 property and return on investment component rates shall be the
3 facility's June 30, 1998, property and return on investment component
4 rates, without increase. For October 1, 1998, through June 30, 1999,
5 a facility's property and return on investment component rates shall be
6 rebased utilizing 1997 adjusted cost report data covering at least six
7 months of data.

8 (9) Total payment rates under the nursing facility medicaid payment
9 system shall not exceed facility rates charged to the general public
10 for comparable services.

11 (10) Medicaid contractors shall pay to all facility staff a minimum
12 wage of the greater of the state minimum wage or the federal minimum
13 wage.

14 (11) The department shall establish in rule procedures, principles,
15 and conditions for determining component rate allocations for
16 facilities in circumstances not directly addressed by this chapter,
17 including but not limited to: The need to prorate inflation for
18 partial-period cost report data, newly constructed facilities, existing
19 facilities entering the medicaid program for the first time or after a
20 period of absence from the program, existing facilities with expanded
21 new bed capacity, existing medicaid facilities following a change of
22 ownership of the nursing facility business, facilities banking beds or
23 converting beds back into service, facilities temporarily reducing the
24 number of set-up beds during a remodel, facilities having less than six
25 months of either resident assessment, cost report data, or both, under
26 the current contractor prior to rate setting, and other circumstances.

27 (12) The department shall establish in rule procedures, principles,
28 and conditions, including necessary threshold costs, for adjusting
29 rates to reflect capital improvements or new requirements imposed by
30 the department or the federal government. Any such rate adjustments
31 are subject to the provisions of RCW 74.46.421.

32 (13) Effective July 1, 2001, medicaid rates shall continue to be
33 revised downward in all components, in accordance with department
34 rules, for facilities converting banked beds to active service under
35 chapter 70.38 RCW, by using the facility's increased licensed bed
36 capacity to recalculate minimum occupancy for rate setting. However,
37 for facilities other than essential community providers which bank beds
38 under chapter 70.38 RCW, after May 25, 2001, medicaid rates shall be
39 revised upward, in accordance with department rules, in direct care,

1 therapy care, support services, and variable return components only, by
2 using the facility's decreased licensed bed capacity to recalculate
3 minimum occupancy for rate setting, but no upward revision shall be
4 made to operations, property, or financing allowance component rates.

5 (14) Facilities obtaining a certificate of need or a certificate of
6 need exemption under chapter 70.38 RCW after June 30, 2001, must have
7 a certificate of capital authorization in order for (a) the
8 depreciation resulting from the capitalized addition to be included in
9 calculation of the facility's property component rate allocation; and
10 (b) the net invested funds associated with the capitalized addition to
11 be included in calculation of the facility's financing allowance rate
12 allocation.

13 **Sec. 914.** RCW 79.90.245 and 2002 c 371 s 923 are each amended to
14 read as follows:

15 After deduction for management costs as provided in RCW 79.64.040
16 and payments to towns under RCW 79.92.110(2), all moneys received by
17 the state from the sale or lease of state-owned aquatic lands and from
18 the sale of valuable material from state-owned aquatic lands shall be
19 deposited in the aquatic lands enhancement account which is hereby
20 created in the state treasury. After appropriation, these funds shall
21 be used solely for aquatic lands enhancement projects; for the
22 purchase, improvement, or protection of aquatic lands for public
23 purposes; for providing and improving access to such lands; and for
24 volunteer cooperative fish and game projects.

25 In providing grants for aquatic lands enhancement projects, the
26 department shall require grant recipients to incorporate the
27 environmental benefits of the project into their grant applications,
28 and the department shall utilize the statement of environmental
29 benefits in its prioritization and selection process. The department
30 shall also develop appropriate outcome-focused performance measures to
31 be used both for management and performance assessment of the grants.
32 To the extent possible, the department should coordinate its
33 performance measure system with other natural resource-related agencies
34 as defined in RCW 43.41.270. The department shall consult with
35 affected interest groups in implementing this section.

36 During the fiscal biennium ending June 30, (~~2003~~) 2005, the funds
37 may be appropriated for boating safety, settlement costs for aquatic
38 lands cleanup, and shellfish management, enforcement, and enhancement.

1 NEW SECTION. **Sec. 915.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 916.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of the
7 state government and its existing public institutions, and takes effect
8 immediately.

(End of part)

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ADOPTED 03/11/2004

1 On page 1, line 1 of the title, after "matters;" strike the
2 remainder of the title and insert "amending RCW 9.46.100, 28A.160.195,
3 28B.102.040, 28B.119.010, 43.83.020, 43.88.030, 43.105.830, 43.105.835,
4 49.70.170, 69.50.520, 74.46.431, and 79.90.245; amending 2003 1st sp.s.
5 c 25 ss 101, 102, 103, 104, 109, 110, 111, 113, 114, 115, 118, 121,
6 122, 123, 124, 125, 126, 128, 129, 137, 138, 140, 141, 135, 142, 143,
7 146, 147, 148, 150, 151, 201, 202, 203, 204, 205, 206, 207, 208, 209,
8 210, 211, 212, 213, 217, 219, 220, 221, 222, 226, 216, 225, 302, 303,
9 304, 305, 306, 307, 308, 309, 401, 402, 501, 502, 503, 504, 505, 506,
10 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 602, 603, 604,
11 605, 606, 607, 608, 609, 610, 611, 701, 703, 704, 709, 712, 715, 718,
12 723, 710, 720, 801, 805, and 806 (uncodified); adding a new section to
13 chapter 43.330 RCW; adding new sections to 2003 1st sp.s. c 25
14 (uncodified); making appropriations; and declaring an emergency."

--- END ---